



BOARD OF WATER AND NATURAL RESOURCES

June 29, 2023

1:00 p.m.CT

In-Person or On-Line

Matthew Training Center

Joe Foss Building, 523 E. Capitol

Pierre, SD

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<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 29, 2023

1:00 p. m. CT

- 1. Call Meeting to order**
- 2. Approve Agenda**
- 3. Approve Minutes of March 30, 2023 Board Meeting**
- 4. Public Comment Period**
- 5. Amendments to the State Water Plan, 2023 Clean Water SRF and 2023 Drinking Water SRF Intended Use Plans – Andy Bruels**
 - a. Aurora**
 - b. Clark Rural Water System**
 - c. Kingbrook Rural Water System**
 - d. Lead**
 - e. Lead**
 - f. Medicine Mountain Scout Ranch**
 - g. Philip**
 - h. Spearfish**

Notice is given to individuals with disabilities that the meeting is being held in a physically accessible location. Individuals requiring assistive technology or other services in order to participate in the meeting or materials in an alternate format should contact Brian Walsh, Nondiscrimination Coordinator, by calling (605) 773-5559 or by email at Brian.Walsh@state.sd.us as soon as possible but no later than two business days prior to the meeting in order to ensure accommodations are available.

6. Funding Applications Deferred from March 30, 2023 – Andy Bruels
 - a. Chancellor – Clean Water
 - b. Chancellor – Drinking Water
 - c. Henry – Clean Water
 - d. Henry – Drinking Water
 - e. Saint Lawrence – Clean Water
 - f. Saint Lawrence – Drinking Water
7. Drinking Water Facilities Funding Applications – Andy Bruels
 - a. Cresbard (117)
 - b. Bear Butte Valley Water (104)
 - c. Centerville (79)
 - d. Milbank (77)
 - e. North Sioux City (31)
 - f. Big Sioux Community Water System (17)
 - g. Hartford (16)
 - h. Minnehaha Community Water Corp (8)
8. Sanitary/Storm Sewer Facilities Applications – Tina McFarling
 - a. Lake Norden (14)
 - b. Brandon (12)
 - c. Philip (8)
 - d. Philip (6)
9. Solid Waste Management Program Funding Applications – Andy Bruels
 - a. Belle Fourche
 - b. Brookings
 - c. Brown County
 - d. Huron
 - e. Madison
 - f. Winner
10. Mitchell Additional Funding Request for Drinking Water SRF Loan C462129-06 – Abbey Larson
11. Spearfish Additional Funding Request for Drinking Water SRF Loan C462030-02 – Abbey Larson
12. Copper Oaks No. 1 Water Association Request to Deobligate Consolidated Loan 2024L-102 – Andy Bruels
13. WEB Request to Amend Drinking Water SRF Loan C462426-04 Funding Package – Andy Bruels
14. Lake Thompson Water Project District Formation Approval – Tina McFarling
15. Brookings Request to Amend Loan Security Pledge for Drinking Water SRF Loan C462019-03 – Andy Bruels
16. September 28-29, 2023, Meeting
17. Adjourn

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

March 30, 2023
10:00 a.m. Central Time

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

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

BOARD MEMBERS PRESENT: Jerry Soholt, Jackie Lanning, and Karl Adam participated remotely. Todd Bernhard and Paul Gnirk participated in person.

BOARD MEMBERS ABSENT: Vance Newman and Gene Jones, Jr.

OTHERS: See attached attendance sheet.

APPROVE AGENDA: Agenda Item No. 19 was moved to the end of the agenda.

Motion by Gnirk, seconded by Bernhard, to approve the agenda as amended. Motion carried unanimously.

APPROVE MINUTES OF JANUARY 5, 2023, MEETING: Motion by Lanning, seconded by Gnirk, to approve the minutes of the January 5, 2023, Board of Water and Natural Resources meeting. A roll call vote was taken, and the motion carried unanimously.

PUBLIC COMMENT PERIOD: Public comments regarding the city of Custer funding application were given by the following:

Jill Schanzenbach, Custer
Neil Schanzenbach, Chairman of Preserve French Creek, Custer
Kathryn Mary Merritt, Custer
Blair Waite, Custer
Jack Winter, Custer
Anda Anderson, Custer

PUBLIC HEARING TO AMEND ADMINISTRATIVE RULES 74:05:08 AND 74:05:11: The Board of Water and Natural Resources convened at 10:00 a.m. Central Time on March 30, 2023, in the Matthew Training Center, Joe Foss Building, 523 E Capitol Avenue, Pierre SD, 57501.

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The purpose of the hearing was to consider amendments to ARSD 74:05:08, State Water Pollution Control Revolving Fund Program, and ARSD 74:05:11, Drinking Water State Revolving Fund Program.

The hearing officer was Board of Water and Natural Resources chairman Jerry Soholt. Other board members participating included Dr. Paul Gnirk and Todd Bernhard, participating in person, and Karl Adam, and Jackie Lanning, participating remotely.

The attached attendance sheet includes others who attended the hearing.

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

There were no written or oral comments.

Environmental Funding Program Administrator, Mike Perkovich, provided a summary of the proposed amendments to ARSD 74:05:08:01, 74:05:08:02, 74:05:08:03.01, 74:05:08:12.03, 74:05:08:13, 74:05:08:13.02, 74:05:08:18.01, 74:05:08:18.02, 74:05:11:01, 74:05:11:02, 74:05:11:06, 74:05:11:12, 74:05:11:12.02, 74:05:11:14, 74:05:11:18, 74:05:11:18.01, and 74:05:11:18.02.

The changes will establish guidelines for eligibility to receive principal forgiveness from the new Emerging Contaminants and Lead Service Line Replacement funding and broaden the universe of eligible water system that can access from these programs. The revisions also allow borrowers to receive a reduced interest rate on loans that are subject to the Build America, Buy American procurement requirements and provide loans with no interest to projects that are using the Lead Service Line Replacement funding. The proposed revisions will also modify the application requirements, include priority points for Emerging Contaminants and Lead Service Line Replacement projects, update or correct references to the Drinking Water Act authorizing legislation, census data and state statutes, and make other minor grammatical changes.

The reason for the changes is to implement new funding programs made available through the Bipartisan Infrastructure Law and update metrics using data from the 2020 Census.

Motion by Bernhard, seconded by Gnirk, to adopt amendments to ARSD 74:05:08:01, 74:05:08:02, 74:05:08:03.01, 74:05:08:12.03, 74:05:08:13, 74:05:08:13.02, 74:05:08:18.01, 74:05:08:18.02, 74:05:11:01, 74:05:11:02, 74:05:11:06, 74:05:11:12, 74:05:11:12.02, 74:05:11:14, 74:05:11:18, 74:05:11:18.01, and 74:05:11:18.02, as presented. Motion carried unanimously.

Chairman Soholt closed the hearing at 11:00 a.m. Central Time.

AMENDMENTS TO STATE WATER PLAN, 2023 CLEAN WATER SRF AND 2023 DRINKING WATER SRF INTENDED USE PLANS: Water projects which will require state funding or need state support for categorical grant or loan funding must be on the State Water Plan. The Board of Water and Natural Resources annually approves projects for placement onto State Water Facilities Plan and provides for amendment of projects onto the plan. Placement of a project on the State

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Water Plan by the board provides no guarantee of funding. The projects placed on the plan at this meeting will remain on the facilities plan through December 2024.

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.

Andy Bruels reported that 16 State Water Plan applications were received by the February 1, 2023, deadline. A list of projects was included in the board packet. As he presented the State Water Plan applications, Mr. Bruels also identified those projects to be placed on the Clean Water SRF and Drinking Water SRF project priority lists.

Mr. Bruels presented the following State Water Facilities Plan applications and staff recommendation:

Project Sponsor	Description	Projected State Funding (\$)	Recommendation
Big Sioux Community Water System	This project will add three segments of water line loops in the Lake Madison and Brant Lake service area to increase pressure and flow. The project will install 5.2 miles of 6- and 8-inch PVC watermain.	\$2,200,000	Place on Facilities Plan
B-Y Water District	The project will include improvements to chemical feed systems on three storage reservoirs near the treatment plant, rehabilitation of two of the reservoir coatings, and additional pipeline interconnections between the reservoirs to improve storage utilization.	\$4,000,000	Place on Facilities Plan
Centerville	Construction of a new water storage tank to replace the existing standpipe that is beyond its useful life.	\$1,400,000	Place on Facilities Plan

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Claremont	This project will replace and install 1,100 feet of storm sewer pipe in a portion of the community with storm water issues. The project will also make improvements the existing sanitary sewer lift station including pumps and controls.	\$505,000	Place on Facilities Plan
Hartford	Installation of 4,400 feet of 6- and 8-inch PVC to loop two areas of the water distribution system currently served by dead-end lines.	\$990,800	Place on Facilities Plan
Hecla	Replacement of 15,500 feet of clay sanitary sewer, installation of drain tile to remove groundwater and improve stormwater management, rehabilitation of the wastewater treatment lagoons, and installation of a lift station and forcemain to improve sanitary sewer conveyance.	\$12,921,000	Place on Facilities Plan
Herreid	Replace its existing water storage tower that is beyond its useful life and install 2,000 feet of watermain to better loop portions of the distribution system.	\$2,550,550	Place on Facilities Plan
Java	Replacement or relining of 16,600 feet of sanitary sewer, upgrade the controls for the lift station and purchase a generator for the lift station.	\$4,017,386	Place on Facilities Plan

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Meadow Crest Sanitary District	The project will install a new well to provide a redundant supply for the system and necessary capacity for current and future users.	\$590,000	Place on Facilities Plan
Milbank	Replacement of existing well pumps in 3 wells that are beyond their useful life and installation of a new well to meet current source water needs The project will also make Water Treatment improvements to include replacement of high service pumps, chemical feed and storage, UV disinfection, and an iron precipitation tank.	\$12,500,000	Place on Facilities Plan
Minnehaha Community Water Corp	Replacement of existing treatment plant control systems and related electrical upgrades.	\$543,400	Place on Facilities Plan
North Brookings Sanitary & Water District - Water	Replace of 6,000 feet of asbestos cement water main with PVC pipe.	\$1,300,000	Place on Facilities Plan
North Brookings Sanitary & Water District - Wastewater	Relining of 10,400 feet of clay sanitary sewer, replacement of the existing lift station, and replacement of 5,400 of forcemain.	\$4,000,000	Place on Facilities Plan
North Sioux City	Installation of 1,000 feet of new watermain a meter vault and system controls to allow an interconnection for water between the city and Dakota Dunes CID.	\$574,100	Place on Facilities Plan

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Sioux Falls – Basin 15 Phase 2	Installation of 1 mile of sanitary sewer trunk main and related appurtenances in the northwest area of the city in what is known as basin 15 this project is phase 2 of the development. This will open up land for future development and install best management practices in the Big Sioux River watershed.	\$6,214,000	Place on Facilities Plan
Sioux Falls – Basins 28 and 29	Installation of 2.5 miles of sanitary sewer trunk main and related appurtenances in the southeast area of the city in what is known as sewer basins 28 and 29. This will open up to 480 acres of land for future development and install best management practices in the Big Sioux River watershed.	\$42,317,600	Place on Facilities Plan

Motion by Lanning, seconded by Gnirk, to place the 16 projects on the 2023 State Water Facilities Plan. Motion carried unanimously.

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

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
13	Hecla	\$12,921,000	3.25%, 30 years
12	Sioux Falls – Basin 15 Phase 2	\$6,214,000	2.25%, 20 years
12	Sioux Falls – Basins 28 and 29	\$8,410,500	2.25%, 20 years
9	Tabor	\$1,000,000	3.25%, 30 years
8	North Brookings Sanitary & Water District	\$4,000,000	3.25%, 30 years
6	Claremont	\$12,921,000	3.25%, 30 years
6	Java	\$6,214,000	2.25%, 20 years

Motion by Lanning, seconded by Gnirk, to place the seven projects on the 2023 Clean Water SRF Project Priority List. Motion carried unanimously.

Staff recommended that the following projects be added to Attachment I – Project Priority list of the 2023 Drinking Water SRF Intended Use Plan:

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Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
103	Herreid	\$2,550,550	0%, 30 years
77	Milbank	\$12,500,000	2.75%, 30 years
31	North Sioux City	\$574,100	3.25%, 30 years
27	Saint Lawrence	\$940,000	3.25%, 30 years
17	Big Sioux Community Water System	\$2,200,000	3.25%, 30 years
17	Meadow Crest Sanitary District	\$590,000	3.25%, 30 years
16	Hartford	\$990,800	3.25%, 30 years
8	B-Y Water District	\$4,000,000	3.25%, 30 years
8	Minnehaha Community Water Corporation	\$543,400	3.00%, 20 years
7	North Brookings Sanitary & Water District	\$1,300,000	3.25%, 30 years
4	Centerville	\$1,400,000	3.00%, 30 years

Motion by Bernhard, seconded by Gnirk, to place the 11 projects on the 2023 Drinking Water SRF Project Priority List. Motion carried unanimously.

AMENDMENTS TO THE 2022 CLEAN WATER SRF INTENDED USE PLAN: The FFY 2022 Clean Water State Revolving Fund Intended Use Plan was approved by the Board of Water and Natural Resources in November 2021 and amended in March, June, July, and September 2022.

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.

Staff recommended that the following projects be added to Attachment I - Project Priority List of the FFY 2022 Clean Water Intended Use Plan:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
27	Vermillion	\$23,100,000	3.25%, 30 years
8	Kimball	\$1,095,000	3.25%, 30 years
7	Wolsey	\$134,000	3.25%, 30 years

Motion by Adam, seconded by Bernhard to approve the amendments to the FFY 2022 Clean Water SRF Intended Use Plan. Motion carried unanimously.

AMENDMENTS TO THE 2022 DRINKING WATER SRF INTENDED USE PLAN: The FFY 2022 Drinking Water State Revolving Fund Intended Use Plan was approved by the Board of Water and Natural Resources in November 2021 and amended in January, March, April, June, and September 2022, and January 2023.

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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.

Staff recommended that the following projects be added Attachment I - Project Priority List of the FY 2022 Drinking Water Intended Use Plan:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
138	Vermillion	\$7,000,000	2.75%, 30 years
77	Wessington	\$673,000	0%, 30 years
34	New Underwood	\$7,580,000	3.00%, 30 years
27	Saint Lawrence	\$940,000	3.25%, 30 years
20	Salem	\$1,400,000	3.00%, 30 years

Motion by Lanning, seconded by Adam, to approve the amendments to the FFY 2022 Drinking Water SRF Intended Use Plan. Motion carried unanimously.

MILLER REQUEST TO AMEND CLEAN WATER SRF WATER QUALITY GRANT 2020G-WQ-100 AND DRINKING WATER CONSTRUCTION GRANT 2020G-DW-101: Mr. Bruels reported that on March 28, 2019, the Board of Water and Natural Resources awarded Miller a \$400,000 Drinking Water SRF loan, a \$2,000,000 Consolidated grant, and a \$100,000 Drinking Water SRF Construction grant to replace cast iron and asbestos cement watermain. The city also received a \$1,900,000 Clean Water SRF loan, a \$2,000,000 Consolidated grant, and a \$339,000 Clean Water SRF Water Quality grant to replace sanitary and storm sewer collection pipes. The grants expire in March 2023. The Consolidated grants cannot receive a time extension; however, this limitation does not apply to the SRF grants.

Due to unforeseen circumstances with receiving funds from another source and coordination between the agencies, the project was not bid as soon as anticipated. A construction delay also occurred to allow for an additional freeze/thaw cycle and asphalt installation. As a result, the project will not be completed within the original grant period.

On February 23, 2023, staff received a letter from Miller requesting the grant periods of the Drinking Water SRF Construction grant and the Clean Water SRF Water Quality grant be extended to allow for project completion. The city also requested that both remaining Consolidated grants fund balances be re-allocated to the respective SRF grants and the grant percentages be increased to allow the city to fully utilize all grant funds originally provided.

As of March 1, 2023, Miller had \$35,980.90 remaining in Consolidated grant 2020G-104 for the drinking water project and \$453,743.74 remaining in Consolidated grant 2020G-100 for the sanitary and storm sewer project.

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With assistance from the Attorney General's office, staff has prepared amendments to both the Drinking Water SRF Construction grant and Clean Water SRF Water Quality grant for the amendments.

Staff recommended the board approve amending Drinking Water SRF Construction grant 2020G-DW-101 to extend the grant period until March 31, 2024, increase the total grant amount to \$135,980, and increase the grant percentage to 5.5 percent of eligible total project costs.

Staff also recommended the board approve amending Clean Water SRF Water Quality grant 2020G-WQ-100 to extend the grant period until March 31, 2024, increase the total grant amount to \$792,743, and increase the grant percentage to 15.2 percent of eligible total project costs.

Mr. Bruels noted that the remaining funds from Consolidated grants 2020G-104 and 2020G-100 will be de-obligated.

Motion by Adam, seconded by Bernhard, to adopt **Resolution No. 2023-19** approving the First Amendment to SRF Drinking Water Grant Agreement 2020G-DW-101 with the **city of Miller** to extend the termination date of the grant to March 31, 2024, increase the grant percentage to 5.5 percent, and increase the total grant amount to \$135,980. Motion carried unanimously.

Motion by Bernhard, seconded by Adam, to adopt **Resolution No. 2023-20** approving the First Amendment to SRF Water Quality Grant Agreement 2020G-WQ-100 with the **city of Miller** to extend the termination date of the grant to March 31, 2024, increase the grant percentage to 15.2 percent, and increase the total grant amount to \$792,743. Motion carried unanimously.

SUMMERSET CHANGE OF PLEDGE REQUEST FOR CLEAN WATER SRF LOAN C461448-03: Stephanie Riggle reported that on April 13, 2022, the Board of Water and Natural Resources awarded a \$5,923,042 Clean Water SRF loan and a \$3,596,279 ARPA grant to the city of Summerset. The pledge on the original application was a project surcharge.

Staff has had conversations with the city of Summerset about a change of pledge from a project surcharge to using their already established Tax Increment Finance (TIF) district for repayment of the loan to help keep their wastewater user rates lower. The city has agreed to add a clause in the loan requiring them to establish a surcharge if the TIF revenues become insufficient for debt repayment.

On February 21, 2023, staff received a letter from Summerset outlining this request and noted the city has passed resolutions to allow use of its TIF funds for repayment of the loan.

TIFs can only exist for 20 years, and this TIF was established in 2018 and, therefore, only has 15 years left. The term of the loan cannot be longer than the remaining term of the TIF.

Staff recommended that the board rescind Resolution No. 2022-212, which awarded the original loan, and adopt a resolution approving a \$5,923,042 Clean Water SRF loan at 2.0 percent interest for 15 years with the TIF as the revenue pledge.

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Motion by Gnirk, seconded by Bernhard, to rescind Resolution No. 2022-212 and adopt **Resolution No. 2023-21** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$5,923,042 at 2.0 percent interest for 15 years to the **city of Summerset** to increase its wastewater treatment facility capacity, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective. Motion carried unanimously.

ALCESTER PROJECT SCOPE AMENDMENT REQUEST FOR CLEAN WATER SRF LOAN C461212-02 AND ARPA GRANT 2022G-ARP-101: Suzanne McKinley reported that on April 13, 2022, the city of Alcester was awarded a \$250,350 Clean Water SRF Loan and a \$1,418,650 ARPA grant to complete upgrades to its wastewater collection system.

On December 13, 2022, DANR received a letter from the city of Alcester requesting reallocation of those funds to the wastewater treatment plant project that was funded with SRF loan C461212-01 on March 25, 2021. Although the city was awarded a \$770,000 Community Development Block Grant to help with wastewater treatment plant project costs, Alcester still expects a funding deficit of approximately \$1,153,000 on a \$5,000,000 bid. If bids come in higher, the deficit will increase.

The city has requested that the scope of the ARPA grant 2022G-ARP-101 and Clean Water SRF loan C461212-02 be amended to align with the scope of the Clean Water SRF loan C461212-01 for the wastewater treatment system improvements.

At this time, the city is not planning to pursue the wastewater collection system project.

Staff recommended the board approve amendment of the scope of Clean Water SRF loan C461212-02 and ARPA grant 2022G-ARP-101 to the proposed wastewater treatment plant work.

Motion by Adam, seconded by Lanning, to adopt **Resolution No. 2023-22** approving the First Amendment to American Rescue Plan Act Grant Agreement 2022G-ARP-101 with the **city of Alcester** to amend the project name and the scope of the project, and to amend the scope of Clean Water SRF loan C461212-02 for the **city of Alcester**. Motion carried unanimously.

PARKSTON ADDITIONAL FUNDING REQUEST FOR CLEAN WATER SRF LOAN C461062-02: Abbey Larson reported that on April 13, 2022, the city of Parkston was awarded a \$1,926,260 Clean Water SRF loan and a \$1,089,740 American Rescue Plan Act grant for a wastewater collection and treatment improvements project.

On February 13, 2023, the Department of Agriculture and Natural Resources received a letter from the city of Parkston requesting that Clean Water SRF loan C461062-02 be amended to include an additional \$1,119,700. The additional funding is necessary to cover increased construction material and labor costs.

This increase will bring the project total to \$4,400,000.

Staff recommended that the board rescind Resolution No. 2022-167, which awarded the original Clean Water SRF loan, and award a \$3,045,960 Clean Water SRF loan at 2.125 percent interest for 30 years 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 Bernhard, seconded by Gnirk, to rescind Resolution No. 2022-167 and adopt **Resolution No. 2023-23** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$3,045,960 at 2.125 percent interest for 30 years to the **city of Parkston** for wastewater 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. Motion carried unanimously.

WATERTOWN STATE WATER RESOURCES MANAGEMENT SYSTEM GRANT

AGREEMENT AMENDMENT: Andy Bruels reported that the 2022 State Legislature appropriated \$249,727 in grant funds for the Watertown & Vicinity Big Sioux Flood Control Study. The board placed these funds under agreement with the city of Watertown in March 2022.

The 2023 State Legislature appropriated \$200,273 in grant funds for the Watertown & Vicinity Big Sioux Flood Control Study.

The department received a request from the city of Watertown to place the 2023 appropriation under agreement. The first amendment to the grant agreement was drafted with the assistance of DANR legal counsel, and the DANR review process has been completed.

This will raise the total grant amount for the study to \$450,000.

Staff recommended approval of a resolution authorizing the Chairman to execute the State Water Resources Management System Grant Agreement First Amendment with the city of Watertown.

Motion by Adam, seconded by Gnirk, to adopt **Resolution No. 2023-24** approving the First Amendment to the South Dakota Water and Environment Fund grant agreement to provide an additional \$200,273 to the **city of Watertown** for the Big Sioux Flood Control study, and authorizing the chairman of the board to execute the Water Resources Management System grant agreement.. Motion carried unanimously.

WATER INVESTMENT IN NORTHERN SOUTH DAKOTA (WINS) STATE WATER

RESOURCES MANAGEMENT SYSTEM GRANT AGREEMENT: Mr. Bruels reported that Section 1 of Senate Bill 17 approved by the 2023 Legislature amended the State Water Resources Management System list in SDCL 46A-1-2.1 to add the Water Investment in Northern South Dakota (WINS) project as a preferred priority project of the state.

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Section 4 of Senate Bill 17 approved by the 2023 Legislature appropriated \$5,000,000 in grant funds for the WINS project. The legislation authorized the state grant to the local project sponsors for the engineering design, preconstruction activities, and construction of the facilities included in the project. The grant is subject to the terms and conditions established by the Board of Water and Natural Resources.

The department has received a joint request from the three local project sponsors to place the \$5,000,000 appropriation under agreement. A grant agreement was drafted with the assistance of DANR legal counsel, and the DANR review process has been completed.

Staff recommended board approval of a resolution authorizing the chairman to execute the State Water Resources Management System Grant Agreement with the joint project sponsors, which are the city of Aberdeen, BDM Rural Water System, and WEB Water Development Association, Inc.

Motion by Adam, seconded by Bernhard, to adopt **Resolution No. 2023-25** approving the State Water Resources Management System grant agreement to the **Water Investment in Northern South Dakota** joint project sponsors for an amount not to exceed \$5,000,000 for engineering design, preconstruction activities, and construction of the facilities included in the project, and authorizing the chairman of the board to execute the Water Resources Management System grant agreement. Motion carried unanimously.

WESTERN DAKOTA REGIONAL WATER SYSTEM STATE WATER RESOURCES MANAGEMENT SYSTEM GRANT AGREEMENT: Mr. Bruels reported that Section 1 of Senate Bill 17 approved by the 2023 Legislature amended the State Water Resources Management System list in SDCL 46A-1-2.1 to add the Western Dakota Regional Water System study as a preferred priority project of the state.

Section 5 of Senate Bill 17 approved by the 2023 Legislature appropriated \$1,000,000 in grant funds for the Western Dakota Regional Water System study. The Legislation authorized the state grant to the local project sponsors for a feasibility level study, system startup, and administration of the study. The grant is subject to the terms and conditions established by the Board of Water and Natural Resources.

The department received a request from the Western Dakota Regional Water System, as the local project sponsor, to place the \$1,000,000 appropriation under agreement. A grant agreement has been drafted with the assistance of DANR legal counsel, and the DANR review process has been completed.

Staff recommended board approval of a resolution authorizing the chairman to execute the State Water Resources Management System Grant Agreement with the Western Dakota Regional Water System.

Motion by Gnirk, seconded by Adam, to adopt **Resolution No. 2023-26** approving the State Water Resources Management System grant agreement to the **Western Dakota Regional Water System** for an amount not to exceed \$1,000,000 for a feasibility level study, system startup, and

administration of the study, and authorizing the chairman of the board to execute the Water Resources Management System grant agreement. Motion carried unanimously.

LEWIS & CLARK REGIONAL WATER SYSTEM ACKNOWLEDGEMENT OF STATE WATER RESOURCES MANAGEMENT SYSTEM LOAN TO GRANT CONVERSION: Mr. Bruels reported that the 2015 Legislature appropriated funds for the purpose of providing a no-interest loan in the amount of \$7,700,000 to the Lewis and Clark Rural Water System project. The board took action to enter into a loan agreement for the funds on June 25, 2015.

The funds were used for engineering, easements, construction and other costs associated with completion of Segment 1 and Segment 5 of the Madison Service Line. The work has been completed, and all funds have been disbursed for eligible costs.

In April 2022 the board approved a \$13,136,100 ARPA grant to Lewis & Clark RWS with the following conditions:

- The award will be limited to drawing and utilizing no more than \$7,300,000 of ARPA grant funds prior to April 1, 2023.
- During the 2023 legislative session as a part of the annual Omnibus Bill, the Department of Agriculture and Natural Resources and the Board of Water and Natural Resources will propose that Lewis and Clark's existing \$7,700,000 State Water Resources Management System loan be converted to a grant.
- If the conversion of the \$7,700,000 loan to a grant is approved by the legislature, the ARPA grant total will be \$7,300,000, resulting in a combined grant allocation of \$15,000,000 to Lewis & Clark RWS.
- If conversion of the loan to a grant is unsuccessful, Lewis & Clark will be allowed to utilize the full ARPA award of \$13,136,100.

The reason the conditions were included in the ARPA grant agreement is that it would be beneficial for the board to retain some additional ARPA funds to use in the future, and it provides the ability for Lewis & Clark to receive additional funds.

Mr. Bruels stated that the 2023 Legislature in Senate Bill 17, section 2 amended the 2015 session law, chapter 224, section 2 for the purpose of converting the loan agreement to a grant. To document this legislative act an acknowledgement was drafted with the assistance of DANR legal counsel.

Motion by Bernhard, seconded by Gnirk, to adopt **Resolution No. 2023-27** acknowledging the \$7,700,000 State Water Resources Management System loan to **Lewis & Clark Rural Water System, Inc.** was converted to a grant by an act of the 2023 South Dakota Legislature through Senate Bill 17, section 2. Motion carried unanimously.

LAKE THOMPSON WATER PROJECT DISTRICT FORMATION PETITION: Mike Perkovich reported that persons desiring to establish an area as a water project district may petition the Board of

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Water and Natural Resources to submit to an election the question of whether such area shall become a water project district.

The department received a petition to form the Lake Thompson Area Water Project District. The proposed district is located in Kingsbury County and encompasses Lake Henry and that portion of Lake Thompson located in Kingsbury County.

The object and purpose of the proposed district is to provide a focus and representation for addressing water management issues related to flooding in the Lake Thompson/Lake Henry area and to pursue funding sources to implement solutions to the flooding issues.

Specifically, directors shall be elected to propose and implement studies related to flooding in the Lake Thompson watershed and to utilize the results of the studies to pursue approval and implementation of projects and water management practices to better address flooding issues in the Lake Thompson/Lake Henry area. All projects will be conducted with coordination and approval of appropriate local, county, state, and federal agencies.

James Knight, co-Chair of the Lake Thompson Area Water Project District petition committee, stated that the formation of a water project district is an attempt for citizens in the Lake Thompson area to be involved in ways of addressing the flooding issues. The dollars the area was not able to apply for in the previous floods, and the lack of emergency services prompted the group to realize that there needs to be official representation for the area. The petition committee believes the formation of a water project district is an appropriate avenue to pursue funding to address the flooding issues.

Mr. Knight answered questions from the board.

Mr. Perkovich noted that the petition has been verified to meet the statutory requirements of SDCL 46A-18 and 6-16.

Motion by Gnirk, seconded by Bernhard, to adopt **Resolution No. 2023-28** finding that the petition submitted to create and establish the Lake Thompson Area Water Project District substantially complies with all the applicable requirements specified in SDCL 46A-18 and SDCL 6-16, and that the proposed project is feasible and conforms to the public convenience and welfare, that the Board of Water and Natural Resources approves the petition and calls for an election of the qualified voters of the Lake Thompson Area Water Project District on the question of whether the Lake Thompson Area Water Project District should be created and established with the date of said election being set not more than sixty days after the board declares that the application for incorporation is valid. If a majority of the votes cast on the question of formation is in favor, an election of the initial board of directors shall be conducted immediately thereafter. The Board hereby directs the Department of Agriculture and Natural Resources to enter into a Joint Powers Agreement with the Kingsbury County Commissioners for the Kingsbury County Auditor to select a date for the election on the creation of the water project district and to cause the appropriate notices to be published for the election and agrees to conduct the election in accordance with the applicable requirements of SDCL chapter 6-16. Motion carried unanimously.

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MEETING SCHEDULE FOR SFY 2024: Mike Perkovich presented the proposed board meeting schedule for SFY 2024.

Motion by Adam, seconded by Gnirk, to adopt the following tentative meeting schedule for SFY 2024: September 28-29, 2023, November 9, 2023, January 4, 2024, March 28-29, 2024, and June 27-28, 2024. Motion carried unanimously.

Mr. Perkovich announced that he will be retiring on June 8, 2023.

Chairman Soholt called a recess for lunch at 11:50 a.m. He called the meeting back to order at 1:10 p.m. Central Time. A quorum as present.

LEAD SERVICE LINE PRESENTATION: Erin Steever, Bartlett & West, provided a slide presentation discussing the Statewide Lead Service Line Inventory. The inventory team includes DANR, Bartlett & West, Black & Veach, Brosz Engineering, and ClickRain and Lemonly. The South Dakota Rural Water Association is a significant resource partner for this project.

Ms. Steever discussed what water systems are doing now, developing the messaging, understanding the requirements, and implementation of the inventory.

Ms. Steever, Andy Bruels and Mark Mayer, DANR Drinking Water Program, answered questions.

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

Mr. Bruels announced that this is Mike Perkovich's last board meeting as he will be retiring on June 8. Mike has been involved in the water and wastewater funding programs since 1988. During his time with DANR, Mike has been here for every SRF loan the board awarded, and he has been involved since the beginning of the dedicated water and solid waste funding, which is part of the annual Omnibus Bill.

During this time, the board has awarded more than 1,100 loans between the SRF programs totaling more than \$2,700,000,000 in funds. Approximately \$400,000,000 in additional funds for projects through the Omnibus Bill and more than 1,000 other grants and loans were awarded. In 2022, \$600,000,000 in ARPA funds were awarded.

In total, Mike has been a part of awarding approximately \$3,700,000,000, which doesn't include other funds from sources outside of this board. Mike has assisted in funding projects from the smallest communities in the state to the largest cities and regional systems. There is almost nowhere in the state that has not benefited from the assistance Mike has been an integral part of providing for over three decades.

Mike has also been involved in multiple other Board of Water and Natural Resources and DANR activities.

Mr. Bruels thanked Mike for his dedication to the board and DANR.

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Chairman Soholt thanked Mike for his service to the State of South Dakota.

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

Vermillion requested funding to replace equipment that is deteriorated or nearing the end of design life in both the treatment plant and well field. Replaced components will result in upgraded equipment and improved efficiency. The project will also replace approximately 5,120 feet of cast iron pipe with PVC pipe.

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

Staff recommended awarding a \$7,000,000 Drinking Water SRF loan at 2.75 percent interest for 30 years.

Vermillion pledged a project surcharge for repayment of the loan. Current rates in Vermillion are \$31.27 for 5,000 gallons. Staff analysis indicates that a surcharge of \$8.90 is needed for repayment of the loan, bringing overall rates to \$40.17 based on 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.

Shane Griese, city of Vermillion, thanked the board for consideration of funding.

Motion by Gnirk, seconded by Bernhard, to adopt **Resolution No. 2023-29** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$7,000,000 at 2.75 percent interest for 30 years to the **city of Vermillion** for replacement of equipment at the treatment plant and wellfield, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried unanimously.

Wessington requested funding for water tower improvements, which include painting and repairs, and to replace hydrants and gate valves in the distribution system.

The estimated total project amount is \$673,001, and the amount requested is \$673,000. The city was considering submitting a CDBG application.

Staff recommended awarding a \$673,000 Drinking Water SRF loan at 0.0 percent interest for 30 years with 80.0 percent as principal forgiveness not to exceed \$538,000.

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The city has pledged a project surcharge for repayment of the loan. Current rates in Wessington are \$54.00 for 5,000 gallons. Staff analysis indicates that a surcharge of \$3.55 is needed for repayment of the \$135,000 net loan bringing overall rates to \$57.55 based on 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.

Darin Swartz, city of Wessington Trustee, discussed the project.

Motion by Lanning, seconded by Gnirk, to adopt **Resolution No. 2023-30** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$673,000 at 0.0 percent interest for 30 years with 80.0 percent as principal forgiveness not to exceed \$538,000 to the city of Wessington for water tower, hydrant, and gate valve improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried unanimously.

Henry requested funding to replace the existing water distribution system, which includes 16,500 feet of PVC main, 25 hydrants, 4,000 feet of service lines, 125 service connections, 2,000 feet of new PVC line from the existing rural water supply connection point, and a 60,000-gallon water storage tank.

The estimated total project amount is \$6,119,000, and the amount requested is \$6,119,000.

Mr. Bruels stated that with the board's earlier action for approval of the proposed revisions to the Administrative Rules for the SRF programs, there are impacts to funding for a few projects. The rule changes include updating the MHI and unemployment data currently used to determine if a community is considered disadvantaged for Drinking Water SRF loans or meets the affordability criteria for Clean Water SRF loans. The rule changes will not go into effect until April or May 2023. There are several applicants that would become eligible for principal forgiveness, lower interest rates, or both as a result of the proposed rule changes. Henry is one of the communities that would benefit from the new rule changes.

Staff does not believe it is feasible to provide funding on the full project scope identified in the application and keep rates reasonable. Staff has asked Henry to review their project and submit a revised application to reduce the project scope for both the water and wastewater improvements projects.

Staff recommended the board defer action.

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Mr. Bruels noted that, per administrative rules, the board has 120 days from the presentation of an application to make a final funding decision. Staff proposes to bring the Henry application to the board at the June meeting, which meets that requirement.

Motion by Bernhard, seconded by Gnirk, to **defer** board action on the **Henry** funding application. Motion carried unanimously.

New Underwood requested funding to replace approximately 14,540 feet of outdated water main, a new supply line to provide an additional line between the distribution system and storage reservoir, three new looping projects to increase system redundancy, construction of a new well and storage reservoir, and related appurtenances.

The estimated total project amount is \$7,580,000, and the amount requested is \$7,580,000.

Staff does not believe funding the entire project scope with the subsidy that would be necessary to keep rates reasonable in one phase is feasible. Staff has visited with the community to determine its priorities within the overall project. The city has informed staff that its primary priorities are to complete the replacement of existing watermain and install loops to improve water pressure and water quality within the system. These alternatives total \$4,010,000, and that is the basis for the staff recommendation.

Mr. Bruels noted that staff is planning to include the full scope of the project in the award so that if bids come in below the estimate, the city would have the ability to possibly include other portions of the project.

Staff recommended awarding a \$4,010,000 Drinking Water SRF loan at 3.0 percent interest for 30 years with 61.4 percent as principal forgiveness not to exceed \$2,460,000.

The city pledged a project surcharge for repayment of the loan. Rates in New Underwood are \$41.00 for 5,000 gallons. Staff analysis indicates that a surcharge of \$24.95 is needed for repayment of the net \$1,550,000 loan. Staff believes that New Underwood can restructure its current rates and include the surcharge as well as operational and maintenance costs with total rates of \$60.95 based on 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.

Teresa Hall, Mayor of New Underwood, thanked the board for consideration of funding for the project.

Motion by Gnirk, seconded by Adam, to adopt **Resolution No. 2023-31** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$4,010,000 at 3.0 percent interest for 30 years with 61.4 percent as principal forgiveness not to exceed \$2,460,000 to the **city of New Underwood** for a system-wide water improvements project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the

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

Saint Lawrence requested funding to complete Phase 2 drinking water improvements, which include the repair of an existing ground storage tank, replacement of water lines, and looping of water lines. This is part of a larger planned water improvement project for the town and completes work that was originally funded in 2020. This project will be completed concurrent with the wastewater system improvement project – Phase 2, which was presented later in the meeting.

The estimated total project amount is \$940,000, and the amount requested is \$940,000.

Mr. Bruels stated that with the board's earlier action for approval of the proposed revisions to the Administrative Rules for the SRF programs, there are impacts to funding for a few projects. The rule changes include updating the MHI and unemployment data currently used to determine if a community is considered disadvantaged for Drinking Water SRF loans or meets the affordability criteria for Clean Water SRF loans. The rule changes will not go into effect until April or May 2023. There are several applicants that would become eligible for principal forgiveness, lower interest rates, or both as a result of the proposed rule changes. Saint Lawrence is one of the communities that would benefit from the new rule changes.

Staff recommended the board defer action.

Mr. Bruels noted that, per administrative rules, the board has 120 days from the presentation of an application to make a final funding decision. Staff proposes to bring the Saint Lawrence application to the board at the June meeting, which meets that requirement.

Motion by Adam, seconded by Lanning, to defer board action on the **Saint Lawrence** funding application. Motion carried unanimously.

Dell Rapids requested funding for drinking water system improvements.

In April 2022, the city of Dell Rapids was awarded a \$2,136,000 Drinking Water SRF loan for the drinking water portion of its 3rd Street utility improvements project. It has since been determined that the city will need an additional \$800,000 to fund the drinking water portion of the project.

The estimated total project amount is \$2,936,000, and the amount requested is \$800,000.

Staff recommended awarding a \$800,000 Drinking Water SRF loan at 3.25 percent interest for 30 years.

Dell Rapids pledged a project surcharge for repayment of the loan. In 2022, staff anticipated rates in Dell Rapids of \$51.05 for 5,000 gallons to take on the loan at that time. Staff analysis indicates that

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an additional surcharge of \$2.70 is needed for repayment of the new loan, bringing overall rates to \$53.75 based on 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.

Trent Bruce, DGR Engineering, thanked the board for consideration of funding for this project.

Motion by Gnirk, seconded by Bernhard, to adopt **Resolution No. 2023-32** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$800,000 at 3.25 percent interest for 30 years to the **city of Dell Rapids** for the 3rd Street drinking water system improvements project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried unanimously.

Crooks requested funding to replace and upsize 4,630 feet of water main and associated services, add loops, and hydrants at dead ends for flushing. The existing water tower will be removed, and a 250,000-gallon water tower will be installed.

The estimated total project amount is \$3,200,000, and the amount requested is \$3,200,000.

Staff recommended awarding a \$1,575,000 Drinking Water SRF loan at 3.25 percent interest for 30 years and award a Drinking Water SRF Construction Grant at 50.8 percent interest not to exceed \$1,625,000.

Crooks pledged a project surcharge for repayment of the loan. Rates in Crooks were \$53.80 for 5,000 gallons at the time of the application submission. Staff analysis indicates a surcharge of \$14.25 is needed for repayment of the loan. Staff believes that Crooks can restructure its current rates and include the surcharge as well as operational and maintenance costs with total rates of \$60.00 based on 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 placing the following Special Condition on the Drinking Water SRF Construction Grant: Grant funds for reimbursement of project costs must be drawn concurrently with the Drinking Water SRF loan funds.

Jake Morris, DGR Engineering, thanked the board for consideration of funding for the project.

Motion by Adam, seconded by Lanning, to adopt **Resolution No. 2023-33** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,575,000 at 3.25 percent interest for 30 years to the **city of Crooks** for water tower and water system improvements, and

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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. 2023-34** approving SRF Program Drinking Water Grant Agreement 2023G-DW-101 to the **city of Crooks** for up to 50.8 percent of all approved total project costs not to exceed \$1,625,000 for water tower and water system improvements with the Special Condition that grant funds for reimbursement of project costs must be drawn concurrently with the Drinking Water SRF loan funds. Motion carried unanimously.

Salem requested funding to replace cast iron pipe and asbestos cement pipe water mains, services, fire hydrants, valves, and appurtenances in the area west of US Highway 81 from Washington Avenue to Corson Avenue.

The estimated total project amount is \$1,400,000, and the amount requested is \$1,400,000.

Staff recommended awarding a \$1,400,000 Drinking Water SRF loan at 3.0 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Salem are \$65.60 for 5,000 gallons. Based on the surcharge from the loan awarded to Salem in April 2022, staff anticipated rates of \$68.00 with no restructure. Staff analysis indicates a surcharge of \$9.75 is needed for repayment of the new loan. Staff believes that Salem can restructure its current rates and include the surcharge as well as operational and maintenance costs with total rates remaining at \$68.00 based on 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.

Lori Heumiller, Salem finance officer, thanked the board for consideration of funding for the project.

Motion by Bernhard, seconded by Lanning, to adopt **Resolution No. 2023-35** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,400,000 at 3.0 percent interest for 30 years to the **city of Salem** for street and utility improvements Phase II, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried unanimously.

Chancellor requested funding for Phase III of its drinking water distribution system improvements project, which includes approximately 1,700 feet of new 6-inch PVC water main, water services

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replaced within the right-of-way, curb stops, fire hydrants, valves, and fittings. The proposed water main along 5th Street from Dewey Avenue to South Dakota Highway 44 is expected to improve service and provide additional looping.

The estimated total project amount is \$906,000, and the amount requested is \$906,000.

Mr. Bruels stated that with the board's earlier action for approval of the proposed revisions to the Administrative Rules for the SRF programs there are impacts to funding for a few projects. The rules changes include updating the MHI and unemployment data currently used to determine if a community is considered disadvantaged for DWSRF loans or meet the affordability criteria for Clean Water SRF loans. The rules will not go into effect until April or May. Chancellor is one of the communities that would benefit from the new rule changes.

Staff recommended the board defer action until the next meeting.

Motion by Adam, seconded by Bernhard, to **defer** board action on the **Chancellor** funding application. Motion carried unanimously.

Chester Sanitary District requested funding to replace an existing water tower with a 75,000-gallon water tower. The existing tank is undersized for the community. The new tank will include controls necessary for the bulk water supplier, Big Sioux Community Water System, to monitor water levels in the structure.

The estimated total project amount is \$2,342,000, and the amount requested is \$2,342,000.

Staff recommended awarding a \$2,342,000 Drinking Water SRF loan at 3.0 percent interest for 30 years with 62.5 percent as principal forgiveness not to exceed \$1,462,000. The sanitary district has pledged system revenue for repayment of the loan. Chester Sanitary District has rates of \$44.25 for 5,000 gallons. Staff analysis indicates that a user charge of \$29.10 is needed to generate the revenue for the \$880,000 loan. Staff believes that the district can restructure its current rates and include the charges for debt service as well as operational and maintenance costs with total rates of \$60.00 based on 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 rates at a level sufficient to provide the required debt coverage.

Bryan Lipp, Banner Associates, thanked the board for consideration of funding for the project.

Motion by Lanning, seconded by Adam, to adopt **Resolution No. 2023-36** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$2,342,000 at 3.0 percent interest for 30 years with 62.5 percent as principal forgiveness not to exceed \$1,462,000 to the **Chester Sanitary District** for a 75,000-gallon water tower, 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

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Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage. Motion carried unanimously.

Corona requested funding for drinking water improvements to include replacement of 2,100 feet of water main, valves, and service lines within the road right-of-way on Main Street.

The estimated total project amount is \$1,598,000, and the amount requested is \$1,598,000.

Staff recommended awarding a \$159,800 Drinking Water SRF loan at 3.25 percent interest for 30 years, award a Consolidated grant at 80.0 percent of project costs not to exceed \$1,278,400, and award a Drinking Water SRF Construction Grant at 10.0 percent interest not to exceed \$159,800.

Corona has pledged a project surcharge for repayment of the loan. Rates are \$60.00 for 5,000 gallons. Based on awards made in April 2022 for the town to replace meters and an award for Grant-Roberts Rural Water System to connect the town as a bulk user, rates are anticipated to be approximately \$85.00 per 5,000 gallons. Staff analysis indicates a surcharge of \$15.35 is needed for repayment of the loan, bringing overall rates to \$100.00 based on 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 placing the following Special Condition on the Consolidated Grant: Grant funds for reimbursement of project costs must be drawn concurrently with the Drinking Water SRF loan funds.

Jerry Settje, town of Corona Trustee, thanked the board for consideration of funding for the project.

Motion by Adam, seconded by Bernhard, to adopt **Resolution No. 2023-37** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$159,800 at 3.25 percent interest for 30 years to the **town of Corona** for drinking water system improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage; to adopt **Resolution No. 2023-38** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the **town of Corona** for up to 80 percent of approved total project costs not to exceed \$1,278,400 for drinking water system improvements with the special condition that grant funds will be drawn concurrently with the Drinking Water State Revolving Fund loan awarded for this project; and to adopt **Resolution No. 2023-39** approving SRF Program Drinking Water Grant Agreement 2023G-DW-100 to the **town of Corona** for up to 10 percent of all approved total project costs not to exceed \$159,800 for drinking water system improvements with the Special

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Condition that grant funds for reimbursement of project costs must be drawn concurrently with the Drinking Water SRF loan funds. Motion carried unanimously.

Kimball requested funding to replace approximately 1,100 feet of water main and services on Main Street.

The estimated total project amount is \$325,000, and the amount requested is \$325,000.

Staff recommended awarding a \$325,000 Drinking Water SRF loan at 3.0 percent interest for 30 years. Kimball has pledged a project surcharge for repayment of the loan. Rates are \$37.50 for 5,000 gallons. Staff analysis indicates that a surcharge of \$4.50 is needed for repayment of the loan, bringing overall rates to \$42.00.

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.

Motion by Bernhard, seconded by Adam, to adopt **Resolution No. 2023-40** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$325,000 loan at 3.0 percent interest for 30 years to the **city of Kimball** for drinking water system improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried unanimously.

Lake Preston requested funding to replace its existing water tower with a 100,000-gallon water tower. The current water tower has reached the end of its useful life and does not currently have the capacity or pressure to meet the demand on an average peak day.

The estimated total project amount is \$2,002,000, and the amount requested is \$2,002,000.

Staff recommended awarding \$2,002,000 Drinking Water SRF loan at 3.0 percent interest for 30 years with 85.1 percent as principal forgiveness not to exceed \$1,702,000.

Lake Preston pledged a project surcharge for repayment of the loan. Rates are \$71.75 for 5,000 gallons. Staff analysis indicates a surcharge of \$4.45 is needed for repayment of the \$300,000 loan, bringing overall rates to \$76.20.

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.

Weston Blasius, Banner Associates, thanked the board for consideration of funding for the project.

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Motion by Adam, seconded by Lanning, to adopt **Resolution No. 2023-41** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$2,002,000 at 3.0 percent interest for 30 years with 85.1 percent as principal forgiveness not to exceed \$1,702,000 to the **city of Lake Preston** for a water tower, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried unanimously.

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

Vermillion requested funding to replace various components in the wastewater treatment facility that have reached the end of their useful life. Specifically, improvements will be made to the pretreatment building, primary clarifier, intermediate lift station (screw pumps), generator building, hydraulics and site piping, and the SCADA system.

The estimated total project amount is \$23,100,000, and the amount requested is \$23,100,000.

Staff recommended awarding a \$23,100,000 Clean Water SRF loan at 3.25 percent interest for 30 years.

Rates in Vermillion are \$39.96 based on 5,000 gallons usage.

The city pledged a project surcharge for repayment of the loan. Staff analysis indicates that a surcharge of \$31.25 is needed for repayment of the loan. However, the analysis shows that the city can restructure its rates and repay the loan and operate the system with rates of approximately \$56.00 based on 5,000 gallons.

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.

A representative for Vermillion thanked the board for consideration of funding.

Motion by Adam, seconded by Bernhard, to adopt **Resolution No. 2023-42** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$23,100,000 at 3.25 percent interest for 30 years to the **city of Vermillion** for wastewater treatment facility 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 resolutions and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried unanimously.

Custer requested additional funding to complete the upgrade to the wastewater treatment facility. The city was awarded a \$4,832,051 Clean Water SRF loan and \$6,247,949 ARPA grant in April 2022 to upgrade the treatment facility and relocate the effluent discharge line.

The revised project amount is \$17,038,000, and the amount requested is \$5,596,000, which is needed only for the wastewater treatment facility portion of the project.

Staff recommended awarding a \$5,596,000 Clean Water SRF loan at 3.25 percent interest for 30 years with 55 percent as principal forgiveness not to exceed \$3,075,000.

Rates in Custer are \$60.56 based on 5,000 gallons usage.

The city pledged a project surcharge for repayment of the loan. Staff analysis indicates that a surcharge of \$10.10 is needed for repayment of the net loan amount of \$2,521,000, bringing overall rates to \$70.66.

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.

A member of the audience asked if he could make a comment. Chairman Soholt stated that the public comment period was on the agenda at the beginning of the meeting. He said the board heard many comments, emails, and various information about this particular project. The board knows the discharge permit was approved approximately two years ago, and the wastewater treatment that will be done with this project will raise the discharge level of the water to that of the current cold water fishery level, which means that the water will be in very good shape that is necessary to go through the discharge.

Chairman Soholt stated that the board appreciates the comments that were made during the public comment period and the time people have spent in making sure the board is all aware of the concerns and the situation. He stated that is the time for representatives of the city of Custer to be available to discuss the project and answer questions.

Trent Bruce, DGR, thanked the board for consideration of funding for this project.

Motion by Gnirk, seconded by Bernhard, to adopt **Resolution No. 2023-43** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$5,596,000 at 3.25 percent interest for 30 years with 55 percent as principal forgiveness not to exceed \$3,075,000 to the **city of Custer** for wastewater treatment facility 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 resolutions and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried unanimously.

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Aurora requested funding for Phase 3A of a wastewater system improvements project. Phase 3A consists of providing aeration to both the primary and secondary stabilization ponds to improve treatment and reduce odors. This involves construction of a blower building, aeration piping from the blower building to the ponds, and aeration lateral piping and diffusers.

The estimated total project amount is \$1,200,000, and the amount requested is \$1,200,000.

Staff recommended awarding a \$240,000 Clean Water SRF loan at 3.25 percent interest for 30 years, a \$450,000 Consolidated Grant, and a \$510,000 Clean Water SRF Water Quality Grant.

Aurora has a flat rate of \$73.25. The city pledged a project surcharge for repayment of the loan. Staff analysis indicates that a surcharge of \$2.60 is needed for repayment of the loan, bringing overall rates to \$75.85.

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 placing the following Special Condition on the Consolidated and Water Quality Grants: Grant funds for reimbursement of project costs must be drawn concurrently with the Clean Water SRF loan funds.

Josh Jones, Mayor of Aurora, discussed the project and thanked the board for consideration of funding.

Motion by Adam, seconded by Bernhard, to adopt **Resolution No. 2023-44** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$240,000 loan at 3.25 percent interest for 30 years to the **city of Aurora** for wastewater treatment 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; to adopt **Resolution No. 2023-45** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the **city of Aurora** for up to 37.5 percent of approved total project costs not to exceed \$450,000 for wastewater treatment improvements with the special condition that grant funds must be drawn concurrently with the Clean Water State Revolving Fund loan awarded for this project; and to adopt **Resolution No. 2023-46** approving SRF Program Clean Water Grant Agreement 2024G-WQ-100 to the **city of Aurora** for up to 42.5 percent of all approved total project costs not to exceed \$510,000 for wastewater treatment improvements with the Special Condition that grant funds for reimbursement of project costs must be drawn concurrently with the Clean Water SRF loan funds. Motion carried unanimously.

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Henry requested funding to replace 19,000 feet of sanitary sewer, 5,000 feet of service lines, 41 manholes, and for 125 cleanouts in the wastewater collection system. The request is also for the replacement of a lift station and to make general site improvements at the wastewater treatment facility.

The estimated total project amount is \$8,050,000, and the amount requested is \$8,050,000.

Mr. Perkovich stated that Henry is currently not eligible to receive principal forgiveness. Once the rule changes that the board approved earlier in the meeting go into effect, Henry will become eligible for a loan with principal forgiveness.

Staff recommended that the board defer action until the June board meeting. By rule, the board has 120 days to make a funding decision after an application is presented.

Mr. Perkovich noted that staff believes the project scope for both the water and wastewater projects need to be reduced to keep rates reasonable, and staff has asked the town to review the projects to accomplish that.

Motion by Adam, seconded by Bernhard, to **defer** board action on the **Henry** funding application. Motion carried unanimously.

Dell Rapids – In April 2022 Dell Rapids was awarded a \$2,385,692 Clean Water SRF loan and a \$2,887,379 ARPA grant for a project to replace approximately 3,300 feet of sewer lines and 4,900 feet of storm sewer. It has since been determined that additional funds are needed to complete the project.

The revised project amount is \$7,449,388, and the amount requested is \$1,300,000 to address the shortfall on the sanitary and storm sewer portion of the project

Staff recommended awarding an \$845,000 Clean Water SRF loan at 3.25 percent interest for 30 years and a \$455,000 Consolidated Grant.

Rates in Dell Rapids are \$68.80 based on 5,000 gallons usage.

The city pledged a project surcharge for repayment of the loan. Staff analysis indicates that a surcharge of \$2.90 is needed for repayment of the loan, bringing overall rates to \$71.70.

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 placing the following Special Condition on the Consolidated Grant: Grant funds for reimbursement of project costs must be drawn concurrently with the Clean Water SRF loan funds.

Trent Bruce, DGR Engineering, thanked the board for consideration of funding for the project.

Motion by Gnirk, seconded by Lanning, to adopt **Resolution No. 2023-47** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$845,000 loan at 3.25 percent interest for 30 years to the **city of Dell Rapids** for sanitary and storm 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; to adopt **Resolution No. 2023-48** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the **city of Dell Rapids** for up to 6.2 percent of approved total project costs not to exceed \$455,000 for sanitary and storm 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. Motion carried unanimously.

Harrisburg requested funding for the second phase of the westside trunk sewer project. This involves construction of approximately 8,800 feet of 24-inch sanitary sewer and 7,000 feet of 30-inch sewer. The purpose of the project is to bypass an existing trunk sewer and free up capacity in the collection system.

The estimated total project amount is \$11,709,000, and the amount requested is \$11,709,000.

Staff recommended awarding a \$11,709,000 Clean Water SRF loan at 3.25 percent interest for 30 years.

Rates in Harrisburg are \$97.01 based on 5,000 gallons usage.

The city pledged a project surcharge for repayment of the loan. Staff analysis indicates a surcharge of \$21.80 is needed for repayment of the loan, bringing overall rates to \$118.81.

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.

Mitch Mergen, Stockwell Engineers, thanked the board for consideration of funding for the project.

Motion by Gnirk, seconded by Adam, to adopt **Resolution No. 2023-49** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$11,709,000 at 3.25 percent interest for 30 years to the **city of Harrisburg** for the westside trunk sewer Phase 2 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 resolutions and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried unanimously.

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Chancellor requested funding for Phase III of an infrastructure improvements project. Improvements include replacing approximately 1,400 feet of sanitary sewer lines and installing approximately 1,300 feet of new storm sewer to better manage storm flows.

The estimated total project amount is \$1,450,000, and the amount requested is \$1,450,000.

Chancellor is another community currently not eligible to receive principal forgiveness. Once the rules approved by the board earlier in the meeting go into effect, Chancellor will become eligible for a loan with principal forgiveness.

Staff recommended that the board defer action on the application until the June board meeting.

Motion by Adam, seconded by Lanning, to **defer** board action on the **Chancellor** funding application. Motion carried unanimously.

Salem requested funding to replace vitrified clay sanitary sewer mains, services, and manholes in the western portion of the city. Improvements will also be made to the storm sewer system to improve storm water management within the project area.

The estimated total project amount is \$3,400,000, and the amount requested is \$3,400,000.

Staff recommended awarding a \$1,400,000 Clean Water SRF loan at 3.25 percent interest for 30 years and a \$2,000,000 Consolidated Grant, which is the maximum amount allowable by statute.

Salem has a \$52.00 flat rate, which includes the surcharge needed for repayment of a loan awarded to Salem in 2022.

The city pledged a project surcharge for repayment of the loan. Staff analysis indicates a surcharge of \$10.25 is needed for repayment of the loan, bringing overall rates to \$62.25.

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 placing the following Special Condition on the Consolidated Grant: Grant funds for reimbursement of project costs must be drawn concurrently with the Clean Water SRF loan funds.

Lori Heumiller, Salem finance officer, thanked the board for consideration of funding for the project.

Motion by Bernhard, seconded by Lanning, to adopt **Resolution No. 2023-50** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,400,000 loan at 3.25 percent interest for 30 years to the **city of Salem** to replace vitrified clay sanitary sewer mains, services, manholes, and for storm sewer improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the

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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; to adopt **Resolution No. 2023-51** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the **city of Salem** for up to 58.9 percent of approved total project costs not to exceed \$2,000,000 to replace vitrified clay sanitary sewer mains, services, manholes, and for storm 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. Motion carried unanimously.

Tabor – In 2021, the city was awarded a \$2,248,000 Clean Water SRF loan and a \$1,902,000 Consolidated grant to replace approximately 28 blocks of sewer lines throughout the town, line another 11 blocks of sewer, replace manholes, and replace a lift station. Bids were opened in 2022 and were significantly higher than estimated.

Mr. Perkovich noted that Tabor also received a \$750,000 Community Development Block Grant for the project.

The revised project amount is \$5,900,000, and the amount requested is \$1,000,000 to address the shortfall.

Staff recommended awarding a \$250,000 Clean Water SRF loan at 3.25 percent interest for 30 years and a \$750,000 Consolidated Grant.

Current rates in Tabor are \$55 per month.

The city pledged a project surcharge for repayment of the loan. Staff analysis indicates a surcharge of \$5.60 is needed for repayment of the loan, bringing overall rates to \$60.60.

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 placing the following Special Condition on the Consolidated Grant: Grant funds for reimbursement of project costs must be drawn concurrently with the Clean Water SRF loan funds.

Camden Hofer, SPN, thanked the board for consideration of funding for the project.

Motion by Adam, seconded by Bernhard, to adopt **Resolution No. 2023-52** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$250,000 loan at 3.25 percent interest for 30 years to the **city of Tabor** for wastewater 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

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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; to adopt **Resolution No. 2023-53** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the **city of Tabor** for up to 12.8 percent of approved total project costs not to exceed \$750,000 for wastewater system improvements with the special condition that grant funds must be drawn concurrently with the Clean Water State Revolving Fund loan awarded for this project. Motion carried unanimously.

Kimball requested funding to replace approximately 1,100 linear feet of sanitary sewer main and approximately 2,000 feet of curb and gutter.

The estimated total project amount is \$1,095,000, and the amount requested is \$1,095,000.

Kimball has also received a DOT Community Access Grant for the project.

Staff recommended awarding a \$1,095,000 Clean Water SRF loan at 3.25 percent interest for 30 years,.

The current rates of \$30.00 per month, based on 5,000 gallons usage, went into effect January 1, 2023.

Kimball pledged a project surcharge for repayment of the loan. Staff analysis indicates that a surcharge of \$15.65 is needed for repayment of the loan, bringing overall rates to \$45.65.

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.

Weston Blasius, Banner Associates, thanked the board for consideration of funding.

Motion by Adam, seconded by Lanning, to adopt **Resolution No. 2023-54** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,095,000 loan at 3.25 percent interest for 30 years to the **city of Kimball** for 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 a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried unanimously.

St. Lawrence requested funding for Phase II of a project to the replace or line existing collection lines. This phase also proposes addition of riprap at the wastewater treatment ponds.

The estimated total project amount is \$1,138,000, and the amount requested is \$1,138,000.

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St. Lawrence is another community currently not eligible to receive principal forgiveness. As with Henry and Chancellor, once the rule changes that were approved this morning go into effect, St. Lawrence will become eligible for a loan with principal forgiveness.

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

Motion by Bernhard, seconded by Gnirk, to defer board action on the **St. Lawrence** funding application. Motion carried unanimously.

Wolsey requested funding to replace the outfall line from the city's wastewater collection system to the wastewater treatment ponds. The existing line is deteriorating and has no manholes or cleanouts making cleaning and maintenance of the line difficult. This will involve installing approximately 1,000 linear feet of 15-inch sanitary sewer line and two manholes.

The estimated total project amount is \$256,000, and the amount requested is \$134,000. Wolsey will also contribute \$72,000 in local ARPA grant funds and has a \$50,000 grant from the James River Water Development District.

Staff recommended awarding a \$134,000 Clean Water SRF loan at 3.25 percent interest for 30 years.

Wolsey has a flat rate of \$30.55.

The city pledged a project surcharge for repayment of the loan. Staff analysis indicates that a surcharge of \$3.40 is needed for repayment of the loan, bringing overall rates to \$34.95.

Staff recommended the award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective; and 2) Contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage.

Robert McGillivray, Mayor of Wolsey, thanked the board for consideration of funding for the project.

Motion by Adam, seconded by Bernhard, to adopt **Resolution No. 2023-55** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$134,000 loan at 3.25 percent interest for 30 years to the **city of Wolsey** for a wastewater outfall line replacement project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried unanimously.

Corona requested funding to make utility improvements as part of a Main Street reconstruction project. The project involves installing approximately 2,100 of various sized storm sewer and a small amount of sanitary sewer.

The estimated total project amount is \$1,312,000, and the amount requested is \$1,312,000.

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Staff recommended awarding a \$540,000 Clean Water SRF loan at 3.25 percent interest for 30 years and a \$772,000 Clean Water SRF Water Quality grant.

Corona has a \$35.00 flat rate.

Corona pledged a project surcharge for repayment of the loan. Staff analysis indicates a surcharge of \$51.00 is needed for repayment of the loan. The analysis shows that the town can restructure its rates and repay the loan and operate the system with a flat rate of \$60.00.

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 placing the following Special Condition on the Water Quality Grant: Grant funds for reimbursement of project costs must be drawn concurrently with the Clean Water SRF loan funds.

Trent Bruce, DGR Engineering, thanked the board for consideration of funding for this project.

Motion by Lanning, seconded by Adam, to adopt **Resolution No. 2023-56** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$540,000 loan at 3.25 percent interest for 30 years to the **town of Corona** for wastewater improvements 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 to adopt **Resolution No. 2023-57** approving SRF Program Clean Water Grant Agreement 2024G-WQ-101 to the **town of Corona** for up to 58.9 percent of all approved total project costs not to exceed \$772,000 for wastewater improvements Phase 1 with the Special Condition that grant funds for reimbursement of project costs must be drawn concurrently with the Clean Water SRF loan funds. Motion carried unanimously.

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

South Dakota Bureau of Administration requested funding for a project that will assist in conserving more than 8,000,000 gallons of treated drinking water annually that is currently used for irrigation. Capitol Lake in Pierre is currently fed by a well with poor water quality and structural safety issues and needs to be properly abandoned. The lake will be dredged to remove sediment and further improve water quality. With completion of these steps an alternative water source will be installed, which will have the ability to utilize the lake as an irrigation reservoir. The alternative water source will pump water into the lake, which can then be pumped out during irrigation season to irrigate 40 acres of green space in areas surrounding the Capitol complex. Further use for irrigation with the city of Pierre and

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Pierre School District are being discussed to broaden the impact. This would increase the amount of potable water being conserved and lower the demand on the water treatment facilities.

Portions of the project are underway related to dredging of the lake. Well capping and alternative water source are planned to be pursued during 2023.

The estimated total project amount is \$3,792,000, and the amount requested is \$2,000,000.

Staff recommended awarding a Consolidated grant at 80.0 percent of eligible project costs not to exceed \$2,000,000.

Motion by Adam, seconded by Gnirk, to adopt **Resolution No. 2023-58** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the **South Dakota Bureau of Administration** for up to 80.0 percent of approved total project costs not to exceed \$2,000,000 for the Capitol Lake alternative water source and potable water conservation. Motion carried unanimously.

Copper Oaks #1 Water Association requested funding for improvements to the water tank, replacement of water meters and fire hydrants, and rehabilitation of the well house.

The estimated total project amount is \$93,000, and the amount requested is \$93,000.

Staff recommended awarding \$93,000 Consolidated loan at 3.25 percent interest for 30 years.

Copper Oaks pledged system revenue for repayment of the loan. Current rates are \$100.00 per month. Staff analysis showed that in order to provide the necessary 100 percent debt coverage a cost per user of \$16.90 is necessary for repayment of the loan. The existing rates charged to Copper Oaks residents have generated sufficient revenue for system operation and maintenance and would provide the necessary debt coverage for the loan, so rates could stay at \$100.00 per month.

Staff recommended the award being contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage, and contingent upon the borrower adopting a yearly budget and properly recording revenues and expenses as per SDCL 9-22-16.

Vernon Osterloo, manager of the Copper Oaks #1 Water Association water system discussed the project and thanked the board for consideration of funding.

Motion by Gnirk, seconded by Bernhard, to adopt **Resolution No. 2023-59** approving a South Dakota Consolidated Water Facilities Construction Program loan agreement not to exceed \$93,000 at 3.25 percent interest for 30 years to **Copper Oaks #1 Water Association** for a water system improvements project contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage, and contingent upon the borrower adopting a yearly budget and properly recording revenues and expenses as per SDCL

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9-22-16. Motion carried unanimously.

Emery requested funding to replace all 240 water meters in the community. In addition to acquiring and installing the meters, the city will purchase new software to collect, store, and evaluate the transmitted meter data. The project is expected to correct the approximately 15 percent water loss caused by the old meters and enable a more efficient billing system.

The estimated total project amount is \$83,000, and the amount requested is \$70,000. Emery is using \$13,000 in local cash for the project.

Staff recommended awarding a \$70,000 Consolidated loan at 2.75 percent interest for 10 years.

Emery pledged a project surcharge for repayment of the loan. Current rates are \$43.60 for 5,000 gallons. Staff analysis indicates that a surcharge of \$2.95 is needed for repayment of the loan, bringing overall rates to \$46.55.

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.

Kristi Wollman, Emery Finance Officer,

Motion by Adam, seconded by Bernhard, to adopt **Resolution No. 2023-60** approving a South Dakota Consolidated Water Facilities Construction Program loan agreement not to exceed \$70,000 at 2.75 percent interest for 10 years to the **city of Emery** for a water meter replacement project contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried unanimously.

Mr. Bruels provided an overview the funds available for the next funding round.

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

Huron requested funding to purchase a horizontal baler with pit conveyor and bagging system for baling solid waste and recyclable materials. The city also intends to purchase 1,600 gallons of hydraulic oil to run the baler.

The estimated total project amount is \$996,247, and the amount requested is \$498,123. The city will use \$498,124 local cash for the project.

Staff recommended awarding a Solid Waste Management Program grant at 30.2 percent of eligible project costs not to exceed \$300,000. The recommended amount is based on the equipment serving

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both solid waste and recycling purposes, and it is not solely for recycling activities. This is consistent with past awards for this type of project.

Huron indicated they were not interested in a loan and will use local funds for the portion of the project not funded by the grant.

Dale Thornton, Solid Waste Superintendent, thanked the board for consideration of funding for the project.

Motion by Adam, seconded by Bernhard, to adopt **Resolution No. 2023-61** approving a South Dakota Solid Waste Management Program grant agreement for the **city of Huron** for up to 30.2 percent of eligible costs not to exceed \$300,000 to purchase a baler for recycling and solid waste. Motion carried unanimously.

Mitchell requested funding for the construction of a 12,500 square foot bi-level building for recycling operations to include a tipping floor with a lower level to facilitate loading walking floor trailers.

The estimated total project amount is \$2,680,000, and the amount requested is \$1,340,000. The city will use \$1,340,000 in local cash for the project.

Staff recommended awarding Solid Waste Management Program grant at 37.4 percent of eligible costs not to exceed \$1,000,000.

Mr. Bruels noted that this is a large project and necessary due to Mitchell choosing to take over recycling operations for the city. Staff does not believe providing the full requested amount in grant funds was reasonable for a project of this scale.

Mitchell indicated that the city is not interested in a loan and will use local funds for the portion of the project not funded by the grant.

Joe Schroeder, Mitchell Public Works Director, thanked the board for consideration of funding. He answered questions from the board.

Motion by Lanning, seconded by Adam, to adopt **Resolution No. 2023-62** approving a South Dakota Solid Waste Management Program grant agreement for the **city of Mitchell** for up to 37.4 percent of eligible costs not to exceed \$1,000,000 for construction of a recycling transfer station. Motion carried unanimously.

Rapid City requested funding to construct a new landfill cell, expand the existing gas collection and control system, and install a new landfill gas flare.

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The estimated total project amount is \$12,000,000, and the amount requested is \$11,900,000. The city will use \$100,000 in local cash for the project.

This project was placed on the state water plan previously by the board, and the work being completed is eligible for funding through both the Clean Water SRF and the Solid Waste Management Program.

Staff recommended awarding a \$11,300,000 Clean Water SRF loan at 3.0 percent interest for 20 years and awarding a Solid Waste Management Program grant at 5.0 percent of project costs not to exceed \$600,000.

Mr. Bruels noted that the smaller grant award percentage is based on the substantial size of the project, but the level of grant funding is similar to many other solid waste only type projects.

Rapid City pledged solid waste revenues for repayment of the loan. Staff analysis indicates that Rapid City's current solid waste revenues will provide 362 percent debt coverage for the Clean Water SRF loan.

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

Staff also recommended placing the following Special Condition on the grant: Grant funds for reimbursement of project costs must be drawn concurrently with the Clean Water SRF loan funds.

John Leahy, Rapid City project engineer, thanked the board for consideration of funding for the project. He answered questions from the board.

Motion by Gnirk, seconded by Bernhard, to adopt **Resolution No. 2023-63** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$11,300,000 at 3.0 percent interest for 20 years to the **city of Rapid City** to construct a new landfill cell, expand the existing gas collection and control system, and install a new landfill gas flare, 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, award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective; and to adopt **Resolution No. 2023-64** approving a South Dakota Solid Waste Management Program grant agreement for the **city of Rapid City** for up to 5.0 percent of eligible costs not to exceed \$600,000 to construct a new landfill cell, expand the existing gas collection and control system, and install a new landfill gas flare with the Special Condition that grant funds for reimbursement of project costs must be drawn concurrently with the Clean Water SRF loan funds. Motion carried unanimously.

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Vermillion requested funding to construct a new leachate pond to increase storage capacity at the Vermillion Landfill.

The estimated total project amount is \$1,304,000, and the amount requested is \$260,800. The city received a \$1,043,200 Clean Water SRF loan in January 2023 for this project. At that time sufficient Solid Waste Management Programs funds were not available to have made the grant award for this project.

Staff recommended awarding a Solid Waste Management Program grant at 20.0 percent of eligible project costs not to exceed \$260,800. This amount will fully fund the project, and the percentage is consistent with normal awards from the board for solid waste only projects.

Luke Rodig, Burns & McDonnell, thanked the board for consideration of funding for the project.

Motion by Adam, seconded by Lanning, to adopt **Resolution No. 2023-65** approving a South Dakota Solid Waste Management Program grant agreement for the **city of Vermillion** for up to 20.0 percent of eligible costs not to exceed \$260,800 to construct a new leachate pond. A roll call vote was taken, and the motion carried unanimously.

Mr. Bruels provided an overview Solid Waste Management Program funds available for the next funding round.

WESSINGTON SPRINGS AMENDMENT TO EXISTING SANITARY/STORM SEWER AND DRINKING WATER FUNDING PACKAGE FOR THE COLLEGE AVENUE UTILITY

IMPROVEMENTS PROJECT: Suzanne McKinley reported that on April 13, 2022, the city of Wessington Springs was awarded a \$341,075 Drinking Water SRF loan and a \$337,925 ARPA grant to complete upgrades to its drinking water system within the College Avenue corridor. The city also received a \$43,974 Consolidated loan and a \$278,726 ARPA grant to complete upgrades to the wastewater and storm sewer systems within the same corridor.

On March 14, 2023, DANR received a letter from the city of Wessington Springs requesting additional funding for this project. Bids were higher than expected, and the city is requesting an additional \$300,000 for drinking water costs and an additional \$122,000 for sanitary and storm sewer costs.

Staff recommended the board rescind Resolution No. 2022-237 awarding the DW-02 loan and adopt a resolution awarding a new \$641,075 DW-02 loan at 1.625 percent interest for 30 years. This will require a surcharge of \$5.35 and would bring overall rates to \$54.10.

The staff also recommended the board rescind Resolution No. 2022-240 awarding the Consolidated loan and adopt a resolution awarding a \$165,974 CW-03 loan at 2.125 percent interest for 30 years requiring 110 percent coverage. This will require a surcharge of \$1.50 and would bring overall rates to \$31.50 with this funding award.

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Staff recommended the awards being is 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 Bernhard, seconded by Lanning, to rescind Resolution 2022-237 and to adopt **Resolution No. 2023-66** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$641,075 at 1.625 percent interest for 30 years to the **city of Wessington Springs** for upgrades to the drinking water system within the College Avenue corridor, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried unanimously.

Motion by Adam, seconded by Bernhard, to rescind Resolution No. 2022-240 and adopt **Resolution No. 2023-67** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$165,974 at 2.125 percent interest for 30 years to the **city of Wessington Springs** for upgrades to the wastewater and storm sewer systems within the College Avenue corridor, 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, 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. Motion carried unanimously.

WESSINGTON SPRINGS AMENDMENT TO EXISTING SANITARY/STORM SEWER AND DRINKING WATER FUNDING PACKAGE FOR THE 2ND STREET SURFACING AND UTILITY REPLACEMENT PROJECT: Ms. McKinley reported that on April 13, 2022, the city of Wessington Springs was awarded a \$176,387 Clean Water SRF loan to complete upgrades to the wastewater and storm sewer systems within the 2nd Street corridor. Wessington Springs also received a \$180,883 ARPA grant to complete upgrades to the drinking water system within the same corridor.

On March 14, 2023, DANR received a letter from the city of Wessington Springs requesting additional funding for this project. Bids were higher than expected, and the city is requesting an additional \$151,000 for drinking water costs and an additional \$73,613 for sanitary and storm sewer costs.

Staff recommended the board rescind Resolution No. 2022-241 awarding the Clean Water SRF loan and adopt a resolution awarding a \$253,000 CW-02 loan at 2.125 percent interest for 30 years. The Clean Water SRF loan will require a surcharge of \$2.30 and would bring overall rates to \$33.80.

Staff also recommended the board adopt a resolution awarding a \$151,000 DW-03 loan at 1.625 percent for 30 years. This will require a surcharge of \$1.30, bringing overall rates to \$55.40.

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

Motion by Adam, seconded by Gnirk, to rescind Resolution No. 2022-241 and adopt **Resolution No. 2023-68** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$253,000 at 2.125 percent interest for 30 years to the **city of Wessington Springs** for upgrades to the wastewater and storm sewer systems within the 2nd Street corridor, 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, 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. Motion carried unanimously.

Motion by Bernhard, seconded by Gnirk, to adopt **Resolution No. 2023-69** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$151,000 at 1.625 percent interest for 30 years to the **city of Wessington Springs** for upgrades to the wastewater and storm sewer systems within the 2nd Street corridor, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried unanimously.

LEGISLATIVE UPDATE: Mr. Perkovich provided an update on the following bills that were introduced in the 2023 Legislative Session:

- SB 17 - An Act to make appropriations for water and environmental purposes and to declare an emergency. The bill was signed by the Governor.
- SB 20 - An Act to authorize the awarding of deobligated grants in accordance with policies of the Board of Water and Natural Resources. The bill was signed by the Governor.
- SB 152 - An Act to provide increased funding for the water and environment fund. The bill was deferred to the 41st legislative day.
- SB 156 - An Act to make an appropriation of American Rescue Plan Act monies for preconstruction activities of water resources in western South Dakota and to declare an emergency. After being amended several times, the bill ultimately failed.
- SB 184 - An Act to make an appropriation of American Rescue Plan Act monies for preconstruction activities of regional water system projects and to declare an emergency. The amended bill was deferred to the 41st legislative day.
- HB 1058 - An Act to revise the water resources projects list. This bill was deferred to the 41st legislative day.

Jay Gilbertson, East Dakota Water Development District, discussed the following bills:

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- SB 83 - An Act to revise provisions regarding water development districts. The bill was signed by the Governor.
- SB 143 - An Act to raise the revenue threshold for a required audit of a water development district. The bill was signed by the Governor.
- SB 195 - An Act to authorize the redistricting of water development district director areas by the district's board of directors. The bill was tabled in the Senate.

NEXT MEETING: The next meeting is scheduled for June 29, 2023, in the Matthew Training Center in Pierre. Mr. Perkovich discussed possible agenda items.

ADJOURN: Chairman Soholt adjourned the meeting at 3:45 p.m. Central Time.

Approved June 29, 2023.

(SEAL)

Chairman, Board of Water and Natural Resources

ATTEST:

Secretary, Board of Water and Natural Resources

BOARD OF WATER AND NATURAL RESOURCES
ATTENDANCE SHEET

DATE 3/30/23

LOCATION Matthew Training Center, Pierre, SD

Name (PLEASE PRINT)	Address	Representing
Andy Bruehl	Pierre	DANR
Stephanie Riggle	Pierre	DANR
Abbey Larson	Pierre	DANR
Shayenne Kizman	Pierre	DANR
Suzanne McKinley	Pierre	DANR
Megan Johnson	Pierre	DANR
Jim Knight	Lake Preston	Lake Thompson Area WAD
Holly Briggs	Pierre	DANR
Dan Genhardt	Pierre	DANR
Todd Bernhardt	Fort Pierre	BWNR
Mike Perkovich	Pierre	DANR
Fannie Wasserbarger	Lake Preston	DANR
Charlie Wasserbarger	Lake Preston	Lake Thompson Water Project
Dale Fortin	Huron, SD	City of Huron
PAUL GNIRK	New Underwood	DANR
JOHN LEWIS	Rapid City	Rapid City
JEFF Barber	Rapid City	Rapid City
Dale Fortin	Huron	City of Huron
DAK		
Mike Weisgram	Fort Pierre	Oversight

TITLE: Amendments to State Water Plan and 2023 Clean Water State Revolving Fund and 2023 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 amendment of projects onto the plan. Placement of a project on the State Water Plan by the board provides no guarantee of funding. The projects placed onto the plan at this meeting will remain on the facilities plan through December 2024.

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, 2023 deadline.

- a) Aurora
- b) Clark Rural Water System
- c) Kingbrook Rural Water System
- d) Lead – Deadwood Water Supply Line
- e) Lead – Highway 85 Water Extension
- f) Medicine Mountain Scout Ranch
- g) Philip
- h) Spearfish

2023 Clean Water State Revolving Fund Intended Use Plan Amendments

Staff is recommending that the following projects be amended onto the 2023 Clean Water State Revolving Fund Project Priority List:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
14	Lake Norden	\$500,000	3.25%, 30 years
6	Philip	\$956,938	3.25%, 30 years

As a result of the rule amendments approved by the board in March and approved by the legislative interim rule committee in May, adjustments to some priority points and affordability criteria language and system eligibility made throughout the narrative and for each project scoring. Additionally, the

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final Clean Water SRF 2023 Capitalization Grant allotments have been provided from EPA. The amounts for grants have been updated throughout the IUP.

2023 Drinking Water State Revolving Fund Intended Use Plan Amendments

Staff is recommending that the following projects be amended onto the 2023 Drinking Water State Revolving Fund Project Priority List:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
192	Clark Rural Water System	\$575,750	2.75%, 30 years
86	Lead	\$807,430	2.75%, 30 years
81	Lead	\$605,236	2.75%, 30 years
77	Cresbard	\$1,912,410	2.75%, 30 years
38	Spearfish	\$8,268,327	1.625%, 30 years
20	Aurora	\$6,300,000	3.25%, 30 years
15	Medicine Mountain Scout Ranch	\$51,572	3.25%, 30 years
8	Kingbrook Rural Water System	\$27,000,000	3.25%, 30 years

As a result of the rule amendments approved by the board in March and were approved by the legislative interim rule committee in May, adjustments to some priority points and disadvantaged criteria system eligibility were made throughout the narrative and for each project scoring. Additionally, the final Drinking Water SRF 2023 Capitalization Grant allotments have been updated throughout the IUP.

RECOMMENDED ACTION: Approve amendment of projects onto the State Water Plan and 2023 Clean Water State Revolving Fund and 2023 Drinking Water State Revolving Fund Intended Use Plans

CONTACT: Andy Bruels, 773-4216

SOUTH DAKOTA CLEAN WATER STATE REVOLVING FUND FEDERAL FISCAL YEAR 2023 INTENDED USE PLAN

INTRODUCTION

The state of South Dakota proposes to adopt the following Intended Use Plan (IUP) for Federal Fiscal Year (FFY) 2023 as required under Section 606(c) of the Clean Water Act.

The primary purpose of the IUP is to identify the proposed annual intended use of the amounts available to the Clean Water State Revolving Fund (SRF). The IUP has been reviewed by the public and reflects the results of that review.

The IUP includes the following:

1. List of projects and activities;
2. Goals, objectives, and environmental results;
3. Amount of funds transferred between the Clean Water SRF and the Drinking Water SRF;
4. Information on the activities to be supported;
5. Assurances and specific proposals;
6. Criteria and method for distribution of funds;
7. Sources and uses of funds; and
8. Bipartisan Infrastructure Law (BIL) Addendum for specific BIL fund uses and activities.

LIST OF PROJECTS AND ACTIVITIES

The IUP identifies potential municipal wastewater, storm water, and nonpoint source projects. A project must be on the project priority list, Attachment I, to be eligible for a loan. This list was developed from the State Water Plan and includes projects that did not designate Clean Water SRF loans as a funding source.

Projects may be added to the project priority list by the Board of Water and Natural Resources if the action is included on the meeting agenda at the time it is posted.

Priority ratings are based on the integrated project priority system established in ARSD 74:05:08:03.01. The general objective of the integrated priority system is to ensure that projects funded through the Clean Water SRF program address high priority water quality problems. This is accomplished with a priority system that ranks both municipal wastewater and nonpoint source pollution control projects on an equal basis. Projects and activities utilizing administrative surcharge funds are not required to be ranked and included on the project priority list.

The Clean Water SRF may be used for the following purposes:

1. Low-interest loans for secondary or more stringent treatment of any cost-effective alternatives, new interceptors and appurtenances, infiltration/inflow correction, new collectors, sewer system rehabilitation, expansion and correction of combined sewer overflows, decentralized wastewater treatment systems, and construction of new storm

sewers. The low-interest loans can be made for up to 100 percent of the total project cost;

2. Refinancing of existing debt obligations for municipal wastewater facilities if the debt was incurred and construction initiated after March 7, 1985; or
3. Nonpoint source pollution control projects and programs, including non-traditional projects (projects with a primary purpose other than water quality).

A determination of which projects are funded from the above-mentioned lists, the amount of assistance, and the financing terms and conditions will be made by the Board of Water and Natural Resources during FFY 2023.

GOALS, OBJECTIVES, AND ENVIRONMENTAL RESULTS

Long-term Goals and Objectives:

The long-term goals of the State Water Pollution Control Revolving Fund are to fully capitalize the Clean Water SRF, maintain or restore and enhance the chemical, physical, and biological integrity of the state's waters for the benefit of the overall environment, protect public health, and promote economic well-being.

Objectives:

1. Maintain a permanent, self-sustaining Clean Water SRF program that will serve in perpetuity as a financing source for wastewater treatment works projects and nonpoint source pollution control projects; and

2. Fulfill the requirements of pertinent federal, state, and local laws and regulations governing water pollution control activities while providing the state and local project sponsors with maximum flexibility and decision-making authority regarding such activities.

Short-term Goal and Objectives:

The short-term goal of the Clean Water SRF is to fully capitalize the fund.

Objectives:

1. Ensure the technical integrity of Clean Water SRF projects through the review of planning, design plans and specifications, and construction activities;
2. Ensure compliance with all pertinent federal, state, and local water pollution control laws and regulations; and
3. Obtain maximum capitalization of the funds for the state in the shortest time possible.

Environmental Results:

States are required to quantify and report the environmental benefits being realized through the Clean Water SRF loan program. The reporting requirement is being satisfied using an on-line environmental benefits assessment developed by EPA in cooperation with the States and other organizations. A summary of the FFY 2023 loans and the resulting benefits will be provided in the end-of-year-annual report.

AMOUNT OF FUNDS TRANSFERRED BETWEEN THE CLEAN WATER SRF AND THE DRINKING WATER SRF

The Safe Drinking Water Act Amendments of 1996 and subsequent congressional action allows states to transfer an amount equal to 33 percent of its Drinking Water SRF capitalization grant to the Clean Water SRF or an equivalent amount from the Clean Water SRF to the Drinking Water SRF. States can also transfer state match, investment earnings, or principal and interest repayments between SRF programs and may transfer a previous year's allocation at any time.

South Dakota has transferred \$15,574,320 from the Clean Water SRF program to the Drinking Water SRF program in past years. In fiscal year 2006 and 2011, \$7.5 million in leveraged bond proceeds and \$10 million of repayments, respectively, were transferred from the Drinking Water SRF program to the Clean Water SRF program. With the FFY 2023 capitalization grant, the ability exists to transfer more than \$63.2 million from the Clean Water SRF program to the Drinking Water SRF program. More than \$61.3 million could be transferred from the Drinking Water Program to the Clean Water SRF program. Table 2 on pages 10 and 11 details the amount of funds transferred between the programs and the amount of funds available to be transferred. This table includes BIL fund transfer authority and descriptions of transfers are provided in the BIL Addendum.

No base program transfers are expected in FFY 2023.

INFORMATION ON THE ACTIVITIES TO BE SUPPORTED

The primary type of assistance to be provided by the Clean Water SRF is direct loans including refinancing of existing debts where eligible. Loan assistance will be provided to municipalities, sanitary districts, counties, or other units of government for publicly owned wastewater treatment facilities, storm sewers, and nonpoint source pollution control programs in accordance with the Clean Water SRF administrative rules adopted by the Board of Water and Natural Resources. With the adoption of the amended and restated Master Indenture in 2004, the Clean Water and Drinking Water SRF programs are cross-collateralized. This allows the board to pledge excess revenues on deposit in the Drinking Water SRF program to act as additional security for bonds secured by excess revenues on deposit in the Clean Water SRF program, and vice versa.

Sources of Loan Funds

Loan funds are derived from various sources and include federal capitalization grants, state match, leveraged bonds, borrowers' principal repayments, and interest earnings.

Capitalization Grants/State Match: Federal capitalization grants are provided to the state annually. These funds must be matched by the state at a ratio of 5 to 1. The fiscal year 2023 capitalization grant is \$3,683,000 which requires \$736,600 in state match. Bond proceeds will be used to match FFY 2023 capitalization grant funds.

For purposes of meeting FFY 2023 proportionality requirements, the South Dakota Clean Water SRF program will document the expenditure of repayments and bond proceeds in an amount equivalent to the entire required state match.

Leveraged Bonds: The South Dakota Conservancy District has the ability to issue additional bonds above that required for state match, known as leveraged bonds. It is anticipated that approximately \$100 million in leveraged bonds will be required in FFY 2023.

Borrowers' Principal Repayments: The principal repaid by the loan borrowers is used to make semi-annual leveraged bond payments. Any excess principal is available for loans. It is estimated that \$20 million in principal repayments will become available for loans in FFY 2023.

Interest Earnings: The interest repaid by the loan borrowers, as well as interest earned on investments, is dedicated to make semi-annual state match bond payments. Any excess interest is available for loans. It is estimated that \$1.0 million in interest earnings will become available for loans in FFY 2023.

Additional Subsidy - Principal Forgiveness

The 2010 and 2011 Clean Water SRF appropriations mandated that not less than 30 percent of the funds made available for Clean Water SRF capitalization grants be used by the State to provide additional subsidy to eligible recipients and shall only apply to the portion of the national allocation that exceeds \$1 billion. The 2012 through 2014 capitalization grants mandated additional subsidy be provided in an amount not less than 20 percent, but not more than 30 percent, of that portion of the national allocation that exceeds \$1,000,000,000. Additional subsidy may be in the form of forgiveness of principal, negative interest loans, or grants (or any combination of these).

Additional subsidy will be provided in the form of principal forgiveness. Municipalities and sanitary districts must have a minimum rate of \$45 per month based on 5,000 gallons usage or a flat rate to qualify for principal forgiveness. Other applicants must have a minimum rate of \$70 per month based on 5,000 gallons usage or a flat rate to qualify for principal forgiveness.

With the passage of the Water Resources Reform and Development Act (WRRDA) in June 2014, states may provide additional subsidization when the total amount appropriated for capitalization grants exceeds \$1,000,000,000. The BIL amendments require a minimum of 10 percent up to a maximum of 30 percent of the capitalization grant be provided as additional subsidy to a municipality that meet the affordability requirements established by the state or to projects that implement a process, material, technique, or technology with water efficiency, energy efficiency, mitigation of stormwater runoff or sustainability benefits.

The 2016 through 2022 appropriation acts required an additional 10 percent of the capitalization grant be used for additional subsidy and is available for any eligible borrower. At this time South Dakota will only provide this 10 percent to borrowers who meet the state's affordability criteria.

When determining the amount of principal forgiveness, the Board of Water and Natural Resources may consider the following decision-making factors, which are set forth in alphabetical order:

- (1) Annual utility operating budgets;
- (2) Available local cash and in-kind contributions;
- (3) Available program funds;
- (4) Compliance with permits and regulations;

- (5) Debt service capability;
- (6) Economic impact;
- (7) Other funding sources;
- (8) Readiness to proceed;
- (9) Regionalization or consolidation of facilities;
- (10) Technical feasibility;
- (11) Utility rates; and
- (12) Water quality benefits.

Table 3 on page 12 summarizes the amounts of principal forgiveness provided with the 2010 – 2023 capitalization grants.

In compliance with the WRRDA provisions South Dakota has adopted the affordability criteria below.

1. All applicants will be awarded points to determine principal forgiveness eligibility as follows:
 - a. Five points if an applicant's median household income is equal to or less than 95 percent of the statewide median household income;
 - b. Three points if an applicant's median household income is equal to or less than 105 percent of the statewide median household income and greater than 95 percent of the statewide median household income;
 - c. One point if the applicant's 2020 census population is less than the applicant's 2010 census population; and
 - d. One point if an applicant's county unemployment rate is greater than the statewide unemployment rate.
2. If the boundaries of an applicant are located in more than one county, the unemployment rate of the county with the

largest percentage of the applicant's population will be used.

3. Applicants must receive a minimum of five points to be eligible for principal forgiveness in the upcoming fiscal year.

The source of median household income statistics will be the American Community Survey or other statistically valid income data supplied by the applicant and acceptable to the board.

The source of unemployment rates will be the 2022 average unemployment rates as determined by the South Dakota Department of Labor and Regulation, Labor Force Statistics.

Systems that are eligible to receive principal forgiveness are identified in Attachment I and Attachment II. Attachment II - List of Projects to be Funded in FFY 2023 identifies \$6,932,503 in principal forgiveness.

Green Project Reserve

Recent Clean Water SRF appropriations mandated that to the extent there are sufficient eligible project applications, a portion of the funds made available for each year's Clean Water SRF capitalization grant shall be used by the State for projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. These four categories of projects are the components of the Green Project Reserve.

Sufficient funds have been awarded to qualifying projects to meet the 2010 – 2020 capitalization grants Green Project Reserve requirements.

The Green Project Reserve requirement was included in the 2010 - 2022 capitalization

grants and required that not less than 10 percent be made available for Green Project Reserve eligible projects. It is anticipated that the 2023 capitalization grant will include a requirement that not less than 10 percent be made available for Green Project Reserve eligible projects. South Dakota for several years has utilized incentive rate financing to help encourage borrowers to take additional loan funds for Section 319 non-point source project funding. In South Dakota many non-point source projects include the purchase of easements adjacent to impaired waterbodies to install best management practices reducing nutrient loading into the streams. These activities are green projects as defined by EPA's eligibility criteria and have been used to meet a portion of the 2016-2021 GPR requirements, additional funds are allocated to projects and as funds are expended, they will be recorded for GPR tracking. These projects will provide sufficient funds to meet the 10 percent requirement of the remaining 2021 - 2023 capitalization grants.

Interest Rates

Interest rates are reviewed periodically in comparison to established bond rating indexes to assure rates are at or below market rates as required. The SRF rates are then set to be competitive with other funding agencies.

The current interest rates for FFY 2023 are summarized in Table 1. The rates were adjusted in November 2022.

Projects for traditional wastewater or stormwater projects that include a nonpoint source component may receive the nonpoint source rate. The annual principal and interest payments are calculated for a loan at the higher base interest rate. Using the lower interest incentive rate, a loan is sized using

the annual payment previously calculated. The difference in the two loan amounts is the amount of funding available for the nonpoint source component of the project.

Table 1 – 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	2.50%			
Admin. Surcharge	0.00%			
Total	2.50%			
<u>Base Rate</u>				
Interest Rate		2.50%	2.75%	3.00%
Admin. Surcharge		0.25%	0.25%	0.25%
Total		2.75%	3.00%	3.25%
<u>Nonpoint Source Incentive Rate</u>				
Interest Rate		1.75%	2.00%	2.25%
Admin. Surcharge		0.25%	0.25%	0.25%
Total		2.00%	2.25%	2.50%

* Term cannot exceed useful life of the project.

Administrative Surcharge Activities

The interest rate includes an administrative surcharge as identified in Table 1. The surcharge was established to provide a pool of funds to be used for administrative purposes after the state ceases to receive capitalization grants. The administrative surcharge is also available for other purposes, as determined eligible by EPA and at the discretion of the Board of Water and Natural Resources and department. Recent emphasis has been on using the surcharge for purposes other than reserves for future program administration.

Administrative surcharges are being used for non-federal cost share for Total Maximum Daily Load (TMDL) assessment and implementation projects.

Additionally, administrative surcharges have been allocated to supplement the Consolidated program by providing water quality grants to Clean Water SRF eligible projects.

Beginning in fiscal year 2005, administrative surcharge funds were also provided to the planning districts to defray the cost of SRF application preparation and project administration. Reimbursement is \$10,500 per approved loan with payments made in \$3,500 increments as certain milestones are met. Future allocations for this activity are anticipated and will be based on expected loan demand.

The American Recovery and Reinvestment Act (ARRA) of 2009 and subsequent capitalization grants through 2014 had mandated implementation of Davis-Bacon prevailing wage rules. The WRRDA of 2014 included Davis-Bacon prevailing wage requirements for all capitalization grants going forward. Under joint powers agreements between the planning districts and the department, the planning districts are reimbursed \$1,600 per project to oversee compliance with the Davis-Bacon wage rate verification and certification.

Administrative Surcharge Uses in FFY 2023

As of September 30, 2022, \$2,217,038 of unobligated administrative surcharge funds is available. It is anticipated that the administrative surcharge will generate an additional \$1,800,000 in FFY 2023.

In FFY 2023, \$2,700,000 of administrative surcharge funds will be allocated. It is proposed to allocate \$2,200,000 to supplement the Consolidated and Section 319 programs with grants for wastewater and TMDL implementation projects.

Administrative surcharge funds will again be provided to the planning districts to defray the cost of SRF application preparation and project administration, which includes Davis-Bacon wage rate verification and certification. The FFY 2023 allocation for these activities will be \$500,000.

Capitalization Grant Administrative Allowance

The WRRDA of 2014 provides three options to states to calculate the administrative fees available from each year's capitalization grant. States may use the larger of 1) an amount equal to four percent of the annual capitalization grant, 2) \$400,000 per year or 3) 1/5 of a percent of the current valuation of the Clean Water SRF fund based on the most recent previous year's audited financial statements.

The BIL allows states to use an amount equal to four percent of all grant awards to the Clean Water SRF for administrative purposes.

Four percent of the fiscal year 2023 base capitalization grant and BIL Supplemental grant is \$556,640, and 1/5 of a percent of the current fund valuation of \$267,615,217 results in \$535,230 available for administrative fees. As a result, an administrative allowance of \$556,640 will be reserved for administrative purposes in FFY 2023. Of this amount, \$147,320 will be from the base grant and the remaining \$409,320 will be from the BIL Supplemental grant.

Capitalization Grant Technical Assistance Set-Aside

Passage of the BIL allows states the ability to use an amount up to two percent of all grant awards to the Clean Water SRF for technical assistance activities to small and rural

systems. This includes the ability to provide funds for planning studies and for non-profit organizations to assist applicants in need of technical, managerial, or financial capacity training.

In fiscal year 2001, the board initiated the Small Community Planning Grant program to encourage proactive planning by small communities. The planning grants reimburse 80 percent of the cost of the study. Planning grants are available only to communities of 2,500 or less. Communities are reimbursed 80 percent of the cost of an engineering study, with the maximum grant amount for any project being \$10,000.

Prior to 2022 South Dakota utilized administrative surcharge funds to fund planning grants and a contract with Midwest Assistance Program for technical, managerial, or financial capacity training.

To fund these activities in FFY 2023 South Dakota will utilize two percent of the BIL general supplemental funds. No base CWSRF program funds will be allocated for this set-aside.

ASSURANCES AND SPECIFIC PROPOSALS

The state has assured compliance with the following sections of the law in the State/EPA Operating Agreement – XI Certification Procedures. In addition, the state has developed specific proposals on implementation of those assurances in the administrative rules promulgated by the Board of Water and Natural Resources.

Section 602(a) – Environmental Reviews – The state certifies that it will conduct environmental reviews of each project on Attachment II receiving assistance from the Clean Water SRF, as applicable. The state

will follow EPA-approved National Environmental Policy Act (NEPA) like procedures in conjunction with such environmental reviews.

Section 602(b)(3) – Binding Commitments – The state certifies that it will enter into binding commitments equal to at least 120 percent of each quarterly grant payment within one year after receipt.

Section 602(b)(4) – Timely Expenditures of Funds – The state is committed to obligate Clean Water SRF moneys to eligible applicants as quickly and efficiently as possible to facilitate the financing of eligible projects and to initiate construction with a minimum of delay.

Section 602(b)(5) – First Use Enforceable Requirements – The state certifies that all major and minor wastewater treatment facilities identified as part of the National Municipal Policy (NMP) universe are:

1. in compliance, or
2. have received funding through various state and federal assistance programs and constructed a facility designed to produce an effluent capable of meeting the appropriate permit limits and achieve compliance with its discharge permit, or
3. have upgraded existing facilities or constructed new facilities through its own means to achieve compliance with its discharge permit.

Section 602(b)(6) – Compliance with Title II Requirements – The state certifies that it will comply as applicable.

Section 602(b)(13) – Cost Effectiveness Certification – The state will require Clean Water SRF assistance recipients and their consulting engineer to certify that they have

studied and evaluated the cost effectiveness of the proposed project, and to the maximum extent practicable, have selected the alternative that maximizes the potential for efficient water use, reuse, and recapture, and conservation and energy conservation.

Section 602(b)(14) – Procurement of Architectural and Engineering Services – The state will not provide Clean Water SRF assistance to projects for architectural or engineering services that are identified as an equivalency project in the annual report, unless the project has complied with the architectural and engineering procurement procedures identified in 40 U.S.C. 1101 *et seq.*

Section 608 – American Iron and Steel Provisions – The state certifies that it will require American Iron and Steel products to be utilized for all treatment works projects receiving assistance from the Clean Water SRF, as applicable.

Section 70914(a) of BIL – Build America, Buy America Provisions – The state certifies that it will require Build America, Buy America products to be utilized for all projects receiving assistance from the Clean Water SRF that are identified as an equivalency project in the annual report, unless exempted by an approved national or project specific waiver.

SRF Data System – Project data will be entered into the EPA SRF Data System on a quarterly basis.

CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

The Clean Water SRF funds are distributed using the following criteria:

1. the availability of funds in the Clean Water SRF program;
2. the applicant's need;
3. violation of health and safety standards; and
4. the applicant's ability to repay.

The methods and criteria used are designed to provide the maximum flexibility and assistance that is affordable to the borrower while providing for the long-term viability of the fund.

Public Review and Comment – On May 25, 1988, a public hearing was held to review the initial Clean Water SRF rules and to receive comments. The Board of Water and Natural Resources approved the rules following the hearing. Revisions to the Clean Water SRF rules have been made periodically to reflect the needs of the program.

A formal public hearing was held for the South Dakota FFY 2023 Clean Water SRF Intended Use Plan on November 3, 2022.

Table 2 – Amounts Available to Transfer between State Revolving Fund Programs

Year	DWSRF Capitalization Grant	Amount Available for Transfer	Banked Transfer Ceiling	Base Program Transfers		Transfer Description	CWSRF Funds Available to Transfer	DWSRF Funds Available to Transfer
				Amount Transferred from CWSRF to DWSRF	Amount Transferred from DWSRF to CWSRF			
1997								
-	\$42,690,000	\$14,087,700	\$14,087,700				\$14,087,700	\$14,087,700
2001								
2002	\$8,052,500	\$2,657,325	\$16,745,025	\$7,812,960		CW Cap Grant/Match	\$8,932,065	\$16,745,025
2003	\$8,004,100	\$2,641,353	\$19,386,378	\$7,761,360		CW Cap Grant/Match	\$3,812,058	\$19,386,378
2004	\$8,303,100	\$2,740,023	\$22,126,401				\$6,552,081	\$22,126,401
2005	\$8,285,500	\$2,734,215	\$24,860,616				\$9,286,296	\$24,860,616
2006	\$8,229,300	\$2,715,669	\$27,576,285		\$7,500,000	Leveraged Bonds	\$12,001,965	\$20,076,285
2007								
-	\$38,094,000	\$12,571,020	\$40,147,305				\$24,572,985	\$32,647,305
2010								
2011	\$9,418,000	\$3,107,940	\$43,255,245		\$10,000,000	Repayments	\$27,680,925	\$25,755,245
2012	\$8,975,000	\$2,961,750	\$46,216,995				\$30,642,675	\$28,716,995
2013	\$8,421,000	\$2,788,930	\$48,995,925				\$33,421,605	\$31,495,925
2014	\$8,845,000	\$2,918,850	\$51,914,775				\$36,340,455	\$34,414,775
2015	\$8,787,000	\$2,899,710	\$54,814,485				\$39,240,165	\$37,314,485
2016	\$8,312,000	\$2,742,960	\$57,557,445				\$41,983,125	\$40,057,445
2017	\$8,241,000	\$2,719,530	\$60,276,975				\$44,702,655	\$42,776,975
2018	\$11,107,000	\$3,665,310	\$63,942,285				\$48,367,965	\$46,442,285
2019	\$11,103,000	\$3,663,990	\$67,606,275				\$52,031,955	\$50,106,275
2020	\$11,011,000	\$3,633,630	\$71,239,905				\$55,665,585	\$53,739,905
2021	\$11,100,000	\$3,663,000	\$74,902,905				\$59,328,585	\$57,402,905
2022	\$7,008,000	\$2,312,640	\$77,215,545				\$61,641,225	\$59,715,545
2023	\$4,938,000	\$1,629,540	\$78,845,085				\$63,270,765	\$61,345,085

BIL General Supplemental Transfers								
Year	DWSRF Capitalization Grant	Amount Available for Transfer	Banked Transfer Ceiling	Amount Transferred from CWSRF to DWSRF	Amount Transferred from DWSRF to CWSRF	Transfer Description	CWSRF Funds Available to Transfer	DWSRF Funds Available to Transfer
2022	\$17,992,000	\$5,937,360	\$5,937,360				\$5,937,360	\$5,937,360
2023	\$21,055,000	\$6,948,150	\$12,885,510				\$12,885,510	\$12,885,510

BIL Emerging Contaminants Transfers								
Year	DWSRF Capitalization Grant	Amount Available for Transfer	Banked Transfer Ceiling	Amount Transferred from CWSRF to DWSRF	Amount Transferred from DWSRF to CWSRF	Transfer Description	CWSRF Funds Available to Transfer	DWSRF Funds Available to Transfer
2022	\$7,555,000	\$2,493,150	\$2,493,150	\$459,000		CWSRF EC Grant	\$2,034,150	\$2,493,150
2023	\$7,640,000	\$2,521,200	\$5,014,350	\$1,043,000		CWSRF EC Grant	\$3,971,350	\$5,014,350

Table 3 – Principal Forgiveness Allowed and Awarded

	Principal Forgiveness for all Borrowers*		
Year	Minimum	Maximum	Awarded from FY Grant
2010	\$1,497,982	\$4,993,274	\$4,993,274
2011	\$669,233	\$2,230,777	\$2,230,777
2012	\$383,922	\$575,882	\$575,882
2013	\$307,120	\$460,680	\$359,114
2014	\$372,924	\$559,386	\$548,729
2015	\$0	\$2,045,100	\$2,045,100
2016	\$652,500	\$2,610,000	\$2,610,000
2017	\$647,400	\$2,589,600	\$2,589,600
2018	\$785,900	\$3,143,600	\$3,143,600
2019	\$777,900	\$3,111,600	\$3,111,600
2020	\$778,000	\$3,112,000	\$3,112,000
2021	\$777,900	\$3,111,600	\$3,111,600
2022	\$1,136,200	\$2,272,400	\$2,272,400
2023	\$736,600	\$1,473,200	\$0
Totals	\$9,523,581	\$32,289,099	\$30,703,676

	BIL General Supplemental Principal Forgiveness*		BIL Emerging Contaminants Principal Forgiveness	
Year	Required Amount	Awarded from FY Grant	Required Amount	Awarded from FY Grant
2022	\$4,281,620	\$4,086,600	\$0**	\$0
2023	\$5,014,170	\$0	\$0**	\$0
Totals	\$9,295,790	\$4,086,600	\$0	\$0

* Principal Forgiveness will only be provided to eligible entities that meet the Affordability Criteria definition in ARSD 74:05:08:12.03 and described on pages 4 and 5 of the IUP.

** All of the CWSRF Emerging Contaminant allocation was transferred to the DWSRF for eligible emerging contaminants projects.

ATTACHMENT I

PROJECT PRIORITY LIST

Attachment I is a comprehensive list of projects that are eligible for Clean Water SRF loans. This list was developed from State Water Plan applications. Inclusion on the list carries no obligations to the Clean Water SRF program. Attachment II lists those projects expected to be funded in FFY 2023.

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term	Principal Forgiveness Eligible	NPDES Permit Number
30	Whitewood	C461006-03	The treatment facility is currently out of compliance with discharge permit requirements. The project would repurpose the existing aeration basin to serve as an oxidation ditch to increase the ammonia removal capabilities and install a lift station to facilitate this process.	\$3,758,000	3.25%, 30 yrs		SD0021466
25	Parkston	C461062-03	Replacement or relining of 11,200 feet of clay sanitary sewer throughout the community, televising service lines for illegal sump pump connections, installation of an ammonia removal and disinfection system at the treatment lagoons, and dredging of the ponds to increase capacity.	\$5,900,000	3.25%, 30 yrs		SD0022021
22	Piedmont	C461462-01	Construction of a centralized collection system to eliminate on-site septic systems within the municipality and an activated sludge treatment facility.	\$4,500,000	3.00%, 20 yrs	Yes	No Number
22	Spring/Cow Creek Sanitary District	C461493-02	Rehabilitation of the existing lagoon system or construction of a new subsurface wastewater dispersal system to address compliance issues.	\$1,043,337	3.25%, 30 yrs		SD0026751

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term	Principal Forgiveness Eligible	NPDES Permit Number
20	Rapid City	C461014-08	Construction of a landfill cap for waste cell #16, a landfill gas collection and control system, improvements to the existing gas collection system, and construction of new landfill disposal cell #15.	\$6,650,000	3.00%, 20 yrs	Yes (Pending rate increase)	SD0023574
20	Sioux Falls	C461232-46	Increase the capacity of the existing Pump Station 240 from 3.5 million gallons per day to 7 million gallons per day, install a parallel 30-inch forcemain from the pump station to the water reclamation facility.	\$35,500,000	3.00%, 20 yrs		SD0022128
18	Aberdeen	C461072-05	Rehabilitation of the main lift station and improvements to the wastewater treatment facility to provide additional capacity and provide the ability to meet anticipated future permit limits.	\$52,230,000	3.00%, 20 yrs	Yes (Pending rate increase)	SD0020087
18	Mitchell	C461129-15	Televising, replacing and relining areas of sanitary sewer collection lines throughout the city and replacement or rehabilitation of several lift stations.	\$23,100,000	3.25%, 30 yrs	Yes (Pending rate increase)	SD0023361
18	Spearfish	C461030-04	Replacement and upsizing of sanitary Sewer along Colorado Boulevard and upgrades at the wastewater treatment facility to include mechanical and electrical equipment replacements for multiple processes at the facility.	\$8,521,000	3.25%, 30 yrs	Yes	SD0020044

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term	Principal Forgiveness Eligible	NPDES Permit Number
18	Vermillion	C461022-12	Replacement of existing equipment and buildings at the wastewater treatment facility that are beyond their useful life to include the pretreatment, primary clarifiers, intermediate lift station, aeration basins, generator building, final clarifiers, anaerobic digester, disinfection, control building, electrical and controls, and site piping.	\$21,960,000	3.25%, 30 yrs	Yes (Pending rate increase)	SD0020061
18	Watertown	C461029-16	Replacement and upgrades to the city's wastewater treatment facility to improve treatment processes and expand the current treatment capacity to meet future growth needs, replacement or relining of 10,700 feet of sanitary sewer, and rehabilitation of several lift stations.	\$35,042,000	3.00%, 20 yrs	Yes (Pending rate increase)	SD0023370
18	Yankton	C461038-08	Relocation or rehabilitation of the wastewater treatment facility.	\$99,640,000	3.25%, 30 yrs	Yes	SD0023396
17	Rapid Valley Sanitary District	C461013-01	Construction of a new trunk sewer line and collection pipe to disconnect users from the city of Rapid City system and construction of a new wastewater treatment facility to provide capacity for a future population of 36,000 with the ability for nutrient removal and direct potable water reuse of the effluent.	\$51,575,000	3.00%, 20 yrs		No Number
16	Hartford	C461104-09	Construction of a regional wastewater treatment facility and conveyance system.	\$35,086,000	3.25%, 30 yrs		SD0021750

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term	Principal Forgiveness Eligible	NPDES Permit Number
16	Mobridge	C461016-07	Upgrades at the wastewater treatment facility to include replacement of the screw pumps, grit handling equipment, and screening system, repairs to the facility roof and electrical equipment, relining of approximately 7,600 feet sanitary sewer lines.	\$3,000,000	3.25%, 30 yrs	Yes (Pending rate increase)	SD0020028
16	Rapid City	C461014-09	Upgrades to the south plant water reclamation facility to expand the treatment capacity and install equipment for nutrient removal processes and decommission the north plant treatment system.	\$145,000,000	3.00%, 20 yrs	Yes (Pending rate increase)	SD0023574
16	Summerset	C461448-04	Expansion of the current wastewater treatment facility to 0.37 MGD to accommodate additional growth and new users.	\$9,995,000	2.00%, 20 yrs		SD0027758
16	Vermillion	C461022-11	Construction of a new leachate pond that is at capacity and additional storage volume is needed.	\$1,300,000	1.875%, 10 years	Yes (Pending rate increase)	Not Applicable
15	Aurora	C461081-05	Replacement or relining of approximately 6,300 feet of sanitary sewer and 32 manholes, and construction of a submerged attached growth reactor system at the wastewater treatment facility.	\$10,898,000	3.25%, 30 yrs		SD0021661
15	Beresford	C461187-07	Installation of 1,560 feet of sanitary sewer to serve new users.	\$228,750	3.25%, 30 yrs		SD0020079
15	Britton	C461188-06	Rehabilitation of the main lift station, expansion of the south lift station and installation of sewer lines to serve residents currently using on-site treatment, and replacement of 2,300 feet of clay sanitary sewer pipe.	\$1,530,861	3.25%, 30 yrs		SD0022292

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term	Principal Forgiveness Eligible	NPDES Permit Number
15	Custer	C461021-07	Upgrades at the wastewater treatment facility to include control building HVAC and electrical, standby generators, SCADA system, pond structures, pumps, interpond piping, installation of a submerged-attached-growth-reactor treatment system, related appurtenances, and UV disinfection and construction of a new lift station and forcemain with a new discharge point.	\$11,442,000	3.25%, 30 yrs	Yes	SD0023281
15	Gregory	C461126-05	Replacement and relining of the existing sanitary sewer collection lines, replacement of two existing lift stations, and improvements to the wastewater treatment facility to include new rip-rap, embankment shaping, and sludge removal.	\$15,958,700	3.25%, 30 yrs	Yes	SD0022179
15	Lennox	C461105-11	Construction of a 3.4-million-gallon equalization storage basin, installation of covers for the treatment basins, heating equipment for use during cold weather, and a solids dewatering press, and to make improvements to the existing facilities and the replacement of approximately 6,700 feet of sanitary sewer and 8,500 of storm sewer.	\$15,012,000	3.25%, 30 yrs	Yes	SD0021768
15	Springfield	C461071-02	Replacement or relining of 19,000 feet of clay sanitary sewer, construction of 25 acres of wastewater treatment lagoons, and 10-acres of artificial wetlands to replace the current wastewater treatment lagoons.	\$6,800,000	3.25%, 30 yrs	Yes (Pending rate increase)	SD0022047

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term	Principal Forgiveness Eligible	NPDES Permit Number
14	Box Elder	C461003-04	Replacement of the sewer interceptor line along SD Highway 14/16 and installation of a new sewer interceptor line to serve areas east of Box Elder.	\$5,800,000	3.25%, 30 yrs	Yes	SD0025186
14	Irene	C461255-04	Replacement of 1,000 feet of force main and improvements to the lagoon system including construction of an inlet structure, installation of new control and effluent structures and removal of sludge from the ponds.	\$519,000	3.25%, 30 yrs	Yes	SD0022454
14	Lake Norden	C461256-03	Replacement of the north lift station and repairs to the wastewater treatment lagoons to include riprapping of embankments and replacing control structures.	\$500,000	3.25%, 30 yrs		SD0020621
14	Wessington Springs	C461210-04	Grading of the wastewater treatment facility site to redirect stormwater from over topping berms and entering the treatment ponds and installing riprap on the primary treatment cell.	\$316,000	3.25%, 30 yrs	Yes (Pending rate increase)	SD0020460
14	Worthing	C461047-06	Replacement of 4,700 feet of clay sanitary sewer and 5,400 feet of storm sewer and, installation of submerged attached growth reactor at the treatment facility to increase capacity and meet new permit limits.	\$4,908,000	3.25%, 30 yrs		SD0021474
13	Bryant	C461121-02	Replacement or lining of the entire collection system and extension of the collection system to serve houses within the city limits currently on septic systems.	\$8,702,000	3.25%, 30 yrs	Yes (Pending rate increase)	SD0021555

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term	Principal Forgiveness Eligible	NPDES Permit Number
13	Gayville	C461250-03	Replacement of 11,100 feet of clay sanitary sewer, installation of 2,250 feet of storm sewer, replacement of a lift station, and improvements at the wastewater treatment facility to include repair of the pond liner, and inlet/outlet structures and replacement of inter pond piping.	\$4,429,000	3.25%, 30 yrs		SD0022161
13	Harrisburg	C461065-11	Replacement of 16,000 feet of sanitary sewer, 6,200 feet of service lines, and 10,700 feet of storm sewer.	\$8,619,000	3.25%, 30 yrs		SD0023728
13	Henry	C461277-01	Relining or replacement of 19,000 feet of sanitary sewer, improvements to the wastewater treatment ponds to include installation of rip-rap, berm shaping, and upgrades to meet compliance requirements, and replacement of an existing lift station that is beyond its useful life.	\$8,047,800	3.25%, 30 yrs	Yes (Pending rate increase)	SD0025151
13	Hermosa	C461278-03	Rehabilitating the lagoon system and construction of a new lagoon cell.	\$3,531,727	3.25%, 30 yrs		SD0022349
13	Mitchell	C461129-13	Construction of a new laboratory for the north plant and upgrades to the south portion of the wastewater treatment facility to include site improvements to the facility, headworks process improvements, refurbishing the blower building and motor control center, adding equalization storage, new activated sludge blower and aeration system, refurbishment of clarifiers, and installation of a new aerobic sludge digester for nutrient removal capacity.	\$23,500,000	3.25%, 30 yrs	Yes (Pending rate increase)	SD0023361
13	Sturgis	C461068-08	Replacement of 31,500 feet of existing clay sanitary sewer.	\$19,751,760	3.25%, 30 yrs	Yes	SD0020052

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term	Principal Forgiveness Eligible	NPDES Permit Number
13	Tulare	C461297-02	Construction of a new wastewater treatment cell to provide capacity, installation of interpond piping, and improvements to the wetlands, replacement of an existing lift station, forcemain and 400 feet of sanitary sewer main.	\$2,540,000	3.25%, 30 yrs		SD0021911
12	Box Elder	C461003-08	Installation of approximately 11,400 feet of sanitary sewer interceptor lines to provide for future development of land adjacent to Cheyenne Boulevard.	\$2,300,000	3.25%, 30 yrs	Yes	SD0025186
12	Brandon	C461032-07	Replacement of approximately 6,800 feet of sanitary sewer and related appurtenances.	\$36,987,000	3.25%, 30 yrs		SD0025186
12	Dell Rapids	C461064-12	Replacement of 15,700 feet of sanitary sewer, 8,300 feet of service lines, 46 manholes and 7,000 feet of storm sewer.	\$23,702,000	3.25%, 30 yrs		SD0022101
12	Hecla	C461276-02	Replacement of 15,500 feet of clay sanitary sewer, installation of drain tile to remove groundwater and improve stormwater management, rehabilitation of the wastewater treatment lagoons, and installation of a lift station and forcemain to improve sanitary sewer conveyance.	\$12,921,000	3.25%, 30 yrs	Yes	SD0020214
12	Mission Hill	C461364-02	Construction of a new 1.8-acre artificial wetland for wastewater treatment, rehabilitation of the lift station, and televising 9,000 feet of sanitary sewer line to prioritize for future repairs.	\$662,000	3.25%, 30 yrs	Yes	SD0026611
12	Mitchell	C461129-14	Dredging of Lake Mitchell to remove nutrient laden lakebed sediments.	\$38,465,000	3.00%, 20 yrs	Yes (Pending rate increase)	SD0023361

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term	Principal Forgiveness Eligible	NPDES Permit Number
12	Mitchell	C461129-16	Replacement of the South Harmon lift station and all deficient sanitary sewer lines as well as lines adjacent to cast iron or asbestos cement waterlines.	\$98,000,000	3.25%, 30 yrs	Yes (Pending rate increase)	SD0023361
12	Powder House Pass Community Improvement District	C461471-04	Expansion of the current wastewater treatment facility to accommodate additional growth and installation of a new lift station and sanitary sewer lines to allow expansion into undeveloped areas.	\$7,500,000	3.00%, 20 yrs		SD0028615
12	Sioux Falls	C461232-47	Major replacement and upgrades to the city's water reclamation facility to improve treatment processes and expand the current treatment capacity to meet future growth needs (Phases 3 and 4).	\$11,675,000	2.75%, 20 yrs		SD0022128
12	Sioux Falls	C461232-45	Installation of two miles of sanitary sewer trunk main and related appurtenances in the northwest area of the city in what is known as basin 15 that will allow up to 1,200 acres of land for future development, and install best management practices in the Big Sioux River watershed.	\$21,065,500	1.25%, 20 yrs		SD0022128
12	Sioux Falls	C461232-48	Installation of 1 mile of sanitary sewer trunk main and related appurtenances in the northwest area of the city in what is known as basin 15 this project is phase 2 of the development. This will open up land for future development, and install best management practices in the Big Sioux River watershed.	\$6,214,000	2.25%, 20 yrs		SD0022128

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term	Principal Forgiveness Eligible	NPDES Permit Number
12	Sioux Falls	C461232-49	Installation of 2.5 miles of sanitary sewer trunk main and related appurtenances in the southeast area of the city in what is known as sewer basins 28 and 29. This will open up to 480 acres of land for future development, and install best management practices in the Big Sioux River watershed.	\$8,410,500	2.25%, 20 yrs		SD0022128
11	Beresford	C461187-06	Replacement of approximately 37,000 feet of sanitary sewer, televising portions of the collection system, and lining of the lift station wet wells.	\$9,186,000	3.25%, 30 yrs		SD0020079
11	Harrisburg	C461065-10	Construction of a new westside trunk sewer to free capacity in the existing collection system for new and existing users and allow elimination of existing lift stations which requires installation of 13,200 feet of 24- to 30-inch sewer pipe	\$3,652,600	3.25%, 30 yrs		SD0023728
11	Madison	C461024-06	Replacement or relining of 15,300 feet of clay sanitary sewer and 3,700 feet of storm sewer throughout the community.	\$5,692,400	3.25%, 30 yrs	Yes	SD0020010
11	Sturgis	C461068-09	Installation of 11,500 feet of new 15-inch sanitary sewer trunk main along the alignment of Bear Butte Creek and replacement of 5,500 feet of 10-inch sanitary sewer on Dudley Street.	\$10,338,964	3.25%, 30 yrs	Yes	SD0020052
11	Tea	C461028-12	Installation of 12,850 feet of new sanitary sewer trunk lines and 2,900 feet of storm sewer to serve users not connected to the city's sanitary sewer and undeveloped areas of the city.	\$5,649,000	3.25%, 30 yrs		SD0021784

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term	Principal Forgiveness Eligible	NPDES Permit Number
10	Box Elder	C461003-05	Replacement of approximately 2,800 feet of sanitary sewer lines with new larger lines to accommodate increased flows and future growth in the southwest portion of the city.	\$929,000	3.25%, 30 yrs	Yes	SD0022535
10	Box Elder	C461003-06	Installation of 16,500 feet of sewer trunk main to provide service to 870 acres in preparation of the Ellsworth Air Force Base expansion.	\$1,800,000	3.25%, 30 yrs	Yes	SD0025186
10	Box Elder	C461003-07	Installation of approximately 6,780 feet of sanitary sewer interceptor lines to provide for future development of 1,200 acres of land along Westgate Road south of I-90.	\$2,868,750	3.25%, 30 yrs	Yes	SD0025186
10	Bridgewater	C461112-06	Replacement of approximately 5,900 feet of storm sewer outfall line, and sewer replacement and drainage improvements throughout the city.	\$8,190,000	3.25%, 30 yrs	Yes	SD0021512
10	Canton	C461039-07	Replacement of the main lift station and approximately 6,000 feet of sanitary sewer.	\$2,801,000	3.25%, 30 yrs		SD0022489
10	Hot Springs	C461040-04	Replacement of approximately 5,640 feet of sewer lines and manholes under SD Highway 385/18.	\$800,000	3.25%, 30 yrs	Yes (Pending rate increase)	SD0022918
10	Howard	C461127-03	Relining approximately 30,000 feet of sanitary sewer main to reduce infiltration and inflow.	\$4,399,000	3.25%, 30 yrs	Yes (Pending rate increase)	SD0020613
10	Lake Preston	C461011-03	Replacement of approximately 13,000 feet of sanitary sewer and 3,500 feet of storm sewer.	\$6,913,000	3.25%, 30 yrs	Yes	SD0023655
10	Valley Springs	C461239-05	Replacement of 770 feet of clay sanitary sewer and dredging of the wastewater treatment lagoon to increase capacity.	\$2,658,000	3.25%, 30 yrs		SD0020923

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term	Principal Forgiveness Eligible	NPDES Permit Number
10	White	C461118-02	Replacement or relining of approximately 13,000 feet of sewer lines and manholes throughout the city.	\$6,100,000	3.25%, 30 yrs		SD0021636
9	Baltic	C461223-05	Replacement of the main lift station at the wastewater treatment facility.	\$718,600	3.25%, 30 yrs		SD0022284
9	Baltic	C461223-06	Replacement of approximately 7,000 feet of sanitary sewer, 7 manholes and other related appurtenances.	\$2,324,000	3.25%, 30 yrs		SD0022284
9	Britton	C461188-07	Replacement of sanitary sewer and installation of a lift station in the city's industrial area.	\$532,000	3.25%, 30 yrs		SD0022292
9	Chamberlain	C461044-07	Replacement of 2,000 feet of sanitary sewer and installation of 5,000 feet of new sanitary sewer to serve a new development.	\$2,676,000	3.25%, 30 yrs	Yes (Pending rate increase)	SD0023698
9	Chancellor	C461122-05	Replacement of 3,600 feet of sanitary sewer, 13 manholes and 2,500 feet of storm sewer.	\$1,832,000	3.25%, 30 yrs	Yes	SD0023639
9	Crooks	C461227-06	Replacement of 6,200 feet of sanitary sewer and construction of a new lift station to support future development.	\$4,614,000	3.25%, 30 yrs		SD0020761
9	DeSmet	C461193-02	Replacement of 7,200 feet of clay sanitary sewer.	\$2,090,000	3.25%, 30 yrs		SD0021687
9	Flandreau	C461125-02	Replacement of 8,500 feet of clay sanitary sewer.	\$4,380,000	3.25%, 30 yrs	Yes	SD0021831
9	Freeman	C461017-04	Replacement of 7 blocks of sanitary and storm sewer.	\$1,298,328	3.25%, 30 yrs	Yes (Pending rate increase)	SD0022110
9	Garretson	C461063-05	Replacement of 5,500 feet of sanitary sewer and 1,000 feet of storm sewer.	\$4,036,000	3.25%, 30 yrs		SD0022560

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term	Principal Forgiveness Eligible	NPDES Permit Number
9	Harrisburg	C461065-09	Installation of sanitary sewer trunk lines to assure the necessary capacity exists in the collection system to serve current users and future development.	\$7,305,000	3.25%, 30 yrs		SD0023728
9	Kennebec	C461283-04	Replacement of 1,600 feet of storm sewer and related appurtenances.	\$2,833,062	3.25%, 30 yrs		SD0022861
9	Lennox	C461105-12	Construction of new trunk sewer to free capacity in the existing collection system for new and existing users and allow elimination of existing lift stations which requires installation of 28,100 feet sewer pipe, 5,875 feet of new forcemain, and a new main lift station.	\$16,802,280	3.25%, 30 yrs	Yes	SD0021768
9	Miller	C461128-06	Replacement of 1,750 feet of clay sanitary sewer on East 7th and Donlin Streets.	\$830,388	3.25%, 30 yrs	Yes	SD0022659
9	Parker	C461026-07	Replacement of 8,625 feet of clay sanitary sewer and 6,300 feet of storm sewer throughout the community.	\$4,575,000	3.25%, 30 yrs		SD0020940
9	Pickstown	C461378-02	Relining 4,085 feet the wastewater collection system.	\$1,400,000	3.25%, 30 yrs		SD0021881
9	Platte	C461130-04	Installation of approximately 3,500 feet of sanitary sewer and related appurtenances.	\$3,509,090	3.25%, 30 yrs	Yes (Pending rate increase)	SD0020354
9	Salem	C461057-07	Replacement of the sanitary and storm sewer in the western portion of the city, the project will also install new trunk sewer to properly convey wastewater from the area.	\$6,833,000	3.25%, 30 yrs	Yes (Pending rate increase)	SD0020966
9	Salem	C461057-08	Replacement of sanitary sewer and installation of storm sewer in the city's industrial area.	\$2,040,000	3.25%, 30 yrs	Yes (Pending rate increase)	SD0020966

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term	Principal Forgiveness Eligible	NPDES Permit Number
9	Salem	C461057-09	Replacement or relining of 17,600 feet of clay sanitary sewer and installation of 4,000 feet of storm sewer.	\$8,015,000	3.25%, 30 yrs	Yes (Pending rate increase)	SD0020966
9	Tabor	C461259-02	Replacement of approximately 16,500 feet of sewer lines and manholes throughout the city and the rehabilitation of a lift station.	\$1,000,000	3.25%, 30 yrs		SD0022209
9	Tyndall	C461131-05	Installation of 5,000 feet of new storm sewer, inlets, and curb and gutter to manage storm water flows.	\$2,930,000	3.25%, 30 yrs	Yes (Pending rate increase)	Not Applicable
9	Wagner	C461209-04	Replacement of 22,400 feet of clay sanitary sewer.	\$11,500,000	3.25%, 30 yrs	Yes	SD0020184
9	Webster	C461054-08	Installation of 1,150 feet of new storm sewer and inlets to manage storm water flows.	\$325,690	3.25%, 30 yrs	Yes (Pending rate increase)	Not Applicable
9	Yankton	C461038-09	Installation and replacement of sanitary sewer collection lines in various locations of the city to replace old clay pipes and to install new sanitary sewer interceptors to provide needed conveyance capacity.	\$7,200,000	3.25%, 30 yrs	Yes	SD0023396
8	Alcester	C461212-03	Replacement of 7,400 feet of collection pipe, cleaning and televising the remaining collection system to prioritize for future repairs.	\$1,643,400	3.25%, 30 yrs	Yes	SD0023639
8	Colman	C461144-04	Replacement or relining of 6,000 feet of clay sanitary sewer and installation of 520 feet of storm sewer.	\$1,995,000	3.25%, 30 yrs		SD0022551
8	Colton	C461135-05	Replacement of 7,600 feet of sanitary sewer, 25 manholes and 1,000 feet of storm sewer.	\$2,343,000	3.25%, 30 yrs		SD0022322

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term	Principal Forgiveness Eligible	NPDES Permit Number
8	Corsica	C461107-02	Replacement of 1,500 feet of sanitary sewer, 1,900 feet of storm sewer, and 5 manholes.	\$878,600	3.25%, 30 yrs	Yes (Pending rate increase)	SD0021962
8	Humboldt	C461254-06	Replacement of 7,000 feet of sanitary sewer, 3,000 feet of service line and relining of 1,200 feet of sewer.	\$3,572,000	3.25%, 30 yrs		SD0024015
8	Ipswich	C461133-03	Installation of 24,000 feet of storm sewer pipe and related appurtenances.	\$13,631,900	3.25%, 30 yrs	Yes	Not Applicable
8	Kimball	C461415-01	Replacement of existing sanitary sewer, storm sewer, and curb and gutter as a part of an approximately four block area of Main Street to be reconstructed.	\$850,000	3.25%, 30 yrs	Yes (Pending rate increase)	SD0022772
8	Lake Andes	C461218-01	Replacement of an existing lift station and 1,500 feet of forcemain that is undersized and beyond its useful life.	\$1,230,000	3.25%, 30 yrs	Yes (Pending rate increase)	SD0022004
8	Lake Poinsett Sanitary District	C461027-06	Installation of 58,600 feet of sanitary sewer and 72 manholes to connect to houses currently on septic systems, rehabilitation of a lift station, construction of a new treatment pond and replacement of sanitary sewer in portions of the system to reduce I/I.	\$14,085,000	3.25%, 30 yrs		SD0026450
8	North Brookings Sanitary & Water District	C461370-01	Relining of 10,400 feet of clay sanitary sewer, replacement of the existing lift station, and replacement of 5,400 of forcemain.	\$4,000,000	3.25%, 30 yrs		Not Applicable
8	North Sioux City	C461009-04	Installation of 4,000 feet of new sanitary sewer, 10,600 feet of forcemain, and a new lift station in a currently undeveloped area of the city.	\$3,521,310	3.25%, 30 yrs	Yes (Pending rate increase)	SD0020311

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term	Principal Forgiveness Eligible	NPDES Permit Number
8	Philip	C461205-08	Relining of 1,950 feet and replacement of 540 feet of clay sanitary sewer in the northeast part of the community.	\$353,500	3.25%, 30 yrs	Yes (Pending rate increase)	SD0020303
8	Plankinton	C461110-04	Replacement or relining of 19,000 feet of clay sanitary sewer and installation of 250 feet of new sanitary sewer, 50 feet of forcemain, and a new lift station in a currently undeveloped area of the city.	\$5,075,000	3.25%, 30 yrs		SD0020958
8	Saint Lawrence	C461045-03	Replacement of 13,175 feet of clay sanitary sewer and rehabilitation of a lift station.	\$2,134,000	3.25%, 30 yrs	Yes	SD0020982
8	Timber Lake	C461260-02	Cleaning and televising the entire collection system, replacement or relining of approximately 16,400 feet of sewer lines, manholes, and related appurtenances throughout the city.	\$3,513,400	3.25%, 30 yrs	Yes (Pending rate increase)	SD0021903
8	Wall	C461033-02	Replacement of 2,000 feet of clay sanitary sewer.	\$1,366,413	3.25%, 30 yrs	Yes	SD0020346
8	Wessington Springs	C461210-03	Replacement of 800 feet of sanitary sewer on College Avenue.	\$575,000	3.25%, 30 yrs	Yes (Pending rate increase)	SD0020460
8	Wessington Springs	C461210-02	Replacement of 4.5 blocks of sanitary sewer on Second Street.	\$90,000	3.25%, 30 yrs	Yes (Pending rate increase)	SD0020460
7	Beresford	C461187-05	Construction of a submerged attached growth reactor system at the wastewater treatment facility, dredging of sludge from cell 1. and installation of a disinfection system.	\$4,579,000	3.25%, 30 yrs		SD0020079

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term	Principal Forgiveness Eligible	NPDES Permit Number
7	Bison	C461139-04	Cleaning and televising the collection system, replacing or relining portions of the collection system, and various improvements to the wastewater treatment facility.	\$3,826,319	3.25%, 30 yrs	Yes	SD0022411
7	Bowdle	C461243-02	Rehabilitation of the sanitary collection system and manholes and various improvements to the treatment ponds.	\$2,246,000	3.25%, 30 yrs	Yes (Pending rate increase)	SD0030532
7	Chester Sanitary District	C461073-01	Replacement or relining of 11,000 feet of clay sanitary sewer.	\$3,600,000	3.25%, 30 yrs	Yes (Pending rate increase)	SD0020338
7	Dupree	C461247-04	Cleaning and televising of the collection system, replacement or relining of the entire collection system, replacement of the force main from the lift station to the treatment facility and removal of sludge from the lagoons.	\$3,617,737	3.25%, 30 yrs	Yes (Pending rate increase)	SDG589116
7	Emery	C461248-03	Installation of 8,400 feet of storm sewer.	\$2,494,000	3.25%, 30 yrs		Not Applicable
7	Hudson	C461280-03	Replacement of 16,000 feet of sanitary sewer and service line.	\$8,146,000	3.25%, 30 yrs		SD0022471
7	Hurley	C461281-03	Replacement or relining of 2,500 feet of sanitary sewer and replacement of 7 manholes.	\$820,000	3.25%, 30 yrs	Yes	SD0021997
7	Keystone	C461074-02	Replacement of 2,000 feet of clay sanitary sewer on Bullion Street.	\$593,803	3.25%, 30 yrs	Yes	SD0024007
7	Tyndall	C461131-04	Replacement of 47,700 feet of clay sanitary sewer and rehabilitation of a lift station.	\$13,860,000	3.25%, 30 yrs	Yes (Pending rate increase)	SD0020133
7	Webster	C461054-07	Replacement or relining of 24,500 feet of clay sanitary sewer.	\$7,557,775	3.25%, 30 yrs	Yes (Pending rate increase)	SD0020320

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term	Principal Forgiveness Eligible	NPDES Permit Number
7	Wilmot	C461077-02	Cleaning and televising of the south half of the collection system to determine the need for replacement or relining of the lines and replacement or relining of 15,400 feet of clay sanitary sewer in the north half of the collection system.	\$4,092,000	3.25%, 30 yrs	Yes (Pending rate increase)	SD0021024
7	Wolsey	C461262-04	The outfall line to the treatment ponds will be replaced. The existing line is old and includes no manholes which prohibits to city being able to properly clean and maintain the line.	\$255,725	3.25%, 30 yrs	Yes (pending rate increase)	SD0020249
6	Claremont	C461325-03	This project will replace and install 1,100 feet of storm sewer pipe in a portion of the community with storm water issues. The project will also make improvements the existing sanitary sewer lift station including pumps and controls.	\$505,000	3.25%, 30 yrs	Yes	SD0022314
6	Corona	C461088-01	Replacement of relining or 5,700 feet of sanitary sewer and 16 manholes, and installation of 3,600 feet of storm sewer.	\$1,926,000	3.25%, 30 yrs		SD0021814
6	Isabel	C461282-02	Cleaning and televising of the collection system and replacement or relining of the entire collection system.	\$1,823,547	3.25%, 30 yrs		SD0020893
6	Java	C461350-02	Replacement or relining of 16,600 feet of sanitary sewer, upgrade the controls for the lift station and purchase a generator for the lift station.	\$4,017,386	3.25%, 30 yrs	Yes (Pending rate increase)	SDG822195
6	Newell	C461109-02	Installation of 2,050 feet of new sanitary sewer, 550 feet of forcemain, and a new lift station in a currently undeveloped area of the city.	\$708,878	3.25%, 30 yrs	Yes (Pending rate increase)	SD0020494

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term	Principal Forgiveness Eligible	NPDES Permit Number
6	Peever	C461220-02	Replacement of 9,200 feet of clay sanitary sewer throughout the community, replacement of the lift station, and installation of rip-rap at the wastewater treatment lagoons.	\$1,606,500	3.25%, 30 yrs	Yes (Pending rate increase)	SD0022756
6	Philip	C461205-09	Installation of new sanitary sewer, storm sewer, and curb and gutter in a currently undeveloped area of the city.	\$956,938	3.25%, 30 yrs	Yes (Pending rate increase)	SD0020303
6	Seneca	C461389-02	Improvements to the wastewater treatment facility to include access road, depth indicators, fencing, rip-rap and forcemain replacement, and cleaning and televising the collection system to prioritize for future improvements.	\$609,550	3.25%, 30 yrs	Yes (Pending rate increase)	SD0026719
6	Stratford	C461394-01	Replacement of 8,800 feet of sanitary sewer, replacement of the existing sewer lift station, and cleaning and televising of the remaining collection system to prioritize for future repairs. Improvements to the wastewater treatment ponds to include installation of a new access road and fencing or replacement of the entire treatment system are necessary for continued treatment. The treatment improvements will be determined after collection system repair is complete.	\$5,139,335	3.25%, 30 yrs	Yes (Pending rate increase)	No Number
6	Tripp	C461238-02	Installation of 5,000 feet of new storm sewer, inlets, and curb and gutter to manage storm water flows.	\$1,913,000	3.25%, 30 yrs	Yes (Pending rate increase)	SD0022403

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term	Principal Forgiveness Eligible	NPDES Permit Number
6	Wessington	C461302-01	Cleaning and televising of the collection system to determine the need for replacement or relining of the lines, replacement or relining of 11,700 feet of existing clay sanitary sewer, replacement of a lift station, and various improvements to the wastewater treatment facility.	\$3,907,900	3.25%, 30 yrs	Yes (Pending rate increase)	SD0023591
5	Pukwana	C461417-01	Installation of 2,100 feet of new sanitary sewer to serve a currently undeveloped area of the city.	\$240,000	3.25%, 30 yrs		SD0022586
5	Ravinia	C461384-01	Installation of 5,000 feet of new storm sewer and inlets to manage storm water flows.	\$1,865,000	3.25%, 30 yrs	Yes (Pending rate increase)	No Number
4	Geddes	C461274-01	Installation of 3,600 feet of storm sewer and related appurtenances.	\$378,132	3.25%, 30 yrs	Yes (Pending rate increase)	SD0021849
4	Lesterville	C461357-02	Installation of 6,700 feet of storm sewer and related appurtenances.	\$1,870,000	3.25%, 30 yrs		SD0022373

ATTACHMENT II – LIST OF PROJECTS TO BE FUNDED IN FFY 2023

Priority Points	Loan Recipient	Project Number	Assistance Amount	Principal Forgiveness ¹	Funding Date	Expected Funding Source ²	Fund/Project Eligibility ^{3,4}
	Green Project Reserve Information						
Loans Made							
16	Vermillion	C461022-11	\$1,043,200		Jan. 2023	Repay/Lev. Bonds	3
12	Sioux Falls	C461232-45	\$17,951,000		Jan. 2023	2022/2023	
	GPR Project Type: Green Infrastructure (Categorical) GPR Amount: TBD						
11	Sturgis	C461068-07	\$10,339,000		Jan. 2023	Repay/Lev. Bonds	3
18	Vermillion	C461022-12	\$23,100,000		March 2023	Repay/Lev. Bonds	3
15	Custer	C461021-07	\$5,596,000	\$3,075,000	March 2023	Repay/Lev. Bonds	3
15	Aurora	C461081-05	\$240,000		March 2023	Repay/Lev. Bonds	
12	Dell Rapids	C461064-12	\$845,000		March 2023	Repay/Lev. Bonds	
11	Harrisburg	C461065-10	\$11,709,000		March 2023	Repay/Lev. Bonds	
9	Salem	C461057-07	\$1,400,000		March 2023	Repay/Lev. Bonds	
9	Tabor	C461259-02	\$250,000		March 2023	Repay/Lev. Bonds	
8	Kimball	C461415-01	\$1,095,000		March 2023	Repay/Lev. Bonds	
8	Wessington Springs	C461210-03	\$165,974		March 2023	Repay/Lev. Bonds	3
8	Wessington Springs	C461210-02	\$76,613		March 2023	Repay/Lev. Bonds	3
7	Wolsey	C461262-04	\$134,000		March 2023	Repay/Lev. Bonds	3
6	Corona	C461088-01	\$540,000		March 2023	Repay/Lev. Bonds	
Loans Expected							
14	Lake Norden	C461256-03	\$500,000		June 2023	Repay/Lev. Bonds	
13	Henry	C461277-01	\$2,000,000	\$1,200,000	June 2023	Repay/Lev. Bonds	3
9	Chancellor	C461122-05	\$1,450,000	\$870,000	June 2023	Repay/Lev. Bonds	3
8	North Brookings Sanitary and Water District		\$3,997,750		June 2023	Repay/Lev. Bonds	
8	Philip	C461205-08	\$1,040,830	\$624,498	June 2023	Repay/Lev. Bonds	3
8	Saint Lawrence	C461045-03	\$1,138,000	\$682,800	June 2023	Repay/Lev. Bonds	3
6	Philip	C461205-09	\$800,342	\$480,205	June 2023	Repay/Lev. Bonds	3
12	Sioux Falls	C461232-48	\$6,214,000		Sept, 2023	2022/2023	
	GPR Project Type: Green Infrastructure (Categorical) GPR Amount: TBD						

1. Principal forgiveness amounts shown for loans expected are estimates for planning purposes only.

2. Projects identified using capitalization grant funds are for equivalency requirements planning purposes only Actual projects used for capitalization grant equivalency will be identified on the FFY 2023 annual report.

3. Projects are anticipated to be funded in part utilizing capitalization grant principal forgiveness reserved for affordability criteria communities, and may be from funds within the base capitalization grant, BIL general supplemental, or BIL emerging contaminants grant allotments depending on project eligibility.

4. Projects identified are anticipated to be funded in part utilizing BIL emerging contaminants allotments.

ATTACHMENT III PROGRAM FUNDING STATUS

Federal Fiscal Years 1989 – 2022

Capitalization Grants	\$224,170,200
BIL Supplemental Grants	\$8,738,000
State Match (Base and BIL)	\$45,707,840
ARRA Grant	\$19,239,100
Set-Asides (Base and BIL)	(\$10,919,899)
Leveraged Funds	\$415,790,341
Transfer FFY 2002 & 2003 Capitalization Grant and State Match to DWSRF	(\$15,574,320)
Excess Interest as of September 30, 2022	\$130,815,133
Excess Principal as of September 30, 2022	<u>\$206,633,350</u>
 Total Funds Dedicated to Loan	 \$1,024,599,745
 Closed Loans made through September 30, 2022	 <u>(\$1,052,566,137)</u>
 Unclosed loans and available funds as of September 30, 2022	 (\$27,966,392)

Federal Fiscal Year 2023 Projections

Base Capitalization Grant	\$3,683,000
BIL General Supplemental Grant	\$10,233,000
State Match (combined total)	\$1,759,900
Set-Asides (combined total)	(\$761,300)
Projected Excess Principal Repayments	\$20,000,000
Projected Unrestricted Interest Earnings	\$1,000,000
Leveraged Bonds	<u>\$100,000,000</u>
Projected FFY 2023 Loan Subtotal	\$135,914,600
 Unclosed loans and funds Available for Loans	 \$110,127,568
 Loans Awarded and Unclosed as of September 30, 2022	 (\$332,264,942)
 Total Funds Available for Loans	 <u>(\$114,189,166)</u>
 Loan Amount Identified on Attachment II - List of Projects to be Funded in FFY 2023	 <u>\$92,745,409</u>

Administrative Surcharge Funds Available as of September 30, 2022	
Restricted Account (Administrative Purposes Only)	\$342,846
Discretionary Account (Available for Water Quality Grants)	<u>\$1,874,192</u>
Total	<u>\$2,217,038</u>

BIL EMERGING CONTAMINANTS PROGRAM FUNDING STATUS

Federal Fiscal Year 2022

CWSRF BIL Emerging Contaminants Grants	\$459,000	
State Match	\$0	
Set-Asides	\$0	
Transfer FFY 2022 Grant to DWSRF Emerging Contaminants	(\$459,000)	
Total Funds Dedicated to Loan		\$0
Closed Loans made through September 30, 2022		\$0
Unclosed loans and available funds as of September 30, 2022		\$0

Federal Fiscal Year 2023 Projections

CWSRF BIL Emerging Contaminants Grant	\$1,043,000	
Transfer of FY 2023 Clean Water Emerging Contaminants Grant	(\$1,043,000)	
State Match	\$0	
Set-Asides	\$0	
Projected FFY 2023 Loan Sub-total		\$0
Unclosed loans and funds Available for Loans		\$0
Loans Awarded and Unclosed as of September 30, 2022		\$0
Total Funds Available for Loans		\$0
Loan Amount Identified on Attachment II - List of Projects to be Funded in FFY 2023		\$0

Addendum to the 2023 CWSRF Intended Use Plan:

Bipartisan Infrastructure Law

The Bipartisan Infrastructure Law (BIL), previously referred to as the Infrastructure Investment and Jobs Act, was signed into law on November 15, 2021. The BIL invests more than \$50 billion over the next five years in EPA water infrastructure programs including the State Revolving Funds. South Dakota's 2023 allotment for the CWSRF program totals \$11,276,000.

This addendum is for the distribution of BIL funds in 2023.

The BIL funding will be issued through the CWSRF in two categories: 1) CWSRF BIL General Supplemental Funding and 2) CWSRF BIL Emerging Contaminants Funding. The IUP amendments and the BIL funding categories are described below.

BIL Funding Categories and Use of Funds

CWSRF BIL General Supplemental Funding

The BIL includes a general supplemental funding allotment of \$10,233,000 to South Dakota in 2023 for the CWSRF program. The existing CWSRF program as described in this IUP applies to this funding category and includes the following:

Eligibility

- Eligible entities and projects for this funding must be eligible under the existing CWSRF program.
- All CWSRF eligible projects must be listed on the existing Attachment I - 2023 Project Priority List

Requirements

- Application, prioritization and approval for funding will be the same as the existing CWSRF program.
- State match is 10% of the total amount of the capitalization grant in fiscal year 2023. Bond proceeds will be used to provide the matching funds.
- Loan interest rate and terms will be the same as the existing program.
- Forty-nine percent of the capitalization grant amount must be awarded as additional subsidization in the form of principal forgiveness. Additional subsidization will be provided to eligible entities that meet the Affordability Criteria established in ARSD 74:05:08:12.03. Applicants meeting the Affordability Criteria may be eligible for additional principal forgiveness from the base program.

Technical Assistance Set-Asides

BIL includes the following provision:

Additional Use of Funds--A State may use an additional 2 percent of the funds annually awarded to each State under this title for nonprofit organizations (as defined in section 104(w)) or State, regional, interstate, or municipal entities to provide technical assistance to rural, small, and tribal publicly owned treatment works (within the meaning of section 104(b)(8)(B)) in the State.

States have the flexibility to use up to an amount equal to two percent of its annual CWSRF capitalization grant for the purpose of hiring staff, nonprofit organizations, or regional, interstate, or municipal entities to assist rural, small, and tribal publicly owned treatment works. The form of that assistance is flexible and could include, but is not limited to, community outreach, technical evaluation of wastewater solutions, preparation of applications, preliminary engineering reports, and financial documents necessary for receiving SRF assistance. This provision applies to the base program, the BIL CWSRF General Supplemental fund, and the BIL CWSRF Emerging Contaminants fund.

The 2023 BIL CWSRF appropriation for infrastructure is \$10,233,000. The department intends to set-aside the eligible two percent (\$204,660) to provide planning grants to communities of 2,500 or less and provide technical assistance to rural communities through the contract with the Midwest Assistance Program. More information on these technical assistance activities is provided on pages 7 and 8 of the base program IUP.

Capitalization Grant Administrative Allowance

The BIL provides three options to states to calculate the administrative fees available from each year's capitalization grant. States may use the larger of 1) an amount equal to four percent of all grant awards to the CWSRF, 2) \$400,000 per year or 3) 1/5 of a percent of the current valuation of the Clean Water SRF fund based on the most recent previous year's audited financial statements.

Four percent of the fiscal year 2023 base capitalization grant and BIL Supplemental grant is \$556,640, and 1/5 of a percent of the current fund valuation of \$267,615,217 results in \$535,230 available for administrative fees. As a result, an administrative allowance of \$556,640 will be reserved for administrative purposes in FFY 2023. Of this amount, \$409,320 will be from the BIL Supplemental grant and the remaining \$147,320 from the base grant.

CWSRF BIL Emerging Contaminants Funding

The BIL includes a funding allocation of \$1,043,000 to South Dakota in 2023 to be applied to clean water emerging contaminants. The Department proposes to transfer these funds to the DWSRF Emerging Contaminant Fund. Information regarding transferring funds can be found in the BIL Funding Applicable Provisions and Additional Requirements section.

CWSRF BIL Principal Forgiveness Eligibility Criteria

An eligible applicant may receive principal forgiveness from the CWSRF BIL General Supplemental Funding if it meets the Affordability Criteria established in ARSD 74:05:08:12.03 and outlined on pages 4 and 5 of the base program IUP.

Project Priority List and List of Projects Expected to be Funded

All projects identified on Attachment I - Project Priority List and Attachment II - List of Projects Expected to be Funded in FFY 2023 are eligible to receive BIL supplemental funding. Projects may be funded by a combination of BIL supplemental funds and base program funds.

BIL Funding Provisions and Additional Requirements

All provisions promulgated through statute, guidance, or regulations issued by EPA for the implementation of the CWSRF program will remain in effect (e.g. American Iron and Steel and Davis-Bacon related prevailing wage requirements) unless they are inconsistent with the BIL, capitalization grant conditions, or the requirements contained in the [EPA BIL SRF Implementation Memo](#) dated March 8, 2022.

The EPA BIL SRF Implementation Memo includes the following provisions summarized below:

1. Build America, Buy America Act: BIL creates the Build America, Buy America (BABA) Act domestic sourcing requirements for Federal financial assistance programs for infrastructure, including the SRF programs. For more specific information on BABA implementation, please refer to the Office of Management and Budget's Build America, Buy America Act Implementation Guidance. EPA will issue a separate memorandum for BABA after the United States Office of Management and Budget (OMB) publishes its guidance. The American Iron and Steel provisions of both the CWSRF and DWSRF continue to apply.

BABA applies to both the existing CWSRF program equivalency projects and BIL funded projects. BIL funded projects will be required to comply with BABA requirements, unless exempted by an approved national or project specific waiver. The OMB guidance and EPA memorandums mentioned above will determine the specific requirements for implementing and meeting the BABA requirement.

2. Reporting: States must use EPA's SRF Data System to report key BIL project characteristics and milestone information no less than quarterly. Additional reporting will be required through the terms and conditions of the grant award. The Federal Funding Accountability and Transparency Act (FFATA) of 2010 requires SRF programs to report on recipients that received federal dollars in the FFATA Subaward Reporting System (www.fsrs.gov).

3. Blending Funds and Cash Draws: States have the flexibility to craft single assistance agreements (e.g., loans) that contain multiple types of construction components and activities. These assistance agreements may commit funds from multiple BIL capitalization grants and base program funds. Upon disbursement of funds, these assistance agreements may draw from both BIL and base SRF capitalization grants for eligible project components.
4. Green Project Reserve: If provided for in the annual appropriation, the green project reserve is applicable to the BIL capitalization grants for the corresponding fiscal year.
5. Inter-SRF Transfers: Per SRF statute and regulation, states have the flexibility to transfer funds between the CWSRF and DWSRF. Given BIL's requirements, authorities, and narrower SRF eligibilities, states may only transfer funds between the specific BIL appropriations in the equivalent CWSRF or DWSRF program. In other words, transfer of funds may occur between the CWSRF and DWSRF General BIL capitalization grants and between the CWSRF and DWSRF BIL Emerging Contaminants capitalization grants. Because there is no similar CWSRF appropriation to the DWSRF BIL LSLR appropriation, no funds may be transferred from or to the DWSRF BIL LSLR appropriation. States may not transfer BIL appropriations to or from base appropriations.
6. Federal Civil Rights Responsibilities, Including Title VI of the Civil Rights Act of 1964 is reviewed by the state to ensure requirements are met and applies to DWSRF and CWSRF programs for both base and BIL funding.

Public Review and Comment

On November 3, 2022, a public hearing was held seeking comments on the BIL addendum to the CWSRF 2023 Intended Use Plan. The notice was published at least 20 days prior in four newspapers of general circulation in different parts of the state. The department maintains a public notice page on its website <https://danr.sd.gov/public/default.aspx>, and interested parties are able to submit comments through the website. The addendum was made available during the public notice period for review and comment. The department sends out weekly updates to a list of interested parties who have subscribed for updates to the website. Upon posting the public notice on the department's website, the addendum was e-mailed to a list of interested parties that regular receive notice of Board of Water and Natural Resources activities. As part of the required board meeting notice the addendum was also available on the Boards and Commissions portal website <https://boardsandcommissions.sd.gov/Meetings.aspx?BoardID=108>.

**SOUTH DAKOTA
DRINKING WATER STATE REVOLVING FUND
FEDERAL FISCAL YEAR 2023 INTENDED USE PLAN**

INTRODUCTION

The Safe Drinking Water Act Amendments of 1996 and South Dakota Codified Law 46A-1-60.1 to 46A-1-60.3, inclusive, authorize the South Dakota Drinking Water State Revolving Fund (SRF) program. Program rules are established in Administrative Rules of South Dakota chapter 74:05:11.

The state of South Dakota proposes to adopt the following Intended Use Plan (IUP) for the federal fiscal year (FFY) 2023 as required under Section 1452(b) of the Safe Drinking Water Act and ARSD 74:05:11:03. The IUP describes how the state intends to use the Drinking Water SRF to meet the objectives of the Safe Drinking Water Act and further the goal of protecting public health. A public hearing was held on November 4, 2022, to review the FFY 2023 Intended Use Plan and receive comments. The IUP reflects the results of this review.

The IUP includes the following:

- Priority list of projects;
- Short- and long-term goals;
- Criteria and method of fund distribution;
- Funds transferred between the Drinking Water SRF and the Clean Water SRF;
- Financial status;
- Description and amount of non-Drinking Water SRF (set-aside) activities;
- Disadvantaged community subsidies; and

- Bipartisan Infrastructure Law (BIL) Addendum for specific BIL fund uses and activities.

PRIORITY LIST OF PROJECTS

A project must be on the project priority list, Attachment I, to be eligible for a loan. This list was developed from the State Water Plan and includes projects that did not designate Drinking Water SRF loans as a funding source.

Projects may be added to the project priority list at any meeting of the Board of Water and Natural Resources if the action is included on the agenda at the time it is posted.

Priority ratings are based on the project priority system established in ARSD 74:05:11:06. The general objective of the priority system is to assure projects that address compliance or health concerns, meet certain affordability criteria, or regionalize facilities receive priority for funding.

GOALS, OBJECTIVES, AND ENVIRONMENTAL RESULTS

The long-term goals of the Drinking Water SRF are to fully capitalize the fund, ensure that the state's drinking water supplies remain safe and affordable, ensure that systems are operated and maintained, and promote economic well-being.

The specific long-term objectives of the program are:

1. To maintain a permanent, self-sustaining SRF program that will serve in perpetuity as a financing source for drinking water projects and source water quality protection measures. This will necessitate that the amount of capitalization grant funds for non-Drinking Water SRF activities are reviewed annually to assure adequate cash flow to maintain the fund.
2. To fulfill the requirements of pertinent federal, state, and local laws and regulations governing safe drinking water activities, while providing the state and local project sponsors with maximum flexibility and decision making authority regarding such activities.

The short-term goal of the SRF is to fully capitalize the fund.

The specific short-term objectives of the program are:

1. To assist systems in replacing aging infrastructure.
2. To assist systems in maintaining and upgrading its water treatment capabilities to ensure compliance with the Safe Drinking Water Act.
3. To promote regionalization and consolidations of water systems, where mutually beneficial, as a practical means of addressing financial, managerial, and technical capacity.
4. To ensure the technical integrity of Drinking Water SRF projects through the review of planning, design plans and specifications, and construction activities.
5. To ensure the financial integrity of the Drinking Water SRF program through the review of the financial impacts of the set-
asides and disadvantaged subsidies and individual loan applications and the ability for repayment.
6. To obtain maximum capitalization of the funds for the state in the shortest time possible while taking advantage of the provisions for disadvantaged communities and supporting the non-Drinking Water SRF activities.

Environmental Results

States are required to establish program activity measures (outcomes) in its Intended Use Plan to receive the federal capitalization grant. Progress related to the measures is to be reported in the following annual report.

For FFY 2023, the specific measures are:

1. In FFY 2022, the fund utilization rate, as measured by the percentage of executed loans to funds available, was 92.7 percent, which exceeded the target goal of 90 percent. For FFY 2023, the goal of the Drinking Water SRF program is to maintain the fund utilization rate at or above 90 percent.
2. In FFY 2022, the rate at which projects progressed as measured by disbursements as a percent of assistance provided was 90.1 percent, which met the goal of 80 percent. For FFY 2023, the goal is to maintain the construction pace at 80 percent or higher.
3. For FFY 2023, the goal of the Drinking Water SRF program is to fund 24 loans, totaling more than \$264.7 million.
4. For FFY 2023, it is estimated that 24 projects will initiate operations.
5. For FFY 2023, it is estimated that 10 Small Community Planning Grants will be awarded to small systems to evaluate the system's infrastructure needs.

6. For FFY 2023, it is estimated that the South Dakota Association of Rural Water Systems will provide 1,400 hours of technical assistance to small systems.

To ensure measures are accurate and up-to-date, project data will be entered into the EPA SRF Data System on a quarterly basis.

CRITERIA AND METHOD OF FUND DISTRIBUTION

Projects will be funded based on their assigned priority as set forth on the Project Priority list. Projects with the highest ranking that have submitted a complete State Revolving Fund loan application and demonstrated adequate financial, managerial, and technical capacity to receive the loan shall be funded before any lower ranked projects. Projects on the priority list may be bypassed if they have not demonstrated readiness to proceed by submitting a loan application. "Readiness to Proceed" is defined by EPA as the applicant being prepared to begin construction and is immediately ready, or poised to be ready, to enter into assistance agreements. The next highest priority project that has submitted an application will be funded. The state shall exert reasonable effort to assure that the higher priority projects on the priority list are funded.

Interest rates are reviewed periodically in comparison to established bond rating indexes to assure rates are at or below market rates as required. The SRF rates are then set to be competitive with other funding agencies.

The current interest rates for FFY 2023 are summarized in Table 1. Information regarding disadvantaged eligibility and subsidy level criteria can be found in the disadvantaged community subsidies section. The interest rates were adjusted in November 2022.

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	0.00%			
Admin. Surcharge	2.50%			
Total	2.50%			
<u>Base Rate</u>				
Interest Rate	2.50%	2.75%	3.00%	
Admin. Surcharge	0.25%	0.25%	0.25%	
Total	2.75%	3.00%	3.25%	
<u>Disadvantaged Rate – 80% to 100% of MHI</u>				
Interest Rate				2.75%
Admin. Surcharge				0.25%
Total				3.00%
<u>Disadvantaged Rate – 60% to 80% of MHI</u>				
Interest Rate		1.75%		2.50%
Admin. Surcharge		0.25%		0.25%
Total		2.00%		2.75%
<u>Disadvantaged Rate – Less than 60% of MHI</u>				
Interest Rate				0.00%
Admin. Surcharge				0.00%
Total				0.00%

* Term cannot exceed useful life of the project

ADMINISTRATIVE SURCHARGE FEES

The interest rate includes an administrative surcharge as identified in Table 1. The primary purpose of the surcharge is to provide a pool of funds to be used for administrative purposes after the state ceases to receive capitalization grants. The administrative surcharge is also available for other purposes, as determined eligible by EPA and at the discretion of the Board of Water and Natural Resources and the department.

As of September 30, 2022, nearly \$6.5 million of administrative surcharge funds are available.

Beginning in FFY 2005, administrative surcharge funds were provided to the planning districts to defray expenses resulting

from SRF application preparation and project administration. Reimbursement is \$10,500 per approved loan with payments made in \$3,500 increments as certain milestones are met.

The American Recovery and Reinvestment Act (ARRA) of 2009 and subsequent capitalization grants have mandated implementation of Davis-Bacon prevailing wage rules. Under joint powers agreements between the planning districts and the department, the planning districts are to be reimbursed \$1,600 per project to oversee compliance with the Davis-Bacon wage rate verification and certification.

Administrative surcharge funds will again be provided to the planning districts to defray the cost of SRF application preparation and project administration, which includes Davis-Bacon wage rate verification and certification. The FFY 2023 allocation for these activities will be \$500,000.

In FFY 2023, \$75,000 of administrative surcharge funds will be allocated for operator certification training.

In FFY 2019, \$200,000 of administrative surcharge funds were allocated to provide grants to assist very small systems in violation of the Safe Drinking Water Act. These funds are limited to community systems with 50 or less connections and not-for-profit, non-transient non-community water systems. Funds will be provided for infrastructure projects as 100 percent grants up to a maximum of \$50,000 and for total project costs less than \$100,000. No additional funds will be allocated for these activities in federal fiscal year 2023.

In federal fiscal year 2023, \$2,000,000 of administrative surcharge funds will be allocated. These funds will be used to supplement the Consolidated program with grants for the construction of drinking water facilities.

SMALL SYSTEM FUNDING

A requirement of the program is that a minimum of 15 percent of all dollars credited to the fund be used to provide loan assistance to small systems that serve fewer than 10,000 persons. Since the inception of the program, loans totaling nearly \$501.9 million have been made to systems meeting this population threshold, or 41.7 percent of the \$1.2 billion of total funds available for loan. Attachment II – List of Projects to be funded in FFY 2023 identifies more than \$118.3 million in projects, of which more than \$65.9 million is for systems serving less than 10,000; therefore, the state expects to continue to exceed the 15 percent threshold.

Water systems must demonstrate the technical, managerial, and financial capability to operate a water utility before it can receive a loan.

The distribution methods and criteria are designed to provide affordable assistance to the borrower with maximum flexibility while providing for the long-term viability of the fund.

AMOUNT OF FUNDS TRANSFERRED BETWEEN THE DRINKING WATER SRF AND THE CLEAN WATER SRF

The Safe Drinking Water Act Amendments of 1996 and subsequent Congressional action allows states to transfer an amount equal to 33 percent of its Drinking Water SRF capitalization grant to the Clean Water SRF or an equivalent amount from the Clean Water SRF to the Drinking Water SRF. States can also transfer state match, investment earnings, or principal and interest repayments between SRF programs and may transfer a previous year's allocation at any time.

South Dakota transferred \$15,574,320 from the Clean Water SRF to the Drinking Water SRF program in past years. In FFY 2006 and 2011, \$7.5 million of leveraged bond

proceeds and \$10 million of repayments, respectively were transferred from the Drinking Water SRF program to the Clean Water SRF program. With the FFY 2023 capitalization grant, the ability exists to transfer more than \$63.2 million from the Clean Water SRF program to the Drinking Water SRF program. More than \$61.3 million could be transferred from the Drinking Water SRF Program to the Clean Water SRF program. Table 2 (pages 10 and 11) itemizes the amount of funds transferred between the programs and the amount of funds available to be transferred.

No base program transfers are expected in FFY 2023.

FINANCIAL STATUS

Loan funds are derived from various sources and include federal capitalization grants, state match, leveraged bonds, borrowers' principal repayments, and interest earnings.

Capitalization Grants/State Match: Federal capitalization grants are provided to the state annually. These funds must be matched by the state at a ratio of 5 to 1. The FFY 2023 capitalization grant is \$4,938,000 which requires \$987,600 in state match. Bond proceeds will be used to match FFY 2023 capitalization grant funds.

For purposes of meeting FFY 2023 proportionality requirements, the South Dakota Drinking Water SRF program will document the expenditure of repayments and bond proceeds in an amount equivalent to the entire required state match.

Leveraged Bonds: The South Dakota Conservancy District has the ability to issue additional bonds above that required for state match, known as leveraged bonds. As of September 30, 2022, \$123.7 million in leveraged bonds have been issued for the Drinking Water SRF program. It is anticipated that up to \$200 million of

additional leveraged bonds will be required in FFY 2023.

Borrowers' Principal Repayments: The principal repaid by the loan borrowers is used to make semi-annual leveraged bond payments. Any excess principal is available for loans. It is estimated that \$5.0 million in principal repayments will become available for loans in FFY 2023.

Interest Earnings: The interest repaid by the loan borrowers, as well as interest earned on investments, is dedicated to make semi-annual state match bond payments. Any excess interest is available for loans. It is estimated that \$4.0 million in interest earnings will become available for loans in FFY 2023.

As of September 30, 2022, 476 loans totaling \$1,202,160,224 have been made.

At the beginning of FFY 2023, \$46,184,046 is available to loan. With the FFY 2023 capitalization grant, state match, leveraged bonds, excess interest earnings, and repayments, nearly \$285,294,396 million will be available to loan. This information is provided in Attachment III, Drinking Water SRF Funding Status.

Funds will be allocated to the set-aside activities in the amounts indicated below. All remaining funds will be used to fund projects on the project priority list. A more detailed description of the activities can be found in the section pertaining to set-asides and the attachments.

Administration	\$0
Technical Assistance	\$0
PWSS Program Management	\$0
Local Assistance	\$0
Total for set-asides	\$0

With the adoption of the amended and restated Master Indenture in 2004, the Clean Water and Drinking Water SRF programs are

cross-collateralized. This allows the board to pledge excess revenues on deposit in the Drinking Water SRF program to act as additional security for bonds secured by excess revenues on deposit in the Clean Water SRF program, and vice versa.

The Safe Drinking Water Act included three provisions that call for a withholding of Drinking Water SRF grant funds where states fail to implement three necessary programmatic requirements. These provisions were assuring the technical, financial and managerial capacity of new water systems, developing a strategy to address the capacity of existing systems, and developing an operator certification program that complies with EPA guidelines. The State of South Dakota continues to meet the requirements of these provisions and will not be subject to withholding of funds.

Additional Subsidy – Principal Forgiveness

The 2010 and 2011 Drinking Water SRF appropriations mandated that not less than 30 percent of the funds made available for Drinking Water SRF capitalization grants shall be used by the state to provide additional subsidy to eligible recipients. The 2012 through 2015 capitalization grants mandated additional subsidy be provided in an amount not less than 20 percent, but not more than 30 percent, of the capitalization grants. The 2016 through 2019 capitalization grant mandated additional subsidy of exactly 20 percent of the total grant be provided to recipients. The FFY 2020 through 2022 capitalization grants included the ability to award principal forgiveness for any borrower of exactly 14 percent of the total grant award. Additional subsidy may be in the form of forgiveness of principal, negative interest loans, or grants (or any combination of these).

Additional subsidy will be provided in the form of principal forgiveness. Municipalities and sanitary districts must have a minimum rate of \$45 per month based on 5,000 gallons

usage or to qualify for principal forgiveness. Other applicants must have a minimum rate of \$70 per month based on 7,000 gallons usage to qualify for principal forgiveness.

When determining the amount of principal forgiveness, the Board of Water and Natural Resources may consider the following decision-making factors, which are set forth in alphabetical order:

- (1) Annual utility operating budgets;
- (2) Available local cash and in-kind contributions;
- (3) Available program funds;
- (4) Compliance with permits and regulations;
- (5) Debt service capability;
- (6) Economic impact;
- (7) Other funding sources;
- (8) Readiness to proceed;
- (9) Regionalization or consolidation of facilities;
- (10) Technical feasibility;
- (11) Utility rates; and
- (12) Water quality benefits.

Table 3 on pages 12 and 13 summarizes the amounts of principal forgiveness provided to date.

The FFY 2023 capitalization grant includes the ability to award principal forgiveness for any borrower equal to 14 percent of the total grant award.

Additional principal forgiveness can also be provided to disadvantaged communities. Further discussion can be found in the Disadvantaged Community Subsidy section beginning on page 9.

Attachment II – List of Projects to be Funded in FFY 2023 identifies \$993,938 in principal forgiveness for communities not eligible for the additional disadvantaged community principal forgiveness.

DESCRIPTION AND AMOUNT OF NON-PROJECT ACTIVITIES (SET-ASIDES)

The Safe Drinking Water Act authorizes states to provide funding for certain non-project activities provided that the amount of that funding does not exceed certain ceilings. Unused funds in the non-Drinking Water SRF will be banked for future use, where allowable, or transferred to the project loan account at the discretion of the state and with concurrence from the EPA Regional Administrator.

The following sections identify what portions of the capitalization grant will be used for non-Drinking Water SRF activities and describe how the funds will be used.

Administration. The Water Infrastructure Improvements for the Nation (WIIN) Act of 2017 provides three options to states to calculate the administrative set-aside available from each year's capitalization grant. States may use the greatest of 1) \$400,000 per year, 2) 1/5 of a percent of the current valuation of the Drinking Water SRF fund based on the most recent previous year's audited financial statements, or 3) an amount equal to four percent of the annual capitalization grant allotment. The Bipartisan Infrastructure Law (BIL) also provides these same options for determining the administrative set-aside.

Four percent of the FFY 2023 base capitalization grant is \$197,520, four percent of the FFY 2023 BIL Supplemental capitalization grant is up to \$842,200, and 1/5 of a percent of the current fund valuation of \$225,279,640 results in \$450,559 available for administrative fees. **As a result, no administrative set-aside will be allocated from the base capitalization grant, and BIL Supplemental grant funds will be utilized.**

Specific activities to be funded are: staff salary, benefits, travel, and overhead;

retaining of bond counsel, bond underwriter, financial advisor, and trustee; and other costs to administer the program.

Unused administrative funds will be banked to assure a source of funds not dependent on state general funds.

Small system technical assistance. **Two percent of the estimated capitalization grant is \$98,760; whereas, two percent of the estimated BIL Supplemental capitalization grant is up to \$421,100. As a result, no small system technical assistance set-aside will be allocated from the base capitalization grant, and BIL Supplemental grant funds will be utilized.**

The objective of this set-aside is to bring non-complying systems into compliance and improve operations of water systems. States may use up to two percent of its allotment to assist in funding these activities.

Since fiscal year 1997, the board has contracted with the South Dakota Association of Rural Water Systems to help communities evaluate the technical, managerial, and financial capability of its water utilities. These contracts have been renewed periodically to allow the continuation of assistance activities. The South Dakota Rural Water Association provides such on-site assistance as leak detection, consumer confidence reports, water audits, board oversight and review, treatment plant operations, operator certification, and rate analysis.

To promote proactive planning within small communities, the Small Community Planning Grant program was initiated in fiscal year 2001. Communities are reimbursed 80 percent of the cost of an engineering study, with the maximum grant amount for any study being \$8,000.

No funds from the base capitalization grant are proposed to be utilized to continue these

activities, the BIL supplemental funding set-aside will be utilized for these activities in 2023. Unused funds from previous years' set-aside for small system technical assistance are banked for use in future years. As of September 30, 2022, \$209,927 remains from previous years' base program and BIL supplemental allocations to be used for the purposes described above.

State program management. **No funds will be allocated from the base program State Program Management set-aside for the administration of the state's Public Water System Supervision (PWSS) program in FFY 2023. Set-aside funds from the BIL Supplemental grant funds will be utilized.**

The state may use up to 10 percent of its allotment to (1) administer the state PWSS program; (2) administer or provide technical assistance through water protection programs, including the Class V portion of the Underground Injection Control program; (3) develop and implement a capacity development strategy; and (4) develop and implement an operator certification program. The WIIN Act of 2017 removed the requirements for an additional dollar-for-dollar match of capitalization funds for these activities.

The Performance Partnership Grant for South Dakota's PWSS program does not provide sufficient funds to complete all tasks and activities identified in the workplan. A total of \$300,000 from the BIL Supplemental grant will be set-aside for these activities in FFY 2023. Additional PWSS fees will be used to fully fund all activities identified in the workplan.

Local assistance and other state programs. **No funds will be allocated from the base program Local Assistance set-aside. Set-aside funds from the BIL Supplemental capitalization grant (\$100,000) will be used for the capacity development activities described below.**

The state can fund other activities to assist development and implementation of local drinking water protection activities. Up to 15 percent of the capitalization grant may be used for the activities specified below, but not more than 10 percent can be used for any one activity. The allowable activities for this set-aside are: (1) assistance to a public water system to acquire land or a conservation easement for source water protection; (2) assistance to a community water system to implement voluntary, incentive-based source water quality protection measures; (3) to provide funding to delineate and assess source water protection areas; (4) to support the establishment and implementation of a wellhead protection program; and (5) to provide funding to a community water system to implement a project under the capacity development strategy.

Since 2008, Midwest Assistance Program (MAP) has been assisting communities that received an SRF loan and recommendations were made in the capacity assessment to improve the technical, financial, or managerial capacity of the system. In addition, the MAP has assisted in the review of capacity assessments required as part of the Drinking Water SRF loan applications.

There remains \$55,321 from prior years' allocations. In FFY 2018, the board issued a request for proposals to select the most qualified assistance provider firm for contracting of these services. A three-year contract was signed with Midwest Assistance Program to continue their efforts with borrowers to improve the technical, financial, or managerial capacity of the system. In 2021

a three-year extension was executed to extend these services through December 2024.

DISADVANTAGED COMMUNITY SUBSIDIES

Communities that meet the disadvantaged eligibility criteria described below may receive additional subsidies. This includes communities that will meet the disadvantaged criteria as a result of the project.

Definition. To be eligible for loan subsidies a community must meet the following criteria:

- (2) for municipalities and sanitary districts:
 - (a) the median household income is below the state-wide median household income; and
 - (b) the monthly residential water bill is \$45 or more for 5,000 gallons usage; or
- (2) for other community water systems:
 - (a) the median household income is below the state-wide median household income; and
 - (b) the monthly water bill for rural households is \$70 or more for 7,000 gallons usage.

The source of median household income statistics will be the American Community Survey or other statistically valid income data supplied by the applicant and acceptable to the board.

Affordability criteria used to determine subsidy amount. Disadvantaged communities below 80 percent of the statewide median household income, but at or greater than 60 percent may receive up to a one percentage point reduction in interest rates. Disadvantaged communities with a median household income less than 60 percent of the statewide median household income may

receive a zero percent loan. See Table 1 for the disadvantaged interest rates for FFY 2023.

Amount of capitalization grant to be made available for providing additional subsidies to disadvantaged communities. Disadvantaged communities are eligible for additional subsidy in the form of principal forgiveness. South Dakota utilized the option to provide additional subsidy in the form of principal forgiveness to disadvantaged communities in federal fiscal years 2016 through 2018, in an amount equal to 30 percent of the annual capitalization grant.

The American Water Infrastructure Act (AWIA) of 2018 added new requirements to provide additional subsidy to disadvantaged communities. The FFY 2019 through 2021 capitalization grants mandated states must provide a minimum of 6 percent and may provide up to 35 percent of the capitalization grant amount as additional subsidy to disadvantaged communities.

The 2021 BIL amendments increased the minimum to 12 percent and maximum of 35 percent of the capitalization grant amount must be provided as additional subsidy to disadvantaged communities. This applies to 2022 and subsequent base program capitalization grants unless amended by Congress.

Table 3 on page 12 summarizes the amounts of disadvantaged principal forgiveness provided to date.

Attachment II – List of Projects to be Funded in FFY 2023 identifies \$18,672,244 in principal forgiveness.

Identification of systems to receive subsidies and the amount. Systems that are eligible to receive disadvantaged community rates and terms are identified in Attachment I and Attachment II.

Table 2 – Amounts Available to Transfer between State Revolving Fund Programs

Year	DWSRF Capitalization Grant	Amount Available for Transfer	Banked Transfer Ceiling	Base Program Transfers		Transfer Description	CWSRF Funds Available to Transfer	DWSRF Funds Available to Transfer
				Amount Transferred from CWSRF to DWSRF	Amount Transferred from DWSRF to CWSRF			
1997								
-	\$42,690,000	\$14,087,700	\$14,087,700				\$14,087,700	\$14,087,700
2001								
2002	\$8,052,500	\$2,657,325	\$16,745,025	\$7,812,960		CW Cap Grant/Match	\$8,932,065	\$16,745,025
2003	\$8,004,100	\$2,641,353	\$19,386,378	\$7,761,360		CW Cap Grant/Match	\$3,812,058	\$19,386,378
2004	\$8,303,100	\$2,740,023	\$22,126,401				\$6,552,081	\$22,126,401
2005	\$8,285,500	\$2,734,215	\$24,860,616				\$9,286,296	\$24,860,616
2006	\$8,229,300	\$2,715,669	\$27,576,285		\$7,500,000	Leveraged Bonds	\$12,001,965	\$20,076,285
2007								
-	\$38,094,000	\$12,571,020	\$40,147,305				\$24,572,985	\$32,647,305
2010								
2011	\$9,418,000	\$3,107,940	\$43,255,245		\$10,000,000	Repayments	\$27,680,925	\$25,755,245
2012	\$8,975,000	\$2,961,750	\$46,216,995				\$30,642,675	\$28,716,995
2013	\$8,421,000	\$2,788,930	\$48,995,925				\$33,421,605	\$31,495,925
2014	\$8,845,000	\$2,918,850	\$51,914,775				\$36,340,455	\$34,414,775
2015	\$8,787,000	\$2,899,710	\$54,814,485				\$39,240,165	\$37,314,485
2016	\$8,312,000	\$2,742,960	\$57,557,445				\$41,983,125	\$40,057,445
2017	\$8,241,000	\$2,719,530	\$60,276,975				\$44,702,655	\$42,776,975
2018	\$11,107,000	\$3,665,310	\$63,942,285				\$48,367,965	\$46,442,285
2019	\$11,103,000	\$3,663,990	\$67,606,275				\$52,031,955	\$50,106,275
2020	\$11,011,000	\$3,633,630	\$71,239,905				\$55,665,585	\$53,739,905
2021	\$11,100,000	\$3,663,000	\$74,902,905				\$59,328,585	\$57,402,905
2022	\$7,008,000	\$2,312,640	\$77,215,545				\$61,641,225	\$59,715,545
2023	\$4,938,000	\$1,629,540	\$78,845,085				\$63,270,765	\$61,345,085

BIL General Supplemental Transfers								
Year	DWSRF Capitalization Grant	Amount Available for Transfer	Banked Transfer Ceiling	Amount Transferred from CWSRF to DWSRF	Amount Transferred from DWSRF to CWSRF	Transfer Description	CWSRF Funds Available to Transfer	DWSRF Funds Available to Transfer
2022	\$17,992,000	\$5,937,360	\$5,937,360				\$5,937,360	\$5,937,360
2023	\$21,055,000	\$6,948,150	\$12,885,510				\$12,885,510	\$12,885,510

BIL Emerging Contaminants Transfers								
Year	DWSRF Capitalization Grant	Amount Available for Transfer	Banked Transfer Ceiling	Amount Transferred from CWSRF to DWSRF	Amount Transferred from DWSRF to CWSRF	Transfer Description	CWSRF Funds Available to Transfer	DWSRF Funds Available to Transfer
2022	\$7,555,000	\$2,493,150	\$2,493,150	\$459,000		CWSRF EC Grant	\$2,034,150	\$2,493,150
2023	\$7,640,000	\$2,521,200	\$5,014,350	\$1,043,000		CWSRF EC Grant	\$3,971,350	\$5,014,350

Table 3 – Principal Forgiveness Allowed and Awarded

	Principal Forgiveness for all Borrowers			Disadvantaged-only Principal Forgiveness*		
Year	Minimum	Maximum	Awarded from FY Grant	Minimum	Maximum	Awarded from FY Grant
2010	\$4,071,900	\$13,573,000	\$13,573,000			
2011	\$2,825,400	\$9,418,000	\$9,418,000			
2012	\$1,795,000	\$2,692,500	\$2,692,500			
2013	\$1,684,200	\$2,526,300	\$2,526,300			
2014	\$1,769,000	\$2,653,500	\$2,653,500			
2015	\$1,757,400	\$2,636,100	\$2,636,100			
2016	\$1,662,400	\$1,662,400	\$1,662,400	\$0	\$2,493,600	\$2,493,600
2017	\$1,648,200	\$1,648,200	\$1,648,200	\$0	\$2,472,300	\$2,472,300
2018	\$2,221,400	\$2,221,400	\$2,221,400	\$0	\$3,332,100	\$3,332,100
2019	\$2,220,600	\$2,220,600	\$2,220,600	\$666,180	\$3,886,050	\$3,886,050
2020	\$1,541,540	\$1,541,540	\$1,541,540	\$660,660	\$3,853,850	\$3,853,850
2021	\$1,554,000	\$1,554,000	\$1,554,000	\$666,000	\$3,885,000	\$3,885,000
2022	\$981,120	\$981,120	\$978,502	\$840,960	\$2,452,800	\$2,205,350
2023	\$691,320	\$691,320	\$0	\$592,560	\$1,728,300	\$0
Totals	\$26,423,480	\$46,019,980	\$45,326,042	\$3,426,360	\$24,104,000	\$22,127,638

	BIL General Supplemental Principal Forgiveness*		BIL Lead Service Line Replacement Principal Forgiveness*		BIL Emerging Contaminants Principal Forgiveness**	
Year	Required Amount	Awarded from FY Grant	Required Amount	Awarded from FY Grant	Required Amount	Awarded from FY Grant
2022	\$8,816,080	\$8,598,536	\$490,000	\$490,000	\$8,014,000***	\$7,895,000
2023	\$10,316,950	\$0	\$14,038,500	\$0	\$8,683,000***	\$0
Totals	\$19,133,030	\$8,598,536	\$14,528,500	\$490,000	\$16,697,000	\$7,895,000

* Principal Forgiveness will only be provided to eligible entities that meet the Disadvantaged Community definition in ARSD 74:05:11(11) and described on page 9 of the IUP.

** At least 25% of these funds must be provided to entities that qualify as a Disadvantaged Community or systems with service populations less than 25,000.

*** Combined total of DWSRF Emerging Contaminant allocation and CWSRF Emerging Contaminant allocation which was transferred to the DWSRF for eligible emerging contaminants projects.

ATTACHMENT I

PROJECT PRIORITY LIST

Attachment I is a comprehensive list of projects that are eligible for Drinking Water SRF loans. This list was developed from State Water Plan applications. Inclusion on the list carries no obligations to the Drinking Water SRF program. Attachment II lists those projects expected to be funded in FFY 2023.

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- tagged
192	Clark Rural Water System	C462460-02	Problem: the town of Raymond needs to make improvements to its water distribution system and is currently served by Clark RWS as a bulk customer. Raymond's system needs pipe replacement looping, has no meters, and the city has difficulty meeting operational requirements. Project: existing lines will be replaced and loops installed to improve water quality and pressure, meters will be installed for usage and billing, at the completion of the project Clark RWS will serve Raymond residents as individual customers and take over ownership of the system for operation and maintenance.	\$575,750	2.75%, 30 years	142	Yes
159	Southern Black Hills Water System	C462492-02	Problem: two service areas of the distribution system lack redundant supply, have inadequate ground storage to meet demands or pressurize the systems, neither source of water is chlorinated, and control systems are outdated. Project: construct five miles of pipeline to connect the two service areas to provide redundancy in the system, construct an additional well to serve current and future users, construct an elevated storage tank to meet user demands and pressurize the system, and install chlorination and SCADA system equipment at new and existing facilities.	\$1,800,000	3.25%, 30 years	925	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- tagged
158	South Dakota Ellsworth Development Authority	C462467-01	Problem: an existing housing development located near Ellsworth Air Force Base has been determined to have PFAS contamination. The potential exists for other wells in the surrounding region including the city of Box Elder to experience PFAS contamination as the chemical continues to migrate in the groundwater. An upsized well and transmission line would allow the system to provide additional water to Box Elder and the surrounding area to meet current and future water capacity needs and alleviate the PFAS contamination concern. Project: installation of a new well and approximately 15 miles of 4- to 16-inch transmission and distribution main, two water storage tanks totaling 700,000-gallons, and related appurtenances.	\$12,191,552	3.00%, 30 years	15000	Yes (Pending rate increase)
145	Mid-Dakota Rural Water System	C460430-07	Problem: the existing water treatment backwash process equipment is in need of replacement, the existing treatment plant is not able to meet demands when receiving cooler source water, several areas within the distribution system are unable to meet demands resulting in insufficient pressures, and the existing meter reading system is in need of replacement. Project: construct a new backwash treatment process facility, make improvements to the existing treatment plant equipment to increase treatment capacity, install 143.4 miles of parallel and looping pipe to increase pressure and redundancy, and install new meter reading system equipment.	\$29,036,545	3.00%, 30 years	32,102	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
144	Fall River Water Users District	C462435-06	Problem: one of the existing wells is past itself useful life and is no longer able to demands of current users, additional source water is needed to provide capacity and redundancy based on recent demands, storage within the system is insufficient to meet average day demands, and several distribution lines are beyond their useful life and undersized to meet demands. Project: install a new well to replace the current well and increase capacity, construct two new storage reservoirs, install 22 miles of transmission line and two new booster stations to increase capacity in areas of the system.	\$12,088,000	3.00%, 30 years	927	Yes
143	Hermosa	C462278-04	Problem: one of the city's supply wells was found to have radiologic contaminants and iron scale, and the other supply well is inadequate to supply daily demand. Project: The city will either construct a new well and transmission main to connect to the distribution system or connect to a nearby rural water system to purchase bulk water for use in its distribution system.	\$6,436,028	3.25%, 30 years	382	
142	Raymond	C462385-01	Problem: the existing distribution system is undersized and beyond its useful life, users are not currently metered for water usage, and the system lacks sufficient storage for average day demand. Project: replace approximately 1,700 feet of water main with PVC pipe, install water meters, and construct a 20,000-gallon ground storage tank and booster station.	\$2,444,200	2.75%, 30 years	53	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
125	Sioux Falls	C462232-13	Problem: the city of Sioux Falls has one area of its mainline distribution system that is not looped limiting the ability to meet capacity needs should an outage occur on one of the city's source water connections, the city has a well that is beyond its useful life and in need of replacement to assure needed water capacity can be provided. The city lost capacity from 21 wells in recent years due to PFAS contamination and the proposed well will provide some of the lost capacity to users in the service area. Project: installation of 1.5 miles of 24-inch watermain to provide a loop of the city's distribution system between 6 th and 26 th Streets. Replacement of city's existing well 25 with a new horizontal collector well and alleviate the need for some PFAS contaminated well capacity.	\$10,000,000	3.00%, 10 years	192,533	Yes
123	Henry	C462277-01	Problem: the existing distribution system is undersized and beyond its useful life, many lines have dead ends contributing to poor water quality and pressure, and the system lacks sufficient storage for average day demand. Project: replace and install loops for approximately 18,500 feet of water main with PVC pipe and construct a 60,000-gallon ground storage tank and booster station.	\$6,120,000	0.0%, 30 years	256	Yes (pending rate increase)

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
123	Terry Trojan Water Project District	C462455-03	Problem: the existing distribution mains are poor quality PVC and experiencing excessive breaks and includes dead end lines, the existing storage tank is in poor condition, the system only has one existing well which would leave the system without water if it were to fail for even limited time, and the existing electrical and SCADA systems for the well and treatment plant need to be upgraded Project: install 3,400-feet of new PVC water mains and loop the system, install 31 water meters, construct a 150,000-gallon water storage tank, make improvements to the electrical and SCADA systems, and install a new well.	\$700,000	3.00%, 30 years	475	Yes
122	Buffalo Gap	C462317-02	Problem: the existing water distribution system is old and experiencing excessive breaks and high-water loss. Project: replace 12,500 feet of water main with PVC pipe allowing the community to become a bulk user of Fall River Water Users District.	\$3,176,000	0.00%, 30 years	131	Yes
122	Tripp County Water User District	C462434-06	Problem: the existing wells are not able to provide sufficient source water, current storage volume does not meet peak demands, existing tanks suffer from reduced water quality during low flow periods, and several areas within the distribution system are unable to meet demands causing insufficient pressures. Project: install new wells to provide needed source water capacity, construct five new storage reservoirs totaling 760,000gallons of additional storage volume throughout the distribution system to increase capacity and pressure, construct a new booster station to supply needed pressures, install 12 tank mixers to improve quality, and install 62.1 miles of parallel and looping pipe to increase pressure and capacity throughout the system.	\$14,400,000	3.00%, 30 years	8,350	Yes (Pending rate increase)

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- tagged
120	Clark	C462124-03	Problem: several locations of the distribution system are cast iron or asbestos cement watermain that is beyond its useful life, the system includes several dead-end lines, portions of the system have pipe that is undersized and causes reduced pressures, the current storage tower needs major improvements to remain functional, and the existing water meters are beyond their useful life. Project: install 37,875 feet of new PVC watermain to replace the existing pipe, loop the system, and replace undersized mains, rehabilitate the elevated storage tower, and replace water meters.	\$11,618,000	2.75%, 30 years	1,148	Yes (Pending rate increase)
120	Springfield	C462071-02	Problem: several locations within the distribution system are cast iron or asbestos cement watermain that is beyond its useful life, the system includes several dead-end mainlines, portions of the system have pipe that is undersized and causes reduced pressures, and the existing water meters are beyond their useful life. Project: install 64,470 feet of new PVC watermain to replace the existing pipe, loop the system, and remove undersized mains. The project will also replace 380 water meters with remote read meters.	\$12,702,570	2.75%, 30 years	1914	Yes
118	Keystone	C462074-03	Problem: the watermain on Bullion Street is beyond its useful life and not looped with other parts of the distribution system. Project: replace and install 1,300 feet of water main with PVC pipe.	\$593,803	3.00%, 30 years	240	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
115	BDM Rural Water System, Inc.	C462444-03	Problem: the existing water treatment plant is no longer able to meet current demand and various process equipment is in need of replacement, the existing wells are not able to provide sufficient source water, current storage volume does not meet peak demands, several areas within the distribution system are unable to meet demands causing insufficient pressures, and nearly 15 percent of water meters are in need of replacement. Project: construct a new 1.5 MGD treatment plant and make improvements to the existing treatment plant equipment, install five new wells to provide needed source water capacity, construct a 450,000-gallon reservoir, install 17.5 miles of parallel and looping pipe to increase pressure and redundancy, and replace 390 water meters.	\$11,536,860	3.25%, 30 years	5,673	
114	Bear Butte Valley Water, Inc.	C462486-03	Problem: existing homes along Elk Creek Road, eastern Tilford Road, and Elk Vale Road are on private or small community systems with poor water quality and desire to be connected to the larger system. Project: installation of 27 miles of distribution mains to provide service to residents in this area of the system.	\$8,947,000	3.25%, 30 years	680	
112	South Shore	C462294-02	Problem: the system is served by only one well, the distribution system is glued joint PVC which is beyond its useful life and is undersized leading to poor system pressure, and there is no water storage tank within the system. Project: install a second well to provide a redundant source, install 18,800 feet of PVC watermain to replace the old pipe and increase pressures, and construct a new 50,000-gallon ground storage tank and booster station to supply needed storage and pressure.	\$6,090,920	2.75%, 30 years	189	Yes (Pending rate increase)

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
110	Tyndall	C462131-05	Problem: several locations of the distribution system are asbestos cement watermain that is beyond its useful life, the system includes several dead-end mainlines, portions of the system have pipe that is undersized and causes reduced pressures, and the booster station does not have a back-up power source. Project: install 18,730 feet of new PVC watermain to replace the existing pipe, loop the system, replace undersized mains, and purchase a generator for the booster station s.	\$3,460,000	2.75%, 30 years	1057	Yes (Pending rate increase)
110	Wagner	C462209-04	Problem: several locations of the distribution system are cast iron or asbestos cement watermain that is beyond its useful life, the system includes several dead-end lines, and portions of the system have pipe that is undersized and causes reduced pressures. Project: install 31,000 feet of new PVC watermain to replace the existing pipe, loop the system, and replace undersized mains.	\$9,400,000	2.75%, 30 years	1490	Yes
109	Timber Lake	C462260-02	Problem: the distribution system is cast iron watermain that is beyond its useful life, includes several dead-end mainlines, and portions of the system have pipe that is undersized and causes reduced pressures, and the current storage tower is beyond its useful life and rehabilitation is not feasible. Project: install 15,770 feet of new PVC watermain to replace the existing pipe, loop the system, and replace undersized mains, and construct a new 50,000-gallon elevated storage tower will be constructed to replace the existing tank.	\$3,264,725	3.00%, 30 years	509	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
106	Grant-Roberts Rural Water System	C462475-03	Problem: areas of the existing distribution system are undersized to provide needed pressure and capacity to current and proposed users. Residents and communities adjacent to the current service area boundaries have expressed a desire to be served by the system to replace water sources that have issues with quality and capacity. Project: install 30 miles of transmission line to increase pressures and capacity in areas of the system not able to adequately convey water to users. Serving users outside of the existing system boundaries would require installing 225 miles of transmission lines, constructing elevated storage tank, installing additional wells and making upgrades to the water treatment facility to provide the needed capacity for the region.	\$62,138,000	3.25%, 30 years	4,857	Yes
104	Bear Butte Valley Water, Inc.	C462486-04	Problem: the system is currently served only by one well leaving it without a redundant source of supply and households within the district's planned Tilford Road service area use private wells or haul water and wish to connect to Bear Butte Valley Water. Project: install a new well to provide redundant water supply for the system, construct related pumping and treatment systems and install 11 miles of distribution main to connect existing homes and loop the system.	\$4,998,000	3.25%, 30 years	680	
102	Westberry Trails Water Users Association	C462503-02	Problem: the existing distribution system is undersized and beyond its useful life, users are not currently metered for water usage, the system lacks sufficient storage for average day demand, and the system has only one well which provides no redundancy for water source. Project: replace approximately 11,750 feet of water main with PVC pipe, install water meter pits, and construct a 50,000-gallon storage standpipe, drill a new well to provide additional source water, and install chemical feed for treatment.	\$3,380,418	3.25%, 30 years	152	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- tagged
101	Davison Rural Water System	C462490-02	Problem: areas of the existing distribution system are undersized to provide needed pressure and capacity to current and proposed users and current meters are beyond their useful life. Project: install 7.5 miles of transmission line to increase pressures and capacity in areas of the system not able to adequately convey water and install new meters with remote read technology.	\$1,240,000	3.25%, 30 years	4,975	
100	Webster	C462054-05	Problem: several locations of the distribution system are cast iron watermain that is beyond its useful life, the system includes several dead-end mainlines, and portions of the system have pipe that is undersized and causes reduced pressures. Project: install 16,000 feet of new PVC watermain to replace the existing pipe, loop the system, and replace undersized mains.	\$4,433,000	2.75%, 30 years	1728	Yes
95	Lennox	C462105-07	Problem: several locations of the distribution system are cast iron watermain that is beyond its useful, the system includes several dead-end lines, and portions of the system have pipe that is undersized and causes reduced pressures. Project: install 6,700 feet of new PVC watermain to replace the existing pipe, loop the system, and replace undersized mains.	\$2,942,000	3.00%, 30 years	2,423	Yes
95	Miller	C462128-06	Problem: several locations of the distribution system are cast iron or asbestos cement watermain that is beyond its useful, the system includes several dead-end mainlines, the current storage reservoir is in need of repair to remain functional, and there are several unused wells that have not been properly abandoned. Project: install 19,000 feet of new PVC watermain to replace the existing pipe and loop the system, rehabilitate the storage tank, and properly abandon the unused wells.	\$4,229,871	2.75%, 10 years	1,349	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- tagged
94	Bear Butte Valley Water, Inc.	C462486-05	Problem: the system in the Blucksberg service area lacks adequate storage to meet peak demands during high use periods. Project: construct a new 150,000-gallon ground storage reservoir and booster station to provide necessary storage capacity and pressure in this area of the system.	\$1,048,500	3.25%, 30 years	680	
94	Howard	C462127-01	Problem: portions of the existing distribution system pipe are made of asbestos cement pipe and experiencing leaks. Project: install 7,500 feet of new PVC watermain in various locations.	\$3,652,600	2.75%, 30 years	848	Yes (pending rate increase)
94	Irene	C462255-05	Problem: the current storage tower is beyond its useful life and does not meet peak demand needs. Project: construct a new 100,000-gallon elevated storage tower. .	\$1,835,000	2.75%, 30 years	653	Yes
94	Lake Preston	C462011-03	Problem: several locations of the distribution system are cast iron watermain that is beyond its useful, the system includes several dead-end lines, and portions of the system have pipe that is undersized and causes reduced pressures. Project: install 25,200 feet of new PVC watermain to replace the existing pipe, loop the system, and replace undersized mains.	\$7,027,000	3.00%, 30 years	589	Yes
93	Bryant	C462121-02	Problem: several locations of the distribution system are cast iron watermain that is beyond its useful life, the system includes several dead-end lines, portions of the system have pipe that is undersized and causes reduced pressures, and the urrentt storage tower is beyond its useful life and rehabilitation is not feasible. Project: install 7,900 feet of new PVC watermain to replace the existing cast iron pipe, loop the system, and replace undersized mains and construct a new 100,000-gallon elevated storage tower.	\$5,056,000	2.75%, 30 years	471	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
93	Kingbrook Rural Water System	C462432-12	Problem: the existing water treatment plants are no longer able to provide needed capacity for current use and various process equipment i needs replacement, the existing wells are not able to provide sufficient raw water, current storage volume does not meet peak demands, and several areas withing the distribution system are unable to meet current demands resulting in insufficient pressures. Project: upgrade equipment and add additional treatment capacity at both treatment plants, install additional wells to provide needed source water capacity, construct a new storage reservoir, construct or upgrade four booster stations to supply needed pressures, relocate 12.5 miles of pipe to increase capacity and move out of the highway right-of-way.	\$29,850,000	3.25%, 30 years	13,528	
92	Meadow Crest Sanitary District	C462488-01	Problem: the system is served by only one well lacking redundancy and the well does not have sufficient capacity to meet system demand. Project: install a new well to meet system needs.	\$590,000	3.25%, 30 years	48	
92	Morristown	C462366-01	Problem: the existing water system has inadequate disinfection capabilities and the existing water storage facilities do not meet the existing demand or provide sufficient pressure. Project: install chlorination equipment prior to the ground storage reservoir, construct a new storage reservoir, and install flush hydrants on the distribution system to improve water quality on low flow mains.	\$214,760	2.75%, 30 years	47	Yes (Pending rate increase)
90	Rapid City	C462014-05	Problem: one of the existing water treatment plants is past itself useful life and rehabilitation is not feasible. Project: construct a new 20 MGD treatment facility located on the eastern side of the distribution system to better provide water in an area of high current growth and maintain the ability to serve the Ellsworth Air Force Base.	\$135,000,000	3.00%, 30 years	74,703	Yes (Pending rate increase)

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
86	Lead	C462007-05	Problem: the water supply line owned by Lead that provides service to Deadwood and the Sanford Underground Research Facility has experienced multiple breaks in recent years and is not large enough to meet user demand. Project: install approximately 2,600 feet of new 14-inch PVC.	\$807,430	2.75%, 30 years	2,982	Yes (Pending rate increase)
85	Flandreau	C462125-02	Problem: the existing water distribution system in the in several areas in the community is old and experiencing excessive breaks and high-water loss and has several dead-end lines. Project: replace and install approximately 11,500 feet of water main with PVC pipe and loop the system.	\$4,440,000	2.75%, 30 years	2,372	Yes
84	Corsica	C462107-02	Problem: the distribution system on Corse Avenue is beyond its useful life. Project: replace 1,500 feet of water main with PVC pipe.	\$340,635	3.00%, 30 years	561	Yes
84	Kadoka	C462061-02	Problem: the distribution system on Poplar Street is beyond its useful life. Project: replace 2,300 feet of water main with PVC pipe.	\$658,000	2.75%, 30 years	543	Yes (pending rate increase)
84	Wessington Springs	C462210-05	Problem: the distribution system on Second Street is beyond its useful life. Project: replace 4.5 blocks of water main with PVC pipe.	\$100,000	2.75%, 30 years	771	Yes
83	Keystone	C462074-02	Problem: additional source water is needed to provide capacity and redundancy based on recent demands, storage within the system is insufficient to meet peak day demands, and areas of the distribution system lack adequate pressure. Project: install a new well to increase capacity, construct a new storage reservoir, and a new booster station to increase capacity in areas of the system.	\$781,258	3.00%, 30 years	240	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
82	Clay Rural Water System	C462437-07	Problem: one of the existing water treatment plants is past itself useful life and is no longer able to demands of current users, additional wells are needed to provide capacity and redundancy based on recent demands, storage within the system is insufficient to meet average day demands, and several distribution lines are beyond their useful life and undersized to meet demands. Project: construct a new 2 MGD treatment facility, install two additional wells, construct two new storage reservoirs, and install 18 miles of transmission line to increase capacity in areas of the system not able to adequately convey water to users.	\$26,016,000	3.25%, 30 years	5,800	
81	Lead	C462007-06	Problem: new users have constructed homes southwest of the current distribution system along Highway 85 with no city water service. Project: install 2,600 feet of 8-inch PVC to serve these users and provide availability for other lots planned for development.	\$605,236	2.75%, 30 years	2,982	Yes (Pending rate increase)
79	Centerville	C462215-03	Problem: the city's existing water storage tank is beyond its useful life and in need of major improvements or replacement. Project: construct a new elevated storage tank.	\$1,400,000	2.75%, 30 years	918	Yes
79	Lake Preston	C462011-04	Problem: storage within the system is insufficient to meet peak day demands. Project: construct a new 100,000-gallon storage reservoir	\$2,000,000	3.00%, 30 years	589	Yes
79	Wessington Springs	C462210-04	Problem: the distribution system on College Avenue is beyond its useful life. Project: replace 2,700 feet of water main with PVC pipe.	\$674,000	2.75%, 30 years	771	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
78	Brandon	C462032-04	Problem: the existing water source for the city has water quality issues that the treatment plant was not designed to address, the treatment plant lacks capacity for current users, an existing well has equipment that is beyond its useful life, pipes in several areas of the distribution system are beyond their useful life, and two areas within the system are fed by one long distribution line with no looping. Project: upgrade the existing treatment plant to address the water quality issues and provide necessary capacity for current and future users, and replace 18,250 feet of watermain with new PVC, and install 3,000 feet of new PVC watermain to loop two areas of the system and assure redundant supply to users.	\$18,530,000	3.25%, 30 years	11,065	
78	Terry Trojan Water Project District	C462455-04	Problem: the system's existing water storage tank has structural and joint issues leading to large water loss and rehabilitation attempts have been unsuccessful in correcting the problem. Project: construct a new 125,000-gallon storage tank to replace the existing tank and provide necessary system storage to meet demands.	\$215,000	3.00%, 30 years	475	Yes
77	Cresbard	C462132-02	Problem: the existing water distribution system is old and experiencing excessive breaks and high-water loss and the existing meters are beyond their useful life with several unmetered locations contributing to high water loss. Project: replace 15,400 feet of watermain with PVC and install new remote read meters.	\$1,912,410	2.75%, 30 years	104	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
77	Milbank	C462023-02	Problem: the existing water source for the city has iron issues that the treatment plant was not designed to address, the existing wells lack capacity for current users, existing wells have equipment that is beyond its useful life, and the system high service pumps are beyond their useful life. Project: upgrade the existing treatment plant to address the water quality issues, replace existing well pumps, install a new well to meet current system demand, and replace the existing high service pumps.	\$12,500,000	3.00%, 30 years	3,544	Yes (Pending rate increase)
77	Wessington	C462302-01	Problem: the existing water storage tank coatings are in poor condition and the tank is in need of repair, the distribution system lacks valves to isolate portions in the event of a break. Project: recoat the water storage tank and make necessary repairs to extend the life of the tank, install gate valves throughout the distribution system and replace hydrants where necessary.	\$673,000	2.75%, 30 years	197	Yes
73	Joint Well Field, Inc.	C462454-03	Problem: the existing treatment plant lacks the capacity and source water access to meet the demands of current users in the Kingbrook RWS and Brookings-Deuel RWS systems which it serves. Project: construct a new 3.5 MGD water treatment plant and two new wells to provide increased capacity for both systems to serve current and future users.	\$9,460,000	3.25%, 30 years	22,028	
72	High Meadows Water Association, Inc.	C462499-02	Problem: the existing distribution system is undersized and beyond its useful life, users are not currently metered for water usage, and the systems wells are not able to supply needed capacity. Project: replace approximately 8,200 feet of water main with PVC pipe, install water meter pits for each user, and either connect to the Black Hawk Water Users District or drill a new well to provide additional source water.	\$2,558,000	3.25%, 30 years	140	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
70	Chamberlain	C462044-04	Problem: the water treatment plant recarbonation system is beyond its useful life and in need of replacement, two blocks of Mott Street watermain are beyond their useful life and experiencing breaks, a section of Byron Boulevard consists of a long dead-end that serves users in the area. Project: replace the recarbonation equipment, replace two blocks of watermain on Mott Street with new PVC, and install 2,300 feet of new PVC watermain to loop Byron Boulevard.	\$300,000	3.00%, 30 years	2,473	Yes (Pending rate increase)
70	Salem	C462057-07	Problem: areas throughout the distribution system are cast iron watermain and asbestos cement pipe that is beyond its useful life, the system includes several dead-end mainlines, and portions of the system have pipe that is undersized and causes reduced pressures, and the water treatment facility has equipment in need of replacement and high iron and manganese levels are fouling the treatment membranes. Project: install 9,250 feet of new PVC watermain to replace existing pipe, loop the system, and replace undersized mains, replace membrane equipment at the treatment facility, and install an iron and manganese removal system.	\$9,281,000	3.00%, 30 years	1,325	Yes
63	Vermillion	C462022-05	Problem: some of the existing equipment at the water treatment plant and well field is beyond its useful life, portions of the distribution system pipe are beyond their useful life. Project: replace existing equipment at the water treatment facility and well field to include the filters, SCADA system, aerator, and installations of variable frequency drives on high lift and well pumps and replace 5,120 feet of existing cast iron pipe in various locations throughout the community.	\$6,637,142	2.75%, 30 years	11,695	Yes (Pending rate increase)

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- tagged
61	Mobridge	C462016-09	Problem: the existing water treatment facility is in need of significant repairs, the raw water intake system is beyond its useful life and in need of repair, the North water tower height does not provide full system storage or adequate pressure, and the areas of the distribution system are beyond their useful life. Project: upgrades at the water treatment facility to include controls, high service pumps, lime slaker, and HVAC system, repair or replace the existing raw water intake system, increase the height of the North water tower, and replace approximately 1,800 feet of water main with PVC pipe.	\$11,300,000	2.75%, 30 years	3,261	Yes (Pending rate increase)
58	Brookings	C462019-02	Problem: the northern water treatment facility has exceeded its useful life and needs replacement. Project: construction of a new 6 MGD lime softening water treatment facility and installation of 28,500 feet of raw water line and 20,000 feet of water main.	\$54,000,000	3.00%, 30 years	23,377	Yes
57	Rapid Valley Sanitary District	C462013-03	Problem: the city of Box Elder and some nearby housing developments lacks sufficient water quantity and quality water to meet current user needs. The Rapid Valley Sanitary District lacks sufficient source water capacity to meet the needs of their own district and assist in supplying the needs of Box Elder and other existing users in the area. Project: install of 5,220 feet of 12-inch watermain along Cheyenne Boulevard near Box Elder to connect the two distribution systems, the project will also construct a new 2-million-gallon storage tank to allow Rapid Valley to have sufficient storage to serve Box Elder and continued service to Valley View Heights Estates by Box Elder. The project includes the drilling of a new Madison aquifer well to provide additional needed capacity for current and future users and 3,500 feet of 6-inch line to connect the new well to Rapid Valley's treatment plant.	\$6,679,000	3.00%, 30 years	10000	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
56	North Sioux City	C462009-03	Problem: one of the existing water treatment plants has equipment that is past its useful life and is no longer able meet demands from current users. Project: construct a 1.8 MGD expansion to the Streeter Drive treatment facility and upgrade equipment for the existing treatment processes.	\$5,328,125	3.00%, 30 years	3,042	Yes (Pending rate increase)
55	Fort Pierre	C462049-02	Problem: The city currently contracts for water supply through the local regional water system and has been informed the agreement will not be continued after 2032. Project: construction of an approximately 2 million gallon per day water treatment plant, to include a Missouri River intake and connection to the existing distribution system.	\$19,651,000	3.25%, 30 years	2,115	
55	Volga	C462046-03	Problem: the city's existing chemical feed and treatment equipment is aging and undersized to manage the volumes being used. Project: improvements to and expansion of the treatment and chemical feed equipment at the existing water treatment plant to provide additional water capacity.	\$290,882	3.00%, 30 years	2,113	Yes (Pending rate increase)

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
53	Mitchell	C462129-08	Problem: the distribution system lacks sufficient storage for certain pressure zones, the current bulk service connection only connects at the former water treatment plant which does not provide redundant feeds and additional bulk transmission line capacity is needed, the bulk water flows through portions of the unused water treatment plant before entering the distribution system, piping size and locations serving areas south of Interstate 90 limit capacity and pressures, and the existing treatment plant is no longer used and should be properly abandoned. Project: construct a new 2.5-million-gallon storage tank, install a secondary direct bulk service connection to the distribution system and construct 13.5 miles of bulk service transmission line, install piping to bypass the treatment plant, make piping modifications and booster pump upgrades to increase capacity and pressures in the southern part of the distribution system and properly abandon the unused treatment plant.	\$22,000,000	2.75%, 30 years	15,660	Yes (Pending rate increase)
50	Butte-Meade Sanitary Water District	C462190-04	Problem: one of the system's existing wells is not useable due to high radionuclide levels and without this well the system does not have capacity to supply peak use, existing storage facilities are unable to meet peak demand capacity, and a portion of the existing distribution system is beyond its useful life. Project: construct a new well to supply needed capacity and provide improved water quality, construct a new 220,000-gallon storage tank, install two miles of new PVC main to connect the well and storage tank to the distribution system, and replace one mile of existing aged pipe with new PVC.	\$2,502,949	3.00%, 30 years	2,000	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
50	Tripp	C462238-02	Problem: the existing storage does not equalize properly resulting in poor turnover of water, the existing wells do not have capacity to meet peak day demands with any one well out of service, the existing wells have high concentrations of chloride, sulfate, and total dissolved solids impacting water quality, and existing unused wells have not been properly abandoned. Project: install 7,750 feet of watermain to connect to the B-Y Water District for bulk service, raise one water storage tank to match overflow elevations and install a mixer to improve quality, and properly abandon unused wells.	\$1,700,000	3.00%, 30 years	575	Yes (Pending rate increase)
48	Hudson	C462280-02	Problem: the existing cast iron distribution system pipe is beyond its useful life and the current water storage ground level tanks do not supply adequate pressure or storage for the average day demand and are beyond their useful life. Project: replace and install approximately 22,000 feet of water main with PVC pipe, loop the system, and increase pipe size where needed, and construct a new 50,000-gallon water storage tank and booster station.	\$8,120,000	3.00%, 30 years	311	Yes
47	TM Rural Water District	C462429-04	Problem: the existing wells are beyond their useful life and are not able to provide sufficient source water, current storage volume does not meet peak demands, and several areas within the distribution system are unable to meet demands which causes insufficient pressures. Project: install new wells, construct a new 500,000-gallon storage reservoir, construct a new booster station to supply needed pressures, and install 25.5 miles of parallel and looping pipe to increase pressure and capacity throughout the system.	\$11,571,000	3.25%, 30 years	6462	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
46	Aurora-Brule Rural Water System	C462425-03	Problem: The Aurora-Brule Rural Water System is facing issues with its system including low pressures, lack of adequate storage, and unreliable transmission. Project: install 10 miles of new parallel water main, construct a new storage reservoir, loop multiple portions of the system, construct a booster station, and demolish a water tower and booster station that are beyond their useful life.	\$4,170,000	3.25%, 30 years	3,000	
43	Brookings	C462019-03	Problem: the city has identified 48 lead water service lines which are a known drinking water issue. Project: full replacement of all known lead service lines within the community.	\$1,000,000	3.00%, 30 years	23,377	Yes
38	Box Elder	C462003-05	Problem: portions of the existing distribution system pipe are made of asbestos cement pipe and experiencing leaks, an existing well requires treatment and new pump equipment to be usable, and two ground storage tanks have liners in need of replacement. Project: install 12,555 feet of new PVC watermain in various locations, install a treatment equipment and replace the existing well #7 pump equipment, install two new ground storage tank liners.	\$4,392,150	3.00%, 30 years	11,750	Yes
38	Spearfish	C462030-03	Problem: an area of the water system near exit 17 on I-90 has experienced significant growth in recent years, the source water capacity and storage of the water system are having difficulty supplying the current users may lead to overall system issues. Project: the city will install a new well and well house with booster pump to increase the overall system capacity, install a new 1.0-million-gallon storage tank to provide storage and pressure for this area of the system, and install watermain between the new well and tank to connect them and to the existing distribution system to serve users.	\$8,268,327	1.625%, 30 years	12,193	Yes (Pending rate increase)

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
37	Pleasant Valley Homeowners Association	C462502-02	Problem: the existing distribution system is undersized and beyond its useful life, water meters are beyond their useful life, and the system lacks sufficient storage for average day demand. Project: replace approximately 1,800 feet of water main with PVC pipe, install new water meters, and construct a 25,000-gallon storage tank and booster station.	\$2,873,250	3.25%, 30 years	100	
37	Stratford	C462394-02	Problem: the existing distribution system is undersized and beyond its useful life, water meters are beyond their useful life, and the system lacks sufficient storage for average day demand. Project: replace approximately 10,100 feet of water main with PVC pipe, install new water meters, and construct a 20,000-gallon storage tank and booster station.	\$3,498,800	3.25%, 30 years	57	
37	Sturgis	C462068-06	Problem: the existing wells in the system are unable to supply adequate capacity to meet peak demands and there is inadequate storage in the system's higher elevation pressure zone to provide needed capacity and pressure. Project: install a new well to provide additional source water capacity and construct a new 1.0-million-gallon storage tank to provide needed storage and pressure.	\$6,126,125	2.75%, 30 years	7,059	Yes (Pending rate increase)
36	Hot Springs	C462040-02	Problem: the city's raw water pumping system does not have capacity to provide adequate water in the event one of the two pumping stations is out of commission, the storage capacity is less than the peak day demand, and the system does not have adequate well supply. Project: install a new well and pump house, construct a new 1.5-million-gallon water tower, and develop a new Madison well.	\$4,250,000	2.75%, 30 years	3,395	Yes (pending rate increase)

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
35	Volga	C462046-04	Problem: the existing wells are not able to provide sufficient source water and several areas within the distribution system are unable to meet demands resulting in insufficient pressures. Project: install new wells and 3,300 feet of raw water transmission line to provide needed source water capacity, install 7,300 feet of new PVC watermain to replace the existing pipe, loop the system, and replace undersized mains	\$2,525,000	3.00%, 30 years	2,113	Yes (Pending rate increase)
35	WEB Water Development Association	C462426-06	Problem: the existing treated water pipeline from the water treatment plant to the intersection of Hwy 83 and 12 does not have capacity to convey water to meet demands. Project: install 10 miles of new 48-inch pipe to parallel the existing line to assure adequate capacity to meet current and future system demands.	\$21,665,000	3.25%, 30 years	61,091	
34	New Underwood	C462257-02	Problem: one of the systems existing wells is beyond its useful life and in need of replacement, the system lacks sufficient source water redundancy without this well, the storage tank that pressurizes the community has only a single connection to the community lacking redundancy if a break occurs, much of the existing distribution system is asbestos cement pipe that is beyond its useful life, and the system lacks sufficient storage for peak day demand. Project: installation of a new well and transmission loop to the storage tank to provide redundant supply, replacement of 14,500 feet of water main with PVC pipe, construction of a new elevated storage tank to meet peak day demand, and demolition of an existing storage tank no longer in use.	\$7,580,000	3.25%, 30 years	590	
33	Randall Community Water District	C462436-06	Problem: several areas withing the distribution system are unable to supply demands leading to insufficient pressures and capacity for current and potential new users. Project: install 103.3 miles of parallel and looping pipe to increase pressure and capacity throughout the system.	\$137,874,000	3.00%, 30 years	11,028	Yes (Pending rate increase)

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
33	West River/Lyman Jones Rural Water System	C462446-04	Problem: current storage volume does not meet peak demands and several areas within the distribution system are unable to meet demands resulting in insufficient pressures. Project: construct three additional storage reservoirs totaling 1.7-million gallons and install 14 miles of parallel and looped line along with two booster stations to increase pressure and redundancy.	\$12,000,000	3.00%, 30 years	18000	Yes (Pending rate increase)
33	Yankton	C462038-07	Problem: portions of the existing main are beyond its useful life contributing to line breaks and water loss, one of the existing storage tanks has both internal and external coating issues some water meters are beyond their useful life. Project: install approximately 50 blocks of new PVC watermain, replace all meters older than 5 years with new automatic read meters, and recoat the water tower.	\$8,441,639	3.00%, 30 years	15411	Yes
32	Brookings-Deuel Rural Water System	C462453-05	Problem: the existing distribution system is segmented in north and south halves without redundancy to supply each zone from either water treatment plant, watermain existing in the project area is beyond its useful life, and areas of the distribution system lack sufficient pipe capacity to provide water during peak demands. Project: construct 28 miles of new and parallel transmission lines to interconnect the system's treatment plants, increase capacity, and alleviate low pressure issues.	\$8,300,000	3.00%, 30 years	8,500	Yes (Pending rate increase)
32	Sioux Rural Water System	C462433-04	Problem: current storage volume does not meet peak demands, and several areas within the distribution system are unable to meet demands resulting in insufficient pressures. Project: construct two new storage reservoirs, install 42.8 miles of transmission line to increase capacity in areas of the system not able to adequately convey water, and make improvements to booster stations where necessary.	\$11,112,000	3.25%, 30 years	8,885	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
31	North Sioux City	C462009-04	Problem: the city and adjacent system belonging to Dakota Dunes Community Improvement System are in need of additional system treatment and storage capacity and redundancy to meet current demand. Project: both systems have some excess capacity but peak needs may be different. The project will install 1,000 feet of watermain and a mater vault to interconnect the systems. This will allow the systems to better work together to meet the demands from users and wait for more significant capacity upgrades until the future.	\$574,100	3.00%, 30 years	3,042	Yes (Pending rate increase)
29	McLaughlin	C462233-04	Problem: several locations of the distribution system are cast iron or asbestos cement watermain that is beyond its useful life, the system includes several dead-end lines, portions of the system have pipe that is undersized and causes reduced pressures, and the existing water meters are beyond their useful life. Project: install 6,730 feet of new PVC watermain to replace the existing pipe, loop the system, and replace undersized mains, and replace water meters.	\$1,356,000	3.25%, 30 years	569	
28	Herreid	C462252-01	Problem: the existing water storage tower is beyond its useful life and the system includes several dead-end lines. Project: construct a new elevated storage tower and install 2,000 feet of new PVC watermain to loop the system.	\$2,550,550	3.00%, 30 years	416	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
28	Spring/Cow Creek Sanitary Water District	C462493-02	Problem: portions of the distribution system have dead-end lines resulting in low pressures and poor water quality, the existing water storage tank is not able to meet peak demands or provide adequate system pressure, and pressure from the bulk service provider may not be adequate to fill an elevated tank or provide system pressure. Project: install 1,800 feet of PVC watermain to loop the system and construct a 500,000-gallon elevated storage tank and booster station to supply needed storage and pressure.	\$3,528,568	3.25%, 30 years	460	
27	Northville	C462371-03	Problem: the system's meters are obsolete and unserviceable and require manual reading, portions of the distribution system have dead-end lines resulting in low pressures and poor water quality, and the existing water storage tank is in poor condition and rehabilitation is not feasible. Project: replace approximately 68 water meters and install an automatic meter reading system, install 2,200 feet of PVC watermain to loop the system, and construct a new 40,000-gallon ground storage tank and booster station to supply needed storage and pressure.	\$1,705,000	3.25%, 30 years	139	
27	Saint Lawrence	C462045-02	Problem: portions of the existing cast iron distribution system and the water meters are beyond their useful life, the current water tower coatings are in need of replacement, and the booster station has only one pump and no generator lacking redundancy in the system if it would fail. Project: replace and install approximately 5,300 feet of water main with PVC pipe, loop the system, and increase pipe size where needed, install new remote read water meters, recoat the water storage tank, and install a second pump and generator at the booster station.	\$940,000	3.00%, 30 years	163	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
26	Hanson Rural Water System	C462458-03	Problem: areas of the existing distribution system are undersized to provide needed pressure and capacity to current and proposed users and current meters are beyond their useful life. Project: install 38.5 miles of transmission line to increase pressures and capacity in areas of the system not able to adequately convey water to users and install new meters with remote read technology.	\$3,600,000	3.25%, 30 years	3,431	
26	Lead-Deadwood Sanitary District	C462002-03	Problem: the existing raw water transmission lines are over 100 years old and are experiencing excessive leakage, the tunnels that the transmission mains go through have become unsafe, one of the intake structures is in need of repair, the system does not have the ability to provide back-up power to pumping facilities if mainline power is out. Project: Replace and install approximately 1,200 feet of raw water line, rehabilitate the existing pipe tunnels, make improvements to the intake structure, repair leaking sections of lines, and purchase a portable back-up generator.	\$3,720,000	2.75%, 30 years	4,556	Yes (Pending rate increase)

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
25	Lewis & Clark Regional Water System	C462491-01	Problem: Lewis & Clark RWS is a bulk water provider to 20 different public water systems in South Dakota, Minnesota and Iowa and each member system has a contracted maximum allocation of water they are eligible to receive. Several members are exceeding their maximum contracted allocation prior to full system completion and connection to all members. The system does not have the capacity to provide water above contracted amounts to members without expanding capacity throughout the source, treatment, and distribution systems. Project: the first phase involves improvements at the water treatment facility to include constructing solids drying beds and stockpile areas installing a sixth solids contact basin and second gravity thickener, and making upgrades to the high service pump station and clear well.	\$43,782,006	3.25%, 30 years	275,000	
24	Newell	C462109-04	Problem: several locations of the distribution system are transite watermain that is beyond its useful life, the system includes several dead-end lines, portions of the system have pipe that is undersized and causes reduced pressures, and an area of the community is not served by the system. Project: install 6,050 feet of new PVC watermain to replace the existing pipe, loop the system, replace undersized mains, and connect unserved users.	\$1,141,238	3.00%, 30 years	584	Yes (Pending rate increase)
23	Box Elder	C462003-06	Problem: the existing water tower is 50 years old, subject to minor leaking, and undersized for current demands. Project: Replace the old water tower with a new 1.5 MG water tower.	\$1,700,000	3.00%, 30 years	11,750	Yes
23	Minnehaha Community Water Corp.	C462440-05	Problem: areas of the existing distribution system lack necessary capacity to provide water to current and proposed users. Project: install 38.3 miles of transmission line to increase capacity in areas of the system not able to adequately convey waters.	\$48,678,000	3.25%, 30 years	28,893	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- tagged
23	Mitchell	C462129-07	Problem: areas throughout the distribution system are cast iron watermain and asbestos cement pipe that is beyond its useful life, the system includes several dead-end lines, and portions of the system have pipe that is undersized and causes reduced pressures. Project: install 49.8 miles of new PVC watermain to replace the existing pipe, loop the system, and replace undersized mains.	\$78,000,000	2.75%, 30 years	15,660	Yes (Pending rate increase)
22	Belle Fourche	C462012-03	Problem: the water system is served from wells within the same well field, which would cause a portion of the system having no access to water if a line serving the area would break. Project: install a new well in a different location to provide system redundancy in all areas of the system.	\$1,050,000	3.00%, 30 years	5,617	Yes (Pending rate increase)
22	Big Sioux Community Water System	C462439-06	Problem: areas of the existing distribution system lack necessary capacity to provide water to current and proposed users. Project: install 16 miles of transmission line to increase capacity in areas of the system not able to adequately convey water.	\$22,084,000	3.25%, 30 years	9,500	
22	Harrisburg	C462065-05	Problem: several locations of the distribution system are cast iron watermain that is beyond its useful life, the system includes several dead-end lines, and portions of the system have pipe that is undersized and causes reduced pressures. Project: install 26,200 feet of new PVC watermain to replace the existing pipe, loop the system, and replace undersized mains.	\$6,239,000	3.25%, 30 years	6,742	
22	Lincoln County Rural Water System	C462445-04	Problem: areas of the existing distribution system are undersized to provide needed pressure and capacity to current and proposed users. Project: install 16.1 miles of transmission line to increase pressures and capacity in areas of the system not able to adequately convey water.	\$8,809,000	3.25%, 30 years	6,000	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
22	Madison	C462024-03	Problem: several locations of the distribution system are cast iron watermain that is beyond its useful, the system includes several dead-end lines, and portions of the system have pipe that is undersized and causes reduced pressures. Project: install 23,000 feet of new PVC watermain to replace the existing pipe, loop the system, and replace undersized mains.	\$12,308,500	3.00%, 30 years	6,191	Yes
21	Dell Rapids	C462064-10	Problem: several locations of the distribution system are cast iron or asbestos cement watermain that is beyond its useful life, the system includes several dead-end lines, and portions of the system have pipe that is undersized and causes reduced pressures. Project: install 16,300 feet of new PVC watermain to replace the existing pipe, loop the system, and replace undersized mains.	\$9,451,000	3.25%, 30 years	3,996	
20	Aurora	C462081-01	Problem: the existing bulk water supply line from Brookings is no longer able to meet system demand and needs replacement, the water storage tank has inadequate capacity for current demand, and several areas of the community are served by dead-end lines. Project: install a new bulk water supply line with increased size for additional flow, construct an elevated storage tower, and install 15 valves and 3,500 feet of water line to loop the system.	\$6,300,000	3.25%, 30 years	1,047	
20	Baltic	C462223-05	Problem: several locations of the distribution system are cast iron watermain that is beyond its useful life, the system includes several dead-end lines, portions of the system have pipe that is undersized and causes reduced pressures, and the current storage tower does not peak demand needs. Project: install 6,960 feet of new PVC watermain to replace the existing cast iron pipe, loop the system, and replace undersized mains and construct a new 250,000-gallon elevated storage tower to meet peak day demands.	\$5,693,000	3.25%, 30 years	1,246	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
20	Crooks	C462227-03	Problem: several locations of the distribution system are glued-joint PVC watermain that is beyond its useful life, the system includes several dead-end lines, portions of the system have pipe that is undersized and causes reduced pressures, and the current storage tower does not peak demand needs. Project: install 4,630 feet of new PVC watermain to replace the existing pipe, loop the system, and replace undersized mains and construct a new 250,000-gallon elevated storage tower to meet peak day demands.	\$5,683,000	3.25%, 30 years	1,362	
20	DeSmet	C462193-03	Problem: the existing water distribution system in the in several areas in the community is old and experiencing excessive breaks and high-water loss and has several dead-end lines, the existing water tower coatings are in need of repair. Project: replace and install approximately 11,300 feet of water main with PVC pipe and loop the system, recoat the interior and exterior of the water tower.	\$5,050,000	3.25%, 30 years	1,056	
20	Garretson	C462063-04	Problem: several locations of the distribution system are cast iron or asbestos cement watermain that is beyond its useful life, the system includes several dead-end lines, and portions of the system have pipe that is undersized and causes reduced pressures. Project: replace 19 blocks of the existing pipe with new PVC watermain.	\$3,578,662	3.00%, 30 years	1,228	
20	Gregory	C462126-04	Problem: the existing cast iron and asbestos cement distribution system pipe is beyond its useful life and areas within the system experience low pressure due to undersized pipe. Project: replace approximately 35,000 feet of water main with PVC pipe and increase pipe size where needed.	\$7,205,000	2.75%, 30 years	1,221	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
20	Salem	C462057-08	Problem: the existing water distribution system in the in western area of the community is old and experiencing excessive breaks and there are dead-end lines causing reduced pressures and water quality. Project: replace and install for looping approximately 8,460 feet of water main with PVC pipe.	\$3,521,000	3.00%, 30 years	1,325	Yes
20	Salem	C462057-09	Problem: the distribution system in the southeastern part of the city is beyond its useful life and has several dead-end lines impacting water quality and pressure. Project: replace and install approximately 3,000 feet of water main with PVC pipe and loop the system.	\$1,097,000	3.00%, 30 years	1,325	Yes
19	Colman	C462144-06	Problem: the existing cast iron water distribution system for one block on Loban Avenue is beyond its useful life, several locations in the city are served by long dead-end lines. Project: replace approximately 400 feet of water main with PVC pipe on Loban Avenue and install 2,000 feet of new PVC watermain to loop several areas.	\$480,000	3.25%, 30 years	634	
19	Hill City	C462231-02	Problem: One well serving the water system is in poor condition and produces poor quality water and if that source is unavailable current user demands could not be met. Project: install a new well to provide system redundancy and assure all users will have access to potable water.	\$637,500	3.00%, 30 years	872	Yes
19	Valley Springs	C462239-03	Problem: the existing water distribution system is old and experiencing excessive breaks and high-water loss and has several dead-end lines. Project: replace and install approximately 15,000 feet of water main with PVC pipe and loop the system.	\$5,412,000	3.25%, 30 years	885	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- tagged
19	Valley Springs	C462239-04	Problem: the city's two existing well houses are beyond their useful life and the buildings along with equipment are in need of repair. Project: construct two new well houses to include chemical feed equipment in compliance with recommended standards for chemical feed systems.	\$2,703,000	3.25%, 30 years	885	
19	Wall	C462033-01	Problem: several locations of the distribution system are asbestos cement watermain that is beyond its useful life, the system includes several dead-end lines, and portions of the system have pipe that is undersized and causes reduced pressures. Project: install 2,000 feet of new PVC watermain to replace the existing pipe, loop the system, and replace undersized mains.	\$1,378,750	3.25%, 30 years	699	
19	White	C462118-02	Problem: the distribution system in much of the city is beyond its useful life and has several dead-end lines impacting water quality, the existing interior and exterior coating on the water tower are in poor condition and need repair. Project: replace approximately 17,000 feet of water main with PVC pipe and loop the system and recoat the water tower interior and exterior.	\$6,000,000	3.25%, 30 years	537	
19	Worthing	C462047-03	Problem: several locations of the distribution system are asbestos cement watermain that is beyond its useful life, the system includes several dead-end lines, and portions of the system have pipe that is undersized and causes reduced pressures. Project: install 6,150 feet of new PVC watermain to replace the existing pipe, loop the system, and replace undersized mains.	\$3,866,000	3.25%, 30 years	927	
18	Box Elder	C462003-08	Problem: Parts of the northeastern portion of the distribution system are experiencing over pressurization due to limited looping in the system. Project: Install approximately 3,200 feet of water main to equalize pressures and provide looping.	\$670,400	3.00%, 30 years	11,750	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
18	Chancellor	C462122-04	Problem: the distribution system throughout the city is beyond its useful life and has several dead-end lines impacting water quality. Project: replace and install approximately 6,550 feet of water main with PVC pipe.	\$3,300,000	3.00%, 30 years	300	Yes
18	Chester Sanitary District	C462073-01	Problem: the existing distribution system is undersized and beyond its useful life and the system lacks sufficient storage for average day demand and the existing storage is beyond its useful life. Project: replace and install approximately 12,000 feet of water main with PVC pipe and loop the system and installation of a new elevated storage tower.	\$6,500,000	3.00%, 30 years	257	Yes
18	Pine Grove Community Water Association	C462501-01	Problem: the existing distribution system is undersized and beyond its useful life, the SCADA system is beyond its useful life, and the system has only one well which provides no redundancy for water source. Project: replace approximately 12,900 feet of water main with PVC pipe, drill a new well to provide additional source water, replace the existing SCADA system, and purchase a generator in case of a power outage.	\$1,434,700	3.25%, 30 years	450	
18	Randall Community Water District	C462436-05	Problem: the city of Mitchell lacks necessary source water to meet peak demands and provide for new customers. Project: installation of 32.5 miles of 20-inch watermain and related appurtenances to allow the system to provide service to Mitchell as a second source of water for the city.	\$35,413,000	3.00%, 30 years	11,028	Yes (Pending rate increase)

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
18	Weston Heights Homeowners Association	C462495-02	Problem: the existing water storage tank does not provide adequate storage capacity or pressure to meet demands due to the location and elevation of the tank and the system is served by only one well that does not have backup power. Project: construct a new storage tank in a different location or rehabilitate the existing tank and provide a booster station to allow full use of the available storage volume and pressurize the system and purchase a generator to allow the well to remain in service if power fails.	\$2,629,550	3.25%, 30 years	447	
17	Big Sioux Community Water System	C462439-05	Problem: parts of the distribution system surrounding Lake Madison and Brant Lake are experiencing over low pressure and limited capacity due to limited looping in the system. Project: Install approximately 5.2 miles of water main to increase pressures and provide looping.	\$2,200,000	3.25%, 30 years	9,500	
17	Corona	C462088-01	Problem: the distribution system is beyond its useful life, the includes several dead-end lines, portions of the system have pipe that is undersized and cause reduced pressures. Project: install 10,000 feet of new PVC watermain to replace the existing pipe, loop the system, and replace undersized mains.	\$3,389,000	3.25%, 30 years	69	
16	Hartford	C462104-04	Problem: parts of the western portion of distribution system surrounding are experiencing over low pressure and limited capacity due to limited looping in the system. Project: Install approximately 4,400 feet of water main to increase pressures and provide looping.	\$990,800	3.25%, 30 years	3,354	
15	Beresford	C462187-04	Problem: the water main on 7 th Street between 298 th and Maple Streets is not looped. Project: install 2,000 feet of PVC water main to loop the system eliminating two dead-ends.	\$227,000	3.25%, 30 years	1,812	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
15	Fort Pierre	C462049-03	Problem: the existing storage reservoirs are not sufficient to meet peak day demands. Project: construct a new 700,000-gallon water storage tank and install 19,300 feet of PVC watermain to connect the storage tank to the distribution system and provide redundant looped lines to assure the tanks will not be stranded if a break occurs.	\$5,028,078	3.25%, 30 years	2,115	
15	Medicine Mountain Scout Ranch	C462504-01	Problem: the existing source water capacity is inadequate to meet user demand when occupied. Project: install infiltration gallery pipe to bring capacity to existing water right levels and meet user needs.	51,572	3.25%, 30 years	0	
15	Platte	C462130-03	Problem: the city is not providing water service to existing facilities along SD Highway 44 on the east and west edges of the city limits and existing water meters are not remote read slowing the ability to locate leaks in a timely manner. Project: install 2,650 feet of PVC pipe to extend service to existing facilities and install automatic meter reading equipment.	\$650,675	3.00%, 30 years	1,296	Yes
14	Mina Lake Sanitary District	C462287-04	Problem: the district's meters are obsolete and unserviceable or require manual reading. Project: replace approximately 440 water meters and install an automatic meter reading system.	\$352,000	2.75%, 10 years	791	
13	Emery	C462248-02	Problem: the existing water meters are beyond their useful life. Project: replace the existing water meters for all users with new remote read meters and software	\$68,000	2.75%, 10 years	484	
13	Murdo	C462108-01	Problem: the system's meters are obsolete and unserviceable and require manual reading. Project: replace approximately 375 water meters and install an automatic meter reading system.	\$429,276	2.00%, 10 years	475	Yes (Pending rate increase)

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
13	Presho	C462236-01	Problem: the system's meters are obsolete and unserviceable and require manual reading. Project: replace approximately 350 water meters and install an automatic meter reading system.	\$667,930	2.75%, 10 years	472	
12	Belle Fourche	C462012-04	Problem: the asbestos cement and cast-iron transmission pipe from the city's main well to the community, as well as the transmission main between a booster station and storage tank are beyond their useful life. Project: replace 28,700 feet of water main with PVC pipe.	\$5,328,000	3.00%, 30 years	5,617	Yes (Pending rate increase)
12	Copper Oaks 1	C462457-01	Problem: the existing storage reservoir needs to be recoated and have repairs made, water meters are beyond their useful life, and well house building is in need of repair, and chlorination equipment is beyond its useful life. Project: recoat the reservoir interior and make repairs, replace existing water meters, repair the well house building, and replace chlorinator equipment.	\$91,652	3.25%, 30 years	64	
11	Canton	C462039-05	Problem: the watermain on First and Broadway Streets are beyond their useful life. Project: replace 3,000 feet of water main with PVC pipe.	\$1,926,000	3.25%, 30 years	3,066	
11	Hot Springs	C462040-03	Problem: the existing water distribution pipe under North River Street/SD Hwy 385/18 is old and the highway will be reconstructed. Project: replace the existing watermain pipe with new PVC pipe prior to the SD DOT reconstruction of the roadway.	\$1,054,025	2.75%, 30 years	3,395	Yes (pending rate increase)
10	Britton	C462188-04	Problem: the existing water distribution system in the industrial park area is old and experiencing excessive breaks and high-water loss and has several dead-end lines. Project: replace and install approximately 6,510 feet of water main with PVC pipe and loop the system.	\$1,043,000	3.25%, 30 years	1,215	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
10	Freeman	C462017-01	Problem: the distribution system on Main and Railway Streets is beyond its useful life. Project: replace 2,874 feet of water main with PVC pipe.	\$1,586,846	3.00%, 30 years	1,329	Yes (Pending rate increase)
10	Parker	C462026-06	Problem: areas throughout the distribution system are cast iron watermain and asbestos cement pipe that is beyond its useful life, the system includes several dead-end lines, and portions of the system have pipe that is undersized and causes reduced pressures. Project: install 11,300 feet of new PVC watermain to replace the existing pipe, loop the system, and replace undersized mains.	\$3,666,000	3.25%, 30 years	1,194	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
10	WEB Water Association	C462426-05	Problem: this is a collaborative effort between WEB, Aberdeen, and BDM water systems to regionalize and meet the current and future demands for treated water capacity in the northeast region of the state. The WEB Water Association currently has many area of its system with moratoriums in place preventing connections to existing homes and businesses, additional areas of the system are in need of significant upgrades to ensure capacity for current and future connections. The city of Aberdeen lacks sufficient water capacity to meet peak demands of existing users and the water quality during summer months has aesthetic issues making users concerned. BDM is in need of additional water capacity for future users and during the construction period of this project those capacity needs will become required to meet the demands of the system. Project: The project will provide at least 42.1 million gallons of water per day to users. To accomplish this goal new raw water intakes, and increased water treatment capacity along with three new water storage tanks, five pumping stations, pressure stations, and 148 miles of 20- to 54-inch watermain need to be constructed to fully complete the needed expansion.	\$755,860,000	3.25%, 30 years	35,000	
9	Kimball	C462415-01	Problem: portions of the existing distribution system pipe on Main Street are beyond their useful life and experiencing leaks. Project: install 1,100 feet of new PVC watermain.	\$270,000	3.00%, 30 years	572	Yes (pending rate increase)

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
8	B-Y Water District	C462431-02	Problem: storage reservoirs at the treatment plant lack interconnections to assure water is available for use in the event of a power outage, the storage tank chemical feed equipment is in need of upgrades to assure proper treatment, and two of the reservoir coating are beyond their useful life. Project: install pipe interconnections between the tanks to assure full utilization, upgrade the chemical feed system equipment, and reline two existing tanks.	\$4,000,000	3.25%, 30 years	15,000	
8	Kingbrook Rural Water System	C462432-11	Problem: Kingbrook's distribution system has two pipeline segments in the northern part of the distribution system that are not able to supply current user demands at needed pressure. Project: install a total of 25 miles of large diameter transmission pipeline to improve water pressure and volumes.	\$27,000,000	3.25%, 30 years	15,298	
8	Minnehaha Community Water Corporation	C462440-06	Problem: the system's existing water treatment plants controls and electrical system is beyond its useful life and in need replacement. Project: install new controls and electrical system to assure proper treatment.	\$590,000	3.00%, 20 years	28,893	
7	Black Hawk Water Users District	C462393-05	Problem: the existing interstate crossing at exit 52 and transmission main along Sturgis Road do not have adequate capacity to serve current users. Project: install a new interstate crossing increasing size from a 6-inch to a 12-inch watermain and install a new 10-inch main along Sturgis Road parallel to the existing line.	\$6,675,500	3.25%, 30 years	5,998	
7	North Brookings Sanitary & Water District	C462370-01	Problem: the existing distribution system pipe is asbestos cement pipe and beyond its useful life and experiencing leaks. Project: install 6,000 feet of new PVC watermain.	\$1,300,000	3.25%, 30 years	50	
4	Humboldt	C462254-03	Problem: storage within the system is insufficient to meet peak day demands. Project: construct a new 100,000-gallon storage reservoir or purchase an existing reservoir from a nearby rural water system.	\$2,085,638	3.25%, 30 years	579	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
4	Humboldt	C462254-04	Problem: several locations in the distribution system pipe are beyond their useful life and lack sufficient bury depth. Project: replace 4,150 feet of water main with PVC pipe.	\$1,355,000	3.25%, 30 years	579	
3	Rosholt	C462258-02	Problem: the city's existing elevated storage tank is beyond its useful life and in need of major improvements or replacement. Project: construct a new 75,000-gallon elevated storage tank.	\$2,300,000	3.25%, 30 years	379	
159	Southern Black Hills Water System	C462492-02	Problem: two service areas of the distribution system lack redundant supply, have inadequate ground storage to meet demands or pressurize the systems, neither source of water is chlorinated, and control systems are outdated. Project: construct five miles of pipeline to connect the two service areas to provide redundancy in the system, construct an additional well to serve current and future users, construct an elevated storage tank to meet user demands and pressurize the system, and install chlorination and SCADA system equipment at new and existing facilities.	\$1,800,000	3.25%, 30 years	925	

ATTACHMENT II – LIST OF PROJECTS TO BE FUNDED IN FFY 2023

Priority Points	Loan Recipient	Project Number	Assistance Amount	Principal Forgiveness ¹	Funding Date	Expected Funding Source ²	Fund/Project Eligibility ^{3,4,5}
Loans Made							
123	Terry Trojan Water Project District	C462455-03	\$700,000	\$300,000	Jan. 2023	Repay/Lev. Bonds	
82	Clay Rural Water System	C462437-07	\$21,843,000		Jan. 2023	Repay/Lev. Bonds	
58	Brookings	C462019-02	\$40,700,000		Jan. 2023	2022/2023 Base/BIL GS /Lev. Bonds	3
33	Brookings	C462019-03	\$1,000,000		Jan. 2023	2022 BIL LSLR	3, 4
138	Vermillion	C462022-05	\$7,000,000	\$490,000	March 2023	Repay/Lev. Bonds	3
84	Wessington Springs	C462210-02	\$300,000		March 2023	Repay/Lev. Bonds	3
79	Wessington Springs	C462210-03	\$151,000		March 2023	Repay/Lev. Bonds	3
77	Wessington	C462302-01	\$673,000	\$538,000	March 2023	Repay/Lev. Bonds	3
34	New Underwood	C462257-02	\$4,010,000	\$2,460,000	March 2023	Repay/Lev. Bonds	3
21	Dell Rapids	C462064-10	\$800,000		March 2023	Repay/Lev. Bonds	
20	Crooks	C462227-03	\$1,575,000		March 2023	Repay/Lev. Bonds	3
20	Salem	C462057-08	\$1,400,000		March 2023	Repay/Lev. Bonds	3
18	Chester Sanitary District	C462073-01	\$2,342,000	\$1,462,000	March 2023	Repay/Lev. Bonds	3
17	Corona	C462088-01	\$159,800		March 2023	Repay/Lev. Bonds	
9	Kimball	C462415-01	\$325,000		March 2023	Repay/Lev. Bonds	3
4	Lake Preston	C462011-04	\$2,002,000	\$1,702,000	March 2023	Repay/Lev. Bonds	3
123	Henry	C462277-01	\$2,000,000	\$800,000	June 2023	Repay/Lev. Bonds	3
117	Cresbard	C462132-02	\$1,912,410	\$764,964	June 2023	Repay/Lev. Bonds	3
104	Bear Butte Valley Water	C462486-03	\$1,500,000	\$150,000	June 2023	Repay/Lev. Bonds	
79	Centerville	C462215-03	\$1,412,000	\$564,800	June 2023	Repay/Lev. Bonds	3
77	Milbank	C462023-02	\$12,500,000	\$5,000,000	June 2023	Repay/Lev. Bonds	3
31	North Sioux City	C462009-02	\$580,000	\$232,000	June 2023	Repay/Lev. Bonds	3
27	Saint Lawrence	C462045-02	\$940,000	\$376,000	June 2023	Repay/Lev. Bonds	3
18	Chancellor	C462122-04	\$906,000	\$362,400	June 2023	Repay/Lev. Bonds	3
17	Big Sioux Community Water System	C462439-05	\$2,200,000	\$220,000	June 2023	2022/2023 Base/BIL GS /Lev. Bonds	
16	Hartford	C462104-04	\$490,800	\$49,080	June 2023	Repay/Lev. Bonds	
8	Minnehaha Community Water Corp	C462440-05	\$4,670,000		June 2023	2022/2023 Base/BIL GS /Lev. Bonds	
7	North Brookings Sanitary and Water District	C462370-01	\$1,286,750	\$274,858	June 2023	Repay/Lev. Bonds	
Loans Expected							
88	Murdo	C462108-01	\$429,276	\$171,710	Sept. 2023	Repay/Lev. Bonds	3
86	Hot Springs	C462040-03	\$1,054,025	\$421,610	Sept. 2023	Repay/Lev. Bonds	3
67	Raymond	C462385-01	\$2,444,200	\$977,680	Sept. 2023	Repay/Lev. Bonds	3

1. Principal forgiveness amounts shown for loans expected are estimates for planning purposes only.

2. Projects identified using capitalization grant funds are for equivalency requirements planning purposes only, actual projects used for capitalization grant equivalency will be identified on the FFY 2023 annual report.

3. Projects are anticipated to be funded in part utilizing capitalization grant principal forgiveness reserved for disadvantaged communities, this may be from funds within the base capitalization grant, BIL general supplemental, BIL lead service line replacement, or BIL emerging contaminants grant allotments depending on project eligibility.

4. Projects identified are anticipated to be funded in part utilizing BIL lead service line replacement allotments.

5. Projects identified are anticipated to be funded in part utilizing BIL emerging contaminants allotment.

June 29, 2023

**ATTACHMENT III
BASE PROGRAM FUNDING STATUS**

Federal Fiscal Years 1997 - 2022

Capitalization Grants	\$234,195,698	
BIL Supplemental Grants	\$17,992,000	
State Match (Base and BIL)	\$48,638,340	
ARRA Grant	\$19,500,000	
Set-Asides (Base and BIL)	(\$17,763,242)	
Transfer of FY 2002 & 2003 Clean Water Capitalization Grant and State Match	\$15,574,320	
Leveraged Bonds	\$123,742,076	
Excess Interest as of September 30, 2022	\$61,098,460	
Excess Principal as of September 30, 2022	<u>\$127,375,335</u>	
Total Funds Dedicated to Loan		\$630,352,987
Closed Loans made through September 30, 2022		<u>(\$584,168,941)</u>
Unclosed loans and available funds as of September 30, 2022		\$46,184,046

Federal Fiscal Year 2023 Projections

Base Capitalization Grant	\$4,938,000	
BIL General Supplemental Grant	\$21,055,000	
State Match (combined total)	\$9,093,100	
Set-Asides (combined total)	(\$1,000,000)	
Projected Excess Principal Repayments	\$5,000,000	
Projected Unrestricted Interest Earnings	\$4,000,000	
Leveraged Bonds	<u>\$200,000,000</u>	
Projected FFY 2023 Loan Sub-total		\$243,086,100
Unclosed loans and funds Available for Loans		\$289,270,146
Loans Awarded and Unclosed as of September 30, 2022		(\$605,360,908)
Total Funds Available for Loans		<u><u>(\$316,090,762)</u></u>
Loan Amount Identified on Attachment II - List of Projects to be Funded in FFY 2023		<u><u>\$118,306,261</u></u>

Administrative Surcharge Funds Available as of September 30, 2022	
Program Income	\$1,044,233
Non-Program Income	<u>\$5,451,927</u>
Total	<u>\$6,496,160</u>

**BIL EMERGING CONTAMINANTS
PROGRAM FUNDING STATUS**

Federal Fiscal Year 2022

DWSRF BIL Emerging Contaminants Grants	\$7,555,000	
State Match	\$0	
Set-Asides	(\$0)	
Transfer FFY 2022 Grant from CWSRF Emerging Contaminants	\$459,000	
Total Funds Dedicated to Loan		\$8,014,000
Closed Loans made through September 30, 2022		<u>(\$0)</u>
Unclosed loans and available funds as of September 30, 2022		\$8,014,000

Federal Fiscal Year 2023 Projections

DWSRF BIL Emerging Contaminants Grant	\$7,640,000	
Transfer of FY 2023 Clean Water Emerging Contaminants Grant	\$1,043,000	
State Match	\$0	
Set-Asides	\$0	
Projected FFY 2023 Loan Sub-total		\$8,683,000
Unclosed loans and funds Available for Loans		\$16,697,000
Loans Awarded and Unclosed as of September 30, 2022		(\$7,895,000)
Total Funds Available for Loans		<u>\$8,802,000</u>
Loan Amount Identified on Attachment II - List of Projects to be Funded in FFY 2023		<u><u>\$12,192,000</u></u>

**BIL LEAD SERVICE LINE REPLACEMENT
PROGRAM FUNDING STATUS
Federal Fiscal Year 2022**

DWSRF	BIL	Lead	Service	Line	\$1,000,000
Replacement Grants					
State Match					\$0
Set-Asides					(\$0)
Total Funds Dedicated to Loan					\$1,000,000
Closed Loans made through September 30, 2022					<u>(\$0)</u>
Unclosed loans and available funds as of September 30, 2022					\$1,000,000
Federal Fiscal Year 2023 Projections					
BIL Lead Service Line Replacement Grant					\$28,650,000
State Match					\$0
Set-Asides					<u>(\$0)</u>
Projected FFY 2023 Loan Sub-total					\$28,650,000
Unclosed loans and funds Available for Loans					\$29,650,000
Loans Awarded and Unclosed as of September 30, 2022					\$0
Total Funds Available for Loans					<u><u>\$29,650,000</u></u>
Loan Amount Identified on Attachment II - List of Projects to be Funded in FFY 2023					<u><u>\$1,000,000</u></u>

Addendum to the 2023 DWSRF Intended Use Plan:

Bipartisan Infrastructure Law

The Bipartisan Infrastructure Law (BIL), previously referred to as the Infrastructure Investment and Jobs Act, was signed into law on November 15, 2021. The BIL invests more than \$50 billion over the next five years in EPA water infrastructure programs including the State Revolving Funds. South Dakota's 2023 allotment for the DWSRF program totals approximately \$57.3 million.

This addendum is for the distribution of BIL funds in 2023.

The BIL funding will be issued through the DWSRF in three categories: 1) DWSRF BIL General Supplemental Funding, 2) DWSRF BIL Emerging Contaminants Funding, and 3) DWSRF BIL Lead Service Line Funding. The IUP amendments and the BIL funding categories are described below.

BIL Funding Categories and Use of Funds

DWSRF BIL General Supplemental Funding

The BIL includes a general supplemental funding allotment to South Dakota of \$21,055,000 in 2023 for the DWSRF program. The existing DWSRF program as described in this IUP applies to this funding category and includes the following:

Eligibility

- Eligible entities and projects for this funding must be eligible under the existing DWSRF program.
- All eligible projects for this allotment must be listed on the existing Attachment I – 2023 Project Priority List.

Requirements

- Application, prioritization, and approval for funding will be the same as the existing DWSRF program.
- State match is 10% of the total amount of the capitalization grant in fiscal year 2023. Bond proceeds will be used to provide the matching funds.
- Loan interest rate and terms will be the same as the existing program.
- Forty-nine percent of the capitalization grant amount must be issued as additional subsidization in the form of principal forgiveness. Additional subsidization must be provided to eligible entities that meet the Disadvantaged Community definition in ARSD 74:05:11:01(11) and described on page 9 of the base program IUP.

Set-Aside Activities for DWSRF BIL General Supplemental Funding

Similar to the DWSRF base program, South Dakota may set-aside a portion of the capitalization grant for non-project, or set-aside activities, that are necessary to accomplish the requirements of the Safe Drinking Water Act.

The 2023 BIL DWRF appropriation is \$21,055,000. A description of each set-aside and the funding

available from the 2023 BIL general supplemental capitalization grant for each activity is detailed below.

Administration Set-Aside

2023 BIL Federal Year One - Requested Amount \$400,000

The BIL provides three options to states to calculate the administrative set-aside available from each year's capitalization grant. States may use up to the greatest of 1) \$400,000 per year, 2) 1/5 of a percent of the current valuation of the Drinking Water SRF fund based on the most recent previous year's audited financial statements, or 3) an amount equal to four percent of all grant awards to the DWSRF.

Four percent of the FFY 2023 base capitalization grant is \$197,520, four percent of the FFY 2023 BIL Supplemental capitalization grant is \$842,200, and 1/5 of a percent of the current fund valuation of \$225,279,640 results in \$450,559 available for administrative fees. The department is choosing to utilize only the \$400,000 allowable from the BIL for administrative purposes.

Use of funds and expected accomplishments

Specific activities to be funded are: staff salary, benefits, travel, and overhead; retaining of bond counsel, bond underwriter, financial advisor, and trustee; and other costs to administer the program.

Small System Training and Technical Assistance

2023 BIL Federal Year One - Requested Amount \$200,000

These monies support ongoing training and technical assistance to small systems serving less than 10,000 people to bring non-complying systems into compliance and improve operations of water systems as described on page 7 of the DWSRF base program IUP.

State's may utilize up to two percent of the BIL general supplemental allocation in this set-aside, which is \$421,100. Funds available from prior year grants as of September 30, 2022, are \$209,927. South Dakota intends to allocate \$200,000, from the BIL general supplemental set-aside allotment to fund these activities.

Use of funds and expected accomplishments

Funds are used to provide technical assistance, training, and completion of engineering studies for small systems.

State Program Management (10%)

2023 BIL Federal Year One - Requested Amount \$300,000

Funds under this set-aside are available for use to assist in management of state program management to include administration of the state's Public Water System Supervision (PWSS) program and other state program related activities as described on page 8 of the DWSRF base program IUP.

States may utilize up to ten percent of the BIL general supplemental allocation in this set-aside, which is \$2,105,500. South Dakota intends to allocate \$300,000, from the BIL general supplemental set-aside allotment to fund these activities.

Use of funds and expected accomplishments

Funds are used for South Dakota's PWSS program to complete all tasks and activities identified in the Performance Partnership Grant workplan.

Local Assistance and Other State Programs (15%)

2023 BIL Federal Year One - Requested Amount \$100,000

This set-aside can fund other activities to assist development and implementation of local drinking water protection activities. These activities are described on page 8 of the base program IUP.

South Dakota intends to take \$100,000 to assist new and existing systems to achieve and maintain technical, managerial, and financial capacity from this set-aside.

Use of funds and expected accomplishments

Midwest Assistance Program (MAP) will continue its efforts with borrowers to improve the technical, financial, or managerial capacity of the systems and assist in the review of capacity assessments required as part of the Drinking Water SRF loan applications.

DWSRF BIL Emerging Contaminants Funding

The BIL includes a funding allocation of \$7,640,000 to South Dakota in 2023 to be applied to drinking water emerging contaminant projects. Additionally, the department proposes to transfer the \$1,043,000 CWSRF Emerging Contaminant allotment to the DWSRF Emerging Contaminant fund. This makes \$8,683,000 available for DWSRF Emerging Contaminant activities.

Eligibility

- Entities and projects eligible for this funding must be eligible under the existing DWSRF program and the primary purpose must be to address emerging contaminants in drinking water.
- All eligible projects for this allotment must be listed on the existing Attachment I - Project Priority List. Projects eligible for this source of funds are identified on Attachment II – List of Projects to be Funded in 2023.
- Eligible emerging contaminants include perfluoroalkyl and polyfluoroalkyl substances (PFAS) and contaminants on EPA's [Contaminant Candidate Lists](#). Additional eligibility details and requirements for this category are defined in the [EPA BIL SRF Implementation Memo](#) dated March 8, 2022.

Requirements

- Application, prioritization, and approval for funding will be the same as the existing DWSRF program.
- State match is not required.
- 100% of the capitalization grant amount, less set-asides, must be issued as additional subsidization in the form of principal forgiveness.
- Distribution of funding
 - Twenty-five percent of funds from this category must go to communities that qualify as a disadvantaged community or communities with populations less than 25,000. Applicants with project costs exceeding available funds or with project components unrelated to addressing emerging contaminants, may receive funds for the remaining project costs through the DWSRF supplemental or base programs. Additional principal forgiveness may be available from the DWSRF supplemental or base programs for applicants that qualify as a disadvantaged

community.

Set-Aside Activities for DWSRF BIL Emerging Contaminants Funding

South Dakota may set-aside a portion of the capitalization grant for non-project, or set-aside activities, that are necessary for implementing Emerging Contaminants activities.

No set-aside funds are proposed to be allocated from the BIL emerging contaminants funding in 2023. South Dakota reserves the ability to request set-aside funding in future years, if necessary, from the 2023 BIL emerging contaminants funding.

DWSRF BIL Lead Service Line Funding

The BIL includes a funding allotment of \$28,650,000 to South Dakota in 2023 to be applied to the lead service line replacement projects.

Eligibility

- Entities and projects eligible for this funding must be eligible under the existing DWSRF program and be a lead service line replacement project or associated activity directly connected to the identification, planning, design, and replacement of lead service lines.
- All eligible projects for this allotment must be listed on the existing Attachment I - Project Priority List. Projects eligible for this source of funds are identified on Attachment II – List of Projects to be Funded in 2023.
- Additional eligibility requirements for this category of funding are defined in the [EPA BIL SRF Implementation Memo](#) dated March 8, 2022.

Requirements

- Application, prioritization, and approval will be the same as the existing DWSRF program.
- State match is not required
- 49 percent of the capitalization grant amount must be issued as additional subsidization in the form of principal forgiveness. Additional subsidization must be provided to eligible entities that that qualify as a disadvantaged community.
- Distribution of funding
 - Applicants with project costs exceeding available funds, or with project components unrelated to lead service line identification and replacement, may receive funds for the remaining project costs through the DWSRF supplemental or base programs. Additional principal forgiveness may be available from the DWSRF supplemental or base programs for applicants meeting DWSRF BIL Principal Forgiveness Eligibility Criteria or base program principal forgiveness criteria.

Set-Aside Activities for DWSRF BIL Lead Service Line Replacement Funding

South Dakota may set-aside a portion of the capitalization grant for non-project, or set-aside activities, that are necessary for implementing lead service line replacement.

No set-aside funds are proposed to be allocated from the BIL lead service line replacement funding in 2023. South Dakota reserves the ability to request set-aside funding in future years, if necessary, from the 2023 BIL lead service line replacement funding.

DWSRF BIL Principal Forgiveness Eligibility Criteria

An eligible applicant may receive principal forgiveness in the DWSRF BIL Supplemental General Supplemental Funding, DWSRF BIL Emerging Contaminants Funding, and DWSRF BIL Lead Service Line Funding if it meets the Disadvantaged Community definition in ARSD 74:05:11:01(11) and described on page 9 of the base program IUP

Project Priority List and List of Projects Expected to be Funded

All projects identified on Attachment I - Project Priority List and Attachment II - List of Projects Expected to be Funded in FFY 2023 are eligible to receive BIL supplemental funding. Projects eligible to receive DWSRF BIL Emerging Contaminants Funding and DWSRF BIL Lead Service Line Funding are specifically annotated on Attachment II – List of Projects Expected to be Funded in FFY 2023. Projects may be funded by a combination of BIL supplemental funds and base program funds.

BIL Funding Applicable Provisions and Additional Requirements

All provisions promulgated through statute, guidance, or regulations issued by EPA for the implementation of the CWSRF and DWSRF programs will remain in effect (e.g. American Iron and Steel and Davis-Bacon related prevailing wage requirements) unless they are inconsistent with the BIL, capitalization grant conditions, or the requirements contained in the [EPA BIL SRF Implementation Memo](#) dated March 8, 2022. The BIL supplemental appropriations are federal funds and therefore all equivalency requirements apply to projects funded by BIL.

The EPA BIL SRF Implementation Memo includes the following other provisions summarized below:

1. **Build America, Buy America Act:** BIL creates the Build America, Buy America (BABA) Act domestic sourcing requirements for Federal financial assistance programs for infrastructure, including the SRF programs. For more specific information on BABA implementation, please refer to the Office of Management and Budget's Build America, Buy America Act Implementation Guidance. EPA will issue a separate memorandum for BABA after the United States Office of Management and Budget (OMB) publishes its guidance. The American Iron and Steel provisions of both the CWSRF and DWSRF continue to apply.

BABA applies to both the existing DWSRF program equivalency projects and BIL funded projects. BIL funded projects will be required to comply with BABA requirements, unless exempted by an approved national or project specific waiver. The OMB guidance and EPA memorandums mentioned above will determine the specific requirements for implementing and meeting the BABA requirement.

2. **Reporting:** States must use EPA's SRF Data System to report key BIL project characteristics and milestone information no less than quarterly. Additional reporting will be required through the terms and conditions of the grant award. Federal Funding Accountability and Transparency Act

(FFATA) of 2010 requires SRF programs to report on recipients that received federal dollars in the FFATA Subaward Reporting System (www.fsr.gov).

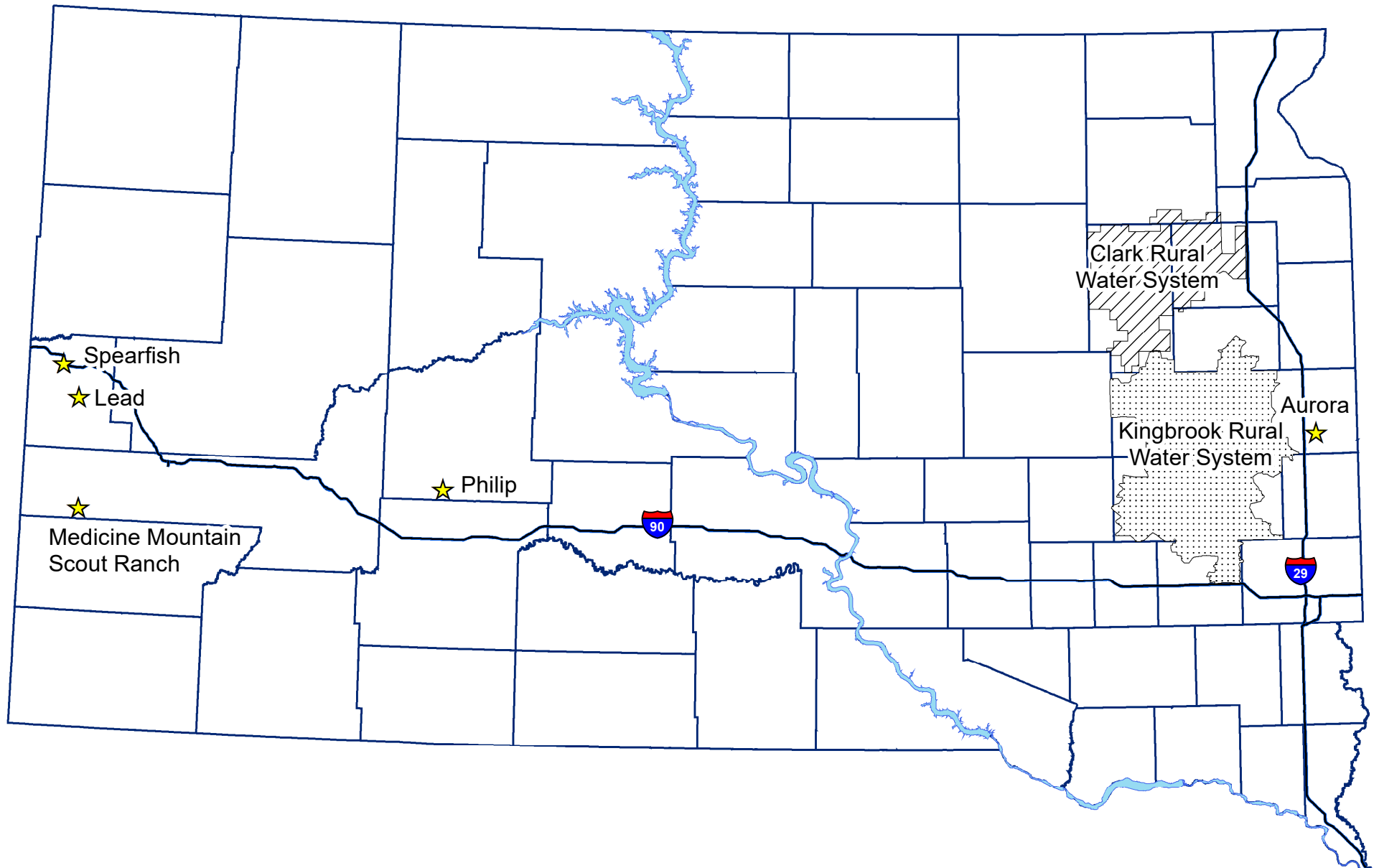
3. Blending Funds and Cash Draws: States have the flexibility to craft single assistance agreements (e.g., loans) that contain multiple types of construction components and activities. These assistance agreements may commit funds from multiple BIL capitalization grants and base program funds. Upon disbursement of funds, these assistance agreements may draw from both BIL and base SRF capitalization grants for eligible project components.
4. Green Project Reserve: If provided for in the annual appropriation, the green project reserve (GPR) is applicable to the BIL capitalization grants for the corresponding fiscal year.
5. Inter-SRF Transfers: Per SRF statute and regulation, states have the flexibility to transfer funds between the CWSRF and DWSRF. Given BIL's requirements, authorities, and narrower SRF eligibilities, states may only transfer funds between the specific BIL appropriations in the equivalent CWSRF or DWSRF program. In other words, transfer of funds may occur between the CWSRF and DWSRF General BIL capitalization grants and between the CWSRF and DWSRF BIL Emerging Contaminants capitalization grants. Because there is no similar CWSRF appropriation to the DWSRF BIL LSLR appropriation, no funds may be transferred from or to the DWSRF BIL LSLR appropriation. States may not transfer BIL appropriations to or from base appropriations.
6. Recycled Funds: To the extent assistance recipients repay BIL funds or provide interest payments to the state SRF program, those repaid funds and interest have the flexibility to be used for any SRF-eligible purpose. For example, repaid DWSRF BIL LSLR funds are not limited to future LSLR projects and activities.
7. Federal Civil Rights Responsibilities, Including Title VI of the Civil Rights Act of 1964 is reviewed by the state to ensure requirements are met and applies to DWSRF and CWSRF programs for both base and BIL funding.

Public Review and Comment

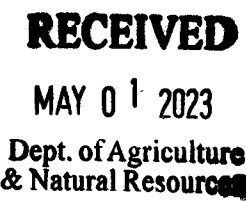
On November 3, 2022, a public hearing was held seeking comments on the BIL addendum to the DWSRF 2023 Intended Use Plan. The notice was published at least 20 days prior in four newspapers of general circulation in different parts of the state. The department maintains a public notice page on its website <https://danr.sd.gov/public/default.aspx>, and interested parties are able to submit comments through the website. The addendum was made available during the public notice period for review and comment. The department sends out weekly updates to a list of interested parties who have subscribed for updates to the website. Upon posting the public notice on the department's website, the addendum was e-mailed to a list of interested parties that regularly receive notice of Board of Water and Natural Resources activities. As part of the required board meeting notice the addendum was also available on the Boards and Commissions portal website <https://boardsandcommissions.sd.gov/Meetings.aspx?BoardID=108>.

State Water Plan Applications

June 2023



State Water Plan Application

Applicant: City of Aurora Address: PO Box 335 Aurora, SD 57002 Phone Number: (605)693-3548	<div style="text-align: center;">  </div> Proposed Funding Package Projected State Funding <u>\$6,300,000</u> Local Cash _____ Other: _____ Other: _____ <div style="text-align: right;">TOTAL _____</div>
--	--

Project Title:

Description: (Include present monthly utility rate.)


The City of Aurora currently purchases bulk water from the Brookings Municipal Utilities (BMU) water system through a 6-inch water main and operates their own distribution system within the city. Population growth in recent years has increased water demand and strained the capacity of the system. The City has reached the capacity of the 6-inch water main, and demand has outpaced the capacity of the existing 50,000-gallon elevated water tower. The existing water tower is undersized for both peak and average day demands, which led to water outages in the summer of 2021 and at other times in the past. Beyond water supply shortages, the distribution system includes several dead-end mains that have led to water quality issues and lacks an adequate number of valves to properly manage the system. Water supply sources are being investigated as part of the Water Facility Plan and have been narrowed to BMU or Brookings Deuel Rural Water System. Both options include the installation of piping to the existing distribution system. Final water rates have yet to be received from the suppliers, this along with water transmission line costs will be evaluated and a supplier selected. To address the capacity and distribution system issues, recommended include a new water supply line, a 250,000-gallon elevated water tower, 15 new watermain valves, and 3500 feet of 6-inch watermain loops.

The City of Aurora's water rate for residents is \$43.68/month for 5,000 gallons. Rates charged to Aurora include a \$226.50/month service charge plus a usage charge of \$3.811/100 cubic feet (\$5.09/1000 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.

Joshua L Jones, Mayor
 Name & Title of Authorized Signatory
 (Typed)


 Signature

04/26/2023
 Date

RECEIVED

APR 27 2023

Department of Agriculture
and Natural Resources

SD EForm - 0487LD V3

State Water Plan Application

Applicant: Clark Rural Water System Address: 1001 1st Ave W. Clark, SD 57225 Phone Number: (605)532-5201	Proposed Funding Package Projected State Funding <u>\$575,750.00</u> Local Cash _____ Other: _____ Other: _____ TOTAL _____
---	---

Project Title: Raymond Water System Improvements

Description:

The Town of Raymond, through Clark Rural Water System, is proposing to construct improvements to its water system. The Town does not have its own water source; it is supplied by CRWS as a bulk user. CRWS will be taking the system over as part of the project. The improvements proposed will include replacing some existing pipelines with PVC, looping the system, and installing water meters in meter pits. This will provide increased flow and water quality throughout the system and correct most of the current issues with the water distribution system.

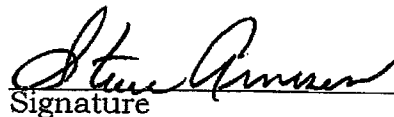
The current monthly rate is a flat fee of \$57.00 per month.* In the future this charge will be solely dependent on Clark Rural Water System.

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 Arnesen, President

Name & Title of Authorized Signatory
(Typed)



Signature

4-20-2023

Date

RECEIVED

MAY 03 2023

SD EForm - 0487LD V3

Department of Agriculture
and Natural Resources

State Water Plan Application

Applicant: Kingbrook Rural Water System Address: PO Box 299 302 E Ash Street Arlington, SD 57212 Phone Number: (605) 983-5074	Proposed Funding Package Projected State Funding <u>\$27,000,000</u> Local Cash <u>\$1,293,500</u> Other: _____ Other: _____ TOTAL <u>\$28,293,500</u>
--	---

Project Title: 2024 Pipeline Improvements Project

Description: (Include present monthly utility rate.)

Kingbrook Rural Water proposes to construct transmission pipeline in two locations in the northern half of their service area to improve capacity and reliability between existing facilities. The first segment is between the Bruce Water Treatment Plant and the Badger Pump Station. The second segment is from the DeSmet Water Treatment Plant to the western service area near the towns of DeSmet, Manchester, Bancroft, and Iroquois. The project includes approximately 25 miles of large diameter pipeline. The water rate at Kingbrook for rural customers is \$69.60 for 7,000 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.

Heath Thompson, General Manager
Name & Title of Authorized Signatory
(Typed)

Signature

April 28, 2023

Date

RECEIVED

MAY 03 2023

SD EForm - 0487LD V3

Department of Agriculture
and Natural Resources**State Water Plan Application**

Applicant: City of Lead Address: 801 West Main Street Lead, SD 57754 Phone Number: (605) 584-1401	Proposed Funding Package Projected State Funding <u>\$807,430</u> Local Cash _____ Other: _____ Other: _____ TOTAL <u>\$807,430</u>
---	--

Project Title: Deadwood Water Supply Line

Description: (Include present monthly utility rate.)

The City of Lead is proposing to replace an existing 6" waterline which services the City of Deadwood, Sanford Underground Research Facility (SURF), and existing residential users. The City has had to repair leaks on the line on average four (4) to five (5) times per year. In the year 2022, they had to repair the line ten (10) times. The major issue with this line is that it supplies the City of Deadwood with water at a maximum flow of 1,800 gallons per minute. The existing water line size is not capable of keeping up with that demand, which is because of the constant breaks.

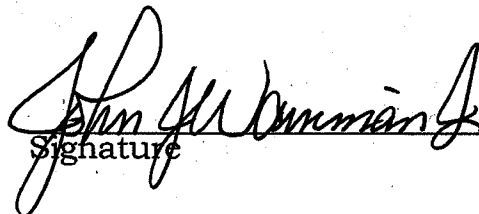
Due to the condition and size of the water line, it is recommended the water line be replaced and upsized to better accommodate flow demands. The initial recommendation is to replace approximately 0.5 miles of water line with 14" water line along the same alignment of the existing line.

Current residential water rates are \$37.15/5,000 gallons usage per month (\$28.75 base rate, includes 2,000 gallons, plus \$2.80 per 1,000 gallons over the base rate).

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.

John Wainman, City Administrator
Name & Title of Authorized Signatory
(Typed)

 5/12/23
Signature Date

RECEIVED

MAY 03 2023

SD EForm - 0487LD V3

Department of Agriculture
and Natural Resources

State Water Plan Application

Applicant: City of Lead Address: 801 West Main Street Lead, SD 57754 Phone Number: (605) 584-1401	Proposed Funding Package Projected State Funding <u>\$605,236</u> Local Cash <u> </u> Other: <u> </u> Other: <u> </u> TOTAL <u>\$605,236</u>
--	--

Project Title: Highway 85 Water/Line Extension

Description: (Include present monthly utility rate.)

The City of Lead is planning to extend an existing 8" water main approximately 0.5 miles to the city limits, which has recently been expanded to the southwest along Highway 85. The line extension will service two taps and will dead end with a hydrant and stub for future expansion. The alignment of the new line will be along the east side of the highway shoulder. For this project, coordination with the South Dakota Department of Transportation ("SDDOT") will need to occur as this will be along a state highway.

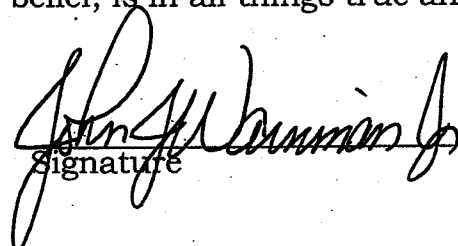
Based on the growth of the city, the extension of city infrastructure to the south is ideal for future growth and to incorporate existing users into the city's water source.

Current residential water rates are \$37.15/5,000 gallons usage per month (\$28.75 base rate, includes 2,000 gallons, plus \$2.80 per 1,000 gallons over the base rate).

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.

John Wainman, City Administrator
Name & Title of Authorized Signatory
(Typed)


Signature
5/1/23
Date

RECEIVED

SD EForm - 0487LD V3

MAY 03 2023

Department of Agriculture
and Natural Resources**State Water Plan Application**

Applicant: Medicine Mountain Scout Ranch	Proposed Funding Package
Address: 144 North St Rapid City, SD 57701	Projected State Funding <u>\$51,572</u>
Phone Number: 695-352-2824	Local Cash <u> </u>
	Other: <u> </u>
	Other: <u> </u>
	TOTAL <u>\$51,572</u>

Project Title:

Description: (Include present monthly utility rate.)

Medicine Mtn. Scout Ranch (MMSR) is nonprofit & owned/operated by Black Hills Area Council of Boy Scouts of America with a mission to provide training in various activities to further youth maturation. MMSR is located 12.5 miles NW of Custer. This application proposes to increase supply of MMSR's water collection system to meet permitted pumping capacity of 20 gpm. The system has 2 sources: a shallow 20 ft. well fed by a 4" perforated pipe lateral laying parallel to Spring Creek & a 600 ft. deep well. Combined yield from both sources is only 6-8 gpm which does not meet demand & has required water hauling. The project will furnish & install approx.. 120 LF of 24" perforated HDPE pipe at +/- 20' depth (below existing static water level & on top of bedrock). This will provide approx.. 3,000 g.'s of subsurface gallery storage. The 24" pipe will have a 6" cleanout at each end for flushing sediment & a slide gate to stop flow if required for maintenance. The exact location/alignment of the 24" pipe is being determined but will connect to the existing 4" lateral by 6" pipe (exact length to be determined). The 24" pipe will be encased with at least 1 ft. of 3/4" gravel. Added engineering may be needed to verify the design. System op. revenue comes from Scout registration with no income through water sales. (see attach eng. report)

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.

Adam Hough, Scout Executive/CEO
Name & Title of Authorized Signatory
(Typed)

Signature

Date

4-28-23

RECEIVED

APR 11 2023

Department of Agriculture
and Natural Resources
SD EForm - 0487LD V3

State Water Plan Application

Applicant:

City of Philip

Address:

PO Box 408

Philip, SD 57567

Phone Number:

605-859-2175

Report electronic
on N/ state water plan

Proposed Funding Package

Projected State Funding 1,516,375

Local Cash 276,500

Other: _____

Other: _____

TOTAL 1,792,875

Project Title: Kroetch Addition Infrastructure Project

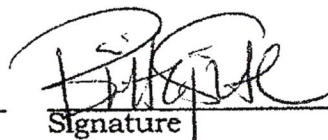
Description: (Include present monthly utility rate.)

The City of Philip proposes to undertake a residential subdivision development on the northern edge of the city. The infrastructure improvements to serve the 16 lots include wastewater, water, and storm sewer systems improvements as part of an overall development project. The property was previously a trailer park and utilized septic systems and drain fields to provide sanitary sewer service to each residence. These will be removed, and a gravity sewer system and services to each residential lot will be installed. This also includes a single lift station to convey the sanitary sewer from the development under US Hwy 14 to the City's existing wastewater collection system on Auto Avenue. The water system improvements include connecting onto the existing 12" water distribution line on the north end of the development, going through the development to provide water services to each residential lot, and connecting back to the same 12" water line on the south end of the development. Continued on page 5.

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.

Brittany Smith, City Administrator
Name & Title of Authorized Signatory
(Typed)


Signature

3/07/2023
Date

Additional Comments:

The storm sewer improvements are anticipated to include new curb and gutter for surface drainage as well as stormwater inlets and piping to collect and discharge into the southeast corner of the development. The development will be served with one main thoroughfare from US Hwy 14 to N. Wood Ave. at a width of 41 feet including curb and gutter.

The project is outlined in the attached engineer design report for the "Hansen Subdivision." The city council approved renaming the subdivision to "Kroetch Addition" during their regular meeting on Mar. 6, 2023. Kroetch Addition will be utilized as the project name going forward. Said report is an amendment to and part of the city's facility plan.

The city is anticipating the release of the rules for the housing infrastructure funding (SB 41) approved during the 2023 legislative session. An application for funding consideration will be pursued at that time.

Current wastewater rates for the city are as follows for 5,000 gallons/user/month:

Inside city limits: Residential - \$34; Commercial/Industrial - \$39

Out of City Limits: Residential - \$59; Commercial/Industrial - \$69

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MAY 03 2023

SD EForm - 0487LD V3

Department of Agriculture
and Natural Resources**State Water Plan Application**

Applicant: City of Spearfish Address: 625 N. 5th Street Spearfish, SD 57783 Phone Number: (605) 642-1333	Proposed Funding Package Projected State Funding \$8,268,327 Local Cash \$1,410,435 Other: _____ Other: _____ TOTAL \$9,678,762
--	---

Project Title: Exit 17 Water Tank & Well (Revised Project Scope)

Description: (Include present monthly utility rate.)

The City of Spearfish is requesting to amend the original project scope for this project to increase capacity and include additional improvements to better serve the city's East-Low Pressure Zone. The proposed project now includes a new Madison aquifer well, well house, and booster station; a one (1) million gallon water storage tank located northwest of I-90 at Exit 17; water main connecting the well/well house and water storage tank along the north side of I-90; additional water main connecting the new water supply to the existing distribution system serving areas east and south of Exit 17; and, related improvements.

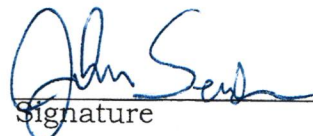
The original funding request for this project was \$4,620,000 with an ARPA grant award of \$1,386,000 and DWSRF loan of \$3,234,000. The City of Spearfish will be requesting \$3,648,327 in additional funding to complete the project.

Current residential water rates for 5,000 gallons usage per month are equivalent to \$33.93 (\$17.16 base rate plus \$2.31/1,000 gallons (up to 2,000 gallons) and \$4.05/1,000 gallons (up to 8,000 gallons)). See attached 2023 City Utility Rates schedule.

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.

John Senden, Mayor

Name & Title of Authorized Signatory
(Typed)
Signature5-1-23
Date

TITLE: Funding Applications Deferred from March 30, 2023

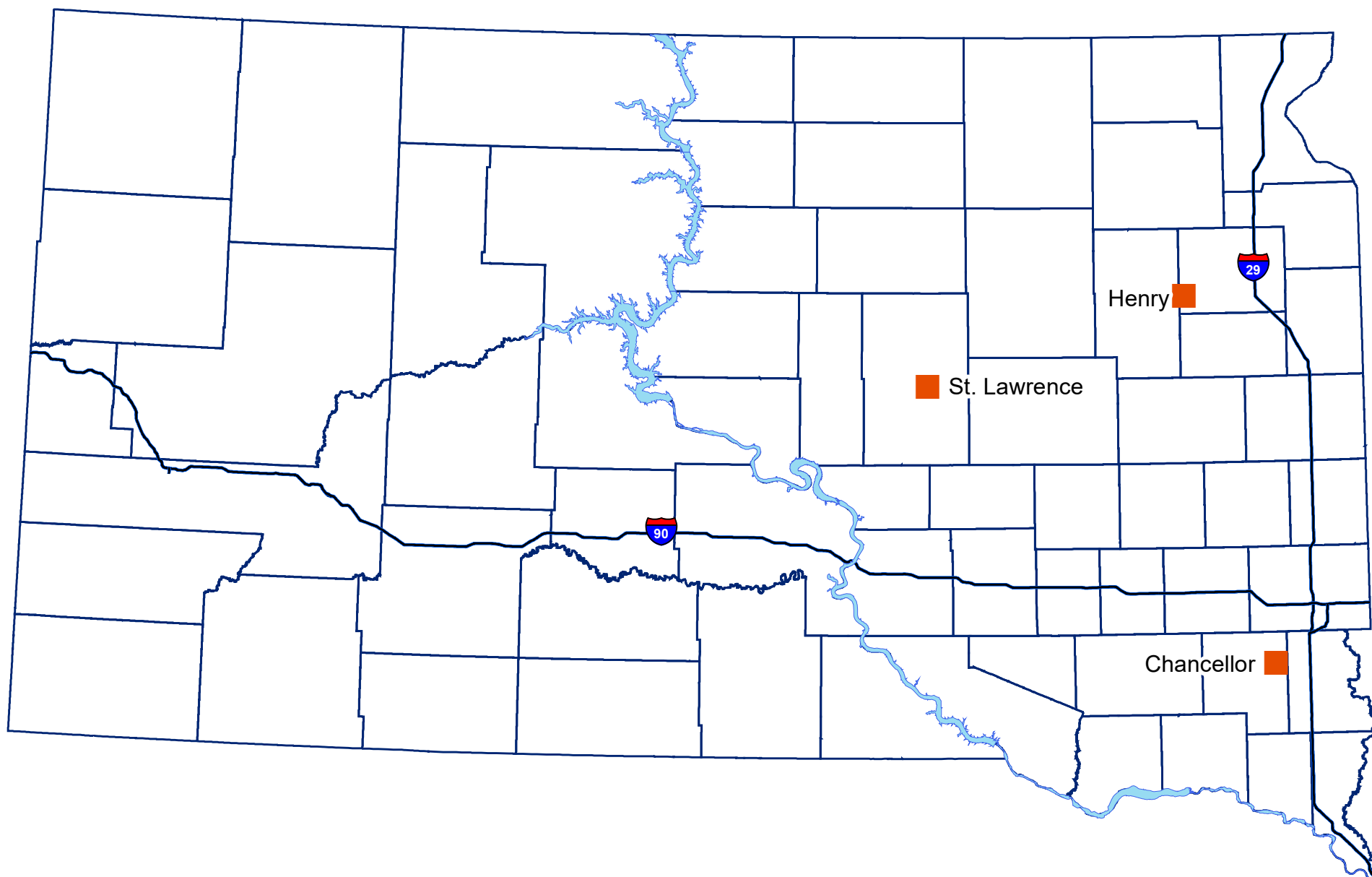
EXPLANATION: Several applications received by the January 1, 2023, deadline for funding consideration at the March 30, 2023, meeting were deferred to be presented at a later board meeting. Administrative rules allow the Board to defer action on funding applications for no more than 120 days. The following deferred applications will be presented for funding consideration:

- a) Chancellor – Clean Water
- b) Chancellor – Drinking Water
- c) Henry – Clean Water
- d) Henry – Drinking Water
- e) Saint Lawrence – Clean Water
- f) Saint Lawrence – Drinking Water

COMPLETE APPLICATIONS: The application cover sheets and summary sheets have been provided as part of the board packet. The complete applications and summary sheets are available online and can be accessed by using the link on the Board Agenda.

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

Applications Deferred from March 2023



Sanitary/Storm Sewer Facilities Funding Application

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

Applicant: Town of Chancellor	Proposed Funding Package	
Address: P.O. Box 106 Chancellor, SD 57105	Requested Funding	\$1,450,000
	Local Cash	
Subapplicant:	Other:	
	Other:	
DUNS Number: WJJMS9L5LRZ8	Other:	
	TOTAL	\$1,450,000

Project Title: Infrastructure Improvements - Phase III

Description:


The Phase III clean water improvements will include approximately 1,400 LF of new 8" PVC sanitary sewer main, sewer services replaced within the right-of-way, and 5 sanitary sewer manholes. Drainage improvements include the installation of approximately 1,300 LF of storm sewer and culverts which includes extending the storm sewer trunk line along the south end of town from 4th Street to 5th Street to further improve the inflow and infiltration issues within the community. Pavement reconstruction will be completed along with the underground improvements.

The Town of Chancellor current sewer rate per 5,000 gallons of usage is \$56.00.

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.

Darol Hostetler, Board President
Name & Title of Authorized Signatory
(Typed)


Signature
Date 12/12/2022

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

Project Title:	Sanitary and Storm Sewer Improvements Phase 3		
Funding Requested:	\$1,450,000		
Other Proposed Funding:	None		
Total Project Cost:	\$1,450,000		
Project Description:	<p>Chancellor is proposing Phase 3 of its Infrastructure Improvements project. Sanitary sewer improvements include approximately 1,400 feet of new 8-inch PVC sanitary sewer main, sewer services replaced within the right-of-way, and 5 sanitary sewer manholes.</p> <p>Storm water improvements include the installation of approximately 1,300 feet of storm sewer and culverts, which includes extending the storm sewer trunk line along the south end of town from 4th Street to 5th Street. This project is anticipated to further improve the inflow and infiltration issues within the community.</p>		
Implementation Schedule:	Chancellor anticipates bidding the project in April 2023 with a project completion date of October 2024.		
Service Population:	300		
Current Domestic Rate:	\$62.00 per 5,000 gallons usage		
Interest Rate:	3.25%	Term:	30 years
		Security:	Project Surcharge

REVIEW COMPLETED BY: SUZANNE MCKINLEY

Drinking Water Facilities Funding Application

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

Applicant: Town of Chancellor Address: P.O. Box 106 Chancellor, SD 57105 Subapplicant: DUNS Number: WJJMS9L5LRZ8	<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;">\$906,000</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;">\$906,000</td> </tr> </table>	Proposed Funding Package		Requested Funding	\$906,000	Local Cash		Other:		Other:		Other:		TOTAL	\$906,000
Proposed Funding Package															
Requested Funding	\$906,000														
Local Cash															
Other:															
Other:															
Other:															
TOTAL	\$906,000														

Project Title: Infrastructure Improvements - Phase III

Description:

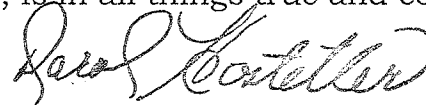
The Phase III water distribution improvements will include approximately 1,700 LF of new 6" PVC water main, water services replaced within the right-of-way, curb stops, fire hydrants, valves, and fittings. Water main is proposed along 5th Street from Dewey Avenue to SD Hwy 44 for improved service and providing an additional water main loop in the system from the water line coming into town from South Lincoln Rural Water. Pavement reconstruction will be completed along with the underground improvements.

The Town of Chancellor current water rates per 5,000 gallons of usage is \$59.00.

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.

Darol Hostetler, Board President
 Name & Title of Authorized Signatory
 (Typed)


 Signature

12/12/2022
 Date

FUNDING REQUEST EVALUATION FORM
DRINKING WATER FACILITIES FUNDING APPLICATION
APPLICANT: TOWN OF CHANCELLOR

Project Title:	Drinking Water Improvements Phase 3
Funding Requested:	\$906,000
Other Proposed Funding:	None
Total Project Cost:	\$906,000
Project Description:	Chancellor is proposing Phase 3 of its infrastructure improvements project. Drinking water distribution system improvements will include approximately 1,700 feet of new 6-inch PVC water main, water services replaced within the right-of-way, curb stops, fire hydrants, valves, and fittings. Proposed water main along 5 th Street from Dewey Avenue to South Dakota Highway 44 is expected to improve service and provide additional looping.
Implementation Schedule:	Chancellor anticipates bidding the project in April 2023 with a project completion date of October 2024.
Service Population:	300
Current Domestic Rate:	\$65.05 per 5,000 gallons usage
Interest Rate:	3.00%
Term:	30 years
Security:	Project Surcharge

REVIEW COMPLETED BY: SUZANNE MCKINLEY

Sanitary/Storm Sewer Facilities Funding Application

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

Applicant: City of Henry	Proposed Funding Package
Address: PO Box 117 Henry, SD 57243-0117 (605) 532-3230	Requested Funding <u>\$2,000,000</u>
Subapplicant:	Local Cash <u> </u>
DUNS Number: 832662238	Other: <u> </u>
	Other: <u> </u>
	Other: <u> </u>
	TOTAL <u>\$2,000,000</u>

Project Title: Henry Waste Water System Improvements

Description:

The Henry wastewater system was installed in the 1970s. According to the engineering report, much of the system is starting to show its age and reaching the end of its useful life. The system has issues with inflow and infiltration. Pumping the extra water is causing wear on the lift station pumps and the three cell treatment system is undersized for a non-discharge facility. Henry is proposing street repairs, installing 4,000 LF of 8" sewer pipe, 16 manholes, plus any other necessary items to complete the collection system updating. The town would like to replace their lift station and construction activities to rehabilitate the wastewater treatment facility. A map showing the proposed pipeline replacement locations is attached. The current rate is \$60.00

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.

Hannah Owen, Town Board President
Name & Title of Authorized Signatory
(Typed)

 6/6/2023
Signature Date

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

Project Title:	Wastewater System Improvements
Funding Requested:	\$2,000,000
Other Proposed Funding:	None
Total Project Cost:	\$2,000,000
Project Description:	The Henry Wastewater System Improvements project – Alternative A is for the partial replacement and/or rehabilitation of the existing collection and treatment system. The proposal includes the replacement of 4,000 feet of sanitary sewer, 1,120 feet of service lines, 16 manholes, 28 cleanouts, connections, and miscellaneous items necessary for updating the collection system. This alternative will include replacement of the lift station.
Implementation Schedule:	The town anticipates a bid award for this project in October 2023, with a project completion date of October 2024.
Service Population:	265
Current Domestic Rate:	\$20.00 per month flat fee
Interest Rate:	3.25%
Term:	30 years
Security:	Project Surcharge

REVIEW COMPLETED BY: DAN GERHARDT

Drinking Water Facilities Funding Application

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

Applicant: City of Henry Address: PO Box 117 Henry, SD 57243-0117 (605) 532-3230 Subapplicant: DUNS Number: 832662238	<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;">\$2,000,000</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: 1px solid black;">\$2,000,000</td> </tr> </table>	Proposed Funding Package		Requested Funding	\$2,000,000	Local Cash		Other:		Other:		Other:		TOTAL	\$2,000,000
Proposed Funding Package															
Requested Funding	\$2,000,000														
Local Cash															
Other:															
Other:															
Other:															
TOTAL	\$2,000,000														

Project Title: Water System Improvements


Description:

The city is proposing to construct improvements to the water system. The south side of Henry has very discolored water. Looping the system with PVC is our first option. The project will replace and install approximately 5,600 LF of cast iron water main with four inch PVC pipe, install 9 hydrants, install approximately 1,860 LF of service lines, valves, street repairs, plus any other necessary appurtenances to complete the project. The system operates strictly off of CRWS pressure and flows. The current rate is \$65.00

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.

Hannah Owen, President
 Name & Title of Authorized Signatory
 (Typed)


6/6/2023
 Signature Date

FUNDING REQUEST EVALUATION FORM
DRINKING WATER FACILITIES FUNDING APPLICATION
APPLICANT: TOWN OF HENRY

Project Title:	Water System Improvements
Funding Requested:	\$2,000,000
Other Proposed Funding:	None
Total Project Cost:	\$2,000,000
Project Description:	The Henry Water System Improvements project – Alternative A is for the partial replacement of the existing water distribution system. The proposal includes the replacement of 5,600 feet of water main, 1,860 feet of service lines, and various appurtenances.
Implementation Schedule:	The town anticipates a bid award for this project in October 2023, with a project completion date of October 2024.
Service Population:	265
Current Domestic Rate:	\$28.34 per 5,000 gallons usage
Interest Rate: 0.0%	Term: 30 years Security: Project Surcharge

REVIEW COMPLETED BY: DAN GERHARDT

Sanitary/Storm Sewer Facilities Funding Application**RECEIVED**Clean Water State Revolving Fund Program (CWSRF)
Consolidated Water Facilities Construction Program (CWFCP)

DEC 30 2022

Dept. of Agriculture
& Natural Resources

Applicant: City of St. Lawrence	Proposed Funding Package	
Address: PO Box 37 St. Lawrence, SD 57373	Requested Funding	\$1,138,000
	Local Cash	
Subapplicant:	Other:	
	Other:	
DUNS Number: GUYKA8G1GMR3	Other:	
	TOTAL	\$1,138,000

Project Title: St. Lawrence Wastewater Improvement Project

Description:

The City of St. Lawrence is proposing to re-line/replace existing wastewater lines as well as place rip-rap at the lagoon.

Current wastewater rates are a flat \$55.00 per household per month.

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.

Shirley Peck, Town President
Name & Title of Authorized Signatory
(Typed)

Shirley Peck
Signature

December 07, 2022

Date

12-7-22

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

Project Title:	Wastewater System Improvements
Funding Requested:	\$ 1,138,000
Other Proposed Funding:	None
Total Project Cost:	\$ 1,138,000
Project Description:	St. Lawrence is proposing to replace the sanitary sewer mains and deficient manholes, and to install asphalt pavement and point repair in Highway 14. The town also proposes to add riprap at the wastewater lagoon.
Implementation Schedule:	St. Lawrence anticipates bidding the project in January 2024 with a project completion date of November 2024.
Service Population:	163
Current Domestic Rate:	\$55.00 per month flat rate

Interest Rate: 3.25%

Term: 30 years

Security: Project Surcharge

REVIEW COMPLETED BY: KARIN ZHAO

Drinking Water Facilities Funding Application**RECEIVED**

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

DEC 30 2022

Dept. of Agriculture
 & Natural Resources

Applicant: City of St. Lawrence Address: PO Box 37 St. Lawrence, SD 57373 Subapplicant: DUNS Number: GUYKA8G1GMR3	Proposed Funding Package <div style="text-align: right;">Requested Funding <u>\$940,000</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;">Other: _____</div> <div style="text-align: right;">TOTAL <u>\$940,000</u></div>
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Project Title: St. Lawrence Water Improvement Project

Description:

The City of St. Lawrence is proposing to make improvements to its water system including repairing the existing ground storage tank, replacing water lines and looping water lines.

Current water rates are \$39.00 per household plus \$4.00 per household per 1,000 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.

Shirley Peck, Town President
 Name & Title of Authorized Signatory
 (Typed)

Shirley Peck
 Signature

December 07, 2022

Date / 12-7-22

FUNDING REQUEST EVALUATION FORM
DRINKING WATER FACILITIES FUNDING APPLICATION
APPLICANT: TOWN OF SAINT LAWRENCE

Project Title:	Drinking Water System Improvements - Phase II
Funding Requested:	\$ 940,000
Other Proposed Funding:	None
Total Project Cost:	\$ 940,000
Project Description:	Saint Lawrence proposed to make improvements to its water system including repairing the existing ground storage tank roof, replacing approximating 4,550 ft of cast-iron water lines and install 6" PVC water main to loop the water system.
Implementation Schedule:	Saint Lawrence anticipates bidding the project in January 2024 with a project completion date of November 2024.
Service Population:	163
Current Domestic Rate:	\$59.00 per 5,000 gallons usage
Interest Rate: 3.0 %	Term: 30 years Security: Project Surcharge

REVIEW COMPLETED BY: KARIN ZHAO

TITLE: Drinking Water Facilities Funding Applications

EXPLANATION: The following applications were received by DANR by the April 1, 2023, deadline for funding consideration at this meeting. The number in parentheses is the project priority points as assigned in the Intended Use Plan.

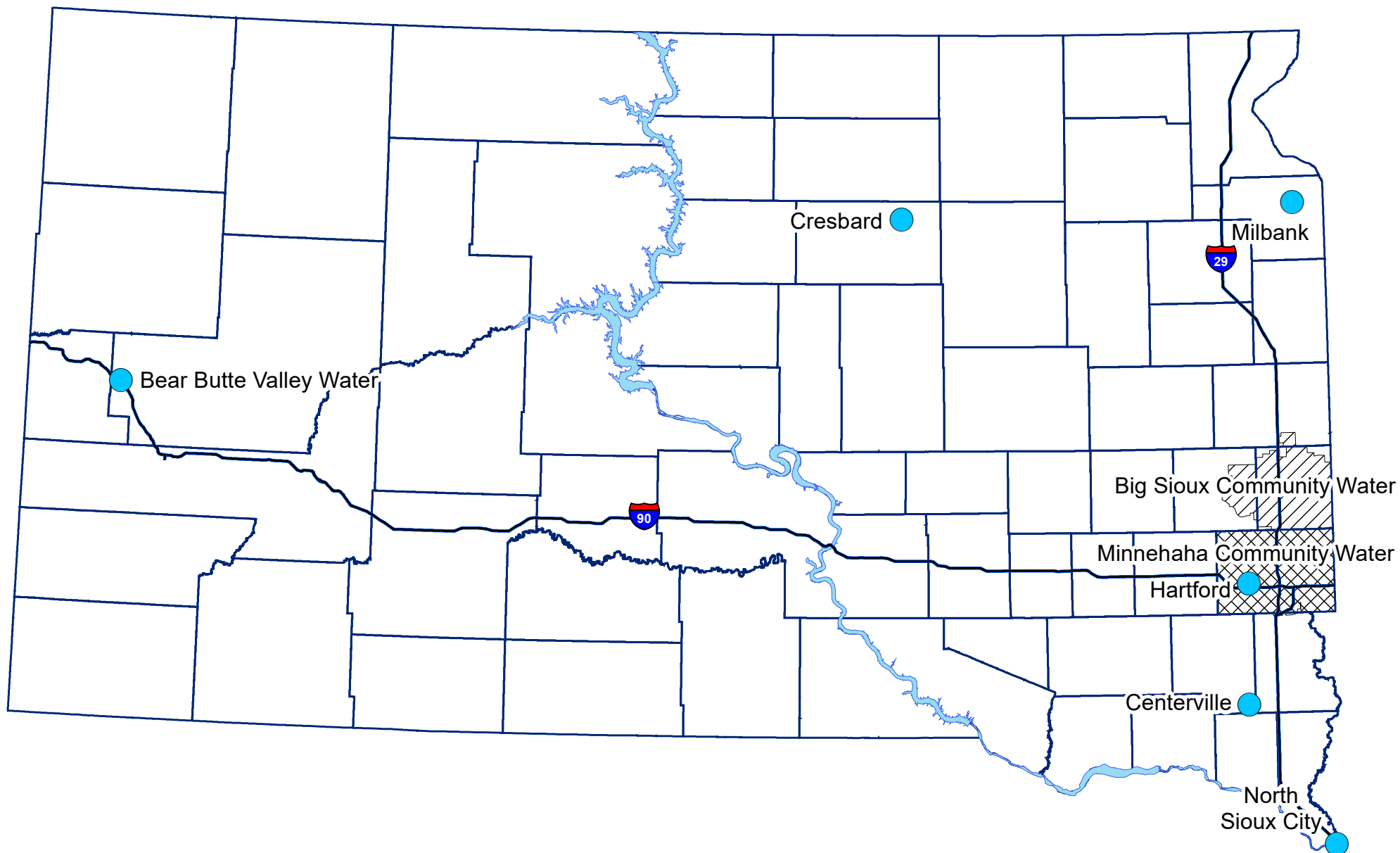
- a. Cresbard (117)
- b. Bear Butte Valley Water (104)
- c. Centerville (79)
- d. Milbank (77)
- e. North Sioux City (31)
- f. Big Sioux Community Water System (17)
- g. Hartford (16)
- h. Minnehaha Community Water Corp (8)

COMPLETE APPLICATIONS: The application cover sheets and summary sheets have been provided as part of the board packet. The complete applications and summary sheets are available online and can be accessed by using the link on the Board Agenda.

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

Drinking Water Funding Applications

June 2023



Drinking Water Facilities Funding Application

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

Applicant: Town of Cresbard Address: PO Box 49 Cresbard, SD 57435-0049 Subapplicant: DUNS Number: 081337233	Proposed Funding Package <table style="width: 100%; border: none;"> <tr> <td style="text-align: right;">Requested Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$1,912,410</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;">TOTAL</td> <td style="text-align: right; border-bottom: 3px double black;">\$1,912,410</td> </tr> </table>	Requested Funding	\$1,912,410	Local Cash		Other:		Other:		Other:		TOTAL	\$1,912,410
Requested Funding	\$1,912,410												
Local Cash													
Other:													
Other:													
Other:													
TOTAL	\$1,912,410												

Project Title: Cresbard Drinking Water Improvement Project-Phase 2

Description:


Cresbard's water system is a cast iron water system and has a 50,000 gallon elevated steel tank. Cresbard has experienced water loss due to leaks in the system in recent years creating issues with unaccounted for water loss. There has been a loss rate of 34.3% due to the leaks in the system. The proposed project includes replacing 15,400 ft of water main which entails replacement of valves & hydrants that are currently on the CIP, along with adding additional fire hydrants to increase fire hydrant coverage. Lastly it has also been recommended to replace all existing water meters with a radio read meter system. A move to this meter system would increase the efficiency and accuracy of meter readings.

Cresbard has received funding for the project, however, due to the rising construction costs, the engineer has come to the conclusion that additional funds will be needed. After the engineer reviewed the budget, it was determined additional funds are needed in the amount of \$1,912,410 to finish the water project.

Cresbards current water rate is \$48.15/5,000 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.

<u>Hunter Wood Town President</u> Name & Title of Authorized Signatory (Typed)	 Signature	<u>5/1/23</u> Date
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FUNDING REQUEST EVALUATION FORM
DRINKING WATER FACILITIES FUNDING APPLICATION
APPLICANT: TOWN OF CRESBARD

Project Title:	Drinking Water Improvement Project – Phase 2
Funding Requested:	\$1,912,410
Other Proposed Funding:	None
Total Project Cost:	\$1,912,410
Project Description:	Cresbard proposed to improve the water distribution system, including replacing 15,400 feet of water main, replacing water meters and existing valves and hydrants; and adding hydrants for fire coverage.
Implementation Schedule:	Cresbard anticipates a bid award for this project in January 2024, with a project completion date of January 2025.
Service Population:	85 accounts. 96 listed in municipal directory.
Current Domestic Rate:	\$48.15 per 5,000 gallons usage
Interest Rate: 2.75%	Term: 30 years Security: Project Surcharge

REVIEW COMPLETED BY: DAN GERHARDT

Drinking Water Facilities Funding Application

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

Applicant: Bear Butte Valley Water, Inc. Address: 20550 Hwy 79 Sturgis, SD 57785 Subapplicant: DUNS Number: 005773563	Proposed Funding Package <table style="width: 100%;"> <tr> <td style="text-align: right;">Requested Funding</td> <td style="text-align: right;">\$1,500,000</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;">Other: DANR ARPA</td> <td style="text-align: right;">\$5,202,000</td> </tr> <tr> <td style="text-align: right;">Other: DANR DWSRF</td> <td style="text-align: right;">\$1,115,500</td> </tr> <tr> <td style="text-align: right;">Other: BBVW Cash</td> <td style="text-align: right;">\$75,640</td> </tr> <tr> <td style="text-align: right;">TOTAL</td> <td style="text-align: right;">\$7,893,140</td> </tr> </table>	Requested Funding	\$1,500,000	Local Cash	_____	Other: DANR ARPA	\$5,202,000	Other: DANR DWSRF	\$1,115,500	Other: BBVW Cash	\$75,640	TOTAL	\$7,893,140
Requested Funding	\$1,500,000												
Local Cash	_____												
Other: DANR ARPA	\$5,202,000												
Other: DANR DWSRF	\$1,115,500												
Other: BBVW Cash	\$75,640												
TOTAL	\$7,893,140												

Project Title: Alkali Rd Expansion, Backup Well, & Greslin GSR/Booster (Addtl Funding)

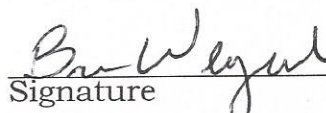
Description:

Bear Butte Valley Water, Inc. (BBVW) is requesting additional funding for several improvements to its water system, including: 1) Alkali Road Expansion Project - Installation of approx. 20 miles of water mainline along Alkali Road to provide quality water to 24 new services connections for rural residential and livestock drinking water demands, replacing reliance on existing wells and the need for hauling water, especially during drought conditions; 2) Backup Deep Well Project - Construction of a new 3,500 foot deep well into the Madison Aquifer to provide a second source of water and reduce dependence on BBVW's single well in order to maintain adequate capacity, as well as other associated improvements and a higher capacity pump for the existing well; and, 3) Greslin Ground Storage Reservoir (GSR) & Booster Station Project - Installation of a new 150,000-gallon ground storage reservoir, booster station, and misc. site piping and appurtenances to address system deficiencies in the Blucksberg service area, including the lack of capacity to met projected peak demands, improve energy efficiency, and increase system resiliency. The additional funding is needed due to increased construction costs (based on known contract amounts) and engineering fees - see attached financing summary.

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.

Bruce Weyrich, President
 Name & Title of Authorized Signatory
 (Typed)


 Signature

3-20-2022
 Date

FUNDING REQUEST EVALUATION FORM
DRINKING WATER FACILITIES FUNDING APPLICATION
APPLICANT: BEAR BUTTE VALLEY WATER, INC.

Project Title:	Alkali Road Expansion, Backup Well, & Greslin Ground Storage Reservoir, and Booster Additional Funding				
Funding Requested:	\$1,500,000				
Other Proposed Funding:	State ARPA - \$5,202,000 DWSRF loan - \$1,115,500 Local Cash - \$75,640				
Total Project Cost:	\$7,893,140				
Project Description:	Bear Butte Valley Water, Inc. is requesting additional funding for the following improvements: Installation of approximately 20 miles of water main along Alkali Road, construction of a new 3,500 foot deep well into the Madison aquifer along with a higher capacity pump, a new 150,000-gallon ground storage reservoir, booster station, and miscellaneous site piping and appurtenances.				
Implementation Schedule:	Construction has already begun on portions of the project. Bear Butte Valley Water anticipates completing the project in the spring of 2024.				
Service Population:	650				
Current Domestic Rate:	\$112.85 per 7,000 gallons usage				
Interest Rate:	3.25%	Term:	30 years	Security:	System Revenue

REVIEW COMPLETED BY: ABBEY LARSON

Drinking Water Facilities Funding Application

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

Applicant: City of Centerville Address: P.O. Box C Centerville, South Dakota 57104 Subapplicant: DUNS Number: GGVLYNJ9SYU7	Proposed Funding Package <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;">\$1,412,000</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;">TOTAL</td> <td style="text-align: right; border-bottom: 1px solid black;">\$1,412,000</td> </tr> </table>	Requested Funding	\$1,412,000	Local Cash		Other:		Other:		Other:		TOTAL	\$1,412,000
Requested Funding	\$1,412,000												
Local Cash													
Other:													
Other:													
Other:													
TOTAL	\$1,412,000												

Project Title: Centerville Water Tower

Description:

The City of Centerville's proposed project would include the design and construction of a water tower. The water tower would replace the existing storage standpipe that was constructed in 1895. The standpipe is in need of significant maintenance and repairs to meet OSHA regulations, AWWA standards, and Department of Health regulations. The need for the replacement is due to existing standpipe exceeding the typical useful lifespan for a steel water storage tank. The conditions of the existing tank poses safety and health concerns with continued use.

The City of Centerville's current water rates per 5,000 gallons of usage is \$42.58.

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.

Kent Austin, Mayor
 Name & Title of Authorized Signatory
 (Typed)

Kent B Austin
 Signature

3-14-2023
 Date

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

Project Title:	Centerville Water Tower
Funding Requested:	\$1,412,000
Other Proposed Funding:	None
Total Project Cost:	\$1,412,000
Project Description:	The city of Centerville proposes a project to design and construct a 100,000-gallon water tower to replace their existing storage standpipe as it needs significant maintenance and repairs to be able to meet standards.
Implementation Schedule:	The city anticipates bidding in January 2024 with project completion in October 2024.
Service Population:	918
Current Domestic Rate:	\$42.58 per 5,000 gallons usage
Interest Rate: 2.75%	Term: 30 years Security: Project Surcharge

REVIEW COMPLETED BY: ABBEY LARSON

Drinking Water Facilities Funding Application RECEIVED

Drinking Water State Revolving Fund Program (DWSRF) APR 3 2023
 Consolidated Water Facilities Construction Program (CWFCP) Dept. of Agriculture
 & Natural Resources

Applicant: City of Milbank	Proposed Funding Package	
Address: 1001 E. 4th Avenue, #301 Milbank, SD 57252-2657		
Subapplicant:		
DUNS Number: CECNWZ3NEPG5		
	Requested Funding	\$12,500,000
	Local Cash	
	Other:	
	Other:	
	Other:	
	TOTAL	\$12,500,000

Project Title: Milbank Water Supply and Treatment Improvements 2023

Description:

The City of Milbank is proposing improvements to its water system. The proposed project includes water supply improvements and water treatment improvements. The supply improvements include well testing and adding new pumps for existing wells 1, 2, and 3, as well as the construction of new raw water wells to meet the growing water demands. The water treatment improvements include constructing new high service pumps, chemical storage, chlorine feed, and UV disinfection, and constructing a new polyphosphate dosing building at wells, valves, and bypass piping.

The current water rates in Milbank for 5,000 gallons is \$21.17. This is a flat rate of \$5.50, \$11 per month for a 1" meter, plus \$0.70 per 100 cubic ft, or 750 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.

Pat Raffety, Mayor
 Name & Title of Authorized Signatory
 (Typed)


 Signature

3-30-23
 Date

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

Project Title:	Water Supply and Treatment Improvements 2023
Funding Requested:	\$12,500,000
Other Proposed Funding:	None
Total Project Cost:	\$12,500,000
Project Description:	Milbank proposed to improve the water supply and treatment system, including upgrading existing wells, adding new wells, upgrading pumps, and improving treatment capability.
Implementation Schedule:	The city anticipates a bid award for this project in January 2024, with a project completion date of January 2025.
Service Population:	3,544
Current Domestic Rate:	\$21.17 per 5,000 gallons usage
Interest Rate: 3.25	Term: 30 years Security: Project Surcharge

REVIEW COMPLETED BY: DAN GERHARDT

1

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

Project Title:	Water System Interconnection
Funding Requested:	\$580,000
Other Proposed Funding:	None
Total Project Cost:	\$580,000
Project Description:	<p>The communities of North Sioux City and Dakota Dunes Community Improvement District wish to provide an interconnection between their water distribution systems to increase redundancy and storage capacity. Interconnection will also allow for more extensive maintenance to both systems' elevated storage towers with less risk of pressure issues. The project consists of a meter vault with a control valve, SCADA improvements, and approximately 1,000 feet of water main. The communities are currently working on an agreement to share water.</p>
Implementation Schedule:	North Sioux City anticipates bidding the project in March 2024 with a project completion date of November 2024.
Service Population:	3,015
Current Domestic Rate:	\$30.00 per 5,000 gallons usage
Interest Rate:	3.00%
Term:	20 years
Security:	Project Surcharge

REVIEW COMPLETED BY: SUZANNE MCKINLEY

Drinking Water Facilities Funding Application **RECEIVED**

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

APR 3 2023

Dept. of Agriculture
& Natural Resources

Applicant: Big Sioux Community Water System Address: 23343 479th Avenue Egan, SD 57024 Subapplicant: DUNS Number:	Proposed Funding Package <table> <tr> <td>Requested Funding</td> <td>\$2,200,000</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>TOTAL</td> <td>\$2,200,000</td> </tr> </table>	Requested Funding	\$2,200,000	Local Cash		Other:		Other:		Other:		TOTAL	\$2,200,000
Requested Funding	\$2,200,000												
Local Cash													
Other:													
Other:													
Other:													
TOTAL	\$2,200,000												

Project Title: BSCWS Lake Madison Area Improvements

Description:

Big Sioux Community Water System (BSCWS) currently experiences low pressures and limited capacity in the Lake Madison Service Area on the southwest side of the system. Water demands in the area around Lake Madison and Brant Lake has grown significantly in recent years and low pressures exist during times of high water use. To increase capacity and improve customer pressures, three segments of new water main loops are proposed. The recommended project includes 5.2 miles of new 8-inch and 6-inch water main. BSCWS's rate for 7,000 gallons of usage is \$81.05/month.

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.

Daniel Dannenbring, Chairman
 Name & Title of Authorized Signatory
 (Typed)

Daniel Dannenbring 3-30-23
 Signature Date

FUNDING REQUEST EVALUATION FORM
DRINKING WATER FACILITIES FUNDING APPLICATION
APPLICANT: BIG SIOUX COMMUNITY WATER SYSTEM

Project Title:	Lake Madison Area Improvements				
Funding Requested:	\$2,200,000				
Other Proposed Funding:	None				
Total Project Cost:	\$2,200,000				
Project Description:	Big Sioux Community Water System proposes to increase capacity and improve customer pressures with improvements in the Lake Madison area. The project includes 5.2 miles of new 8-inch and 6-inch water main and three segments of new loops.				
Implementation Schedule:	Big Sioux Community Water System anticipates bidding the project in October 2024 with a project completion date of October 2026.				
Service Population:	8,900				
Current Domestic Rate:	\$81.05 per 7,000 gallons usage				
Interest Rate:	3.25%	Term:	30 years	Security:	System Revenue

REVIEW COMPLETED BY: SUZANNE MCKINLEY

Drinking Water Facilities Funding Application

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

Applicant: City of Hartford Address: 125 N. Main Ave. Hartford, SD 57003 Subapplicant: N/A DUNS Number: DPLBPKMGZC8	Proposed Funding Package <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;">\$490,800</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;">\$500,000</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right;">TOTAL</td> <td style="text-align: right; border-bottom: 1px solid black;">\$990,800</td> </tr> </table>	Requested Funding	\$490,800	Local Cash	\$500,000	Other:		Other:		Other:		TOTAL	\$990,800
Requested Funding	\$490,800												
Local Cash	\$500,000												
Other:													
Other:													
Other:													
TOTAL	\$990,800												

Project Title: Highway 38 Water Main Extension

Description:

The City of Hartford is located in Minnehaha County in southeastern South Dakota. Water is purchased from the Minnehaha County Water Corporation (MCWC) and is stored in the 500,000-gallon elevated storage tank. The structure is the sole source of pressurization for the system, which has over 25.5 miles of water main distribution piping, ranging in size from 4" to 16". The majority of the distribution system is 8" or larger.

In recent years, the main source of utility expansion in the City have been due to private developments. This has lead to disjointed and isolated utility expansion which is negatively impacting users within these developments. This project addresses these issues by proposing to construct a new water main to connect two areas of the City, creating a loop to improve resiliency and increase water quality and quantity to its users. The proposed improvements run from the intersection of Vandemark Ave. and Railroad Street to the east along Railroad Street to Highway 38. (Continued on additional comments page).

Water rates are \$46.82 per 5,000 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.

Arden Jones, Mayor
 Name & Title of Authorized Signatory
 (Typed)

Signature

Date

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

Project Title:	Highway 38 Water Main Extension
Funding Requested:	\$490,800
Other Proposed Funding:	Local Cash - \$500,000
Total Project Cost:	\$990,800
Project Description:	The city of Hartford proposes to connect two areas of the city to create a loop to improve resiliency and increase water quality and quantity. The proposed improvements run from the intersection of Vandemark Avenue and Railroad Street to the east along Railroad Street to Highway 38.
Implementation Schedule:	Hartford anticipates bidding the project in July 2023 with project completion in June 2024.
Service Population:	3,220
Current Domestic Rate:	\$46.82 per 5,000 gallons usage
Interest Rate: 3.25%	Term: 30 years Security: System Revenue

REVIEW COMPLETED BY: ABBEY LARSON

Drinking Water Facilities Funding Application

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

Applicant: Minnehaha Community Water, Corp. Address: 47381 248th Street Dell Rapids, SD 57022 Subapplicant: N/A DUNS Number: 019264654	Proposed Funding Package <div style="text-align: right;">Requested Funding <u>\$4,670,000</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;">Other: _____</div> <div style="text-align: right;">TOTAL <u>\$4,670,000</u></div>
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Project Title: Water Treatment Plant Control Panel Upgrades & Distribution Improvements
Description:

This project will upgrade the existing control panels at both MCWC water treatment plants which have reached the end of their useful life. The work will include removing old PLCs and installing new preassembled factory tested and configured PLC racks. Panels will be re-wired using existing instrumentation and equipment.

In addition, this project will install 12-inch pipeline to the newly erected MCWC water tower near Humboldt, SD. The new 12-inch line will add capacity to the distribution area and allow for better hydraulic flow to the new tower, which is taller than the older tower, resulting in better water pressure in the area as well.

Currently monthly water rate for 7,000 gallons of usage is \$81.50.

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 Rave, Board President
Name & Title of Authorized Signatory
(Typed)

Lloyd Rave
Signature

3/28/2023
Date

FUNDING REQUEST EVALUATION FORM
DRINKING WATER FACILITIES FUNDING APPLICATION
APPLICANT: MINNEHAHA COMMUNITY WATER CORPORATION

Project Title:	Water Treatment Plant Control Panel Upgrades and Distribution Improvements		
Funding Requested:	\$4,670,000		
Other Proposed Funding:	None		
Total Project Cost:	\$4,670,000		
Project Description:	<p>Minnehaha Community Water Corporation (MCWC) proposes installation of new 12-inch pipeline to the newly erected MCWC water tower near Humboldt, SD. This will allow better hydraulic flow to the new tower and improve water pressure in the area.</p> <p>In addition, this project will include upgrades to the existing control panels at both water treatment plants. The work will include removing old programmable logic controllers (PLCs) and installing new preassembled, factory-tested and configured PLC racks. Panels will be re-wired using existing instrumentation and equipment.</p>		
Implementation Schedule:	Minnehaha Community Water Corporation anticipates bidding the project in October 2023 with a project completion date of May 2024.		
Service Population:	13,070		
Current Domestic Rate:	\$81.50 per 7,000 gallons usage		
Interest Rate:	3.25%	Term:	30 years
		Security:	System Revenue

REVIEW COMPLETED BY: SUZANNE MCKINLEY

TITLE: Sanitary/Storm Sewer Facilities Funding Applications

EXPLANATION: The following applications have been received by DANR by the April 1, 2023, deadline for funding consideration at this meeting. The number in parentheses is the project priority points as assigned in the Intended Use Plan.

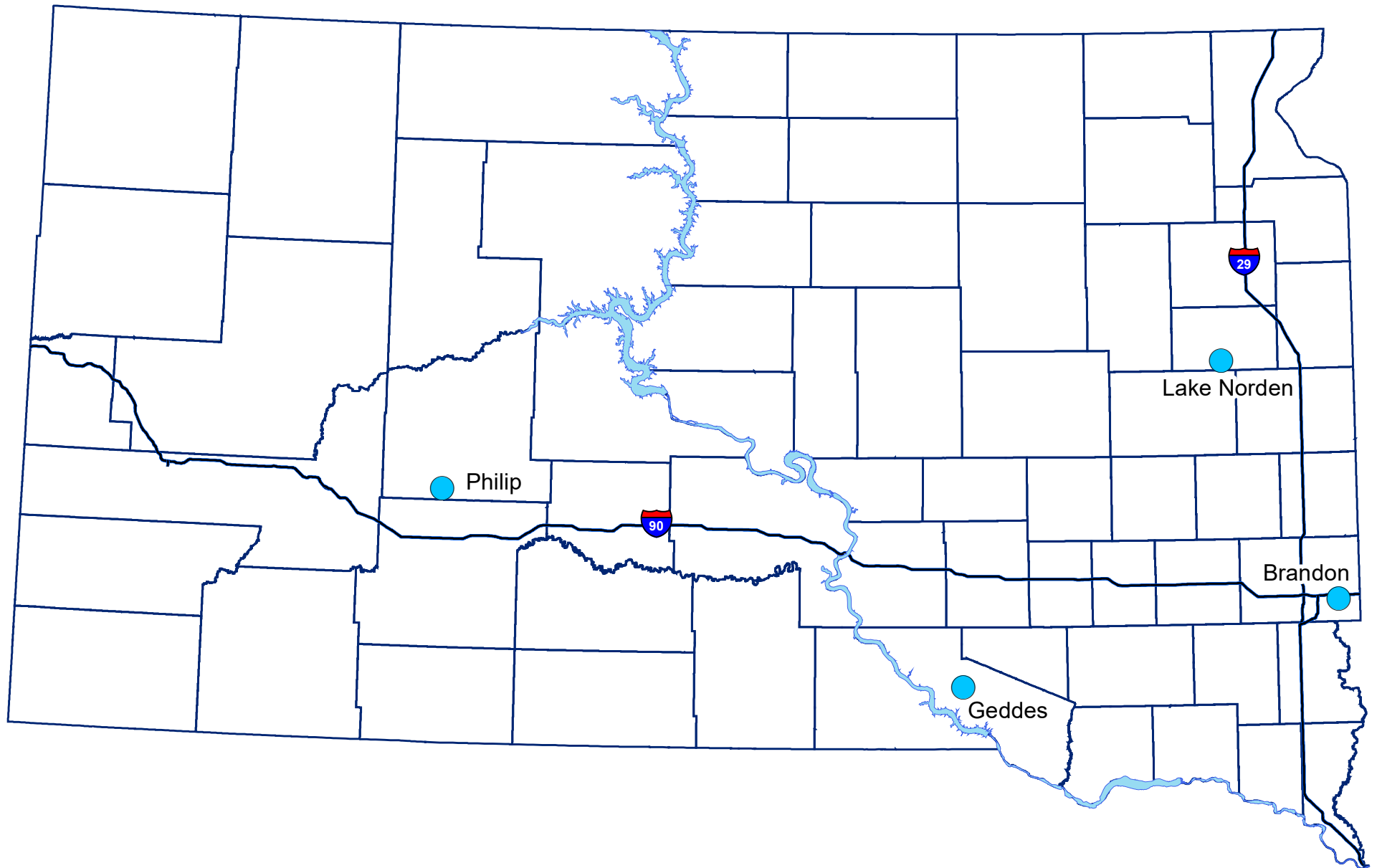
- a. Lake Norden (14)
- b. Brandon (12)
- c. Philip- Wastewater System Improvements (8)
- d. Philip- Stormwater Improvements (6)

COMPLETE APPLICATIONS: The application cover sheets and summary sheets have been provided as part of the board packet. The complete applications and summary sheets are available online and can be accessed by using the link on the Board Agenda.

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

Sanitary/Sewer Funding Applications

June 2023



Sanitary/Storm Sewer Facilities Funding Application **RECEIVED**Clean Water State Revolving Fund Program (CWSRF)
Consolidated Water Facilities Construction Program (CWFCP)

APR 3 2023

Dept. of Agriculture
& Natural Resources

Applicant: City of Lake Norden Address: 508 Main Avenue Lake Norden, SD 57248 Subapplicant: N/A DUNS Number: 830638586	Proposed Funding Package Requested Funding <u>\$500,000</u> Local Cash _____ Other: _____ Other: _____ Other: _____ TOTAL <u>\$500,000</u>
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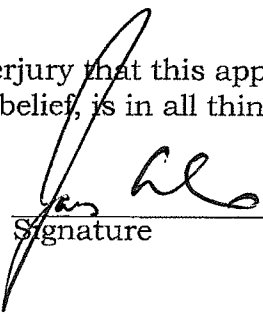
Project Title: Lake Norden Wastewater N Lift Station/Lagoons Improvements-Supplemental
Description:

Replacement of north lift station and repairs to wastewater treatment lagoons including rebuilding and riprapping dike walls and replacing control structures in the City of Lake Norden, South Dakota at an estimated cost of \$2,580,000. Banner Associates provided the engineering information for the proposed project. However, due to bids coming in higher than the estimate, Lake Norden is looking for supplemental funding of \$500,000.

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

03/31/2023
Date

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

Project Title:	Wastewater System Improvements				
Funding Requested:	\$500,000				
Other Proposed Funding:	None				
Total Project Cost:	\$500,000				
Project Description:	The City of Lake Norden is seeking an additional \$500,000 in funding for the North Lift Station and Wastewater Treatment Lagoon Repair projects. These projects were previously approved and funded but require additional funding due to bids being higher than expected.				
Implementation Schedule:	The project is under way, with a project completion date of July 15, 2024.				
Service Population:	554				
Current Domestic Rate:	\$67.55 per 5,000 gallons usage				
Interest Rate:	3.25%	Term:	30 years	Security:	Project Surcharge

REVIEW COMPLETED BY: DAN GERHARDT

Sanitary/Storm Sewer Facilities Funding Application

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

Applicant: City of Brandon	Proposed Funding Package	
Address: P.O. Box 95 Brandon, SD 57005-0095	Requested Funding	\$893,233
	Local Cash	
Subapplicant:	Other: Local ARPA	\$23,398
	Other: State/Local ARPA	\$958,754
DUNS Number: 556300200	Other: Sewer Revenue Bon	\$2,029,615
	TOTAL	\$3,905,000

Project Title: East Side Sewer Main Extension

Description:

The proposed project will reconstruct the sanitary sewer north of the Bethany Lift Station on the east side of the Brandon, north of Aspen Boulevard, as well as construct a new PVC sanitary trunk sewer main that will provide service to a new elementary school along with service to promote future residential development on the east side of town. The work will take place from the Bethany Lift Station north of Aspen Boulevard and east of Sunshine Avenue and then heading north following drainage way to Redwood Boulevard to the east of Chestnut Boulevard.

Sewer rates are \$79.29 (per 5,000 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.

Harry Buck, Mayor
Name & Title of Authorized Signatory
(Typed)

Signature

Date

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

Project Title:	East Side Sewer Main Extension	
Funding Requested:	\$893,233 – State ARPA/CWFCP Grant \$479,377 – State match ARPA	
Other Proposed Funding:	\$479,377 – Local match ARPA \$23,398 – Local ARPA \$2,029,615 – Sewer Revenue Bond	
Total Project Cost:	\$3,905,000	
Project Description:	The City of Brandon is seeking \$1,372,610 in funding for the East Side Sewer Main Extension project. The project will reconstruct sanitary sewer on the east side of Brandon and construct a new trunk sewer to allow for future residential development.	
Implementation Schedule:	Brandon anticipates a bid award for this project in October 2023, with a project completion in spring of 2024.	
Service Population:	11,048	
Current Domestic Rate:	\$79.29 per 5,000 gallons usage	
Interest Rate:	Term:	Security:

REVIEW COMPLETED BY: DAN GERHARDT

Sanitary/Storm Sewer Facilities Funding Application

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

Applicant: City of Philip	Proposed Funding Package	
Address: PO Box 408 Philip SD 57567-0408	Requested Funding	\$1,040,830
	Local Cash	
Subapplicant:	Other: Local ARPA	\$138,347
	Other: State ARPA	\$160,771
DUNS Number: HJPTYTNGAXG4	Other: DANR consolidated	\$55,927
	TOTAL	\$1,395,875

Project Title: Northeast Wastewater & Stewart Avenue Area Wastewater Improvements

Description:

The City of Philip has already been awarded funding for the Northeast Wastewater portion of this overall project by DANR. After realizing a shortfall in excess of \$500,000 from the one bid that was received, the city council rejected the bid and is moving forward with plans to combine the northeast project with the Stewart Ave project. This application will request additional funding to complete the Northeast project and the Stewart Ave project. An application to GOED for a CDBG has been submitted. This application is not taking that funding into consideration at this time, but should one be obligated, requests for funding will be reduced accordingly to cover all aspects of the overall project.

The Stewart Avenue project consists of improvement's to the wastewater, water, and storm sewer infrastructure for Philip. This area will see replacement of 531 LF of 8-inch sewer main, 378 LF of 12-inch sewer main, the installation of 3 sewer manholes, and connecting them to the existing sewer infrastructure.

The improvement's to the northeast project area will include pre-cleaning, televising, and lining 1,780 LF of 8-inch sewer main with cured-in-place-pipe. (Additional page added)

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.

Brit Miller, Mayor

Name & Title of Authorized Signatory
(Typed)

Signature

Date

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

Project Title:	Northeast Wastewater & Stewart Avenue Area Wastewater Improvements
Funding Requested:	\$1,040,830
Other Proposed Funding:	\$138,347- Local ARPA \$160,771 - State ARPA Match \$55,927 - Consolidated Loan
Total Project Cost:	\$1,395,875
Project Description:	<p>The city of Philip was previously awarded funding for the Northeast Wastewater portion of the project. Due to construction and material cost increases, bids came in higher than anticipated. This application requests additional funds for the Northeast wastewater project and to add additional work in the Stewart Avenue area.</p> <p>The Northeast project area will include cleaning, televising, and lining approximately 1,780 linear feet of 8-inch sewer main.</p> <p>The Stewart Avenue project consists of replacement of approximately 531 linear feet of 8-inch sewer main, 378 linear feet of 12-inch sewer main, the installation of 3 sewer manholes, and related appurtenances.</p>
Implementation Schedule:	Philip anticipates bidding the project in July 2023 with a project completion date of November 2023.
Service Population:	759
Current Domestic Rate:	\$34.00 per 5,000 gallons usage
Interest Rate:	3.25%
Term:	30 years
Security:	Project Surcharge

REVIEW COMPLETED BY: ABBEY LARSON

Sanitary/Storm Sewer Facilities Funding Application

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

Applicant: City of Philip Address: PO Box 408 Philip SD 57567-0408 Subapplicant: DUNS Number: HJPTYTNGAXG4	<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;">\$800,342</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;">\$800,342</td> </tr> </table>	Proposed Funding Package		Requested Funding	\$800,342	Local Cash		Other:		Other:		Other:		TOTAL	\$800,342
Proposed Funding Package															
Requested Funding	\$800,342														
Local Cash															
Other:															
Other:															
Other:															
TOTAL	\$800,342														

Project Title: Stewart Avenue Area Storm Sewer Improvement Project

Description:

The City of Philip is proposing the construction of a new storm sewer as part of the planned Pine St, Elm St, and Stewart Ave wastewater, water, storm sewer improvement project. This application only addresses the storm sewer improvement since any funding approved for this portion of the project will have the debt serviced by the 2nd penny sales tax in Philip.

The storm sewer portion of the overall project will include placement of 356 LF of RCP storm pipe ranging in sizes from 15 inches to 27 inches. Two new storm sewer manholes are included in the cost estimate. This storm sewer improvement will be connected to the existing storm sewer on E Oak St. An addition of 6 storm water inlets will be included with the new curb and gutter on the streets. There will be an installation of a 950-sf retaining wall to alleviate sediment runoff from washing down the street and inundating the storm sewer during heavy rains. This new wall will replace part of an existing wall that will be removed as part of the overall project. As with all infrastructure projects, there will be removal and replacement of driveway aprons, asphalt streets, and landscaping that was removed or damaged during construction.

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.

Brit Miller, Mayor

 Name & Title of Authorized Signatory
 (Typed)


 Signature

3-28-23
 Date

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

Project Title:	Stewart Avenue Area Storm Sewer Improvements
Funding Requested:	\$800,342
Other Proposed Funding:	None
Total Project Cost:	\$800,342
Project Description:	<p>The city of Philip is proposing the construction of new storm sewer as part of a planned water and wastewater improvements project.</p> <p>The project proposes installation of 356 linear feet of reinforced concrete storm pipe ranging in size from 15-inch to 27-inch. Two new storm sewer manholes, 6 storm water inlets, curb and gutter, a 950 square foot retaining wall to alleviate sediment runoff, and related surfacing and appurtenances.</p>
Implementation Schedule:	Philip anticipates bidding the project in July 2023 with a project completion date of November 2023.
Service Population:	759
Current Domestic Rate:	\$34.00 per 5,000 gallons usage
Interest Rate:	3.25%
Term:	30 years
Security:	Sales Tax Revenue

REVIEW COMPLETED BY: ABBEY LARSON

TITLE: Solid Waste Management Program Funding Applications

EXPLANATION: The following applications were received by DANR by the April 1, 2023, deadline for funding consideration at this meeting.

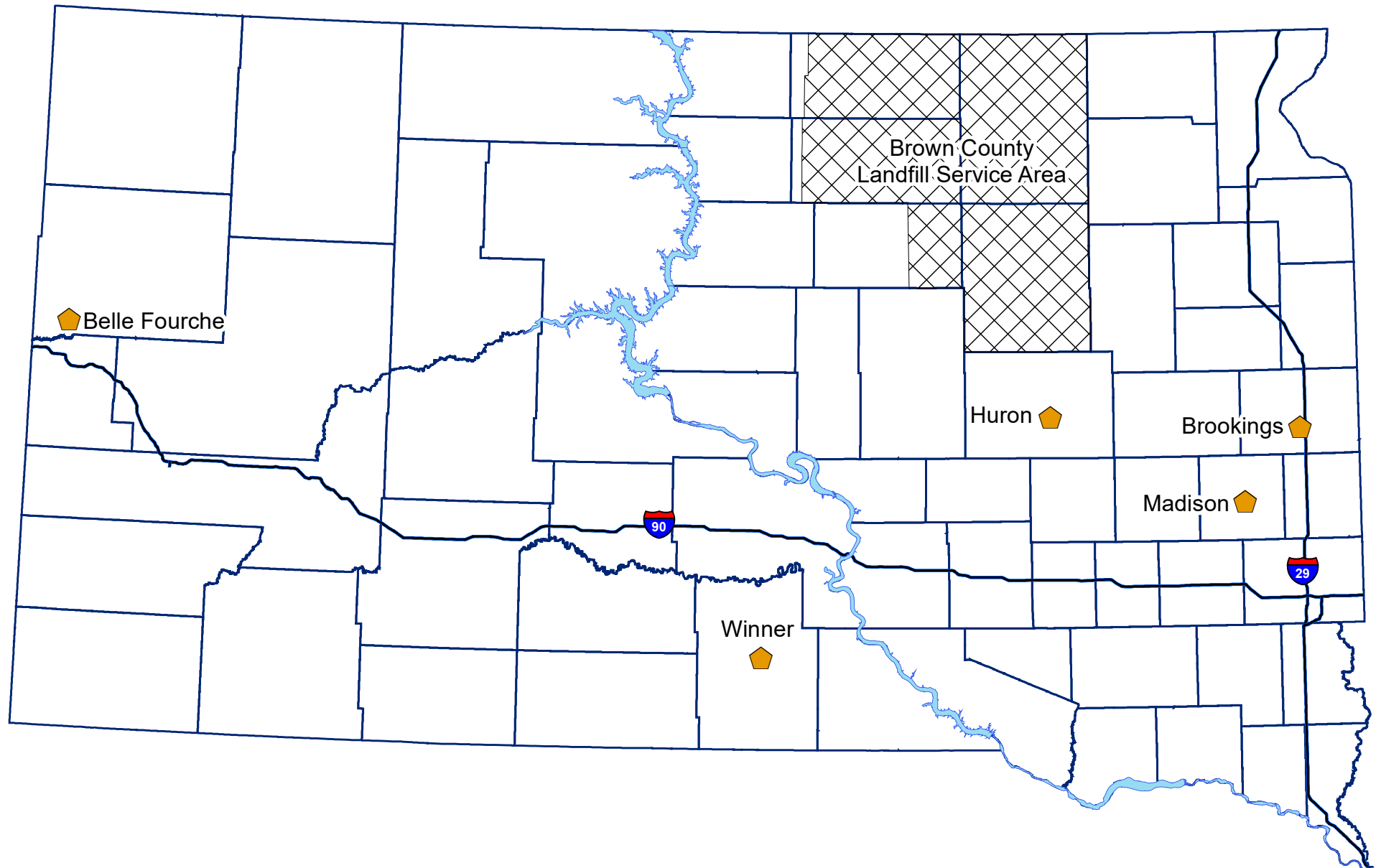
- a. Belle Fourche
- b. Brookings
- c. Brown County
- d. Huron
- e. Madison
- f. Winner

COMPLETE APPLICATIONS: The application cover sheets and summary sheets have been provided as part of the board packet. The complete applications and summary sheets are available online and can be accessed by using the link on the Board Agenda.

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

Solid Waste Management Program Funding Applications

June 2023



Solid Waste Management Program Application

Applicant

Proposed Funding Package

City of Belle Fourche

SWMP Funds: \$287,192

Address

Local Cash: \$359,193

511 6th Avenue
Belle Fourche, SD 57717

Other: SWMP Grant: \$72,000

Other:

Other:

Phone
Number (605) 723-0485

Total Project Cost: \$718,385

Project Title: Landfill Longevity Initiative (Shredder & Ancillary Equipment Acquisition)

Description:

The City of Belle Fourche is planning to purchase a pre-shredding machine to increase on-site volume reduction of municipal solid waste at their landfill. This will help to improve operational efficiencies and extend the useful life of the landfill. Specifically, the shredder will be used to reduce the size of materials to be baled for better air space maximization, which will also save wear and tear on the baler unit itself, and reduce wind-blown litter sources by having less loose fill. The shredder will also be utilized to grind tree branches and stumps for composting or resale, as well as tires for use as fill material or possible reuse.

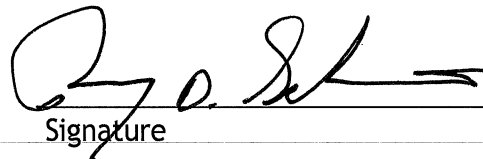
The selected shredder is the EDGE VS420 (see product brochure). Other ancillary equipment to be purchased include rubber grouser pads, spare breaker bar, block heater and glow plugs, and a dust suppression system.

SWMP grant funding was previously awarded for this project in January, 2023.

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.

Randy Schmidt, Mayor

 3/27/23

Name and Title of Authorized Signatory (Typed)

Signature

Date

FUNDING REQUEST EVALUATION FORM
SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATION
APPLICANT: CITY OF BELLE FOURCHE

Project Title:	Solid Waste Shredder and Related Purchases 2023 - Additional Funding
Funding Requested:	\$287,192
Other Proposed Funding:	\$359,193 – Local Cash \$72,000 – SWMP Grant
Total Project Cost:	\$718,385
Project Description:	Belle Fourche is planning to purchase a pre-shredding machine to increase on-site volume reduction of municipal solid waste at their landfill. The shredder will also be used to grind tree branches and stumps for composting or resale, as well as tires.
Type:	Solid Waste
Service Population:	5,617
Implementation Schedule:	Belle Fourche plans to order the shredder in 2023 and have it delivered and operational later in the year.

Engineering Review Completed By: Abbey Larson

Solid Waste Management Program
Application

APR 3 2023

Dept. of Agriculture
& Natural Resources

Applicant
City of Brookings
Solid Waste Division

Proposed Funding Package

Address
4101 30th Street
Brookings, SD 57006

SWMP Funds: \$30,000

Local Cash: \$10,000

Other: _____

Other: _____

Other: _____

Phone Number (605) 693-3667

Total Project Cost: \$40,000

Project Title: Household Hazardous Waste Collection Event

Description:

The City of Brookings (City) has operated the Brookings Regional Landfill since 1993 providing solid waste management to approximately 45,000 residents in parts of 6 counties and also provides curbside collection to residents within the city limits of Brookings. The City is applying for this grant to help fund a household hazardous waste (HHW) event. The purpose of the community HHW collection event is to provide residents a free, safe, and environmentally responsible way to dispose of old or unwanted household hazardous waste and divert that waste stream from being landfilled.

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.

ks Paul Briseno City Manager

Paul Briseno 3/29/2023

Name and Title of Authorized Signatory (Typed)

Signature

Date

FUNDING REQUEST EVALUATION FORM
SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATION
APPLICANT: CITY OF BROOKINGS

Project Title:	Household Hazardous Waste Collection Event
Funding Requested:	\$30,000
Other Proposed Funding:	\$10,000 – Local Cash
Total Project Cost:	\$40,000
Project Description:	The city of Brookings is proposing to host an annual household hazardous waste collection event.
Type:	Solid Waste
Service Population:	25,000
Fees:	Not Applicable

Engineering Review Completed By: Dan Gerhardt

Solid Waste Management Program Application

Applicant
Brown County

Proposed Funding Package

Address
25 Market Street
Aberdeen, SD 57401

SWMP Funds: \$231,081

Local Cash: \$231,081

Other: _____

Other: _____

Other: _____

Total Project Cost: \$462,162

Phone Number (605) 626-7110

Project Title: Brown County Landfill New Loader

Description:

Brown County is proposing to purchase a new loader at its landfill facility. The new loader will replace a 1998 John Deere loader that has over 19,000 hours on the machine.

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.

Duane Sutton, Chair

Name and Title of Authorized Signatory (Typed)

Signature

Date

 4-3-23

FUNDING REQUEST EVALUATION FORM
SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATION
APPLICANT: BROWN COUNTY

Project Title:	Landfill New Loader	
Funding Requested:	\$231,081	
Other Proposed Funding:	\$231,081 – Local Cash	
Total Project Cost:	\$462,162	
Project Description:	Brown County is purchasing a new loader for the landfill facility.	
Type:	Regional Landfill	
Service Population:	36,541	
Implementation Schedule:	August 1, 2023	
Fees:	\$38.00 per ton municipal solid waste	
Interest Rate: NA	Term: NA	Security: NA
Engineering Review Completed By: Dan Gerhardt		

Solid Waste Management Program Application

Applicant
City of Huron, Solid Waste Dept.

Proposed Funding Package

Address
P O Box 1369
Huron SD 57350

SWMP Funds: \$138,626

Local Cash: \$138,626

Other: _____

Other: _____

Other: _____

Phone Number 605-353-8542

Total Project Cost: \$277,252

Project Title: New Hook Truck and 6 Roll Off Containers

Description:

The City of Huron Solid Waste Department serves the majority of the solid waste generators for the City of Huron. The purchase of equipment to handle solid waste and recyclable materials which is an eligible grant activity.

The city proposes to purchase a new hook truck along with 6 roll off containers. Both the truck and containers will be used for collection of recyclable materials such as cardboard, baled cardboard and single stream recyclables from business customers. . The community drop-off area will divert residential vehicle traffic and recycling customers away from the commercial waste traffic within the transfer station building, promoting safer recycling and yard-waste drop-off operations for customers. The new hook truck and roll-off containers are critical components of the new community drop-off area planned for the new transfer station facility."

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.

Gary Harrington, Mayor

Name and Title of Authorized Signatory (Typed)

Signature

Date

April 4, 2023

FUNDING REQUEST EVALUATION FORM
SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATION
APPLICANT: CITY OF HURON

Project Title:	New Hook Truck and Roll-Off Containers
Funding Requested:	\$138,626
Other Proposed Funding:	\$138,626 – Local Cash
Total Project Cost:	\$277,252
Project Description:	The city of Huron proposes the purchase of a new hook truck along with six roll-off containers. Both the truck and containers will be used for collection of recyclable materials such as cardboard, baled cardboard, and single-stream recyclables from business customers. The community drop-off area will divert residential vehicle traffic and recycling customers away from the commercial waste traffic within the transfer station building, promoting safer recycling and yard waste drop-off operations for customers.
Type:	Solid Waste
Service Population:	13,163
Fees:	\$20.90 per month for one garbage collection container and \$2.50 per month for recycling

Engineering Review Completed By: Suzanne McKinley

Solid Waste Management Program Application

MAR 29 2023
Dept. of Agriculture
& Natural ResourcesApplicant
City of Madison

Proposed Funding Package

SWMP Funds: \$109,560

Local Cash: \$438,240

Address
116 West Center Street
Madison, SD 57042

Other: _____

Other: _____

Other: _____

Phone Number 605-256-7500

Total Project Cost: \$547,800

Project Title: Madison Restricted Use Land Purchase

Description:

The City of Madison is proposing to purchase land for a Restricted Use Site facility. The City's existing site is nearing capacity, so the new property is a necessity for the City to continue to provide a Restricted Use Site for its city and county residents and businesses. The City has identified a site that would fulfill this need, which is comprised of 73.04 acres at a cost of \$547,800. The City of Madison is requesting that 20% of this cost be funded by Solid Waste Management Grant 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.

Roy J. LINDSAY Jr. Mayor
Name and Title of Authorized Signatory (Typed)Roy J. Lindsay Jr. 3/23/2023
Signature Date

FUNDING REQUEST EVALUATION FORM
SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATION
APPLICANT: CITY OF MADISON

Project Title:	Land Purchase for New Restricted Use Site
Funding Requested:	\$109,560
Other Proposed Funding:	\$ 438,240 - Local Cash
Total Project Cost:	\$547,800
Project Description:	The city of Madison is proposing to purchase land for a Restricted Use Site facility. The existing site is nearing capacity, and the city has identified a site that would fulfill this need, which is comprised of 73-acres.
Type:	Solid Waste
Service Population:	11,059
Implementation Schedule:	July 2023: Submit purchase agreement to seller. September 2023: Finalize purchase of property and make first payment.
Fees:	
Interest Rate:	NA
Term:	NA
Security:	NA

Engineering Review Completed By: Karin Zhao

RECEIVEDAPR 3 2023
Dept. of Agriculture
& Natural Resources

SD EForm 0482LD V3

Solid Waste Management Program Application

Applicant

City of Winner

Proposed Funding Package

SWMP Funds: \$900,000

Local Cash: \$600,343

Address

325 S Monroe
Winner, South Dakota 57580

Other: _____

Other: _____

Other: _____

Phone

(605) 842-2606

Number

Total Project Cost: \$1,500,343

Project Title: Acquisition of existing recycling center and equipment with new equipment purchases

Description:

The City of Winner is proposing to purchase an existing recycling structure from Tripp County. All existing equipment, see attached, will be part of the purchase. Once held, the City will incorporate elements to enable the transfer of solid waste from local collection rates to then haul to the TriCounty Landfill near Pukwana. In addition, the City wishes to implement standardized solid waste containers for individual and commercial uses. The city proposes to purchase these which will then be collected by a city contracted hauler. In an effort to maintain operations the project also includes the purchase of a walking floor trailer, used semi tractor, compact articulated loader and repairs to the existing baler. In an effort to show the communities commitment to recycling and solid waste handling the City is committing 40% of the project costs in cash.

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.

Jody Brozik

Name and Title of Authorized Signatory (Typed)

Signature

Date

FUNDING REQUEST EVALUATION FORM
SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATION
APPLICANT: CITY OF WINNER

Project Title:	Acquisition of Existing Recycling Center and Equipment with New Equipment Purchases
Funding Requested:	\$900,000
Other Proposed Funding:	\$600,343 – Local Cash
Total Project Cost:	\$1,500,343
Project Description:	<p>The city of Winner is proposing to purchase an existing recycling structure from Tripp County. Once purchased, the city will incorporate elements to enable the transfer of solid waste from local collection to then haul to the TriCounty Landfill. The city also wishes to implement standardized solid waste containers for individual and commercial uses to be collected by a city contracted hauler.</p> <p>The project also includes the purchase of a walking floor trailer, used semi-tractor, compact articulated loader, and repairs to the existing baler.</p>
Type:	Solid Waste
Service Population:	2,927
Implementation Schedule:	Winner anticipates starting the project in July 2023 with completion in September 2024.

Engineering Review Completed By: Abbey Larson

TITLE: Mitchell Additional Funding Request for Drinking Water State Revolving Fund Loan C462129-06.

EXPLANATION: On January 6th, 2022, the city of Mitchell was awarded a \$11,000,000 Drinking Water SRF loan for the Drinking Water System Improvements project.

On March 20th, 2023, the Department of Agriculture and Natural Resources received a letter from the city of Mitchell requesting that DWSRF loan C462129-06 be amended to include an additional \$5,000,000. The additional funding is to cover increased construction material and labor costs.

This increase will bring the project total to \$16,000,000.

RECOMMENDED ACTION: Rescind resolution #2022-92 which awarded the original Drinking Water SRF loan and award a \$16,000,000 Drinking Water SRF loan at 1.875% for 30 years, with principal forgiveness not to exceed \$1,000,000.

Contingent on adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage.

CONTACT: Abbey Larson, 394-2229

March 20, 2023

Mr. Andrew Bruels
Department of Environment and Natural Resources
523 East Capitol
Pierre, SD 57501

Dear Mr. Bruels:

In 2021 the City of Mitchell submitted a Drinking Water State Revolving Loan Fund application to secure financing for a project involving major upgrades to the city's drinking water system. The primary components of the project will include construction of a new ground storage tank and associated pump station and chemical feed facility, and modifications to the water distribution system. An \$11 million State Revolving Fund loan was awarded by the Board of Water and Natural Resources for the project in January 2022.

Unfortunately, bids for the project have come in substantially higher than anticipated. Therefore, the City of Mitchell respectfully requests the Board of Water and Natural Resources to consider an amendment to the financing package. We are now requesting an additional \$5 million of funding on top of the existing award, for a total funding package of **\$16 million**. Please see the attached current project cost estimate for details.

The City thanks the Division of Financial and Technical Assistance staff and the Board of Water and Natural Resources for support on this project, and we look forward to finalizing the project's funding package at the June 2023 Board meeting. Please feel free to contact me if you have any questions about this request. Thank you.

Yours Sincerely,



Robert B. Everson, Jr, Mayor
City of Mitchell

TITLE: Spearfish Additional Funding Request for Drinking Water State Revolving Fund Loan C462030-02.

EXPLANATION: On June 23rd, 2022, the city of Spearfish was awarded a \$3,234,000 Drinking Water SRF loan and a \$1,386,000 American Rescue Plan Act grant for the Exit 17 Water Tank and Well project.

On May 1st, 2023, the Department of Agriculture and Natural Resources received a letter from the city of Spearfish stating that a revised engineer's opinion of probable estimated project costs would be higher than originally expected. Spearfish stated they will be contributing \$1,410,435 in local funds towards the project.

Spearfish is requesting that DWSRF loan C462030-02 be amended to include an additional \$3,648,327 to cover the remainder of the project cost. This increase will bring the project total to \$9,678,762.

RECOMMENDED ACTION: Rescind resolution 2022-386 which awarded the original Drinking Water SRF loan and award a \$6,882,327 Drinking Water SRF loan at 1.625% for 30 years, contingent on adopting a bond resolution.

CONTACT: Abbey Larson, 394-2229

May 1, 2023

South Dakota Department of Agriculture and Natural Resources
Attn: Board of Water and Natural Resources
Joe Foss Building
523 E. Capitol Ave.
Pierre, SD 57501

Re: City of Spearfish Exit 17 Water Tank & Well Project – Additional Funding Request

Dear Board of Water and Natural Resources:

The City of Spearfish is respectfully requesting additional funding for the Exit 17 Water Tank & Well Project. Following the initial funding award for this project by the Board in June 2022, it was determined increased capacity and additional improvements are needed to better serve the city's East-Low Pressure Zone.

The original cost estimate and initial funding award for this project was \$4,620,000, with an ARPA grant award of \$1,386,000 and DWSRF loan of \$3,234,000. A revised engineer's opinion of probable cost has been prepared and the new project cost is estimated to be \$9,678,762. The City of Spearfish intends to contribute \$1,410,435 in local funds to help cover a portion of the difference. The remaining amount of \$3,648,327 is now being requested as an amendment to the original funding award.

The City greatly appreciates consideration of the additional funding request so the project may move forward.

Sincerely,



John Senden, Mayor

June 29, 2023

Item 12

TITLE:	Copper Oaks No. 1 Water Association Request to Deobligate Consolidated Water Facilities Construction Program Loan 2024L-102
EXPLANATION:	<p>On March 30, 2023, the Board of Water and Natural Resources awarded Copper Oaks No. 1 Water Association a \$93,000 Consolidated Water Facilities Construction Program loan for its water system improvements project.</p> <p>On May 8, 2023, DANR staff received a letter from Copper Oaks No. 1 Water Association requesting to deobligate the loan and stated they will attempt to find other financing to move forward with the project.</p>
RECOMMENDED ACTION:	Rescind Resolution #2023-59 which awarded the Consolidated Water Facilities Construction Program loan for this project.
CONTACT:	Andy Bruels, 773-4216

COPPER OAKS NO. 1 WATER ASSOCIATION

23602 WILDERNESS CANYON RD.

RAPID CITY, SD 57702

Rich Kinzley, President
Verne Osterloo, VP
Anne Meisner, Treasurer
Jerry Hiebert, Secretary
Chip Foerster, Member
Tim Osterloo, Member
Mike Boock, Member

Hunter Roberts, Secretary

Dept. of Agriculture and Natural Resources
Joe Foss Building
Pierre, SD 57501

May 8, 2023

Dear Mr. Roberts,

We are in receipt of your April 11, 2023 letter notifying our association of the approval of a loan in the amount of \$93,000 for system improvements in the Copper Oaks No. 1 water system. In your letter you state the general terms of loan. In subsequent discussions with your staff, we have been advised of the need for additional payment and security (mortgage) requirements, rate pledges, accounting and audit provisions and future project procurement requirements.

As we began the application process we were hopeful that, like many of the previous applicants, at least some of the needed funds would be approved as a grant or a "forgivable" loan. Further, as a small volunteer organization, it appears that many of the accounting, auditing and procurement requirements will significantly increase historical operating costs and may be beyond the ability of our members to successfully implement without the engagement of professional management.

Accordingly, the Board of the Copper oaks No. 1 Water Association has determined that continued pursuit of the approved loan will not be in the best long-term interests of our water system and therefore we will not be proceeding with acceptance of the offered loan.

We are most appreciative of the approval of our loan/grant submittal by the Board of Water and Natural Resources and the diligent and cooperative support that we have received from your staff.

Best Wishes,



Rich Kinzley, President

cc: COWA1 Board Members
Bill Lass

June 29, 2023

Item 13

TITLE: Request to Amend WEB Water Development Association Drinking Water Funding Package Awarded September 2022

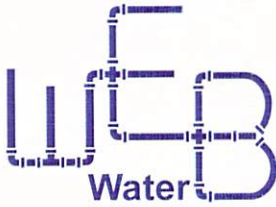
EXPLANATION: On September 29, 2022, the WEB Water Development Association (WEB) was awarded a \$39,650,000 Drinking Water SRF loan. These funds were awarded to WEB as part of the Water Investment in Northern South Dakota (WINS) project. The WINS project is a regional undertaking to provide increased water capacity to WEB, the city of Aberdeen, and BDM Rural Water System.

On June 8, 2023, DANR received a letter from WEB requesting an amendment to the Drinking Water funding package awarded by the board. WEB received advantageous bids as part of projects provided ARPA grants in 2022. Based on language in the ARPA grant agreement the grant amounts were reduced proportionally by a combined total of \$14,623,380. WEB has requested the board allow those deobligated ARPA funds to be reallocated to this next phase of the WINS project.

The WINS project is a significant regionalization project not subject to the percentage-based allocation criteria of 2022 Senate Bill 62 which provided the \$600 million of ARPA funds. This request will allow the WINS project partners to continue towards completion on what is anticipated to be an over \$755 million project in total.

RECOMMENDED ACTION: Amend the WEB Drinking Water funding package to award an ARPA grant of \$14,623,380.

CONTACT: Andy Bruels, 773-4216



WEB Water Development Association, Inc.

P.O. Box 51 — Aberdeen, SD 57402-0051

(605) 229-4749 • Toll Free: 1-800-658-3957 • FAX: (605) 229-4492

Emergency/After Hours: (605) 229-4749 or 1-800-658-3957

email: office@webwater.org

www.webwater.org

Equal Opportunity Provider

CHAIR

Tim Van Hatten
PO Box 171
Conde, SD 57434
(605) 382-5816
(Bulk)

VICE-CHAIR

Craig Oberle
PO Box 76
Mellette, SD 57461
(605) 380-2535
(Spink, Beadle, Hand)

SECRETARY

Lori Goldade
12892 Fairfield Drive
Aberdeen, SD 57401
(605) 380-7921
(Brown)

TREASURER

Les Hinds
PO Box 331
Groton, SD 57445
(605) 397-8311
(Bulk)

DIRECTORS

Allen Walth
13640 Walth Bay Road
Glenham, SD 57631
(605) 762-3371
(Walworth & Potter)

Bob Whitmyre
14408 431st Avenue
Webster, SD 57274
(605) 345-4194
(Day, Clark & Marshall)

Dick Werner
PO Box 98
Herreid, SD 57632
(605) 350-1371
(Campbell, McPherson,
Emmons, Dickey & McIntosh)

Jeff Stoecker
15180 Sherman Avenue
Onaka, SD 57466
(605) 442-2576
(Edmunds, Faulk, & Hyde)

Henry Orth
PO Box 455
Eureka, SD 57437
(605) 284-5132
(Bulk)

MANAGEMENT TEAM

Clayton Larson
Water Treatment Plant Manager

Shane Phillips
Operations Manager

Eric Hansen
Construction Manager

Angie Hammrich
General Manager

June 8, 2023

Board of Water and Natural Resources
523 E. Capitol Ave.
Pierre, SD 57501

Dear Board of Water and Natural Resources,

On March 17, 2023, WEB sent the BWNR a letter acknowledging that DANR/BWNR would be reducing WEB's Raw Water Pipe Expansion ARPA grant by \$1,343,120 and its Treated Water Pipeline ARPA grant by \$13,280,260. Andy Bruels recommended that WEB submit a formal request to apply the \$14,623,380 in reductions to the WEB Water Waterline Improvement Project for WINS identified and funded by DWSRF loan C462426-04 ("Project").

As you are aware, WEB submitted the Project to DANR/BWNR at a cost estimate of \$39,650,000. Even if DANR/BWNR awards the entire \$14,623,380 to this Project, the remaining Project cost is too great to complete without additional grant money. Therefore, to reduce the cost of this Project to a level that will allow construction to begin by the ARPA spending deadline, the Project scope will be reduced and resubmitted.

Please consider this as WEB's formal request to transfer the grant reduction of \$14,623,380 to the Project as it will be revised. Also, this is a request to reduce the DWSRF loan C462426-04 by the grant amount. The loan amount will be later determined by the revised Project scope. This grant will be able to be spent by the ARPA deadline.

We also ask that DANR/BWNR modify Section 4 of the Grant Agreement to ensure that no ARPA grant money goes unspent. DANR/BWNR reduced WEB's original grant because Section 4 of the Grant Agreement required a reduction in the grant amount if bids came in "five or more percent less" than the project cost estimate.

If DANR/BWNR includes this same language in the Grant Agreement for the above-referenced Project and bids come in five or more percent less, DANR/BWNR will again be required to reduce the grant amount. But if that happens with this Project, the reduced ARPA grant amount will not be able to be applied to a future project because of the ARPA grant spending deadline.

Therefore, we request that DANR/BWNR eliminate the grant reduction requirement from section 4 to ensure that all ARPA grant dollars are spent in South Dakota.

Sincerely,

Angie Hammrich
General Manager

TITLE: Lake Thompson Water Project District Formation Approval

EXPLANATION: The Board of Water and Natural Resources has been designated by SDCL Chapter 46A-18 to approve the formation of a water project district if at least sixty percent of the votes cast in the formation election are favorable.

The proposed Lake Thompson Area Water Project District held an election in Kingsbury County on May 23, 2023, to decide whether to organize a water project district.

The election has been certified by the Kingsbury County Commissioners and establishes that the voters in Kingsbury County approved by a vote of twenty-four in favor of the formation and nine against the formation of the Lake Thompson Area Water Project District, which is a favorable vote of at least sixty percent of the votes cast.

RECOMMENDED

ACTION: Approve the resolution creating and establishing the Lake Thompson Area Water Project District and direct that a true copy of this resolution be filed with the Secretary of State.

CONTACT: Tina McFarling
773-4216

From the Desk of **Kingsbury County Auditor**

Kingsbury County . . . De Smet, South Dakota

202 2nd St. S.E.
P.O. Box 196
De Smet, SD 57231

Phone: 605-854-3832
Fax: 605-854-3833



**FORMATION OF LAKE THOMPSON AREA WATER PROJECT DISTRICT
MAY 23, 2023**

APPOINTMENT OF ELECTION OFFICIALS

STATE OF SOUTH DAKOTA

May 23, 2023

SS

COUNTY OF BEADLE

To: JAMES KNIGHT

Supt

RHONDA SIEFKER

Deputy

DARVIN SANDVE

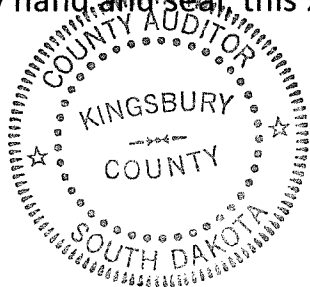
Deputy

You are appointed Election Board Members for the formation of Lake Thompson Area Water Project District. This election will be held at the following polling place: **KINGSBURY COUNTY COURTROOM** at 10:00 A.M. local time on the 23rd day of May, and **JAMES KNIGHT** has been designated Superintendent of this election.

Please meet in the Auditor office at 9:30 A.M. on this date for instructions of your duties.

If you are unable to serve, please contact the Kingsbury County Auditor immediately at (605) 854-3832

Witness my hand and seal, this 23rd day of May 2023



Echo Steffensen

**Echo Steffensen, Kingsbury County Auditor
Person in Charge of Election**

Lake Thompson Water Project District
Special Election
May 23, 2023

Formation of Lake Thompson Water Project District			
Yes	24	No	9

Lake Thompson Water Project District Board of Director Group 1	
Name:	Votes:
Larry Tveit	10
Paul McMasters	6

Lake Thompson Water Project District Board of Director Group 2	
Name:	Votes:
Drew Schellpeper	8
Tim Goodwin	8

**The Auditor as the person with election authority, after conferring with the States Attorney and Secretary of State's Office, called both candidates to notify them of the need for a lot drawing asking if the notification was enough to do the drawing immediately and if they would be ok with selecting a representative to pick for them. Both candidates were in agreement to do so Jim Knight represented Drew Schellpeper Marcia Goodwin represented Tim Goodwin Tim Goodwin won by lot.

Lake Thompson Water Project District Board of Director Group 3	
Name:	Votes:
Charles Wasserburger	8
Drew Schellpeper	5

June 29, 2023

Item 15

TITLE: Brookings Request to Amend Loan Security Pledge for Drinking Water SRF C462019-03

EXPLANATION: On January 5, 2023, the Board of Water and Natural Resources awarded Brookings a \$1,000,000 Clean Water SRF loan with 49% principal forgiveness. The pledge on the original application was a project surcharge.

Staff has had conversations with the city of Brookings about a change of pledge from a project surcharge to a system revenue pledge. They found that the Lead Line Replacement will not benefit the entire city, therefore see it more fitting to designate system revenues.

On June 5, 2023, staff received a letter from Brookings outlining this request and that the security of the loan be repaid by the city's revenues.

RECOMMENDED ACTION: Rescind Resolution #2023-04 and reaward a new \$1,000,000 Drinking Water SRF loan at 1.875% for 30 years with the debt pledge as system revenue.

CONTACT: Andy Bruels, 605-773-4216

City Hall

520 3rd Street, Suite 230

Brookings, SD 57006

605.692.6281



www.cityofbrookings-sd.gov

June 5, 2023

South Dakota Conservancy District
c/o South Dakota Department of Agriculture and Natural Resources
523 East Capitol Ave.
Joe Foss Building
Pierre, SD 57501-3182
Attention: SRF Section

Ladies and Gentlemen:

By Resolution No. 2023-04 adopted January 5, 2023, the South Dakota Board of Water and Natural Resources (the "Board") previously approved a loan (the "Loan") in the principal amount not to exceed \$1,000,000, with up to 49% principal forgiveness, to fund lead service line improvements (the "Improvements") to the City's Drinking Water System (the "System"), such loan to be secured by a pledge of surcharge revenues related to the Improvements. The City now proposes to secure the Loan, as a taxable loan, with a pledge of revenues of the System, and requests that the Board consider such amendments to the Loan.

Sincerely,

A handwritten signature in black ink, appearing to read "Oepke G. Niemeyer". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Oepke G. Niemeyer
Mayor of Brookings