



BOARD OF WATER AND NATURAL RESOURCES

November 8, 2023

1:00 p.m. CT

In-Person or On-Line
Matthew Training Center
Joe Foss Building

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

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

AGENDA

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

November 8, 2023

1:00 p.m. CT

1. Call meeting to order and roll call
2. Approve Agenda
3. Approve Minutes of September 28-29, 2023, Board Meeting
4. Public Comment Period
5. 2024 State Water Plan Applications – Andy Bruels
 - a. Aberdeen
 - b. Alcester
 - c. Apple Springs Sanitary District - wastewater
 - d. Apple Springs Sanitary District - water
 - e. Clear Lake - wastewater
 - f. Clear Lake - water
 - g. Colton - water
 - h. Colton - wastewater
 - i. Dakota Mainstem Regional Water System
 - j. Deadwood
 - k. Elkton - water
 - l. Elkton - wastewater
 - m. Gary
 - n. Gayville
 - o. Harrisburg
 - p. Iroquois
 - q. Lake Preston - wastewater
 - r. Lake Preston - water
 - s. Lincoln County Rural Water System
 - t. Madison - water
 - u. Madison - wastewater
 - v. Mobridge
 - w. Niche Sanitary District
 - x. Oacoma - water
 - y. Oacoma - wastewater
 - z. Parker - water

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.

aa.	Parker - wastewater	jj.	Vermillion – Northeast Sewer Basin
bb.	Pierre	kk.	Viborg
cc.	Platte	ll.	Wagner
dd.	Presho	mm.	Wessington Springs
ee.	Seneca	nn.	Western Dakota Regional Water System
ff.	Sioux Rural Water System	oo.	White
gg.	Springfield	pp.	Worthing - wastewater
hh.	Valley Heights Estates Sanitary District	qq.	Worthing - water
ii.	Vermillion – Tom Street Sewer Basin		

6. Review Interest Rates for the Clean Water State Revolving Fund, Drinking Water State Revolving Fund, Consolidated Water Facilities Construction Program, and Solid Waste Management Program – Tina McFarling
7. Public Hearing to Adopt the FFY 2024 Clean Water State Revolving Fund Intended Use Plan – Andy Bruels
8. Public Hearing to Adopt the FFY 2024 Drinking Water State Revolving Fund Intended Use Plan – Andy Bruels
9. State Water Resources Management System Recommendations – Andy Bruels
10. Omnibus Bill Funding Recommendations – Tina McFarling
11. State Fiscal Year 2023 Investment Update – Casey Kahler
12. 2023 Annual Report and the 2024 State Water Plan – Andy Bruels
13. Brookings-Deuel Rural Water System’s Request for Partial Release of Mortgage – Holly Briggs
14. Emery's Project Scope Amendment Request for Clean Water SRF Loan C461248-02 and ARPA Grant 2022G-ARP-135 – Karin Zhao
15. January 4, 2024, Meeting
16. Adjourn

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

September 28-29, 2023

SEPTEMBER 28, 2023 – 1:00 P.M. CENTRAL TIME

CALL MEETING TO ORDER: Chairman Jerry Soholt called the meeting to order. A quorum was present.

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

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

BOARD MEMBERS ABSENT: Karl Adam and Vance Newman.

LEGISLATIVE OVERSIGHT COMMITTEE MEMBERS: Senator Shawn Bordeaux (Sept. 28 only).

OTHERS: See attached attendance sheet.

Andy Bruels introduced grant and loan specialist, Casey Kahler.

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

APPROVE MINUTES OF JUNE 29, 2023, MEETING: Motion by Bernhard, seconded by Gnirk, to approve the minutes of the June 29, 2023, Board of Water and Natural Resources meeting. Motion carried unanimously.

PUBLIC COMMENT PERIOD: Justin Williams, assistant city attorney with the city of Rapid City, read a letter dated September 27, 2023, from Rapid City Mayor Jason Salamun to the Board of Water and Natural Resources in support of the Black Hawk Water User District petition for expansion.

PUBLIC HEARING TO ADOPT THE FFY 2024 BROWNFIELDS REVITALIZATION AND ECONOMIC DEVELOPMENT PROGRAM WORK PLAN: Chairman Soholt opened the hearing at 1:05 p.m. Central Time.

The purpose of the hearing was to receive public input and adopt the FFY 2024 Brownfields Revitalization and Economic Development Program Work Plan. The primary purpose of the work plan is to identify Brownfields projects to be funded through the Brownfields Assessment and Cleanup Subfund and amounts available to fund such projects.

The effect of adoption of the FFY 2024 work plan for the Brownfields Revitalization and Economic Development Program will be to identify projects and procedures for administration of the state's Brownfields funds as provided by the U.S. Environmental Protection Agency. The FFY 2024 work plan outlines information on the Assessment and Cleanup Subfund and a list of projects being assessed or cleaned up using the State Brownfields Assessment and Cleanup Subfund.

Nayyer Syed, DANR Inspection, Compliance and Remediation Program, presented and discussed the proposed FFY 2024 Brownfields Revitalization and Economic Development Work Plan.

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

Notice of the public hearing was published in the Pierre Capital Journal on August 23, 2023, and in the Aberdeen American News and Rapid City Journal on August 24, 2023. Affidavits of Publication were received for these public notices. The notice was also available on the Department of Agriculture and Natural Resources' website. Copies of the work plan were provided to those parties requesting a copy. Mr. Syed noted that no public comments were received after publication of the notice.

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

Mr. Syed answered questions from the board and requested approval of the work plan.

Motion by Gnirk, seconded by Bernhard, to adopt the FFY 2024 Brownfields Revitalization and Economic Development Program Work Plan. Motion carried unanimously.

Dr. Gnirk commended Mr. Syed on the work he does with the Brownfields Program.

Chairman Soholt closed the hearing.

AMENDMENTS TO THE STATE WATER PLAN, 2023 CLEAN WATER STATE REVOLVING FUND AND 2023 DRINKING WATER STATE REVOLVING FUND INTENDED USE PLANS:

Water projects which will require state funding or need state support for categorical grant or loan funding need to be on the State Water Plan. The Board of Water and Natural Resources annually approves projects for placement onto State Water Facilities Plan and provides for amendment of projects onto the plan. Placement of a project on the State Water Plan by the board provides no guarantee of funding. The projects placed on the plan at this meeting will remain on the facilities plan through December 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.

Mr. Bruels presented the three State Water Plan applications that were received by the August 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.

Project Sponsor	Description	Projected State Funding (\$)	Recommendation
Bowdle	Rehabilitation and Repairs for Sewer System	\$405,000	Place on Facilities Plan
Parkston	First Street Utilities	\$2,963,362	Place on Facilities Plan
Weston Heights Homeowners Association	New Spheroid Water Storage Tank (Revised Project Scope)	\$4,834,650	Place on Facilities Plan

Staff recommended amending the three applications listed above on to the State Water Facilities Plan.

Motion by Bernhard, seconded by Gnirk, to place the three projects on the State Water Facilities Plan. Motion carried unanimously.

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

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
9	Parkston	\$1,791,919	3.25%, 30 years
7	Bowdle	\$1,988,133	2.125%, 30 years

Motion by Jones, seconded by Lanning, to approve the addition of Parkston and Bowdle to the Project Priority List of the 2023 Clean Water SRF Intended Use Plan. Motion carried unanimously.

Staff recommended the following project be added to the Project Priority List of the 2023 Drinking Water SRF Intended Use Plan:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
18	Weston Heights Homeowners Association	\$1,544,300	2.125%, 30 years
5	Parkston	\$563,357	3.25%, 30 years

Motion by Gnirk, seconded by Bernhard, to approve the addition of Weston Heights Homeowners Association and Parkston to the Project Priority List of the 2023 Drinking Water SRF Intended Use Plan. Motion carried unanimously.

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

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

Clark Rural Water System (RWS) requested funding for improvements to the town of Raymond's water distribution system including pipe replacement, looping of lines, and installation of water meters and pits. At the completion of the project Clark RWS will take ownership of the Raymond system and serve residents as individual customers.

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

Clark Rural Water System is the applicant for the funds and is ultimately responsible for any debt, however, residents of Raymond will be the sole beneficiary of the project and any debt associated with the project will be repaid by those users. In evaluating the funding request and developing a recommendation for the board, staff focused on rate impacts to the residents of Raymond.

Since this project is to improve Raymond's system, Clark RWS is eligible for the disadvantaged rate and term which is 2.75 percent interest for 30 years.

Staff recommended awarding a \$610,000 Drinking Water SRF loan at 2.75 percent interest for 30 years with 79.6 percent as principal forgiveness not to exceed \$485,000.

Clark RWS pledged system revenue for repayment of the loan. Rates are \$64.50 for 7,000 gallons. Staff analysis indicates that Clark RWS has sufficient revenue at current rates to provide the required 110 percent debt coverage.

Staff reviewed the anticipated impacts to Raymond users from the recommendation, which would have a net loan to be repaid of \$125,000. Based on Raymond's users being Clark RWS individual users, the rates will be \$60.00 for 5,000 gallons usage plus an additional \$14.80 for debt service. This will bring total rates to \$74.80. While this is higher than many communities, Raymond will no

longer have any responsibilities for operation and maintenance of the system. This is consistent with other recent recommendations for system consolidation projects.

Staff recommended the loan being contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage, and contingent upon an Intercreditor Agreement being approved and executed by Cobank, Clark Rural Water System and the Conservancy District.

Steve Arneson, Clark RWS board member representing the town of Raymond, thanked the board for consideration of funding.

Motion by Jones, seconded by Bernhard, to adopt **Resolution No. 2023-96** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$610,000 at 2.75 percent interest for 30 years with 79.6 percent as principal forgiveness not to exceed \$485,000 to **Clark Rural Water System** for improvements to the town of Raymond's water distribution system, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage, and contingent upon an Intercreditor Agreement being approved and executed by Cobank, Clark Rural Water System and the Conservancy District. Motion carried unanimously.

Garretson requested funding for improvements to the water distribution system by replacing 4,020 feet of water main and 42 water services.

The estimated total project amount is \$2,394,000, and the amount requested is \$2,394,000.

Staff recommended awarding a \$2,394,000 Drinking Water SRF loan at 3.00 percent interest for 30 years with 52.8 percent as principal forgiveness not to exceed \$1,264,000.

Garretson pledged a project surcharge for repayment of the loan. Rates are \$64.60 for 5,000 gallons. Staff analysis indicates that a surcharge of \$10.00 is needed for repayment of the \$1,130,000 loan. Staff analysis also shows that Garretson can restructure existing rates and remain at \$64.60 based on 5,000 gallons usage.

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

Motion by Lanning, seconded by Jones, to adopt **Resolution No. 2023-97** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$2,394,000 at 3.00 percent interest for 30 years with 52.8 percent as principal forgiveness not to exceed \$1,264,000 to

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

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

Whitewood requested funding for improvements to its wastewater treatment facility to properly treat wastewater to meet projected permit limits. Improvements have been subdivided into four priority levels, and the city is seeking funding for Priority Level 1 at this time.

Priority Level 1 improvements include the construction of a two-channel oxidation ditch and the installation of a lift station and associated piping to pump wastewater from the primary treatment process to the oxidation ditch.

The estimated total project amount is \$4,150,000, and the amount requested is \$4,150,000.

Staff recommended awarding a \$4,150,000 Clean Water SRF loan at 3.25 percent interest for 30 years with principal forgiveness of 29.8 percent not to exceed \$1,235,000.

Whitewood pledged a project surcharge for repayment of the loan. Rates are \$30.00 for 5,000 gallons usage. Staff analysis indicates that a surcharge of \$30.00 is needed for repayment of the net loan, bringing overall rates to \$60.00 for 5,000 gallons usage.

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

DJ Werlinger, city of Whitewood, thanked the board for consideration of funding for the project.

Ms. McFarling answered questions from Dr. Gnirk regarding the two-channel oxidation ditch.

Motion by Gnirk, seconded by Bernhard, to adopt **Resolution No. 2023-98** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$4,150,000 at 3.25 percent interest for 30 years with 29.8 percent as principal forgiveness not to exceed \$1,235,000 to the **city of Whitewood** 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 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.

Hartford requested funding to construct a wastewater treatment facility. The city was previously awarded funding for this project in April 2022. This application is requesting an additional \$5,750,000 for the original project due to increased construction costs.

The city intends to construct a regional wastewater treatment facility that will treat and discharge residential and industrial waste from Hartford and the surrounding area. The project also includes upgrading the city's gravity collection system, installing a new lift station, and force main to the new facility.

The estimated total project amount is \$23,448,791, and the amount requested is \$5,750,000.

Other funding for the project includes \$599,784 in local ARPA funds, \$936,791 in local cash, \$8,980,784 in state ARPA funds, and a \$7,181,432 Clean Water SRF loan.

Staff recommended awarding a \$5,750,000 Clean Water SRF loan at 3.25 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Hartford are \$73.09 for 5,000 gallons usage. Staff analysis indicates that a surcharge of \$23.40 is needed for repayment of the \$5,750,000 loan, bringing overall rates to \$96.49 for 5,000 gallons usage. Staff noted that the surcharge can likely be reduced in the future as new users, including industrial users, are added to the system.

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 Sidel, city administrator, discussed the project and thanked the board for consideration of funding.

Motion by Gnirk, seconded by Jones, to adopt **Resolution No. 2023-99** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$5,750,000 at 3.25 percent interest for 30 years to the **city of Hartford** for the construction of a wastewater treatment facility, 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.

Hecla requested funding to clean and televise the wastewater lines and to reconstruct the existing sanitary sewer collection system. This includes replacing vitrified clay, asbestos-cement, and cast iron sewer piping with polyvinyl chloride (PVC) pipe and replacing the manholes.

The estimated total project amount is \$4,000,000, and the amount requested is \$4,000,000.

Staff recommended that the board defer action on this application.

Ms. McFarling stated that staff does not believe it is feasible to provide funding on the full project scope identified in the application and still keep the rates reasonable. Staff has asked Hecla to review the project and submit a revised application to reduce the project scope and look at project phasing.

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 Hecla application to the board at the January 2024 meeting, which meets that requirement.

Motion by Gnirk, seconded by Bernhard, to defer the Hecla application until the January 2024 board meeting. Motion carried unanimously.

Garretson requested funding to replace 5,460 feet of sanitary sewer and 1,000 feet of storm sewer. The project will be done in conjunction with the reconstruction of several streets throughout the city.

The estimated total project amount is \$2,593,000, and the amount requested is \$2,593,000.

Staff recommended awarding a \$2,593,000 Clean Water SRF loan at 3.25 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Garretson are \$64.45 for 5,000 gallons. Staff analysis indicates that a surcharge of \$25.00 is needed for repayment of the loan. However, staff believes rates could be restructured and stay at the current rate of \$64.45 for 5,000 gallons usage.

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

Motion by Lanning, seconded by Jones, to adopt **Resolution No. 2023-100** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,593,000 at 3.25 percent interest for 30 years to the **city of Garretson** for a sanitary sewer and storm sewer 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.

Claremont requested funding to replace a portion of the storm sewer lines and make improvements to the lift station.

The estimated total project amount is \$505,000, and the amount requested is \$505,000.

Staff recommended awarding a \$505,000 Clean Water SRF loan at 3.25 percent interest for 30 years with principal forgiveness of 60.6 percent not to exceed \$306,000.

Claremont pledged a project surcharge for repayment of the loan. Claremont has a \$51.70 per month flat rate. Staff analysis indicates that a surcharge of \$15.65 is needed for repayment of the loan, which would take rates to \$67.35. However, staff believes rates could be restructured to a rate of approximately \$60.00 per month.

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.

Jason Spencer, town of Claremont trustee, thanked the board for consideration of funding for the project.

Motion by Jones, seconded by Bernhard, to adopt **Resolution No. 2023-101** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$505,000 at 3.25 percent interest for 30 years with 60.6 percent as principal forgiveness not to exceed \$306,000 to the **town of Claremont** for storm sewer and lift station improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried unanimously.

SMALL WATER FACILITIES FUNDING APPLICATION: Mr. Bruels presented the application and staff recommendation.

Medicine Mountain Scout Ranch requested funding to increase the water supply to meet permitted pumping capacity of 20 gallons per minute. The project will furnish and install approximately 120 feet of 24-inch perforated high density polyethylene (HDPE) pipe encased in gravel to construct an infiltration gallery for additional water supply.

The estimated total project amount is \$73,000, and the amount requested is \$73,000.

The Medicine Mountain Scout Ranch is a private, non-profit entity, and the water system is used for only a portion of the year for non-residential use by scouts and other associated personnel to support the scout activities.

Mr. Bruels stated that this is not for primary residential in-home water use, and DANR staff does not believe it is appropriate to recommend grant funding for the water system improvements for this type of activity. This type of system, on the whole, is a lower priority to receive funding, and providing of grant funds may set a precedent that other non-residential use systems that do not pay individually for the water being used receive grant funding in the future.

Staff recommended awarding a \$73,000 Consolidated loan at 3.25 percent interest for 30 years.

Medicine Mountain Scout Ranch pledged system revenue for repayment of the loan. Staff analysis indicates that current revenues for the organization are not able to support any level of loan funding. Staff will require in the recommended contingencies a dedicated source of revenue to be established and assure repayment for the life of the loan.

To assure the organization moves forward with necessary steps to close the loan in a timely manner, staff recommended an additional contingency that sets a timeframe for the organization to meet other contingencies. If this timeframe is not met, staff will bring the loan back to the board for potential de-obligation.

Staff recommended the loan being contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage, contingent upon providing financials that present adequate and consistent revenue, and contingent upon being able to meet other contingencies within a six-month timeframe. If the six-month timeframe is not met, loan funds will be de-obligated.

Mr. Bruels answered questions from the board.

Motion by Gnirk, seconded by Bernhard, to adopt **Resolution No. 2023-102** approving a South Dakota Consolidated Water Facilities Construction Program loan agreement not to exceed \$73,000 at 3.25 percent interest for 30 years to **Medicine Mountain Scout Ranch** for a water supply 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, contingent upon providing financials that present adequate and consistent revenue, and contingent upon being able to meet other contingencies within a six-month timeframe. If the six-month timeframe is not met, loan funds will be de-obligated. Motion carried unanimously.

BROOKINGS-DEUEL RURAL WATER SYSTEM ADDITIONAL FUNDING REQUEST
DRINKING WATER SRF LOAN C462453-04 Holly Briggs reported that on April 13, 2022, Brookings-Deuel Rural Water System (RWS) was awarded a \$5,607,560 Drinking Water SRF loan and a \$2,703,240 APRA grant for the phase tank mainline project.

On July 7, 2023, the Department of Agriculture and Natural Resources received a letter from Brookings-Deuel RWS requesting that Drinking Water SRF loan C462453-04 be amended to include an additional \$1,600,000 due to increased construction bids, bringing the total requested amount to \$7,207, 560.

Staff recommended the board rescind Resolution No. 2022-47, which awarded the original Drinking Water SRF loan, and award a \$7,207,560 Drinking Water SRF loan at 2.125 percent interest for 30 years.

Brookings-Deuel RWS is pledging system revenue for repayment of the loan. With the current rates of \$60.50 for 7,000 gallons usage, the rural water system would achieve the required 110 percent debt coverage.

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 an intercreditor agreement being approved and executed by Rural Utilities, Cobank, Brookings-Deuel Rural Water System and the Conservancy District.

Patrick Deering, DGR Engineering, thanked the board for consideration of the funding request.

Motion by Bernhard, seconded by Lanning, to rescind Resolution No. 2022-47 and adopt **Resolution No. 2023-103** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$7,207,560 at 2.125 percent interest for 30 years to the **Brookings-Deuel Rural Water System** for the phase tank mainline 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 resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage, and contingent upon an intercreditor agreement being approved and executed by Rural Utilities, Cobank, Brookings-Deuel Rural Water System and the Conservancy District. Motion carried unanimously.

WESTON HEIGHTS HOMEOWNERS ASSOCIATION ADDITIONAL FUNDING REQUEST FOR DRINKING WATER SRF LOAN C462495-01: Abbey Larson reported that on June 23, 2022, Weston Heights Homeowners Association was awarded a \$580,650 Drinking Water SRF loan and a \$3,290,350 ARPA grant for the new water storage reservoir project.

On July 24, 2023, the Department of Agriculture and Natural Resources received a letter from the Weston Heights Homeowners Association stating that a revised engineer's opinion of probable estimated project costs had been prepared, and project costs would be higher than originally expected. The project scope has also been amended to include additional distribution line work to connect the new tower to the distribution system.

Weston Heights Homeowners Association is requesting an additional \$963,650 to cover the remainder of the project cost. This increase will bring the total project amount to \$4,834,650.

Staff recommended the board rescind Resolution No 2022-408, which awarded the original Drinking Water SRF loan, and award a \$1,479,938 Drinking Water SRF loan at 2.125 percent interest for 30 years with 26.7 percent principal forgiveness not to exceed \$393,938, and that the board award a \$64,362 SRF Drinking Water Grant.

Weston Heights pledged system revenues for repayment of the loan. Current rates are \$75.00 per month. At the recommended funding level, staff analysis indicates Weston Heights will not need to increase rates.

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 the repayment of the loan and contingent upon the borrower approving a security agreement and mortgage.

Jay Evenson, vice president of Weston Heights Homeowners Association, discussed the project and thanked the board for consideration of the funding request.

Motion by Gnirk, seconded by Bernhard, to rescind Resolution No. 2022-408 and adopt **Resolution No. 2023-104** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,479,938 at 2.125 percent interest for 30 years with 26.7 percent as principal forgiveness not to exceed \$393,938 to the **Weston Heights Homeowners Association** for the new water storage reservoir 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 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 to adopt **Resolution No. 2023-105** approving an SRF Drinking Water Grant for up to 1.4 percent of all approved total project costs not to exceed \$64,362 for the new water storage reservoir project. Motion carried with Bernhard, Gnirk, Lanning, and Soholt voting aye. Jones abstained.

BOWDLE ADDITIONAL FUNDING REQUEST FOR CLEAN WATER SRF LOAN C461243-0:
Megan Briggs reported that on April 13, 2022, the city of Bowdle was awarded a \$1,583,133 Clean Water SRF loan and a \$762,176 ARPA grant for the wastewater improvements project.

On August 1, 2023, the Department of Agriculture and Natural Resources received a letter from the city of Bowdle requesting that scope of the project be amended to include the installation of a new lift station and force main to prevent surcharging of the outfall line to the wastewater treatment lagoons. The letter also included a request that Clean Water SRF loan C461243-01 be amended to include an additional \$405,000. The additional funding is to cover abandonment of the old gravity

sewer outfall line to the treatment ponds and the implementation of a new lift station and force main.

This increase will bring the total project amount to \$2,750,309.

Staff recommended the board rescind Resolution No. 2022-37, which awarded the original Clean Water SRF loan, and award a \$1,988,133 Clean Water SRF loan at 2.125 percent interest for 30 years with the revised project scope.

The city pledged a project surcharge for repayment of the loan. Current rates in Bowdle are \$60.00 per month. Staff analysis indicates that the city will have to establish a surcharge of approximately \$30.00. Staff analysis also indicates that rates can be restructured to remain at the current \$60.00 per month.

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 that the board approve amendment of the scope of ARPA grant agreement 2022G-ARP-113 to include a lift station and fore main to convey wastewater to the treatment lagoons.

Peter Adair, IMEG Corp., thanked the board for consideration of funding and amendment of the scope of the project.

Motion Jones, seconded by Bernhard, to rescind Resolution No. 2022-37 and adopt **Resolution No. 2023-106** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,988,133 at 2.125 percent interest for 30 years to the **city of Bowdle** for the wastewater improvements project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage; and to adopt **Resolution No. 2023-107** approving amendment of American Rescue Plan Act Grant Agreement 2022G-ARP-113 to amend the scope of the project to include a lift station and fore main to convey wastewater to the treatment lagoons. Motion carried unanimously.

RESCIND BROOKINGS CLEAN WATER SRF LOAN C461019-11: Tina McFarling reported that on April 13, 2022, the board awarded a \$4,000,000 Clean Water SRF loan to the city of Brookings for its 34th Avenue wastewater collection improvement project.

On May 12, 2022, the Department of Agriculture and Natural Resources received a letter from the city of Brookings requesting to de-obligate the loan. The letter stated the city will use other funds for this project.

Staff recommended the board rescind Resolution No. 2022-43 which awarded the Clean Water SRF loan for this project.

Motion by Bernhard, seconded by Jones, to rescind Resolution No. 2022-43. Motion carried unanimously.

RESCIND CASTLEWOOD'S DRINKING WATER SRF LOAN C462246-01: Ms. McFarling reported that on March 25, 2021, the board awarded an \$800,000 Drinking Water SRF loan to the city of Castlewood for a water tower rehabilitation project and 6,500 feet of water main replacement project.

On August 9, 2023, the department received a letter from the city of Castlewood requesting to de-obligate the loan. The city stated they will utilize only ARPA funds for the project.

Staff recommended the board rescind Resolution No. 2021-52 which awarded the Drinking Water SRF loan for this project.

Motion by Lanning, seconded by Bernhard, to rescind Resolution No. 2021-52. Motion carried unanimously.

RESCIND CHESTER SANITARY DISTRICT'S DRINKING WATER SRF LOAN C462073-01: Ms. McFarling reported that on March 30, 2023, the Board of Water and Natural Resources awarded a \$2,342,000 Drinking Water SRF loan with 62.5 percent principal forgiveness not to exceed \$1,462,000 to the Chester Sanitary District for its water tower replacement project.

On July 1, 2023, the department received a letter from the Chester Sanitary District requesting to de-obligate the loan.

Staff recommended the board rescind Resolution No. 2023-36 which awarded the Drinking Water SRF loan for this project.

Motion by Bernhard, seconded by Gnirk, to rescind Resolution No. 2023-36. Motion carried unanimously.

RESCIND NORTH SIOUX CITY'S DRINKING WATER SRF LOAN C462009-01: Ms. McFarling reported that on April 27, 2020, the board awarded a \$2,700,000 Drinking Water SRF loan to the city of North Sioux City for its new water tower project.

On July 24, 2023, the department received a letter from the city of North Sioux City requesting to de-obligate the loan. The letter stated the city is planning on connecting with the Dakota Dunes Community Improvement District water system and the new water tower will not be necessary.

Staff recommended the board rescind Resolution No. 2020-68, which awarded the Drinking Water SRF loan for this project.

Motion by Gnirk, seconded by Bernhard, to rescind Resolution No. 2020-68. Motion carried unanimously.

Ms. McFarling provided a recap of available funds.

CAPACITY DEVELOPMENT FOR PUBLIC WATER AND WASTEWATER SYSTEM

REQUESTS FOR PROPOSALS: SDCL 5-18D-17 provides that state agencies may not award or renew a contract for professional services exceeding \$50,000 without complying with the procedures set forth in Sections 5-18D-17 to 5-18D-22, inclusive.

Ms. McFarling reported that a draft “Request for Proposal (RFP) to Provide Capacity Development for Public Water and Wastewater Systems” was provided as part of the board packet for the board’s review.

The following is an estimated timeline for the RFP process:

- RFP advertised – October 2, 2023
- RFP submittal deadline – November 17, 2023
- Contractor selection – January 4, 2024 (Staff will review the submitted proposals and be prepared to make a consultant selection recommendation to the board at this board meeting.)
- Contract execution – January 31, 2024

The primary objective of this RFP is to seek proposals from qualified contractors to provide assistance to public water and wastewater systems in South Dakota as part of the capacity development strategy. This process is to gain and maintain adequate technical, managerial, and financial capacity for the safe operation and upkeep of public water and wastewater systems. Some tasks include, but are not limited to, providing board training, review of rate structures, provide assistance in water loss, vulnerability assessments, emergency response plans, chemical safety plans, financial training, and record keeping.

The department has used a technical assistance provider for these services since the early 2000’s and this is soliciting proposals for a new contract term.

Staff recommended the board authorize distribution of the RFP to provide capacity development for public water and wastewater systems.

Motion by Gnirk, seconded by Jones, to authorize the department to distribute the RFP to provide capacity development for public water and wastewater systems. Motion carried unanimously.

STATE FISCAL YEAR 2023 STATE REVOLVING FUND PROGRAMS REPORT TO THE

INTERIM BOND REVIEW COMMITTEE: Ms. McFarling reported that the South Dakota Conservancy District is required to present an annual report to the Legislature’s Interim Bonding Review committee at its meeting in November 2023.

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

Ms., McFarling presented the SFY 2023 report. She discussed the following highlights of the report.

The board awarded 46 Drinking Water SRF loans and five loan amendments totaling \$276,658,747. The board awarded 24 Clean Water SRF loans and three loan amendments totaling \$104,182,037. This is a total of 70 loans, eight loan amendments, and a total award of \$380,840,784.

In October 2022, bids were received for the 2022 Bond Issues. The Series A-taxable revenue bonds provided \$7.7 million in Clean Water SRF state match funds, \$12.9 million in Drinking Water SRF state match funds, and \$38.2 million in leveraged proceeds for the Drinking Water SRF program for Private Activity Borrowers. The Series B-tax-exempt revenue bonds provided \$72.9 million in leveraged proceeds for the Clean Water SRF program and \$35.1 million in leveraged proceeds for the Drinking Water SRF program.

Currently there are 10 outstanding bond series with an overall principal balance of \$474,615,000.

Staff recommended that the board approve the SFY 2023 State Revolving Fund Programs report to the Interim Bonding Review Committee and authorize distribution of the report upon receipt of the financial statements.

Motion by Bernhard, seconded by Gnirk, to approve the SFY 2023 State Revolving Funds report to the Interim Bonding Review Committee and authorize distribution of the report upon receipt of the financial statements. Motion carried unanimously.

UPDATE AUTHORIZED REPRESENTATIVES TO ACT ON BEHALF OF THE BOARD OF WATER AND NATURAL RESOURCES AND THE SOUTH DAKOTA CONSERVANCY DISTRICT: Mr. Bruels reported that in May 2019, staff worked with the Attorney General's Office to create a document that designated authorized representatives to perform specific duties on behalf of the Board and the Conservancy District.

Specific staff are authorized to perform duties on behalf of the board and the Conservancy District through a series of forms from the Trustee, U.S. Bank, and designation letters from the Department Secretary.

Due to staff changes, the Authorized Representative's document needs to be updated. Attached is the document outlining the designated staff for certain activities.

Staff recommended the board approve the updated Authorized Representatives document outlining authority for staff to perform specific duties on behalf of the Board of Water and Natural Resources and the South Dakota Conservancy District.

Motion by Gnirk, seconded by Bernhard, to authorize the board chairman and board secretary to execute the Authorized Representative(s) document outlining authority for staff to perform specific duties on behalf of the Board of Water and Natural Resources and the South Dakota Conservancy District. Motion carried unanimously.

ELECTION OF OFFICERS: Dr. Gnirk nominated Jerry Soholt as chairman, Gene Jones as vice chairman, and Todd Bernhard as secretary.

There were no other nominations.

Motion by Lanning, seconded by Jones, to cast a unanimous vote for the slate of officers as nominated. Motion carried unanimously.

NOVEMBER 8, 2023, MEETING: Ms. McFarling discussed possible agenda items for the November 8, 2023, board meeting.

Chairman Soholt declared the meeting in recess until 1:00 p.m. on September 29.

SEPTEMBER 29, 2023 – 1:00 P.M. CENTRAL TIME

Chairman Soholt called the meeting back to order. The roll was called, and a quorum was present.

REVIEW OF THE BLACK HAWK WATER USER DISTRICT EXPANSION PETITION: Andy Bruels reported that on April 3, 2023, DANR received a petition and supporting documentation to add additional territory to the Black Hawk Water User District. An amended petition was submitted on July 27, 2023.

Upon receipt of the petition, it is the duty of the Board of Water and Natural Resources to review the submission and act upon the request as required by SDCL 46A-9-23.

SDCL 46A-9-19 through 46A-9-23 details the following requirements to allow for the extension of a water user district.

1. A Petition signed by at least twenty-five percent of the landowners in the area to be included.
2. A resolution by the Black Hawk Water User District board of directors approving the addition of territory to the district.
3. A map showing the additional territory to be included in the district.
4. Publication of the petition in a newspaper in each county to have area included in the additional territory for two successive weeks, the last date of publication must be at least thirty days prior to the Board of Water and Natural Resources' consideration.

Mr. Bruels stated that DANR staff verified the validity of the landowners' signatures to verify compliance with SDCL 46A-9-20, and staff certifies that the petition contains the required twenty-five percent of valid landowner signatures.

DANR received a copy of the resolution and the amended resolution passed by the Black Hawk Water User District board of directors dated November 10, 2022, and July 26, 2023, respectively, and a map showing the lands to be included in the district.

Affidavits of Publication from the Faith Independent newspaper, which is the newspaper of general circulation in the county, verify the petition was published in the newspaper for two successive weeks; August 16 and 23, 2023.

SDCL §46A-9-16 requires the board to, within 90 days of the petition:

1. Determine whether the petition is feasible and conforming to the public convenience and welfare or not.
2. If the board determines the petition is not feasible and conforming to the public convenience and welfare, it must be dismissed.
3. If the board determines the petition is feasible and conforming to the public convenience and welfare the board shall immediately execute a certificate, in duplicate, setting forth a true copy of the petition and declaring that the petition is approved.

Mr. Bruels stated that, based on the procedural steps taken to this point, staff recommended that the board execute a certificate of approval, approving the extension of the Black Hawk Water User District boundaries. The certificate will be filed with the Secretary of State and copies provided to Meade County.

Ken LeBon, manager of the Black Hawk Water User District, Talbot Wiczorek, counsel for the Black Hawk Water User District, and Joe Noble, AE2S, answered questions from the board regarding the boundaries of the water user district and the reasons for expansion.

Motion by Bernhard, seconded by Gnirk, that the board execute a certificate of approval, approving the extension of the Black Hawk Water User District boundaries. Motion carried unanimously.

REVIEW OF THE TRIPP COUNTY WATER USER DISTRICT EXPANSION PETITION: Mr. Bruels reported that on April 3, 2023, DANR received a petition and supporting documentation to add additional territory to the Tripp County User District.

Upon receipt of the petition, it is the duty of the Board of Water and Natural Resources to review the submission and act upon the request as required by SDCL 46A-9-23.

SDCL 46A-9-19 through 46A-9-23 details the following requirements to allow for the extension of a water user district.

1. A Petition signed by at least twenty-five percent of the landowners in the area to be included.
2. A resolution by the Tripp County Water User District board of directors approving the addition of territory to the district.
3. A map showing the additional territory to be included in the district.
4. Publication of the petition in a newspaper in each county to have area included in the additional territory for two successive weeks, the last date of publication must be at least thirty days prior to the Board of Water and Natural Resources' consideration.

Mr. Bruels stated that DANR staff verified the validity of the landowners' signatures to verify compliance with SDCL 46A-9-20, and staff certifies that the petition contains the required twenty-five percent of valid landowner signatures.

DANR received a copy of the resolution passed by the Tripp County Water User District board of directors dated July 10, 2023, and a map showing the lands to be included in the district.

Affidavits of Publication from the following newspapers, which are the newspapers of general circulation in the county, verify the petition was published in the newspaper for two successive weeks.

Gregory County: Times-Advocate on August 9 and 16, 2023

Lyman County: Lyman County Herald on August 9 and 16, 2023

Mellette County: Mellette County News on August 9 and 16, 2023

Todd County: Todd County Tribune on August 9 and 16, 2023

Tripp County: Winner Advocate on August 9 and 16, 2023

SDCL §46A-9-16 requires the board to, within 90 days of the petition:

1. Determine whether the petition is feasible and conforming to the public convenience and welfare or not.
2. If the board determines the petition is not feasible and conforming to the public convenience and welfare, it must be dismissed.
3. If the board determines the petition is feasible and conforming to the public convenience and welfare the board shall immediately execute a certificate, in duplicate, setting forth a true copy of the petition and declaring that the petition is approved.

Mr. Bruels stated that, based on the procedural steps taken to this point, staff recommended that the board execute a certificate of approval, approving the extension of the Tripp County Water User District boundaries. The certificate will be filed with the Secretary of State and copies provided to the county auditor in Gregory, Lyman, Mellette, Todd, and Tripp counties.

Tim Engel, counsel for Tripp County Water User District, Craig Covey, president of the Board of Directors, Roger Kingsbury, treasurer, and Lisa Steele, general manager, were present on behalf of the Tripp County Water User District. Mr. Engel answered questions from the board regarding the boundaries of the water user district and the reasons for expansion.

Motion by Bernhard, seconded by Jones, that the board execute a certificate of approval, approving the extension of the Tripp County Water User District boundaries. Motion carried unanimously.

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

Approved November 8, 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 9-28-23

LOCATION Matthew Training Center- Pierre

Name (PLEASE PRINT)	Address	Representing
PAUL GNIRK	New Underwood	BWNR
Andy Brvels	Pierre	DANR
Julie M Johnson	Mina	WEB Water-
TODD BEANHARD	FORT PIERRE	BWNR
Steve Arnesen	Florence, SD	Clark Rural Water
Holly Briggs	Pierre, SD	DANR
Shayenne Ritzman	Pierre, SD	DANR
Tina McFarling	Pierre, SD	DANR
Megan John Briggs	Pierre, SD	DANR
Jermy Scholt	SioxFalls	DANR
Casey Kahler	Pierre, SD	DANR
Macy Jo Peterson	Pierre, SD	DANR
Nayyer Syed	Pierre	DANR
Suzanne McKinley	Pierre	DANR
DAN GERHARDT	PIERRE	DANR
Mike Perkovich	Pierre	Brosz Engineering
Karin Zhar	Pierre	DANR
Terry Horvath	Pierre	DANR

BOARD OF WATER AND NATURAL RESOURCES ATTENDANCE SHEET

DATE 9-29-23

LOCATION Matthew Training Center- Pierre

Name (***PLEASE PRINT***)

Address

Representing

Andy Bovel Pierre DANR

Paul Gnirk New Underwood BWMR

Jerry Scholt Seven Falls BWNR



Shayenne Kitzman Pierres DANIZ

Tina McFarling Pierce DAN'R

TORO BERNHARD	FRAT. PERAZ	BANK
		BWALP

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1000 STEPH	1100000	1000000

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3rd Street	Hamill	TOWNS

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	10000	10000

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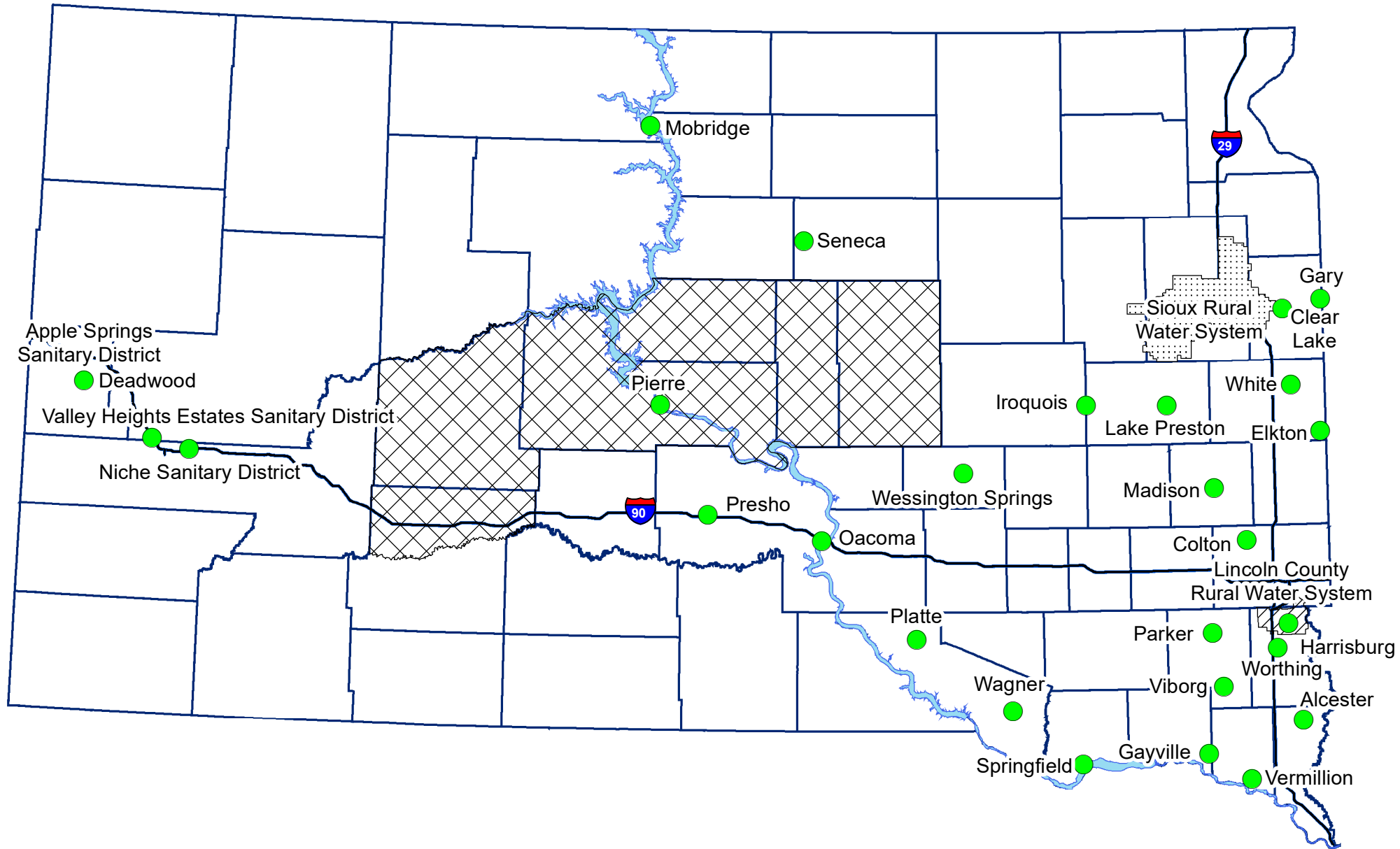
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Mean Bros Pierre DANK

Cheryl Chisone Rapid City WDRW 5-

State Water Plan

November 2023



TITLE: 2024 State Water Plan Applications

EXPLANATION: Water projects that will require state funding or need state support for categorical grant or loan funding must be on the State Water Plan. At its November planning meeting, the Board of Water and Natural Resources approves projects for placement on the next year's State Water Facilities Plan. The projects placed on the plan at this meeting will remain on the facilities plan through December 2025.

Placement of a project on the State Water Plan by the board provides no guarantee of funding. The applications shown below have been received for placement on the 2024 State Water Plan.

- | | |
|---|--|
| a. Aberdeen | w. Niche Sanitary District |
| b. Alcester | x. Oacoma - water |
| c. Apple Springs Sanitary District - wastewater | y. Oacoma - wastewater |
| d. Apple Springs Sanitary District - water | z. Parker - water |
| e. Clear Lake - wastewater | aa. Parker - wastewater |
| f. Clear Lake - water | bb. Pierre |
| g. Colton - water | cc. Platte |
| h. Colton - wastewater | dd. Presho |
| i. Dakota Mainstem Regional Water System | ee. Seneca |
| j. Deadwood | ff. Sioux Rural Water System |
| k. Elkton - water | gg. Springfield |
| l. Elkton - wastewater | hh. Valley Heights Estates Sanitary District |
| m. Gary | ii. Vermillion – Tom Street Sewer Basin |
| n. Gayville | jj. Vermillion – Northeast Sewer Basin |
| o. Harrisburg | kk. Viborg |
| p. Iroquois | ll. Wagner |
| q. Lake Preston - wastewater | mm. Wessington Springs |
| r. Lake Preston - water | nn. Western Dakota Regional Water System |
| s. Lincoln County Rural Water System | oo. White |
| t. Madison - water | pp. Worthing - wastewater |
| u. Madison - wastewater | qq. Worthing - water |
| v. Mobridge | |

RECOMMENDED ACTION: Approve staff recommendations for placement of projects onto the 2024 State Water Facilities Plan.

CONTACT: Andy Bruels, 773-4216

State Water Plan Application

Applicant: City of Aberdeen Address: 123 S. Lincoln St Aberdeen, SD 57401	Proposed Funding Package <div style="display: flex; justify-content: flex-end;"> <div>Projected State Funding</div> <div style="border-bottom: 1px solid black; text-align: right;">10,870,000</div> </div> <div style="display: flex; justify-content: flex-end; margin-top: 10px;"> <div>Local Cash</div> <div style="border-bottom: 1px solid black; text-align: right;"></div> </div> <div style="display: flex; justify-content: flex-end; margin-top: 10px;"> <div>Other: EDA</div> <div style="border-bottom: 1px solid black; text-align: right;">2,000,000</div> </div> <div style="display: flex; justify-content: flex-end; margin-top: 10px;"> <div>Other: _____</div> <div style="border-bottom: 1px solid black; text-align: right;"></div> </div> <div style="display: flex; justify-content: flex-end; margin-top: 10px;"> <div>TOTAL</div> <div style="border-bottom: 1px solid black; text-align: right;">12,870,000</div> </div>
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Project Title: Aberdeen Water Tower and Transmission Line Project

Description: (Include present monthly utility rate.)

The City of Aberdeen is proposing to construct a 1.5 million gallon elevated tower with 16 inch transmission lines in the northeast part of Aberdeen to help with need for additional water for existing users in that part of town.

The current water rates for Aberdeen are \$33.25 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.

Robin Bobzien, City Manager

 Name & Title of Authorized Signatory
 (Typed)



 Signature

9/28/23

 Date

State Water Plan Application

Applicant: City of Alcester Address: P.O. Box 318 Alcester, SD 57001-0318	Proposed Funding Package <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Projected State Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$3,772,400</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td>Other:</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td>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;">\$3,772,400</td> </tr> </table>	Projected State Funding	\$3,772,400	Local Cash		Other:		Other:		TOTAL	\$3,772,400
Projected State Funding	\$3,772,400										
Local Cash											
Other:											
Other:											
TOTAL	\$3,772,400										

Project Title: Collection System Improvements Project

Description: (Include present monthly utility rate.)

Alcester's Phase I sanitary sewer collection system improvements consist of the following open-cut sanitary sewer replacement:

- Ofstad Street from 1st Street to 301st Street
- Alley between Ofstad St. and Union St. from 1st Street to 301st Street
- Alley between Union St. and Broad St. from 1st Street to 301st Street
- First Street from Ofstad Street to the alley east of Iowa Street

In Ofstad and First Streets, the cost estimate assumes the project would remove and replace half the asphalt pavement. It also includes replacement of lateral service lines from the main to the right-of-way. Finally, it assumes that a portion of the existing manholes will require replacement. Phase 1 also televises the entire collection system to determine the condition of aging sewer pipes. This information will allow the City to prioritize needs and refine the costs identified for future sanitary sewer improvements.

The current monthly wastewater rate for a 5,000 gallon user is \$66.98.

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.

Lukas Driesen, Mayor

Name & Title of Authorized Signatory
(Typed)


Signature

9-25-2023
Date

RECEIVED

SD EForm - 0487LD V4

AUG 03 2023

Department of Agriculture
and Natural Resources

State Water Plan Application

Applicant:

Apple Springs Sanitary District

Address:

12267 Stagecoach Trail
Sturgis, SD 57785

Proposed Funding Package

Projected State Funding \$1,319,000

Local Cash _____

Other: _____

Other: _____

TOTAL \$1,319,000

Project Title: Wastewater Collection & Treatment System Acquisition

Description: (Include present monthly utility rate.)

Apple Springs Sanitary District is intending to purchase and assume operations of the existing wastewater collection and treatment system servicing the Apple Springs Subdivision, located in Lawrence County, SD. The existing system is currently owned by H2O Clear Solutions, LLC, who is the original developer of the subdivision.

The sanitary sewer system includes the wastewater collection network (sewer mains, sewer service lines, manholes, and cleanouts) and wastewater treatment plant. The existing wastewater collection and treatment system is functioning properly. The value of the existing system was evaluated, taking into consideration annual depreciation, life cycle of the components, initial and extended costs, etc. (see attached wastewater system study).

Current sewer rates are \$125/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.

Tom Law, President

Name & Title of Authorized Signatory
(Typed)

Signature

Date

RECEIVED

SD EForm - 0487LD V4

AUG 03 2023

Department of Agriculture
and Natural Resources

State Water Plan Application

Applicant:

Apple Springs Sanitary District

Address:

12267 Stagecoach Trail
Sturgis, SD 57785

Proposed Funding Package

Projected State Funding \$643,000

Local Cash

Other:

Other:

TOTAL \$643,000

Project Title: Water Supply & Distribution System Acquisition

Description: (Include present monthly utility rate.)

Apple Springs Sanitary District is intending to purchase and assume operations of the existing water supply and distribution system servicing the Apple Springs Subdivision, located in Lawrence County, SD. The existing system is currently owned by H2O Clear Solutions, LLC, who is the original developer of the subdivision.

The various water system assets include one well, distribution piping (water mains and service lines), gate valves, fire hydrants, booster pump station, treatment system, and water reservoir/storage tank. Overall, the condition of the complete system is considered good. The full system is in functioning condition and meets the demands of the current residences as well as has the potential to supply the future expansion of the subdivision. The value of the existing system was evaluated, taking into consideration annual depreciation, life cycle of the components, initial and extended costs, etc. (see attached water distribution system study).

Current water rates are \$80 for 6,000 gallons/month.

The Applicant Certifies That:

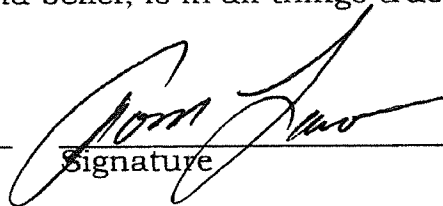
I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Tom Law, President

Name & Title of Authorized Signatory
(Typed)

Signature

Date



7/18/2023

State Water Plan Application

Applicant: City of Clear Lake Address: 125 Third Avenue South PO Box 107 Clear Lake, SD 57226-0107	Proposed Funding Package <div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;">Projected State Funding</div> <div style="border-bottom: 1px solid black; text-align: right; width: 150px;">\$11,674,600</div> </div> <div style="display: flex; justify-content: flex-end; margin-top: 10px;"> <div style="text-align: right;">Local Cash</div> <div style="border-bottom: 1px solid black; text-align: right; width: 150px;"></div> </div> <div style="display: flex; justify-content: flex-end; margin-top: 10px;"> <div style="text-align: right;">Other:</div> <div style="border-bottom: 1px solid black; text-align: right; width: 150px;"></div> </div> <div style="display: flex; justify-content: flex-end; margin-top: 10px;"> <div style="text-align: right;">Other:</div> <div style="border-bottom: 1px solid black; text-align: right; width: 150px;"></div> </div> <div style="display: flex; justify-content: flex-end; margin-top: 10px;"> <div style="text-align: right;">TOTAL</div> <div style="border-bottom: 1px solid black; text-align: right; width: 150px;">\$11,674,600</div> </div>
---	---

Project Title: Wastewater Project

Description: (Include present monthly utility rate.)

The City of Clear Lake has done a significant amount of sewer rehabilitation over the years but the wastewater treatment system continues to be hydraulically overloaded. This causes a lack of treatment time in the existing WWTF consisting of a two-cell lagoon followed by an artificial wetland. Additional treatment is needed to meet discharge limits. At this time, tertiary wastewater treatment alternatives are being considered including a SAGR, MBBR, a LemTec covered aerated pond system. Staff plan to visit existing facilities in the Midwest ahead of preliminary design to make a final process selection. A disinfection system may also be needed, depending on the selected process, to meet bacterial limits and has been included with the project costs.

The City of Clear Lake also plans to address storm water drainage in two basins, one in the northwest area of the City and one in the southeast. Improvements include curb and gutter, storm sewer intakes, storm sewer pipe and appurtenances.

The current monthly wastewater rate for a 5,000 gallon residential user is a flat rate of \$48.15.

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.

Lisa Lundberg, Mayor

Name & Title of Authorized Signatory
(Typed)

Signature

09/30/2023

Date

State Water Plan Application

Applicant: City of Clear Lake Address: 125 Third Avenue South PO Box 107 Clear Lake, SD 57226-0107	Proposed Funding Package <div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;">Projected State Funding</div> <div style="border-bottom: 1px solid black; text-align: right; width: 150px;">\$5,524,200</div> </div> <div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;">Local Cash</div> <div style="border-bottom: 1px solid black; text-align: right; width: 150px;"></div> </div> <div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;">Other:</div> <div style="border-bottom: 1px solid black; text-align: right; width: 150px;"></div> </div> <div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;">Other:</div> <div style="border-bottom: 1px solid black; text-align: right; width: 150px;"></div> </div> <div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;">TOTAL</div> <div style="border-bottom: 1px solid black; text-align: right; width: 150px;">\$5,524,200</div> </div>
---	---

Project Title: Water Distribution System Improvements

Description: (Include present monthly utility rate.)

The City of Clear Lake has a water distribution system consisting of primarily cast iron pipe and asbestos cement pipe that is beyond it's useful life. The City proposes to replace existing water distribution main with new polyvinyl chloride pipe, new hydrants, new valves and appurtenances. Two areas are proposed for water distribution system improvements, Phase 1A in the northwest part of the city and Phase 1B is an area in the southeast part of the city. The water main replacements in these areas are proposed to be in conjunction with storm sewer improvements.

The current monthly residential water rate for 5,000 gallons of usage is \$58.90.

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.

Lisa Lundberg, Mayor

Name & Title of Authorized Signatory
(Typed)


Signature

09/30/2023

Date

State Water Plan Application

Applicant: City of Colton Address: 309 E. 4th Street. Colton, SD 57018	<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="width: 60%; text-align: right;">Projected State Funding</td> <td style="border-bottom: 1px solid black; text-align: right;">\$765,063.00</td> </tr> <tr> <td style="text-align: right;">Local Cash</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; border-top: 1px solid black;">TOTAL</td> <td style="border-top: 1px solid black; border-bottom: 1px solid black; text-align: right;">\$765,063.00</td> </tr> </table>	Proposed Funding Package		Projected State Funding	\$765,063.00	Local Cash		Other:		Other:		TOTAL	\$765,063.00
Proposed Funding Package													
Projected State Funding	\$765,063.00												
Local Cash													
Other:													
Other:													
TOTAL	\$765,063.00												

Project Title: 4th Street Water Infrastructure Improvements

Description: (Include present monthly utility rate.)

The City of Colton is proposing to replace approximately 1,180 LF of existing 8" cast iron pipe that services their main business district on 4th St between Charles Ave and Iowa Ave. The City has completed Phase 1 and Phase 2 of the water system improvements as identified in the August 2016 Facility Plan. The proposed improvement will reduce maintenance due to water main breaks on this segment of pipe, and provide an 8" PVC main from the City's water tower to the existing 8" PVC infrastructure that was completed in the Phase 1 and Phase 2 scope of work.

The City of Colton's water rate is \$60.58 per 5,000 gallons of usage.

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.

Trevor Bunde, Mayor

Name & Title of Authorized Signatory
(Typed)

Signature

Date

State Water Plan Application

Applicant: City of Colton Address: 309 E. 4th Street. Colton, SD 57018	Proposed Funding Package <div style="text-align: right;"> Projected State Funding <u>\$378,408.00</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;"> TOTAL <u>\$378,408.00</u> </div>
--	---

Project Title: 4th Street Sewer Infrastructure Improvements

Description: (Include present monthly utility rate.)

The City of Colton is proposing to replace a segment of 8" clay sanitary sewer that is currently inaccessible due to proximity of adjacent buildings. This sanitary sewer segment will be re-aligned from the railroad right-of-way to the City owned right-of-way. The work will include connection to the existing upstream and downstream manholes, addition of a new manhole and approximately 550 LF of 10" PVC sanitary sewer main. This improvement will replace the existing clay piping and provide the City reliable access to their sanitary utility.

The City of Colton's wastewater rate is \$61.50 per 5,000 gallons of usage.

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.

Trevor Bunde, Mayor

Name & Title of Authorized Signatory
(Typed)


Signature

09/28/23
Date

State Water Plan Application

Applicant: Dakota Mainstem Regional Water System Address: 1100 Heritage Drive Madison, SD 57042	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="border-bottom: 1px solid black;">Proposed Funding Package</td> </tr> <tr> <td style="width: 70%; text-align: right;">Projected State Funding</td> <td style="border-bottom: 1px solid black; text-align: right;">\$1,000,000</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="border-bottom: 1px solid black; text-align: right;">\$250,000</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;">TOTAL</td> <td style="border-bottom: 3px double black; text-align: right;">\$1,250,000</td> </tr> </table>	Proposed Funding Package		Projected State Funding	\$1,000,000	Local Cash	\$250,000	Other: _____		Other: _____		TOTAL	\$1,250,000
Proposed Funding Package													
Projected State Funding	\$1,000,000												
Local Cash	\$250,000												
Other: _____													
Other: _____													
TOTAL	\$1,250,000												

Project Title: Dakota Mainstem Regional Water System - Startup and Design

Description: (Include present monthly utility rate.)

Please see Project Description page.

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.

Kurt Pfeifle, Presiding Officer

Name & Title of Authorized Signatory
(Typed)

Signature

09/14/2023

Date

Additional Comments:

Please see attached DMRWS Additional Comments Page.

RECEIVED

OCT 02 2023

SD EForm - 0487LD V4

Department of Agriculture
and Natural Resources

State Water Plan Application

Applicant:

City of Deadwood

Address:

102 Sherman Street
Deadwood, SD 57732

Proposed Funding Package

Projected State Funding \$2,897,000

Local Cash _____

Other: _____

Other: _____

TOTAL \$2,897,000

Project Title: Highway 85 Water Main Extension & New Shop Booster Pump Station

Description: (Include present monthly utility rate.)

A Water System Facility Plan prepared for the City of Deadwood identifies several needed improvements to address redundancy issues and other limitations. An urgent upgrade needed to increase water supply redundancy and improve system reliability is the extension of a dedicated 12" line from Hwy 85 just northeast of the Lee Street PRV to the maintenance shop area to a new booster pump station. This proposed line would serve the Deadwood Hill Reservoir, creating a backup supply to the reservoir, and create a potentially new pressure zone for future development to the northeast.

The proposed new line would run along Hwy 85 near the Whitewood Creek box culvert and then follow Railroad Avenue and Sampson Street to the new booster pump station location. The construction of the new line could take place the same time that South Dakota Department of Transportation (SDDOT) is replacing the Whitewood Creek box culvert as a cost savings measure.

See Water System Facility Plan - Urgent Upgrade No. 2 for more information.

Current residential water rates are \$38.90 per month for 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.

Lornie Stalder, Public Works Director

Name & Title of Authorized Signatory
(Typed)

Signature

Date

9/28/23

State Water Plan Application

Applicant: City of Elkton Address: PO Box 308 Elkton, SD 57026-0308	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: right; padding-bottom: 10px;">Proposed Funding Package</td> </tr> <tr> <td style="width: 80%; text-align: right; padding-bottom: 10px;">Projected State Funding</td> <td style="text-align: right; border-bottom: 1px solid black; padding-bottom: 10px;">\$2,025,720.63</td> </tr> <tr> <td style="text-align: right; padding-bottom: 10px;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black; padding-bottom: 10px;"></td> </tr> <tr> <td style="text-align: right; padding-bottom: 10px;">Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black; padding-bottom: 10px;"></td> </tr> <tr> <td style="text-align: right; padding-bottom: 10px;">Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black; padding-bottom: 10px;"></td> </tr> <tr> <td style="text-align: right; padding-bottom: 10px;">TOTAL</td> <td style="text-align: right; border-bottom: 1px solid black; padding-bottom: 10px;">\$2,025,720.63</td> </tr> </table>	Proposed Funding Package		Projected State Funding	\$2,025,720.63	Local Cash		Other: _____		Other: _____		TOTAL	\$2,025,720.63
Proposed Funding Package													
Projected State Funding	\$2,025,720.63												
Local Cash													
Other: _____													
Other: _____													
TOTAL	\$2,025,720.63												

Project Title: "Phase III Water Project"

Description: (Include present monthly utility rate.)

The City of Elkton is seeking funding to finish replacement of the remaining cast iron water main piping throughout the City. Phase III of the City of Elkton Utility Improvements Project will focus primarily north of the Railroad tracks along North Drive and the streets east of Antelope Street from Second to Fifth Street within the City. The water improvements proposed with this phase of the project include 5,050 feet of 6" water main and 900 feet of 8" water main. Sixteen fire hydrants are proposed to be replaced along with 52 new service lines. The current water rate following Phase II is \$57.85 per month for a 5,000 gallon per month user.

The Applicant Certifies That:

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

Charles Remund, Mayor

Name & Title of Authorized Signatory
(Typed)

Signature



09/30/2023

Date

State Water Plan Application

Applicant: City of Elkton Address: PO Box 308 Elkton, SD 57026-0308	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: right; padding-bottom: 10px;">Proposed Funding Package</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Projected State Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$3,273,279.37</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;">TOTAL</td> <td style="text-align: right; border-bottom: 1px solid black;">\$3,273,279.37</td> </tr> </table>	Proposed Funding Package		Projected State Funding	\$3,273,279.37	Local Cash		Other:		Other:		TOTAL	\$3,273,279.37
Proposed Funding Package													
Projected State Funding	\$3,273,279.37												
Local Cash													
Other:													
Other:													
TOTAL	\$3,273,279.37												

Project Title: "Phase III WasteWater Project"

Description: (Include present monthly utility rate.)

The City of Elkton is seeking funding to finish replacement of the remaining vitrified clay sewer main piping throughout the City. Phase III of the City of Elkton Utility Improvements Project will focus primarily north of the Railroad tracks along North Drive and the streets east of Antelope Street from Second to Fifth Street within the City. The sanitary sewer improvements proposed with this phase of the project include 7,400 feet of 8" sewer main. Twenty new sanitary manholes are proposed to be replaced along with 52 new service lines. The new sewer construction allows for regrading of the sewer system and an existing lift station is able to be eliminated. The current sewer rate following Phase II is \$55.10 per month for a 5,000 gallon per month user.

The Applicant Certifies That:

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

Charles Remund, Mayor

Name & Title of Authorized Signatory
(Typed)

Signature

09/30/2023

Date

State Water Plan Application

Applicant: The City of Gary Address: PO Box 127 Gary, SD 57237-0127	Proposed Funding Package <div style="text-align: right;"> Projected State Funding <u>\$4,665,164.15</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;"> TOTAL <u>\$4,665,164.15</u> </div>
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Project Title: Wastewater Project

Description: (Include present monthly utility rate.)

The proposed project will include improvements to both the Wastewater Collection System and Wastewater Treatment Facility in Gary, SD. The communities current 5,000 gallon monthly sewer rate is \$32.75 (\$11.50 base fee + \$4.25 per 1,000 gallons).

The proposed improvements to the collection system will include the replacement of all the existing 8" and 10" VCP (Clay) collection mains. The VCP pipe will be replaced with a combination of new PVC Sewermain and Cast In Place Pipe (CIPP) lining. Some sections of existing clay pipe were installed as far back as the 1940's. The clay pipe has become cracked and the joints are not longer waterproof which is allowing for significant amount of infiltration to enter the system. This infiltration could lead to the exceeding of the capacity of the treatment facility.

The improvements to the wastewater treatment facility will include the replacement of the existing pond control structures, inlet piping and outlet piping, sludge removal from Cells #1 and #2, improvement to the rip rap along the cell embankment, and graveling of the access roads atop the cell embankments. According to the operator, the valves between the cells are no longer operable, significantly inhibiting the operators control over the 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.

Larry Stoks, Mayor

Name & Title of Authorized Signatory
(Typed)


Signature

9/30/2023

Date

RECEIVED

OCT 02 2023

SD EForm - 0487LD V4

Department of Agriculture
and Natural Resources

State Water Plan Application

Applicant:

Town of Gayville

Address:

PO Box 162

Gayville, SD 57301

Proposed Funding Package

Projected State Funding \$2,650,000

Local Cash \$7,000

Other: _____

Other: _____

TOTAL \$2,657,000

Project Title:

Description: (Include present monthly utility rate.)

The Town of Gayville is seeking placement on the State Water Plan in anticipation of pursuing DANR funding to address supply issues within the water system. Currently, the Town is a bulk customer of Clay Rural Water System and as such is limited by the original contract for total gallons and gallons per minute. The current volumes are sufficient yet require the Town to impose water restrictions during high use months. Recent discussions regarding potential for additional residential developments in town was the impetus to secure a Small Community Planning Grant to assist in financing a water study to be completed by DGR Engineering. As such, DGR has completed the study and drafted a Facilities Plan addressing the Town's water system. At this time, the Town wishes to place three elements onto the Water Plan to include construction of a 40,000 ground storage reservoir, repairs to the existing water tower, and up-sizing of 4" mains to 6".

The water rate for 5,000 gallons 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.

Nick Huber, President

Name & Title of Authorized Signatory
(Typed)


Signature

9/29/2023
Date

State Water Plan Application

Applicant: City of Harrisburg Address: P.O. Box 26 Harrisburg, South Dakota 57032-0026 Phone Number: (605) 743-5872	Proposed Funding Package <div style="display: flex; justify-content: flex-end;"> <div>Projected State Funding</div> <div style="border-bottom: 1px solid black; text-align: right;">\$36,511,600</div> </div> <div style="display: flex; justify-content: flex-end;"> <div>Local Cash</div> <div style="border-bottom: 1px solid black; text-align: right;"></div> </div> <div style="display: flex; justify-content: flex-end;"> <div>Other:</div> <div style="border-bottom: 1px solid black; text-align: right;"></div> </div> <div style="display: flex; justify-content: flex-end;"> <div>Other:</div> <div style="border-bottom: 1px solid black; text-align: right;"></div> </div> <div style="display: flex; justify-content: flex-end;"> <div>TOTAL</div> <div style="border-bottom: 1px solid black; text-align: right;">\$36,511,600</div> </div>
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Project Title: Northeast Sewer Extension Project

Description: (Include present monthly utility rate.)

The City of Harrisburg would like to provide sanitary sewer service to an area northwest of the current City limits. The project will span across two drainage basins and consist of approximately 26,000 feet of trunk sewer. A lift station will be constructed to convey wastewater to the wastewater treatment facility. A forcemain which previously pumped wastewater to the City of Sioux Falls will be re-purposed to convey wastewater from the new lift station to Harrisburg's wastewater treatment facility.

The current monthly sewer rate for 5,000 gallons of usage is \$94.18.

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.

Derick Wenck, Mayor

 Name & Title of Authorized Signatory
 (Typed)

 Signature

 Date

9-27-23

State Water Plan Application

Applicant: The City of Iroquois Address: PO Box 127 Iroquois, SD 57353-0127	Proposed Funding Package <div style="display: flex; justify-content: flex-end;"> Projected State Funding <u>\$3,143,000</u> </div> <div style="display: flex; justify-content: flex-end;"> Local Cash _____ </div> <div style="display: flex; justify-content: flex-end;"> Other: _____ </div> <div style="display: flex; justify-content: flex-end;"> Other: _____ </div> <div style="display: flex; justify-content: flex-end;"> TOTAL <u>\$3,143,000</u> </div>
---	--

Project Title: Wastewater Project

Description: (Include present monthly utility rate.)

The City of Iroquois is located on the border of Kingsbury and Beadle County in east-central South Dakota, and has a population of 292 people. The Iroquois wastewater collection and treatment systems are aging and in need of improvements. The City of Iroquois has CIPP lined the City's collection system, however there still remains a number of unimproved manholes throughout their system. Additionally, the Iroquois Main Lift Station is aging and has reached the end of its useful life. Lastly, the Iroquois wastewater treatment facility has valves that are inoperable and the concrete structures are severely deteriorated. The current wastewater rate in Iroquois is a flat monthly fee of \$45.

The purpose of this application is to request funding to proceed with the necessary wastewater system improvement projects. 4 phases of improvements were recommended. Phase 1 involves replacement of the Main Lift Station and force main, Phase 2 involves structure improvements at the WWTF, Phase 3 involves manhole improvements in the collection system, and Phase 4 consists of adding tertiary treatment at the WWTF when it is necessary in order to meet more stringent future effluent limits. Due to the cost of these improvements, Iroquois is requesting funding for phases 1, 2, and 3; consisting of Main Lift Station replacement, structure improvements at the WWTF and manhole improvements.

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.

James Hulbert, Mayor

Name & Title of Authorized Signatory
(Typed)

Signature

9/30/2023

Date

State Water Plan Application

Applicant: City of Lake Preston South Dakota Address: 111 3rd St NE Lake Preston, SD 57249 605-847-4140	Proposed Funding Package <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Projected State Funding</td> <td style="width: 30%; text-align: right; border-bottom: 1px solid black;">\$3,987,000</td> </tr> <tr> <td>Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td>Other:</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td>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;">\$3,987,000</td> </tr> </table>	Projected State Funding	\$3,987,000	Local Cash		Other:		Other:		TOTAL	\$3,987,000
Projected State Funding	\$3,987,000										
Local Cash											
Other:											
Other:											
TOTAL	\$3,987,000										

Project Title: Lake Preston Phase 2B Utility Improvements

Description: (Include present monthly utility rate.)

The City of Lake Preston is proposing to replace aged wastewater collection system components in the southern and southeastern areas of the City. The Phase 2B Utility improvements are a continuation of the project undertaken by the City to replace water and sanitary sewer utilities in this area of the City. Work on Phase 1 in this area will be substantially complete in 2023, Phase 2A work in this area will be substantially complete in 2024 and the City proposes to continue these improvements with Phase 2B construction in 2025.

These proposed improvements included in this application are part of Phase 2 of the 2019 Facility Plan and a 2021 Amendment to that plan.

Phase 2B work will replace Sanitary Sewer mains and related appurtenances on approximately 14 city blocks. Phase 2B Water Main improvements are proposed to be completed in these same areas as part of an overall utility improvement project.

The current Wastewater Utility Rate is \$45.60/5000 gallons of water usage.

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.

Andrew Wienk, Mayor

 Name & Title of Authorized Signatory
 (Typed)



 Signature

9-29-2023

 Date

State Water Plan Application

Applicant: City of Lake Preston South Dakota Address: 111 3rd St NE Lake Preston, SD 57249 605-847-4140	Proposed Funding Package <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Projected State Funding</td> <td style="width: 20%; text-align: right; border-bottom: 1px solid black;">\$4,574,850</td> </tr> <tr> <td>Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td>Other:</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td>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;">\$4,574,850</td> </tr> </table>	Projected State Funding	\$4,574,850	Local Cash		Other:		Other:		TOTAL	\$4,574,850
Projected State Funding	\$4,574,850										
Local Cash											
Other:											
Other:											
TOTAL	\$4,574,850										

Project Title: Lake Preston Phase 2B Utility Improvements

Description: (Include present monthly utility rate.)

The City of Lake Preston is proposing to replace aged water distribution system components in the southern and southeastern areas of the City. The Phase 2B Utility improvements are a continuation of the project undertaken by the City to replace water and sanitary sewer utilities in this area of the City. Work on Phase 1 in this area will be substantially complete in 2023, Phase 2A work in this area will be substantially complete in 2024 and the City proposes to continue these improvements with Phase 2B construction in 2025.

These proposed improvements included in this application are part of Phase 2 of the 2019 Facility Plan and a 2021 Amendment to that plan.

Phase 2B work will replace water distribution system mains, service lines, and related appurtenances on approximately 14 city blocks. Phase 2B Sanitary Sewer improvements are proposed to be completed in these same areas as part of an overall utility improvement project.


The current Water Utility Rate is \$78.60/5000 gallons of usage

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.

Andrew Wienk, Mayor

 Name & Title of Authorized Signatory
 (Typed)


 Signature

9-29-2023
 Date

Additional Comments:

The expected monthly user rate was calculated as follows

\$4,574,850 project cost, 75% Grant funding, loan terms -- 3.25%, 30 years, 315 accts

Monthly per user increase for above = \$17.53 Current rate per 5000 gallons is \$78.60

New rate at 75% Grant Funding = \$96.13/user

State Water Plan Application

Applicant: Lincoln County Rural Water System, Inc. Address: P.O. Box 36 Harrisburg, SD 57032	Proposed Funding Package <div style="text-align: right;"> Projected State Funding <u>\$3,078,000</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;"> TOTAL <u>\$3,078,000</u> </div>
--	--

Project Title: System Improvements

Description: (Include present monthly utility rate.)

Lincoln County Rural Water System (LCRWS) will construct a second connection to Lewis & Clark Regional Water System complete with a meter building, process piping, site piping, electrical equipment, and all other appurtenant work necessary to complete the project. Approximately 1.5 miles of 12" and 3.75 miles of 8" pipeline will tie the new Lewis & Clark connection to the existing system. The project will include valves, flushing hydrants, directional drilled crossings, and all other appurtenant work necessary for its completion. Pipeline work will begin at the location of the proposed Lewis & Clark connection and proceed west along 270th Street before connecting to 8" pipe along 467th Avenue. The proposed 8" will connect to the existing system to enhance capacity on the west side of LCRW's system.

The current water rate for 7,000 gallons of usage is \$78.50.

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.

Robin Dykstra, Manager

 Name & Title of Authorized Signatory
 (Typed)


 Signature

9/25/2023
 Date

State Water Plan Application

Applicant: City of Madison Address: 116 W. Center Street Madison, SD 57042	<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="width: 70%; text-align: right; border-bottom: 1px solid black;">Projected State Funding</td> <td style="width: 30%; text-align: right; border-bottom: 1px solid black;">\$2,645,916.48</td> </tr> <tr> <td style="text-align: right; border-bottom: 1px solid black;">Local Cash</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; border-bottom: 1px solid black;">Other:</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; border-bottom: 1px solid black;">Other:</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; border-bottom: 1px solid black;">TOTAL</td> <td style="text-align: right; border-bottom: 1px solid black;">\$2,645,916.48</td> </tr> </table>	Proposed Funding Package		Projected State Funding	\$2,645,916.48	Local Cash		Other:		Other:		TOTAL	\$2,645,916.48
Proposed Funding Package													
Projected State Funding	\$2,645,916.48												
Local Cash													
Other:													
Other:													
TOTAL	\$2,645,916.48												

Project Title: Egan Avenue Reconstruction (2nd Street NE to 9th Street NE)

Description: (Include present monthly utility rate.)

Replace the water mains within Egan Avenue from 2nd Street NE to 9th Street NE as part of the reconstruction of the roadway. The project would include approximately 260-feet of 4-inch pipe, 410-feet of 6-inch pipe, 2,800-feet of 8-inch pipe, 20 valves, 5 fire hydrants, 34 services and the appropriate appurtenances. The total estimated cost, including engineering and construction administration services is \$2,645,916.48.

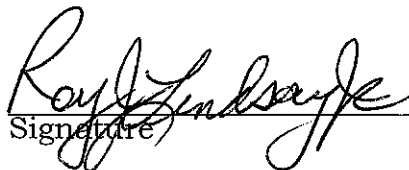
The current monthly water usage rate for 5,000 gallons is \$43.70

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 Lindsay, Mayor

Name & Title of Authorized Signatory
(Typed)


Signature

9/27/2023

Date

State Water Plan Application

Applicant: City of Madison Address: 116 W. Center Street Madison, SD 57042	Proposed Funding Package <div style="display: flex; justify-content: flex-end;"> Projected State Funding <u>\$2,692,547.81</u> </div> <div style="display: flex; justify-content: flex-end;"> Local Cash _____ </div> <div style="display: flex; justify-content: flex-end;"> Other: _____ </div> <div style="display: flex; justify-content: flex-end;"> Other: _____ </div> <div style="display: flex; justify-content: flex-end;"> TOTAL <u>\$2,692,547.81</u> </div>
--	--

Project Title: "Wastewater Project"

Description: (Include present monthly utility rate.)

Replace the sewer mains within Egan Avenue from 2nd Street NE to 9th Street NE as part of the construction of the roadway. The project would include approximately 70-feet of 6-inch pipe, 1,527-feet of 8-inch pipe, 1,140-feet of 10-inch pipe, 538-feet of 12-inch pipe, 12 manholes, 42 services and the appropriate appurtenances. The total estimated cost, including engineering and construction administration services is \$2,692,547.81.

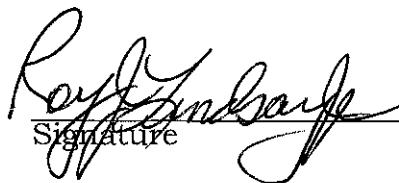
The current monthly sanitary sewer rate for 5,000 gallons is \$49.30

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 Lindsay, Mayor

Name & Title of Authorized Signatory
(Typed)


Signature

9/27/2023

Date

RECEIVED

OCT 03 2023

SD EForm - 0487LD V4

Department of Agriculture
and Natural Resources

State Water Plan Application

Applicant: City of Mobridge Address: 114 1st Avenue East Mobridge, SD 57601	Proposed Funding Package Projected State Funding <u>6,350,000</u> Local Cash _____ Other: <u>CDBG</u> <u>2,050,000</u> Other: _____ TOTAL <u>8,400,000</u>
---	--

Project Title: Mobridge Wastewater Treatment Improvements

Description: (Include present monthly utility rate.)

DESCRIPTION OF PROJECT:

The City of Mobridge is proposing to make several improvements to its wastewater treatment plant including construction of new final clarifiers and repurposing of existing tanks for new treatment processes. They are also proposing to implement a sludge dewatering system to remove biosolids which will be transported to the landfill for disposal.

The current wastewater rates for Mobridge are \$23.00 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.

Heather Beck, City Administrator

Name & Title of Authorized Signatory
(Typed)

Signature

9/30/23

Date

RECEIVED

OCT 02 2023

SD EForm - 0487LD V4

Department of Agriculture
and Natural Resources

State Water Plan Application

Applicant: Niche Sanitary District Address: PO Box 562 Black Hawk, SD 57718	Proposed Funding Package
	Projected State Funding <u>\$1,696,110</u>
	Local Cash _____
	Other: _____
	Other: _____
	TOTAL <u>\$1,696,110</u>

Project Title: Wastewater System Improvements

Description: (Include present monthly utility rate.)

The Niche Sanitary District is responsible for the operation and maintenance of on-site wastewater treatment systems. The existing system is comprised of multiple septic tanks and drain fields that serve approximately 25 single family residences. The existing system is failing and in urgent need of improvements. Due to the high disposal costs and resources required, alternatives to pumping and hauling of wastewater have been evaluated.

Reuse of existing drain fields is not recommended due to their proximity to residential properties and noncompliance with current standards. Inadequate open area is available within the Sanitary District's boundary for new drain fields and reconstruction within the existing footprint would require an advanced treatment system, which is not recommended due to complexity and cost.

Two alternatives have been proposed which would connect Niche Sanitary District to the City of Summerset's wastewater collection system: Connect to Summerset with a Gravity Sewer and Lift Station, or Connect to Summerset with Individual Pumps and Common Forcemain. Both alternatives involve new collection mains, service lines and pumping systems, and will bring the Niche SD into compliance with current standards and eliminate the need for offsite disposal of wastewater.

Current sewer rates are \$50/month and also include garbage and road maintenance. +

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.

Karen Harris, President

Name & Title of Authorized Signatory
(Typed)

Karen Harris 9-29-23
Signature Date

State Water Plan Application

Applicant: Town of Oacoma Address: PO Box 129 Oacoma, SD 57365	Proposed Funding Package <div style="text-align: right;"> Projected State Funding <u>6,890,000</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;"> TOTAL <u>6,890,000</u> </div>
--	---

Project Title: Town of Oacoma Water Supply Improvements

Description: (Include present monthly utility rate.)

The Town of Oacoma is seeking placement on the State Water Plan in anticipation of pursuing DANR funding to address source and supply issues within the water system. In anticipation of river sedimentation affecting the raw water intakes Oacoma retained Banner Associates to prepare a complete review of the source and supply issues which then resulted in a Facilities Plan. Upon reviewing the Facilities Plan and consulting with Banner staff the Town has selected two plausible options. A "do nothing" alternative is not feasible due to sedimentation at the raw water intakes which necessitates an extension of the intakes into the river channel to ensure an adequate supply of water and continuation of river water as a source. Banner in conjunction with the Town Board and staff explored not only an extension of the intakes with an estimated costs of \$6,257,000 but also investigated the potential of the Town becoming a bulk customer of West River/Lyman Jones Rural Water System. The infrastructure necessary to enable this connection is currently estimated at a cost of \$6,890,000. The aforementioned Facilities Plan has been previously provided to DANR staff but a summation of estimated project costs have been included within the application.

The Town's water rate for 5,000 gallons is \$45.00.

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.

Gary Dominiack, President

Name & Title of Authorized Signatory
(Typed)


Signature

9-29-23
Date

State Water Plan Application

Applicant: Town of Oacoma Address: PO Box 129 Oacoma, SD 57365	Proposed Funding Package <div style="text-align: right;"> Projected State Funding <u>2,605,000</u> Local Cash _____ Other: _____ Other: _____ <div style="text-align: right;">TOTAL <u>2,605,000</u></div> </div>
--	--

Project Title: Sanitary Sewer Treatment Facility and Downtown Lift Station Improvements

Description: (Include present monthly utility rate.)

The Town of Oacoma is seeking placement on the State Water Plan in anticipation of pursuing DANR funding to address issues within the sanitary sewer system. In anticipation of needed repairs and upgrades the Town retained Banner Associates to prepare a complete review of the sanitary sewer system which resulted in a Facilities Plan. Upon reviewing the Facilities Plan and consulting with Banner staff the Town has selected two projects for placement on the State Water Plan. One of the proposed improvements includes installation of a submersible style lift station and associated work activities with an estimated project cost of \$1,268,000. The second project focuses upon the existing treatment facility which requires upgrades including treatment pond embankment restoration, wastewater transfer structures, and primary pond influent pipe replacement. The estimated treatment facility improvements costs are \$1,337,000. Please refer to the Facilities Plan previously submitted to DANR staff for more comprehensive project descriptions.

The sewer rate is billed as a flat rate of \$30/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.

Gary Dominiack, President

Name & Title of Authorized Signatory
(Typed)


Signature

9-29-23
Date

State Water Plan Application

Applicant: City of Parker Address: P.O. Box 265 Parker, SD 57053-0265	Proposed Funding Package <div style="text-align: right;"> Projected State Funding \$2,076,633 </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;"> TOTAL \$2,076,633 </div>
---	--

Project Title: Utility Improvements Phase 6

Description: (Include present monthly utility rate.)

This project is intended to aid the City of Parker in reconstructing existing infrastructure in need of replacement. This project is intended to replace cast iron water main and loop portions of the infrastructure to provide better water quality for residents. Additionally, this project will replace existing vitrified clay tile sanitary sewer with new PVC sanitary sewer. The goal for this portion of the project to mitigate inflow and infiltration problems the City of Parker is currently experiences due to the existing infrastructure. Lastly, this project intends to replace existing storm water infrastructure to better transmit storm water and mitigate inundation issues as much as possible. In total the project anticipates reconstructing approximately 15,700 LF of water main and accompanying sanitary sewer.

Please see additional comments.

The City of Parker's current water rates for residential user assuming 5,000 gal/ month usage is \$66.49.

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.

Derek Nolan, Mayor

Name & Title of Authorized Signatory
(Typed)

Signature

Date


 9/27/23

Additional Comments:

This amendment to the Phase 6 Improvements has been revised to separate Phase 6 in to Phases 6A and 6B. Phase 6A has been bid in 2023 and is currently under construction. Phase 6B is the additional areas intended to be reconstructed under the original application with some additional areas requested by the City of Parker.

This project was originally submitted and accepted in 2021 and awarded ARPA funding in 2022. A portion of the project was designed and bid in 2023. It was noted after bidding of this first portion of the project, that anticipated construction projects have increased significantly. The goal of this amendment is to account for increased construction costs for the remaining portion of the project as well as incorporate some additional areas of reconstruction requested by the City of Parker.

State Water Plan Application

Applicant: City of Parker Address: P.O. Box 265 Parker, SD 57053-0265	Proposed Funding Package <div style="text-align: right;"> Projected State Funding <u>\$1,668,419</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;"> TOTAL <u>\$1,668,419</u> </div>
---	--

Project Title: Utility Improvements Phase 6

Description: (Include present monthly utility rate.)

This project is intended to aid the City of Parker in reconstructing existing infrastructure in need of replacement. This project is intended to replace cast iron water main and loop portions of the infrastructure to provide better water quality for residents. Additionally, this project will replace existing vitrified clay tile sanitary sewer with new PVC sanitary sewer. The goal for this portion of the project to mitigate inflow and infiltration problems the City of Parker is currently experiences due to the existing infrastructure. Lastly, this project intends to replace existing storm water infrastructure to better transmit storm water and mitigate inundation issues as much as possible. In total the project anticipates reconstructing approximately 15,700 LF of water main and accompanying sanitary sewer.

The City of Parker's current sewer rates for residential user assuming 5,000 gal/ month usage\$50.10.

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.

Derek Nolan, Mayor

Name & Title of Authorized Signatory
(Typed)


 Signature

Date 9/27/23

RECEIVED

OCT 02 2023

SD EForm - 0487LD V4

Department of Agriculture
and Natural Resources

State Water Plan Application

Applicant: City of Pierre, SD Landfill Address: 2301 Patron Parkway #1 Pierre SD 57501	Proposed Funding Package Projected State Funding <u>\$1,608,120</u> Local Cash _____ Other: _____ Other: _____ TOTAL <u>\$1,608,120</u>
--	--

Project Title: Regional Landfill - Cell 4 Design & Construction

Description: (Include present monthly utility rate.)

The City of Pierre's Solid Waste Department operates several facilities under multiple permits issued by DANR. The Regional Landfill services 8 counties and 15 cities, serving nearly 40,000 people. The Regional Landfill was constructed and opened for operations in 2003. Cell 2 was constructed in 2009, Cell 3 in 2015 and now Cell 4 is proposed to be constructed in 2025.

This landfill project includes the design, bidding and construction of Cell 4 at our Subtitle D Regional Landfill. The goal is to have the design completed in 2024 to have the project ready to bid out the construction by early 2025 and the project completed by Fall 2025. The city is committed to baling the solid waste that goes to the regional landfill. This project to construct the new cell will provide uninterrupted landfill disposal service to our customers.

In 2013 HDR Engineering was chosen as the new Engineering company by conducting a new master plan for the landfill. We continued to use them for Cell 3 construction and plan to continue using them for Cell 4 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.

Kristi Honeywell, Administrator

Name & Title of Authorized Signatory
(Typed)


Signature

9-25-23
Date

Additional Comments:

The Engineer's Opinion of Probably Construction Costs for the project is attached to this application.

The current Landfill tip fee for municipal solid waste is \$48 per ton. This fee will be increased to \$51 per ton on January 1, 2024.

The following is the total tonnages that was received in the landfill subtitle D cells the past few years and we anticipate the projected tonnage to be very similar in 2023.

2020 - 28,385 ton

2021 - 31,481 ton

2022 - 30,724 ton

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OCT 02 2023

SD EForm - 0487LD V4

State Water Plan Application

Department of Agriculture
and Natural Resources

Applicant: City of Platte Address: PO Box 236 Platte, SD 57369	Proposed Funding Package Projected State Funding <u>370,000</u> Local Cash <u>4,100</u> Other: _____ Other: _____ TOTAL <u>374,100</u>
--	---

Project Title: Water Reservoir Rehabilitation

Description: (Include present monthly utility rate.)

The City of Platte previously submitted State Water Plan and Drinking Water State Revolving Fund applications addressing drinking water needs throughout the community. At that time the City retained a water tower contractor to provide an estimate for rehabilitation of the two reservoir's interiors. Since the initial assessment the City has learned of the need for exterior work to the reservoirs to include stairs, hatches and piping. Unfortunately, the City did not include exterior repairs for its water storage structures within the previous SWP and DWSRF applications necessitating a new application. As such, the City is submitting an SWP application to now include rehabilitation of the interior and exterior of its two reservoirs. The City is planning to incorporate these repairs with those originally proposed. Actual work activities are planned to begin in 2024. Please see the attached engineering report with cost estimates.

The City's rate for 5,000 gallons is \$58.42 with a proposed increase to \$61.91 in 2024.

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.

Ken VanZee, Mayor

Name & Title of Authorized Signatory
(Typed)

Signature

Date

RECEIVED

OCT 02 2023

SD EForm - 0487LD V4

Department of Agriculture
and Natural Resources
State Water Plan Application

Applicant: City of Presho Address: PO Box 100 Presho, SD 57568-0100	Proposed Funding Package Projected State Funding <u>\$1,055,930</u> Local Cash <u>\$305,170</u> Other: _____ Other: _____ TOTAL <u>\$1,055,930</u>
---	---

Project Title: Presho Stormsewer and Sanitary Sewer Improvements

Description: (Include present monthly utility rate.)

The City of Presho requested that Schmucker, Paul, Nohr and Associates prepare an Amendment to the Facility Plan dated July 2017. Continued maintenance of problem areas in town has become costly and time consuming for staff. The City of Presho has identified areas of flooding and erosion are not directly related to the existing closed pipe systems. These areas include:

- * PRESHO BASEBALL FIELD STORM WATER IMPROVEMENTS
- * 5TH AND FIR STORMWATER IMPROVEMENTS

The amendment provides an update on the opinion of probable cost for Alternative 7, which was discussed in the original facility plan. It also includes the storm water improvement at the 5th and Fir intersection. The two areas of the requested additional improvements have been identified as the City's next priority in terms of being corrected.

The Town charges \$25.00 for the first 2,000 gallons, then \$2.00 per 1,000 gallons of usage (\$31.00 for 5,000 gallons is usage).

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.

Angela Ehlers, Mayor

Name & Title of Authorized Signatory
(Typed)

Ehlers, Angela A

Signature

Digitally signed by Ehlers, Angela A
DN: cn=Ehlers, Angela A, o, ou,
email=267ang@gmail.com, c=US
Date: 2023.09.29 12:32:48 -05'00'

Date

RECEIVED

SD EForm - 0487LD V4

SEP 29 2023

State Water Plan Application

Department of Public Safety
and Natural Resources

Applicant:

Town of Seneca

Address:

PO Box 3

Seneca, SD 57473-0003

Proposed Funding Package

Projected State Funding 440,800.00

Local Cash _____

Other: _____

Other: _____

TOTAL 440,800.00

Project Title:

Description: (Include present monthly utility rate.)

The Town of Seneca recently completed a water study in the summer of 2023. Based off of the study, Seneca now wants to take the proper steps to ensure their water system is in the correct working order moving forward. The Town would like to proceed with the completion of a water meter install. There are currently meters installed at every service in the community. However, many of these meters are no longer reading accurately or working at all. Additionally, the Town has no way to determine the water loss of their system. Installing new water meters will allow the Town to more accurately track the water usage on the system, allowing them to better monitor and correct water loss within the system. Included in this alternative, is a new mobile meter reading system. Many new water meters have the ability to be read electronically via a mobile meter reading unit. The system would also come with billing software that the town could use to help increase the efficiency of their billing operations. Additionally, the existing distribution system in Seneca contains numerous dead-end water-main lines. These sections of water-main can lead to low pressures and water quality concerns to users near the ends the pipe segments. The Town of Seneca would like to construct new looping lines via 2" PVC pipping to match the existing lines in town.

The Town of Seneca's current water rate per 5,000 gallons is \$75.50.

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.

Jeff Greiner, President

Name & Title of Authorized Signatory
(Typed)

Jeff Greiner 9-28-23
Signature Date

State Water Plan Application

Applicant: Sioux Rural Water System Address: 45703 176th Street Watertown, SD 57201-7186	<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;">Projected State Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$10,986,000</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;">\$143,000</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other: _____</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other: _____</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">TOTAL</td> <td style="text-align: right; border-bottom: 3px double black;">\$11,129,000</td> </tr> </table>	Proposed Funding Package		Projected State Funding	\$10,986,000	Local Cash	\$143,000	Other: _____		Other: _____		TOTAL	\$11,129,000
Proposed Funding Package													
Projected State Funding	\$10,986,000												
Local Cash	\$143,000												
Other: _____													
Other: _____													
TOTAL	\$11,129,000												

Project Title: 2025 Water System Improvements

Description: (Include present monthly utility rate.)

Sioux Rural Water System proposes water system improvements including pipeline construction, pump replacement at the Sioux Water Treatment Plant, well construction, new service to an existing trailer park, and construction of a new ground storage reservoir. Proposed pipeline will be installed in various locations throughout the system to improve service pressure to existing customers and improve water delivery to various facilities. Pump replacement will improve delivery to an existing elevated tank. New well construction will increase source capacity to meet water demand. The proposed ground storage reservoir will provide redundancy near an existing ground storage reservoir to improve the security and operation of the system. The current monthly utility rate for farms and rural residences is a minimum of \$55 + \$4.70 / 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.

Travis Steffensen, General Manager

 Name & Title of Authorized Signatory
 (Typed)



 Signature

9-28-23

 Date

Additional Comments:

In the priority point assessment above, occurrence of nitrates exceeding allowable limits occurred in the Pelican Plaza water system, not Sioux Rural Water System.

State Water Plan Application

Applicant: City of Springfield Address: PO Box 446 Springfield, SD 57062	<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;">Projected State Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$3,275,000</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;">\$375,000</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;">\$3,650,000</td> </tr> </table>	Proposed Funding Package		Projected State Funding	\$3,275,000	Local Cash	\$375,000	Other: _____	_____	Other: _____	_____	TOTAL	\$3,650,000
Proposed Funding Package													
Projected State Funding	\$3,275,000												
Local Cash	\$375,000												
Other: _____	_____												
Other: _____	_____												
TOTAL	\$3,650,000												

Project Title: Springfield College, Ninth, and Elm Street Improvements

Description: (Include present monthly utility rate.)

The City of Springfield proposes to replace water and sewer lines and to install stormwater infrastructure along segments of College, Ninth, and Elm Streets. A total of approximately seven blocks will be addressed.

Based on 5,000 gallons of water used, the City's current Class 1 rates for single-unit hookups within the city limits are:

Water: \$50.00

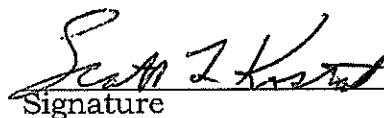
Sewer: \$22.00 plus \$10.03 surcharge

The Applicant Certifies That:

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

Scott L. Kostal, Mayor

 Name & Title of Authorized Signatory
 (Typed)


 Signature

9/26/23

 Date

State Water Plan Application

Applicant: Valley Heights Estates Sanitary District Address: PO Box 9141 Rapid City, SD 57709	Proposed Funding Package <div style="text-align: right;"> Projected State Funding <u>3,339,000</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;"> TOTAL <u>3,339,000</u> </div>
---	---

Project Title: System Acquisition & Improvements to Distribution Lines & Booster Station Pumps

Description: (Include present monthly utility rate.)

Valley Heights Sanitary District is proposing to acquire and demolish the Wall Reservoir that currently provides water storage for their subdivision. The elevated water reservoir was purchased from the City of Wall in 2001 by a developer. In addition to acquiring the reservoir the Sanitary District plans to acquire the distribution lines which are also privately owned by Valley Heights Estates, Inc. Upon removal of the reservoir, in order for the water distribution system to function there is a need to upgrade the existing pumps that are owned and operated by the City of Box Elder. the proposed project includes: acquisition and demolition of the reservoir; acquisition of the distribution lines; upgrade to the booster station pumps, and necessary improvements to the distribution system. Ultimately, Valley Heights Sanitary District would like to turn the water system over to the City of Box Elder and discontinue being part of the water business.

Valley Heights Sanitary District residents receive their water from the City of Box Elder (rate resolution attached). Rates are \$8.00/1000 gallons for up to 5,000 gallons per month. Plus they pay three separate surcharges to Box Elder including: Ghere well surcharge \$7.85, Well #6 surcharge \$2.25 (noted as Cheyenne Blvd surcharge in the resolution 20-07) and Well #10 surcharge \$4.55. In addition to these surcharges Valley Heights residents pay an \$18/mo. surcharge to Valley Heights Estates, Inc. resulting in a total monthly rate of \$72.65 per 5,000/mo. VHSD has 153 services.

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.

Jay Wickham, Board President

09/28/2023

 Name & Title of Authorized Signatory
 (Typed)

 Signature

 Date

Additional Comments:

The population of Valley Heights was provided in the Engineering Study. The census does not provide population information for sanitary districts.

Total project cost of \$3,339,000 at 3.25% for 30 years, monthly debt service of $\$14,260 \times 1.1 = \$15,686$. If rates can not be restructured to absorb any portion of the debt service and only Valley Heights Sanitary District is contributing to debt service repayment, this would equate to a monthly surcharge of \$102.52, plus the existing monthly rate (per 5,000 gallons) of \$54.65 to Box Elder for providing the water. The \$18/mo surcharge from Valley Heights Estates, Inc. would be eliminated as the Sanitary District would acquire the system through the project and no longer need to pay Valley Heights Estates, Inc. Total monthly rate with no grant subsidy would be \$157.17 for 5,000 gallons.

State Water Plan Application

Applicant: City of Vermillion Address: 25 Center St. Vermillion, SD 57069	Proposed Funding Package <div style="display: flex; justify-content: flex-end;"> Projected State Funding \$2,511,800 </div> <div style="display: flex; justify-content: flex-end; margin-top: 10px;"> Local Cash _____ </div> <div style="display: flex; justify-content: flex-end; margin-top: 10px;"> Other: _____ </div> <div style="display: flex; justify-content: flex-end; margin-top: 10px;"> Other: _____ </div> <div style="display: flex; justify-content: flex-end; margin-top: 10px;"> TOTAL \$2,511,800 </div>
---	---

Project Title: Tom Street Lift Station Sanitary Sewer Basin

Description: (Include present monthly utility rate.)

The City of Vermillion plans to extend sewer service to the Jack Powell Development. The new Tom Street Lift Station and forcemain have capacity to support the peak hourly flow from the fully developed sewer basin which includes the Jack Powell Development. However, a new 10" PVC interceptor is required from the Tom Street Lift Station to the proposed Jack Powell Development with additional sewer main in the development. The sewer will handle the peak hourly flow from the proposed Jack Powell Development. Downstream infrastructure capacity was evaluated. A small segment of the downstream receiving sewer will need to be upsized as development progresses within the sewer basin. These improvements are already part of the City's capital improvements plan and will be complete in a separate project.

Present monthly wastewater rate is \$41.22 per month for 5,000 gallons of water use.

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.

Jonathan Cole, Mayor

Name & Title of Authorized Signatory
(Typed)

Signature

Date

State Water Plan Application

Applicant: City of Vermillion Address: 25 Center St. Vermillion, SD 57069	Proposed Funding Package <table style="width: 100%;"> <tr> <td style="width: 70%;">Projected State Funding</td> <td style="width: 30%; text-align: right;">\$4,211,500</td> </tr> <tr> <td>Local Cash</td> <td style="text-align: right;">_____</td> </tr> <tr> <td>Other: _____</td> <td style="text-align: right;">_____</td> </tr> <tr> <td>Other: _____</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;">TOTAL</td> <td style="text-align: right;">\$4,211,500</td> </tr> </table>	Projected State Funding	\$4,211,500	Local Cash	_____	Other: _____	_____	Other: _____	_____	TOTAL	\$4,211,500
Projected State Funding	\$4,211,500										
Local Cash	_____										
Other: _____	_____										
Other: _____	_____										
TOTAL	\$4,211,500										

Project Title: Vermillion Northeast Sanitary Sewer Basin

Description: (Include present monthly utility rate.)

The City of Vermillion plans to extend sewer service to the Northeast Basin, a large, mostly undeveloped area northeast of current City limits. the City's contracted engineer recommends a central sewer interceptor within the right-of-way of 317th St., extending from Plum St. to 466th Avenue. As development progresses, sewer branches may extend north and south as needed. The interceptor will convey sewage to a proposed lift station adjacent to 317th St. The lift station forcemain will discharge sewage into an existing manhole located near the intersection of 317th St. & Norbeck St. The City's contracted engineer proposes a smaller, temporary lift station to serve the initial development for the next 20 years. When that lift reaches capacity, a larger lift station would need to be constructed.

Present monthly wastewater rate is \$41.22 per month for 5,000 gallons of water use.

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.

Jonathan Cole, Mayor

 Name & Title of Authorized Signatory
 (Typed)



 Signature

9/28/23

 Date

State Water Plan Application

Applicant: City of Viborg Address: 110 N. Main St. P.O. Box 56 Viborg, SD 57070	Proposed Funding Package <div style="text-align: right;"> Projected State Funding \$230,000 </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;"> TOTAL \$230,000 </div>
--	--

Project Title: Viborg Sanitary Sewer Extension Project

Description: (Include present monthly utility rate.)

The City of Viborg has an industrial park consisting of 36 acres of land. The City of Viborg continues to grow and provide business development opportunities for local businesses in South Dakota. There is a need for expansion of the existing sanitary sewer collection system to accommodate the development of future industrial sites within the park, some of which will be built upon in 2024. The scope of work would include the extension of 8" diameter PVC sanitary sewer main with 6" diameter services stubbed out to the lots within the park. Sanitary Sewer improvements include 734 LF of 8" diameter PVC sewer main and associated services and appurtenances. Storm sewer improvements include approximately 500 LF of 18" diameter storm sewer main and associated inlets. The total project cost of eligible Sanitary and Storm sewer is estimated to be \$230,000.

The current wastewater rate is \$36.33 per 5,000 gallons. There is currently no storm sewer water fee.

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 Edelman, Mayor

 Name & Title of Authorized Signatory
 (Typed)

 Signature

 Date

John Edelman **9-28-23**

State Water Plan Application

Applicant: City of Wagner Address: PO Box 40 Wagner, SD 57380	<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;">Projected State Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$1,210,000</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;">TOTAL</td> <td style="text-align: right; border-bottom: 3px double black;">\$1,210,000</td> </tr> </table>	Proposed Funding Package		Projected State Funding	\$1,210,000	Local Cash		Other:		Other:		TOTAL	\$1,210,000
Proposed Funding Package													
Projected State Funding	\$1,210,000												
Local Cash													
Other:													
Other:													
TOTAL	\$1,210,000												

Project Title: Wagner Highway 46 Utilities Replacement

Description: (Include present monthly utility rate.)

The City of Wagner proposes to replace water and sewer lines along the SD Highway 46 corridor from Haar Avenue west to the Indian Health Care facility just west of Washington Avenue. The work is planned to take place in conjunction with the upcoming reconstruction of the highway.

The City's current utility rates based on 5,000 gallons of water usage are \$51.28 for water and \$66.37 for sewer.

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.

Tammy Thornton, Mayor

Name & Title of Authorized Signatory
(Typed)

Tammy J. Thornton
Signature

9-18-23
Date

RECEIVED

OCT 02 2023

SD EForm - 0487LD V4

Department of Agriculture
and Natural Resources

State Water Plan Application

Applicant: City of Wessington Springs Address: PO Box 443 Wessington Springs, SD 57382	Proposed Funding Package	
	Projected State Funding	10,280,000
	Local Cash	5,300
	Other:	
	Other:	
	TOTAL	10,285,300

Project Title: Water Treatment Plant

Description: (Include present monthly utility rate.)

The City's water treatment plant has experienced mechanical and water quality issues for the past several years ultimately affecting the integrity of drinking water throughout the community. Simply stated, the plant has exceeded its service life and is failing. As such, the plant is in need of major rehabilitation efforts or replacement. The application before you lays out two potential actions to address the drinking water issues of Wessington Springs. At this time, the City has consulted with SPN & Associates to study and provide cost estimates for a new treatment plant while also reaching out to Mid-Dakota Rural Water System to explore the potential of becoming a bulk user. In discussions with Mid Dakota the City has received an estimated cost ranging from \$12 to \$15 million though a detailed estimate is not available. Whereas, SPN has provided a detailed estimate \$10.8 million for replacement of the plant. Please refer to the attached Facilities Plan and updated cost estimate from SPN.

The City's water rate for 5,000 gallons is \$48.75

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.

Kari Fagerhaug, President of Council

Name & Title of Authorized Signatory
(Typed)


Signature

9/28/2023
Date

State Water Plan Application

Applicant: Western Dakota Regional Water System, Inc. Address: WDRWS Cheryl Chapman PO Box 484 Rapid City, SD 57709	Proposed Funding Package <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Projected State Funding</td> <td style="width: 20%; text-align: right;">\$25,015,000</td> </tr> <tr> <td>Local Cash</td> <td style="text-align: right;">_____</td> </tr> <tr> <td>Other: _____</td> <td style="text-align: right;">_____</td> </tr> <tr> <td>Other: _____</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;">TOTAL</td> <td style="text-align: right;">\$25,015,000</td> </tr> </table>	Projected State Funding	\$25,015,000	Local Cash	_____	Other: _____	_____	Other: _____	_____	TOTAL	\$25,015,000
Projected State Funding	\$25,015,000										
Local Cash	_____										
Other: _____	_____										
Other: _____	_____										
TOTAL	\$25,015,000										

Project Title: WDRWS Bulk Service to New Underwood and Metro Area Regionalization

Description: (Include present monthly utility rate.)

West Dakota Rural Water System, Inc. (WDRWS) is proposing to construct a bulk service line to New Underwood and make improvements in the metro area which includes: Black Hawk, Rapid City, Box Elder, Rapid Valley, and New Underwood. The project includes interconnections and lines located within the metro-area, including a line to New Underwood, a two-million gallon storage reservoir, new pump stations located in the Rapid City service area and the Box Elder service area to transfer water to the new 2MG storage reservoir, and new meter vaults on each end of the transmission line. This project, which is estimated to cost \$25M will act as a catalyst for regionalization of infrastructure and create redundancy amongst the metro water providers.

WDRWS does not currently have any customers, so there are no rates.

The Applicant Certifies That:

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

Dale Tech, WDRWS Secretary/Treasurer

Name & Title of Authorized Signatory
(Typed)


Signature

10/18/2023

Date

State Water Plan Application

Applicant: City of White Address: PO Box 682 White, SD 57276-0682	<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;">Projected State Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$316,135.00</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;">TOTAL</td> <td style="text-align: right; border-bottom: 3px double black;">\$316,135.00</td> </tr> </table>	Proposed Funding Package		Projected State Funding	\$316,135.00	Local Cash	_____	Other: _____	_____	Other: _____	_____	TOTAL	\$316,135.00
Proposed Funding Package													
Projected State Funding	\$316,135.00												
Local Cash	_____												
Other: _____	_____												
Other: _____	_____												
TOTAL	\$316,135.00												

Project Title: Wastewater Treatment Facility Improvements

Description: (Include present monthly utility rate.)

The City of White, SD proposes to complete improvements at the existing Wastewater Treatment Facility located approximately one-half mile southwest of the City.

The proposed improvements are:

Install influent flow measurement equipment on the existing influent line to the facility. There are no pumping stations or other elements from which to calculate or determine wastewater flows to the facility. A 2021 Facility Plan completed by Banner Associates includes a recommendation for influent flow measurement to be installed at the treatment facility to provide capability to measure wastewater flow volumes/rates for use in evaluating treatment facility capacity, to evaluate infiltration/inflow to the system.

Rehab/replace pond level control structures -- the existing pond level control structures are vertical pipes with 6 inch adjusting rings (donut riser). The structures are original construction from approximately 1978, and offer limited and difficult control of pond and discharge levels. Often the operator must enter the manhole to pry or "knock" loose the rings to transfer water or discharge from the facility. This is not a safe procedure for the operator. The City proposes to rehab or replace these structures with valves that are operated from the top of the berms in the 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.

Scott Gladis, Mayor

Name & Title of Authorized Signatory
(Typed)

Signature

09/30/2023

Date

State Water Plan Application

Applicant: City of Worthing Address: P.O. Box 277 Worthing, SD 57077-0277	Proposed Funding Package <div style="display: flex; justify-content: space-between;"> Projected State Funding <u>\$2,506,000</u> </div> <div style="display: flex; justify-content: space-between;"> Local Cash _____ </div> <div style="display: flex; justify-content: space-between;"> Other: _____ _____ </div> <div style="display: flex; justify-content: space-between;"> Other: _____ _____ </div> <div style="display: flex; justify-content: space-between;"> TOTAL <u>\$2,506,000</u> </div>
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Project Title: Sanitary Sewer Improvements

Description: (Include present monthly utility rate.)

Worthing's existing sanitary sewer collection system east of Louise Avenue suffers from numerous issues. The vitrified clay pipe is cracked in numerous locations. These cracks lead to root intrusion, mineral deposits, and groundwater infiltration. The existing manholes also allow ground water to enter the collection system. Many service connections were broken into the sewer main and inserted too far. The proposed sanitary sewer improvements will replace existing clay sanitary sewer with PVC pipe within the right-of-way. Manholes will be replaced. Sewer services will be replaced to the right-of-way. Existing clay sanitary sewer within alleys will be lined with cured in place pipe. Restoration includes the replacement of any impacted surfacing and turf.

The monthly sewer rate is \$43.25 for 5,000 gallons of usage.

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.

Crystal Jacobson, Mayor

 Name & Title of Authorized Signatory
 (Typed)

Crystal Jacobson

 Signature

9/25/23

 Date

State Water Plan Application

Applicant: City of Worthing Address: P.O. Box 277 Worthing, South Dakota 57077-0277	Proposed Funding Package <table style="width: 100%;"> <tr> <td style="width: 70%;">Projected State Funding</td> <td style="width: 30%; text-align: right;"><u>\$2,615,000</u></td> </tr> <tr> <td>Local Cash</td> <td style="text-align: right;"><u> </u></td> </tr> <tr> <td>Other:</td> <td style="text-align: right;"><u> </u></td> </tr> <tr> <td>Other:</td> <td style="text-align: right;"><u> </u></td> </tr> <tr> <td style="text-align: right;">TOTAL</td> <td style="text-align: right;"><u>\$2,615,000</u></td> </tr> </table>	Projected State Funding	<u>\$2,615,000</u>	Local Cash	<u> </u>	Other:	<u> </u>	Other:	<u> </u>	TOTAL	<u>\$2,615,000</u>
Projected State Funding	<u>\$2,615,000</u>										
Local Cash	<u> </u>										
Other:	<u> </u>										
Other:	<u> </u>										
TOTAL	<u>\$2,615,000</u>										

Project Title: Water Main Improvements

Description: (Include present monthly utility rate.)

Worthing's existing water distribution system east of Louise Avenue contains aging asbestos cement pipe that needs to be replaced. The proposed water main improvements will replace the asbestos cement pipe with PVC pipe. Water services will also be replaced from the new main to the right of way. Restoration includes the replacement of any impacted surfacing and turf.

The Monthly Water Rate is \$52.50 for 5,000 gallons of usage.

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.

Crystal Jacobson, Mayor

 Name & Title of Authorized Signatory
 (Typed)

Crystal Jacobson
 Signature

9/25/23
 Date

November 8, 2023

Item 6

TITLE: Review Interest Rates for the Clean Water State Revolving Fund, Drinking Water State Revolving Fund, Consolidated Water Facilities Construction Program, and Solid Waste Management Program.

EXPLANATION: Pursuant to ARSD 74:05:08:18, 74:05:11:17, 74:05:07:15.01, and 74:05:10:12.02, the Board of Water and Natural Resources shall set the interest rates for the Clean Water State Revolving Fund, Drinking Water State Revolving Fund, Consolidated Water Facilities Construction Program, and Solid Waste Management Program, respectively, based on the following criteria: (1) current market rates, (2) rates secured on state issued matching funds, and (3) current demand for program funds. The board may adjust interest rates at any meeting if the proposed action is included on the board agenda posted for the meeting.

Periodically, the board reviews and adjusts interest rates based on the criteria listed above.

The current interest rates and the interest rates being proposed are attached. The overall current interest rates were adopted on November 3, 2022.

RECOMMENDED ACTION: Approve resolutions adjusting the interest rates for the Clean Water State Revolving Fund, Drinking Water State Revolving Fund, Consolidated Water Facilities Construction Program, and Solid Waste Management Program.

CONTACT: Tina McFarling, 773-4216

Interest Rates Adopted November 3, 2022

Clean Water State Revolving Fund Loan Rates

	Interest	Admin	Total
Term Up to 30 Years	3.00%	0.25%	3.25%
Term Up to 20 Years	2.75%	0.25%	3.00%
Term Up to 10 Years	2.50%	0.25%	2.75%
Interim Financing (5 years)	2.50%	0.00%	2.50%
NPS--Watershed Incentive Rate (Up to 30 Years)	2.25%	0.25%	2.50%
NPS--Watershed Incentive Rate (Up to 20 Years)	2.00%	0.25%	2.25%
NPS--Watershed Incentive Rate (Up to 10 Years)	1.75%	0.25%	2.00%

Drinking Water State Revolving Fund Loan Rates

	Interest	Admin	Total
Term Up to 30 Years	3.00%	0.25%	3.25%
Term Up to 20 Years	2.75%	0.25%	3.00%
Term Up to 10 Years	2.50%	0.25%	2.75%
Interim Financing (5 Years)	2.50%	0.00%	2.50%
<u>Disadvantaged Community* Loans Up To 30 Years</u>			
Median Household Income (MHI) between 80% of MHI and the MHI	2.75%	0.25%	3.00%
MHI between 60% and 80% of MHI	2.50%	0.25%	2.75%
MHI Income less than 60% of MHI	0.00%	0.00%	0.00%
<u>Disadvantaged Community* Loans Up To 10 Years</u>			
MHI between 60% and 80% of MHI	1.75%	0.25%	2.00%

* Disadvantaged community must meet a MHI and water rate criteria as per ARSD 74:05:11:01(8)

Consolidated Water Facilities Construction Fund Loan Rates

Term Up to 30 Years	3.25%
Term Up to 20 Years	3.00%
Term Up to 10 Years	2.75%

Solid Waste Management Program Loan Rates

Term Up to 20 Years	3.00%
Term Up to 10 Years	2.75%

Proposed Interest Rates - November 8, 2023

Clean Water State Revolving Fund Loan Rates

	Interest	Admin	Total
Term Up to 30 Years	3.50%	0.25%	3.75%
Term Up to 20 Years	3.25%	0.25%	3.50%
Term Up to 10 Years	3.00%	0.25%	3.25%
Interim Financing (5 years)	2.50%	0.00%	2.50%
NPS--Watershed Incentive Rate (Up to 30 Years)	2.75%	0.25%	3.00%
NPS--Watershed Incentive Rate (Up to 20 Years)	2.50%	0.25%	2.75%
NPS--Watershed Incentive Rate (Up to 10 Years)	2.25%	0.25%	2.50%

Drinking Water State Revolving Fund Loan Rates

	Interest	Admin	Total
Term Up to 30 Years	3.50%	0.25%	3.75%
Term Up to 20 Years	3.25%	0.25%	3.50%
Term Up to 10 Years	3.00%	0.25%	3.25%
Interim Financing (5 Years)	2.50%	0.00%	2.50%
<u>Disadvantaged Community* Loans Up To 30 Years</u>			
Median Household Income (MHI) between 80% of MHI and the MHI	3.25%	0.25%	3.50%
MHI between 60% and 80% of MHI	3.00%	0.25%	3.25%
MHI Income less than 60% of MHI	0.00%	0.00%	0.00%
<u>Disadvantaged Community* Loans Up To 10 Years</u>			
MHI between 60% and 80% of MHI	2.25%	0.25%	2.50%

* Disadvantaged community must meet a MHI and water rate criteria as per ARSD 74:05:11:01(8)

Consolidated Water Facilities Construction Fund Loan Rates

Term Up to 30 Years	3.75%
Term Up to 20 Years	3.50%
Term Up to 10 Years	3.25%

Solid Waste Management Program Loan Rates

Term Up to 20 Years	3.50%
Term Up to 10 Years	3.25%

Proposed BABA and LSLR Incentive Interest Rates - November 8, 2023

Clean Water State Revolving Fund Loan Rates for Borrows Subject to BABA

	Interest	Admin	Total
Term Up to 30 Years	3.25%	0.25%	3.50%
Term Up to 20 Years	3.00%	0.25%	3.25%
Term Up to 10 Years	2.75%	0.25%	3.00%

Drinking Water State Revolving Fund Loan Rates for Borrows Subject to BABA

	Interest	Admin	Total
Term Up to 30 Years	3.25%	0.25%	3.50%
Term Up to 20 Years	3.00%	0.25%	3.25%
Term Up to 10 Years	2.75%	0.25%	3.00%

Disadvantaged Community* Loans Up To 30 Years

Median Household Income (MHI) between 80% of MHI and the MHI	3.00%	0.25%	3.25%
MHI between 60% and 80% of MHI	2.75%	0.25%	3.00%
MHI Income less than 60% of MHI	0.00%	0.00%	0.00%

Disadvantaged Community* Loans Up To 10 Years

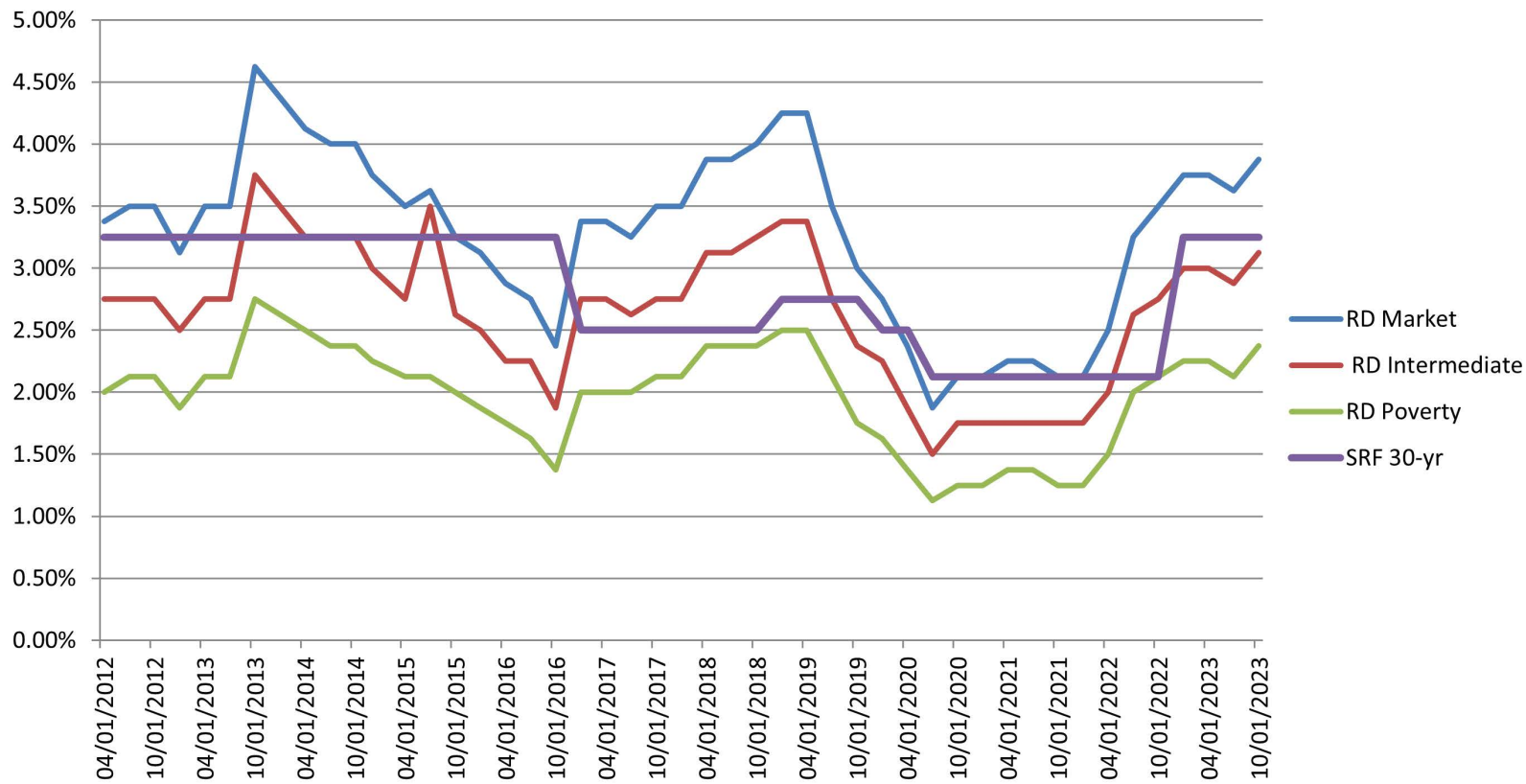
MHI between 60% and 80% of MHI	2.00%	0.25%	2.25%
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* Disadvantaged community must meet a MHI and water rate criteria as per ARSD 74:05:11:01(8)

Drinking Water State Revolving Fund Loan Rates for Lead Service Line Replacement

	Interest	Admin	Total
All Borrowers	0.00%	0.00%	0.00%

Rural Development & SRF Interest Rates



MARKET RATE INDICES-OCTOBER 2023 (AS OF OCTOBER 3, 2023)

Bond Buyer's 20 Bond Index - 4.09%

BVAL 15-year AAA – 4.07%

BVAL 30-year AAA - 4.49%

U.S Treasury 10-year Note – 4.79%

U.S Treasury 30-year Note – 4.92%

USDA Rural Development

Market Rate = 3.875%

Intermediate = 3.125%

Poverty Rate = 2.375%

November 8, 2023

Item 7

TITLE: Public Hearing to Adopt Federal Fiscal Year 2024 Clean Water State Revolving Fund Intended Use Plan, Project Priority List, and Bipartisan Infrastructure Law Addendum

EXPLANATION: The Intended Use Plan consists of three components. One component describes how the state intends to use available funds from the standard program allocation for the year to meet the objectives of the Clean Water Act and further the goal of protecting public health. This includes the amount of funds to be allocated to set-aside activities such as for administration and technical assistance.

The second component of the Intended Use Plan is a priority list of projects that will be eligible to receive funding. Projects seeking a Clean Water State Revolving Fund loan must be on the priority list.

The third component of the Intended Use Plan is an Addendum to specifically address the allocation of funds and proposed uses, to include set-aside activities, for the funds provided through the Bipartisan Infrastructure Law.

RECOMMENDED ACTION: Conduct the public hearing, receive testimony, and approve the Federal Fiscal Year 2024 Intended Use Plan, Project Priority List, and Bipartisan Infrastructure Law Addendum.

CONTACT: Andy Bruels, 773-4216

**NOTICE OF PUBLIC HEARING
TO ADOPT
FISCAL YEAR 2024 CLEAN WATER STATE REVOLVING FUND
INTENDED USE PLAN, PROJECT PRIORITY LIST,
AND BIPARTISAN INFRASTRUCTURE LAW ADDENDUM**

Notice is hereby given that the South Dakota Board of Water and Natural Resources will hold a public hearing to adopt the South Dakota 2024 Clean Water State Revolving Fund Intended Use Plan, Project Priority List, and Bipartisan Infrastructure Law Addendum on November 8, 2023, at 1:00 p.m. CT.

The public may participate in person at the Matthew Training Center, Joe Foss Building, 523 E. Capitol Avenue, Pierre SD, 57501. Online participation is available with live audio or by streaming through a computer or other mobile device. The full board packet and directions for access to the meeting and live streaming can be found on the South Dakota Boards and Commissions Portal at:

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

This public hearing is being held pursuant to ARSD 74:05:08:05 and meets all requirements of the Clean Water Act.

The Intended Use Plan consists of three components. One component describes how the state intends to use available funds from the standard program allocation for the year to meet the objectives of the Clean Water Act and further the goal of protecting public health. This includes the amount of funds to be allocated to set-aside activities such as for administration and technical assistance.

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The third component of the Intended Use Plan is an Addendum to specifically address the allocation of funds and proposed uses, to include set-aside activities, for the funds provided through the Bipartisan Infrastructure Law.

Persons interested in presenting public testimony concerning the adoption of the 2024 Intended Use Plan may appear at the designated place and time. Written comments will be received at any time prior to the hearing date by mailing them to the Environmental Funding Program, Department of Agriculture and Natural Resources, 523 E. Capitol Avenue, Pierre, SD 57501.

Copies of the proposed 2024 Intended Use Plan can be received at no charge by requesting a copy from the address given above, by calling (605) 773-4216, by sending an e-mail request to andrew.bruels@state.sd.us, or from the DANR website at:

<https://danr.sd.gov/public/default.aspx>

Notice is given to individuals with disabilities that the hearing is being held in a physically accessible location. Individuals requiring assistive technology or other services in order to participate in the hearing 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.

Published once at the total approximate cost of \$_____ .

SOUTH DAKOTA CLEAN WATER STATE REVOLVING FUND FEDERAL FISCAL YEAR 2024 INTENDED USE PLAN

INTRODUCTION

The state of South Dakota proposes to adopt the following Intended Use Plan (IUP) for Federal Fiscal Year (FFY) 2024 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 2024.

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 2024 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 anticipated FFY 2024 capitalization grant, the ability exists to transfer more than \$64.9 million from the Clean Water SRF program to the Drinking Water SRF program. Nearly \$63.0 million could be transferred from the Drinking Water Program to the Clean Water SRF program. Table 2 on pages 12 and 13 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 2024.

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 2024 capitalization grant is expected to be \$3,683,000 which requires \$736,600 in state match. Bond proceeds will be used to match FFY 2024 capitalization grant funds.

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 2024.

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 2024.

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 \$12.0 million in interest earnings will become available for loans in FFY 2024.

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 billion. 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 billion. 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 2023 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 14 summarizes the amounts of principal forgiveness provided with the 2010 – 2024 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 2024 identifies \$9,012,790 in potential 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 (GPR).

Sufficient funds have been awarded to qualifying projects to meet the 2010 – 2023 capitalization grants GPR requirements.

The GPR requirement was included in the 2010 - 2023 capitalization grants and required that not less than 10 percent be made available for GPR eligible projects. It is anticipated that the 2024 capitalization grant will include a requirement that not less than 10 percent be made available for GPR 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 2016-2023 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 2024 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 2024 are summarized in Table 1. The rates were adjusted in November 2023.

In November 2023 specific interest rates will be reviewed and considered for loans that will be subject to Build America, Buy America Act.

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				
Admin. Surcharge				
Total				
<u>Base Rate</u>				
Interest Rate				
Admin. Surcharge				
Total				
<u>Nonpoint Source Incentive Rate</u>				
Interest Rate				
Admin. Surcharge				
Total				
* Term cannot exceed useful life of the project.				

Clean Water SRF loan interest rates will be reviewed by the Board of Water and Natural Resources at its November 8, 2023, Board meeting prior to the IUP public hearing.

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 of Agriculture and Natural Resources. 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 2024

As of September 30, 2023, \$980,327 of unobligated administrative surcharge funds is available. It is anticipated that the administrative surcharge will generate an additional \$2,000,000 in FFY 2024.

In FFY 2024, \$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 2024 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 total annual capitalization grants, 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 estimated fiscal year 2024 base capitalization grant and BIL Supplemental grant is \$593,320, and 1/5 of a percent of the current fund valuation of \$270,748,583 results in \$541,497 available for administrative fees. As a result, an administrative allowance of \$593,320 will be reserved for administrative purposes in FFY 2024. Of this amount, \$147,320 will be from the base grant and the remaining \$446,000 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 of Water and Natural Resources 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 for technical, managerial, or financial capacity training. There remains sufficient available funds from prior year capitalization grants to fund these activities. In FFY 2024 no 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.

On November 8, 2023, a public hearing was held seeking comments on the CWSRF 2024 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 2024 IUP and BIL addendum were 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 2024 IUP and BIL addendum were 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>.

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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 - 2001	\$42,690,000	\$14,087,700	\$14,087,700				\$14,087,700	\$14,087,700
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 - 2010	\$38,094,000	\$12,571,020	\$40,147,305				\$24,572,985	\$32,647,305
2011	\$9,418,000	\$3,107,940	\$43,255,245		\$10,000,000	Repayments	\$27,680,925	\$25,755,245
2012 - 2023	\$107,848,000	\$35,589,840	\$78,845,085				\$63,270,765	\$61,345,085
2024 Est.	\$4,938,000	\$1,629,540	\$80,474,625				\$64,900,305	\$62,674,625

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
2024 Est.	\$22,900,000	\$7,557,000	\$20,442,510				\$20,442,510	\$20,442,510

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
2024 Est.	\$7,640,000	\$2,521,200	\$7,535,550				\$7,535,550	\$7,535,550

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	\$1,235,000
2024 Est.	\$736,600	\$1,473,200	\$0
Totals	\$10,260,181	\$33,762,299	\$31,938,676

	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	\$3,176,280	\$0**	\$0
2024 Est.	\$5,463,500	\$0	\$1,043,000	\$0
Totals	\$14,759,290	\$7,457,900	\$1,043,000	\$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 5 and 6 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 2024.

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term	Principal Forgiveness Eligible	NPDES Permit Number
30	Whitewood	C461006-04	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.	\$500,000	3.25%, 30 yrs	Yes	SD0021466
23	Clear Lake	C461037-03	The wastewater treatment system is in need of improvements to meet discharge limits. The project will make process upgrades to allow treatment of ammonia and other nutrients. This project will also include storm sewer improvements in the community.	\$11,674,600	3.25%, 30 yrs	Yes	SD0020699
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		SDG826751
20	Niche Sanitary District	C461473-01	The districts on-site septic tanks for each home are beginning to fail and no longer in compliance with standards. This project would install sanitary sewer collection lines and either individual or centralized pumping to convey wastewater by forcemain to the Summerset wastewater treatment facility.	\$1,696,110	3.25%, 30 yrs		Not Applicable

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term	Principal Forgiveness Eligible	NPDES Permit Number
20	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
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.	\$10,000,000	3.00%, 20 yrs	Yes (Pending rate increase)	SD0020702
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.	\$25,000,000	3.00%, 20 yrs	Yes (Pending rate increase)	SD0023370
18	Yankton	C461038-08	Relocation or rehabilitation of the wastewater treatment facility.	\$5,000,000	3.25%, 30 yrs	Yes	SD0023396
16	Mobridge	C461016-06	Upgrades at the wastewater treatment facility to include construction of new final clarifiers, repurpose of existing clarifiers for new treatment process, installation of a sludge dewatering and biosolids equipment.	\$6,350,000	3.25%, 30 yrs	Yes	SD0020028
16	Pierre	C461288-10	Construction of a new solid waste disposal cell #4 for the regional landfill.	\$1,608,120	3.00%, 20 yrs		NPS
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.	\$20,000,000	3.00%, 20 yrs	Yes (Pending rate increase)	SD0023574

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term	Principal Forgiveness Eligible	NPDES Permit Number
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	White	C461118-02	Installation of influent flow monitoring equipment and replacement of the pond level control structures with valving to better control flows.	\$316,135	3.25%, 30 yrs		SD0021636
13	Gary	C461273-01	Replacement or relining of approximately 9,100 feet of clay sanitary sewer throughout the community and upgrades to the treatment ponds to include new control structures and piping, sludge removal, installation of riprap, and gravel surfacing roads between ponds for access.	\$4,665,164	3.25%, 30 yrs	Yes (Pending rate increase)	SDG820591
13	Hermosa	C461278-03	Rehabilitating the lagoon system and construction of a new lagoon cell.	\$500,000	3.25%, 30 yrs		SD0022349
13	Oacoma	C461289-01	Improvements to the treatment facility include pond embankment restoration, new pond transfer structures, and primary pond influent pipe replacement. A lift station will be constructed in the downtown area to better convey wastewater within the collection system.	\$2,605,000	3.25%, 30 yrs		SD0020737
12	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.	\$61,000,000	3.00%, 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	Mitchell	C461129-13	Dredging of Lake Mitchell to remove nutrient laden lakebed sediments.	\$38,465,000	3.00%, 20 yrs	Yes (Pending rate increase)	Not Applicable
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.	\$1,000,000	3.00%, 20 yrs		SD0028615
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
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	Madison	C461024-06	Replacement of approximately 3,300 feet of clay sanitary sewer with PVC on Egan Avenue.	\$2,692,547	3.25%, 30 yrs		SD0020010
11	Parker	C461026-07	Replacement of approximately 3,000 feet of clay sanitary sewer with PVC and 4,000 feet of storm sewer in various locations throughout the community.	\$1,668,419	3.25%, 30 yrs		SD0020940

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term	Principal Forgiveness Eligible	NPDES Permit Number
10	Hot Springs	C461040-03	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	Lake Preston	C461011-03	Replacement of approximately 6,200 feet of clay sanitary sewer with PVC and 2,000 feet of storm sewer on various streets south of 1st Street.	\$3,987,000	3.25%, 30 yrs	Yes	SD0023655
10	Vermillion	C461022-13	Installation of approximately 4,600 feet of new sanitary sewer and connection to the existing collection system in the Tom Street sewer basin for future development.	\$2,511,800	3.25%, 30 yrs	Yes (Pending rate increase)	SD0020061
10	Vermillion	C461022-14	Installation of approximately 4,000 feet of new sanitary sewer trunk line, a lift station, and 400 feet of forcemain northeast of the current city limits for future development.	\$4,211,500	3.25%, 30 yrs	Yes (Pending rate increase)	SD0020061
10	Worthing	C461047-06	Replacement of approximately 4,900 feet of clay sanitary sewer with PVC primarily on streets east of Louise Avenue.	\$2,506,000	3.25%, 30 yrs		SD0021474
9	Britton	C461188-06	Replacement of sanitary sewer and installation of a lift station in the city's industrial area.	\$532,000	3.25%, 30 yrs		SDG822292
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	C461122-06	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

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term	Principal Forgiveness Eligible	NPDES Permit Number
9	Harrisburg	C461065-10	Installation of 26,000 feet of new sanitary sewer trunk line and a lift station northeast of the current city limits and conversion of an existing lift station to pump flow from the new sewer basin trunk lines to the wastewater treatment facility.	\$36,511,600	3.25%, 30 yrs		SD0023728
9	Iroquois	C461174-01	Replacement of the main lift station and forcemain, wastewater treatment improvements to valves and concrete structures, and relining or replacement of manholes in the collection system.	\$3,143,000	3.25%, 30 yrs	Yes	SDG922438
9	Lennox	C461105-11	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	Salem	C461057-08	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	Springfield	C461071-02	Replacement of approximately 1,500 feet of clay sanitary sewer with PVC and installation of 1,500 feet of storm sewer on portions of College, Elm, and Ninth Streets.	\$1,914,300	3.25%, 30 yrs	Yes (Pending rate increase)	SD0022047
9	Wagner	C461209-03	Replacement of approximately 550 feet of sanitary sewer with PVC along Highway 46 within the community.	\$285,000	3.25%, 30 yrs	Yes	SD0020184
8	Alcester	C461212-03	Replacement of approximately 7,400 feet of clay sanitary sewer with PVC in the western portion of the city.	\$3,772,400	3.25%, 30 yrs	Yes	SD0021695

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term	Principal Forgiveness Eligible	NPDES Permit Number
8	Colton	C461135-05	Replacement of approximately 550 feet of clay sanitary sewer with PVC in the 4th Street business district.	\$378,408	3.25%, 30 yrs		SD0022322
8	Elkton	C461229-04	Replacement of approximately 7,400 feet of clay sanitary sewer with PVC primarily on streets north of the railroad and east of Antelope Street.	\$3,273,279	3.25%, 30 yrs		SD0020788
8	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.	\$3,000,000	3.25%, 30 yrs	Yes	SDG820214
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.	\$720,000	3.25%, 30 yrs		SDG824015
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
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.	\$500,000	3.25%, 30 yrs	Yes	SD0022411
7	Emery	C461248-03	Installation of 8,400 feet of storm sewer.	\$2,494,000	3.25%, 30 yrs		Not Applicable
7	Presho	C461236-02	Replacement and installation of approximately 240 feet of sanitary sewer on West 7th Street, installation of approximately 1,700 feet of storm sewer and inlets in the area of the baseball field and the intersection of 5th Street and Fir Street.	\$1,055,930	3.25%, 30 yrs		SD0020117

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term	Principal Forgiveness Eligible	NPDES Permit Number
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	Philip	C461205-10	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	Viborg	C461240-04	Installation of approximately 750 feet of new sanitary sewer trunk line and 500 feet of storm sewer in the northeast portion of the community for future development.	\$230,000	3.25%, 30 yrs	Yes (Pending rate increase)	SD0020541
4	Geddes	C461274-01	Installation of 3,600 feet of storm sewer and related appurtenances.	\$1,186,000	3.25%, 30 yrs	Yes (Pending rate increase)	Not Applicable

ATTACHMENT II – LIST OF PROJECTS TO BE FUNDED IN FFY 2024

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 Expected							
18	Watertown	C461029-16	\$25,000,000	\$2,500,000	Jan. 2024	Repay/Lev. Bonds	3
12	Sioux Falls	C461232-46	\$61,000,000		Jan. 2024	Repay/Lev. Bonds	
8	Hecla	C461276-02	\$3,000,000	\$300,000	Jan. 2024	Repay/Lev. Bonds	3
8	Humboldt	C461254-06	\$720,000		Jan. 2024	Repay/Lev. Bonds	
4	Geddes	C461274-01	\$1,186,000	\$118,600	Jan. 2024	Repay/Lev. Bonds	3
23	Clear Lake	C461037-03	\$11,674,600	\$1,167,460	March 2024	Repay/Lev. Bonds	3
20	Niche Sanitary District	C461473-01	\$1,696,110		March 2024	Repay/Lev. Bonds	
20	Sioux Falls	C461232-47	\$11,675,000		March 2024	Repay/Lev. Bonds	
16	Mobridge	C461016-06	\$6,350,000	\$635,000	March 2024	Repay/Lev. Bonds	3
16	Pierre	C461288-10	\$1,608,120		March 2024	Repay/Lev. Bonds	
14	White	C461118-02	\$316,135		March 2024	Repay/Lev. Bonds	
13	Gary	C461273-01	\$4,665,164	\$466,516	March 2024	Repay/Lev. Bonds	3
13	Oacoma	C461289-01	\$2,605,000		March 2024	Repay/Lev. Bonds	
11	Madison	C461024-06	\$2,692,547		March 2024	Repay/Lev. Bonds	
11	Parker	C461026-07	\$1,668,419		March 2024	Repay/Lev. Bonds	
10	Lake Preston	C461011-03	\$3,987,000	\$398,700	March 2024	Repay/Lev. Bonds	3
10	Vermillion	C461022-13	\$2,511,800	\$251,180	March 2024	Repay/Lev. Bonds	3
10	Worthing	C461047-06	\$2,506,000		March 2024	Repay/Lev. Bonds	
9	Iroquois	C461174-01	\$3,143,000	\$314,300	March 2024	Repay/Lev. Bonds	3
9	Springfield	C461071-02	\$1,914,300	\$191,430	March 2024	Repay/Lev. Bonds	3
9	Wagner	C461209-03	\$285,000	\$28,500	March 2024	Repay/Lev. Bonds	3
8	Alcester	C461212-03	\$3,772,400	\$377,240	March 2024	Repay/Lev. Bonds	3
8	Colton	C461135-05	\$378,408		March 2024	Repay/Lev. Bonds	
8	Elkton	C461229-04	\$3,273,279		March 2024	Repay/Lev. Bonds	
8	North Brookings Sanitary & Water District	C461370-01	\$4,000,000		March 2024	Repay/Lev. Bonds	
7	Presho	C461236-02	\$1,055,930		March 2024	Repay/Lev. Bonds	
6	Viborg	C461240-04	\$230,000	\$23,000	March 2024	Repay/Lev. Bonds	3
22	Spring/Cow Creek Sanitary District	C461493-02	\$1,043,337		June 2024	Repay/Lev. Bonds	
12	Powder House Pass Community Improvement District	C461471-04	\$1,000,000		June 2024	Repay/Lev. Bonds	
12	Sioux Falls	C461232-49	\$8,410,500	\$421,150	June 2024	2024 Base/BIL GS	
	GPR Project Type: Green Infrastructure (Categorical) GPR Amount: TBD						

Priority Points	Loan Recipient	Project Number	Assistance Amount	Principal Forgiveness ¹	Funding Date	Expected Funding Source ²	Fund/Project Eligibility ^{3,4}
	<i>Green Project Reserve Information</i>						
10	Vermillion	C461022-14	\$4,211,500		June 2024	Repay/Lev. Bonds	3
9	Britton	C461188-06	\$532,000	\$95,694	June 2024	Repay/Lev. Bonds	
6	Philip	C461205-10	\$956,938	\$1,000,000	June 2024	Repay/Lev. Bonds	3
18	Aberdeen	C461072-05	\$10,000,000	\$724,020	Sept. 2024	Repay/Lev. Bonds	3
16	Rapid City	C461014-09	\$20,000,000		Sept. 2024	Repay/Lev. Bonds	3
9	Harrisburg	C461065-10	\$36,511,600	\$2,500,000	Sept. 2024	Repay/Lev. Bonds	

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 2024 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 – 2023

Capitalization Grants	\$227,853,200
BIL Supplemental Grants	\$18,971,000
State Match (Base and BIL)	\$47,467,740
ARRA Grant	\$19,239,100
Set-Asides (Base and BIL)	(\$11,681,199)
Leveraged Funds	\$488,703,951
Transfer FFY 2002 & 2003 Capitalization Grant and State Match to DWSRF	(\$15,574,320)
Excess Interest as of September 30, 2022	\$135,597,352
Excess Principal as of September 30, 2022	<u>\$215,270,996</u>
 Total Funds Dedicated to Loan	 \$1,125,847,820
 Closed Loans made through September 30, 2023	 <u>(\$1,279,283,927)</u>
 Available funds as of September 30, 2023	 (\$153,436,107)

Federal Fiscal Year 2024 Projections

Base Capitalization Grant	\$3,683,000
BIL General Supplemental Grant	\$11,150,000
State Match (combined total)	\$3,366,200
Set-Asides (combined total)	(\$593,320)
Projected Excess Principal Repayments	\$5,000,000
Projected Unrestricted Interest Earnings	\$12,000,000
Leveraged Bonds	<u>\$100,000,000</u>
Projected FFY 2024 Loan Subtotal	\$134,605,880
 Funds Available for Loans	 (\$18,830,227)
 Loans Awarded and Unclosed as of September 30, 2024	 (\$231,298,390)
 Total Funds Available for Loans	 <u><u>(\$250,128,617)</u></u>
 Loan Amount Identified on Attachment II - List of Projects to be Funded in FFY 2024	 <u><u>\$245,580,087</u></u>

Administrative Surcharge Funds Available as of September 30, 2023	
Restricted Account (Administrative Purposes Only)	\$1,445
Discretionary Account (Available for Water Quality Grants)	<u>\$978,882</u>
Total	<u>\$980,327</u>

BIL EMERGING CONTAMINANTS PROGRAM FUNDING STATUS

Federal Fiscal Year 2023

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, 2023		\$0
Available funds as of September 30, 2023		\$0

Federal Fiscal Year 2024 Projections

CWSRF BIL Emerging Contaminants Grant	\$1,043,000	
State Match	\$0	
Set-Asides	\$0	
Projected FFY 2024 Loan Sub-total		\$1,043,000
Funds Available for Loans		\$1,043,000
Loans Awarded and Unclosed as of September 30, 2023		\$0
Total Funds Available for Loans		\$1,043,000
Loan Amount Identified on Attachment II - List of Projects to be Funded in FFY 2024		\$0

Addendum to the 2024 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 estimated 2024 allotment for the CWSRF program totals \$12,193,000.

This addendum is for the distribution of BIL funds in 2024.

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 an estimated general supplemental funding allotment of \$11,150,000 to South Dakota in 2024 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 - 2024 Project Priority List of the CWSRF IUP.

Requirements

- Application, prioritization and approval for funding will be the same as the existing CWSRF program.
- State match is 20% of the total amount of the capitalization grant in fiscal year 2024. 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 estimated 2024 BIL CWSRF appropriation for infrastructure is \$11,150,000. In 2022 and 2023, a combined \$379,420 was set-aside to provide planning grants to communities of 2,500 or less and provide technical assistance to rural communities through a contracted provider. More information on these technical assistance activities is provided on pages 8 and 9 of the base program IUP. There remains sufficient available funds from prior year capitalization grants to fund these activities. In FFY 2024, no CWSRF program funds will be allocated for this set-aside.

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 estimated fiscal year 2024 base capitalization grant and BIL Supplemental grant is \$593,320, and 1/5 of a percent of the current fund valuation of \$270,748,583 results in \$541,497 available for administrative fees. As a result, an administrative allowance of \$593,320 will be reserved for administrative purposes in FFY 2024. Of this amount, \$446,000 will be from the BIL Supplemental grant and the remaining \$147,320 from the base grant.

CWSRF BIL Emerging Contaminants Funding

The BIL includes an estimated funding allocation of \$1,043,000 to South Dakota in 2024 to be applied to clean water emerging contaminants. At this time, no projects meeting the criteria

for award of these funds are included on the Project Priority List. Until eligible projects submit a State Water Plan application for inclusion on the Project Priority List, South Dakota does not intend to apply for these funds.

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 through 6 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 2024 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 8, 2023, a public hearing was held seeking comments on the BIL addendum to the CWSRF 2024 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 2024 IUP and BIL addendum were 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 2024 IUP and BIL addendum were 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>.

November 8, 2023

Item 8

TITLE: Public Hearing to Adopt Federal Fiscal Year 2024 Drinking Water State Revolving Fund Intended Use Plan, Project Priority List, and Bipartisan Infrastructure Law Addendum.

EXPLANATION: The Intended Use Plan consists of three components. One component describes how the state intends to use available funds from the standard program allocation for the year to meet the objectives of the Safe Drinking Water Act and further the goal of protecting public health. This includes the amount of funds to be allocated to set-aside activities such as administration, state program management, small system technical assistance, and local assistance and other state programs.

The second component of the Intended Use Plan is a priority list of projects that will be eligible to receive funding. Projects seeking a Drinking Water State Revolving Fund loan must be on the priority list.

The third component of the Intended Use Plan is an Addendum to specifically address the allocation of funds and proposed uses, to include set-aside activities, for the funds provided through the Bipartisan Infrastructure Law.

RECOMMENDED ACTION: Conduct the public hearing, receive testimony, and approve the Federal Fiscal Year 2024 Intended Use Plan, Project Priority List, and Bipartisan Infrastructure Law Addendum.

CONTACT: Andy Bruels, 773-4216

**NOTICE OF PUBLIC HEARING
TO ADOPT
FISCAL YEAR 2024 DRINKING WATER STATE REVOLVING FUND
INTENDED USE PLAN, PROJECT PRIORITY LIST,
AND BIPARTISAN INFRASTRUCTURE LAW ADDENDUM**

Notice is hereby given that the South Dakota Board of Water and Natural Resources will hold a public hearing to adopt the South Dakota 2024 Drinking Water State Revolving Fund (SRF) Intended Use Plan, Project Priority List, and Bipartisan Infrastructure Law Addendum on November 8, 2023, at 1:00 p.m. CT.

The public may participate in person at the Matthew Training Center, Joe Foss Building, 523 E. Capitol Avenue, Pierre SD, 57501. Online participation is available with live audio or by streaming through a computer or other mobile device. The full board packet and directions for access to the meeting and live streaming can be found on the South Dakota Boards and Commissions Portal at:

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

This public hearing is being held pursuant to ARSD 74:05:11:03 and meets all requirements of the federal Safe Drinking Water Act.

The Intended Use Plan consists of three components. One component describes how the state intends to use available funds from the standard program allocation for the year to meet the objectives of the Safe Drinking Water Act and further the goal of protecting public health. This includes the amount of funds to be allocated to set-aside activities such as administration, state program management, small system technical assistance, local assistance and other state programs.

The second component of the Intended Use Plan is a priority list of projects that will be eligible to receive funding. Projects seeking a Drinking Water State Revolving Fund loan must be on the priority list.

The third component of the Intended Use Plan is an Addendum to specifically address the allocation of funds and proposed uses, to include set-aside activities, for the funds provided through the Bipartisan Infrastructure Law.

Persons interested in presenting public testimony concerning the adoption of the 2024 Intended Use Plan may appear at the designated place and time. Written comments will be received at any time prior to the hearing date by mailing them to the Environmental Funding Program, Department of Agriculture and Natural Resources, 523 E. Capitol Avenue, Pierre, SD 57501.

A copy of the proposed 2024 Intended Use Plan can be received at no charge by requesting a copy from the address given above, by calling (605) 773-4216, by sending an e-mail request to andrew.bruels@state.sd.us, or from the DANR website at:

<https://danr.sd.gov/public/default.aspx>

Notice is given to individuals with disabilities that the hearing is being held in a physically accessible location. Individuals requiring assistive technology or other services in order to participate in the hearing 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.

Published once at the total approximate cost of \$_____ .

**SOUTH DAKOTA
DRINKING WATER STATE REVOLVING FUND
FEDERAL FISCAL YEAR 2024 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) 2024 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.

On November 8, 2023, a public hearing was held seeking comments on the DWSRF 2024 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 2024 IUP and BIL addendum were 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 2024 IUP and BIL 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>. 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 2024, the specific measures are:

1. In FFY 2023, the fund utilization rate, as measured by the percentage of executed loans to funds available, was 109.2 percent, which exceeded the target goal of 90 percent. Based on South Dakota utilizing the cashflow model for allocation of funds, the fund utilization rate is anticipated to remain above 100 percent in future years.
2. In FFY 2023, the rate at which projects progressed as measured by disbursements as a percent of assistance provided was 70.6 percent, which was below the goal of 80 percent. This was due to a large number of loans being executed which included significant amounts of American Rescue Plan Act grants in the funding package, those grant funds are primarily drawn before the SRF loan funds for the project. For FFY 2024, the goal is to increase the construction pace to 75 percent.
3. For FFY 2024, the goal of the Drinking Water SRF program is to fund 34 loans, totaling more than \$146.3 million.
4. For FFY 2024, it is estimated that 53 projects will initiate operations.
5. For FFY 2024, 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 2024, 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 2024 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 2023.

In November 2023 specific interest rates will be reviewed and considered for loans that will be subject to Build America, Buy America Act and for loans for lead service line replacement activities.

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				
Admin. Surcharge				
Total				
<u>Base Rate</u>				
Interest Rate				
Admin. Surcharge				
Total				
<u>Disadvantaged Rate – 80% to 100% of MHI</u>				
Interest Rate				
Admin. Surcharge				
Total				
<u>Disadvantaged Rate – 60% to 80% of MHI</u>				
Interest Rate				
Admin. Surcharge				
Total				
<u>Disadvantaged Rate – Less than 60% of MHI</u>				
Interest Rate				
Admin. Surcharge				
Total				
* Term cannot exceed useful life of the project				

Drinking Water SRF loan interest rates will be reviewed by the Board of Water and Natural Resources at its November 8, 2023, Board meeting prior to the IUP public hearing.

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, 2023, nearly \$4.46 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 2024 allocation for these activities will be \$500,000.

In FFY 2024, \$75,000 of administrative surcharge funds will be allocated for operator certification training.

In federal fiscal year 2024, \$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 more than \$567.7 million have been made to systems meeting this population threshold, or 42.6 percent of the \$1.33 billion of total funds available for loan. Attachment II – List of Projects to be funded in FFY 2024 identifies more than \$146.3 million in projects, of which more than \$71.9 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 anticipated FFY 2024 capitalization grant, the ability exists to transfer more than \$64.9 million from the Clean Water SRF program to the Drinking Water SRF program. Nearly \$63.0 million could be transferred from the Drinking Water SRF Program to the Clean Water SRF program. Table 2 (pages 12 and 13) 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 2024.

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 anticipated FFY 2024 capitalization grant is \$4,938,000 which requires \$987,600 in state match. Bond proceeds will be used to match FFY 2024 capitalization grant funds.

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, 2023, \$197.1 million in leveraged bonds have been issued for the Drinking Water SRF program. It is anticipated that up to \$100 million of additional leveraged bonds will be required in FFY 2024.

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 no excess principal repayments will become available for loans in FFY 2024.

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 \$6.5 million in interest earnings will become available for loans in FFY 2024.

As of September 30, 2023, 501 loans totaling \$1,332,223,090 have been made.

South Dakota has switched from a cash-on-hand financing model to a cashflow model. This model allows funding to be awarded based on the anticipation of future repayments and leveraged bonds being issued. With the anticipated FFY 2024 capitalization grant, state match, leveraged bonds, excess interest earnings, and repayments, nearly \$138.4 million in new funds for projects will be available. This information is provided in Attachment III, Drinking Water SRF Funding Status.

Funds will be allocated to the set-aside activities in the amounts outlined on pages 8 - 10. 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.

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 2023 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 page 14 summarizes the amounts of principal forgiveness provided to date.

It is anticipated the FFY 2024 capitalization grant will include 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 10.

Attachment II – List of Projects to be Funded in FFY 2024 identifies \$691,320 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 anticipated FFY 2024 base capitalization grant is \$197,520, four percent of the anticipated FFY 2024 BIL Supplemental capitalization grant is up to \$916,000, and 1/5 of a percent of the current fund valuation of \$232,424,205 results in \$464,848 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 \$458,000. 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 2024. Unused funds from previous years' set-aside for small system technical assistance are banked for use in future years. As of September 30, 2023, \$231,939 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 2024. 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 2024. 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, MAP has assisted in the review of capacity assessments required as part of the Drinking Water SRF loan applications.

There remains \$125,420 from prior years' allocations. These funds will be used by a qualified assistance provider, selected through a request for proposals. DNR staff will review proposals and make a recommendation to the board to select the most qualified firm for contracting of these services.

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:

1. 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 2024.

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 14 summarizes the amounts of disadvantaged principal forgiveness provided to date.

Attachment II – List of Projects to be Funded in FFY 2024 identifies \$19,537,444 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.

DRAFT

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								
-	\$107,848,000	\$35,589,840	\$78,845,085				\$63,270,765	\$61,345,085
2023								
2024 Est.	\$4,938,000	\$1,629,540	\$80,474,625				\$64,900,305	\$62,674,625

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
2024 Est.	\$22,900,000	\$7,557,000	\$20,442,510				\$20,442,510	\$20,442,510

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
2024 Est.	\$7,640,000	\$2,521,200	\$7,535,550				\$7,535,550	\$7,535,550

Table 3 – Principal Forgiveness Allowed and Awarded

	Principal Forgiveness for all Borrowers			Disadvantaged-only Principal Forgiveness ^a		
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	\$981,120	\$840,960	\$2,452,800	\$2,205,350
2023	\$691,320	\$691,320	\$691,320	\$592,560	\$1,728,300	\$1,728,300
2024 Est.	\$691,320	\$691,320	\$0	\$592,560	\$1,728,300	\$0
Totals	\$27,114,800	\$46,711,300	\$46,019,980	\$4,018,920	\$25,832,300	\$22,127,638

	BIL General Supplemental Principal Forgiveness ^a		BIL Lead Service Line Replacement Principal Forgiveness ^a		BIL Emerging Contaminants Principal Forgiveness ^b	
Year	Required Amount	Awarded from FY Grant	Required Amount	Awarded from FY Grant	Required Amount	Awarded from FY Grant
2022	\$8,816,080	\$8,816,080	\$490,000	\$490,000	\$8,014,000 ^c	\$7,895,000
2023	\$10,316,950	\$5,668,556	\$14,038,500 ^d	\$0	\$8,683,000 ^{c, d}	\$0
2024 Est.	\$11,221,000	\$0	\$14,038,500	\$0	\$8,683,000	\$0
Totals	\$30,354,030	\$14,484,636	\$28,567,000	\$490,000	\$24,337,000	\$7,895,000

^a Principal Forgiveness will only be provided to eligible entities that meet the Disadvantaged Community definition in ARSD 74:05:11:01(11) and described on page 10 of the IUP.

^b 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.

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

^d No capitalization grant applications have been submitted by South Dakota for these prior year grants as of September 30, 2023.

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 2024.

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
304	Wessington Springs	C462210-04	Problem: the city's existing water source has experienced E. Coli contamination recently and the existing water treatment plant is in need of extensive repairs or replacement to continue serving users. Project: the city is considering either construction of a new water treatment plant able to remove contaminants and assure sufficient water capacity and quality for users or regionalization with connection to Mid-Dakota RWS for bulk water supply to serve the communities water needs.	\$10,280,000	2.75%, 30 years	771	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.	\$500,000	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-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.	\$2,000,000	3.25%, 30 years	5,673	
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	1,490	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
97	Seneca	C462389-01	Problem: many of the system's meters are old and no longer operate properly and many of the lines in the system are dead-ends reducing pressure and water quality. Project: replace existing water meters with a new remote read drive-by system and billing software and install 2,000 feet of 2-inch PVC pipe to loop the system.	\$440,800	2.75%, 30 years	22	Yes
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)
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	
90	Deadwood	C462001-01	Problem: areas of the existing distribution system in different pressure zones are only served by one line providing no redundancy for users in those areas or to fill one of the system storage tanks. Project: install approximately 4,500 of watermain and a booster station to increase pressure for the adjacent area being served.	\$2,897,000	2.75%, 30 years	1,156	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
88	Randall Community Water District	C462436-06	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.	\$5,000,000	3.00%, 30 years	11,028	Yes (Pending rate increase)
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.	\$841,425	2.75%, 30 years	2,982	Yes (Pending rate increase)
85	Springfield	C462071-02	Problem: a portion of the existing distribution system pipe is cast iron pipe and beyond its useful life. Project: install 2,700 feet of new PVC watermain on portions of College, Elm, and Ninth Streets.	\$1,362,100	2.75%, 30 years	1,914	Yes
85	Wagner	C462209-05	Problem: a portion of the existing distribution system pipe is cast iron pipe and beyond its useful life. Project: install 4,300 feet of new PVC watermain along Highway 46 within the community.	\$925,000	2.75%, 30 years	1,490	Yes
82	Sioux Rural Water System	C462433-04	Problem: areas of the existing distribution system lack necessary source water, pipeline, and storage capacity to provide water to meet current user demand, pumps at the Sioux water treatment plant are beyond their useful life, and the Pemican Plaze mobile home park near the Sioux RWS service area has had violations for nitrate limits. Project: construct 35.4 miles of 3- to 10-inch of new pipeline to parallel or loop existing lines, replaceme pumps at the Sioux water treatment plant, install two new wells, construct a 154,000-gallon ground storage reservoir, and connect the Pelican Plaza mobile home park to Sioux RWS.	\$10,986,000	3.25%, 30 years	9,586	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
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	Lake Preston	C462011-04	Problem: a portion of the existing distribution system pipe is cast iron or asbestors cement pipe and beyond its useful life. Project: install 11,900 feet of new PVC watermain on various streets south of 1st Street.	\$4,574,850	3.00%, 30 years	589	Yes
69	Western Dakota Regional Water System	C462494-01	Problem: individual wells, small developments, and the city of New Underwood have source water capacity limitations currently, these areas are also undergoing testing to determine PFAS impacts related to the Ellsworth Air Force Base to the groundwater in the region. The city of Box Elder also has water capacity limitations to serve existing users. Project: create a new public water system to include installing nearly 20 miles of 12-inch water main between Rapid City and New Underwood, constructing a 2-million-gallon water storage reservoir, two meter vault facilities, and 2 booster pump stations.	\$25,015,000	3.25%, 30 years	690	
53	Valley Heights Estates Sanitary District	C462505-01	Problem: the existing storage tank is in poor condition which provides the needed pressure for users, areas of the distribution system lack sufficient valves, hydrants, and loops to allow proper operation. Project: the existing storage tank will be removed and either a new storage tank constructed or upgrades made to Box Elder's booster pumps which supply the systems water and install new valves, hydrants, and watermain to allow proper operation and maintencance.	\$3,339,000	3.25%, 30 years	480	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
34	New Underwood	C462257-03	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.	\$3,500,000	3.25%, 30 years	590	
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
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.	\$792,000	3.25%, 30 years	460	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- tagged
28	Oacoma	C462289-03	Problem: the city's existing Missouri River surface water intake is experiencing sedimentation and needs to be moved to remain in use. Project: the city is considering either movement of the intake or regionalization with connection to West River/Lyman Jones RWS for bulk water supply to serve the communities water needs.	\$6,890,000	3.25%, 30 years	396	
23	Minnehaha Community Water Corp.	C462440-06	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.	\$5,000,000	3.25%, 30 years	28,893	
23	Aberdeen	C462072-04	Problem: the city's existing water storage capacity is not able to meet average day demands. Project: construct a 1.5-million-gallon water storage tower and install approximately 15,000 feet of transmission mains to connect the tower to the distribution system.	\$10,870,000	3.00%, 30 years	28,495	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.	\$3,000,000	3.25%, 30 years	9,500	
20	Parker	C462026-06	Problem: a portion of the existing distribution system pipe is cast iron pipe and beyond its useful life. Project: install 7,600 feet of new PVC watermain in various locations throughout the community.	\$2,076,633	3.25%, 30 years	1,194	
19	Valley Springs	C462239-03	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.	\$684,000	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	Elkton	C462229-03	Problem: a portion of the existing distribution system pipe is cast iron pipe and beyond its useful life. Project: install 6,000 feet of new PVC watermain primarily on streets north of the railroad and east of Antelope Street.	\$2,025,720	3.25%, 30 years	755	
19	Worthing	C462047-03	Problem: a portion of the existing distribution system pipe is asbestos cement pipe and beyond its useful life. Project: install 4,400 feet of new PVC watermain primarily on streets east of Louise Avenue.	\$2,615,000	3.25%, 30 years	927	
17	Lincoln County Rural Water System	C462445-04	Problem: the system is in need of additional source water capacity within a portion of the distribution system to meet user demand. Project: Construct a new meter building near 270th Street and 468th Avenue to provide for a second bulk water connection to Lewis & Clark RWS and install 5.25 miles of 8- and 12-inch water main along 270th Street and 467th Avenue to connect the new meter building to the existing distribution system.	\$3,078,000	3.25%, 30 years	6,000	
13	Gayville	C462250-02	Problem: the existing system storage capacity does not meet peak day demand, the existing storage tank is in need of repair due to age, and several lines throughout the community are 4-inch not able to meet user demands during high use periods. Project: construct a 40,000-gallon ground storage tank, make repairs to the existing elevated water storage tower, and replace 2,300 feet of existing 4-inch water main with 6-inch.	\$2,650,000	3.25%, 30 years	407	
12	Madison	C462024-04	Problem: a portion of the existing distribution system pipe is cast iron pipe and beyond its useful life. Project: install 3,500 feet of new PVC watermain on Egan Avenue.	\$2,645,916	3.00%, 30 years	6,191	Yes (Pending rate increase)
11	Hot Springs	C462040-02	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)

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- tagged
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.	\$50,000,000	3.25%, 30 years	35,000	
10	Clear Lake	C462037-02	Problem: a portion of the existing distribution system pipe is cast iron pipe and beyond its useful life. Project: install 11,000 feet of new PVC watermain in the northwest and southeast portion of the community.	\$5,524,200	3.25%, 30 years	1,218	
9	Colton	C462135-05	Problem: a portion of the existing distribution system pipe is cast iron pipe and beyond its useful life. Project: install 1,200 feet of new PVC watermain in the 4th Street business district.	\$765,063	3.25%, 30 years	725	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- tagged
8	B-Y Water District	C462431-03	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	
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	
5	Platte	C462130-03	Problem: the existing water storage tanks are in need of repair due to age and condition. Project: make repairs and upgrades to the stairs, hatches and piping.	\$370,000	3.00%, 30 years	1,296	Yes
4	Humboldt	C462254-03	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.	\$415,000	3.25%, 30 years	579	
4	Humboldt	C462254-04	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	

ATTACHMENT II – LIST OF PROJECTS TO BE FUNDED IN FFY 2024

Priority Points	Loan Recipient	Project Number	Assistance Amount	Principal Forgiveness ¹	Funding Date	Expected Funding Source ²	Fund/Project Eligibility ^{3,4,5}
Loans Expected							
86	Lead	C462007-05	\$841,425	\$391,263	Jan. 2024	Repay/Lev. Bonds	3
28	Spring/Cow Creek Sanitary Water District	C462493-02	\$792,000	\$79,200	Jan. 2024	Repay/Lev. Bonds	
19	Valley Springs	C462239-03	\$684,000	\$68,400	Jan. 2024	Repay/Lev. Bonds	
4	Humboldt	C462254-03	\$415,000	\$41,500	Jan. 2024	Repay/Lev. Bonds	
304	Wessington Springs	C462210-04	\$10,280,000	\$4,780,200	March 2024	Repay/Lev. Bonds	3
159	Southern Black Hills Water System	C462492-02	\$500,000	\$50,000	March 2024	2024 Base/BIL GS	
115	BDM Rural Water System, Inc.	C462444-03	\$2,000,000	\$200,000	March 2024	2024 Base/BIL GS	
97	Seneca	C462389-01	\$440,800	\$204,972	March 2024	Repay/Lev. Bonds	3
90	Deadwood	C462001-01	\$2,897,000	\$1,347,105	March 2024	Repay/Lev. Bonds	3
85	Springfield	C462071-02	\$1,362,100	\$633,377	March 2024	Repay/Lev. Bonds	3
85	Wagner	C462209-05	\$925,000	\$430,125	March 2024	Repay/Lev. Bonds	3
79	Lake Preston	C462011-04	\$4,574,850	\$2,127,305	March 2024	Repay/Lev. Bonds	3
53	Valley Heights Estates Sanitary District	C462505-01	\$3,339,000	\$50,000	March 2024	Repay/Lev. Bonds	
28	Oacoma	C462289-03	\$6,890,000	\$202,220	March 2024	Repay/Lev. Bonds	
23	Aberdeen	C462072-04	\$10,870,000	\$5,054,550	March 2024	2024 Base/BIL GS	3
20	Parker	C462026-06	\$2,076,633		March 2024	Repay/Lev. Bonds	
19	Elkton	C462229-03	\$2,025,720		March 2024	Repay/Lev. Bonds	
19	Worthing	C462047-03	\$2,615,000		March 2024	Repay/Lev. Bonds	
17	Lincoln County Rural Water System	C462445-04	\$3,078,000		March 2024	Repay/Lev. Bonds	
13	Gayville	C462250-02	\$2,650,000		March 2024	Repay/Lev. Bonds	
12	Madison	C462024-04	\$2,645,916	\$1,230,351	March 2024	Repay/Lev. Bonds	3
10	Clear Lake	C462037-02	\$5,524,200		March 2024	Repay/Lev. Bonds	
9	Colton	C462135-05	\$765,063		March 2024	Repay/Lev. Bonds	
7	North Brookings Sanitary & Water District	C462370-01	\$1,300,000		March 2024	Repay/Lev. Bonds	
5	Platte	C462130-03	\$370,000	\$172,050	March 2024	Repay/Lev. Bonds	3
94	Howard	C462127-01	\$3,652,600	\$1,698,459	June 2024	Repay/Lev. Bonds	3
92	Meadow Crest Sanitary District	C462488-01	\$590,000		June 2024	Repay/Lev. Bonds	
81	Lead	C462007-06	\$605,236	\$281,435	June 2024	Repay/Lev. Bonds	3
69	Western Dakota Regional Water System	C462494-01	\$25,015,000		June 2024	Repay/Lev. Bonds	
28	Herreid	C462252-01	\$2,550,550	\$1,186,006	June 2024	Repay/Lev. Bonds	3
8	B-Y Water District	C462431-03	\$4,000,000		June 2024	Repay/Lev. Bonds	
82	Sioux Rural Water System	C462433-04	\$10,986,000		Sept. 2024	Repay/Lev. Bonds	
8	Kingbrook Rural Water System	C462432-11	\$27,000,000		Sept. 2024	2024 Base/BIL GS	
4	Humboldt	C462254-04	\$2,085,638		Sept. 2024	Repay/Lev. Bonds	

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 2024 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.

ATTACHMENT III BASE PROGRAM FUNDING STATUS

Federal Fiscal Years 1997 - 2023

Capitalization Grants	\$239,232,698
BIL Supplemental Grants	\$39,047,000
State Match (Base and BIL)	\$51,751,240
ARRA Grant	\$19,500,000
Set-Asides (Base and BIL)	(\$20,263,242)
Transfer of FY 2002 & 2003 Clean Water Capitalization Grant and State Match	\$15,574,320
Leveraged Bonds	\$197,115,014
Excess Interest as of September 30, 2023	\$62,973,322
Excess Principal as of September 30, 2023	<u>\$128,342,313</u>
 Total Funds Dedicated to Loan	 \$733,272,665
 Closed Loans made through September 30, 2023	 <u>(\$800,808,686)</u>
 Available funds as of September 30, 2023	 (\$67,536,021)

Federal Fiscal Year 2024 Projections

Base Capitalization Grant	\$4,938,000
BIL General Supplemental Grant	\$22,900,000
State Match (combined total)	\$5,567,600
Set-Asides (combined total)	(\$1,516,000)
Projected Excess Principal Repayments	\$0
Projected Unrestricted Interest Earnings	\$6,500,000
Leveraged Bonds	<u>\$100,000,000</u>
Projected FFY 2024 Loan Sub-total	\$138,389,600
 Funds Available for Loans	 \$70,853,579
 Loans Awarded and Unclosed as of September 30, 2023	 (\$531,414,404)
 Total Funds Available for Loans	 <u><u>(\$460,560,825)</u></u>
 Loan Amount Identified on Attachment II - List of Projects to be Funded in FFY 2024	 <u><u>\$146,346,731</u></u>

Administrative Surcharge Funds Available as of September 30, 2023	
Program Income	\$484,622
Non-Program Income	<u>\$3,970,460</u>
Total	<u>\$4,455,082</u>

**BIL EMERGING CONTAMINANTS
PROGRAM FUNDING STATUS
Federal Fiscal Year 2023**

DWSRF BIL Emerging Contaminants Grants	\$7,555,000	
State Match	\$0	
Set-Asides	(\$0)	
Transfer FFY 2022 Grant from CWSRF Emerging Contaminants	\$459,000	
		<hr/>
Total Funds Dedicated to Loan		\$8,014,000
Closed Loans made through September 30, 2023		<hr/> \$7,895,000
Available funds as of September 30, 2023		\$119,000

Federal Fiscal Year 2024 Projections

DWSRF BIL Emerging Contaminants Grant	\$0	
Transfer of FY 2024 Clean Water Emerging Contaminants Grant	\$0	
State Match	\$0	
Set-Asides	\$0	
Projected FFY 2024 Loan Sub-total		<hr/> \$0
Funds Available for Loans		\$119,000
Loans Awarded and Unclosed as of September 30, 2023		\$0
Total Funds Available for Loans		<hr/> \$119,000
Loan Amount Identified on Attachment II - List of Projects to be Funded in FFY 2024		<hr/> <hr/> \$0

**BIL LEAD SERVICE LINE REPLACEMENT
PROGRAM FUNDING STATUS
Federal Fiscal Year 2023**

DWSRF	BIL	Lead	Service	Line	\$1,000,000
Replacement Grants					
State Match					\$0
Set-Asides					(\$0)

Total Funds Dedicated to Loan	\$1,000,000
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Closed Loans made through September 30, 2023	<u>(\$0)</u>
--	--------------

Available funds as of September 30, 2023	\$1,000,000
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Federal Fiscal Year 2023 Projections

BIL Lead Service Line Replacement Grant	\$0
State Match	\$0
Set-Asides	<u>(\$0)</u>
Projected FFY 2024 Loan Sub-total	\$0

Funds Available for Loans	\$0
---------------------------	-----

Loans Awarded and Unclosed as of September 30, 2023	\$1,000,000
---	-------------

Total Funds Available for Loans	<u><u>\$0</u></u>
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Loan Amount Identified on Attachment II - List of Projects to be Funded in FFY 2024	<u><u>\$0</u></u>
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Addendum to the 2024 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 anticipated 2024 allotment for the DWSRF program totals approximately \$59.2 million.

This addendum is for the distribution of BIL funds in 2024.

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 anticipated to be \$22,900,000 in 2024 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 – 2024 Project Priority List on the IUP.

Requirements

- Application, prioritization, and approval for funding will be the same as the existing DWSRF program.
- State match is 20% of the total amount of the capitalization grant in fiscal year 2024. 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 pages 10 and 11 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 anticipated 2024 BIL DWRF appropriation is \$22,900,000. A description of each set-aside and the

funding available from the 2024 BIL general supplemental capitalization grant for each activity is detailed below.

Administration Set-Aside

2024 BIL Federal Year One - Requested Amount \$916,000

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 anticipated FFY 2024 base capitalization grant is \$197,520, four percent of the FFY 2024 BIL Supplemental capitalization grant is \$916,000, and 1/5 of a percent of the current fund valuation of \$232,424,205 results in \$464,848 available for administrative fees. The state is choosing to utilize \$916,000 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 (2%)

2024 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 pages 8 and 9 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 \$458,000. Unobligated funds available from prior year grants as of September 30, 2023, are \$231,939. 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%)

2024 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 9 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 \$2,290,000. 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%)

2024 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 pages 9 and 10 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

These funds will be used by a qualified assistance provider, selected through a request for proposals. DNR staff will review proposals and make a recommendation to the board to select the most qualified firm for contracting of these services.

DWSRF BIL Emerging Contaminants Funding

The BIL includes an anticipated funding allocation of \$7,640,000 to South Dakota in 2024 to be applied to drinking water emerging contaminant projects.

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 2024 IUP Attachment I - Project Priority List. Projects eligible for this source of funds are identified on Attachment II – List of Projects to be Funded in 2024.
- 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 2024. South Dakota reserves the ability to request set-aside funding in future years, if necessary, from the 2024 BIL emerging contaminants funding.

DWSRF BIL Lead Service Line Funding

The BIL includes an anticipated funding allotment of \$28,650,000 to South Dakota in 2024 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 2024.
- 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 2024. South Dakota reserves the ability to request set-aside funding in future years, if necessary, from the 2024 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 pages 10 and 11 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 2024 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 2024. 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.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 (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 8, 2023, a public hearing was held seeking comments on the BIL addendum to the DWSRF 2024 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 2024 IUP and BIL addendum were 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 2024 IUP and BIL addendum were 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>.

TITLE: State Water Resources Management System Recommendations

EXPLANATION: The Board of Water and Natural Resources annually provides recommendations to the State Legislature and Governor regarding deletions, additions, and retention of projects on the State Water Resources Management System (SWRMS) component of the State Water Plan. The following projects are currently included on the State Water Resources Management System list:

1. Belle Fourche Irrigation Upgrade Project
2. Big Sioux Flood Control Study
3. Cendak Irrigation Project
4. Gregory County Pumped Storage Site
5. Hydrology and Water Management Studies
6. Lake Andes-Wagner/Marty II Irrigation Unit
7. Lewis and Clark Rural Water System
8. Sioux Falls Flood Control Project
9. Vermillion Basin Flood Control Project
10. Water Investment in Northern South Dakota (WINS) Project
11. Western Dakota Regional Water System Study

The Dakota Mainstem Regional Water System Study is proposed as an addition to the State Water Resources Management System list.

RECOMMENDED ACTION: Approve a resolution recommending the retention of all current projects on the State Water Resources Management System list and the addition of the Dakota Mainstem Regional Water System Study to the list.

CONTACT: Andy Bruels, 773-4216

State Water Resources Management System Projected Funding Need

Applicant: Dakota Mainstem Regional Water System Address: 1100 Heritage Drive Madison, South Dakota 57042 Phone Number: 605-556-7219 Project Title: DMRWS Startup and Design	Proposed Funding Package Project Period <u>Five years</u> State Appropriation Grant <u>\$1,000,000</u> Loan _____ Federal Appropriation Grant _____ Loan _____ Local Funds <u>\$250,000</u> Other: _____ TOTAL <u>\$1,250,000</u>
--	---

Description:

The Dakota Mainstem Regional Water System is a collaboration of twenty-nine public water systems, including regional and municipal utilities, in the central and southern portions of eastern South Dakota. The project aims to address the region's looming water needs, including emergency and alternate water supplies in times of drought, increasing the resiliency of public water systems to recover after enduring water shortages due to drought, disaster, and changing climate. Providing more and alternative water supplies and increasing resilience will better position the region to meet current demands and to take advantage of economic development opportunities, especially water-intensive ones.

Immediate project goals are to engage a consultant to complete a South Dakota State Water Plan (SWP) Application, issue a Request for Proposals (RFP) or a Request for Qualifications (RFQ) to engage an engineering team, and perform necessary studies including data gathering from public water systems in the area, culminating in a comprehensive needs assessment. The assessment will form the foundation for initial system capacity, treatment and distribution network requirements.

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.

Kurt Pfeifle, Board President

Name & Title of Authorized Signatory
(Typed)

Signature

May 30, 2023

Date

State Water Resources Management System Projected Funding Need

Applicant: WEB Water Address: 38456 US Highway 12 Aberdeen, SD 57401 Phone Number: (605) 229-4749 Project Title: WINS Project	Proposed Funding Package Project Period <u>1/1/24-12/31/29</u> State Appropriation <div style="text-align: right;">Grant <u>75,586,000</u></div> <div style="text-align: right;">Loan <u>37,793,000</u></div> Federal Appropriation <div style="text-align: right;">Grant <u>604,688,000</u></div> <div style="text-align: right;">Loan <u>37,793,000</u></div> Local Funds _____ Other: _____ <div style="text-align: right;">TOTAL <u>755,860,000</u></div>
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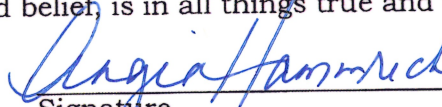
Description:

The Water Investment in Northern South Dakota (WINS) project is a collaborative effort between WEB Water, the City of Aberdeen and BDM Rural Water. The project will provide 38.1 MGD of treated drinking water to the northeast South Dakota region through the three systems. The proposed project consists of a raw water intake, water treatment facility, three (3) storage reservoirs, five (5) pump or control facilities, a pressure reducing facility and 148 miles of pipeline ranging from 20-inch to 54-inch.

The Applicant Certifies That:

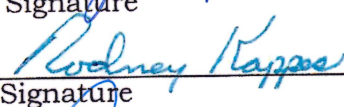
I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Angie Hammrich, General Manager, WEB
 Name & Title of Authorized Signatory


 Signature

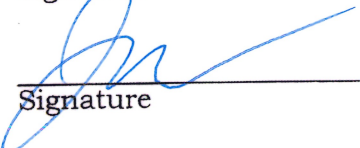
5/31/23
 Date

Rodney Kappes, General Manager, BDM
 Name & Title of Authorized Signatory


 Signature

5/31/23
 Date

Joe Gaa, City Manager, City of Aberdeen
 Name & Title of Authorized Signatory
 (Typed)


 Signature

5/31/23
 Date

TITLE: Omnibus Bill Funding Recommendations

EXPLANATION: The Board of Water and Natural Resources, under the authority provided in SDCL 46A-1-12 and 46A-1-13, may recommend state funding and cost share levels to the Governor and Legislature.

The board annually reviews applications from projects wishing to be placed on the State Water Facilities Plan and the projected funding needs of projects on the State Water Resources Management System (SWRMS) component of the State Water Plan.

The board conducts a public meeting to take statements from all interested parties regarding water development funding needs. A resolution is developed to make specific recommendations to the Governor and State Legislature on funding levels for individual SWRMS projects, the Consolidated program, and the Solid Waste Management program, and for appropriations from specific state revolving fund subfunds.

The board's recommendations developed through this public process provide the basis for the Governor's preparation and the Legislature's consideration of the annual Omnibus Funding bill.

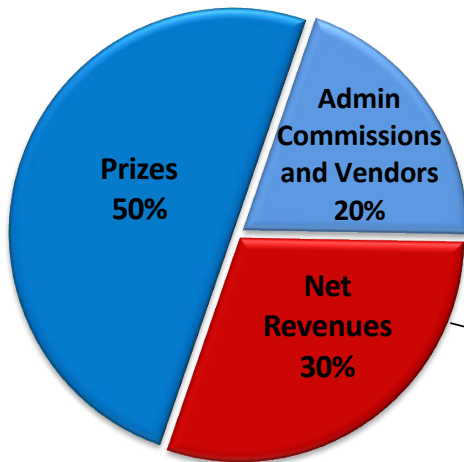
RECOMMENDED ACTION: Approve a resolution providing recommendations to the Governor and the State Legislature on Water & Environment Fund state fiscal year 2025 funding levels for the State Water Resources Management System projects, the Consolidated program, and the Solid Waste Management program, and for appropriations from specific state revolving fund subfunds.

CONTACT: Tina McFarling, 773-4216

Projected SFY 2025 South Dakota Lotto Distribution

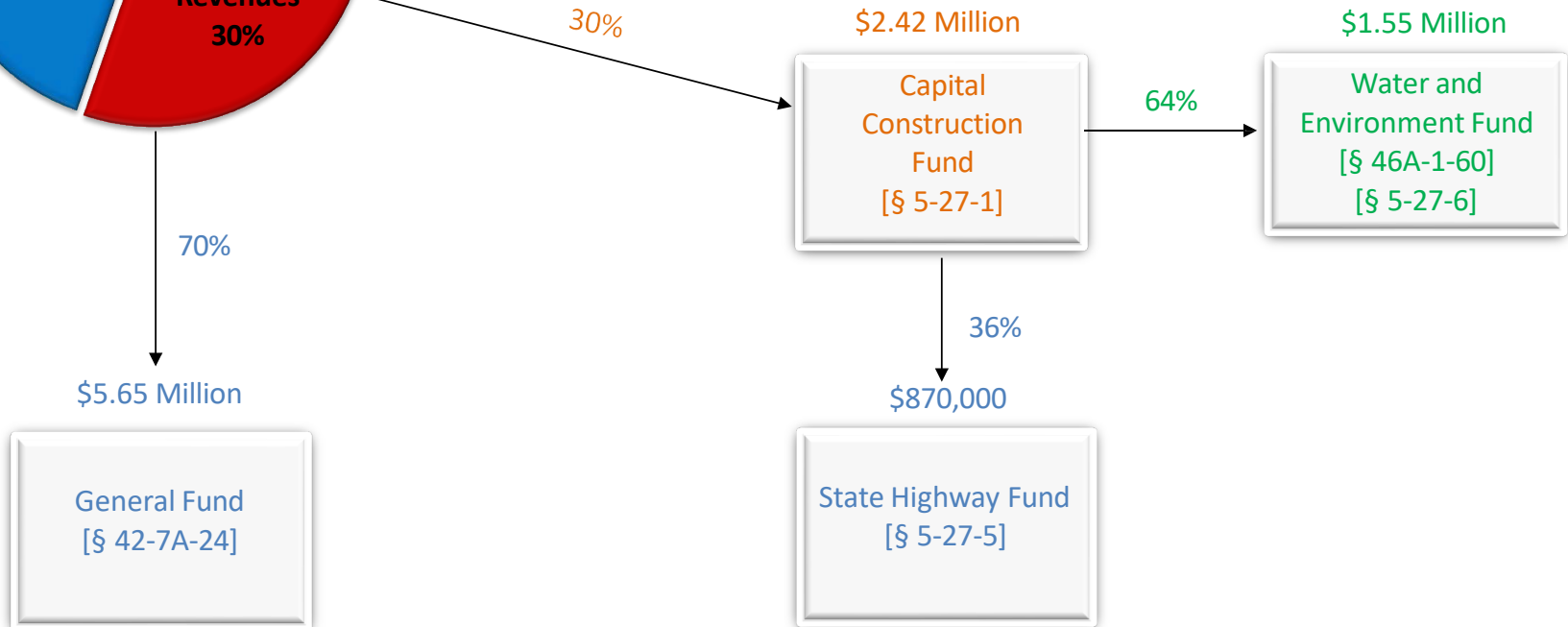
(SFY 2025 Percentages)

Lotto Breakout



SFY	On-Line Lottery Net Revenues	Lotto Deposits to Capital Construction Fund	Lotto Distribution to Water & Environment Fund
2019	\$9,060,452	\$6,795,339	\$4,349,017
2020	\$6,718,466	\$4,367,003	\$2,707,542
2021	\$7,394,061	\$4,806,139	\$2,931,745
2022	\$8,560,177	\$4,280,089	\$2,610,854
2023	\$8,651,739	\$2,595,522	\$1,661,134
**2024	\$8,070,000	\$2,420,000	\$1,550,000
**2025	\$8,070,000	\$2,420,000	\$1,550,000

**Projected #s



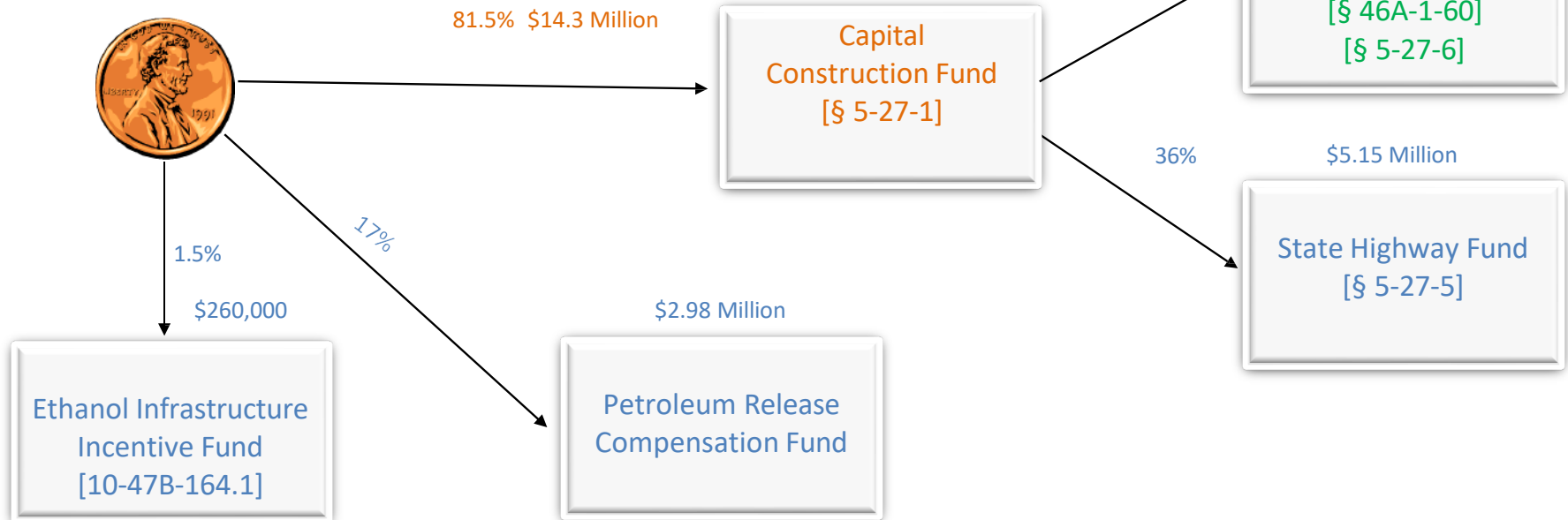
Projected SFY 2025 Petroleum Release Compensation and Tank Inspection Fee Distribution

(\$20 per 1,000 gallons or \$0.02 per gallon) (SFY 2025 Percentages)

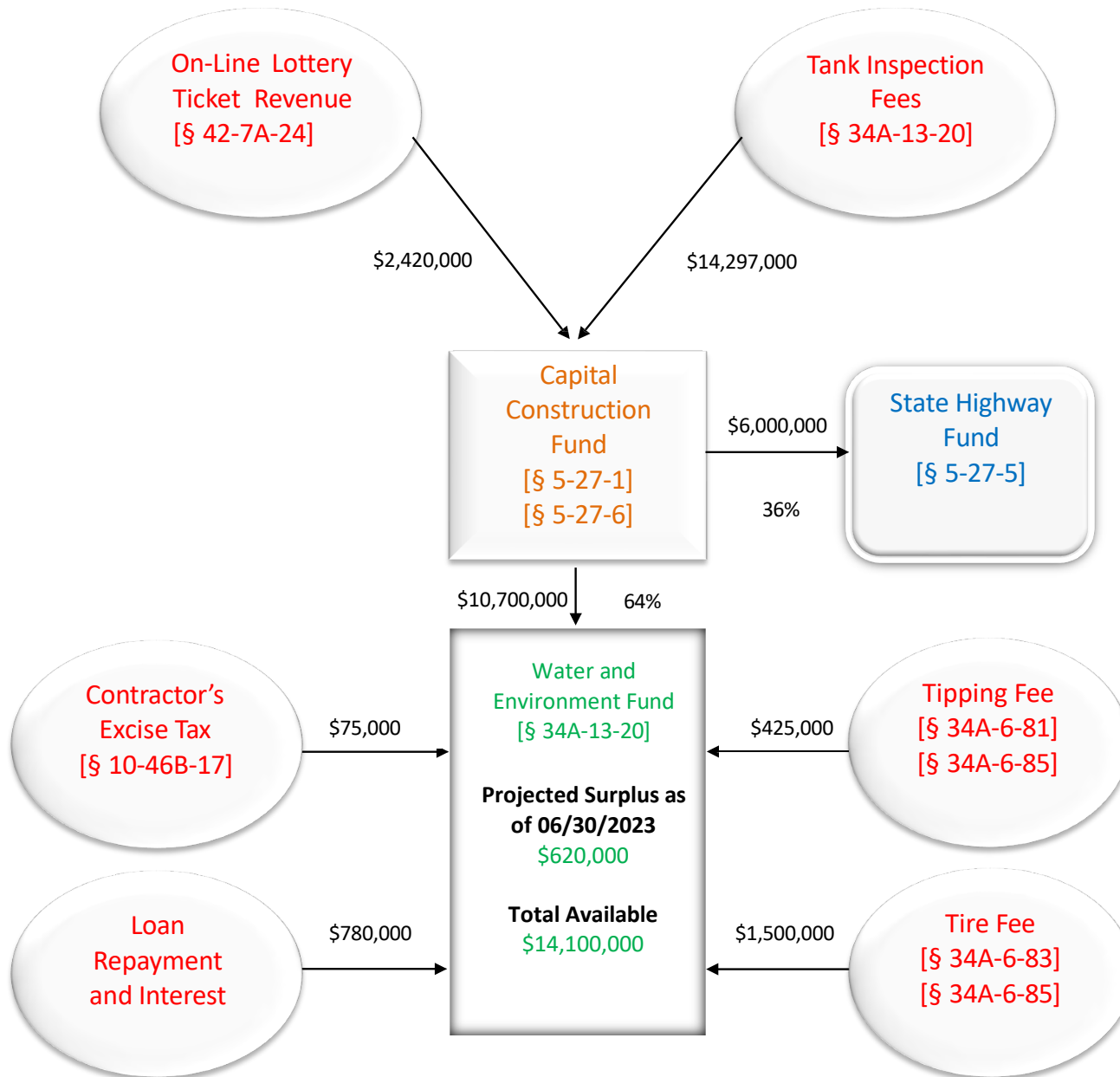
SFY	Tank Inspection Fees	Tank Fees Deposits to the Capital Construction Fund	Tank Fees Distribution to the Water & Environment Fund
2019	\$16,889,290	\$9,289,110	\$5,945,030
2020	\$17,354,029	\$10,412,417	\$6,445,699
2021	\$17,379,572	\$11,470,518	\$6,885,000
2022	\$18,016,221	\$12,971,679	\$7,912,724
2023	\$17,391,234	\$14,173,856	\$9,071,268
**2024	\$17,540,000	\$14,297,000	\$9,150,000
**2025	\$17,540,000	\$14,297,000	\$9,150,000

**Projected #s

§ 34A-13-20 Transfers



Projected Water & Environment Fund Deposits



November 8, 2023

Item 11

TITLE: Periodic Review of the Conservancy District Investment Policy and State Fiscal Year 2023 State Revolving Fund Investments and Investment Returns

EXPLANATION: Section 15 of the Investment Policy states that the board will periodically review the policy. The current Investment Policy was approved pursuant to Resolution 2018-75 adopted by the Board of Water and Natural Resources acting as the South Dakota Conservancy District on November 8, 2018.

Staff will provide a review of SRF investments and investment returns for state fiscal year 2023.

CONTACT: Casey Kahler, 773-4216

November 8, 2023

Item 12

TITLE: 2023 Annual Report and the 2024 State Water Plan

EXPLANATION: In accordance with South Dakota Codified Laws § 46A-2-2, § 46A-1-10, and § 46A-1-14, an Annual Report and State Water Plan is to be presented to the Legislature and Governor by the first day of the legislative session.

The Annual Report provides a brief description of activities undertaken in calendar year 2023 and includes tables detailing funding awards approved by the board throughout the year. The State Water Plan identifies the projects approved for placement on the 2024 State Water Facilities Plan and provides information on the State Water Resources Management System projects. The report also provides recommendations to the Governor and Legislature on funding levels for various water and solid waste projects, programs, and activities. The board's recommendations for State Water Resources Management System designation, funding levels for projects, programs, and activities, and a Water and Environment Fund Special Condition Statement are provided as appendices to the report.

RECOMMENDED ACTION: Approve the 2023 Annual Report and 2024 State Water Plan for distribution to the State Legislature, Governor, and other interested parties.

CONTACT: Andy Bruels, 773-4216

2023 ANNUAL REPORT
~~and~~
2024 STATE WATER PLAN



BOARD OF
WATER AND NATURAL RESOURCES

DRAFT



DEPARTMENT of AGRICULTURE and NATURAL RESOURCES

JOE FOSS BUILDING
523 E CAPITOL AVE
PIERRE SD 57501-3182
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Governor Kristi Noem and Members of the Ninety-Ninth Legislative Session

As required by state law, transmitted herewith is the 2023 Annual Report/2024 State Water Plan of the Board of Water and Natural Resources (the board). The Annual Report describes water development and waste management activities during the past year. The State Water Plan outlines the projects on the State Water Facilities Plan and State Water Resources Management System (SWRMS).

Throughout this document, you will see the on-going needs for water, wastewater, and solid waste projects statewide and how critical state assistance is to construct these projects. During the past year, the board awarded more than \$288.7 million in grant and loan funds for the planning, design, and construction of municipal drinking water, wastewater, rural water, watershed restoration, solid waste disposal, and recycling projects. The 2024 State Water Facilities Plan currently includes 65 unfunded projects with projected state funding needs of more than \$403.1 million.

The Department of Agriculture and Natural Resources (DANR) sincerely appreciates the interest and help of all who have contributed to the success of the State Water Plan. The DANR will continue to work together with the Governor, the Legislature, the Board of Water and Natural Resources and local project sponsors to make the State Water Plan the road map leading to a better environmental future for South Dakota.

Sincerely,

Hunter Roberts
Secretary

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**To
Governor Kristi Noem
and the
Ninety-Ninth Session, Legislative Assembly
2024**

**2023 ANNUAL REPORT
~~and~~
2024 STATE WATER PLAN**

Board of Water and Natural Resources

January 2024

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Preface

The purpose of this document is to fulfill the statutory requirements placed on the Board of Water and Natural Resources. These requirements are generally outlined as follows:

SDCL 46A-2-2. To prepare and submit to the Governor and Legislature a yearly progress report on the State Water Plan

SDCL 46A-1-10. To make recommendations to the Governor and Legislature concerning projects for the State Water Resources Management System

SDCL 46A-1-14. To make an annual report on all activities during the preceding year and funding recommendations necessary to implement the water plan

This report consists of two principal sections – the 2023 Annual Report and the 2024 State Water Plan. The annual report provides progress reports on each funding program and other board activities during calendar year 2023.

The water plan section sets forth the projects included on the State Water Facilities Plan and the State Water Resources Management System. A Water and Environment Fund Special Condition Statement that projects the status of the Water and Environment Fund at the end of fiscal year 2024 is included in Appendix A. A copy of the resolutions approved by the Board of Water and Natural Resources that provide recommendations to the Governor and the Legislature for the designation of projects on the State Water Resources Management System and the recommended Water and Environment Fund fiscal year 2025 appropriation levels are included in Appendix B.

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2023 Annual Report

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Board of Water and Natural Resources

Overview

South Dakota Codified Law 46A-1-14 requires an annual report of the Board of Water and Natural Resources (the board). The report summarizes the board's 2023 activities, including a detailed account of Water and Environment Fund grant and loan awards.

In November 2022, the board placed 22 projects on the 2023 State Water Facilities Plan. This made the projects eligible for financial assistance from a variety of federal and state sources. During the year, the board amended an additional 27 projects onto the plan.

The board awarded more than \$288.7 million in grant and loan funds to finance municipal drinking water systems, rural water systems, wastewater facilities, watershed restoration, solid waste disposal, and recycling activities. The grant and loan funds helped to provide South Dakotans with safe and dependable environmental infrastructure.

American Rescue Plan Act Grants

The 2022 State Legislature, through Senate Bill 62, appropriated \$600 million of American Rescue Plan Act (ARPA) grant funding to the Board of Water and Natural Resources. The funds were for eligible water and sewer projects on the State Water Plan.

Funds were awarded to applicants by the board based on the required distribution criteria within Senate Bill 62. This included limitations to project size based on population, a minimum of 30 percent grant for all projects, additional grants for smaller systems with rates above \$55 for municipal systems or \$75 for non-municipal systems, and discretionary grant consideration for certain project types.

In 2022, the board fully obligated all \$600 million. During 2023 some projects deobligated all or a portion of the awarded funding. The board reallocated a portion of these funds during 2023 (Table 1).

Table 1 – 2023 American Rescue Plan Act Grants

<u>Sponsor</u>	<u>Description</u>	<u>Grant Amount</u>	<u>Total Project</u>
WEB Water Development Association	WINS Water System Upgrades	\$14,623,380	\$39,650,000
Total		\$14,623,380	\$39,650,000

Clean Water State Revolving Fund Loan Program

In 1989, the Clean Water State Revolving Fund (SRF) loan program began providing low-interest loans to governmental entities including municipalities, sanitary districts, and other special purpose districts. The loans are used for construction of wastewater facilities, storm sewers, and nonpoint source pollution control projects. During 2023, the board approved 26 loans and four loan amendments totaling more than \$107.6 million (Table 2).

The interest rates for the Clean Water SRF Program were 2.75 percent for loans up to 10 years, 3.00 percent for loans up to 20 years, 3.25 percent for loans up to 30 years, and an interim financing rate of 2.50 percent for loans up to five years. The program's nonpoint source incentive rates are 1.75 percent for loans with a term of 10 years or less, 2.00 percent for loans with a term up to 20 years, and 2.25 percent for loans with a term up to 30 years. 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 were calculated for a loan at the higher base interest rate. Using the lower nonpoint source interest 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.

The board uses principal forgiveness to provide additional subsidy. Municipalities and sanitary districts with monthly residential wastewater rates of \$45 per month (based on 5,000 gallons usage or a flat rate) are eligible to receive principal forgiveness. Other applicants are required to have residential wastewater rates of \$70 per month (based on 5,000 gallons usage or a flat rate) to be eligible to receive principal forgiveness. Applicants must also meet the state's affordability criteria to be eligible to receive principal forgiveness.

Table 2 – 2023 Clean Water State Revolving Fund Loan Awards

<u>Sponsor</u>	<u>Description</u>	<u>Total Award</u>	<u>Principal Forgiveness</u>	<u>Interest Rate</u>	<u>Term</u>
Aurora (05)	Wastewater System Improvements Phase II	\$240,000		3.25%	30
Bowdle (01)*	Wastewater Improvements	\$405,000		2.125%	30
Chancellor (05)	Sanitary and Storm Sewer Improvements Phase 3	\$1,450,000	\$1,233,000	3.25%	30
Claremont (03)	Storm Sewer and Lift Station Improvements	\$505,000	\$306,000	3.25%	30
Corona (01)	Sanitary & Storm Sewer System Improvements Phase I	\$540,000		3.25%	30

<u>Sponsor</u>	<u>Description</u>	<u>Total Award</u>	<u>Principal Forgiveness</u>	<u>Interest Rate</u>	<u>Term</u>
Custer (07)	Treatment Facility Upgrade & Forcemain Slip-lining	\$5,596,000	\$3,075,000	3.25%	30
Dell Rapids (12)	3rd Street Sanitary Sewer/Storm Sewer Improvements	\$845,000		3.25%	30
Garretson (05)	Wastewater Collection and Stormwater Improvements	\$2,593,000		3.25%	30
Gayville (02)*	Sanitary and Storm Sewer Rehabilitation	\$400,000		2.13%	30
Harrisburg (09)	Westside Trunk Sewer - Phase 2	\$11,709,000		3.25%	30
Hartford (09)	Regional Wastewater Treatment Facility	\$5,750,000		3.25%	30
Henry (01)	Wastewater System Improvements	\$2,000,000	\$865,000	3.25%	30
Kimball (01)	Main Street Sewer Improvements	\$1,095,000		3.25%	30
Lake Norden (04)	Wastewater Lagoon Improvements	\$500,000		3.25%	30
Parkston (02)*	Wastewater Collection and Treatment Improvements	\$1,119,700		2.125%	30
Philip (08)	Northeast Wastewater System Improvements	\$1,040,830		3.25%	30
Philip (09)	Stewart Avenue Area Storm Sewer Improvements	\$800,342		3.25%	30
Rapid City (08)	New Cell #15, Gas Collection System, and Flare Construction	\$11,300,000		3.0%	20
Saint Lawrence (03)	Wastewater System Improvements	\$1,138,000	\$967,300	3.25%	30
Salem (07)	Sanitary and Storm Water Improvements - Phase 2	\$1,400,000		3.25%	30

<u>Sponsor</u>	<u>Description</u>	<u>Total Award</u>	<u>Principal Forgiveness</u>	<u>Interest Rate</u>	<u>Term</u>
Sioux Falls (45)	Basin 15 Sewer Expansion	\$16,711,000		1.25%	20
Sioux Falls (45NPS)	Big Sioux River Watershed Improvements	\$1,240,000		1.25%	20
Sturgis (07)	Trunk Line and Sanitary Sewer Improvements	\$10,339,000		2.125%	30
Tabor (02)	Wastewater Collection System Improvements Phase 2	\$250,000		3.25%	30
Vermillion (11)	Landfill Leachate Pond #2	\$1,043,200		2.0%	20
Vermillion (12)	Wastewater Treatment Facility Upgrades	\$23,100,000		3.25%	30
Wessington Springs (02)*	2nd Street Wastewater Collection Improvements	\$76,613		2.125%	30
Wessington Springs (03)	College Avenue Wastewater Collection Improvements	\$165,974		2.125%	30
Whitewood (03)	Wastewater Treatment Facility Improvement - Priority 1	\$4,150,000	\$1,235,000	3.25%	30
Wolsey (04)	Wastewater Outfall Line Replacement	\$134,000		3.25%	30
Total		\$107,636,659	\$7,681,300		

*Amendment to prior year Clean Water SRF Award

Drinking Water State Revolving Fund Loan Program

In 1998, the Drinking Water State Revolving Fund (SRF) loan program began providing low-interest loans to nonprofit corporations and governmental entities including municipalities, sanitary districts, and other special districts for the construction of drinking water facilities. In 2023, 28 loans and six loan amendments were approved totaling more than \$137.7 million (Table 3).

The interest rates for the Drinking Water SRF Program were 2.75 percent for loans up to 10 years, 3.00 percent for loans up to 20 years, 3.25 percent for loans up to 30 years, and an interim financing rate of 2.50 percent for up to five years.

Disadvantaged communities were eligible to receive an interest rate below the base rate. To qualify as disadvantaged, the water system's monthly residential water bill must be at least \$45 per 5,000 gallons usage for municipalities and sanitary districts or \$70 per 7,000 gallons usage for all other community water systems.

Additionally, the median household income of a disadvantaged community must be below the statewide median household income (MHI). Communities with a household income less than the MHI but greater than 80 percent of the MHI were eligible for a 30-year term loan at 3.00 percent interest. Communities with a household income between 60 percent and 80 percent of the MHI were eligible for a 30-year term loan at 2.75 percent interest and a 10-year loan at 2.00 percent interest. An average household income less than 60 percent of the MHI is necessary to be eligible for a 30-year term loan at zero percent interest.

The board uses principal forgiveness to provide additional subsidy. Municipalities and sanitary districts with monthly residential water rates of \$45 per month (based on 5,000 gallons usage) were eligible to receive principal forgiveness. Other applicants were required to have residential water rates of \$70 per month (based on 7,000 gallons usage) to be eligible to receive principal forgiveness.

Table 3 – 2023 Drinking Water State Revolving Fund Loan Awards

<u>Sponsor</u>	<u>Description</u>	<u>Total Award</u>	<u>Principal Forgiveness</u>	<u>Interest Rate</u>	<u>Term</u>
Bear Butte Valley Water, Inc (DW-03)	Alkali Road Expansion	\$1,500,000	\$300,000	3.25%	30
Big Sioux Community Water System (DW-05)	Lake Madison Area Improvements	\$2,200,000		3.25%	30
Brookings (DW-02)	Water Treatment Plant	\$40,700,000		1.875%	30
Brookings (DW-03)	Lead Service Line Replacement 2023	\$1,000,000	\$490,000	1.875%	30

<u>Sponsor</u>	<u>Description</u>	<u>Total Award</u>	<u>Principal Forgiveness</u>	<u>Interest Rate</u>	<u>Term</u>
Brookings-Deuel Rural Water System (DW-04)*	Phase Tank Mainline Improvements	\$1,600,000		2.125%	30
Centerville (DW-03)	New Water Tower	\$1,412,000		2.75%	30
Chancellor (DW-04)	Drinking Water Improvements Phase 3	\$906,000	\$770,100	3.0%	30
Chester Sanitary District (DW-01)**	Water Tower Replacement	\$2,342,000	\$1,462,000	3.0%	30
Clark Rural Water System (DW-03)	Improvements to Raymond Water System and Individual Service	\$610,000	\$485,000	2.75%	30
Clay Rural Water System (DW-07)	Water Treatment Plant Construction	\$21,843,000		2.125%	30
Corona (DW-01)	Drinking Water System Improvements - Phase I	\$159,800		3.25%	30
Cresbard (DW-02)	Water Improvements - Phase II	\$1,912,410	\$1,625,000	2.75%	30
Crooks (DW-03)	Water Tower and Water System Improvements	\$1,575,000		3.25%	30
Dell Rapids (DW-10)	3rd Street Drinking Water Improvements	\$800,000		3.25%	30
Garretson (DW)	Water Distribution Improvements	\$2,394,000	\$1,264,000	3.0%	30
Hartford (DW-04)	Highway 38 Watermain Looping	\$490,800		3.25%	30
Henry (DW-01)	Water System Improvements	\$2,000,000	\$1,405,000	0%	30
Kimball (DW-01)	Main Street Water Improvements	\$325,000		3.0%	30
Lake Preston (DW-03)	Elevated Water Storage Tower	\$2,002,000	\$1,702,000	3.0%	30
Milbank (DW-02)	Water Supply and Treatment Improvements	\$12,500,000		3.25%	30
Minnehaha Community Water Corp. (DW-05)	Water Treatment Control Panel Upgrades and Distribution Improvements	\$4,670,000		3.25%	30

<u>Sponsor</u>	<u>Description</u>	<u>Total Award</u>	<u>Principal Forgiveness</u>	<u>Interest Rate</u>	<u>Term</u>
Mitchell (DW-06)*	Drinking Water System Improvements	\$5,000,000	\$1,000,000	1.875%	30
New Underwood (DW-02)	Drinking Water System Improvements	\$4,010,000	\$2,460,000	3.0%	30
North Sioux City (DW-03)	Water System Interconnection	\$580,000		3.0%	20
Saint Lawrence (DW-02)	Drinking Water System Improvements - Phase II	\$940,000	\$799,000	3.0%	30
Salem (DW-07)	Watermain Improvements - Phase 2	\$1,400,000		1.875%	30
Spearfish (DW-02)*	Exit 17 Water Tank and Well	\$3,648,327		1.625%	30
Terry Trojan Water Project District (DW-03)	Water Meters and Pits	\$700,000	\$300,000	1.875%	10
Tripp County Water User District (DW-05)*	System Wide Improvements	\$9,500,000		0%	30
Vermillion (DW-05)	Water Treatment Facility Upgrades and Line Replace	\$7,000,000		2.75%	30
Wessington (DW-01)	2nd Street Drinking Water Improvements	\$673,000		0%	30
Wessington Springs (DW-02)*	College Avenue Drinking Water Improvements	\$300,000		1.625%	30
Wessington Springs (DW-03)	Drinking Water System Improvements	\$151,000	\$538,000	1.625%	30
Weston Heights Homeowners Association (DW-01)*	New Water Storage Reservoir	\$899,288	\$393,938	2.125%	30
		Total	\$137,743,625	\$14,994,038	

* Amendment to prior year Drinking Water SRF Award

** De-obligated in full at borrower's request

Consolidated Water Facilities Construction Program

The 2023 State Legislature appropriated \$7,425,000 for the Consolidated Water Facilities Construction Program to provide grants and loans for water development projects on the State Water Facilities Plan. Additionally, prior year funding and reversions were available for award in 2023.

The board awarded six grants and three loans totaling nearly \$7.2 million (Table 4). The 2023 awards leveraged nearly \$23.6 million in total project activities.

Table 4 – 2023 Consolidated Awards

<u>Sponsor</u>	<u>Description</u>	<u>Grant Amount</u>	<u>Loan Amount</u>	<u>Total Project</u>
Aurora	Wastewater System Improvements Phase II	\$450,000		\$1,200,000
Copper Oaks #1 Water Association*	Water System Improvements		\$93,000	\$93,000
Corona	Drinking Water System Improvements - Phase I	\$1,278,400		\$1,598,000
Dell Rapids	3rd Street Sanitary Sewer and Storm Sewer Improvements	\$455,000		\$7,449,388
Emery	Water Meter Replacement		\$70,000	\$83,000
Medicine Mountain Scout Ranch	Water Supply Improvements		\$73,000	\$73,000
Salem	Sanitary and Storm Water Improvements - Phase 2	\$2,000,000		\$3,400,000
South Dakota Bureau of Administration	Capitol Lake Water Quality Improvements	\$2,000,000		\$3,792,000
Tabor	Wastewater Collection System Improvements Phase 2	\$750,000		\$5,900,000
Total		\$6,933,400	\$236,000	\$23,588,388

* De-obligated in full at borrower's request

State Revolving Fund Programs – Assistance

In 2023, the board allocated additional funds under both the Clean Water and Drinking Water State Revolving Fund programs for planning, technical assistance, and construction activities. The board's 2023 intended use plans approved the use of \$6,379,660 in Clean Water and Drinking Water funds for assistance (Table 5).

Table 5 – 2023 State Revolving Fund Allocations

<u>Activity</u>	<u>Source</u>	<u>Amount</u>
Small System Technical Assistance Grants	Drinking Water SRF Set-Aside and Clean Water SRF Set-Aside	\$379,660
SRF Application Preparation and Administration	Clean Water SRF and Drinking Water SRF Admin Surcharge	\$1,500,000
Drinking Water Operator Certification Training	Drinking Water SRF Admin Surcharge	\$75,000
Capacity Development Assistance	Drinking Water SRF Set-Aside and Clean Water SRF Set-Aside	\$125,000
Water Quality Grants	Clean Water SRF Admin Surcharge (CWSRF WQ)	\$2,200,000
Drinking Water Construction Grants	Drinking Water SRF Admin Surcharge (DWSRF CG)	\$2,000,000
Public Water System Supervision Program	Drinking Water SRF Set-Aside	\$300,000
Total		\$6,379,660

During 2023, the board approved 28 Construction or Technical Assistance awards and amendments totaling \$7,014,465 (Table 6). The narrative sections below describe the general categories of the State Revolving Fund program assistance and provide updates for on-going activities supported by this funding.

Watershed / Wastewater / Water Construction Grants: The board provided additional grant assistance from Clean Water Administrative Surcharge fees to supplement Section 319 grant awards. The construction of wastewater treatment, collection, or conveyance projects and watershed restoration projects are eligible uses for these fees, and its use allows additional projects to be completed. The board provided additional grant assistance from Drinking Water Administrative Surcharge fees to supplement the Consolidated grant awards. The construction of water treatment, source, distribution, storage, or meter projects are eligible uses for these fees, and its use allows additional projects to be completed.

Drinking Water and Clean Water SRF Planning Grants: The Small Community Planning Grant Program was established to encourage proactive planning by small communities and systems. Grants are available for the preparation of a drinking water, wastewater, or stormwater engineering study for systems serving populations of 2,500 or less. For engineering studies, participating systems are reimbursed 80 percent of the cost, up to \$8,000 for drinking water studies and up to \$10,000 for wastewater or stormwater studies.

Public Water System Supervision Program: Insufficient federal funds have been allocated from the Performance Partnership Grant for South Dakota's Public Water System Supervision (PWSS) program to complete all tasks and activities identified in DANR's workplan with EPA. The PWSS program is managed by DANR's Drinking Water program and ensures all public water systems in the state are maintaining compliance with the requirements of the Safe Drinking Water Act. A total of \$300,000 was allocated from the State Program Management set-aside in federal fiscal year 2023.

Technical Assistance: The board continued its technical assistance contract with the South Dakota Association of Rural Water Systems (SDARWS). SDARWS provides assistance to small drinking water systems serving populations of 10,000 or less with compliance, permitting, and operational issues. Midwest Assistance Program conducted capacity assessments and follow-up reviews to assist the department in ensuring that all borrowers demonstrate the required technical, financial, or managerial capacity to access Drinking Water SRF loan assistance. Midwest Assistance Program also has a contract to provide technical assistance to wastewater funding applicants with capacity issues.

In 2023, the board provided \$75,000 for operator certification training. These funds are provided to SDARWS and used for operator certification training of drinking water system operators. During state fiscal year 2023, 348 operators received training.

The board continued to provide assistance to the state's six planning districts for preparation of applications and on-going loan administration activities to include Davis-Bacon wage rate compliance. New five-year joint powers agreements were executed with each of planning districts in 2021 which adjusted the assistance amounts to receive up to \$10,500 per loan for application and loan administration duties and up to \$1,600 per loan for Davis-Bacon wage rate compliance. In 2023, the contracts were amended to add a total of \$1,590,000 under agreement with the planning districts in 2021.

Table 6 – 2023 State Revolving Fund Programs Grant Awards
Watershed /Wastewater/Water Construction Grant Awards

<u>Sponsor</u>	<u>Project</u>	<u>Grant Amount</u>	<u>Source of Funds</u>
Aurora	Wastewater System Improvements Phase II	\$510,000	CWSRF WQ
Corona	Sanitary and Storm Sewer System Improvements Phase I	\$772,000	CWSRF WQ
Corona	Drinking Water System Improvements Phase I	\$159,800	DWSRF CG
Crooks	Water Tower and Water System Improvements	\$1,625,000	DWSRF CG
Miller*	Wastewater System Improvements Phase III	\$453,743	CWSRF WQ
Miller*	Drinking Water System Improvements Phase III	\$35,980	DWSRF CG
Weston Heights Homeowners Association	New Water Storage Reservoir	\$64,362	DWSRF CG
Total		\$3,620,885	

* Amendment to prior year award

Small Community Planning Grant Awards

<u>Sponsor</u>	<u>Project</u>	<u>Grant Amount</u>
Central City	Storm Water Engineering Study	\$10,000
Claremont	Storm Water Engineering Study	\$10,000
Clear Lake	Stormwater Engineering Study	\$10,000
Clear Lake	Wastewater Engineering Study	\$10,000
Clear Lake	Drinking Water Engineering Study	\$8,000
Gayville	Drinking Water Engineering Study	\$8,000
Jobee Acres Association	Drinking Water Engineering Study	\$8,000

<u>Sponsor</u>	<u>Project</u>	<u>Grant Amount</u>
Niche Sanitary District	Wastewater Engineering Study	\$10,000
Seneca	Drinking Water Engineering Study	\$8,000
Valley Heights Estates Sanitary District	Drinking Water Study	\$8,000
Total		\$90,000

Technical Assistance Awards

<u>Sponsor</u>	<u>Project</u>	<u>Award</u>
Bartlett and West, Inc.	Statewide Lead Service Line Inventories	\$1,474,580
Black Hills Council of Local Governments*	Preparation of SRF Applications, Project Administration and Davis-Bacon Wage Rate Monitoring	\$300,000
Central South Dakota Enhancement District*	Preparation of SRF Applications, Project Administration and Davis-Bacon Wage Rate Monitoring	\$55,000
First District Association of Local Governments*	Preparation of SRF Applications, Project Administration and Davis-Bacon Wage Rate Monitoring	\$485,000
Midwest Assistance Program*	Drinking Water Capacity Assessments	\$100,000
Midwest Assistance Program*	Small Systems Wastewater Capacity	\$25,000
SD Association of Rural Water Systems*	Drinking Water Operator Certification Training	\$75,000
SD Association of Rural Water Systems*	Small System Technical Assistance	\$130,000
Northeast Council of Governments*	Preparation of SRF Applications, Project Administration and Davis-Bacon Wage Rate Monitoring	\$140,000
Planning and Development District III*	Preparation of SRF Applications, Project Administration and Davis-Bacon Wage Rate Monitoring	\$355,000
South Eastern Council of Governments*	Preparation of SRF Applications, Project Administration and Davis-Bacon Wage Rate Monitoring	\$255,000
Total		\$3,394,580

* Amendment to prior year Technical Assistance award.

State Water Resources Management System

On March 15, 2023, Governor Noem signed the 2023 Omnibus Bill (Senate Bill 17) which appropriated \$5,000,000 for the Water Investment in Northern South Dakota project and \$1,000,000 for the Western Dakota Regional Water System study both of which were added to the State Water Resources Management System (SWRMS) list. An additional \$200,273 was added to the Big Sioux Flood Control study, which was already included on the SWRMS list. Information on individual SWRMS project accomplishments and activities is provided in the State Water Plan section (pages 45-64). During the year, the board placed the following amount under agreement (Table 7).

Table 7 - 2023 State Water Resources Management System Awards

<u>Sponsor</u>	<u>Project</u>	<u>Amount</u>	<u>Type</u>
City of Aberdeen, BDM Rural Water System, WEB Water Development Association	Water Investment in Northern South Dakota project	\$5,000,000	Grant
Watertown*	Big Sioux Flood Control Study – Watertown Vicinity	\$200,273	Grant
Western Dakota Regional Water System	Western Dakota Regional Water System – Feasibility Study	\$1,000,000	Grant
		Total	\$6,200,273

* Amendment to prior year SWRMS award

Watershed Protection Program – EPA Section 319 Grants

The South Dakota Watershed Protection Program is designed to assess nonpoint source water pollution and reduce or eliminate their impact on water quality throughout the state. Nonpoint source refers to the polluted run-off from urban, agriculture, and forest lands. The program provides technical and financial assistance to local watershed project sponsors in the planning and management of assessment and implementation projects. Additionally, the program administers state and federal grants, monitors effectiveness of implementation projects, and funds information and education activities. Applications for Section 319 grants must be approved by the board prior to submission to EPA. In 2023, the board recommended that EPA award \$1.985 million in federal fiscal year 2023 Section 319 grant funds to watershed projects (Table 8).

Table 8 - 2023 EPA Section 319 Grants

<u>Sponsor</u>	<u>Project</u>	<u>Amount</u>	<u>Total Project</u>
Minnehaha Conservation District*	Big Sioux River Project – Segment 4	\$651,500	\$12,809,478
South Dakota Discovery Center	South Dakota Nonpoint Source Information and Education Project – Segment 7	\$250,000	\$584,000
Day County Conservation District	Prairie Coteau Watershed Improvement and Protection Project – Segment 1	\$426,500	\$1,417,580
South Dakota Soil Health Coalition	Soil Health Improvement and Planning Project – Segment 3	\$657,000	\$1,137,000
Total		\$1,985,000	\$15,948,058

* Amendment to prior year 319 award

Throughout the year, the department works with EPA to reallocate deobligated prior year funds. Table 9 contains the list of grants that were awarded to existing project sponsors during the calendar year of 2023.

Table 9 – 2023 EPA Section 319 Grant Amendments

<u>Sponsor</u>	<u>Project</u>	<u>Amount</u>	<u>Total Project</u>
South Dakota Soil Health Coalition	Soil Health Improvement and Planning Project – Segment 2	\$150,000	\$957,500
Total		\$150,000	\$957,500

Solid Waste Management Program

The 2023 State Legislature appropriated \$2,450,000 for the Solid Waste Management Program (SWMP). Additionally, prior year funding and reversions were available for award in 2023 for grants and loans for recycling, waste tire, and solid waste disposal projects.

These programs are supported by three funding sources – a \$0.75 per ton landfill surcharge on municipal solid waste, a \$0.25 per tire vehicle registration fee, and principal and interest payments from past solid waste loan awards.

The board awarded eight grants and one loan in 2023, totaling more than \$2.8 million (Table 10). SWMP awards helped leverage nearly \$19.0 million in total project activities.

Table 10 - 2023 Solid Waste Management Awards

<u>Sponsor</u>	<u>Description</u>	<u>Loan Amount</u>	<u>Grant Amount</u>	<u>Total Project</u>
Belle Fourche	Solid Waste Shredder and Related Equipment Purchase 2023	\$287,192	\$72,000	\$718,385
Brown County	Landfill New Loader		\$92,500	\$462,162
Huron	New Baler for Recycling and Solid Waste		\$300,000	\$996,247
Huron	New Hook Truck and Roll-Off Containers		\$83,500	\$277,252
Madison	Land Purchase for New Restricted Use Site		\$109,560	\$547,800
Mitchell	Construction of Recycling and Solid Waste		\$1,000,000	\$2,680,000
Rapid City	New Cell #15, Gas Collection System, and Flare Construction		\$600,000	\$12,000,000
Vermillion	Landfill Leachate Pond #2		\$260,800	\$1,304,000
Total		\$287,192	\$2,518,360	\$18,985,846

Brownfields Revitalization and Economic Development Program

The 2004 South Dakota Legislature followed the federal Brownfields Act and established a state Brownfields Revitalization and Economic Development Program within the Department of Agriculture and Natural Resources (the department). The purpose of Brownfields program is to complete environmental assessments and cleanups so that local governments can put contaminated lands back into productive, beneficial use and complete projects that are necessary to revitalize local economies. The 2004 bill created two subfunds: a Brownfields revolving loan subfund and a Brownfields assessment and cleanup subfund. The board approves annual work plans for both subfunds. The department agreed to use existing staff to administer this program.

While the department has made application for federal funding, the U.S. Environmental Protection Agency has not awarded South Dakota any federal funds for the Brownfields revolving loan subfund. Therefore, there has been no activity in this subfund. EPA has advised the department that until potential applicants are identified, the department will not be eligible for federal revolving loan funds.

The department has used both federal Brownfields grants and federal Leaking Underground Storage Tank Trust Funds to complete environmental assessments and cleanups of Brownfields projects statewide. Projects are limited by federal Brownfields law to \$200,000 per site for Assessment and \$200,000 per site for Clean Up unless a waiver is granted by EPA. Brownfields projects are nominated by local project sponsors and approved by the board. Table 10 contains a list of all the Brownfields projects approved by the board in calendar year 2023. The

Brownfields process is an extremely useful tool to help assess and clean up contaminated lands statewide and move economic development projects forward that are a high local priority.

Table 11 - 2023 Brownfields Assessment and Cleanup Projects

<u>Applicant</u>	<u>Site Name and Location</u>	<u>Activity</u>	<u>Land After Cleanup</u>	<u>Amount*</u>
Clay County Courthouse	Clay County Courthouse	Assessment	Public	\$6,713.82
Colman	Ross Management Property	Assessment	Commercial	\$30,672.62
Department of Agriculture and Natural Resources	Inventory of the Brownfields Sites	Data Gathering	Public	\$20,000.00
Flandreau	Former Elevator	Assessment	Public	\$1,571.18
Lake Area Improvement Corporation-Madison	Madison Properties	Assessment	Commercial	\$8,077.83
Lake Area Improvement Corporation-Madison	Madison Properties	Cleanup	Commercial	\$65,000.00
Mitchell	Downtown Buildings	Assessment	Commercial	\$5,983.28
Parkview Villa Apartments - Wagner	Parkview Villa Apartments	Assessment	Commercial	\$1,895.63
Philip	Vivian Hanson Subdivision	Assessment	Public	\$3,359.50
Pierre	Former Capitol Inn	Assessment	Commercial	\$4,080.00
Sacred Heart Church - Yankton	Sacred Heart Church/School	Assessment	Commercial	\$7,953.71
Salem	Salem Armory	Assessment	Public	\$21,502.35
Salem	Salem Armory	Cleanup	Public	\$250,000.00
Selby	Former Opera House	Assessment	Public	\$84,995.40
Selby	Former Opera House	Cleanup	Public	\$200,000.00
Sioux Falls Development Foundation	River line District	Assessment	Commercial	\$47,624.80
Springfield	Old Water Treatment Plant	Assessment	Public	\$10,302.00
Yankton	Sacred Heart Church/School	Cleanup	Commercial	\$350,000.00
Total				\$180,516.44

* Accumulative costs as of September 28, 2023

2023 State Water Development Legislation

On March 15, 2023, Governor Noem signed Senate Bill 17, the Omnibus Water Funding Bill. The 2023 Omnibus Bill contained the following appropriations:

Appropriations from the Water and Environment Fund

- Lewis & Clark Regional Water System – \$7,700,000 conversion of an existing SWRMS loan to a grant;
- Big Sioux Flood Control Study – \$200,273 grant to provide one-half of the nonfederal costs for an update to the US Army Corps of Engineers study for flood control in the Watertown area;
- Water Investment in Northern South Dakota project - \$5,000,000 grant for engineering design, preconstruction, and construction of the facilities associated with constructing pipe a regional water supply line beginning at the Missouri River water intakes operated by WEB Water Development Association to Aberdeen and to connect to BDM Rural Water;
- Western Dakota Regional Water System study - \$1,000,000 grant to complete an engineering feasibility study to provide a bulk water supply line from the Missouri River to serve users throughout western South Dakota including the area of the Black Hills;
- Consolidated Water Facilities Construction Program – \$7,425,000 to provide grants and loans for community drinking water, wastewater, and watershed improvement projects; and
- Solid Waste Management Program – \$2,450,000 to provide grants and loans for recycling, solid waste disposal, and waste tire projects.

Appropriations from WEF Subfunds and Other Sources

- Section 8 of the bill appropriated \$2,200,000 from the Clean Water State Revolving Fund program subfund for the purpose of providing water quality grants;
- Section 9 of the bill appropriated \$2,000,000 from the Drinking Water State Revolving Fund program subfund for the purpose of providing drinking water construction grants;
- Section 10 of the bill appropriated \$750,000 from the Clean Water State Revolving Fund program subfund for the preparation of loan applications and administration of loans;
- Section 11 of the bill appropriated \$750,000 from the Drinking Water State Revolving Fund program subfund for the preparation of loan applications and administration of loans;
- Section 12 of the bill appropriated \$485,000 from the Drinking Water State Revolving Fund program subfund for technical assistance; and
- Section 13 of the bill appropriated \$200,000 from the Clean Water State Revolving Fund program subfund for technical assistance.

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2024 State Water Plan

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2024 State Water Plan

Overview

The 1972 State Legislature established the State Water Plan to ensure the optimum overall benefits of the state's water resources for the general health, welfare, safety, and economic well-being of the people of South Dakota through the conservation, development, management, and use of those resources. The Legislature placed the responsibility for this plan with the Board of Water and Natural Resources (the board).

The State Water Plan, as established in SDCL 46A-1-2, consists of two components – the State Water Facilities Plan and the State Water Resources Management System. To be considered for the State Water Facilities Plan, projects must meet criteria established by the board. These eligibility criteria are used as guidelines by the board and the Department of Agriculture and Natural Resources (the department) when considering a project for inclusion on the State Water Facilities Plan. Additions to or deletions from the State Water Resources Management System can only be made by the State Legislature.

State Water Facilities Plan

The State Water Facilities Plan (Facilities Plan) is a list of potential water projects. The Facilities Plan includes projects such as rural, municipal, and industrial water supply, wastewater collection and treatment facilities, storm sewers, groundwater protection, and watershed restoration. The board is responsible for approving the placement of projects on the Facilities Plan. The board can provide direct assistance to projects on the plan and placement on the plan may influence federal and other state agency funding decisions.

In November 2023, the board considered 43 applications requesting placement on the State Water Plan. The board placed 42 projects on the Facilities Plan, bringing the total number of projects on the 2024 State Water Facilities Plan to 390 (Table 12 and Table 13). One project was recommended for listing on the State Water Resources Management System List, see Appendix B.

The projects in Table 12 have received either partial or full funding. Projects that have received funding from the board remain on the Facilities Plan until project completion and remain eligible to request additional funding.

The projects or a portion of the project in Table 13 had not received funding as of December 31, 2023. Projects placed on the plan in November 2022 or that were amended onto the plan during calendar year 2023 remain on the Facilities Plan through December 2024. The 42 projects placed on the plan in November 2023 remain on the Facilities Plan through December 2025.

Additional projects may be placed on the Facilities Plan during the year. Projects placed on the Facilities Plan through the amendment process remain on the plan for the balance of the calendar year and the following year. Once a project is removed from the Facilities Plan, the project sponsor must submit a new State Water Plan application to be eligible to seek assistance.

Table 12 - 2024 State Water Facilities Plan Funded Projects

<u>Sponsor</u>	<u>Project Description</u>	<u>Amount Funded</u>	<u>Total Project</u>
Aberdeen	Wastewater Treatment Facility	\$51,323,000	\$56,323,000
Alcester	Wastewater System Improvements Phase I	\$5,739,000	\$5,739,000
Alexandria	Water Distribution Improvements	\$500,000	\$500,000
Alexandria	Wastewater System Improvements	\$2,772,000	\$2,894,000
Andover	Wastewater and Storm Sewer System Improvements	\$1,168,000	\$1,168,000
Arlington	Collection System Improvements Phase 1	\$1,036,698	\$1,190,010
Aurora	Sanitary Sewer Collection System Replacement	\$4,352,000	\$4,352,000
Aurora	Wastewater System Improvements Phase II	\$5,558,859	\$5,558,859
Aurora-Brule Rural Water System	System Improvements and Expansion	\$6,000,000	\$6,184,220
Baltic	Lift Station Replacement and Sewer Improvements	\$1,773,671	\$1,879,000
Baltic	Water System Improvements	\$1,828,671	\$1,934,000
BDM Rural Water System	Water System Improvements	\$11,537,000	\$11,537,000
Bear Butte Valley Water, Inc	Alkali Road Expansion	\$7,817,500	\$7,817,500
Belle Fourche	Hat Ranch Well	\$1,760,000	\$1,760,000
Beresford	Wastewater Collection and Treatment Improvements	\$14,436,000	\$14,436,000
Beresford	Seventh Street Utility Extension	\$672,000	\$672,000

<u>Sponsor</u>	<u>Project Description</u>	<u>Amount Funded</u>	<u>Total Project</u>
Big Sioux Community Water System	Lake Madison Area Improvements	\$2,200,000	\$2,200,000
Big Sioux Community Water System	Distribution System Improvements	\$17,788,000	\$17,788,000
Bison	Wastewater Collection and Treatment Improvements 2022	\$2,214,000	\$2,214,000
Black Hawk Water User District	Water System Improvements Phase II	\$1,688,000	\$1,688,000
Bowdle	Wastewater Improvements	\$2,750,309	\$2,834,000
Box Elder	Drinking Water Improvements	\$6,190,500	\$6,190,500
Box Elder	Well #10 Construction	\$1,742,000	\$1,742,000
Box Elder	Drinking Water Improvements 2022	\$6,630,000	\$6,630,000
Box Elder	Sanitary Sewer Upgrade and Expansion	\$4,000,000	\$5,800,000
Box Elder	Cheyenne Blvd, Westgate Rd., and South Trunk Main	\$6,261,000	\$6,261,000
Brandon	Bethany Sewer Main Extension	\$478,837	\$3,625,000
Brandon	Water Infrastructure Improvements	\$7,467,900	\$24,893,000
Bridgewater	Storm Sewer Outfall and Other Improvements	\$4,517,561	\$4,600,000
Britton	Lift Station and Sewer Improvements	\$1,416,830	\$1,531,000
Brookings	Lead Service Line Replacement 2023	\$1,000,000	\$1,000,000
Brookings	Water Treatment Facility	\$112,702,400	\$114,700,000
Brookings-Deuel Rural Water System	Phase Tank Mainline Improvements	\$9,910,800	\$10,070,890
Buffalo Gap	Cast Iron and 4-inch PVC Replacement	\$1,147,000	\$1,147,000
Butte-Meade Sanitary Water District	Drinking Water Improvements 2022	\$3,325,000	\$3,325,000
Canistota	Watermain Replacements	\$923,966	\$923,966

<u>Sponsor</u>	<u>Project Description</u>	<u>Amount Funded</u>	<u>Total Project</u>
Canistota	Sanitary and Storm Sewer Infrastructure Improvements	\$2,342,267	\$2,342,267
Canova	Water Infrastructure Improvements	\$190,000	\$190,000
Canton	Beaver Creek Trunk Sewer Improvements	\$2,339,689	\$2,658,000
Canton	Drinking Water Improvements 2022	\$2,088,689	\$2,407,000
Castlewood	Distribution System Improvements and Tower Rehabilitation	\$309,027	\$800,000
Centerville	New Water Tower	\$1,412,000	\$1,412,000
Chamberlain	Water Improvements	\$800,000	\$850,000
Chamberlain	Wastewater Improvements	\$2,100,000	\$2,500,000
Chancellor	Sanitary and Storm Sewer Improvements Phase 2	\$1,400,000	\$1,400,000
Chancellor	Drinking Water Distribution Improvements Phase 2	\$1,300,000	\$1,300,000
Chancellor	Sanitary and Storm Sewer Improvements Phase 3	\$1,450,000	\$1,450,000
Chancellor	Drinking Water Improvements Phase 3	\$906,000	\$906,000
Claremont	Wastewater Improvements	\$625,000	\$625,000
Claremont	Storm Sewer and Lift Station Improvements	\$505,000	\$505,000
Clark	Drinking Water System Improvements	\$7,612,370	\$7,857,370
Clark Rural Water System	Improvements to Raymond Water System and Individual Service	\$610,000	\$610,000
Clay Rural Water System	Water System Improvements	\$16,517,000	\$16,517,000
Clay Rural Water System	Water Treatment Plant Construction	\$21,843,000	\$21,843,000
Colman	Water Distribution Improvements 2022	\$480,000	\$480,000
Colman	Wastewater Collection System Improvements 2022	\$1,995,000	\$1,995,000

<u>Sponsor</u>	<u>Project Description</u>	<u>Amount Funded</u>	<u>Total Project</u>
Colton	Sanitary Sewer Improvements Phase 4	\$2,609,000	\$2,609,000
Corona	Water Meter Improvements	\$391,000	\$391,000
Corona	Drinking Water System Improvements Phase I	\$1,598,000	\$1,598,000
Corona	Sanitary and Storm Sewer System Improvements Phase I	\$1,312,000	\$1,312,000
Corsica	Water Distribution System Improvements	\$405,000	\$405,000
Corsica	Sanitary and Storm Sewer System Improvements	\$897,000	\$999,825
Cresbard	Distribution System Improvements	\$2,068,000	\$2,068,000
Cresbard	Sanitary and Storm Sewer Improvements	\$3,124,000	\$3,124,000
Cresbard	Water Improvements Phase II	\$1,912,410	\$1,912,410
Crooks	Eastside Lift Station	\$1,256,697	\$1,494,000
Crooks	New Lift Station and Sanitary Sewer Expansion	\$1,823,000	\$1,823,000
Crooks	Water Tower and Water System Improvements	\$3,200,000	\$3,200,000
Custer	Wastewater Treatment System Upgrade Phases 2 and 3	\$11,090,000	\$11,442,109
Custer	Treatment Facility Upgrade and Forcemain Slip-lining	\$5,596,000	\$5,596,000
Dakota Dunes Community Improvement District	Parallel Sanitary Sewer Line	\$415,780	\$519,220
Dakota Dunes Community Improvement District	Forcemain Improvements	\$658,733	\$823,416
Dakota Dunes Community Improvement District	Water System Improvements	\$429,300	\$429,300

<u>Sponsor</u>	<u>Project Description</u>	<u>Amount Funded</u>	<u>Total Project</u>
Department of Agriculture and Natural Resources	Riparian Buffer Initiative	\$1,000,000	\$1,000,000
Davison Rural Water System	Water Distribution Improvements and Meter Upgrade	\$1,250,000	\$1,256,042
Deer Mountain Sanitary District	Water System Construction and Replacement	\$5,221,350	\$5,221,350
Dell Rapids	3rd Street Sanitary Sewer and Storm Sewer Improvements	\$6,832,459	\$6,832,459
Dell Rapids	3rd Street Drinking Water Improvements	\$2,936,000	\$2,936,000
Dell Rapids	5th, 6th, and Iowa Street Wastewater Improvements	\$2,927,500	\$2,927,500
Dell Rapids	5th, 6th, and Iowa Street Water Improvements	\$926,000	\$926,000
Dell Rapids	Southeast Phase 1 and Railroad Water Improvement	\$2,486,000	\$2,486,000
Dell Rapids	Southeast Phase 1 and Railroad Wastewater Improvement	\$2,324,000	\$2,324,000
DeSmet	Wastewater Collection System Improvements 2022	\$1,899,750	\$2,090,000
DeSmet	Water Distribution Improvements 2022	\$5,050,000	\$5,050,000
Dupree	Wastewater System Improvements	\$3,238,562	\$4,008,562
Edgemont	Iron Removal System Installation	\$637,000	\$637,000
Edgemont	Water System Upgrades	\$700,000	\$700,000
Elk Point	Douglas and Washington Streets Wastewater Improvements	\$593,000	\$593,000
Elk Point	Douglas and Washington Street Water Improvements	\$495,000	\$495,000
Elkton	Utility Improvements Phase II	\$2,165,000	\$2,165,000
Elkton	Utility Improvements Phase II	\$2,587,000	\$2,587,000

<u>Sponsor</u>	<u>Project Description</u>	<u>Amount Funded</u>	<u>Total Project</u>
Ellsworth Development Authority	West River Water Regionalization Study	\$550,000	\$550,000
Emery	Storm Sewer Improvements	\$2,494,000	\$2,494,000
Faith	New Elevated Water Storage Tank	\$3,000,000	\$3,000,000
Fall River Water Users District	Water System Improvements	\$10,007,000	\$10,007,000
Flandreau	Wastewater Collection System Improvements 2022	\$4,172,490	\$4,380,000
Flandreau	Water Distribution Improvements 2022	\$4,232,919	\$4,440,000
Fort Pierre	Water Storage Tank	\$4,629,381	\$5,028,078
Fort Pierre	Wastewater Treatment System Improvements	\$3,701,000	\$3,701,000
Garretson	Dows Street Watermain Improvements	\$92,900	\$202,000
Garretson	Wastewater Collection and Stormwater Improvements	\$2,593,000	\$2,593,000
Garretson	Water Distribution Improvements	\$2,394,000	\$2,394,000
Gayville	Sanitary and Storm Sewer Rehabilitation	\$5,258,000	\$5,258,000
Grant-Roberts Rural Water System	Internal System Improvements	\$6,794,000	\$6,794,000
Green Valley Sanitary District	Centralized Sewer Collection System	\$2,370,000	\$9,722,000
Gregory	Water Distribution Improvements	\$3,485,000	\$3,485,000
Gregory	Wastewater Improvements Phase I	\$4,452,000	\$4,452,000
Groton	Watermain Improvements	\$1,326,000	\$1,326,000
Groton	Water System Improvements	\$1,798,000	\$1,798,000
Hanson Rural Water System	Water Distribution Improvements and Meter Upgrade	\$3,630,000	\$3,639,529
Harrisburg	Westside Trunk and Southeastern Sewer Improvements	\$16,549,073	\$17,749,000

<u>Sponsor</u>	<u>Project Description</u>	<u>Amount Funded</u>	<u>Total Project</u>
Harrisburg	Westside Trunk Sewer Phase 2	\$11,709,000	\$11,709,000
Harrisburg	Southeastern Water Improvements	\$6,305,000	\$6,305,000
Hartford	Wastewater Treatment Facility and Collection System	\$21,912,216	\$23,448,791
Hartford	Highway 38 Watermain Looping	\$490,800	\$490,800
Henry	Wastewater System Improvements	\$2,000,000	\$2,000,000
Henry	Water System Improvements	\$2,000,000	\$2,000,000
Hermosa	Drinking Water Source	\$3,025,000	\$3,525,000
Hermosa	Lagoon Expansion and Gumbo Lily Lane Extension	\$1,074,000	\$1,150,000
High Meadows Water Association, Inc.	Drinking Water Improvements 2022	\$1,140,000	\$1,140,000
Howard	Wastewater Collection System Improvements Phase I	\$5,137,864	\$5,274,000
Hudson	Sanitary Sewer Improvements Phase 2	\$1,378,000	\$1,678,000
Hudson	Water System Improvements	\$1,799,305	\$2,161,000
Humboldt	Water Distribution Improvements	\$946,000	\$946,000
Humboldt	Sanitary Sewer Improvements	\$2,801,000	\$2,801,000
Huron	Wastewater Infrastructure Improvements 2022	\$1,903,500	\$6,345,000
Huron	Water System Improvements 2022	\$4,872,084	\$13,032,000
Huron	Sequencing Batch Reactor Replacement	\$14,946,000	\$14,946,000
Ipswich	Storm Sewer Upgrades	\$2,584,482	\$2,584,482
Irene	Wastewater Treatment Improvements	\$584,000	\$584,000
Irene	Water Tower Improvements	\$2,024,000	\$2,024,000
Isabel	Wastewater Collection Improvements	\$1,247,039	\$2,044,374

<u>Sponsor</u>	<u>Project Description</u>	<u>Amount Funded</u>	<u>Total Project</u>
James River Water Development District	South Central Watershed Implementation Segment 2	\$5,000,000	\$46,895,340
Joint Well Field, Inc.	New Water Treatment Plant	\$9,460,000	\$9,560,000
Joint Well Field, Inc.	Water Treatment Plant Improvements	\$7,179,900	\$7,179,900
Kadoka	Poplar Street Drinking Water Improvements	\$641,000	\$641,000
Kadoka	Sanitary and Storm Sewer Improvements	\$2,744,781	\$2,873,000
Kennebec	Sewer and Storm Sewer Improvements	\$2,392,000	\$3,132,000
Keystone	New Well Construction	\$92,800	\$244,000
Kimball	Main Street Sewer Improvements	\$1,095,000	\$1,095,000
Kimball	Main Street Water Improvements	\$325,000	\$325,000
Kingbrook Rural Water System	Carthage Water Tower Improvements	\$468,000	\$468,000
Kingbrook Rural Water System	2022 System Improvements	\$32,750,000	\$33,000,000
Lake Norden	Water Storage Tower	\$2,671,463	\$2,671,463
Lake Norden	Wastewater Lagoon Improvements	\$3,080,000	\$3,080,000
Lake Poinsett Sanitary District	Lift Station and Collection System Improvements	\$4,600,000	\$4,600,000
Lake Preston	Wastewater Collection System Improvements	\$2,992,000	\$2,992,000
Lake Preston	Water Distribution System Improvements	\$5,610,000	\$5,610,000
Lake Preston	Sanitary Sewer Utility Improvements Phase 2	\$2,921,000	\$2,921,000
Lake Preston	Drinking Water Improvements Phase 2	\$2,599,000	\$2,599,000
Lake Preston	Elevated Water Storage Tower	\$2,002,000	\$2,002,000
Lead	Mill Street Waterline Replacement	\$187,287	\$763,931

<u>Sponsor</u>	<u>Project Description</u>	<u>Amount Funded</u>	<u>Total Project</u>
Lead	Mill Street Wastewater and Storm Sewer Separation	\$272,632	\$913,285
Lead-Deadwood Sanitary District	Wastewater Treatment Plant Improvements	\$907,000	\$907,000
Lead-Deadwood Sanitary District	Drinking Water System Improvements	\$3,720,000	\$3,720,000
Lennox	Central Basin Drinking Water Improvements Phase 4	\$2,976,000	\$2,976,000
Lennox	Central Basin Wastewater Improvements Phase 4	\$7,279,000	\$7,279,000
Lennox	Boynton Avenue Wastewater Improvements	\$2,809,000	\$2,809,000
Lennox	Boynton Avenue Water Improvements	\$868,000	\$868,000
Lesterville	Storm Sewer System Improvements	\$1,310,000	\$1,335,000
Lewis & Clark Regional Water System	Water System Expansion	\$7,300,000	\$43,787,000
Lincoln County Rural Water System	Eastern Distribution System Improvements	\$3,791,000	\$3,791,000
Madison	Sanitary Sewer Improvements Segments 1 - 6	\$5,192,400	\$5,692,400
Madison	Drinking Water Improvements Segments 1 - 6	\$11,658,500	\$12,308,500
Marion	Broadway Avenue Wastewater Improvements Phase I	\$1,543,682	\$1,543,682
Marion	Broadway Avenue Water Improvements Phase I	\$1,493,682	\$1,493,682
McLaughlin	Drinking Water Improvements 2022	\$962,396	\$962,396
Medicine Mountain Scout Ranch	Water Supply Improvements	\$73,000	\$73,000
Mid-Dakota Rural Water System	Water System Improvements	\$45,335,000	\$45,335,000
Milbank	Water Supply and Treatment Improvements	\$12,500,000	\$12,500,000
Miller	Wastewater Improvements Phase III	\$2,692,743	\$5,239,000

<u>Sponsor</u>	<u>Project Description</u>	<u>Amount Funded</u>	<u>Total Project</u>
Miller	Wastewater Phase IV	\$797,000	\$910,000
Miller	Water Phase IV	\$4,194,000	\$4,307,000
Mina Lake Sanitary District	Water Meter Replacement	\$352,000	\$352,000
Minnehaha Community Water Corp.	Water Treatment Control Panel Upgrades and Distribution Improvements	\$4,670,000	\$4,670,000
Minnehaha Community Water Corp.	Water Distribution Improvements	\$44,349,000	\$44,349,000
Minnehaha Community Water Corp.	Water Storage and Capacity Improvements	\$7,510,000	\$7,510,000
Mission Hill	Wastewater System Improvements	\$820,000	\$851,010
Mitchell	Wastewater Treatment Facilities Improvements	\$15,942,528	\$15,942,528
Mitchell	Wastewater Treatment Facility Improvements Phase 2	\$27,195,000	\$30,000,000
Mitchell	Daily Drive Lift Station Replacement	\$1,500,000	\$1,500,000
Mitchell	Livesay Lane Wastewater and Storm Water	\$1,040,000	\$1,245,000
Mitchell	Wastewater Collection System Improvements	\$4,760,000	\$4,760,000
Mitchell	Water Tower Improvements	\$1,175,000	\$1,175,000
Mitchell	Water Distribution Improvements	\$2,840,000	\$2,840,000
Mitchell	Drinking Water System Improvements	\$16,000,000	\$16,000,000
Mni Wasté Water Company	Intake Emergency Slide Repair	\$1,238,302	\$2,938,302
Mni Wasté Water Company	Highway 63 North	\$6,448,598	\$43,441,000
Mobridge	Drinking Water System Improvements	\$10,677,851	\$11,297,730
Montrose	Sanitary Sewer and Treatment System Improvements	\$363,200	\$363,200

<u>Sponsor</u>	<u>Project Description</u>	<u>Amount Funded</u>	<u>Total Project</u>
Morristown	Potable Water System Improvements	\$202,600	\$214,760
New Underwood	Drinking Water System Improvements	\$4,010,000	\$4,010,000
Newell	Wastewater System Improvements	\$603,000	\$709,000
Newell	Water System Improvements	\$992,000	\$1,142,000
North Sioux City	Southwest Sewer Basin	\$683,000	\$7,060,897
North Sioux City	Streeter Drive Water Treatment Plant Expansion	\$7,351,000	\$7,651,000
North Sioux City	Water System Interconnection	\$580,000	\$580,000
Northdale Sanitary District	Sanitary Sewer Line Relocation	\$572,000	\$572,000
Northville	Drinking Water System Improvements	\$1,224,320	\$1,250,250
Parker	Watermain Improvements Phase 6	\$3,707,000	\$3,707,000
Parker	Wastewater Improvements Phase 6	\$4,625,000	\$4,625,000
Parkston	Wastewater Collection and Treatment Improvements	\$4,135,700	\$4,135,700
Peever	Wastewater Collection and Treatment Improvements	\$2,577,173	\$2,606,500
Perkins County Rural Water System	Water Storage Tank and Pipeline Improvements	\$7,060,000	\$7,060,000
Philip	Northeast and Stewart Ave Wastewater Improvements	\$1,257,528	\$1,257,528
Philip	Stewart Avenue Area Storm Sewer Improvements	\$800,342	\$800,342
Pickerel Lake Sanitary District	Wastewater Collection Improvements	\$4,263,000	\$4,263,000
Pickstown	Wastewater Improvements	\$988,000	\$1,400,000
Pierpont	Water Meter Replacement	\$132,000	\$132,000
Pierre	Wastewater Treatment Facility Improvements	\$15,310,000	\$15,310,000

<u>Sponsor</u>	<u>Project Description</u>	<u>Amount Funded</u>	<u>Total Project</u>
Pierre	Water Treatment System Construction	\$36,850,000	\$36,850,000
Plankinton	Wastewater Collection System Improvements	\$5,215,170	\$5,430,250
Platte	Wastewater Utility Improvements	\$690,000	\$693,000
Platte	Drinking Water System Improvements	\$426,000	\$1,349,175
Pleasant Valley Homeowners Association	Drinking Water System Improvements September 2022	\$398,000	\$398,000
Powder House Pass Community Improvement District	Water Resource Recovery Facility Expansion and Lift Station	\$7,501,000	\$7,501,000
Presho	Water Meters	\$105,000	\$150,000
Randall Community Water District	Geddes Consolidation and System Improvements	\$5,600,000	\$5,600,000
Randall Community Water District	Internal System Improvements	\$9,036,250	\$9,036,250
Randall Community Water District	Regional Waterline Upgrade	\$49,991,000	\$49,991,000
Randall Community Water District	Regionalization to Mitchell	\$45,000,000	\$45,000,000
Rapid City	Booster Station Improvements	\$350,000	\$785,000
Rapid City	Water Reclamation Facility Upgrades	\$3,400,000	\$7,400,000
Rapid City	South Plant Water Reclamation Facility Improvement	\$145,000,000	\$145,000,000
Rapid City	New Cell #15, Gas Collection System, and Flare Construction	\$11,300,000	\$11,300,000
Rapid Valley Sanitary District	System Expansion for Service to Box Elder	\$6,679,000	\$12,028,000
Ravinia	Stormwater Drainage System Improvements	\$1,865,000	\$1,865,250
Raymond	Lift Station and Lagoon Improvements	\$880,038	\$1,011,225
Roscoe	Wastewater Improvements	\$4,320,000	\$4,700,834

<u>Sponsor</u>	<u>Project Description</u>	<u>Amount Funded</u>	<u>Total Project</u>
Roscoe	Infrastructure Improvements	\$2,883,000	\$2,883,000
Rosholt	Water Tower Construction	\$2,150,000	\$2,150,000
Saint Lawrence	Wastewater Collection System Improvements	\$2,487,000	\$2,487,000
Saint Lawrence	Wastewater System Improvements	\$1,138,000	\$1,138,000
Saint Lawrence	Water System Improvements	\$1,148,000	\$1,148,000
Saint Lawrence	Drinking Water System Improvements Phase II	\$940,000	\$940,000
Salem	Industrial Area Water Improvements Phase 2	\$1,417,000	\$1,417,000
Salem	Industrial Area Wastewater Improvements Phase 2	\$2,704,000	\$2,704,000
Salem	Sanitary and Storm Water Improvements Phase 2	\$3,400,000	\$3,400,000
Salem	Watermain Improvements Phase 2	\$1,400,000	\$1,400,000
Salem	2021 Storm Sewer Improvements	\$847,000	\$847,000
Seneca	Sewer Improvement	\$183,650	\$183,650
Shared Resources	Water Treatment Plant, Storage, and Distribution	\$108,260,000	\$108,260,000
Sioux Falls	Basin 15 Sewer Expansion	\$16,711,000	\$16,711,000
Sioux Falls	Water Reclamation Facility Expansion	\$225,025,000	\$225,025,000
Sioux Falls	Transmission Redundancy and Well 25 Improvements	\$12,500,000	\$12,500,000
Sioux Falls	Stormwater Improvements Basins 95, 104, and 371	\$9,000,000	\$9,000,000
Sioux Falls	Brandon Road Lift Station Parallel Force Main	\$11,400,000	\$11,400,000
Sioux Rural Water System	Water System Improvements	\$1,547,165	\$5,081,000
Sioux Rural Water System	Water System Improvements 2018	\$10,921,000	\$11,321,000

<u>Sponsor</u>	<u>Project Description</u>	<u>Amount Funded</u>	<u>Total Project</u>
Sioux Rural Water System	Water System Improvements	\$4,749,815	\$4,749,815
South Dakota Bureau of Administration	Capitol Lake Water Quality Improvements	\$2,000,000	\$3,792,000
South Lincoln Rural Water System	Water System Improvements	\$27,564,000	\$27,564,000
South Shore	Water System Improvements	\$1,635,000	\$1,635,000
Southern Black Hills Water System	Paramount Point to Spring Creek Acres Extension	\$3,600,000	\$3,600,000
Spearfish	Exit 17 Water Tank and Well	\$8,268,367	\$8,268,367
Spearfish	Wastewater Conveyance and Treatment Improvements	\$8,521,000	\$8,521,000
Spring/Cow Creek Sanitary District	Wastewater Treatment Improvements	\$1,232,860	\$1,232,860
Spring/Cow Creek Sanitary District	Water Storage and Infrastructure	\$2,220,000	\$2,220,000
Springfield	Water Line Replacement	\$190,000	\$380,000
Stratford	Drinking Water Improvements 2022	\$2,172,000	\$2,172,000
Stratford	Wastewater Treatment and Televising Improvements	\$128,220	\$128,220
Sturgis	Drinking Water Improvements 2022	\$4,938,000	\$5,688,000
Sturgis	Trunk Line and Sanitary Sewer Improvements	\$10,339,000	\$10,339,000
Summerset	Wastewater Treatment Plant Expansion	\$9,519,321	\$9,995,000
Tabor	Wastewater Collection System Improvement	\$4,150,000	\$4,900,000
Tabor	Wastewater Collection System Improvements Phase 2	\$1,000,000	\$1,000,000
Tea	Sanitary Sewer Regionalization	\$5,539,000	\$5,539,000
Tea	Regionalization with Sioux Falls	\$8,213,034	\$8,394,000

<u>Sponsor</u>	<u>Project Description</u>	<u>Amount Funded</u>	<u>Total Project</u>
Tea	85th Street Elevated Storage Tank	\$2,700,000	\$2,700,000
Terry Trojan Water Project District	Water Meters and Pits	\$700,000	\$700,000
Terry Trojan Water Project District	New Storage Tank September 2022	\$757,400	\$757,400
Terry Trojan Water Project District	Water System Rehabilitation	\$812,000	\$812,000
Timber Lake	Wastewater Improvements	\$2,693,400	\$3,513,400
Timber Lake	Water Distribution and Storage Improvements	\$3,175,491	\$4,034,725
TM Rural Water District	Water System Improvements	\$8,448,000	\$8,448,000
Tripp County Water User District	System Wide Improvements	\$22,800,000	\$22,800,000
Tulare	Wastewater Improvements	\$2,502,627	\$2,540,000
Tulare	Drinking Water Improvements	\$250,000	\$2,145,000
Tyndall	Collection System Improvements	\$873,000	\$1,056,000
Tyndall	Watermain Replacement	\$2,000,000	\$2,000,000
Valley Springs	Drinking Water System Improvements 2022	\$3,539,728	\$3,605,000
Vermillion	Tom Street Lift Station Replacement	\$502,500	\$1,075,000
Vermillion	Landfill Leachate Pond #2	\$1,043,200	\$1,043,200
Vermillion	Wastewater Treatment Facility Upgrades	\$23,100,000	\$23,100,000
Vermillion	Water Treatment Facility Upgrades and Line Replace	\$7,000,000	\$7,000,000
Volga	Drinking Water System Improvements	\$2,162,340	\$2,525,000
Volga	Water Tower Construction	\$3,700,000	\$3,700,000
Wagner	Walnut Avenue Watermain Upgrade	\$237,500	\$475,000

<u>Sponsor</u>	<u>Project Description</u>	<u>Amount Funded</u>	<u>Total Project</u>
Watertown	Water Treatment Plant Equipment Upgrades	\$999,640	\$999,640
Watertown	Watermain Replacement: Mellette and Harmony Hill	\$3,341,500	\$3,341,500
Watertown	Cast Iron Main Replacement	\$4,862,300	\$4,862,300
Watertown	New Well Field Development	\$6,939,000	\$6,939,000
Watertown	Wastewater Collection and Treatment Improvements	\$32,014,000	\$35,714,000
Watertown	Primary Clarifier Replacement	\$2,500,000	\$2,500,000
Watertown	Wastewater Facility Administration and Operations Building Construction	\$5,000,000	\$5,000,000
Waubay	Wastewater Treatment Facility Bank Stabilization	\$1,365,000	\$1,365,000
WEB Water Development Association	Raw Water Pipe Expansion	\$5,176,880	\$11,202,000
WEB Water Development Association	Highway 83 to 212 Treated Water Pipeline	\$19,429,740	\$48,500,900
WEB Water Development Association	WINS Water System Upgrades	\$54,273,380	\$54,273,380
Webster	Water Line Replacement	\$6,631,000	\$6,631,000
Webster	Sewer Line Replacement	\$1,184,000	\$1,184,000
Webster	Water System Improvements Phase II	\$4,278,673	\$4,433,000
Webster	Wastewater Improvements Phase II	\$7,403,673	\$7,558,000
Webster	Storm Water Improvements	\$353,000	\$353,000
Wessington	Cleaning and Televising	\$23,000	\$46,000
Wessington	Drinking Water System Improvements	\$673,000	\$673,000
Wessington Springs	2nd Street Drinking Water Improvements	\$331,883	\$924,238

<u>Sponsor</u>	<u>Project Description</u>	<u>Amount Funded</u>	<u>Total Project</u>
Wessington Springs	2nd Street Wastewater Replacement	\$253,000	\$253,000
Wessington Springs	College Avenue Wastewater Improvements	\$444,700	\$444,700
Wessington Springs	College Avenue Drinking Water Improvements	\$979,000	\$979,000
West River/Lyman-Jones Rural Water System	Water Distribution and Storage Improvements	\$4,000,000	\$4,000,000
Westberry Trails Water Users Association	Drinking Water Improvements 2022	\$1,465,650	\$1,465,650
Western Dakota Regional Water System	Missouri River Waterline Western South Dakota Study	\$8,000,000	\$8,000,000
Weston Heights Homeowners Association	New Water Storage Reservoir	\$4,834,650	\$4,834,650
White	Watermain Replacements	\$2,501,800	\$2,501,800
White	Sanitary Sewer Line Replacements	\$2,567,100	\$2,567,100
Whitewood	Wastewater Treatment Facility Improvement Priority 1	\$4,150,000	\$4,150,000
Wilmot	Wastewater Collection System Improvements	\$4,002,408	\$4,092,000
Wolsey	Wastewater Outfall Line Replacement	\$134,000	\$134,000
Wolsey	Pumphouse Replacement	\$326,000	\$326,000
Worthing	Wastewater Treatment Facility Improvements	\$2,754,961	\$2,845,000
Yankton	Wastewater Treatment Plant Improvements Phase 2	\$42,000,000	\$44,565,600
Yankton	Wastewater Treatment Improvements	\$4,500,000	\$4,500,000
Yankton	Water Distribution and Storage Improvements	\$8,202,000	\$8,202,000
Yankton	Wastewater Collection Improvements	\$7,200,000	\$7,200,000
Total		\$2,250,097,560	\$2,511,855,234

Table 13 - 2024 State Water Facilities Plan Unfunded Projects

<u>Sponsor</u>	<u>Project Description</u>	<u>On Plan Through</u>	<u>Projected State Funding</u>	<u>Total Project</u>
Aberdeen	Water Tower and Transmission Line Project	2025	\$10,870,000	\$12,870,000
Alcester	Collection System Improvements - Phase I	2025	\$3,772,400	\$3,772,400
Apple Springs Sanitary District	Wastewater Collection & Treatment System Purchase	2025	\$1,319,000	\$1,319,000
Apple Springs Sanitary District	Water Supply & Distribution System Purchase	2025	\$643,000	\$643,000
Aurora	Drinking Water System Improvements	2024	\$6,300,000	\$6,300,000
B-Y Water District	Reservoir Site Piping and Rehabilitation	2024	\$4,000,000	\$4,000,000
Clear Lake	Wastewater Improvements	2025	\$11,674,600	\$11,674,600
Clear Lake	Water Distribution System Improvements	2025	\$5,524,200	\$5,524,200
Colton	4th Street Water Infrastructure Improvements	2025	\$765,063	\$765,063
Colton	4th Street Sewer Infrastructure Improvements	2025	\$378,408	\$378,408
Dakota Mainstem Regional Water System	System Feasibility Study	2025	\$1,000,000	\$1,250,000
Deadwood	Highway 85 Water Main Extension and New Booster Pump	2025	\$2,897,000	\$2,897,000
Elkton	Water Improvements - Phase III	2025	\$2,025,720	\$2,025,720
Elkton	Wastewater Improvements - Phase III	2025	\$3,273,279	\$3,273,279
Gary	Wastewater Improvements	2025	\$4,665,164	\$4,665,164
Gayville	Water System Improvements	2025	\$2,650,000	\$2,657,000
Harrisburg	Northeast Sewer Extension	2025	\$36,511,600	\$36,511,600
Hecla	Wastewater and Stormwater Improvements	2024	\$12,921,000	\$12,921,000

<u>Sponsor</u>	<u>Project Description</u>	<u>On Plan Through</u>	<u>Projected State Funding</u>	<u>Total Project</u>
Herreid	Water Tower Construction and Main Looping	2024	\$2,550,550	\$2,550,550
Hot Springs	North River St Sewer and Water Replacement	2024	\$1,854,025	\$1,854,025
Howard	Water Distribution System Improvements Phase I	2024	\$2,609,100	\$3,652,600
Humboldt	Water Storage Improvements	2024	\$2,085,638	\$2,085,638
Iroquois	Wastewater Improvements	2025	\$3,143,000	\$3,143,000
Java	Wastewater Improvements	2024	\$4,017,386	\$4,017,386
Kingbrook Rural Water System	2024 Pipeline Improvements	2024	\$27,000,000	\$27,000,000
Lake Preston	Wastewater Improvements - Phase 2B	2025	\$3,987,000	\$3,987,000
Lake Preston	Drinking Water Improvements - Phase 2B	2025	\$4,574,850	\$4,574,850
Lead	Deadwood Water Supply Line	2024	\$807,460	\$807,460
Lead	Highway 85 Water Line Extension	2024	\$605,236	\$605,236
Lennox	Trunk Sewer Install and Lift Station Replacement	2024	\$16,802,280	\$16,802,280
Lincoln County Rural Water System	Western Area Improvements and Bulk Water Connection	2025	\$3,078,000	\$3,078,000
Madison	Egan Avenue Drinking Water Improvements	2025	\$2,645,916	\$2,645,916
Madison	Egan Avenue Wastewater Improvements	2025	\$2,692,547	\$2,692,547
Meadow Crest Sanitary District	New Well Construction	2024	\$590,000	\$590,000
Mitchell	Lake Mitchell Rehabilitation	2024	\$38,465,000	\$38,465,000
Mobridge	Wastewater Treatment Improvements	2025	\$6,350,000	\$8,400,000
Niche Sanitary District	Wastewater System Improvements	2025	\$1,696,110	\$1,696,110

<u>Sponsor</u>	<u>Project Description</u>	<u>On Plan Through</u>	<u>Projected State Funding</u>	<u>Total Project</u>
North Brookings Sanitary and Water District	Wastewater Collection Improvements	2024	\$4,000,000	\$4,000,000
North Brookings Sanitary and Water District	Water Distribution Improvements	2024	\$1,300,000	\$1,300,000
Oacoma	Water Supply Improvements	2025	\$6,890,000	\$6,890,000
Oacoma	Wastewater Treatment and Lift Station Improvements	2025	\$2,605,000	\$2,605,000
Parker	Drinking Water Improvements - Phase 6	2025	\$2,076,633	\$2,076,633
Parker	Wastewater Improvements - Phase 6	2025	\$1,668,419	\$1,668,419
Philip	Kroetch Addition Infrastructure	2024	\$1,516,375	\$1,516,375
Pierre	Landfill Cell #4 Construction	2025	\$1,608,120	\$1,608,120
Platte	Water Storage Tank Rehabilitation	2025	\$370,000	\$374,100
Presho	Sanitary and Storm Sewer Improvements	2025	\$1,055,930	\$1,361,100
Reliance	Drainage Improvements	2024	\$146,230	\$146,230
Seneca	Water Meters and Looping	2025	\$440,800	\$440,800
Sioux Falls	Basin 15 Sewer Extension - Phase 2	2024	\$6,214,000	\$6,214,000
Sioux Falls	Southeast Sewer Basins 28 and 29	2024	\$8,410,500	\$8,410,500
Sioux Falls	Pump Station 240	2024	\$61,000,000	\$61,000,000
Sioux Rural Water System	2025 Water System Improvements	2025	\$10,986,000	\$11,129,000
Springfield	Water, Wastewater, and Stormwater Improvements - 2024	2025	\$3,275,000	\$3,650,000
Valley Heights Estates Sanitary District	Water System Acquisition and Improvements	2025	\$3,339,000	\$3,339,000

<u>Sponsor</u>	<u>Project Description</u>	<u>On Plan Through</u>	<u>Projected State Funding</u>	<u>Total Project</u>
Vermillion	Tom Street Lift Station Sanitary Sewer Basin Extension	2025	\$2,511,800	\$2,511,800
Vermillion	Northeast Sanitary Sewer Basin Extension	2025	\$4,211,500	\$4,211,500
Viborg	Industrial Area Sanitary Sewer Extension	2025	\$230,000	\$230,000
Wagner	Highway 46 Utilities Replacement	2025	\$1,210,000	\$1,210,000
Wessington Springs	Water Supply Improvements	2025	\$10,280,000	\$10,285,300
Wessington Springs	Wastewater Facility Treatment Improvements	2024	\$575,000	\$575,000
Western Dakota Regional Water System	Bulk Service to New Underwood and Adjacent Metro Area	2025	\$25,015,000	\$25,015,000
White	Wastewater Treatment Facility Improvements	2025	\$316,135	\$316,135
Worthing	Sanitary Sewer Improvements - East of Louise Avenue	2025	\$2,506,000	\$2,506,000
Worthing	Water Main Improvements - East of Louise Avenue	2025	\$2,615,000	\$2,615,000
		Total	\$1,455,323,128	\$1,463,829,826

State Water Resources Management System

The State Water Resources Management System (SWRMS) identifies large, costly water projects that require specific state or federal authorization and financing. These projects are placed on the list when recommended by the board and approved by the Governor and the Legislature. The SWRMS list (Table 14) serves as the preferred priority list to optimize water resources management in the state. Once a project is placed on the SWRMS list, it remains on the list until removed by legislative action.

Table 14 – State Water Resources Management System Projects

<u>Project</u>	<u>Description</u>
Belle Fourche Irrigation Upgrade Project	Irrigation Project – Belle Fourche Region
Big Sioux Flood Control Study	Watertown Flood Control

Project**Description**

CENDAK Irrigation Project

Irrigation Project - Central SD

Gregory County Pumped Storage Site

Multi-Purpose Water Utilization

Hydrology and Water Management Studies

Statewide Water Resources

Lake Andes-Wagner/Marty II Irrigation Unit

Irrigation - Charles Mix County

Lewis and Clark Rural Water System

Bulk Water System - Southeastern SD

Sioux Falls Flood Control Project

Increased Flood Protection

Vermillion Basin Flood Control Project

Flood Control on Vermillion River

Water Investment in Northern South Dakota Project

Regional Water System – Northeastern SD

Western Dakota Regional Water System Study

Bulk Water System - Western SD

SWRMS Project Status

A brief summary of each project and its status is presented on the following pages. The year in the title indicates when the project was placed on the State Water Resources Management System (SWRMS).

Belle Fourche Irrigation Upgrade Project - 2012

- The 2012 Omnibus Bill added the Belle Fourche Irrigation District upgrade project to the SWRMS list. The project was for the construction of a \$5,000,000 Belle Fourche irrigation upgrade project to include replacement of the Indian Creek siphon, the Horse Creek siphon, the north canal control house, the south canal control house, repair of the Belle Fourche River siphon, and removal of sediment from the south canal intake for the purpose of stabilizing crop and forage production in central western South Dakota to offset the effects of drought conditions which naturally devastate South Dakota's economic viability.
- South Dakota Codified Law 46A-1-13.12 authorized a state cost share commitment of up to \$2,500,000 in grant and \$2,500,000 in loan assistance to provide funding for the Belle Fourche Irrigation District upgrade project.
- The appropriations for 2012 included a \$1,250,000 grant and a \$1,250,000 loan for engineering design, preconstruction, and construction of the facilities associated with the Belle Fourche irrigation upgrade project.
- During calendar years 2012 and 2013, engineering design of siphons and the canal gatehouse was on-going.
- The appropriations for 2013 included a \$750,000 grant and a \$750,000 loan for engineering design, preconstruction, and construction of the facilities associated with the Belle Fourche irrigation upgrade project.

- The appropriations for 2014 included a \$500,000 grant and a \$500,000 loan for engineering design, preconstruction, and construction of the facilities associated with the Belle Fourche irrigation upgrade project. This completed the state cost share commitment to the upgrade project.
- Bids were opened and awarded for the Indian Creek and Horse Creek siphons in 2013, and construction started in October of 2013. The Indian Creek siphon was completed in 2014 and was operational for the 2014 irrigation season. The Horse Creek siphon was completed in 2015 and was operational for the 2015 irrigation season.
- Bids were opened and awarded for the canal gatehouse upgrade in 2015, and construction started in the fall of 2015. The canal gatehouse upgrade was completed in the spring of 2016 and was operational for the 2016 irrigation season.
- In May 2014, bids were opened for dredging of the reservoir intake structure. Dredging operations were approximately 10 percent complete prior to 2016 when the contractor experienced difficulties with their methods to hydraulically dredge the reservoir. The dredging contractor returned to the site in late summer of 2016 with larger equipment to resume dredging operations. Dredging of the intake was completed in the spring of 2017.
- The final portion of the Belle Fourche irrigation upgrade project was an assessment of the Belle Fourche River siphon. The work was bid during the 2017 construction season, and the work was completed in the spring of 2018.
- With all proposed work completed, the Board of Water and Natural Resources took action to certify the project complete as of November 1, 2018. As a result of this action the Belle Fourche Irrigation District began making loan payments on November 1, 2019.
- No activity occurred on the project in 2023.

Big Sioux Flood Control Study (Watertown and Vicinity) – 1989

- The Corps of Engineers completed a reconnaissance report titled “Flood Control for Watertown and Vicinity.” The study concluded the best alternative for flood protection for Watertown, Lake Kampeska, and Pelican Lake was a \$16 million dry dam on the Big Sioux River at the Mahoney Creek site.
- The Corps of Engineers, in cooperation with Watertown, East Dakota Water Development District, Codington County, Lake Kampeska Water Project District, and the Department of Environment and Natural Resources, initiated a feasibility study in 1988. State appropriations of \$150,000 were provided to help meet the nonfederal cost share.
- The final draft feasibility report was distributed in June 1994 for public review and comment. A public hearing in July 1994 in Watertown presented findings of the report and gathered comments. City and county elections were held, and residents voted against further local participation in the project.
- The project regained momentum after severe spring flooding in 1997 forced 5,000 residents from their homes. The Watertown City Council scheduled an election in February 1998,

calling for a citywide vote on the proposed Mahoney Creek Dam. The record turnout of voters again rejected the proposed dam.

- In June 2001, the residents of Watertown called for a citywide vote on the proposed Mahoney Creek Dam project. The voters approved the project. City officials proceeded with updating the original Corps of Engineers feasibility study and obtaining support and financing for the project.
- After the affirmative vote, Watertown began negotiations with the Corps of Engineers to complete a General Re-evaluation Report of the city's flood control alternatives. Negotiations continued in 2003, and the scope of work to be reviewed by the report continued to be evaluated. The cost of the re-evaluation report was estimated at \$2.8 million.
- In 2003, Watertown returned \$450,000 of state funds appropriated in 2003 for local participation during the General Re-evaluation process. Because of cost share and scope of work issues, Watertown decided to step back from participation in the re-evaluation and turned over all work to the Corps of Engineers.
- The Corps of Engineers received \$246,000 in 2003, \$473,000 in 2004, \$176,000 in 2005, and \$344,000 in 2008 to continue with the General Re-evaluation Report. Alternatives to be considered included the Mahoney Creek Dry Dam, three to five medium sized dams, 800 small dams, and a diversion between Lake Kampeska and Lake Pelican.
- A stakeholder's group consisting of representatives from the Lake Pelican and Kampeska water project districts, the Corps of Engineers, the city of Watertown, Codington County Commissioners, and landowners was created in 2010. The group held several public meetings to discuss and develop a flood control plan.
- The U.S. Army Corps of Engineers indicated that the most cost-effective solution is the Mahoney Creek Dry Dam. The city of Watertown voted to support the Mahoney Creek Dry Dam for flood protection. The cost-benefit study of the dam is anticipated to take two years once started, and the total project cost is estimated at \$40 million dollars.
- In 2015, the city of Watertown indicated its intent to partner with the Corps of Engineers to conduct a feasibility level study update to investigate flood risk management solutions for Watertown.
- In 2016, the \$225,125 in grant funds appropriated by the 2016 legislature was placed under agreement with the city of Watertown. This grant will fund half of the nonfederal cost share for the flood control feasibility study to be completed by the Corps of Engineers.
- In October 2019, discussions were held with the city of Watertown regarding the study and the need for additional flood protection in the area. Through the existing Big Sioux Flood Information System additional flood inundation studies were conducted and reviewed to show potential benefits of construction of the Mahoney Creek Dry Dam.
- In 2020, the additional flood inundation reviews were completed showing potential benefits of the Mahoney Creek Dry Dam. Flood elevation reductions would be realized; however, it appears only in extreme flood events above the 100-year occurrence level. Additional

benefits to other downstream communities would be very limited even during high flow events.

- In 2022, the \$225,125 in grant funds appropriated by the 2016 legislature remained unexpended and were reverted. The 2022 Legislature allocated \$249,227 for the project. This grant will fund half of the nonfederal cost share for the flood control feasibility study to be completed by the Corps of Engineers.
- In 2022, the city of Watertown met with the Corps of Engineers to discuss how to best move the study forward. Due to recent federal funding appropriations, the Corps believes it will receive funding for the study and prioritize it in its list of projects to begin work in the coming year.
- In 2023, the legislature appropriated an additional \$200,273 bringing the total state funding for the updated study to \$450,000. This amount is half of the Corps of Engineers most recent estimate for the nonfederal cost share update to the feasibility study.
- In 2023, the Corps received funding and began efforts to update the study and undertake public outreach and engagement activities.

CENDAK Irrigation Project – 1982

- This proposed irrigation project would supply Missouri River water to 474,000 acres in Hughes, Hyde, Hand, Spink, Beadle, and Faulk counties in central South Dakota. South Dakota will pursue development of the project when federal policies are more supportive of large-scale irrigation projects. No activity occurred on the project in 2023.

Gregory County Pumped Storage Project - 1981

- The Gregory County Pumped Storage Project is a proposed peak generation hydroelectric facility in northern Gregory County. The Water Resources Development Act of 1986 (Public Law 99-662) authorized the construction of a \$1.3 billion hydroelectric pumped storage facility by the Corps of Engineers. The Act also authorized up to \$100 million for construction of the associated Gregory Unit of the Pick-Sloan Missouri Basin Program.
- After extensive geotechnical and environmental studies of the site, the Corps was forced to abandon the investigation when its mission was altered and hydroelectric development projects were no longer federally funded.
- Hydroelectric Component – The South Dakota Conservancy District authorized a feasibility study to determine if the state of South Dakota should sponsor a continuation of the project with nonfederal funding. To protect the site during these studies, the District applied for and received a 3-year Preliminary Permit from the Federal Energy Regulatory Commission (FERC) effective August 1, 1988. The state's preliminary permit expired August 1, 1991.
- Water Supply Component – The project has the potential to provide water for irrigation and municipal, rural, and industrial purposes using the hydroelectric project's upper bay as a water supply source. The Bureau of Reclamation completed a *Special Report on the Gregory Unit of the Pick-Sloan Missouri Basin Program, South Dakota* in 1992.

- On June 20, 2001, Dakota Pumped Storage, LLC, a Minnesota corporation, filed a FERC Preliminary Permit application for a pumped storage hydroelectric facility in Gregory County. On September 25, 2001, South Dakota filed a Motion to Intervene and a Notice of Intent to File Competing Application for Preliminary Permit by the State of South Dakota. An Application for Preliminary Permit for the Gregory County Pumped Storage Hydroelectric Facility was filed with FERC by the South Dakota Conservancy District on October 12, 2001.
- The FERC issued a 3-year Preliminary Permit to the South Dakota Conservancy District on August 12, 2002. FERC denied the application by Dakota Pumped Storage, LLC.
- The 2002 Omnibus Bill appropriated \$100,000 to the South Dakota Department of Environment and Natural Resources to complete preliminary permit and full permit applications to FERC. The department solicited Requests for Proposals from firms interested in providing the research to support the FERC permit. Four proposals were received. Black and Veatch was selected.
- The Black and Veatch study was completed in 2004 and determined that it was not cost-effective to pursue the pumped storage project at that time. These findings were presented to the Board of Water and Natural Resources in June 2004. The state's preliminary permit expired in 2005.
- In 2010, South Dakota Energy, LLC submitted a preliminary permit application prepared by Symbiotics, LLC to FERC to study the feasibility of the South Dakota Energy Hydroelectric Project located on the Missouri River in Gregory County, South Dakota. On July 21, 2010, the Commission issued a preliminary permit to South Dakota Energy. The preliminary permit issued to South Dakota Energy expired on July 1, 2013.
- On July 3, 2013, Gregory County, with Schulte Associates, LLC as its designated agent filed a preliminary permit application to study the feasibility of the proposed Gregory County Energy Project.
- On July 30, 2013, Western Minnesota Municipal Power Agency, a municipal corporation and political subdivision of the state of Minnesota, filed a preliminary permit application to study the feasibility of the proposed Gregory County Pumped Storage Project. Western Minnesota Municipal Power Agency finances the construction and acquisition of the generation and transmission facilities for members of Missouri River Energy Services.
- On December 19, 2013, FERC released an order issuing a Preliminary Permit and Granting Priority to File License Application for the project to Western Minnesota Municipal Power Agency. The preliminary permit expired in December 2016.
- On December 1, 2016, the Missouri Basin Municipal Power Agency, doing business as Missouri River Energy Services, applied to FERC for a preliminary permit to study the feasibility of the 1,200-MW Gregory County Pump Storage Project.
- On February 14, 2017, FERC issued a deficiency letter for the Missouri River Energy Services application requesting that revisions be filed within 45 days and informing the applicant that failure to provide this information may result in the application being rejected.

- In a letter dated April 18, 2017, FERC informed Missouri River Energy Services that due to its failure to file a response to FERC's February 14, 2017, letter, the preliminary permit application for the Gregory County Pump Storage Project was rejected pursuant to section 4.32(g) of the Commission's regulations.
- On June 28, 2022, Western Minnesota Municipal Power Agency filed the Notice of Intent and Pre-Application Document with FERC for the project. The filing of these documents commences the FERC licensing process. Western Minnesota Municipal Power Agency intends to utilize FERC's Integrated Licensing Process for this licensing proceeding. Within 60 days of the notice FERC is required to public notice the documents and commence public scoping meetings 30 days after.
- On July 12, 2022, FERC issued an official Tribal consultation letter for review and comment of the project by potentially impacted tribal entities. This was followed by virtual public meetings for interested agencies, tribes, and organizations and the general public on September 22, 2022.
- In 2022, the proposed timeline was for public comments on different steps of the project application process submitted by Western Minnesota Municipal Power Agency include opportunities to comment on the Pre-Application Document through November 1, 2023, public meetings for proposed study phases on January 5, 2023, opportunity for comment on the study results and draft application through July 2025, public comment on the final license through October 2025, and final decisions by the applicant to move forward by March 2026.
- In May 2023, Missouri River Energy Services announced they were no longer pursuing the Gregory County Pumped Storage project. The filings with FERC were rescinded. No additional activity on the project is currently planned.

Black Hills Hydrology and Water Management Study – 1982 to 2015

- The hydrology study compiled water resource data to assess the quantity, quality, and distribution of surface and groundwater resources in the Black Hills area. These resources have been stressed by increasing population, periodic drought, and developments related to expansion of mineral, timber, agricultural, recreational, municipal and urban needs. The U.S. Geological Survey provided \$3.4 million from federal fiscal years 1988 through 2001 to establish the hydrologic monitoring system, collect the data, and complete data analysis.
- The hydrology study entered Phase II in federal fiscal year 1997 and was completed in 2002. The study emphasis during Phase I was data collection. The emphasis shifted to analytical activities and publication of maps and reports during Phase II.
- The hydrology study produced 31 technical reports including a lay reader summary, a comprehensive report on the hydrology of the Black Hills area, and a comprehensive lay reader atlas of water resources in the Black Hills area.
- The water management study provided interested parties with the tools needed to assist in making informed management decisions about development of water resources. Data gathered during the hydrology study was used in the water management study. Congress

appropriated funds in federal fiscal year 1991 to initiate the Federal Black Hills Water Management Study by the Bureau of Reclamation.

- The Black Hills Water Management Study was completed in federal fiscal year 2003. The study focused on needs assessment, management alternatives, and a final report.
- The 2004 Omnibus Bill appropriated \$100,000 for the development, evaluation, and review of studies related to development of regional water supply systems in or near the Black Hills. The Fall River Water User District sponsored a regional water supply study for an area that included all of Custer and portions of Fall River and southern Pennington counties.
- The 2005 Omnibus Bill appropriated \$100,000 for the development, evaluation, and review of studies related to development of regional water supply systems in or near the Black Hills. The Southern Black Hills Water System, Inc., a nonprofit corporation, was formed to continue the feasibility study of a regional water system in Custer, Fall River, and southern Pennington counties. The Southern Black Hills Water System requested additional funds to continue activities begun by the Fall River Water User District. In June 2005, the board awarded \$50,000 for these activities.
- The 2006 Omnibus Bill amended the State Water Resources Management System to add the Southern Black Hills Water System to its list of preferred, priority objectives for South Dakota. The bill also provided an initial appropriation of \$125,000 to allow the Southern Black Hills Water System to continue activities begun by the Fall River Water User District.
- In December 2006, the Lead-Deadwood Sanitary District submitted a request for the remaining \$50,000 of SFY 2006 Black Hills Water Management Study funding placed under agreement with the District to conduct a regional water study in the Lead, Deadwood, and Central City area. The funding was awarded in January 2007, and the sanitary district selected an engineer in June 2007. The Lead-Deadwood Area Water Study Final Report was issued on July 18, 2008. The study provided an analysis of the Lead-Deadwood Sanitary District intake and water treatment plant, a review of the Lead and Deadwood distribution systems, an analysis of the development in the surrounding area, and analyzed the ability of the Lead-Deadwood Sanitary District to serve them.
- The 2009 Omnibus Bill appropriated \$65,000 for hydrology studies. These funds were awarded to West Dakota Water Development District to cost share the United States Geological Survey groundwater aquifer study in the Black Hills.
- Several microgravity surveys were completed during 2010 and 2011 at three study sites in the Black Hills. Collected data was analyzed spatially to help characterize the heterogeneity of the Madison and Minnelusa aquifers and possibly the transition zone between the two aquifers. Time-series data was analyzed at each of the three study sites and correlated with water levels in Madison aquifer wells. This analysis helps characterize vertical heterogeneity and effective porosity at selected sites.
- A report entitled “Microgravity Methods for Characterization of Groundwater-Storage Changes and Aquifer Properties in the Karstic Madison Aquifer in the Black Hills of South Dakota” was completed in 2012.

Hydrology and Water Management Studies – 2015 to Present

- The 2015 Omnibus Bill appropriated \$250,000 for statewide hydrology and water management studies. In June 2015, the Department of Environment and Natural Resources was awarded a \$47,000 grant to conduct aquifer isotope analysis in eastern South Dakota. The department's Geological Survey program conducted this work, and the final report was issued in September 2017.
- The 2016 Omnibus Bill appropriated \$750,000 for the development of a Big Sioux River Basin Hydrologic model. In March 2016, the appropriation was placed under agreement with the Department of Environment and Natural Resources to hire a consulting firm to develop the hydrologic model for the Lower Big Sioux River Basin.
- In May 2016, DENR issued a Request for Proposals to consulting firms to develop the hydrologic and hydraulic model. Nine firms submitted proposals for review. In August 2016, after review by all involved state agencies and interviews of several firms, RESPEC was selected as the consulting firm to complete the hydrologic and hydraulic models.
- The 2017 Omnibus Bill appropriated an additional \$450,000 for the development of a Big Sioux River Basin Hydrologic model. In March 2017, the appropriation was placed under agreement with the Department of Environment and Natural Resources to increase the contract with RESPEC to \$1,300,000 to complete development of the models for the Lower Big Sioux River Basin.
- Using the new models, the Big Sioux River Flood Information System was developed. A majority of the effort in 2017 focused on developing a basin-wide hydrologic model as well as hydraulic models for the cities of Watertown, Brookings, Dell Rapids, Sioux Falls, and North Sioux City. Concurrently, a web user interface was created to allow access to model predictions, stream gauge data, and precipitation data. The project team met several times with the local authorities to gain feedback on model results and user interface.
- In 2017 and 2018, new stream gauges were installed to improve the stream gauge network available for the Flood Information System.
- The beta version of the Flood Information System was operational in the spring of 2018. The beta version was used to help predict river elevations and flood inundation during flooding in June 2018. The model predictions matched very closely to the actual flood levels observed. Entities that were along the river where flooding occurred were able to accurately predict if any infrastructure would be impacted due to the flood waters and prepare accordingly.
- The Flood Information System was completed in December 2018. With the completion of the model, federal, state, county, and local community authorities are able to use the Flood Information System to evaluate flood scenarios and prepare appropriately for flood response.
- In June 2018, an additional \$10,000 from the remaining funds of the 2017 Omnibus Bill appropriation was placed under agreement with the Department of Environment and Natural Resources. These funds were used to cost share on a United States Geological Survey high resolution hydrographic mapping study in the Lower Big Sioux River Basin. Other entities contributing to the project include US Geological Survey (\$20,000), SD Department of

Transportation (\$20,000), city of North Sioux City (\$3,333), Dakota Dunes Community Improvement District (\$3,333), and Union County (\$3,333). The primary goal of the project is to determine more accurate flow routes for flood waters and runoff from heavy precipitation events. The area under study has a complex drainage pattern through a heavily developed area. The project will give state and local authorities a better understanding of potential impacts from severe drainage events in the area. In 2019, digital data sets were created for terrain and flow paths. Field verification of flow structures, such as culverts, took place during 2020.

- In the spring of 2019 significant flooding occurred along the Big Sioux River corridor from Watertown to North Sioux City and Dakota Dunes. The recently completed Big Sioux River Flood Information System (BSRFIS) was used extensively during the March and April floods by local, state, and federal officials as a tool to predict areas that would be impacted by flood waters. Appropriate protection measures were implemented by county emergency managers and city officials based on the predictions of the BSRFIS. The cities of Watertown, Dell Rapids, Sioux Falls, North Sioux City, and Dakota Dunes, as well as the general public, all benefited from the information the BSRFIS was able to provide. Real time monitoring of flood events by state officials verified that the BSRFIS models were highly accurate.
- In March 2019, \$90,149.50 from the remaining funds of the 2017 Omnibus Bill appropriation was placed under agreement with the Department of Environment and Natural Resources. These funds were used to help fund the replacement of well pumps within the Statewide Ground Water Quality Monitoring Network. The five Water Development Districts with wells needing pumps located within their district provided the remaining \$26,931.75 needed to complete the funding. The well pumps in the monitoring network were beyond their useful life and experiencing mechanical issues that were beyond normal repair. The lack of reliable operation made it difficult to ensure samples could be obtained as scheduled. The monitoring network provides a valuable resource for state and local entities when making decisions on current water quality conditions and trends in 25 of the state's vulnerable shallow aquifers.
- The 2022 Omnibus Bill appropriated \$1,021,500 for improvements and expansion of the statewide observation monitoring well network. The funds were placed under agreement in March 2022 with the Department of Agriculture and Natural Resources to undertake the upgrades and improvements. The network of nearly 1,600 observation wells provides historic water levels of aquifers through the state and assures proper water management and appropriations are made. Areas of the state have limited and insufficient wells to collect adequate data to assure proper management of the state's water resources. These funds will install and refurbish up to 50 wells along with the installation of automatic data collection units on up to 100 existing wells.
- In 2023, DANR sent out request for quotes to vendors for repair or rehabilitate of three observation wells in the Black Hills region. The department received only one qualifying quote to repair well and has entered into a contract for that work. DANR's understanding of well drillers work backlog, it has been difficult to find companies to work on observation wells when the drillers are working to meet immediate water supply needs to customers.

Lake Andes-Wagner/Marty II Irrigation Unit – 1975

- The 45,000-acre Lake Andes-Wagner Irrigation project and 3,000-acre Marty II Irrigation project are federally authorized Pick-Sloan Missouri Basin Units in Charles Mix County (Public Law 102-575). Estimated construction costs are \$175 million and \$24 million, respectively.
- In 1990, a plan of study was developed for a 5,000-acre research demonstration program to determine best management practices for irrigating glacial till soils containing selenium.
- The 1992 State Legislature authorized the construction of the Lake Andes-Wagner/Marty II project and provided a state loan cost share commitment of \$7 million. Both the state and federal project authorizations are contingent upon the successful completion of the 5,000-acre research demonstration program.
- In 1995, Congress approved \$250,000 for the research program. State and federal agencies revised the 1990 plan of study to re-scope the demonstration program and identify the specific issues and research components that are of national significance. A nine-year, \$11.3 million effort was projected.
- In 1999, the Bureau of Reclamation (BoR) received \$150,000 to prepare an environmental assessment for the demonstration program.
- The BoR completed the environmental assessment and issued a Finding of No Significant Impact for the demonstration program in 2000. Significant federal funding must be secured before the demonstration program can proceed.
- The Board of Water and Natural Resources placed \$15,000 in 2002 and \$50,000 in 2003 under agreement. The Lake Andes-Wagner Irrigation District continued to seek federal funding for the demonstration program.
- The 2009 Omnibus Bill appropriated \$35,000 for the Lake Andes-Wagner/Marty II research demonstration program. These funds were awarded to the project sponsor to continue its efforts to get this project moving forward.
- During 2010, the sponsor worked to assemble information and research data from multiple resources. Discussions with BoR continued regarding the possibility of funding and placing the project into the BoR's program proposal.
- The 2011 Omnibus Bill appropriated \$55,500 for the Lake Andes-Wagner/Marty II research demonstration program. However, these funds will not be awarded unless the federal government makes the decision to begin funding the project at levels that will ensure project completion in a reasonable timeframe.
- In June 2012, a portion of South Central Water Development District's future use permit reserving water from the Missouri River was transferred to the Lake Andes-Wagner Irrigation District. The District's transfer was for the reservation of 96,000 acre-feet of water annually from the Missouri River for future development including irrigation, municipal, stock watering, fire protection, industrial, and public recreation use. The seven-year review of this permit, as required by statute, was conducted in October 2013 before the Water

Management Board, and the permit was allowed to remain in effect for 96,000 acre-feet annually, subject to the required fee being submitted.

- No activity occurred on the project in 2023.

Lewis and Clark Regional Water System – 1989

- The Lewis and Clark Regional Water System is a bulk delivery system providing treated Missouri River water to communities and existing rural water systems in southeastern South Dakota, northwestern Iowa, and southwestern Minnesota. South Dakota membership includes eight communities and three rural water systems. Approximately 155,000 South Dakotans will receive water from Lewis and Clark.
- President Clinton signed Public Law 106-246 on July 13, 2000, authorizing the federal construction of the Lewis and Clark Regional Water System. The federal legislation also approved a federal appropriation of \$600,000 to continue project engineering and begin construction. The Board of Water and Natural Resources placed \$200,000 in state funding under agreement in 2000 to assist with these same project activities.
- Iowa and Minnesota sponsors provided funding support for project development in proportion to their service capacity needs. The Iowa and Minnesota State Legislatures authorized the project for construction and completed their cost share commitments.
- The South Dakota Legislature authorized Lewis and Clark's South Dakota project features (\$200 million) in 1993. In 2002, the state cost share commitment of \$18,585,540 in 1993 dollars was established for the Lewis and Clark Regional Water System.
- The 2002 Omnibus Bill appropriated \$750,000 for the project. These funds, combined with federal and other local sources, completed the federal environmental review, the final engineering report, and initiated construction. Lewis and Clark Regional Water System's final engineering report completed its initial required 90-day congressional review on September 8, 2002. The federal Office of Management and Budget (OMB) determined that Lewis and Clark could not submit its final engineering report to Congress until OMB had approved it. Lewis and Clark worked with OMB to get its final engineering report approved and resubmitted to Congress. Lewis and Clark held its groundbreaking on August 21, 2003.
- In 2005, Lewis and Clark agreed to provide Sioux Falls an additional 17 million gallons of water per day, bringing the total delivered capacity to 45 million gallons per day. Sioux Falls financed the cost of the additional capacity.
- In May 2007, Lewis and Clark elected to change the project's name from "Rural" to "Regional". The project is doing business as the Lewis and Clark Regional Water System.
- In May 2008, Lewis and Clark began operating its first segment of pipeline – a nine-mile emergency connection between Sioux Center and Hull, Iowa. Until Lewis and Clark water arrives, Lewis and Clark will purchase water from Sioux Center and resell it to Hull.
- Through June 30, 2008, the South Dakota Legislature had appropriated, and the Board of Water and Natural Resources had placed under agreement, \$19,275,000 toward South Dakota's cost share commitment.

- In July 2008, a \$20.8 million contract was awarded for the first phase of the water treatment plant, which included a three-million-gallon underground reservoir, high capacity pumps, electrical building, and two standby generators. This infrastructure is separate from the main treatment plant building.
- In July 2008, work was completed on a \$5.5 million contract that included one mile of riverbank stabilization southwest of Vermillion to protect Lewis and Clark's main well field from erosion, as well as two well houses, four valve vaults, and various piping. Utilizing a permanent easement, Lewis and Clark's main well field is located on land owned by the SD Department of Game, Fish and Parks (Frost Game Production Area).
- In September 2008, Lewis and Clark began operating its second segment of pipeline, a 12-mile emergency connection for Tea and Harrisburg. Until Lewis and Clark water arrived, Lewis and Clark purchased water from Sioux Falls and re-sold it to Tea and Harrisburg.
- The 2009 Omnibus Bill appropriated \$6.3 million for the engineering design, preconstruction activities, and construction.
- In April 2009, Lewis and Clark was approved to receive \$56.5 million from the Bureau of Reclamation as part of the American Recovery and Reinvestment Act.
- In May 2009, a \$64.1 million contract was awarded for Phase II of the water treatment plant. In July 2009, Phase II construction of the water treatment plant commenced.
- In July 2009, a \$5.04 million contract was awarded for the construction of the 85th Street Tower, which has a three million-gallon storage capacity, located in Sioux Falls.
- In August 2009, a \$9.5 million contract was awarded for the construction of two above-ground reservoirs to be built near Tea. These two reservoirs along with the 85th Street tower serve as Lewis and Clark's primary storage facilities.
- In September 2009, a \$3.7 million contract was awarded for the first segment of the "Minnesota Transmission Line." This segment is a five-mile pipeline constructed in South Dakota and serves Minnehaha Community Water Corporation, all Minnesota users, and Rock Rapids, Iowa.
- In September 2009, a \$2.8 million contract was awarded for construction of the Parker and Centerville service lines. These service lines include almost fourteen miles for the Parker service line and five miles for the Centerville service line.
- Lewis and Clark received \$10 million in federal funding in 2009 under the 2010 Energy and Water Appropriation bill.
- In November 2009, the last section of the treated water pipeline, which is the main trunk between the water treatment plant and the city of Sioux Falls, was completed.
- A contract for five new wells was awarded in April 2010 for \$6.8 million. The five new wells will provide Lewis and Clark with an estimated 10 million gallons a day of additional capacity. Including the six previously drilled wells, Lewis and Clark's total well capacity will be 28 million gallons per day.

- A \$4.2 million bid was awarded in May 2010 for the treated water pipeline - segment 11. This five-mile segment connected Beresford to the main truck line. This is the first segment of the "Iowa Transmission Line." Eventually this line will connect to Sioux Center, Hull, and Sheldon.
- In June 2010, the \$6.3 million approved by the 2010 Legislature was put under agreement. This completed the State's cost share commitment to the project.
- In October 2010, Lewis and Clark was awarded approximately \$3.5 million in reprogrammed American Recovery and Reinvestment Act funding through the Bureau of Reclamation.
- In October 2010, a \$7.55 million contract was awarded for the Minnesota – segment 1 pipeline, which runs along the South Dakota - Iowa border from just west of the Big Sioux River to a point six miles west of Rock Rapids.
- Lewis and Clark received \$1,996,000 in federal funding through the Bureau of Reclamation in FFY 2011. Lewis and Clark was also allocated an additional \$306,000 in funding for FFY 2011 in reprogrammed funds.
- In May 2011, Lewis and Clark awarded a \$1.6 million dollar contract for the pipeline commissioning. This contract provided for testing, disinfecting, and cleaning 85 miles of pipes from the water treatment plant near Vermillion to Sioux Falls.
- Lewis and Clark received \$5.5 million in federal funds for FY 2012. Lewis and Clark initiated operation of its water treatment plant and began to serve water to eleven of its twenty members in July 2012.
- The 20 members and three states have prepaid 100 percent of the nonfederal cost share. Because the prepayments made by the 20 members and three states, which total just under \$154 million, have been fully utilized, the schedule to connect the remaining nine members is entirely dependent upon future federal funding.
- In 2014, Lewis and Clark was provided \$22 million in advance federal funding from Minnesota. These funds were used to construct transmission lines to Luverne and Magnolia.
- In 2014, Lewis and Clark received a \$1 million reimbursable grant for advance federal funding from South Dakota. These funds were made available by the Joint Appropriations Committee in Senate Bill 53. These funds were used to acquire easements and pay for engineering costs for two of the five segments of the Madison service line.
- In 2015, Lewis and Clark was provided \$19 million in advance federal funding from Minnesota. These funds were used to connect the Lincoln Pipestone Rural Water System, construct a 4 million-gallon storage reservoir southwest of Luverne, install a booster station southeast of Luverne, acquire easements, and complete design for the pipeline between Adrian and Worthington.
- In 2015, Lewis and Clark received a \$7.7 million loan for advance federal funding from South Dakota. These funds were made available by Senate Bill 173. These funds were used to construct segments one and five of the Madison service line. Madison was the only South Dakota member system not yet connected; however, construction of segments 1 and 5 does not get a drop of water to Madison. In 2016, the agreement was amended to include

engineering design and easement acquisition of segments 2 through 4 and was estimated to cost more than \$22 million for final construction.

- DENR worked with three regional water systems and the city of Madison to develop a wheeling option as an alternative to providing federal fund advances to construct the balance of the Madison service line. The wheeling option builds on the construction of segments 1 and 5. Segment 1 provides Minnehaha Community Water Corporation (MCWC) with its second Lewis and Clark connection a mile west of Crooks. That connection increases the delivery of Lewis and Clark water to MCWC to 1.1 million gallons per day and with \$1.8 million in wheeling upgrades and frees up water from MCWC's water treatment plants to feed its Tower 3B near Colton. Tower 3B feeds water into a new 12-inch Big Sioux Community Water line going north and west to connect with Lewis and Clark's segment 5 to deliver 1 million gallons of water per day to Madison costing \$3 million to construct. The wheeling option saved the state more than \$17 million in federal fund advances.
- In 2015, Lewis and Clark delivered water to 12 of the 20 members.
- In January 2016, the first of several contracts for the wheeling option to provide water to Madison was awarded. The contract was awarded by MCWC, and construction of the additional lines to free capacity elsewhere within MCWC's distribution system was completed in the fall of 2016. This work was funded partially by a \$900,000 Consolidated grant.
- In May and July of 2016, the Big Sioux Community Water System awarded bids for its portion of the Madison wheeling option. The work included construction of a new water distribution line to connect MCWC to a new Lewis and Clark line east of Madison and a new pump station to provide the pressure needed to move the water. Construction was completed in early 2017. This work was funded by a \$2,000,000 Consolidated grant and a \$1,014,000 Drinking Water SRF loan.
- In April 2016, Lewis and Clark awarded the contract for construction of the Madison meter building and Crooks meter building/pump station. These buildings supply metering and pressure for water to get to Madison. Construction was completed in late 2016.
- In June 2016, the final bids for the Madison wheeling project were awarded by Lewis and Clark for construction of segments 1 and 5 of the Lewis and Clark lines and connections to MCWC and Big Sioux CWS. Construction of this work was completed early 2017.
- In 2016, Lewis and Clark delivered water to 13 of the 20 members, with Luverne being connected in March 2016. Water demand has increased, and the treatment plant is now staffed 24 hours per day seven days a week.
- From 2015 through 2017, Lewis and Clark had been provided \$44.5 million in advance federal funding from Minnesota. This federal funding advance allowed all the Lewis and Clark members in Minnesota to be connected and begin receiving water.
- In May 2017, Lewis and Clark received \$2.25 million in advance federal funding from Iowa. These funds were used to pay for engineering services and easement acquisition for the pipeline and meter building to Sioux Center. The bill passed by Iowa's legislature also committed \$4.75 million for use in fiscal year 2018.

- In 2017, Lewis and Clark delivered water to 14 of the 20 members, with Lincoln Pipestone Rural Water System being connected in November 2017.
- In May 2017, the joint projects of Lewis and Clark, Big Sioux CWS, MCWC, and the city of Madison were fully completed. With the completion of the projects, Madison now has access to 1 million gallons of water per day from a regional system supplier. All South Dakota members of Lewis and Clark are now directly or indirectly connected to the system.
- In May 2018, Lewis and Clark received \$4.75 million in advance federal funding from Iowa. These funds, along with a \$2.25 million advance in 2017 from Iowa were used to construct pipeline starting at Sioux Center and going approximately six miles west towards the Big Sioux River.
- In June 2018, Lewis and Clark awarded a contract for the purchase of an emergency generator for the Tea Pump Station. Without this generator 93 percent of the water produced by the system cannot be delivered to its customers if power is lost. A portion of the remaining funds from the \$7.7 million federal fund advance from South Dakota in 2015 were used for the procurement of this generator.
- After 2018, Lewis and Clark was able to provide 16 of its 20 members with access to their full allocation of water with Worthington anticipated to be connected in early December 2018. The Lewis and Clark system construction was estimated to be 75 percent complete and anticipated being at 80 percent complete with the construction planned for 2019 and 2020.
- Through FY 2017, the federal government appropriated \$249.15 million for the project. Federal funding levels included \$14.875 million in FY 2018; however, only \$100,000 was included for FY 2019 in the proposed White House budget.
- In May 2019, Lewis and Clark was able to fully connect to Worthington, MN and provide a second connection to Lincoln Pipestone Rural Water System. Of the 20 full members of Lewis and Clark, 16 systems are now able to access their full allocation water.
- In 2019, the Lewis and Clark system was 82 percent complete with construction underway between Beresford and Sioux Center, IA. Connection to Hull and Sioux Center, IA was anticipated in 2022, and would provide 18 of its 20 members with access to water.
- Through FY 2018, the federal government appropriated \$264.025 million for the project. Federal funding levels included \$14.9 million in FY 2019. The remaining federal cost share to provide is currently \$180 million, which is indexed annually for inflation.
- Through FY 2019, the federal government appropriated \$278.925 million for the project. Recent federal funding levels include \$18.0 million in FY 2020. The remaining federal cost share to provide is currently \$166.8 million, which is indexed annually for inflation.
- In 2020, bids were opened, and contracts awarded for construction of a 2.5-million-gallon elevated water storage tower in Union County near Beresford which will allow Lewis and Clark to provided water to Hull and Sioux Center, Iowa when completed in 2023, and eventually Sheldon, Iowa as well. Work continues on the nearly 34-mile long pipeline

segment from Beresford to Sioux Center which will also connect Hull. The pipeline is scheduled for completion in late 2022.

- In 2020, a contract was also awarded for the construction of a 22-million gallon per day (MGD) radial collector well at the site of the existing wellfield. When completed in the spring of 2023 the total well production capacity will be approximately 49 MGD when combined with the existing vertical well capacity.
- Through FY 2020, the federal government appropriated \$296.925 million for the project. Recent federal funding levels include \$17.5 million in FY 2021.
- Lewis and Clark's current buildout capacity is 45 MGD, but the system has been designed so it can be expanded to 60 MGD in the future. The most recent estimated cost for this expansion is \$114 million in today's dollars. The members who voluntarily participate in this expansion are required to cover 100 percent of their proportional share of the cost. In 2020 when initial discussions began the anticipated need for expansion was estimated at ten years. Due to the impacts of the 2021 drought and demands seen, expansion is necessary as soon as funds are available. In 2022, \$13,136,100 of South Dakota's American Rescue Plan Act funds were awarded for the expansion. Additional funds from Iowa were provided to assist in the expansion project.
- In 2022, direct federal appropriations of \$21.9 million were received through the annual appropriations bill with an additional \$75.5 million appropriated through the Bipartisan Infrastructure Law. The FY 2023 proposed White House budget is \$6.6 million with an additional \$12.0 million requested from the congressional delegation. Lewis and Clark is eligible to receive additional FY 23 and FY 24 funding through the Bipartisan Infrastructure Law.
- In 2023, direct federal appropriations of \$18.6 million were received through the annual appropriations bill with an additional \$60.0 million appropriated through the Bipartisan Infrastructure Law. The FY 2024 proposed White House budget is \$6.825 million with an additional \$12.0 million requested from the congressional delegation. Lewis and Clark is eligible to receive additional FY 24 and FY 25 funding through the Bipartisan Infrastructure Law. It is anticipated that full funding may be provided within the FY 24 budget.
- During 2023, the South Dakota Legislature approved the conversion of a \$7.7 million advance on federal funding loan to a grant. Minnesota has also approved up to a \$22 million loan to grant conversation for the advance federal funding provided. Discussions are ongoing in Iowa seeking a similar conversion of loans to grants.
- As of 2023, the original 45 MGD system buildout is 95 percent complete. Of the 20 members of Lewis and Clark, 18 members are now able to access their full allocation of water. Based on recent federal funding levels it is estimated all 20 members will be fully connected by 2025.
- In 2023, construction was completed on the 22 MGD horizontal collector well. Due to delays, substantial completion was moved from 2022 into 2023. Other projects completed in 2023 are water tower and pump station upgrades at Beresford. Additional projects that

are near completion are meter buildings at Sioux Center and Hull, 32 miles of 16-inch line and a water storage reservoir to fully connect Madison, 17 miles of 16-inch line between Hull and Sheldon, and a water tower and meter building at Sheldon. Projects that will soon be starting include, pipelines and a meter building near Sibley and Phase 3 of the water treatment plant.

- During 2023, as a result of increased demand Lewis and Clark began initial construction activities on certain projects to increase capacity of the system to 60 MGD. At the current pace and estimates of need the full system buildout is anticipated by 2030.

Sioux Falls Flood Control Project – 1989

- In 1961, the Corps of Engineers completed a channelization, levee, and diversion system to provide 100-year flood protection on the Big Sioux River and Skunk Creek.
- Because of subsequent flooding events on the Big Sioux River and Skunk Creek, the Corps of Engineers reanalyzed the flood criteria in the early 1980s and determined that the one percent chance of flood occurrence was greater than previously established. The Corps then recommended that the levee system be upgraded so that it would continue to provide Sioux Falls with 100-year flood protection on the Big Sioux River and Skunk Creek. Project upgrades included constructing a dam on the Big Sioux River just above the confluence of Skunk Creek as well as raising the levees along the Big Sioux River from Skunk Creek to Interstate 229, raising the levees along Skunk Creek from Marion Road to the Big Sioux River, raising the levees above and along the diversion channel, modifying the spillway chute, replacing the stilling basin, and modifying some bridges.
- The 1992 State Legislature authorized project construction and a state cost share commitment of \$4.55 million. Federal authorization was completed as part of the 1996 Water Resources Development Act on October 12, 1996 (Public Law 104-303). The Act authorizes a \$34.6 million construction project under the Corps of Engineers.
- In 1999, a \$2.2 million federal appropriation was provided to the Corps of Engineers. A Project Cooperation Agreement was executed between the Department of the Army and the city of Sioux Falls for final design work.
- Construction of Phase 1A of the Big Sioux River/Skunk Creek Flood Control Project was completed in 2001 and addressed the spillway and stilling basin area at the outfall of the diversion channel. Later that year bids were accepted on Phase 1B of the project addressing the levees adjacent to Morrell's downstream to Cliff Avenue.
- Sioux Falls continued to work with the Corps of Engineers on final design and construction of the project from 2001 to 2007. Sioux Falls continued to secure required easements and properties for the project.
- Construction of Phase 2A of the project continued in 2007. Phase 2A work included improvements to the levees on the Big Sioux River from 49th Street to Interstate 229.
- Phase 2B of the project was completed in 2008. This work included the levee and associated structures on the east side of the Big Sioux River from 41st Street to 49th Street. The city advanced sufficient funds to the US Army Corps of Engineers to complete Phase 2 work in the

next two years. This was an ambitious schedule, but reduced the high cost of flood insurance for many properties now being placed in Flood Zone A of the National Flood Insurance Program.

- Phase 2C raised two miles of existing levees approximately two to five feet in order to provide 100-year flood protection along the Big Sioux River within the city of Sioux Falls. In October 2009, the Corps of Engineers accepted proposals for this phase of the project. Phase 2C of the Sioux Falls Flood Control project was awarded in February 2011 for approximately \$12 million. The project was completed by the end of calendar year 2011.
- In December 2009, the city issued \$27 million in taxable revenue bonds; \$17 million of the total was advanced to the Corps of Engineers for levee and dam construction. The balance was to pay for the 41st Street Bridge project.
- As part of the 2010 Energy and Water Appropriation bill, \$1.84 million was appropriated to the Corps of Engineers for the Sioux Falls Flood Control Project.
- In March 2010, the city of Sioux Falls reconstructed the existing 41st Street bridge in order to raise the levee system. The project was substantially completed in September 2010.
- The 2011 Omnibus Bill appropriated \$3.31 million for project design and construction.
- Phase 3 was awarded at \$8.8 million, and work began above the diversion dam and on the diversion channel where the levees were raised two to four feet. Phase 3 was completed by the end of calendar year 2012 and is the final phase of construction.
- The Corps of Engineers prepared documents for certification of the remaining uncertified levees within the city. FEMA has completed the process of revisiting the flood insurance rate maps within the city limits. With the completion of the new rate maps, the Sioux Falls Flood Control Project will be complete.
- In 2013, the project reached substantial completion. The new levee system building was built, and all of the gates and posts for the closure structures were received. Testing of the controls for the dam was conducted, and the operation of the gates was successfully completed. The Corps of Engineers awarded and completed a project to replace a deficient drainage structure through the levee next to the Sioux Falls zoo.
- In 2015, the major work on the levee system was completed. The Corps of Engineers submitted the application to FEMA for a physical map revision. The FEMA review and issuance of new flood insurance rate maps result in approximately 1,500 properties in Sioux Falls being taken out of the floodplain.
- In 2016, the \$2,036,375 in grant funds appropriated by the 2016 legislature was placed under agreement with the city of Sioux Falls. This funding provided the final portion of the state's cost share commitment to provide half of the nonfederal cost share to the city, and all necessary work has been completed.
- In 2022, Sioux Falls finalized work with the Corps of Engineers to complete property appraisals for city-owned land that was not previously appraised. After final costs were reviewed it was

determined the eligible project costs were less than originally estimated when funds were appropriated. Of the \$2,036,375 provided in 2016, the city of Sioux Falls reverted \$911,375.

- In 2023, no further work for the project is currently planned.

Vermillion Basin Flood Control Project – 1987

- The project objective is to address the severe flooding problems in the Vermillion River Basin. The basin covers 2,697 square miles in parts of 14 counties and is about 150 miles long with an average width of about 20 miles.
- In 1993, the Corps of Engineers completed The *Vermillion Basin Flood Control Reconnaissance Report* but failed to identify a feasible federal project. The project sponsors re-evaluated project alternatives for nonfederal development. Local project sponsors submitted a pre-application notification for a Federal Emergency Management Agency (FEMA) Hazard Mitigation grant for a *Feasibility Study of Flood Control Alternatives* for the basin. In 1994, more than 70 technical experts met to develop a multi-objective plan to reduce flooding impacts in the Vermillion River Basin. The National Park Service compiled the group's issues and suggestions and formulated the multi-objective plan.
- The Vermillion River Watershed Authority was incorporated in December 1997 and is comprised of representatives from the Clay, Miner, Turner, McCook, and Lake county commissions. The Authority proposed to use FEMA Hazard Mitigation grant funds to widen the channel at the outlet of Lake Thompson and construct a control structure to retain the natural outlet elevation, channel maintenance along 19 miles of the Vermillion River and its tributaries, and wetland restoration and development throughout the basin. The cost benefit ratio for the outlet of Lake Thompson was found to be in error. The ratio was actually less than one; consequently, all FEMA Hazard Mitigation funds were withdrawn. The Authority withdrew its request to set the outlet elevation on Lake Thompson and moved to dissolve after financial records are completed.
- No activity occurred on the project in 2023.

Water Investment in Northern South Dakota Project – 2023

- The 2023 Omnibus Bill added the Water Investment in Northern South Dakota (WINS) project to the SWRMS list. The WINS project is a joint effort between WEB Water, Inc, the city of Aberdeen, and the BDM Rural Water system to construct a new pipeline to transmit water from the Missouri River to northeast South Dakota estimated at a 2022 cost of more than \$755 million. A \$5,000,000 grant was appropriated as part of the 2023 Omnibus Bill for the engineering design, preconstruction activities, and construction associated with the project.

Western Dakota Regional Water System Study – 2023

- The 2023 Omnibus Bill added the Western Dakota Regional Water System study to the SWRMS list. The Western Dakota Regional Water System Study will evaluate the feasibility of bringing water from the Missouri River to areas throughout western South Dakota. The total study cost is estimated at \$13 million. A \$1,000,000 grant was appropriated as part of the 2023 Omnibus Bill for a feasibility level study, system startup, and administration of the Western Dakota regional water system study.

Recommendations to the Governor and State Legislature

In November 2023, the board conducted a public meeting on the State Water Resources Management System (SWRMS) projects. The board adopted Resolution #2023-___ recommending that all current projects be retained on the SWRMS list and the addition of the Dakota Mainstem Regional Water System study to the SWRMS list. The board also adopted Resolution #2023-___ providing its recommendations to the Governor and the Legislature for the Water and Environment Fund (WEF) and WEF subfunds fiscal year 2025 appropriation levels. A summary of the board's recommendations are below. Full resolutions are in Appendix B.

Table 15 – Board of Water and Natural Resources Funding Recommendations

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Appendix A

Water and Environment Fund Special Condition Statement

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WATER AND ENVIRONMENT FUND
Special Condition Statement
As of 6/30/2023

Cash Balance as of 6/30/2023		30,781,065
Projected SFY 2024 Revenues		
Capital Construction Fund	10,700,000	
Contractors' Excise Tax	75,000	
Investment Interest (Earned '23 deposited '24)	250,000	
Loan Principal & Interest Payments (Water)	500,000	
Loan Principal & Interest Payments (Solid Waste)	630,000	
Solid Waste Fees	<u>1,925,000</u>	
		14,080,000
FY2021 Transfer (Per SDCL 1-41-23.1)		
Environment & Natural Resources Fee Fund	<u>(573,027)</u>	
		(573,027)
Board of Water and Natural Resources Commitments as of 6/30/2023		
Consolidated Water Facilities Construction Program	(29,020,123)	
Solid Waste Management Program	(6,159,101)	
SWRMS Grants/Loans - Major Projects		
DANR - Water Rights Well Installation	(1,017,021)	
Watertown Big Sioux Flood Control Study	(350,000)	
Water Investment in Northern South Dakota project	(5,000,000)	
Western Dakota Regional Water Study	<u>(1,000,000)</u>	
		(42,546,245)
Remaining Special Appropriation Authority as of 6/30/2023		
Consolidated Water Facilities Construction Program	(1,024,488)	
Solid Waste Management Program	(96,613)	
SWRMS Grants/Loans - Major Projects		
DANR - Water Rights Well Installation	-	
Watertown Big Sioux Flood Control Study	-	
Water Investment in Northern South Dakota project	-	
Western Dakota Regional Water Study	-	
		(1,121,101)
Projected Surplus/(Shortfall) for preparation of 2024 Omnibus Bill		<u>620,692</u>

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Appendix B

Board of Water and Natural Resources Resolutions

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STATE OF SOUTH DAKOTA
BOARD OF WATER AND NATURAL RESOURCES
RESOLUTION NO. 2023-_____

PROVIDING TO THE SOUTH DAKOTA LEGISLATURE AND GOVERNOR, THE BOARD OF WATER AND NATURAL RESOURCES' RECOMMENDATIONS FOR STATE WATER RESOURCES MANAGEMENT SYSTEM DESIGNATION.

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STATE OF SOUTH DAKOTA
BOARD OF WATER AND NATURAL RESOURCES
RESOLUTION NO. 2023-_____

PROVIDING TO THE SOUTH DAKOTA LEGISLATURE AND GOVERNOR, THE BOARD OF WATER AND NATURAL RESOURCES' RECOMMENDATIONS FOR WATER AND ENVIRONMENT FUND FISCAL YEAR 2025 APPROPRIATION LEVELS.

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175 copies of this document were printed
by the Department of Agriculture and Natural Resources
at a cost of \$X.XX per copy.

November 8, 2023

Item 13

TITLE: Brookings-Deuel Rural Water Systems, Inc. Request for Partial Release of Mortgage

EXPLANATION: Brookings-Deuel Rural Water System is preparing to sell a portion of its land to the South Dakota Department of Transportation. This lot was mortgaged to the South Dakota Conservancy District on January 17th, 2006 as a contingency of Drinking Water SRF loan C462453-02 and is included in contingencies for the newer Drinking Water loans C462453-03 and C462453-04. The Department of Transportation requested to use this lot as part of a Right of Way Agreement to construct, operate, and maintain highway facilities. The system understands the need for the lot to be sold and has requested that the board allow the release of the mortgage on the plot of land as shown on the attachment so the property can be sold.

RECOMMENDED

ACTION: Authorize the Chairman to sign the partial release of mortgage.

CONTACT: Holly Briggs, 773-4216



Division of Planning/Engineering

Right of Way Program

700 E Broadway Avenue

Pierre SD 57501-2586

O: 605-773-4205 | F: 605-773-5867

dot.sd.gov

September 6, 2023

SD Conservancy District
SD Board of Water & Natural Resources
Joe Foss Building
523 East Capitol Avenue
Pierre SD 57501

RE: PARTIAL MORTGAGE RELEASE

P-PH 0015(76)28 Deuel County

PCN 04HL

Parcel 22 – Brookings-Deuel Rural Water Systems, Inc.

Greetings:

The South Dakota Department of Transportation is acquiring right of way for an upcoming road construction project.

The Department has acquired a highway lot (H lot) from a parcel which is subject to a mortgage with your firm. The record owner of this parcel is Brookings-Deuel Rural Water Systems, Inc.. The legal description of the parcel acquired is:

Lot H1 in Lot 1 of Prehn Addition in the SE1/4 of Section 34, Township 114 North, Range 49 West of the 5th P.M., Deuel County, South Dakota. Lot H1 containing 0.12 acre (5350 sq. ft.), more or less.

Enclosed please find a copy of the deed from the landowner(s) to the Department, and a copy of the plat showing the H lot and a copy of the Right of Way Agreement. The total just compensation for land, improvements, and damages, if any, for this acquisition is in the amount of \$16,500.00.

To obtain clear title to this H lot, the Department must obtain a partial mortgage release from you. Please sign the enclosed partial release. In the alternative, you may furnish your own partial release of mortgage. The State of South Dakota will record the partial release. Please indicate whether your company name should be included on the payment.

Because the Department's Right of Way office, is responsible for obtaining this partial release; please direct your correspondence regarding this matter through our office.

If you have any questions, please contact me by email at julie.fanger@state.sd.us or by telephone at 605-773-4205. Your prompt action is appreciated.

Sincerely,

RIGHT OF WAY PROGRAM

Julie Fanger
Right of Way Technician
(Enclosure)

A handwritten signature in blue ink, appearing to read "Julie Fanger", is written over the typed name and title.

November 8, 2023

Item 14

TITLE: Emery Project Scope Amendment Request for Clean Water State Revolving Fund Loan C461248-02 and ARPA Grant 2022G-ARP-135

EXPLANATION: On April 13, 2022, the city of Emery was awarded a \$374,100 Clean Water SRF loan and a \$2,119,900 American Rescue Plan Act Grant for the Storm Sewer Improvements project.

On September 27, 2023, the Department of Agriculture and Natural Resources received a letter from the city of Emery requesting the scope of the CWSRF loan C461248-02 and ARPA Grant 2022G-ARP-135 be amended. A new storm sewer route is necessary as the City of Emery was denied access to its original proposed discharge site.

No additional funding will be needed.

RECOMMENDED ACTION: Amend the scope of Clean Water SRF loan C461248-02 and ARPA grant 2022G-ARP-135 to the proposed wastewater treatment plant work.

CONTACT: Karin Zhao, 773-4216

City of Emery

PO Box 38 560 SD Hwy 262

Emery, SD 57332

605.449.4455

emerycity@triotel.net

"City of Emery is an equal opportunity employer and provider"



September 26, 2023


Karin Zhao
Dept of Agriculture and Natural Resources
Foss Building
523 East Capitol
Pierre SD 57501

RE: Emery West Storm Sewer
SPN #16163

Dear Ms. Zhao:

On September 11 our engineer (SPN) received the final decision from one of the landowners located at the proposed west storm sewer discharge site that the drainage permit will not be approved. We have no way to gain approval for the west route as proposed. Therefore, we are working with SPN to move forward with a new route. We are asking DANR to approve the 2022 awarded loan and grant for this new route. Please refer to the revised preliminary engineering report and contact SPN with any questions.

Sincerely,

 Finance Officer
City of Emery