

**TITLE:** Big Sioux Community Water System Request to Approve an Intercreditor Agreement among Big Sioux Community Water System, USDA Rural Development, CoBank, and the South Dakota Conservancy District.

**EXPLANATION:** Big Sioux Community Water System has two outstanding Drinking Water State Revolving Fund loans with the South Dakota Conservancy District as well as three existing loans with USDA-Rural Development and four existing loans with CoBank.

Big Sioux Community Water System is preparing to finance a new loan with CoBank and refinance two other loans currently held by Rural Development to receive a lower interest rate. While Big Sioux Community Water System is taking on new debt, the refinancing of the other two loans will reduce the system's existing annual debt coverage. They have asked that the District agree to amend the current intercreditor agreement with the updated loans.

**RECOMMENDED**

**ACTION:** Authorize the Chairman to execute the Intercreditor Agreement.

**CONTACT:** Stephanie Riggle, 773-4907