

**South Dakota Department of
Environment and Natural Resources**



Protecting South Dakota's Tomorrow ... Today

**BOARD OF WATER
AND NATURAL RESOURCES**

March 28-29, 2019

**Matthew Training Center
Joe Foss Building
523 E Capitol Ave
Pierre, SD**

Live audio of the meeting and the full board packet can be found on the South Dakota Boards and Commissions Portal at <http://boardsandcommissions.sd.gov/Meetings.aspx?BoardID=108>

***AMENDED AGENDA**

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

March 28, 2019

10:30 a.m. CST

1. Call meeting to order
2. Approve Agenda
3. Approve minutes of January 3, 2019 and February 4, 2019 meetings
4. Public Comment Period
5. Department of Environment and Natural Resources State Water Resources Management System Grant Agreement - Andy Bruels & Tim Cowman
6. Big Sioux Flood Implementation Modeling Demonstration - Tim Cowman

Recess:

11:45 a.m. CST

Reconvene:

1:00 p.m. CST

7. Amendments to State Water Plan, 2019 Clean Water State Revolving Fund Intended Use Plan, and 2019 Drinking Water State Revolving Fund Intended Use Plan - Andy Bruels
 - a. Black Hawk Water User District
 - b. Elk Point
 - c. Onida
 - d. Springfield
 - e. Tabor
 - f. Willow Lake
8. Amendments to the FFY 2018 Clean Water SRF Intended Use Plan - Andy Bruels
 - a. Claremont
 - b. Irene

Notice is given to individuals with disabilities that this meeting is being held in a physically accessible location. Please notify the Department of Environment and Natural Resources at least 48 hours before the meeting if you have a disability for which special arrangements must be made. The telephone number for making arrangements is (605) 773-4216.

9. Amendments to the FFY 2018 Drinking Water SRF Intended Use Plan - Andy Bruels
 - a. Irene
 - b. Elkton
10. Funding Applications Deferred from Jan 3, 2019
 - a. Miller (11) Sanitary/Storm Sewer Facilities Funding Application - Mike Perkovich
 - b. Miller (10) Drinking Water Facilities Funding Application – Andy Bruels
11. Drinking Water Facilities Funding Applications - Andy Bruels
 - a. Irene (83)
 - b. Roscoe (28)
 - c. Elkton (24)
 - d. Onida (24)
 - e. Groton (10)
 - f. Avon (9)
 - g. Montrose (3)
12. Sanitary/Storm Sewer Facilities Funding Applications - Mike Perkovich
 - a. Sioux Falls (20)
 - b. Claremont (12)
 - c. Belle Fourche (11)
 - d. Elkton (10)
 - e. Onida (10)
 - f. Irene (9)
 - g. Roscoe (9)
 - h. Avon (8)
 - i. Bridgewater (5)
13. Solid Waste Management Program Funding Applications - Drew Huisken
 - a. Brown County
 - b. Department of Environment & Natural Resources
14. Edgemont Request to Amend Drinking Water SRF Loan C462216-02 - Drew Huisken
15. Miller Request to Amend Clean Water SRF Water Quality Grant 2017G-WQ-100 - Drew Huisken
16. Pierre Request to Amend Drinking Water SRF Loan C461288-03 - Dave Ruhnke
17. Mitchell Request to Amend Clean Water SRF Loan C461129-05 and Drinking Water SRF Loan C462129-03 - Drew Huisken
- 17.1 Dell Rapids Request to Amend Clean Water SRF Loan C461064-09

March 29, 2019

8:15 A.M. CST

18. Legislative Update - Mike Perkovich
19. Funding Decisions
 - a. Drinking Water Facilities – Andy Bruels
 - b. Sanitary/Storm Sewer Facilities – Mike Perkovich
 - c. Solid Waste Management Program – Drew Huisken
20. Future Direction and Goals of the 319 Nonpoint Source Program - Kris Dozark
21. Amendment to SRF Program Investment Advisor Agreement - Jon Peschong
22. SRF Program Investment Manager Update - Mike Perkovich
23. Board of Water and Natural Resources State Fiscal Year 2020 Meeting Schedule - Mike Perkovich
24. June 27-28, 2019 Meeting
25. Adjourn

The audio recording for this meeting is available on the South Dakota Boards and Commissions Portal at <http://boardsandcommissions.sd.gov/Meetings.aspx?BoardID=108>.

Minutes of the
Board of Water and Natural Resources Meeting

January 3, 2019
1:00 p.m. CST

Conducted via the Digital Dakota Network

Northern State University
Aberdeen, SD

Department of Transportation
Brookings, SD

Mitchell Technical Institute
Mitchell, SD

Capitol Building
Pierre, SD

Rapid City Emergency Operations Center
Rapid City, SD

University Center
Sioux Falls, SD

University of South Dakota
Vermillion, SD

Department of Environment and Natural Resources
Watertown, SD

CALL MEETING TO ORDER: The meeting was called to order by Chairman Brad Johnson. The roll was called, and a quorum was present.

Chairman Johnson announced that the meeting was streaming live on SD.net, a service of South Dakota Public Broadcasting.

BOARD MEMBERS PRESENT: Brad Johnson, Todd Bernhard, Jackie Lanning, Jerry Soholt, and Dr. Paul Gnirk.

BOARD MEMBERS ABSENT: Paul Goldhammer and Gene Jones, Jr.

OTHERS: See attached attendance sheets.

APPROVE AGENDA: Mike Perkovich pointed out that Item 15, Request to Amend Viewfield Rural Water System Loan 2017L-202 and Consolidated Grant 2017G-202, would be presented after Item 17, Rescind Bison Clean Water SRF loan C461139-02.

Chairman Johnson approved the agenda.

APPROVE MINUTES OF THE NOVEMBER 8, 2018, MEETING: Motion by Bernhard, seconded by Gnirk, to approve the minutes of the November 8, 2018, Board of Water and Natural Resources meeting. A roll call vote was taken, and the motion carried unanimously.

PUBLIC COMMENT PERIOD: No public comments were offered.

EAST DAKOTA AND VERMILLION BASIN WATER DEVELOPMENT DISTRICT BOUNDARY CHANGES (INFORMATIONAL): Mr. Perkovich noted that this item was for the board's information. No board action was required. He introduced Jay Gilbertson, manager of the East Dakota Water Development District, and Brad Preheim, manager of the Vermillion Basin Water Development District, who discussed the proposed new boundaries of the two water development districts. A map showing the proposed new boundaries was included in the board packet.

SECTION 319 APPLICATIONS: Kris Dozark, DENR Watershed Protection Program, provided background information on the Section 319 Program and the amount anticipated for FFY 2019 funding.

The Board of Water and Natural Resources is the designated entity that provides the state's Section 319 nonpoint source project funding recommendations to EPA. The board considers the funding recommendations of the Nonpoint Source (NPS) Task Force and DENR staff. Eight applications requesting \$3,293,710 in 319 funding were received by DENR and reviewed by the NPS Task Force.

The 2019 Clean Water SRF Intended Use Plan authorized the use of \$900,000 in administrative surcharge fees for Water Quality grants to supplement the Consolidated and Section 319 programs for wastewater treatment and TMDL implementation projects. DENR anticipates receiving \$2,600,000 in 319 funds, which is at the same level as last year's allocation. The DENR and NPS Task Force recommendations summarized in the table in the board packet reflect both the anticipated FFY 2019 Section 319 federal funding allocation and \$200,000 in Clean Water SRF Water Quality grant awards. The department proposes to use \$770,000 for administration of the NPS program, which leaves \$2,030,000 for pass-through grants.

With final FFY 2019 appropriation levels being delayed until the new budget is in place, DENR recommends that up to \$200,000 in Water Quality grant funding be allocated for these projects. If a decrease in Section 319 funding occurs, all pass-through grants will be reduced proportionately.

Mr. Dozark presented the eight applications and recommended funding levels.

Belle Fourche River Watershed Implementation Project - Segment 9

Sponsor: Belle Fourche River Watershed Partnership

Total Cost: \$3,180,000

319 Grant Request: \$1,363,000

The Belle Fourche River Watershed Partnership is the project sponsor for this two-year project. This is the ninth Segment that addresses seven TMDLs. Completed activities planned for this Segment will continue implementing BMPs that reduce E. coli and advance the BMP implementation for TSS pollutants. These BMPs include installing irrigation sprinkler systems, implementing grazing management systems, installing riparian vegetation improvements, implementing improved cropping systems, and relocating livestock feeding grounds.

Recommendation: \$816,000 in Section 319 funds.

Reduce flood irrigation conversion from \$690,000 to \$317,500 and reduce administration, public outreach, and project management from \$349,000 to \$174,500 to help make up the shortfall in funding. Best Management Practices that target reducing E. coli impairments are preferred, such as off-stream alternative livestock watering, improved grazing management, livestock exclusion, etc. Section 319 funds provided for installation of irrigation systems should be prioritized in the Horse Creek watershed only, as stated in the proposal. The funding reduction is based on limited available funding. The sponsor should submit future applications for 319 funds and continue to work with other potential funding partners to help make up the reduced Section 319 funding level.

Northeast Glacial Lakes Watershed Project - Segment 4 (Amendment)

Sponsor: Day County Conservation District

Total Cost: \$1,013,980

319 Grant Request: \$331,770

This is the fourth segment of a multi-year locally led effort to implement best management practices recommended by completed watershed assessments, and to build on previous efforts and protect water quality improvements realized from previous implementation projects. This two-year project will continue to protect and improve the water quality of northeast South Dakota glacial lakes, streams and rivers by implementing best management practices that reduce the amount of fecal coliform bacteria, nutrients, and sediment loads entering project water bodies, maintaining their assigned beneficial uses.

Recommendation: \$250,000 in Section 319 funds.

Funds provided should be used for installation of Best Management Practices focusing on non-supporting segments of the Upper Little Minnesota Basin listed as impaired by E. coli as well as protection measures focused on the closed basins of Northeast South Dakota, as stated in the proposal. The sponsor should submit future applications for 319 funds and continue to work with other potential funding partners to help make up the reduced Section 319 funding level.

SD Nonpoint Source I&E Project - Segment 5 (Amendment)

Sponsor: South Dakota Discovery Center

Total Cost: \$668,375

319 Grant Request: \$115,950

The 2017 South Dakota Nonpoint Source Information and Education Project is designed to continue providing South Dakota's citizens information and education opportunities about nonpoint source pollution to in order to gain their support for and participation in nonpoint source pollution prevention and reduction practices. This three-year project will focus on outreach to South Dakota's adults using a combination of traditional and innovative methods, support local and regional activities through a competitive Mini-grants Program, and increase teacher, student and adult awareness of and proficiency in watersheds and watershed protection.

Recommendation: \$104,000 (\$29,000 in Section 319 funds and a \$75,000 WQ Grant)

Reduce funding under Objective 2, Product 9: Envirothon - from \$30,000 to \$7,500, and increase funding under Objective 1, Task 2, Product 4: Competitive Mini-grants from \$15,000 to \$25,550. Staff recommends that Envirothon approach other project partners such as GF&P, NRCS, and Department of Agriculture to help supplement the shortfall in funding.

South Central Watershed Implementation Project - Segment 1 (Amendment)

Sponsor: James River Water Development District

Total Cost: \$16,925,792

319 Grant Request: \$216,000

This three-year project is the first segment of a locally planned multi-year (10-15 year) effort to implement Best Management Practices (BMPs) in the Lewis and Clark Lake watershed, Lake Andes, Geddes, Academy and Platte Lake watersheds, impaired stretches of the Lower James River tributaries, and impaired reaches in the Vermillion River watershed. This effort is aimed at restoring water quality to meet designated beneficial uses and address TMDLs established, and to be established, for water bodies in these watersheds.

Recommendation: \$216,000 (\$141,000 in Section 319 funds and a \$75,000 WQ Grant)

Soil Health Improvement and Planning Project (Amendment)

Sponsor: South Dakota Soil Health Coalition

Total Cost: \$660,300

319 Grant Request: \$153,000

This two-year project will improve soil health through planning and implementation of agricultural Best Management Practices (BMPs) and outreach to producers in select 303(d) listed water bodies in South Dakota. Outreach will include planning and holding workshops and field demonstration tours to educate and inform producers of ways to manage land to reduce runoff and improve nutrient cycling, which will ultimately improve water quality. There will be demonstration plots developed for cover crops and/or no-till planting methods at four locations.

These demonstration plots are in addition to planned workshops covering grazing management, livestock integration onto cropland, and diverse crop rotations. The project will also provide information and education to local landowners and the general public to provide a better understanding of soil health and its relationship to water quality benefits.

Recommendation: \$75,000 (\$25,000 in Section 319 funds and a \$50,000 WQ Grant)

Fund the project coordinator's salary for one year. The reduction is based on limited available funding. Future considerations for Information and Education materials for the project should be made through the SD I&E Mini-grants Program. Planning, design, and installation of BMPs through this project should be a priority in targeted 319 implementation project watersheds.

Grassland Management & Planning Project – Segment 5 (Amendment)

Sponsor: South Dakota Grassland Coalition

Total Cost: \$1,169,538

319 Grant Request: \$243,650

This is a two-year continuation of the current statewide Grassland Management and Planning project that will provide grassland managers with accelerated technical assistance to plan 100,000 acres of intensive grassland management systems implement, implement 100,000 acres of intensive grassland management systems, and transfer grassland management information gained from on-ranch demonstration projects and systems implemented to ranchers, researchers, agency specialists and the public.

Recommendation: \$69,000 in Section 319 funds.

Fund the project coordinator's salary through July 31, 2020. Reduction is based on limited available 319 funding and the Grassland Coalitions ability to leverage other partner funds such as National Fish and Wildlife Foundation, GF&P, NRCS, USFWS, SD Resource Conservation & Forestry. Future I&E funding needs for this project should be acquired through the SD I&E Mini-grants program.

Big Sioux River Watershed Implementation Project - Segment 3 (Amendment)

Sponsor: Moody County Conservation District

Total Cost: \$14,658,956

319 Grant Request: \$450,000

The Big Sioux River Watershed Project is a multiyear TMDL implementation strategy that will be completed in multiple segments and parts. The project will restore and/or maintain the water quality of the Big Sioux River and its tributaries to meet the designated beneficial uses by implementing best management practices such as seasonal riparian area management, animal waste management systems, grazing management systems, bank stabilization, and perpetual easements. The current project (Segment 3) is focused on further reducing loadings from animal feeding operations, overland sediment transport and expand ongoing project activities. It also extends water quality monitoring, begun under Segment 1, through 2020.

Recommendation: \$450,000 in Section 319 funds.

Upper Big Sioux River Watershed Implementation Project - Segment 7 (Amendment)

Sponsor: City of Watertown

Total Cost: \$1,297,726

319 Grant Request: \$420,000

The city of Watertown is the project sponsor of this 3-year project. The Upper Big Sioux River Watershed Project is designed to continue to improve water quality of the Big Sioux River, Lakes Kampeska and Pelican by reducing nutrient and sediment loads originating from grazing and animal feeding operations, from crop ground and pasture lands caused by inappropriate application of manure or holding pond water, and from stream/river banks and lake shoreline erosion.

Recommendation: \$50,000 in Section 319 funds.

Funds provided should be used for installation of best management practices focusing on non-supporting segments of the Big Sioux River that are listed as impaired by E. coli bacteria. BMPs should include grassed waterways and riparian area management. CRP Incentives will not be funded using 319 funds. The reduction is based on limited available funding, current project funds, and local funding sources for staff salary.

Jay Gilbertson, chairman of the NPS Task Force, reported that on December 10, 2018, the NPS Task Force met. The task force received presentations from all eight of the project sponsors, discussed proposed funding recommendations for each of the projects, and voted to concur with the DENR funding recommendations.

Mr. Gilbertson noted that the task force believes that, with the recommended funding amounts, the projects can move forward to achieve the goals that are intended. Some of the reductions are going to be targeting areas where continuing to provide ongoing continuous funding is not affordable. The pressure is coming from several sources to try to get some things done and show improvements in water quality. In some areas and some activities, while they are supported ideas and no watershed improvement is a bad thing, not everything that is done results in clear, demonstrable improvements.

Responding to questions from Dr. Gnirk, Mr. Gilbertson stated that there is a public notice process. The deadline for submitting funding applications to the DENR Watershed Protection Program is October 1. Staff performs completeness reviews of each application and develops internal recommendations. The NPS Task Force is provided with copies of the applications to review prior to their meeting in December. The applications are also available on DENR's website after they are submitted. At the NPS Task Force meeting, the project sponsors present their projects. Mr. Gilbertson said each of the applicants puts forward a work plan, and in some cases, some of the issues that are being addressed are not necessarily the issues that rise to the level of being the cause of impairments. For example, if a project area does not have a sediment problem that is bad enough to cause an impairment, investing money in bank stabilization, while not a bad idea, is not necessarily the best idea.

Mr. Dozark requested separate board actions to provide for the awards from the Water Quality grant funding and to provide the state 319 funding recommendations to EPA.

Chairman Johnson requested board action.

Motion by Gnirk, seconded by Bernhard, to concur with the funding recommendations of the department and the NPS Task Force and authorize the department to forward the FFY 2019 Section 319 funding recommendations to EPA with adjustments to final federal funding level. A roll call vote was taken, and the motion carried unanimously.

Motion by Gnirk, seconded by Lanning, to authorize the department to enter into a grant agreement with the James River Water Development District, South Dakota Discovery Center, and South Dakota Soil Health Coalition in the total amount of \$200,000 from Clean Water SRF administrative surcharge fees pursuant to the 2019 Clean Water SRF Intended Use Plan, contingent upon the 2019 Legislature authorizing the required budget authority for the awards. A roll call vote was taken, and the motion carried unanimously.

Chairman Johnson stated that at the last NPS Task Force meeting, there was discussion about the future direction of the NPS Task Force and the program in general. He said in past years, there was enough Section 319 funding to have multiple funding rounds, and now there is only one funding round per year. Chairman Johnson said his feeling, after watching this program for over 20 years, is that it seems like the state is sticking its fingers in the dikes because the problem we have in this state is far beyond the resources that are available to address the problem. Chairman Johnson said he is encouraged that the staff is taking a look at the future of the task force because he feels the task force is not being utilized as well as it could be. Chairman Johnson said he also believes there needs to be a better-focused plan. He asked Mr. Dozark to provide a synopsis of the discussion that took place during the NPS Task Force meeting in December.

Mr. Dozark stated that staff is looking at watershed protection as a whole and looking at the Integrated Report as being the focused area of where the program needs to go with implementation projects. Staff is also looking at getting into a rotating basin approach. Certain basins will be selected to be focused on, and those basins will be monitored for a two-year cycle to narrow in more so on potential problems and issues. Mr. Dozark said at this time there is a lack of monitoring to see if any of these implementation projects are doing what they say they are doing. The rotating basin approach will get more monitoring data in the different basins, which will help focus implementation projects on the problems that are actually occurring. He noted that staff gave a presentation on the future direction and goals of the Section 319 program at the December NPS Task Force meeting.

Chairman Johnson asked Mr. Dozark to provide the Board of Water and Natural Resources with a more detailed progress report on the future direction of the NPS Task Force at the March or June board meeting.

2017 DRINKING WATER INTENDED USE PLAN AMENDMENT: Andy Bruels reported that the FY 2017 Drinking Water State Revolving Fund Intended Use Plan (IUP) was approved

by the Board of Water and Natural Resources in November 2016 and amended in March, June, July, and September 2017, and March and June 2018.

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

Staff proposed amending Attachment I - Project Priority List of the FY 2017 Drinking Water Intended Use Plan by adding the following entries:

<u>Priority Points</u>	<u>Loan Recipient</u>	<u>Estimated Loan Amount</u>	<u>Expected Loan Rate & Term</u>
3	Tulare	\$1,374,800	2.25%, 30 years

Staff recommended board approval the proposed amendments to the 2017 Drinking Water SRF IUP.

Motion by Soholt, seconded by Gnirk, to approve amendment of the 2017 Drinking Water SRF Intended Use Plan. A roll call vote was taken, and the motion carried unanimously.

AMENDMENT TO STATE WATER PLAN: Mr. Bruels stated that water projects that 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 on State Water Facilities Plan and provides for amendment of projects onto the plan during the year. 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 2020.

Mr. Bruels presented the State Water Plan application and staff recommendation.

Sioux Falls requested amendment onto the facilities plan to replace the city's main wastewater pump station to ensure adequate capacity in the system to handle all sanitary sewer flows. The estimated total project cost of \$26,808,877.

This project dropped off the State Water Plan at the end of 2018, and in order for the project to be eligible to apply for funding, it needs to be included on the facilities plan.

Staff recommended amending the Sioux Falls project onto the 2019 facilities plan.

Motion by Bernhard, seconded by Lanning, to amend the Sioux Falls main pump station project onto the State Water Facilities Plan. A roll call vote was taken, and the motion carried unanimously.

AVAILABLE FUNDING: Andy Bruels reviewed available funds for the Consolidated Water Facilities Construction Program, Drinking Water SRF Water Construction Grants, Drinking

Water SRF Principal Forgiveness, Drinking Water SRF Loans, Clean Water SRF Water Quality Grants, Clean Water SRF Principal Forgiveness, and Clean Water SRF loans.

DRINKING WATER FACILITIES FUNDING APPLICATIONS: Mr. Bruels presented the five applications for funding and staff recommendations. A map showing the location of the projects was included in the board packet.

Pierre requested funding to construct a raw water intake in the Missouri River, a raw water pump station, a raw water transmission line, an 8.8 million gallon-per-day ultrafiltration water treatment facility, and transmission piping to connect into the city distribution system.

The city anticipates bidding the project in January 2020 with project completion in October 2021.

The estimated total project amount is \$36,850,000, and the amount requested is \$36,850,000.

Rates in Pierre are \$33.57 per 5,000 gallons usage.

The staff recommended awarding a \$36,850,000 Drinking Water SRF loan at 2.50 percent interest for 30 years.

The city pledged water revenues for repayment of the loan. Staff analysis indicates that rates need to be increased to approximately \$36.50 to provide the required 110 percent debt coverage.

Staff recommended the loan being contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower raising its water rates to a level sufficient to provide the necessary coverage.

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

Motion by Bernhard, seconded by Gnirk, to adopt **Resolution No. 2019-01** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$36,850,000 at 2.50 percent interest for 30 years to the **city of Pierre** for a water supply system improvements project; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage. A roll call vote was taken, and the motion carried unanimously.

Mitchell requested funding to upgrade water mains along various street segments located within the city's east central drainage basin. The project will replace approximately 1,500 feet of 6-inch water main and replace hydrants, valves, and other necessary appurtenances.

The city of Mitchell anticipates bidding the project in March 2019 with project completion in the fall of 2019.

The estimated total project amount is \$692,879, and the amount requested is \$690,000 . Mitchell will use \$2,879 in local cash for the project.

Rates in Mitchell are \$29.15 per 5,000 gallons usage.

Staff recommended awarding a \$690,000 Drinking Water SRF loan at 2.25 percent interest for 20 years.

The city is pledging water revenue for repayment of the loan. Staff analysis indicates that at current rates, Mitchell will have approximately 408 percent debt coverage for the loan.

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

Joe Schroeder, SPN & Associates, discussed the project and thanked the board for consideration of the funding for the project.

Motion by Lanning, seconded by Soholt, to adopt **Resolution No. 2019-02** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$690,000 at 2.25 percent interest for 20 years to the **city of Mitchell** for east central drainage basin water improvements; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective. A roll call vote was taken, and the motion carried unanimously.

Chamberlain requested funding to upgrade its water meters to automatic read meters. The meter reading will be sent to a tower then relayed to a computer and inputted to billing software.

Chamberlain anticipates beginning the project in January 2019 with project completion in May 2019.

The estimated total project amount is \$325,000, and the amount requested is \$300,000.

Rates in Chamberlain are \$33.50 per 5,000 gallons usage.

Staff recommended awarding a \$300,000 Clean Water SRF loan at 2.0 percent interest for 10 years.

Water conservation projects, to include water meters, are eligible for Clean Water SRF funding. This project can also be used to meet the Green Project Reserve requirements included in the Clean Water Capitalization Grants. Providing funding for this project with Clean Water SRF

helps meet the state's reporting requirements for Green Project Reserve. This will not adversely affect the Drinking Water program as there were no Green Project Reserve requirements associated with the Drinking Water capitalization grants.

The city pledged sales tax revenue for repayment of the loan. Staff analysis indicates Chamberlain will have a 403 percent debt coverage based on current sales tax rates.

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

Dr. Gnirk stated that he highly endorses the installation of automatic meter reading systems.

Motion by Gnirk, seconded by Bernhard, to adopt **Resolution No. 2019-03** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$300,000 at 2.0 percent interest for 10 years to the **city of Chamberlain** for automatic read meters; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective. A roll call vote was taken, and the motion carried unanimously.

Miller requested funding to replace water infrastructure in the city. This is the third phase of a multi-year project. Phase I and Phase II addressed the most critical need infrastructure and Phase III will target the remaining pipes identified for replacement. Phase III will replace approximately 11,000 feet of 6-inch water main, 900 feet of 8-inch water main, and 4,400 feet of 1-inch water service line as well as valves, hydrants and other necessary appurtenances.

Miller anticipates bidding the project in the summer of 2019 with project completion in late 2020.

The estimated total project amount is \$2,500,000, and the amount requested is \$2,500,000.

Miller's rates are \$55.00 per 5,000 gallons usage.

Staff recently met with the city and USDA Rural Development to discuss funding options to minimize the rate increase needed to fund Phase III of the project. At that meeting, Rural Development was unsure of the amount of funding it would have for the upcoming year. Miller city officials requested the application be deferred until the March 2019 Board of Water and Natural Resources meeting to see if there will be more certainty with Rural Development funding by the board's next funding round.

Staff recommended the board defer the application until the March 2019 Board of Water and Natural Resources meeting.

Board of Water and Natural Resources
January 3, 2019, Meeting Minutes

Since the application was submitted by the October 1, 2018, deadline, the city is eligible to access the interest rate that was in effect at that time. The interest rate at the time of application was 0.25 percent lower than the interest rate for applications submitted in January.

By rule, the board is allowed to defer action on funding applications up to 120 days from the original presentation to the board, so the board will need to make a decision on funding for this project in March.

Motion by Gnirk, seconded by Bernhard, to defer the funding application for Miller. A roll call vote was taken, and the motion carried unanimously.

Tulare requested funding to replace the existing transfer pump station with a new structure to house new pumps, controls, and piping. The ground storage reservoir and water tower will be replaced with a larger water tower with adequate storage capacity for the town. The town will also cap an unused well then demolish the well house building.

The town of Tulare anticipates bidding the project in the summer of 2019 with project completion in the fall of 2020.

The estimated total project amount is \$2,145,000, and the amount requested is \$1,395,000. Tulare received a CDBG grant to cover the remaining costs of the project.

Rates in Tulare are \$37.00 per 5,000 gallons usage.

Staff recommended awarding a \$1,145,000 Drinking Water SRF loan with 100 percent principal forgiveness and awarding a \$250,000 Consolidated loan at 2.5 percent interest for 30 years.

A consolidated loan was recommended to help keep rates lower by alleviating the requirement for bond counsel and reducing the rate coverage requirement to meet the required 100 percent debt coverage, instead of the 110 percent required for an SRF loan.

Tulare pledged project surcharge for repayment of the loan. Staff analysis indicates a \$7.25 surcharge is required for repayment of the consolidated loan. This will result in overall monthly rates of \$44.25 based on 5,000 gallons usage.

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

Gene Stellmacher, mayor of Tulare, answered questions from the board.

Motion by Gnirk, seconded by Lanning, to adopt **Resolution No. 2019-04** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,145,000 with 100 percent principal forgiveness to the **town of Tulare** for a drinking water improvements project; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other

documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective; and to adopt **Resolution No. 2019-05** approving the South Dakota Consolidated Water Facilities Construction Program loan agreement between the Board of Water and Natural Resources and the **town of Tulare** not to exceed \$250,000 at 2.50 percent interest for 30 years for a drinking water improvements project contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. A roll call vote was taken, and the motion carried unanimously.

SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION: Mike Perkovich presented the Sanitary/Storm Sewer Facilities applications and staff recommendations for funding. A map showing the location of the applicants requesting funding was included in the board packet.

Miller requested funding to replace sanitary and storm sewer lines. This is the third phase of a multi-year project. Phase I and II addressed the most critical infrastructure needs and Phase III will target remaining pipes identified for replacement. The project consists of replacing 13,000 feet of eight-inch sewer main and 4,700 feet of storm water pipe of varying sizes. The project will be undertaken in conjunction with the drinking water project presented earlier in the meeting.

The estimated total project amount is \$5,239,000, and the amount requested is \$5,239,000.

The city is seeking additional funding from USDA Rural Development. The city has requested that this application be deferred until the March 2019 board meeting.

Staff recommended the board defer the application until the March 2019, Board of Water and Natural Resources meeting.

Mr. Perkovich answered questions from the board.

Motion by Gnirk, seconded by Bernhard, to defer the funding application for Miller until the March 2019, Board of Water and Natural Resources meeting. A roll call vote was taken, and the motion carried unanimously.

Mitchell requested funding to upgrade storm water and sanitary sewer infrastructure along various streets within the city's east central drainage basin. The city will replace 1,000 feet of eight- and ten-inch sanitary sewer and 6,000 feet of storm sewer or varying sizes. The project will be undertaken in conjunction with the city's drinking water presented to the board earlier in the meeting.

The project also includes a nonpoint source component to install nonpoint source best management practices within the Firesteel Creek watershed. The nonpoint source improvements will include stream bank stabilization, grazing management, agricultural waste management systems, and vegetative buffers.

The city anticipates bidding the project in March 2019 with project completion in late 2019.

The estimated total project cost is \$3,944,956, and the amount requested is \$3,931,000, with the remaining \$13,956 being local cash.

The request includes \$356,000 for the nonpoint source activities and \$3,575,000 for the storm water and sanitary sewer project.

Current wastewater rates in Mitchell are \$24.77 for 5,000 gallons usage. The rate will increase to \$31.82 due to a surcharge needed for a loan that was awarded by the Board of Water and Natural Resources in September 2018.

Staff recommended awarding a \$3,931,000 Clean Water SRF loan at the nonpoint source incentive rate of 1.25 percent interest for 20 years, which will consist of two bond series—one in the amount of \$3,575,000 for the sanitary sewer and storm water improvements and the second in the amount of \$356,000 for the nonpoint source component of the project.

The city has pledged a project surcharge for repayment of the loan. Staff analysis indicates the city will need to establish a surcharge of \$3.70 to repay this loan. When coupled with the surcharge needed for the September 2018 loan, monthly residential rates will be \$35.53 for 5,000 gallons usage.

Staff recommended the loan award being contingent upon the borrower adopting two bond resolutions and the resolutions becoming effective and contingent upon the borrower establishing a surcharge sufficient to provide the required debt coverage. Staff also recommended that a special condition be placed on the loan that the borrower may not draw funds from the proceeds of the Series NPS A Borrower Bond until EPA approves the revised budget for the Firesteel Creek watershed implantation project.

Joe Schroeder, SPN & Associates, answered questions from the board.

Motion by Gnirk, seconded by Soholt, to adopt **Resolution No. 2019-06** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$3,931,000 at 1.25 percent interest for 20 years to the **city of Mitchell** for the east central drainage basin storm water and sanitary sewer improvements project; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting two bond resolutions and the resolutions becoming effective, contingent upon the borrower establishing a surcharge sufficient to provide the required debt coverage, and with the special condition that the borrower may not draw funds from the proceeds of the Series NPS A Borrower Bond until EPA approves the revised budget for the Firesteel Creek watershed implantation project. A roll call vote was taken, and the motion carried unanimously.

Mr. Perkovich provided an overview of available funds for the March funding round.

SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATIONS: Drew Huisken discussed available funds for the Solid Waste Management Program.

Mr. Huisken presented the Solid Waste Management Program applications and the staff recommendations for funding. A map showing the location of the projects was included in the board packet.

Hot Springs requested funding for a project to process a wood waste pile at the city's green waste disposal site. For the past five years, burning this wood waste has not been an option, and a large pile has accumulated. Hot Springs is proposing to process the woodpiles into chips for a secondary use. The city intends to hire a contractor to process the piles and plans to eliminate the pile within a three- to four- month period.

The estimated total project cost is \$70,000, and the amount requested is \$56,000.

Hot Springs does not charge fees for wood waste disposal at the site. In years past, woodpiles were burned, but due to the presence of new buildings in the area, including a hospital, burning has been prohibited for the past five years. The wood waste piles have become too large for a city maintenance crew to handle effectively and a larger wood chipping operation will be necessary. Once chipped, the wood will be hauled off-site or bequeathed to a third party for secondary use. After disposal, a more routine maintenance program for the wood waste will be implemented by city maintenance staff.

Hot Springs intends to process the woodpiles in the summer of 2019.

Staff recommended awarding a Solid Waste Management Program grant for up to 25 percent of eligible project costs not to exceed \$17,500.

For wood waste projects, grant awards have historically been 15 to 25 percent of the total project costs. The city of Hot Springs confirmed in a phone call that they are not interested in a Solid Waste Management Program loan and will use local cash to fund the remainder of the project.

Kim Barbier, city administrator, discussed the project and answered questions from the board.

Motion by Gnirk, seconded by Lanning, to adopt **Resolution No. 2019-07** approving the South Dakota Solid Waste Management Program grant agreement to the **city of Hot Springs** for up to 25 percent of approved total project costs not to exceed \$17,500 for a green waste pile processing project. A roll call vote was taken, and the motion carried unanimously.

Irene requested funding to purchase an 18-cubic yard recycling trailer. The trailer will provide residents a location to drop off recyclable materials. Currently there are no options for recycling in Irene, and residents are forced to drive to Vermillion to recycle materials. City staff will transport the trailer to Vermillion on a monthly basis for further processing.

The estimated total project cost is \$12,000, and the amount requested is \$12,000.

Irene intends to purchase the trailer shortly after funding is awarded.

Staff recommended awarding a Solid Waste Management Program grant up to 50 percent of the eligible project costs not to exceed \$6,000.

The city has indicated that they are committed to funding the remaining 50 percent in project costs.

Motion by Bernhard, seconded by Lanning, to adopt **Resolution No. 2019-08** approving the South Dakota Solid Waste Management Program grant agreement to the **city of Irene** for up to 50 percent of approved total project costs not to exceed \$6,000 for the purchase of an 18-cubic yard recycling trailer. A roll call vote was taken, and the motion carried unanimously.

Sioux Falls requested funding to purchase a wood grinder and transport trailers and to construct an asphalt pad to process wood waste generated from the city's Emerald Ash Borer Disposal Plan. The Emerald Ash Borer was discovered in Sioux Falls in May of 2018. The city intends to cut down 85,000 ash trees in parks and right-of-ways throughout the city to impede or stop the spread of the Emerald Ash Borer. This will be part of a multi-year tree removal plan.

The estimated total project cost is \$1,132,000, and the amount requested is \$1,132,000.

The wood waste generated from the Ash trees will not enter the solid waste stream. It is anticipated that the felled trees will be chipped outside of the city to mitigate spread of the Emerald Ash Borer and those wood waste chips are tentatively planned to be hauled and sold to the POET bio refining plant, where they will be burned to assist in the production of ethanol.

The city intends to begin disposal efforts in February of 2019.

Staff recommended awarding a Solid Waste Management Program grant at 25 percent of eligible total project costs not to exceed \$283,000.

For wood waste projects, grant awards have historically been 15 to 25 percent of total project costs. The city of Sioux Falls has indicated that they are not interested in a Solid Waste Management Program loan to fund the remainder of this project.

Dustin Hanson, city of Sioux Falls, discussed the project and answered questions from the board.

Motion by Soholt, seconded by Lanning, to adopt **Resolution No. 2019-09** approving the South Dakota Solid Waste Management Program grant agreement to the **city of Sioux Falls** for up to 25 percent of approved total project costs not to exceed \$283,000 for the purchase of a grinder, transport trailers, and an asphalt pad to process the wood waste generated from the city's Emerald Ash Borer disposal plan. A roll call vote was taken, and the motion carried unanimously.

South Dakota Solid Waste Management Association requested funding to assist with costs of the Manager of Landfill Operations (MOLO) training.

Every three years, South Dakota Solid Waste Management Association (SDSWMA) hosts a MOLO training course to certify new landfill managers and operators, maintain existing certifications, and train other staff and contractors in the solid waste industry statewide. Funding for this project helps to offset the registration costs for South Dakota solid waste operators and ensure qualified personnel are available to operate the state's solid waste facilities. The current MOLO course is scheduled for April of 2019.

The estimated total project cost is \$64,400, and the amount requested is \$41,900.

The Board of Water and Natural has been awarding grants for MOLO Training to SDSWMA on a three-year cycle since the year 2000.

Staff recommended awarding a Solid Waste Management Program grant up to 65.1 percent of eligible project costs not to exceed \$41,900.

The grant award would be consistent with previous iterations of the MOLO training course. The remainder of the project costs will be financed by registration fees and in-kind donations from other sources.

Melissa Fahy, deputy director of the SDSWMA, discussed the MOLO training course.

Motion by Bernhard, seconded by Soholt, to adopt **Resolution No. 2019-10** approving the South Dakota Solid Waste Management Program grant agreement to the **South Dakota Solid Waste Management Association** for up to 65.1 percent of approved total project costs not to exceed \$41,900 for Manager of Landfill Operations training. A roll call vote was taken, and the motion carried unanimously.

Tri-County Landfill Association requested funding to acquire a Bomag BC 772 landfill compactor or an equivalent of that machine. The association's current compactor is over 20 years old and is nearing the end of its useful life. Use of this compactor will be critical to daily operations at the landfill.

The estimated total project cost is \$600,000, and the amount requested is \$600,000.

Purchase of the compactor will occur as soon as funding is available.

Staff recommended awarding a Solid Waste Management Program grant up to 50.0 percent of eligible project costs not to exceed \$300,000 and awarding a \$300,000 Solid Waste Management Program loan at 2.0 percent interest for 10 years.

Staff recommended the Solid Waste Management Program loan be 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 and contingent upon the borrower approving a security agreement.

The association pledged landfill fees for repayment of the loan. Tri-County Landfill Association recently raised its landfill fees to \$44.00 per ton for municipal solid waste. Staff analysis indicates that revenues generated will provide approximately 120 percent debt coverage on the loan.

Larry McManus, Tri-County Landfill Association, discussed the project.

Dr. Gnirk noted that he supports funding for this project.

Motion by Gnirk, seconded by Bernhard, to adopt **Resolution No. 2019-11** approving a Consolidated Water Facilities Construction Program loan to the **Tri-County Landfill Association** not to exceed \$300,000 at 2.0 percent interest for 10 years to purchase a landfill compactor, contingent upon the borrower adopting a approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan and contingent upon the borrower approving a security agreement; and to adopt **Resolution No. 2018-12** approving the South Dakota Solid Waste Management Program grant agreement to the **Tri-County Landfill Association** for up to 50 percent of approved total project costs not to exceed \$300,000 to purchase a landfill compactor. A roll call vote was taken, and the motion carried unanimously.

Mr. Huiskens provided an overview of remaining funds in the Solid Waste Management Program for the next funding round.

FFY 2018 CLEAN WATER SRF ANNUAL REPORT: Stephanie Riggle presented the FFY 2018 Clean Water SRF annual report. The South Dakota Conservancy District is required to submit an annual report to EPA for the Clean Water SRF. The FFY 2018 report follows the same format as previous years and discusses activity from October 1, 2017, to September 30, 2018.

Highlights of FFY 2018 Clean Water SRF funding include the following:

- Fifteen Clean Water SRF loans were awarded for total funding of \$58,442,925.
- Three loans received principal forgiveness in the aggregate total of \$2,450,225.
- Loan repayments totaled more than \$27.6 million dollars, with \$20.9 million in principal, \$5.3 million in interest, and \$1.3 million in administrative surcharge.

Staff recommended the board approve the draft annual report for the Clean Water SRF program and authorize staff to finalize and distribute the report.

Motion by Gnirk, seconded by Lanning, to approve the FFY 2018 Clean Water SRF program annual report and to authorize staff to finalize and distribute the report. A roll call vote was taken, and the motion carried unanimously.

FFY 2018 DRINKING WATER SRF ANNUAL REPORT: Ms. Riggle presented the FFY 2018 Drinking Water SRF annual report. The South Dakota Conservancy District is required to submit an annual report to the EPA for the Drinking Water SRF. The FFY 2018 report follows the same format as previous years and discusses activity from October 1, 2017, to September 30, 2018.

Highlights of FFY 2018 Drinking Water SRF funding include the following:

- Thirteen Drinking Water SRF loans and one loan amendment were awarded for total funding of \$23,545,000.
- Six loans received principal forgiveness in the aggregate total of \$4,329,600.
- Loan repayments totaled more than \$16.1 million dollars, with \$11.5 million in principal, \$3.6 million in interest, and 1.0 million in administrative surcharge.

Staff recommended the board approve the draft annual report for the Drinking Water SRF program and authorize staff to finalize and distribute the report.

Motion by Bernhard, seconded by Lanning, to approve the FFY 2018 Drinking Water SRF program annual report and to authorize staff to finalize and distribute the report. A roll call vote was taken, and the motion carried unanimously.

Dr. Gnirk thanked the staff for all of the work they put into preparing these reports.

EAGLE BUTTE REQUEST TO REVISE PROJECT DESCRIPTION FOR DRINKING WATER SRF LOANS C462148-03 AND C462148-04: Jim Anderson reported that Eagle Butte currently has two Drinking Water State Revolving Fund loans.

Drinking Water SRF loan 03 is in the amount of \$520,000 with 38.5 percent principal forgiveness not to exceed \$200,000. The loan has not been closed, and no funds have been drawn.

Drinking Water SRF loan 04 is in the amount of \$725,000 with 50 percent principal forgiveness not to exceed \$362,500. This loan has a balance of \$34,381.

Both loans are at zero percent interest for 30 years.

In December 2018, the department received a letter from Eagle Butte requesting that the project description of both loans be amended to include work on the city's water tower. The water tower has significant deficiencies that must be addressed. The estimated cost for the repairs is \$382,000.

Staff recommended the board amend the project description of Eagle Butte's Drinking Water SRF loans C462148-03 and C462148-04.

Motion by Soholt, seconded by Lanning, to amend the project description for the Eagle Butte SRF loan C462148-03. A roll call vote was taken, and the motion carried unanimously.

Motion by Bernhard, seconded by Gnirk, to adopt **Resolution No. 2019-13** amending the project description for the **Eagle Butte** Drinking Water SRF loan C462148-04. A roll call vote was taken, and the motion carried unanimously.

REQUEST TO AMEND CROOKS CLEAN WATER SRF LOAN C461227-03: Mr. Bruels reported that in March 2018, the board awarded a \$2,052,000 Clean Water SRF loan and a \$1,214,000 Drinking Water SRF loan to the city of Crooks. The funds were for a water main and sanitary and storm sewer replacement project in the Palmira neighborhood. The project included replacing 5,000 feet of water main, 4,000 feet of sanitary sewer, 2,100 feet of storm sewer and related appurtenances.

On December 6, 2018, the department received a letter from Crooks requesting additional funding assistance from the Board of Water and Natural Resources for costs associated with the storm sewer work. During a comprehensive drainage study, the city became aware of an oversight related to the storm sewer cost estimate. The existing storm sewers are too limited in the areas where water is currently collected and does not convey storm water far enough out of the community to prevent back-ups during larger storm events. Unless additional funds are provided, the city will not be able to complete the proposed project.

The amended estimated total project amount is \$2,400,000, and the city has requested an additional \$348,000.

Staff recommended the board rescind Resolution No. 2018-18, which awarded the original Clean Water SRF loan, and that the board adopt a resolution awarding a \$2,400,000 Clean Water SRF loan at 2.5 percent interest for 30 years.

Crooks pledged wastewater revenue for repayment of the loan. Staff analysis for the original loan amount indicated total rates for 5,000 gallons would be \$42.00. With the additional \$348,000, staff analysis indicated that rates in Crooks would be approximately \$46.00 for 5,000 gallons usage.

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

Jamison Rounds, mayor of Crooks, thanked the board for considering additional funding for the project.

Motion by Lanning, seconded by Bernhard, to rescind Resolution No. 2018-18 and to adopt **Resolution No. 2019-14** approving the Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,400,000 at 2.5 percent interest for 30 years to the **city of Crooks** for storm sewer improvements; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the 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 rates sufficient to provide the required debt coverage. A roll call vote was taken, and the motion carried unanimously.

RESCIND BISON CLEAN WATER SRF LOAN C461139-02: Mr. Huisken reported that on June 26, 2014, the board awarded a \$419,000 Clean Water SRF loan to the town of Bison for the relining of 2,365 feet of sanitary sewer pipe, cleaning and televising another 4,700 feet of collection pipe, and improvements to the liner and the dikes of the town's wastewater treatment system. The loan was closed on August 21, 2014, but no reimbursements have been made and no progress has been made on this project since that time.

Staff believes any proposed improvements to the sanitary sewer system and wastewater treatment system would differ from the original scope and not be eligible for the current funding. It is also believed that existing funding would be insufficient to cover the costs of the project.

On October 19, 2018, the Department received confirmation from the town of Bison that they would not be using the existing funding for any proposed improvements. On October 22, 2018, staff sent a letter to the town of Bison informing them that Clean Water SRF Loan C461139-02 would be rescinded at the January 3, 2019, board meeting. No objections were received in response to that letter.

Staff recommended rescinding Resolution No. 2014-69, which approved the \$419,000 Clean Water State Revolving Fund Loan (C461139-02) to the town of Bison.

Motion by Gnirk, seconded by Soholt, to rescind Resolution No. 2014-69, which approved the \$419,000 Clean Water State Revolving Fund Loan (C461139-02) to the town of Bison. A roll call vote was taken, and the motion carried unanimously.

REQUEST TO AMEND VIEWFIELD RURAL WATER SYSTEM LOAN: Mr. Huisken stated that on June 23, 2016, Viewfield Rural Water Association, Inc. received a \$50,000 Consolidated Water Facilities Construction Program loan at 3.25 percent interest for 30 years and a \$200,000 Consolidated Water Facilities Construction Program grant for improvements to the association's water treatment system. The construction of those improvements is nearing completion, and it is estimated that there is a \$37,000 surplus in funds.

On October 6, 2018, the department received a request from Viewfield Rural Water Association to use the remaining funds to construct a storage building as an addition to the recently completed well house. Space is limited in the well house, and the proposed addition will provide adequate storage for the salt needed for the water treatment system.

Staff recommended the board approve the First Amendment to Consolidated Water Facilities Construction Program Grant 2017G-202, amending the scope of the project to include construction of an additional storage building.

Motion by Lanning, seconded by Bernhard, to adopt **Resolution No. 2019-15** approving the project scope amendment to **Viewfield Rural Water Association, Inc.** Consolidated Water

Facilities Construction Program grant agreement (2017G-202) for up to 80 percent of all approved total project costs not to exceed \$200,000. A roll call vote was taken, and the motion carried with Bernhard, Lanning, Soholt, and Johnson voting aye. Gnirk abstained from voting.

Mr. Huiskens noted that Jon Peschong would be presenting an amendment for Viewfield Rural Water System's loan, and the scope amendment for the loan would be included with that board action.

REQUEST TO AMEND LOAN AGREEMENT FOR NEW AUDIT POLICY: Jon Peschong reported that at the September 27, 2018, meeting the board adopted revised audit requirements for loans to private non-profit and for-profit entities. Staff sent a letter notifying all current private non-profit and for-profit entities about the revised audit requirements, and informed them that if they wished to take advantage of the new audit requirements they would need to request that their loan be amended.

Requests for loan amendments to reflect the new audit requirements were received from Viewfield Rural Water Association, Sheridan Lake Highlands Home Owners Association, AGRAT2, and Hisega Meadows.

Staff worked with legal counsel to draft the loan amendments for each borrower.

Staff recommended the board approve each loan amendment separately to incorporate the revised audit requirement language.

Staff recommended the board adopt a resolution approving the First Amendment to Consolidated Water Facilities Construction Fund Revenue Obligation Loan Agreement 2017L-202 to Viewfield Rural Water Association amending the audit requirement and amending the project description discussed previously by Drew Huiskens.

Motion by Bernhard, seconded by Lanning, to adopt **Resolution No. 2019-16** approving the First Amendment to Consolidated Water Facilities Construction Fund Revenue Obligation Loan Agreement 2017L-202 to **Viewfield Rural Water Association, Inc.** amending the audit requirement. A roll call vote was taken, and the motion carried with Bernhard, Lanning, Soholt, and Johnson voting aye. Gnirk abstained.

Staff recommended the board adopt a resolution approving the First Amendment to Consolidated Water Facilities Construction Fund Revenue Obligation Loan Agreement 2019L-200 to Sheridan Lake Highlands Home Owners Association, Inc. amending the audit requirement.

Motion by Lanning, seconded by Bernhard, to adopt **Resolution No. 2019-17** approving the First Amendment to Consolidated Water Facilities Construction Fund Revenue Obligation Loan Agreement 2019L-200 to **Sheridan Lake Highlands Home Owners Association, Inc.** amending the audit requirement. A roll call vote was taken, and the motion carried unanimously.

Staff recommended the board adopt a resolution approving the First Amendment to Drinking Water State Revolving Fund Revenue Obligation Loan Agreement C462468-02 to Hisega Meadows Water Inc. amending the audit requirement.

Motion by Lanning, seconded by Gnirk, to adopt **Resolution No. 2019-18** approving the First Amendment to Consolidated Water Facilities Construction Fund Revenue Obligation Loan Agreement 2019L-200 to **Hisega Meadows Water, Inc.** amending the audit requirement. A roll call vote was taken, and the motion carried unanimously.

Staff recommended the board adopt a resolution approving the First Amendment to Solid Waste Management Program Loan Agreement 2017L-REC-202 to AGRAT2, LLC amending the audit requirement.

Motion by Gnirk, seconded by Bernhard, to adopt **Resolution No. 2019-19** approving the First Amendment to Consolidated Water Facilities Construction Fund Revenue Obligation Loan Agreement 2019L-200 to **AGRAT2, LLC** amending the audit requirement. A roll call vote was taken, and the motion carried unanimously.

AUTHORIZATION TO DISTRIBUTE REQUEST FOR PROPOSALS FOR SRF PROGRAM INVESTMENT MANAGER: Mr. Perkovich reported that PFM Asset Management has served as the South Dakota Conservancy District's Investment Manager since April 2013. The contract expires on March 31, 2019, with no opportunity to extend. Staff is requested authorization to distribute a Request for Proposals (RFP) for an investment manager for the SRF programs.

In accordance with the Conservancy District's Investment Policy, an Investment Manager would direct the investment of all or a portion of certain SRF program funds. The District currently expects approximately \$50-125 million be invested at any one time over the period of the contract.

A draft RFP was included in the board packet. The draft RFP was reviewed by PFM Financial Advisors, legal counsel, and bond counsel. The draft RFP provides for firm interviews at the board's discretion.

The following are the anticipated timeframes for this process:

BWNR authorize distribution of RFP:	January 3 rd
Release of RFP:	Week of January 6 th
Proposal Deadline:	January 31 st
Rank Proposals/Schedule Interviews:	By February 16 th
Interviews:	Late February or early March
BWNR selects Investment Manager:	March 28-29 meeting

Staff recommended the board authorize the distribution of a Request for Proposals for the SRF Program Investment Manager.

Board of Water and Natural Resources
January 3, 2019, Meeting Minutes

Motion by Bernhard, seconded by Gnirk, to authorize the distribution of a Request for Proposals for the SRF Program Investment Manager. A roll call vote was taken, and the motion carried unanimously.

SERIES 2018 BOND ISSUE: Mr. Perkovich reported that originally the sale of the bonds was scheduled for December 4 and 5, 2018, with retail sales on December 4 and the institutional sales on December 5. Due to December 5 being declared the day of mourning for former President George Bush and the federal offices being closed, both of those sales took place on December 4, 2018. Mr. Perkovich noted that it was a successful sale. The bond was closed on December 19, 2018. The Series 2018 bonds have a par amount \$96,355,000 and include a net premium of \$15,271,000. These proceeds will provide \$66,000,000 for the Clean Water SRF Program, \$45,000,000 for the Drinking Water SRF Program, and \$626,000 for the cost of issuance and underwriter's discount. The tax-exempt bonds are rated AAA by both Moody's and Standard & Poor's, and that the all-in-true interest cost is 3.37 percent. The underwriting team consisted of Citigroup Global Markets as the senior manager and JP Morgan and Bank of America Merrill Lynch acting as co-managers.

NEXT MEETING: The next regularly scheduled board meeting is March 28-29, 2018 in Pierre. Mr. Perkovich discussed possible agenda items for that meeting.

ADJOURN: Motion by Lanning, seconded by Bernhard, that the meeting be adjourned. A roll call vote was taken, and the motion carried unanimously.

Approved this 28th day of March, 2019.

(SEAL)

Chairman, Board of Water and
Natural Resources

ATTEST:

Secretary, Board of Water and
Natural Resources

JANUARY 3, 2019

NAME (PLEASE PRINT)

ADDRESS

REPRESENTING

Gene Stellmacher 310 Main Tulare, SD Tulare City

Joseph Lutter 405 County Rd 24 Tulare, CA Tulare CA

Jennifer Sietsema NECOG

DON WEIGEL CLARK ENGINEERING

ATTENDANCE SHEET
BOARD OF WATER AND NATURAL RESOURCES MEETING

CONDUCTED VIA THE DIGITAL DAKOTA NETWORK

BROOKINGS
DEPARTMENT OF TRANSPORTATION

JANUARY 3, 2019

NAME (PLEASE PRINT)

ADDRESS

REPRESENTING

Jay Gilbertson
JACKIE LANNING

Brookings
Brookings

East Dakota WDD
BWNR

DRAFT

ATTENDANCE SHEET
BOARD OF WATER AND NATURAL RESOURCES MEETING

CONDUCTED VIA THE DIGITAL DAKOTA NETWORK

PIERRE
CAPITOL BUILDING

JANUARY 3, 2019

<u>NAME (PLEASE PRINT)</u>	<u>ADDRESS</u>	<u>REPRESENTING</u>
Mary Duval	Pierre	Legis Oversight
Jim Anderson	Pierre	DENR
Josh Strobel	Pierre	DENR
Alex Roeber	Pierre	DENR
David Ruhnke	Pierre	DENR
Bob Mercer	Pierre	Keloland
Larry McManus	24978 349 th Ave Pierre	Tri Co Landfill
Eric Meintsma	Pierre	DENR
Jon Peschery	Pierre	DENR
Stephanie Riggle	Pierre	DENR
Brad Palmer	Pierre	City of Pierre
Kris Dozark	Pierre	DENR
Barry McLaury	Pierre	DENR
Andy Bruehl	Pierre	DENR
Mike Perkovich	Pierre	DENR
PAUL GNIRK	NEW UNDERWOOD	BWNR
Todd Bernhardt	FORT PIERRE	BWNR

ATTENDANCE SHEET
BOARD OF WATER AND NATURAL RESOURCES MEETING

CONDUCTED VIA THE DIGITAL DAKOTA NETWORK

PIERRE
CAPITOL BUILDING

JANUARY 3, 2019

NAME (PLEASE PRINT)

ADDRESS

REPRESENTING

Drew Huiskens

Pierre

IDNR

Twila Hight

Pierre

City of Pierre

Kristi Honeywell

Pierre

City of Pierre

DRAFT

ATTENDANCE SHEET
BOARD OF WATER AND NATURAL RESOURCES MEETING

CONDUCTED VIA THE DIGITAL DAKOTA NETWORK

RAPID CITY EMERGENCY OPERATIONS CENTER
RAPID CITY, SD

JANUARY 3, 2019

NAME (PLEASE PRINT)

ADDRESS

REPRESENTING

Bill Lass

Rapid City

BHCOLG's

Kimi Barbieri

Rapid City

City of Hot Springs

DRAFT

ATTENDANCE SHEET
BOARD OF WATER AND NATURAL RESOURCES MEETING

CONDUCTED VIA THE DIGITAL DAKOTA NETWORK

SIOUX FALLS
UNIVERSITY CENTER

JANUARY 3, 2019

NAME (PLEASE PRINT)

ADDRESS

REPRESENTING

BRAD PREHEIM	Centerville	NBWDSD
Jy Sal	Sioux Falls	SDSWNR
Melissa Fahy	Sioux Falls	SDSWMA
Core Laber	Sioux Falls	DGR
Janison Rounds	Crosby	City of Crosby
LU TIL HANSEN	Sioux Falls	CITY OF SIOUX FALLS

ATTENDANCE SHEET

BOARD OF WATER AND NATURAL RESOURCES MEETING

CONDUCTED VIA THE DIGITAL DAKOTA NETWORK

WATERTOWN

DEPARTMENT OF ENVIRONMENT & NATURAL RESOURCES

JANUARY 3, 2019

NAME (PLEASE PRINT)

ADDRESS

REPRESENTING

BRAD Johnson

Watertown

BANK

DRAFT

The audio recording for this meeting is available on the South Dakota Boards and Commissions Portal at <http://boardsandcommissions.sd.gov/Meetings.aspx?BoardID=108>.

Minutes of the
Board of Water and Natural Resources
Telephone Conference Call Meeting
523 East Capitol
Pierre, South Dakota

February 4, 2019
10:00 a.m. CST

CALL TO ORDER: The meeting was called to order by Chairman Brad Johnson. The roll was called, and a quorum was present.

Chairman Johnson announced that the meeting was streaming live on SD.net, a service of South Dakota Public Broadcasting.

BOARD MEMBERS PRESENT: Brad Johnson, Todd Bernhard, Paul Gnirk, Kathryn Johnson, Gene Jones, Jr., Jackie Lanning, and Jerry Sohlt.

BOARD MEMBERS ABSENT: None.

OTHERS: Mike Perkovich, Jon Peschong, and Andy Bruels.

APPROVE AGENDA: Chairman Johnson approved the agenda.

PUBLIC COMMENT PERIOD: No public comments were offered.

Mike Perkovich introduced new board member Kathryn Johnson.

APPOINTMENT OF SUB-COMMITTEE TO REVIEW INVESTMENT MANAGER REQUEST FOR PROPOSALS: Mr. Perkovich reported that after the January 2019 Board of Water and Natural Resources meeting a Request for Proposals (RFP) was issued for an investment manager. Five proposals were received by January 31, 2019, deadline.

Mr. Perkovich requested that the board appoint a sub-committee to assist with reviewing the proposals. He noted that following review of the proposals by the staff, sub-committee, and Jessica Cameron with PFM, staff would rank the proposals and present a recommendation to the full board at the March 28-29, 2019, meeting. Mr. Perkovich noted that before staff ranks the proposals, interviews may be conducted for those who submitted proposals.

Chairman Johnson stated that he would like to appoint Gene Jones, Jr., Todd Bernhard, and himself to serve as the sub-committee.

Board of Water and Natural Resources
February 4, 2019, telephone conference call meeting minutes

Motion by Lanning, seconded by Soholt, to appoint Chairman Johnson, Gene Jones, Jr., and Todd Bernhard to serve on the sub-committee to review the proposals. A roll call vote was taken, and the motion carried unanimously.

Mr. Perkovich stated that copies of the proposals will be sent to the sub-committee, and sometime during the next week, he will arrange for a telephone conference call with staff, Ms. Cameron, and the three sub-committee members.

ADJOURN: Motion by Bernhard, seconded by Jones, to adjourn. A roll call vote was taken, and the motion carried unanimously.

Approved this 28th day of March, 2019.

(SEAL)

Chairman, Board of Water and
Natural Resources

ATTEST:

Secretary, Board of Water and
Natural Resources

TITLE: Department of Environment and Natural Resources State Water Resources Management System Grant Agreement

EXPLANATION: Pursuant to the Board's recommendation, the 2017 Legislature appropriated to the State Water Resources Management System component of the State Water Plan additional funds for Statewide Hydrology and Water Management Studies to manage and protect state water resources. In Section 1 of Senate Bill 70, the 2017 Legislature appropriated \$450,000 to the Board for grants to state and local project sponsors of hydrology and water management studies. Currently, approximately \$93,080 of these funds are available.

The Department of Environment and Natural Resources' Geological Survey Program has submitted a request for a \$90,149.50 grant to help fund replacement of the well pumps for the Statewide Ground Water Quality Monitoring Network. Of the grant total, \$54,870.75 would be utilized by DENR directly to replace pumps that are located outside the boundaries of the Water Development Districts in the state and to purchase two pump controllers. The remaining \$35,278.75 would be prorated to each district, based on the number of pumps within that particular District. In addition to the DENR contributions, the districts will be responsible for the following costs:

Central Plains WDD	\$5,334.00
East Dakota WDD	\$5,341.50
James River WDD	\$8,626.50
South Central WDD	\$2,571.75
Vermillion Basin WDD	\$5,058.00
<hr/> TOTAL	<hr/> \$26,931.75

The total project cost with DENR and Water Development District contributions is \$117,081.25.

The current well pumps in the monitoring network are beyond their useful life and experiencing mechanical issues that are beyond normal repair. Most

March 28-29, 2019

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pumps are in the range of 25 to 30 years old, and the lack of reliable operation makes it difficult to ensure samples can 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.

A fact sheet explaining the project is attached for your reference.

**RECOMMENDED
ACTION:**

Approve the resolution authorizing the Chairman to execute the State Water Resources Management System Grant Agreement with the Department of Environment and Natural Resources.

CONTACT:

Andy Bruels
773-4216

Fact Sheet for

Pump Replacement in the Statewide Ground Water Quality Monitoring Network

Background and Problem

The Statewide Ground Water Quality Monitoring Network was formally established in the early 1990s. Consisting of 144 monitoring wells at 79 sites, the Network is designed to sample ambient ground water and monitors the water quality health and trends of 25 vulnerable surface aquifers throughout South Dakota (figure 1). Common inorganics, nutrients, and 18 different pesticides are analyzed for.

Wells are sampled utilizing a dedicated Grundfos Redi-Flo2® electrical submersible pump. These pumps are permanently installed within each well. Having a dedicated pump capable of low-flow purging and sampling from water within the well screen interval ensures a representative sample.

Many of the Redi-Flo 2® pumps have failed or are failing due to their age and wear. During the 2018 sampling season, 20 of the 66 monitoring wells that were sampled had to be hand-bailed due to pump failure; therefore, approximately a third of the monitoring wells sampled in 2018 had failed pumps.

Each well in the Network is sampled every other year. If that well is not sampled due to a malfunctioning pump, large gaps in the data will result. To prevent this, if the pump malfunctioned, the sample was collected using a bailer. However, bailing is not the solution to this problem for multiple reasons. Bailing a well by hand is quite inefficient. For instance, a 45-foot deep monitoring well in the Ogallala aquifer in Todd County required 6 hours to purge and 2 hours to sample by bailing.

Bailing also introduces potential contamination and alters water chemistry. Agitation stirs up the sediment that collects at the bottom of the casing increasing turbidity and upsetting the balance of dissolved metals and pH. Aeration leads to the oxidation of dissolved metals such as iron and manganese causing them to precipitate out of solution, not only reducing readings for iron and manganese but creating a shift in pH as well. Finally, the bailer itself is repeatedly exposed to atmospheric conditions. The end result is artificially-lowered readings in some parameters and false positives in others.

The ideal solution is the replacement of failed pumps with new ones. The Grundfos Redi-Flo® pumps have proven their durability since they are just now beginning to fail after 25 years of service. They can be permanently emplaced at a precise point within the well screen ensuring sampling of representative formation water. Furthermore, by maintaining the pumps within the well, exposure to atmospheric conditions, the effects of agitation and aeration of the water column in the well, and cross-contamination are minimized. Maintaining the system of dedicated pumps is cost effective over the long term due to savings in operational costs.

Objectives

The primary objective of this proposal is to replace all of the failed or failing dedicated pumps in the Network. Currently, there are 41 monitoring wells in 13 aquifers needing pump replacement (figure 2). There are five water development districts that contain monitoring wells with pumps that need replacement. Of the 41 monitoring wells needing pump replacement, 23 are within the boundaries of a water development district and 18 are not within any district boundaries.

Funding

Quotes for the replacement of the pumps and associated tubing, well head, and connectors were provided by Geotech Environmental Equipment, Inc., the sole US distributor of Grundfos Redi-Flo2® pumps. The cost per unit for a complete dedicated sampling system varies based on the depth of the well, but the average cost for all 41 pumps that will be replaced is \$2,740.32 per pump. In addition, two pump controllers will need to be purchased at a total cost of \$4,728.00.

The total cost to replace all 41 pumps and purchase two new pump controllers is \$117,081.25. A portion of the total cost will be shared among the five water development districts that have wells needing replacement pumps.

Funding is requested from the Hydrology and Water Management Studies appropriation in the State Water Resources Management System in the amount of **\$90,149.50**. The water development districts have been requested to provide the remaining \$26,931.75 for the project. Costs for labor and travel to install the pumps will be covered by the Geological Survey Program, Department of Environment and Natural Resources. The following table shows a breakdown of costs by water development district.

Water Development District	Number of wells	Functioning pumps	Pumps needing replacement	Full cost for replacement	WDD cost	DENR Cost	Pumps replaced by WDDs	Pumps replaced by DENR
Central Plains	15	10	5	\$13,622.00	\$5,334.00	\$8,288.00	2	3
South Central	5	3	2	\$5,358.75	\$2,571.75	\$2,787.00	1	1
James River	13	5	8	\$22,027.25	\$8,626.50	\$13,400.75	3	5
East Dakota	42	38	4	\$10,996.50	\$5,341.50	\$5,655.00	2	2
Vermillion Basin	12	8	4	\$10,206.00	\$5,058.00	\$5,148.00	2	2
West Dakota	1	1	0	--	--	--	--	--
West River Water	2	2	0	--	--	--	--	--
Outside WDD	54	36	18	\$50,142.75	--	\$50,142.75	0	18
Controllers (2)	--	--	--	\$4,728.00	--	\$4,728.00	--	--
Totals	144	103	41	\$117,081.25	\$26,931.75	\$90,149.50	10	31

Locations of Monitoring Sites Within the Statewide Ground Water Quality Monitoring Network

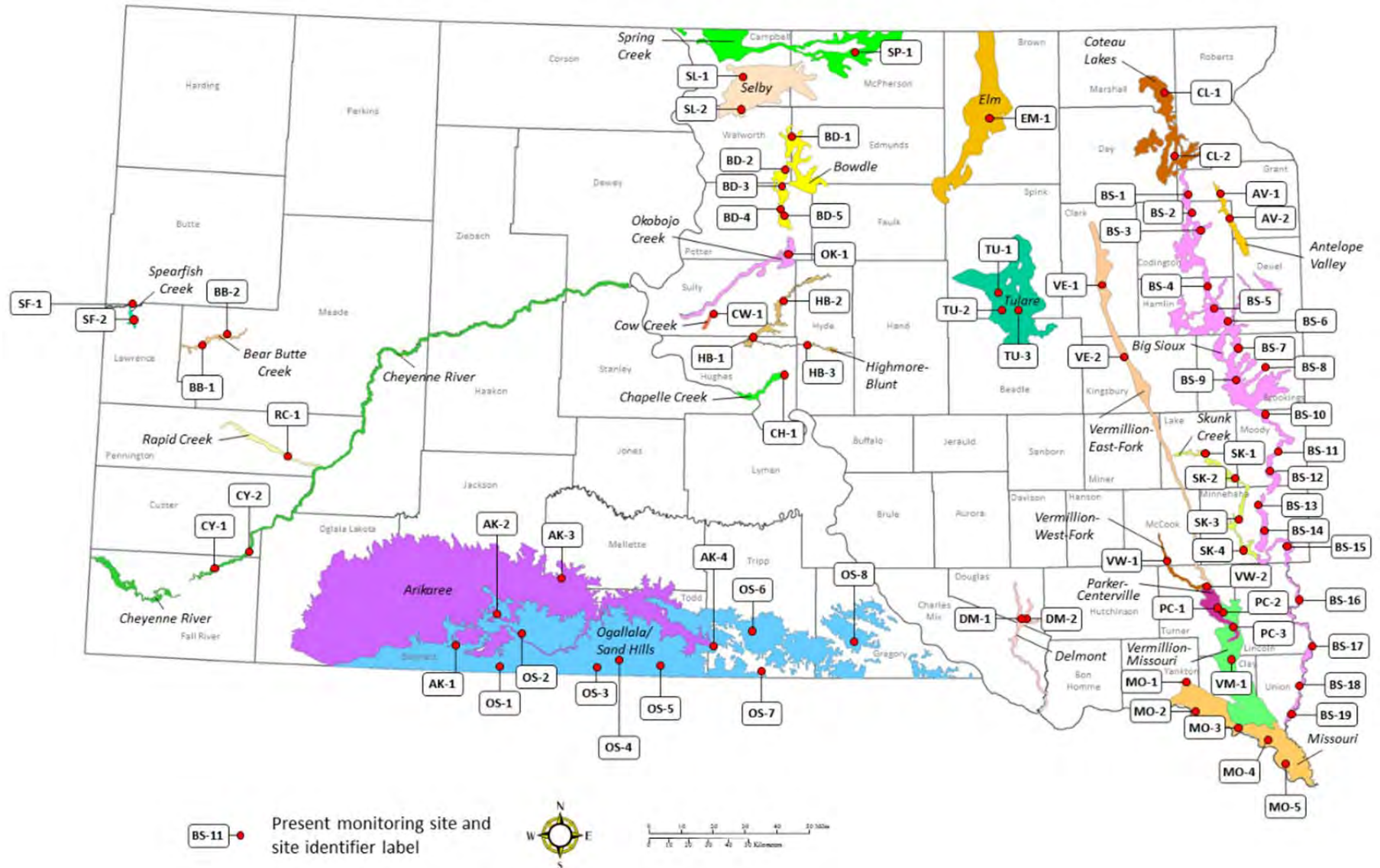


Figure 1. Locations of monitoring sites within the Statewide Ground Water Quality Monitoring Network.

[illegible]

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TITLE: Amendment to State Water Plan, 2019 Clean Water State Revolving Fund and 2019 Drinking Water State Revolving Fund Intended Use Plans

EXPLANATION: Water projects which will require state funding or need state support for categorical grant or loan funding need to be on the State Water Plan. The Board of Water and Natural Resources annually approves projects for placement onto State Water Facilities Plan and provides for amendments of projects onto the plan. Placement of a project on the State Water Plan by the board provides no guarantee of funding. The projects placed onto the plan at this meeting will remain on the facilities plan through December 2020.

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

The following is the list of State Water Plan applications received by the February 1, 2019 deadline.

- a. Black Hawk Water User District
- b. Elk Point
- c. Springfield
- d. Tabor
- e. Willow Lake

Staff is recommending that the following projects be amended onto the 2019 Clean Water State Revolving Fund Project Priority List:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
9	Elk Point	\$60,660	2.75%, 30 years
9	Tabor	\$4,069,371	2.75%, 30 years
7	Springfield	\$1,456,000	2.75%, 30 years

March 28-29, 2019

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Additionally staff is recommending that the following projects be amended onto the 2019 Drinking Water State Revolving Fund Project Priority List:

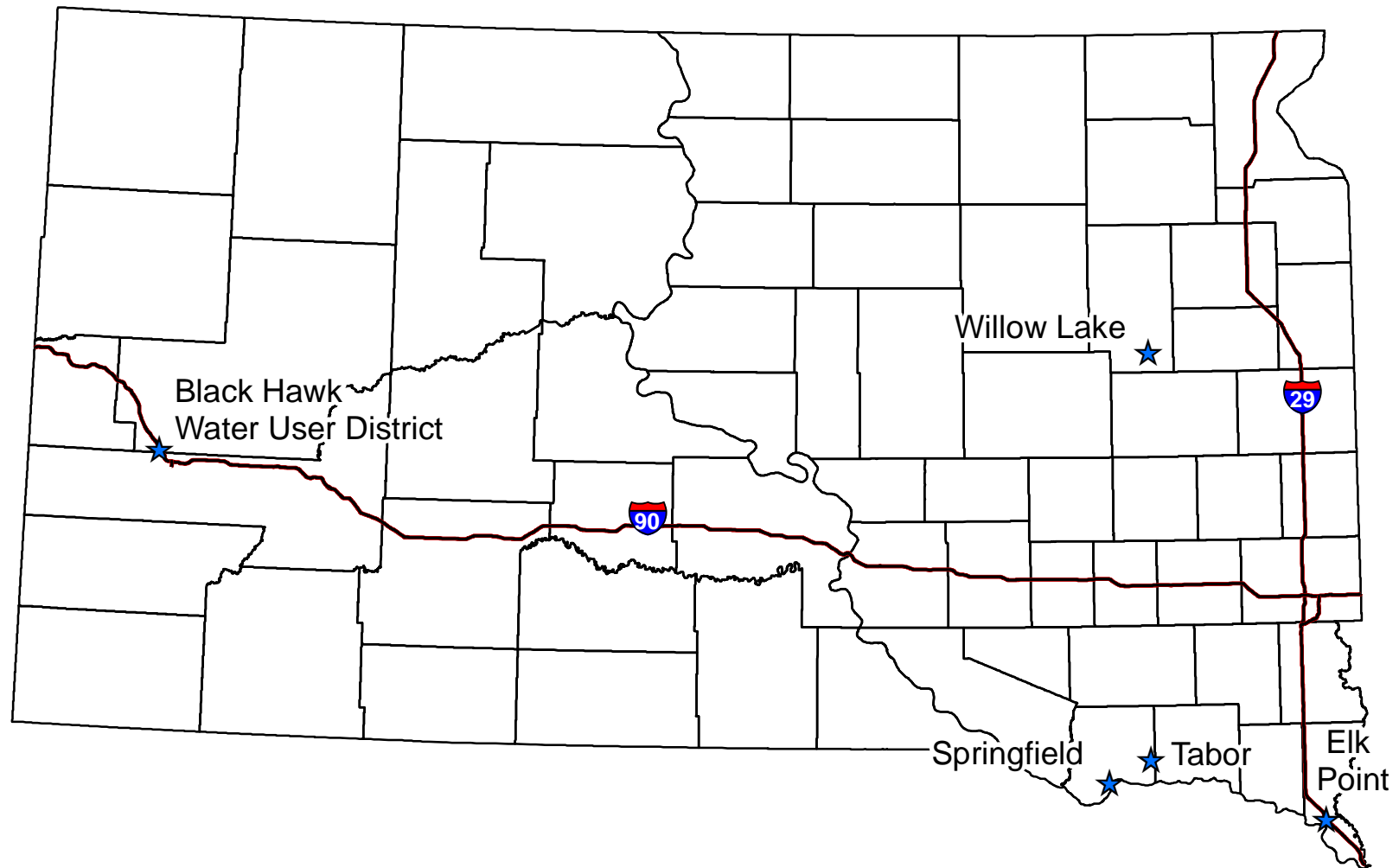
Priority		Estimated Loan	Expected
Points	Loan Recipient	Amount	Loan Rate & Term
88	Willow Lake	\$150,000	1.25%, 10 years
36	Black Hawk Water User District	\$8,494,000	2.75%, 30 years
24	Onida	\$2,000,000	2.75%, 30 years
10	Elk Point	\$66,600	2.75%, 30 years

RECOMMENDED ACTION: Approve amendment of projects onto the State Water Plan, 2019 Clean Water State Revolving Fund and 2019 Drinking Water State Revolving Fund Intended Use Plans

CONTACT: Andy Bruels, 773-4216

State Water Plan Applications

March 2019



State Water Plan Application

Applicant: Black Hawk Water User District Address: PO Box 476 Black Hawk, SD 57718 Phone Number: 605-787-5777	Proposed Funding Package <div style="text-align: right;"> Projected State Funding <u>\$8,494,000</u> Local Cash _____ Other: _____ Other: _____ <div style="text-align: right;">TOTAL <u>\$8,494,000</u></div> </div>
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**Division of Financial
& Technical Assistance**

Project Title: Black Hawk Water User District - System Improvements Project

Description: (Include present monthly utility rate.)

(See attached for project description).

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.

Ed Striebel, President

Name & Title of Authorized Signatory
(Typed)

Signature

Date


 1/30/19

Project Description:

The Black Hawk Water User District (BHWUD) is located along Interstate-90 about three miles north of Rapid City. The District was established in 1949 and serves Summerset, Piedmont and the unincorporated community of Black Hawk. The District provides water to more than 3,800 customers or about 1,500 accounts. The majority of accounts are residential with some commercial properties. The District water system includes: 33 miles of distribution main, two pressure zones, 1.2 million gallons of storage in nine different tanks, and two Madison Aquifer wells.

As per the attached engineering feasibility report, the District has now assessed its short and long-term infrastructure needs. The following goals were adhered to in identifying these projects: improvement of water supply reliability, assurance of compliance with State Water Quality Standards, provision of adequate serve pressure to all users, and replacement of deteriorated system components. The complete list of recommended short and longer-term projects reflected in this State Water Plan application includes:

- Installation of a new transmission line along Sturgis Road
- Installation of new lines crossing I-90 at Exit 48, Anderson Road
- Installation of new lines crossing I-90 at Exit 52
- Replacement of undersized/obsolete water mains along Elm Street
- Construction of a High Zone 1,000,000 gallon storage tank
- Construction of a new Madison Limestone Aquifer well

Although all of the above projects are requested for placement onto the State Water Facilities Plan, the highest priority short-term projects from the above list are the Elm Street main replacement, the new well and 1,000,000 gallon-tank (to also include well house and transmission main). It is anticipated that a funding application will be submitted to the DENR in 2019 for these high-priority projects.

The existing water rate is \$31.50 per 7,000 gallons.

State Water Plan Application

Applicant: City of Elk Point Address: PO Box 280 Elk Point, South Dakota 57025 Phone Number: 605-356-2141	Proposed Funding Package <table style="width: 100%;"> <tr> <td style="width: 70%;">Projected State Funding</td> <td style="width: 30%; text-align: right;">\$128,000</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;">\$128,000</td> </tr> </table>	Projected State Funding	\$128,000	Local Cash		Other:		Other:		TOTAL	\$128,000
Projected State Funding	\$128,000										
Local Cash											
Other:											
Other:											
TOTAL	\$128,000										

Project Title: Washington Street Utility Improvements

Description: (Include present monthly utility rate.)

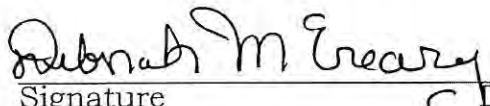
South Washington Street, in the City of Elk Point, is in need of repair. The sewer and water lines need to be replaced. The current lines are old, lead pipes. Replacement is necessary but also becomes a safety issue. The scope of the project is approximately one block in length. This project will replace 330 linear feet of PVC water main and 360 linear feet of PVC sewer line. The estimated cost for the water main portion of this project is \$67,000. The estimated cost for the sanitary sewer portion of the project is \$61,000 for a total project cost of \$128,000. This project will be completed in conjunction with the Douglas Street Project, which is already on the 2019 State Water Plan.

The City of Elk Point does not have established utility reserve funds. The drinking water rate is \$32.39 per 5,000 gallons, and the waste water rate is \$27.48 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.

Deborah McCreary
 Name & Title of Authorized Signatory
 (Typed)


1-25-19
 Signature Date

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& Technical Assistance

SD EForm - 0487LD V3

State Water Plan Application

Applicant: City of Springfield	Proposed Funding Package
Address: PO Box 446 Springfield, SD 57062	Projected State Funding \$1,456,000
	Local Cash
Phone Number: 605 369-2309	Other:
	Other:
	TOTAL \$1,456,000

Project Title: Springfield Storm Water System Improvements

Description: (Include present monthly utility rate.)

The City of Springfield is proposing to upgrade the city's storm water system. Major components of the project include the installation of approximately 1,700 linear feet of 36" storm sewer piping along 11th Street, and installation of approximately 2,500 linear feet of 36" storm sewer piping along 14th Street. Work along 14th Street also will include a six-foot concrete drainage way. Installation of storm sewer inlets and storm sewer manholes, as well as other incidentals, will occur in both areas.

Springfield's current sewer rate is a flat fee of \$16.00 per month.

The Applicant Certifies That:

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

Michael Lee, Mayor

Name & Title of Authorized Signatory
(Typed)

 1-31-19
Signature Date

State Water Plan Application

Applicant: Town of Tabor Address: PO Box 146 Tabor, SD 57063 Phone Number: 605 463-2501	<div style="text-align: center; font-weight: bold; margin-bottom: 10px;"> RECEIVED JAN 22 2019 Division of Financial & Technical Assistance </div> <div style="text-align: right;"> Proposed Funding Package Projected State Funding <u>\$4,069,371</u> Local Cash _____ Other: _____ Other: _____ <div style="text-align: right;">TOTAL <u>\$4,069,371</u></div> </div>
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Project Title: Tabor Wastewater Collection System Improvements

Description: (Include present monthly utility rate.)

Tabor's sewer collection system was televised and inspected in July 2016. Many deficiencies were found in the system, 90% of which is composed of clay piping. Problems include sags, fractures, broken pipes, offset and separated joints, protruding services, roots, and other issues. The deficient pipes will be replaced with 8" or 10" PVC piping (pipe lining is not an option, due to the very poor condition of the existing piping). A number of manholes also will be replaced. The project also involves sewage lift station rehabilitation.

The Town's current sewer rate is \$25.00 per month. The rate will be going up to \$29.00 in July 2019.

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.

Laverne Schieffer, Town Board President
 Name & Title of Authorized Signatory
 (Typed)

 January 11, 2019
 Signature Date

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JAN 30 2019

Division of Financial
& Technical Assistance

SD EForm - 0487LD V3

State Water Plan Application

Applicant: City of Willow Lake	Proposed Funding Package	
Address: PO Box 317 Willow Lake, SD 57278-0317	Projected State Funding	\$150,000
Phone Number: 605-625-3631	Local Cash	0
	Other:	0
	Other:	0
	TOTAL	\$150,000

Project Title: Water Distribution System Improvements

Description: (Include present monthly utility rate.)

The City of Willow Lake hired Banner Associates to evaluate the city water system. The report identified several deficiencies in the system. The report recommended replacing several defective water hydrants, exposing and extending numerous water valves and replacing all of the water meters within the system. Approximately 10 hydrant are not working properly or were not installed correctly. City staff cannot or have not been opening the hydrants for regular maintenance. There is little confidence the hydrants will work when needed. Approximately 50 of the 66 water valves are inaccessible. They are buried or covered over with asphalt. The valves cannot be operated. Lastly, all of the water meters are old and reaching the end of their useful life. The meters are wearing out. It is suspected the meters are not providing accurate readings, reducing the amount of revenues the city is receiving. The City would like to construct these improvements to address these deficiencies. The existing residential customer's monthly water bill for 5,000 gallons per month is approximately \$46.00 (\$19.75 base charge and \$5.25/1000 gallons).

The Applicant Certifies That:

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

Delwin Bratland, Mayor

Name & Title of Authorized Signatory
(Typed)

Signature

1-29-19

Date

TITLE: Amendments to the FFY 2018 Clean Water SRF Intended Use Plan

EXPLANATION: The FFY 2018 Clean Water State Revolving Fund Intended Use Plan was approved by the Board of Water and Natural Resources in November 2017 and amended in March, June and September 2018.

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

It is proposed to amend Attachment I - Project Priority List of the FFY 2018 Clean Water Intended Use Plan by adding the following entry:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
12	Claremont	\$1,832,000	2.75%, 30 years
9	Irene	\$3,437,000	2.75%, 30 years

RECOMMENDED ACTION: Approve the proposed amendments to the 2018 Clean Water SRF Intended Use Plan

CONTACT: Andy Bruels, 773-4216

TITLE: Amendments to the FFY 2018 Drinking Water SRF Intended Use Plan

EXPLANATION: The FFY 2018 Drinking Water State Revolving Fund Intended Use Plan was approved by the Board of Water and Natural Resources in November 2017 and amended in March, June, and September 2018.

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

It is proposed to amend Attachment I - Project Priority List of the FFY 2018 Drinking Water Intended Use Plan by adding the following entries:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
83	Irene	\$1,566,000	2.25%, 30 years
24	Elkton	\$2,000,000	2.75%, 30 years

RECOMMENDED ACTION: Approve the proposed amendments to the 2018 Drinking Water SRF Intended Use Plan

CONTACT: Andy Bruels, 773-4216

TITLE: Funding Applications Deferred from January, 3, 2019

EXPLANATION: The following applications were received October 1, 2018 for funding consideration at the January 3, 2019. At that meeting the Board moved to defer the applications until the March meeting for final decision. The project priority points shown in the Intended Use Plan are listed in parentheses.

- a. Miller (11) Sanitary/Storm Sewer Facilities Funding
- b. Miller (10) Drinking Water Facilities Funding

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

<http://denr.sd.gov/bwnrapps/BWNRappsdeferred0319.pdf>

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

Sanitary/Storm Sewer Facilities Funding Application

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

Applicant: City of Miller	Proposed Funding Package	Requested Funding	\$5,239,000
Address: 120 W. 2nd Street		Local Cash	
Subapplicant:		Other:	
DUNS Number: 071365993		Other:	
		Other:	
		TOTAL	\$5,239,000

Project Title: Miller Wastewater and Storm Water Improvements - Phase III

Description:

The City of Miller is proposing to replace existing wastewater and storm water pipes in town.

The Applicant Certifies That:

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

Ron Blachford, Mayor
Name & Title of Authorized Signatory
(Typed)

Signature

October 01, 2018

Date

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

Project Title:	Wastewater and Storm Water Improvements – Phase III
Funding Requested:	\$5,239,000
Other Proposed Funding:	None
Total Project Cost:	\$5,239,000
Project Description:	<p>Miller is proposing to replace existing wastewater and storm water infrastructure in the city. This will be the third phase of a multi-year project. Phase I and Phase II addressed the most critical infrastructure needs and Phase III will target the remaining pipes identified for replacement.</p> <p>Phase III will replace approximately 13,120 feet of 8-inch sewer main and 4,700 feet of storm sewer of varying size, as well as manholes, storm sewer inlets, and other necessary appurtenances.</p>
Alternatives Evaluated:	<p>The “No Action” Alternative was not chosen because it would not correct any problems present in the collection system.</p> <p>“Sanitary Sewer Phase I & II” have already been completed.</p> <p>“Priority 3 Sanitary Sewer” alternative was not chosen because most of the Priority 3 clay pipe is in good condition and these are not currently a cost-effective option for replacement.</p>
Implementation Schedule:	Miller anticipates bidding the project in the Summer of 2019 with a project completion date of late 2020.
Service Population:	1,461
Current Domestic Rate:	\$51.00 per 5,000 gallons
Interest Rate:	2.5%
Term:	30 years
Security:	Project Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan the city of Miller would have to establish a surcharge of approximately \$29.85. When added to current rate of \$51.00/5,000 gallons residents would be paying \$80.85/5,000 gallons.
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25% Funding Subsidy:	\$1,309,750 subsidy with a loan of \$3,929,250.
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Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of \$3,929,250, the city of Miller would have to establish a surcharge of approximately \$22.38 thereby paying a rate \$73.38/5,000 gallons.
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50% Funding Subsidy:	\$2,619,500 subsidy with a loan of \$2,619,500.
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Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of \$2,619,500, the city of Miller would have to establish a surcharge of approximately \$14.92 thereby paying a rate \$65.92/5,000 gallons.
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75% Funding Subsidy:	\$3,929,250 subsidy with a loan of \$1,309,750.
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Coverage at 75% Subsidy:	Based on a 75% subsidy and a loan of 1,309,750, the city of Miller would have to establish a surcharge of approximately \$7.46 thereby paying a rate \$7.46/5,000 gallons.
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ENGINEERING REVIEW COMPLETED BY: DREW HUISKEN

FINANCIAL REVIEW COMPLETED BY: JON PESCHONG

Drinking Water Facilities Funding Application

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

Applicant: City of Miller Address: 120 West 2nd St Miller, SD 57362-1316 Subapplicant: DUNS Number: 071365993	Proposed Funding Package <table style="width: 100%; border: none;"> <tr> <td style="text-align: right;">Requested Funding</td> <td style="text-align: right;">\$2,500,000</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;">Other: _____ USDA-RD</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;">Other: _____</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;">Other: _____</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;">TOTAL</td> <td style="text-align: right;">\$2,500,000</td> </tr> </table>	Requested Funding	\$2,500,000	Local Cash	_____	Other: _____ USDA-RD	_____	Other: _____	_____	Other: _____	_____	TOTAL	\$2,500,000
Requested Funding	\$2,500,000												
Local Cash	_____												
Other: _____ USDA-RD	_____												
Other: _____	_____												
Other: _____	_____												
TOTAL	\$2,500,000												

Project Title: Miller Water Distribution - Phase III

Description:

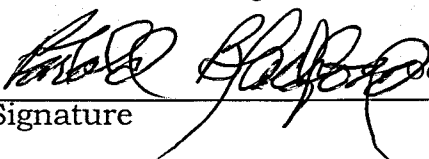
The City of Miller is proposing to replace several blocks of water mains in town. They are also proposing to abandon three wells in town.

The Applicant Certifies That:

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

Ron Blachford, Mayor

 Name & Title of Authorized Signatory
 (Typed)


 Signature

October 01, 2018

 Date

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

Project Title:	Water Distribution – Phase III
Funding Requested:	\$2,500,000
Other Proposed Funding:	None
Total Project Cost:	\$2,500,000
Project Description:	<p>Miller is proposing to replace existing water infrastructure in the city. This will be the third phase of a multi-year project. Phase I and Phase II addressed the most critical need infrastructure and Phase III will target the remaining pipes identified for replacement.</p> <p>Phase III will replace approximately 11,000 feet of 6-inch water main, 900 feet of 8-inch water main, and 4,400 feet of 1-inch water service line as well as valves, hydrants and other necessary appurtenances.</p>
Alternatives Evaluated:	<p>The “No Action” Alternative was not chosen because it would not correct any problems present in the distribution system.</p> <p>“Water Distribution Phase I & II” have already been completed.</p> <p>“Replace Remaining ACP” proposes to replace all asbestos cement pipe that was not addressed in the prior phases. This alternative was not chosen because Phases I, II, and III are a higher priority.</p>
Implementation Schedule:	Miller anticipates bidding the project in the Summer of 2019 with a project completion date of late 2020.
Service Population:	1,461
Current Domestic Rate:	\$55.00 per 5,000 gallons
Interest Rate: 2.25%	Term: 30 years Security: Project Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan the city of Miller would have to establish a surcharge of approximately \$12.47. When added to current rate of \$55.00/5,000 gallons residents would be paying \$67.47/5,000 gallons.
----------------------------------	--

25% Funding Subsidy:	\$625,000 subsidy with a loan of \$1,875,000.
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Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of \$1,875,000, the city of Miller would have to establish a surcharge of approximately \$9.35 thereby paying a rate \$64.35/5,000 gallons.
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50% Funding Subsidy:	\$1,250,000 subsidy with a loan of \$1,250,000.
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Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of \$1,250,000, the city of Miller would have to establish a surcharge of approximately \$6.24 thereby paying a rate \$61.24/5,000 gallons.
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80% Funding Subsidy:	\$2,000,000 subsidy with a loan of \$500,000.
----------------------	---

Coverage at 80% Subsidy:	Based on a 80% subsidy and a loan of \$500,000, the city of Miller would have to establish a surcharge of approximately \$2.49 thereby paying a rate \$57.49/5,000 gallons.
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ENGINEERING REVIEW COMPLETED BY: DREW HUISKEN

FINANCIAL REVIEW COMPLETED BY: JON PESCHONG

TITLE: Drinking Water Facilities Funding Applications

EXPLANATION: The following applications have been received by DENR for funding consideration at this meeting. The project priority points shown in the Intended Use Plan are listed in parentheses.

- a. Irene (83)
- b. Roscoe (28)
- c. Elkton (24)
- d. Onida (24)
- e. Groton (10)
- f. Avon (9)
- g. Montrose (3)

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

<http://denr.sd.gov/bwnrapps/BWNRappsdf0319.pdf>

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

Drinking Water Facilities Funding Applications

March 2019



Drinking Water Facilities Funding Application

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

Applicant: City of Irene Address: PO Box 67 Irene, South Dakota 57037 Subapplicant: DUNS Number: 026528682	RECEIVED JAN 02 2019 Division of Financial & Technical Assistance	Proposed Funding Package Requested Funding <u>\$1,566,000</u> Local Cash _____ Other: _____ Other: _____ Other: _____ TOTAL <u>\$1,566,000</u>
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Project Title: Irene Phase II Utility Improvements

Description:

The City of Irene is proposing to construct Phase II of its waster and wastewater utility improvement project. The project addresses infrastructure deficiencies, specifically drinking water, north of Main Street (Highway 46). Cast iron water mains will be replaced with PVC pipe and looped to increase pressure. The project site is bordered by Till Avenue to the west, State Street to the north and Hazel Avenue to the east. This is the final phase in a two-phase project. Phase I included similar improvements south of Main Street (Highway 46).

The City of Irene has a reserve fund. The current water rate is \$52.64 per 5,000 gallons of water.

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.

Bryce Johnke, Mayor
 Name & Title of Authorized Signatory
 (Typed)

Signature

Date

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

Project Title:	Phase II Utility Improvements
Funding Requested:	\$1,566,000
Other Proposed Funding:	None
Total Project Cost:	\$1,566,000
Project Description:	<p>The City of Irene is proposing to construct Phase II of its water and wastewater utility project. This will address deficiencies in the water distribution system north of Main Street (Highway 46). The utilities in this area are in poor condition, largely made of cast iron pipe, and will be replaced with PVC.</p> <p>Phase II will replace approximately 3,700 feet of 6-inch water main, 3,500 feet of 8-inch water main, and 4,000 feet of 1-inch water service line. This project will also include hydrants, valves, fittings, road surface replacement, and other necessary appurtenances.</p>
Alternatives Evaluated:	<p>The “No Action” Alternative was not chosen because it would not correct any problems present in the distribution system.</p> <p>Other alternatives considered to improve the city’s water system were completed previously as part of the Phase I utility improvements.</p>
Implementation Schedule:	Irene anticipates bidding the project in the Summer of 2019 with a project completion date of November 2020.
Service Population:	411
Current Domestic Rate:	\$52.64 per 5,000 gallons
Interest Rate:	2.25%
Term:	30 years
Security:	Surcharge Revenue

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan Irene would have to establish a surcharge of approximately \$29.85. When added to current rate of \$52.64/5,000 gallons residents would be paying \$82.49/5,000 gallons. Irene could offset rates by reducing surcharge for DW-02 from \$8.51 to \$6.50.
----------------------------------	---

25% Funding Subsidy:	\$391,500 subsidy with a loan of \$1,174,500.
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Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of \$1,174,500, Irene would have to establish a surcharge of approximately \$22.40 thereby paying a rate \$75.04/5,000 gallons.
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50% Funding Subsidy:	\$783,000 subsidy with a loan of \$783,000.
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Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of \$783,000, Irene would have to establish a surcharge of approximately \$14.95 thereby paying a rate \$67.59/5,000 gallons.
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75% Funding Subsidy:	\$1,174,500 subsidy with a loan of \$391,500.
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Coverage at 75% Subsidy:	Based on a 75% subsidy and a loan of \$391,500, Irene would have to establish a surcharge of approximately \$7.50 thereby paying a rate \$60.14/5,000 gallons.
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ENGINEERING REVIEW COMPLETED BY: DREW HUISKEN

FINANCIAL REVIEW COMPLETED BY: DAVID RUHNKE

Drinking Water Facilities Funding Application

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

Applicant: City of Roscoe Address: PO Box 95 Roscoe, SD 57471-0095 Subapplicant: DUNS Number: 960489243	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center; border-bottom: 1px solid black;">Proposed Funding Package</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Requested Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$2,261,790</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">TOTAL</td> <td style="text-align: right; border-bottom: 1px solid black;">\$2,261,790</td> </tr> </table>	Proposed Funding Package		Requested Funding	\$2,261,790	Local Cash		Other:		Other:		Other:		TOTAL	\$2,261,790
Proposed Funding Package															
Requested Funding	\$2,261,790														
Local Cash															
Other:															
Other:															
Other:															
TOTAL	\$2,261,790														

Project Title: Roscoe Drinking Water Improvement Project

Description:


The City of Roscoe is proposing to make improvements to their water system. These improvements will include miscellaneous well improvements, water tower improvements, & replace 4 & 6" ACP, hydrants, and add valves & water meter replacements. The water system improvements will serve the needs of the citizens of Leola. The funds will be used to assist the city in alleviating the current problems with the water loss and update their current system.

The City's monthly water rate for 5,000 gallons is a \$32.00 (Flat fee of \$17.00 plus \$3.00/1,000 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.

Leland Treichel, Mayor
 Name & Title of Authorized Signatory
 (Typed)


 Signature

12/31/18
 Date

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

Project Title:	Drinking Water Improvement
Funding Requested:	\$2,261,790
Other Proposed Funding:	None
Total Project Cost:	\$2,261,790
Project Description:	The major part of the project includes replacing the asbestos cement pipe in the distribution system and looping dead end lines with approximately 14,200 feet of PVC pipe and installing remote read meters at all customer locations. Other project components include updates to the interior piping of the well house and repairs to the existing water towers.
Alternatives Evaluated:	<p>Alternatives were considered for water source, storage, and distribution. The no action alternative was evaluated and rejected for each of these areas because of the deficiencies in each area.</p> <p>The only alternative examined for water source was for well improvements to update the piping associated with the well. This alternative was recommended.</p> <p>Water storage included two additional alternatives. One for to rehabilitate the existing towers and the second for replacing the existing towers with a new 75,000 gallon tower. The rehabilitation alternative was chosen since the two existing towers are still in good operating condition and need minor updates.</p> <p>Water distribution included two additional alternatives which were both recommended to be included in the project. These alternatives include replacing the asbestos cement pipe remaining in the system with PVC pipe and replacing customer meters with remote read meters.</p>
Implementation Schedule:	Roscoe anticipates bidding the project in January 2020 with a project completion date of September 2020.
Service Population:	299
Current Domestic Rate:	\$32.00 per 5,000 gallons

Interest Rate: 2.50%

Term: 30 years

Security: Project Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan the city of Roscoe would have to establish a surcharge of approximately \$55.30. When added to current rate of \$32.00/5,000 gallons residents would be paying \$87.30/5,000 gallons.
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25% Funding Subsidy:	\$565,447 subsidy with a loan of \$1,696,343.
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Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of \$1,696,343, the city of Roscoe would have to establish a surcharge of approximately \$41.50 thereby paying a rate \$73.50/5,000 gallons.
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50% Funding Subsidy:	\$1,130,895 subsidy with a loan of \$1,130,895.
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Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of \$1,130,895, the city of Roscoe would have to establish a surcharge of approximately \$27.65 thereby paying a rate \$59.65/5,000 gallons.
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75% Funding Subsidy:	\$1,696,343 subsidy with a loan of \$565,447.
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Coverage at 75% Subsidy:	Based on a 75% subsidy and a loan of \$565,447, the city of Roscoe would have to establish a surcharge of approximately \$13.80 thereby paying a rate \$45.80/5,000 gallons.
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ENGINEERING REVIEW COMPLETED BY: ERIC MEINTSMA

FINANCIAL REVIEW COMPLETED BY: JON PESCHONG

Drinking Water Facilities Funding Application

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

Applicant: City of Elkton	Proposed Funding Package
Address: PO Box 308 Elkton, SD 57026-0308	Requested Funding <u>\$2,000,000</u>
	Local Cash <u> </u>
Subapplicant:	Other: <u> </u>
	Other: <u> </u>
DUNS Number: 006567403	Other: <u> </u>
	TOTAL <u>\$2,000,000</u>

Project Title: Elkton - Water System Phase 1 Improvements

Description:

The City of Elkton proposes to construct Phase 1 of the water system improvements. The Phase 1 improvements include approximately 7,800 LF of water main replacement, replace 10 hydrants, replace 26 valves, replace approximately 3,400 LF of service lines, street repairs plus any other necessary appurtenances to complete the project. Phase 1 will also refurbish the water tower by installing interior and exterior coatings on the tower. The Phase 1 improvements will help the City address some of the identified deficiencies in the water system. The City hired SPN and Associates to evaluate the water system. A copy of the water system facilities plan including cost estimates as provided by SPN is attached. Elkton's water rate for 5,000 gallons of usage is \$34.95.

RECEIVED

DEC 26 2018

Division of Financial
& Technical Assistance

The Applicant Certifies That:

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

David Landsman, Mayor
Name & Title of Authorized Signatory
(Typed)

David A. Landsman 12-20-18
Signature Date

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

Project Title:	Water System Phase 1 Improvements
Funding Requested:	\$2,000,000
Other Proposed Funding:	None
Total Project Cost:	\$2,000,000
Project Description:	Replacement of approximately 7,800 feet of water mains, 10 hydrants, 3,400 feet of service line, street repairs, and other appurtenances. The project also includes recoating the interior and exterior of the water tower.
Alternatives Evaluated:	<p>Alternatives were evaluated for water system storage and distribution. The water tower was determined to be adequate structurally and hydraulically. The concerns with the water tower are associated with the interior and exterior coatings.</p> <p>The facilities plan provides three alternatives in addition to the no action alternative. These include immediate touch-up of the interior coating, lining the interior of the tower with urethane maintenance coating, and applying a permanent coating on the interior and exterior. The permanent coating option was chosen for the project.</p> <p>The facilities plan includes two distribution system alternatives in addition to the no action alternative. These include looping pipe segments that have dead-ends and replacing cast iron pipe that makes up about half of the town's distribution piping. Cast iron pipe replacement is segmented into three phases to distribute the cost over several projects. The proposed project includes the first phase.</p>
Implementation Schedule:	Elkton anticipates bidding the project in the summer of 2019 with a project completion date of fall of 2020.
Service Population:	736
Current Domestic Rate:	\$34.95 per 5,000 gallons

Interest Rate: 2.75%

Term: 30 years

Security: Project Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan Elkton would have to establish a surcharge of approximately \$27.05. When added to current rate of \$34.95/5,000 gallons residents would be paying \$62.00/5,000 gallons.
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25% Funding Subsidy:	\$500,000 subsidy with a loan of \$1,500,000.
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Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of \$1,500,000 Elkton would have to establish a surcharge of approximately \$20.30 thereby paying a rate \$55.25/5,000 gallons.
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50% Funding Subsidy:	\$1,000,000 subsidy with a loan of \$1,000,000.
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Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of \$1,000,000 Elkton would have to establish a surcharge of approximately \$13.55 thereby paying a rate \$48.50/5,000 gallons.
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75% Funding Subsidy:	\$1,500,000 subsidy with a loan of \$500,000.
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Coverage at 75% Subsidy:	Based on a 75% subsidy and a loan of \$500,000 Elkton would have to establish a surcharge of approximately \$6.80 thereby paying a rate \$41.75/5,000 gallons.
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ENGINEERING REVIEW COMPLETED BY: ERIC MEINTSMA

FINANCIAL REVIEW COMPLETED BY: DAVID RUHNKE

Drinking Water Facilities Funding Application

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

Applicant: City of Onida Address: PO Box 72 Onida SD 57564-0072 Subapplicant: N/A DUNS Number: 120714113	Proposed Funding Package Requested Funding <u>\$2,000,000</u> Local Cash _____ Other: _____ Other: _____ Other: _____ TOTAL <u>\$2,000,000</u>
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Project Title: Onida Water Distribution Improvements Project

Description:

City of Onida is proposing to undertake Phase II of the water distribution system improvements including replacing water lines, looping the necessary appurtenances. This will be replacing asbestos cement water main with PVC, which will necessitate the replacement of curb stops, services lines, valves, street and curb and gutter repair.

The decaying and cracking of asbestos cement pipe will allow asbestos to enter the drinking water system. According to the EPA, asbestos may cause lung cancer and other respiratory diseases, intestinal polyps and mesothelioma.

RECEIVED


DEC 28 2018

Division of Financial
& Technical Assistance

The Applicant Certifies That:

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

Gary Wickersham, Mayor
Name & Title of Authorized Signatory
(Typed)


Signature

12/27/2018

Date

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

Project Title:	Water Distribution Improvements
Funding Requested:	\$2,000,000
Other Proposed Funding:	None
Total Project Cost:	\$2,000,000
Project Description:	Replacement of approximately 5,300 feet of 6-inch, 3,770 feet of 8-inch water lines, approximately 2,320 feet of services lines, hydrants, valves, and other appurtenances.
Alternatives Evaluated:	<p>The No Action alternative was not considered acceptable because it would not address the deficiencies in the distribution system.</p> <p><u>Distribution System Alternatives</u></p> <p>Work identified in Phase I is currently being constructed.</p> <p>Phase 2 was the only alternative considered by the city. This phase will replace the remaining asbestos cement lines. Looping of lines will also be included in the project.</p>
Implementation Schedule:	Onida anticipates bidding the project in January 2020 with a project completion date of July 2021.
Service Population:	750
Current Domestic Rate:	\$45.70 per 5,000 gallons

Interest Rate: 2.75%

Term: 30 years

Security: Project Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan Onida would have to establish a surcharge of approximately \$21.95. When added to current rate of \$45.70/5,000 gallons residents would be paying \$67.65/5,000 gallons.
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25% Funding Subsidy:	\$500,000 subsidy with a loan of \$1,500,000.
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Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of 1,500,000 Onida would have to establish a surcharge of approximately \$16.50 thereby paying a rate \$62.20/5,000 gallons.
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50% Funding Subsidy:	\$1,000,000 subsidy with a loan of \$1,000,000.
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Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of \$1,000,000 Onida would have to establish a surcharge of approximately \$11.00 thereby paying a rate \$56.70/5,000 gallons.
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75% Funding Subsidy:	\$1,500,000 subsidy with a loan of \$500,000.
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Coverage at 75% Subsidy:	Based on a 75% subsidy and a loan of \$500,000 Onida would have to establish a surcharge of approximately \$5.50 thereby paying a rate \$51.20/5,000 gallons.
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ENGINEERING REVIEW COMPLETED BY: JIM ANDERSON

FINANCIAL REVIEW COMPLETED BY: DAVE RUHNKE

Drinking Water Facilities Funding Application

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

Applicant: City of Groton Address: PO Box 587 Groton, SD 57445 Subapplicant: DUNS Number: 164190092	Proposed Funding Package <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Requested Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$1,798,000</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;">\$280,000</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right;">TOTAL</td> <td style="text-align: right; border-bottom: 3px double black;">\$2,078,000</td> </tr> </table>	Requested Funding	\$1,798,000	Local Cash	\$280,000	Other:		Other:		Other:		TOTAL	\$2,078,000
Requested Funding	\$1,798,000												
Local Cash	\$280,000												
Other:													
Other:													
Other:													
TOTAL	\$2,078,000												

Project Title: Groton Water Improvements

Description:

The City of Groton is proposing to construct a new elevated water tower to replace their existing tower. The new tower will have a 125,000 gallon capacity. Groton will also be replacing the remaining section of 6" asbestos cement pipe in town, constructing a new pump house and looping some waterlines in the southern part of town. Attached are copies of the cost estimates completed by Clark Engineering. Water, Wastewater and Storm Water studies have been completed through funding by the SDDENR and are on file.

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 Hanlon, Mayor
 Name & Title of Authorized Signatory
 (Typed)

Scott Hanlon
 Signature

 December 17, 2018
 Date

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

Project Title:	Water Improvements
Funding Requested:	\$1,798,000
Other Proposed Funding:	\$280,000 - Local Cash
Total Project Cost:	\$2,078,000
Project Description:	The city is proposing to replace the existing water tower with a new 125,000-gallon tower and pump house. The project also includes replacing several blocks of asbestos cement water main with PVC and looping several dead-end lines.
Alternatives Evaluated:	<p>Two alternatives were evaluated. The no action alternative was eliminated because the existing tower and pumps are old and have reached their useful life.</p> <p>The second alternative is a project to replace the tower, pump house, and address replacement of several blocks of remaining asbestos water main.</p>
Implementation Schedule:	Groton anticipates bidding the project in March 2020 with a project completion date of November 2020.
Service Population:	1,458
Current Domestic Rate:	\$41.93 per 5,000 gallons
Interest Rate: 2.75%	Term: 30 years Security: Project Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan the city of Groton would have to establish a surcharge of approximately \$11.50. When added to current rate of \$41.93/5,000 gallons residents would be paying \$53.43/5,000 gallons.
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10% Funding Subsidy:	\$179,800 subsidy with a loan of \$1,618,200.
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Coverage at 10% Subsidy:	Based on a 10% subsidy and a loan of \$1,618,200, the city of Groton would have to establish a surcharge of approximately \$10.35 thereby paying a rate \$52.28/5,000 gallons.
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15% Funding Subsidy:	\$269,700 subsidy with a loan of \$1,528,300.
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Coverage at 15% Subsidy:	Based on a 15% subsidy and a loan of \$1,528,300, the city of Groton would have to establish a surcharge of approximately \$9.78 thereby paying a rate \$51.71/5,000 gallons.
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25% Funding Subsidy:	\$449,500 subsidy with a loan of \$1,348,500.
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Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of \$1,348,500, the city of Groton would have to establish a surcharge of approximately \$8.63 thereby paying a rate \$50.56/5,000 gallons.
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ENGINEERING REVIEW COMPLETED BY: ERIC MEINTSMA

FINANCIAL REVIEW COMPLETED BY: JON PESCHONG

Drinking Water Facilities Funding Application

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

Applicant: City of Avon Address: PO Box 207 Avon, SD 57315 Subapplicant: DUNS Number: 83-073-2400	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center; border-bottom: 1px solid black;">Proposed Funding Package</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Requested Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$174,000</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;">0</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other: DOT</td> <td style="text-align: right; border-bottom: 1px solid black;">\$600,000</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other: DENR CWSRF</td> <td style="text-align: right; border-bottom: 1px solid black;">\$138,000</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other: USDA RD CF</td> <td style="text-align: right; border-bottom: 1px solid black;">\$513,226</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">TOTAL</td> <td style="text-align: right; border-bottom: 1px solid black;">\$1,425,226</td> </tr> </table>	Proposed Funding Package		Requested Funding	\$174,000	Local Cash	0	Other: DOT	\$600,000	Other: DENR CWSRF	\$138,000	Other: USDA RD CF	\$513,226	TOTAL	\$1,425,226
Proposed Funding Package															
Requested Funding	\$174,000														
Local Cash	0														
Other: DOT	\$600,000														
Other: DENR CWSRF	\$138,000														
Other: USDA RD CF	\$513,226														
TOTAL	\$1,425,226														

Project Title: Main Street Infrastructure Improvements

Description:

Main Street runs north and south through the south-central part of the City and links the City's business district to SD Highway 50. The business district includes over 20 businesses as well as the city hall, library and the US Post Office. Main Street is subject to daily truck and passenger vehicle traffic. The concrete surface is breaking up and showing signs of severe distress. In other areas, the existing street surfacing has cracked significantly indicating that the concrete surfacing is beyond the end of its useful life.

The City of Avon is proposing to reconstruct Main Street from Railway Street to 2nd Avenue. This section of Main Street is approximately 1,100 linear feet in length plus intersection work at Main Street and 1st Avenue and Railway Avenue. The proposed improvements will include 8" concrete surfacing with storm sewer inlets and pipe, concrete sidewalks, water line and sanitary sewer replacement and light poles.

The City of Avon charges \$53.50/5,000 gal. of water and \$13.00/5,000 gal. of 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.

Keith Gill, Mayor
 Name & Title of Authorized Signatory
 (Typed)


 Signature

3-12-18
 Date

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

Project Title:	Main Street Infrastructure Improvements
Funding Requested:	\$174,000
Other Proposed Funding:	\$600,000 – DOT Community Access Grant \$138,000 – Clean Water SRF Loan \$513,226 – Rural Development Community Facilities Program
Total Project Cost:	\$1,425,226
Project Description:	<p>The City of Avon is proposing to reconstruct Main Street from Railway Street to 2nd Avenue. The road surface is in poor condition and showing signs of severe distress. Water main and other utilities will be replaced in conjunction with road reconstruction.</p> <p>This project will replace approximately 240 feet of 6-inch water main and 890 feet of 8-inch water main along or adjacent to Main Street. This project will also include hydrants, valves, fittings, road surface replacement, and other necessary appurtenances.</p>
Alternatives Evaluated:	<p>The “No Action” Alternative was not chosen because it would not correct any problems present in the distribution system.</p> <p>The “Looping and Main Replacement” Alternative was not chosen at this time in favor of the Main Street Infrastructure Improvements project.</p>
Implementation Schedule:	Avon anticipates bidding the project in the Summer of 2019 with a project completion date of November 2019.
Service Population:	596
Current Domestic Rate:	\$41.72 per 5,000 gallons
Interest Rate:	2.5%
Term:	20 years
Security:	Project Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan Avon would have to establish a surcharge of approximately \$3.30. When added to current rate of \$41.72/5,000 gallons residents would be paying \$45.02/5,000 gallons.
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ENGINEERING REVIEW COMPLETED BY: DREW HUISKEN

FINANCIAL REVIEW COMPLETED BY: STEPHANIE RIGGLE

Drinking Water Facilities Funding Application

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

Applicant: City of Montrose Address: PO Box 97 Montrose, South Dakota 57048 Subapplicant: DUNS Number: 610940582	Proposed Funding Package <table style="width: 100%;"> <tr> <td style="text-align: right;">Requested Funding</td> <td style="text-align: right;">\$187,000</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td></td> </tr> <tr> <td style="text-align: right;">Other: CDBG</td> <td style="text-align: right;">\$151,500</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td></td> </tr> <tr> <td style="text-align: right;">Other:</td> <td></td> </tr> <tr> <td style="text-align: right;">TOTAL</td> <td style="text-align: right;">\$338,500</td> </tr> </table>	Requested Funding	\$187,000	Local Cash		Other: CDBG	\$151,500	Other:		Other:		TOTAL	\$338,500
Requested Funding	\$187,000												
Local Cash													
Other: CDBG	\$151,500												
Other:													
Other:													
TOTAL	\$338,500												

Project Title: Montrose Water Storage Improvement Project

Description:

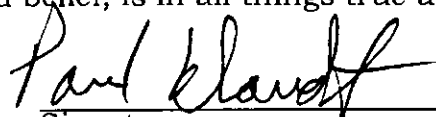
The City of Montrose is proposing to replace its failing water standpipe with a new structure. The existing tank has severe corrosion and frost spalling. Temporary measures have been implemented to slow down the corrosion; however, a permanent fix is warranted. The roof of the existing structure has collapsed, fracturing the glass on the outside and underside. The Water Storage Improvements project includes the construction of a 75,000 gallon glass-lined bolted steel ground storage reservoir and the dismantling of the failing ground storage reservoir.

The current water rate for 5,000 gallons of usage is \$46 (\$21 base rate and \$5 for every 1,000 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.

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


 Signature

12-21-18
 Date

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

Project Title:	Water Storage Tank Replacement
Funding Requested:	\$187,000
Other Proposed Funding:	\$151,500 - Community Development Block Grant
Total Project Cost:	\$338,500
Project Description:	The city's existing water storage standpipe is experiencing severe corrosion and has a collapsed roof. In order to provide safe and effective water storage for residents the city is proposing to construct a 75,000-gallon ground storage standpipe.
Alternatives Evaluated:	<p>"No Action" – This alternative was evaluated; however, the corrosion and structural deficiencies lead to the storage tank being unsafe and the potential for failure exists. The no action alternative was deemed unacceptable because without the storage the city will not be able to provide residents with water at acceptable pressure and may not be able to serve users.</p> <p>"Repair Existing Tank" – The community reviewed repairing the existing tank, in order to do this the tank would need to be completely disassembled to repair and replace the roof. Based on the costs to carefully disassemble and then reassemble the tank, and the corrosion issues this alternative was determined to not be feasible.</p>
Implementation Schedule:	The city of Montrose anticipates bidding the project in January 2020 with a project completion date of August 2020.
Service Population:	472
Current Domestic Rate:	\$46.00 per 5,000 gallons
Interest Rate:	2.25%
Term:	30 years
Security:	Project Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as all loan, Montrose would have 580% coverage based on their current rate of \$46.00/5,000 gallons.
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ENGINEERING REVIEW COMPLETED BY: ANDY BRUELS

FINANCIAL REVIEW COMPLETED BY: STEPHANIE RIGGLE

TITLE: Sanitary/Storm Sewer Facilities Funding Applications

EXPLANATION: The following applications have been received by DENR for funding consideration at this meeting. The project priority points shown in the Intended Use Plan are listed in parentheses.

- a. Sioux Falls (20)
- b. Claremont (12)
- c. Belle Fourche (11)
- d. Elkton (10)
- e. Onida (10)
- f. Irene (9)
- g. Roscoe (9)
- h. Avon (8)
- i. Bridgewater (5)

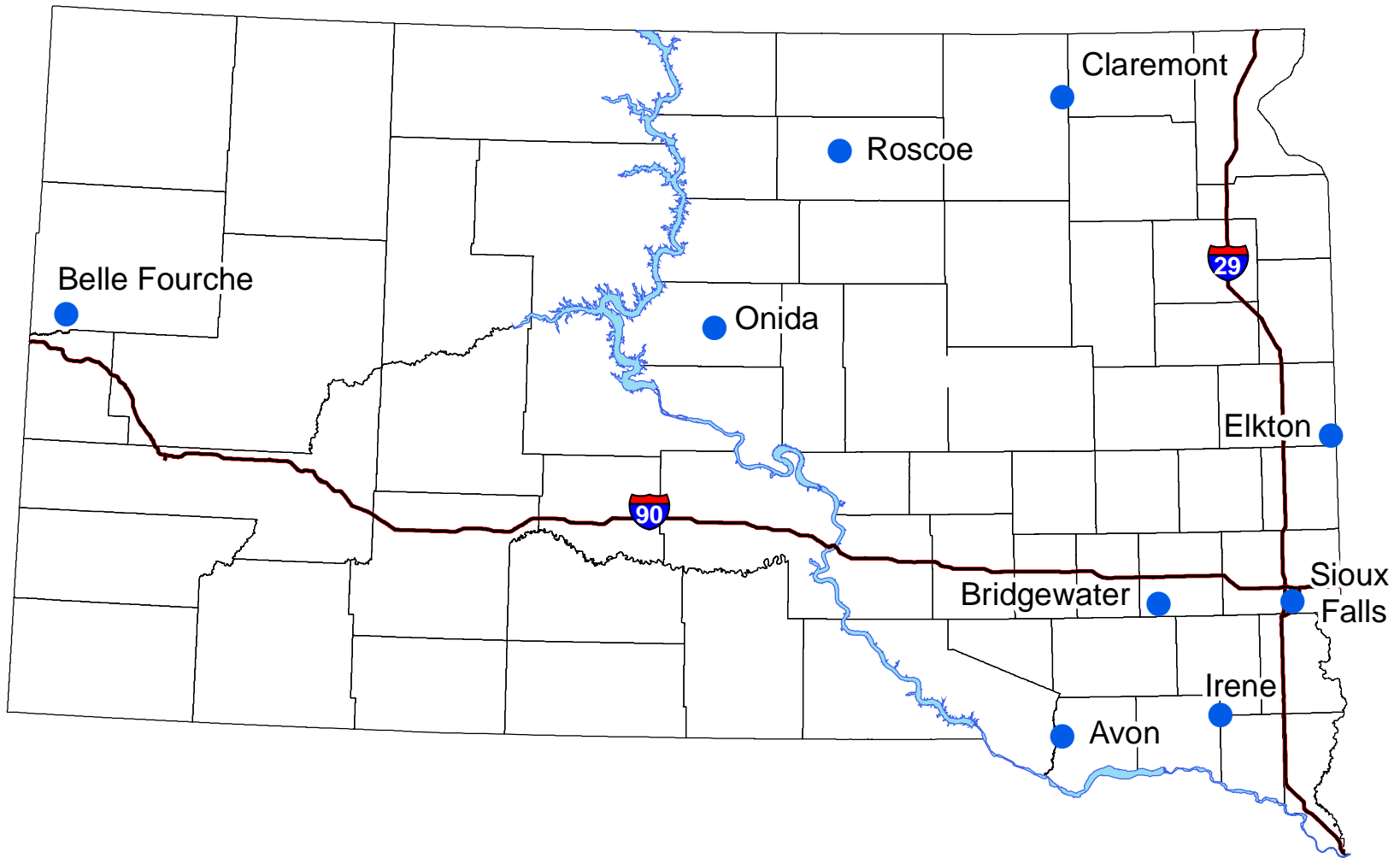
COMPLETE APPLICATIONS: The application cover sheets and summary sheets with a financial analysis have been provided as part of the board packet. Complete applications are available online and can be accessed by typing the following address in your internet browser:

<http://denr.sd.gov/bwnrapps/BWNRappsssf0319.pdf>

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

Sanitary / Storm Sewer Facilities Funding Applications

March 2019



RECEIVED

DEC 26 2018

Division of Financial
& Technical Assistance

SD EForm - 2127LD V5

Sanitary/Storm Sewer Facilities Funding ApplicationClean Water State Revolving Fund Program (CWSRF)
Consolidated Water Facilities Construction Program (CWFCP)

Applicant: City of Sioux Falls	Proposed Funding Package
Address: 231 N. Dakota Avenue PO Box 7402 Sioux Falls, South Dakota 57117-7402	Requested Funding <u>\$24,400,000</u>
Subapplicant:	Local Cash <u> </u>
DUNS Number: 078034683	Other: <u>Non-Point Source</u> <u>\$2,408,877</u>
	Other: <u> </u>
	Other: <u> </u>
	TOTAL <u>\$26,808,877</u>

Project Title: Main Pump Station

Description:

The Main Pump Station project involves the replacement of the existing Brandon Road Pump Station with the capability to increase future capacity. Construction will include screens, pumps, piping, fittings, valves, and electrical/mechanical controls to operate the equipment. The existing pump station was constructed nearly 40 years ago and is at the end of its service life, requiring rehabilitation or replacement. Recently completed projects have improved the capacity of the outfall sewer flowing to the pump station, thus diminishing its capacity. In addition to limited lift station capacity, the lift station also has issues with screenings, floodplain protection, aging electrical equipment, pump cavitation, efficiency, and standby power needs. The project includes the extension of two existing force mains and the relocation and extension of existing utilities. The nonpoint source funding component provides \$2.43 million for stream bank stabilization, grazing management, agricultural waste management, and creating vegetative buffers along the Big Sioux River and its tributaries.

The City's current monthly wastewater rates for 5,000 gallons of use (converted from ccf) are \$32.44 for residential use and \$51.09 for commercial 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.

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

Signature

Date

12-19-18

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

Project Title: Main Pump Station Replacement

Funding Requested: \$26,808,877

Other Proposed Funding: None

Total Project Cost: \$26,808,877

Project Description: The city is proposing to replace the Brandon Road Pump Station with a new lift station referred to as the Main Lift Station. Construction will include screens, pumps, piping, fittings, valves, and electrical/mechanical controls to operate the equipment. In addition, two existing forcemains will be extended to the lift station with 42-inch iron force main extensions. Gravity sewer extensions include connections to the 72-inch outfall sewer, extension of the 18-inch Basin 17 sewer and extension of the 15-inch Basin 1 sewer. Relocation and extensions of existing utilities such as, water, electrical, gas, fiber communications, and storm drainage will be part of the project.

The existing Brandon Road Pump Station was constructed in 1980 and is at the end of its service life. It was designed to pump through one 36-inch force main. The city recently completed projects that increased the flow capacity of the outfall sewer flowing to the Brandon Road Pump Station and added a second force main from the Brandon Road Pump Station to the Water Reclamation Facility. Future expansion of the Water Reclamation Facility will increase the discharge elevation of the force mains, diminishing the existing pumping capacity and require major upgrades to the Brandon Road Pump Station. Without the new facility, the city is then left with a higher risk of sewer overflows and permit violations.

There is also a non-point source component to this loan. These improvements include stream stabilization, grazing management, agricultural waste management, and creating vegetative buffers.

Alternatives Evaluated:

The city evaluated three alternatives:

Alternative 1 - The “No Action” alternative, was not chosen as the city determined that this alternative would not address the issues associated with the existing pump station.

Alternative 2 - The city of Sioux Falls evaluated the refurbishment of the existing facility. This alternative was not selected because the station would still not be up to current design standards and not all identified issues, risks, and concerns would be addressed. Refurbishing the existing lift station would also not allow the station to expand to meet future capacity requirements and could not meet the full capacity of the outfall sewer recently constructed.

Alternative 3 - The city of Sioux Falls evaluated constructing a new lift station that would meet future capacity and efficiency needs and current design standard requirements. The new project will also upgrade electrical and emergency power and improve maintenance and accessibility.

The city also evaluated four construction sites to house the Main Lift Station. The sites included Site A located 200 feet south of the current pump station, Site B located further south of Site A closer to Rice Street, Site C located northeast of the Bahnson Avenue and Rice Street intersection southwest of the existing pump station, and Site D located west of the pump station.

The city selected Alternative 3 at Site C which allows access from Bahnson Avenue.

Implementation Schedule:

Sioux Falls anticipates bidding the project in March 2019 with a project completion date of May 2021.

Service Population:

176,888

Current Domestic Rate:

\$29.75 per 670 cubic feet

Interest Rate: 1.50 %

Term: 20 years

Security: System Revenue

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If funding is provided as all loan, Sioux Falls would have 190% coverage based on the approved 2021 rate of \$33.10/670 cf. Sioux Falls has already approved rates of \$34.43 for 2022 and \$35.44 for 2023.
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ENGINEERING REVIEW COMPLETED BY: JIM ANDERSON

FINANCIAL REVIEW COMPLETED BY: DAVE RUHNKE

Sanitary/Storm Sewer Facilities Funding Application

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

Applicant: Town of Claremont	Proposed Funding Package
Address: 507 6th St. Claremont, SD 57432	Requested Funding <u>\$1,832,000</u>
	Local Cash <u> </u>
Subapplicant:	Other: <u> </u>
	Other: <u> </u>
DUNS Number: 120713198	Other: <u> </u>
	TOTAL <u>\$1,832,000</u>

Project Title: Claremont Wastewater Improvements

Description:

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

The Applicant Certifies That:

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

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


Signature

December 27, 2018

Date

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

Project Title:	Wastewater Improvements
Funding Requested:	\$1,832,000
Other Proposed Funding:	None
Total Project Cost:	\$1,832,000
Project Description:	Replacement of most of the wastewater collection system throughout the town with approximately 8,500 feet of PVC pipe, rehabilitation of existing lift stations by installing new pumps and making wetwell repairs and replacement of the clay liner in the treatment ponds with synthetic liners.
Alternatives Evaluated:	<p>The “No Action Alternative” was evaluated and rejected for the collection and treatment system. The collection system is old with inflow and infiltration problems while the treatment pond dikes are eroding and the liners do not adequately contain the wastewater.</p> <p>Three collection system alternatives were evaluated. They include replacing the clay pipe with PVC pipe, lining the clay pipe using cured in place technology, or a combination of both methods. All three alternatives include rehabilitating the 5th Street lift station. The chosen alternative is to replace the collection system with PVC pipe.</p> <p>Two alternatives were considered for improvements needed at the wastewater treatment facility. They include bank stabilization using riprap or installing a synthetic liner. The synthetic liner option was chosen and has the added benefit of eliminating excessive seepage through the pond floors.</p>
Implementation Schedule:	Claremont anticipates bidding the project in the summer of 2019 with project completion by the end of the 2019 construction season.
Service Population:	127
Current Domestic Rate:	\$23.00 flat rate

Interest Rate: 2.75%

Term: 30 years

Security: Project Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan the town of Claremont would have to establish a surcharge of approximately \$135.10. When added to current rate of \$23.00/5,000 gallons residents would be paying \$158.10/5,000 gallons.
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50% Funding Subsidy:	\$916,000 subsidy with a loan of \$916,000.
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Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of \$916,000, the town of Claremont would have to establish a surcharge of approximately \$90.50 thereby paying a rate \$107.50/5,000 gallons.
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75% Funding Subsidy:	\$1,374,000 subsidy with a loan of \$458,000.
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Coverage at 75% Subsidy:	Based on a 75% subsidy and a loan of \$458,000, the town of Claremont would have to establish a surcharge of approximately \$33.75 thereby paying a rate \$56.75/5,000 gallons.
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85% Funding Subsidy:	\$1,584,680 subsidy with a loan of \$247,320.
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Coverage at 85% Subsidy:	Based on a 85% subsidy and a loan of \$247,320, the town of Claremont would have to establish a surcharge of approximately \$18.25 thereby paying a rate \$41.25/5,000 gallons.
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ENGINEERING REVIEW COMPLETED BY: ERIC MEINTSMA

FINANCIAL REVIEW COMPLETED BY: JON PESCHONG

Sanitary/Storm Sewer Facilities Funding Application

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

Applicant: City of Belle Fourche Address: 511 6th Avenue Belle Fourche, SD 57717 Subapplicant: N/A DUNS Number: 024167132	<div style="text-align: center;"> RECEIVED JAN 02 2019 Division of Financial & Technical Assistance </div>	Proposed Funding Package Requested Funding <u>\$1,836,000</u> Local Cash _____ Other: _____ Other: _____ Other: _____ <div style="text-align: right;">TOTAL <u>\$1,836,000</u></div>
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Project Title: Day Street Lift Station Replacement

Description:

The City of Belle Fourche is proposing to demolish the existing Day Street sewer lift station and construct a new submersible style lift station on the same site. The Day Street lift station has reached the end of its useful life and requires replacement with a modern facility that meets current buildings bodes. Replacement of the Day Street lift station will increase pumping capacity and reduce the risk of sanitary sewer overflows. Additional system capacity is needed to accommodate future growth in the community, as well as allow for future sewer projects to address problem areas that are outside of the current project limits.

The proposed Day Street Lift Station Replacement Project is considered Phase II of the 8th Avenue Utility Improvements Project, in which Phase I involves the construction of the interceptor sewer line. Phase I is currently under construction and scheduled to be finished in early 2019. Phase II is anticipated to take 8 months beginning in April 2019 and completed in November 2019.

The Applicant Certifies That:

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

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

Gloria J. Landphere 12-31-2018
 Signature Date

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

Project Title:	Belle Fourche Day Street Lift Station Replacement
Funding Requested:	\$1,836,000
Other Proposed Funding:	None
Total Project Cost:	\$1,836,000
Project Description:	<p>Belle Fourche is proposing to demolish the existing Day Street Lift Station and construct a new submersible style lift station in the same location. The existing lift station is beyond its useful life. Replacement of the Day Street Lift Station will increase pumping capacity, reduce sanitary sewer overflows, and achieve compliance with current building codes.</p> <p>The Day Street Lift Station project is considered Phase II of a two-phase project. The first phase involved the installation of an interceptor sewer line to this lift station and additional utility improvements along 8th Avenue. The Phase I project was funded by the Board in October 2016.</p>
Alternatives Evaluated:	<p>The “No Action” Alternative was not chosen because it would not address the deficiencies of the existing lift station.</p> <p>The “Drywell Lift Station” Alternative involves construction of a dry pit where pumps and piping are separated from the wet well and the wastewater to add convenience of operation and maintenance. This alternative was not chosen due to increased construction costs.</p>
Implementation Schedule:	Belle Fourche anticipates beginning construction in April 2019 with a completion date in November 2019.
Service Population:	5,622
Current Domestic Rate:	\$29.25 per 5,000 gallons
Interest Rate:	2.50%
Term:	20 years
Security:	Wastewater Revenues

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If funding is provided as all loan, Belle Fourche would have 58% coverage based on the current rate of \$29.25/ 5,000 gallons.
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25% Funding Subsidy:	\$459,000 subsidy with a loan of \$1,377,000.
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Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of \$1,377,000 Belle Fourche would have 77% coverage based on the current rate of \$29.25/ 5,000 gallons.
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50% Funding Subsidy:	\$918,000 subsidy with a loan of \$918,000
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Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of \$918,000 Belle Fourche would have 115% coverage based on the current rate of \$29.25/ 5,000 gallons.
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ENGINEERING REVIEW COMPLETED BY: DREW HUISKEN

FINANCIAL REVIEW COMPLETED BY: STEPHANIE RIGGLE

Sanitary/Storm Sewer Facilities Funding Application

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

Applicant: City of Elkton	Proposed Funding Package
Address: PO Box 308 Elkton, SD 57027-0308	Requested Funding <u>\$4,000,000</u>
	Local Cash <u> </u>
Subapplicant:	Other: <u> </u>
	Other: <u> </u>
DUNS Number: 006567403	Other: <u> </u>
	TOTAL <u>\$4,000,000</u>

Project Title: Elkton - Sewer System Phase 1 Improvements

Description:

The City of Elkton proposes to construct Phase 1 of the sewer system improvements. The Phase 1 improvements include approximately 10,430 LF of sewer main replacement, replace 29 manholes, replacement of 4160 LF of service pipe, reconnection of 103 sewer services, replace approximately 7,600 LF of concrete culverts, street repairs plus any other necessary appurtenances to complete the project. The Phase 1 improvements will help the City address some of the identified deficiencies such as older pipes and I&I issues in the sewer system. The City hired SPN and Associates to evaluate the sewer system. A copy of the sewer system facilities plan including cost estimates as provided by SPN is attached. Elkton's sewer rate for 5,000 gallons of usage is \$29.25.

RECEIVED

DEC 26 2018

Division of Financial
& Technical Assistance

The Applicant Certifies That:

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

David Landsman, Mayor
Name & Title of Authorized Signatory
(Typed)

David Landsman 12-20-18
Signature Date

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

Project Title:	Sewer System Phase 1 Improvements
Funding Requested:	\$4,000,000
Other Proposed Funding:	None
Total Project Cost:	\$4,000,000
Project Description:	Replacement of approximately 10,400 feet of sewer main, 4,200 feet of sewer service pipe, 7,600 feet of concrete storm sewer, and 29 manholes, and includes street repairs and other appurtenances. This project also includes televising much of the collection system to assess pipe conditions and priority of replacement.
Alternatives Evaluated:	<p>Five collection system alternatives were evaluated. The no action alternative was rejected because the collection system has excessive inflow and infiltration likely due to the poor condition of the aging pipes.</p> <p>Alternative 2 involves cleaning and televising the collection system. This alternative is recommended in order to provide an evaluation of the collection system condition.</p> <p>Alternative 3 involves using cured in place pipe to line most of the collection system. This alternative was rejected due to the assumption that much of the collection pipe will be in a condition which will not be conducive to lining. However, pipe lining may be considered for some sections depending on the results of televising.</p> <p>Alternative 4 involves replacing most of the collection system. This alternative was rejected due to the high estimated cost.</p> <p>Alternative 5 is the same as alternative 4 except it is broken down into three phases. Phase 1 addresses approximately 50 percent of the system while phases 2 and 3 each account for about 25 percent of the system. Alternative 5, Phase 1 is the chosen alternative.</p>
Implementation Schedule:	Elkton anticipates bidding the project in January 2020 with a project completion date of November 2020.
Service Population:	736

Current Domestic Rate: \$29.25 per 5,000 gallons

Interest Rate: 2.75%

Term: 30 years

Security: Project Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan Elkton would have to establish a surcharge of approximately \$54.05. When added to current rate of \$29.25/5,000 gallons residents would be paying \$83.30/5,000 gallons.
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25% Funding Subsidy:	\$1,000,000 subsidy with a loan of \$3,000,000.
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Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of \$3,000,000 Elkton would have to establish a surcharge of approximately \$40.55 thereby paying a rate \$69.80/5,000 gallons.
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50% Funding Subsidy:	\$2,000,000 subsidy with a loan of \$2,000,000.
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Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of \$2,000,000 Elkton would have to establish a surcharge of approximately \$27.05 thereby paying a rate \$56.30 /5,000 gallons.
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75% Funding Subsidy:	\$3,000,000 subsidy with a loan of \$1,000,000.
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Coverage at 75% Subsidy:	Based on a 75% subsidy and a loan of \$1,000,000 Elkton would have to establish a surcharge of approximately \$13.55 thereby paying a rate \$42.80/5,000 gallons.
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ENGINEERING REVIEW COMPLETED BY: ERIC MEINTSMA

FINANCIAL REVIEW COMPLETED BY: DAVID RUHNKE

Sanitary/Storm Sewer Facilities Funding Application

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

Applicant: City of Onida Address: PO Box 72 Onida SD 57564-0072 Subapplicant: N/A DUNS Number: 12714113	Proposed Funding Package Requested Funding <u>\$5,700,000</u> Local Cash _____ Other: _____ Other: _____ Other: _____ TOTAL <u>\$5,700,000</u>
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Project Title: Onida Wastewater System Improvements - Phase II

Description:

The City is proposing to undertake Phase II of the wastewater collection system improvements to due to the widespread deficiencies that range from differential settling, joint offsets, separated joints, broken pipe and infiltration of the system. A portion of this will include replacement of approximately 24,700 ft of 4 to 12 inch sewer main, 47 manholes repairs, street repair, erosion control and other necessary appurtenances. The city will also be purposing a \$2 million of collection improvements phase II.

RECEIVED

DEC 28 2018

Division of Financial
& Technical Assistance

The Applicant Certifies That:

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

Gary Wichersham, Mayor
Name & Title of Authorized Signatory
(Typed)

Signature

12/27/2108

Date

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

Project Title: Wastewater System Improvements Phase II

Funding Requested: \$5,700,000

Other Proposed Funding: None

Total Project Cost: \$5,700,000

Project Description: Replacement of approximately 17,440 feet of 8- and 12-inch sewer lines. The project also involves replacing 47 manholes and appurtenances.

Alternatives Evaluated: The No Action alternative was not considered acceptable because it would not address the deficiencies in the collection system.

Collection System Alternatives - After televising the collection system, the existing clay lines were identified as Priority 1, 2, and 3.

Alternative 2a is to replace the Priority 1 and 2 clay lines that can be replaced in conjunction with asbestos cement water lines. This project is complete.

Alternative 2b is to replace the remaining Priority 1, 2 and 3 clay lines in the system. This alternative was selected by the city.

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

Service Population: 650

Current Domestic Rate: \$44.90 flat rate

Interest Rate: 2.75%

Term: 30 years

Security: Project Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan Onida would have to establish a surcharge of approximately \$62.55. When added to current flat rate of \$44.90/month residents would be paying \$107.45/month.
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25% Funding Subsidy:	\$1,425,000 subsidy with a loan of \$4,560,000.
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Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of \$4,275,000 Onida would have to establish a surcharge of approximately \$46.90 thereby paying a rate \$91.80/month.
--------------------------	--

50% Funding Subsidy:	\$2,850,000 subsidy with a loan of \$2,850,000.
----------------------	---

Coverage at 25% Subsidy:	Based on a 50% subsidy and a loan of \$2,850,000 Onida would have to establish a surcharge of approximately \$31.30 thereby paying a rate \$76.20/month.
--------------------------	--

75% Funding Subsidy:	\$4,560,000 subsidy with a loan of \$1,425,000.
----------------------	---

Coverage at 50% Subsidy:	Based on a 75% subsidy and a loan of \$1,425,000 Onida would have to establish a surcharge of approximately \$15.70 thereby paying a rate \$60.60/month.
--------------------------	--

ENGINEERING REVIEW COMPLETED BY: JIM ANDERSON

FINANCIAL REVIEW COMPLETED BY: DAVE RUHNKE

Sanitary/Storm Sewer Facilities Funding Application

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

Applicant: City of Irene	<div style="text-align: center;">RECEIVED</div> <div style="text-align: center;">JAN 02 2019</div> <div style="text-align: center;">Division of Financial & Technical Assistance</div>	Proposed Funding Package	
Address: PO Box 67 Irene, South Dakota 57037		Requested Funding	\$3,437,000
		Local Cash	
Subapplicant:		Other: Community Access	\$339,534
DUNS Number: 026528682		Other:	
	Other:		
		TOTAL	\$3,776,534

Project Title: Irene Phase II Utility Improvements

Description:

The City of Irene is proposing to construct Phase II of its water and wastewater utility project. This project addresses deficiencies in the clean water and storm sewer systems north of Main Street (Highway 46). Approximately 7,200 feet of aging and deteriorated clay sanitary sewer lines will be replaced. There is a great deal of inflow and infiltration due to cracks, root intrusion and poorly inserted services. Around 3,400 feet of storm sewer will be installed to address drainage issues. The proposed project is bordered by Till Avenue to the west, State Street to the north and Hazel Avenue to the east. State Street, Clark Avenue, and Dickerson Street are the sites for the storm sewer installation.

The City of Irene is seeking \$750,000 in Community Development Block Grants April 1, 2019 to offset construction costs.

The City of Irene has a reserve fund. The current sewer rate per 5,000 gallons is \$45.06. There is not a separate stormwater 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.

Bryce Johnke, Mayor
Name & Title of Authorized Signatory
(Typed)

Signature

Date

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

Project Title:	Phase II Utility Improvements				
Funding Requested:	\$3,437,000				
Other Proposed Funding:	\$339,534 – Community Access Grant				
Total Project Cost:	\$3,776,534				
Project Description:	<p>The City of Irene is proposing to construct Phase II of its water and wastewater utility project. This project will address deficiencies in the sanitary and storm sewer systems north of Main Street (Highway 46). The utilities in this area are in poor condition and suffer from excessive inflow and infiltration. Storm sewer will be installed to address drainage issues in this area.</p> <p>Phase II will replace approximately 7,200 feet of 8-inch sanitary sewer main, 1,400 feet of 4-inch sanitary sewer force main, and 3,400 feet of storm sewer of various size. This project will also include manholes, service lines, curb and gutter, road surface replacement, and other necessary appurtenances.</p>				
Alternatives Evaluated:	The “No Action” Alternative was not chosen because it would not correct any problems present in the sanitary sewer and storm sewer systems.				
Implementation Schedule:	Irene anticipates bidding the project in the Summer of 2019 with a project completion date of November 2020				
Service Population:	411				
Current Domestic Rate:	\$45.06 per 5,000 gallons				
Interest Rate:	2.75%	Term:	30 years	Security:	Surcharge Revenue

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan Irene would have to establish a surcharge of approximately \$70. When added to current rate of \$45.06/5,000 gallons residents would be paying \$115.06/5,000 gallons. Irene could offset rates by reducing surcharge for CW-01 from \$15.35 to \$13.50.
25% Funding Subsidy:	\$859,250 subsidy with a loan of \$2,577,750.
Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of \$2,577,750, Irene would have to establish a surcharge of approximately \$52.50 thereby paying a rate \$97.56/5,000 gallons.
50% Funding Subsidy:	\$1,718,500 subsidy with a loan of \$1,718,500.
Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of \$1,718,500, Irene would have to establish a surcharge of approximately \$35 thereby paying a rate \$80.06/5,000 gallons.
75% Funding Subsidy:	\$2,577,750 subsidy with a loan of \$859,250.
Coverage at 75% Subsidy:	Based on a 75% subsidy and a loan of \$859,250, Irene would have to establish a surcharge of approximately \$17.50 thereby paying a rate \$62.56/5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: DREW HUISKEN

FINANCIAL REVIEW COMPLETED BY: DAVID RUHNKE

Sanitary/Storm Sewer Facilities Funding Application

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

Applicant: City of Roscoe Address: PO Box 95 Roscoe, SD 57471-0095 Subapplicant: DUNS Number: 960489243	Proposed Funding Package <table> <tr> <td>Requested Funding</td> <td>\$4,334,469</td> </tr> <tr> <td>Local Cash</td> <td></td> </tr> <tr> <td>Other:</td> <td></td> </tr> <tr> <td>Other:</td> <td></td> </tr> <tr> <td>Other:</td> <td></td> </tr> <tr> <td>TOTAL</td> <td>\$4,334,469</td> </tr> </table>	Requested Funding	\$4,334,469	Local Cash		Other:		Other:		Other:		TOTAL	\$4,334,469
Requested Funding	\$4,334,469												
Local Cash													
Other:													
Other:													
Other:													
TOTAL	\$4,334,469												

Project Title: Roscoe Wastewater Improvement Project

Description:

The City of Roscoe completed a Small Community Planning Grant in 2018 along with being placed on the State Water Plan. Due to an outdated system that was constructed in the 1930's & 60's with some PVC added in the 1990's, the City is proposing to replace their sewer system with the following alternatives: Televising inspection, replacing existing pipe with CIPP & PVC along with general improvements through out Roscoe's system.

The City's monthly sewer rate for 5,000 gallons is a flat \$21.00. If the City plans to submit an eligible application through DENR it is understood that rates must be raised to a minimum of \$30.00/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.

Leland Treichel, Mayor
 Name & Title of Authorized Signatory
 (Typed)

 12/31/2018
 Signature Date

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

Project Title:	Wastewater Improvement
Funding Requested:	\$3,530,019
Other Proposed Funding:	None
Total Project Cost:	\$3,530,019
Project Description:	<p>The project includes cleaning and televising the collection system. The entire approximately 23,000 feet of the collection system will then be relined using cured in place pipe (CIPP) or replaced by open trench method with PVC. The televising report will determine where CIPP can be used. Improvements will also be made at the wastewater treatment facility by upgrading the access road, removing sludge and resetting the depth gauges.</p>
Alternatives Evaluated:	<p>Four collection system alternatives were evaluated. The no action alternative was considered and eliminated because of the problems associated with the aging pipe. The other three alternatives involve replacing the entire system using open trench methods and PVC pipe, using CIPP, or using a combination of these two methods. Using a combination of the two methods is the chosen alternative.</p> <p>Three alternatives to address deficiencies at the wastewater treatment facility were examined. The no action alternative was eliminated. The second alternative involves repairing the pond depth indicators, removing and disposing sludge, and constructing a new access road. This alternative was chosen to be a component of the project. The third alternative involves constructing an additional treatment pond to provide total retention. This alternative is not recommended at this time since it is not currently necessary for the facility to maintain total retention.</p>
Implementation Schedule:	Roscoe anticipates bidding the project in January 2020 with a project completion date of September 2020.
Service Population:	299
Current Domestic Rate:	\$21.00 flat rate
Interest Rate:	2.75%
Term:	30 years
Security:	Project Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan the city of Roscoe would have to establish a surcharge of approximately \$79.10. When added to current rate of \$21.00/5,000 gallons residents would be paying \$100.10/5,000 gallons.
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25% Funding Subsidy:	\$782,505 subsidy with a loan of \$2,347,514.
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Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of \$2,347,514, the city of Roscoe would have to establish a surcharge of approximately \$59.30 thereby paying a rate \$80.30/5,000 gallons.
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50% Funding Subsidy:	\$1,565,009 subsidy with a loan of \$1,565,009.
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Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of \$1,565,009, the city of Roscoe would have to establish a surcharge of approximately \$39.50 thereby paying a rate \$60.50/5,000 gallons.
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75% Funding Subsidy:	\$2,347,514 subsidy with a loan of \$782,505.
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Coverage at 75% Subsidy:	Based on a 75% subsidy and a loan of \$782,505, the city of Roscoe would have to establish a surcharge of approximately \$19.75 thereby paying a rate \$40.75/5,000 gallons.
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ENGINEERING REVIEW COMPLETED BY: ERIC MEINTSMA

FINANCIAL REVIEW COMPLETED BY: JON PESCHONG

Sanitary/Storm Sewer Facilities Funding Application

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

Applicant: City of Avon Address: PO Box 207 Avon, SD 57315 Subapplicant: DUNS Number: 83-073-2400	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center; border-bottom: 1px solid black;">Proposed Funding Package</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Requested Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$138,000</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;">0</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other: DOT</td> <td style="text-align: right; border-bottom: 1px solid black;">\$600,000</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other: DENR SWSRF</td> <td style="text-align: right; border-bottom: 1px solid black;">\$174,000</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other: USDA RD CF</td> <td style="text-align: right; border-bottom: 1px solid black;">\$513,226</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">TOTAL</td> <td style="text-align: right; border-bottom: 1px solid black;">\$1,425,226</td> </tr> </table>	Proposed Funding Package		Requested Funding	\$138,000	Local Cash	0	Other: DOT	\$600,000	Other: DENR SWSRF	\$174,000	Other: USDA RD CF	\$513,226	TOTAL	\$1,425,226
Proposed Funding Package															
Requested Funding	\$138,000														
Local Cash	0														
Other: DOT	\$600,000														
Other: DENR SWSRF	\$174,000														
Other: USDA RD CF	\$513,226														
TOTAL	\$1,425,226														

Project Title: Main Street Infrastructure Improvements

Description:

Main Street runs north and south through the south-central part of the City and links the City's business district to SD Highway 50. The business district includes over 20 businesses as well as the city hall, library and the US Post Office. Main Street is subject to daily truck and passenger vehicle traffic. The concrete surface is breaking up and showing signs of severe distress. In other areas, the existing street surfacing has cracked significantly indicating that the concrete surfacing is beyond the end of its useful life.

The City of Avon is proposing to reconstruct Main Street from Railway Street to 2nd Avenue. This section of Main Street is approximately 1,100 linear feet in length plus intersection work at Main Street and 1st Avenue and Railway Avenue. The proposed improvements will include 8" concrete surfacing with storm sewer inlets and pipe, concrete sidewalks, water line and sanitary sewer replacement and light poles.

The City of Avon charges \$53.50/5,000 gal. of water and \$13.00/5,000 gal. of 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.

Keith Gill, Mayor
 Name & Title of Authorized Signatory
 (Typed)


 Signature

5-12-18
 Date

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

Project Title:	Main Street Infrastructure Improvements
Funding Requested:	\$138,000
Other Proposed Funding:	\$600,000 – DOT Community Access Grant \$174,000 – Drinking Water SRF Loan \$513,226 – Rural Development Community Facilities Program
Total Project Cost:	\$1,425,226
Project Description:	<p>The City of Avon is proposing to reconstruct Main Street from Railway Street to 2nd Avenue. The road surface is in poor condition and showing signs of severe distress. Sanitary sewer and storm sewer utilities will be replaced in conjunction with the road reconstruction.</p> <p>This project will replace approximately 890 feet of 8-inch sanitary sewer and 530 feet of storm sewer along or adjacent to Main Street. This project will also include storm inlets, manholes, road surface replacement, and other necessary appurtenances.</p>
Alternatives Evaluated:	<p>The “No Action” Alternative was not chosen because it would not correct any problems present in the sanitary sewer and storm sewer system.</p> <p>The “Manhole and Collection System Refurbishment” Alternative was not chosen at this time in favor of the conventional sewer replacement involved in the Main Street Infrastructure Improvements project.</p>
Implementation Schedule:	Avon anticipates bidding the project in the Summer of 2019 with a project completion date of November 2019
Service Population:	596
Current Domestic Rate:	\$13.39 per 5,000 gallons
Interest Rate:	2.5%
Term:	20 years
Security:	Project Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan Avon would have to establish a surcharge of approximately \$2.67. When added to current rate of 13.39/5,000 gallons residents would be paying \$16.06/5,000 gallons.
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10% Funding Subsidy:	\$13,800 subsidy with a loan of \$124,200.
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Coverage at 10% Subsidy:	Based on a 10% subsidy and a loan of \$124,200 Avon would have to establish a surcharge of approximately \$2.40 thereby paying a rate \$15.79/month.
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25% Funding Subsidy:	\$34,500 subsidy with a loan of \$103,500.
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Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of \$103,500 Avon would have to establish a surcharge of approximately \$2.00 thereby paying a rate \$15.39/month.
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50% Funding Subsidy:	\$69,000 subsidy with a loan of \$69,000.
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Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of \$69,000 Avon would have to establish a surcharge of approximately \$1.33 thereby paying a rate \$14.72/month.
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ENGINEERING REVIEW COMPLETED BY: DREW HUISKEN

FINANCIAL REVIEW COMPLETED BY: STEPHANIE RIGGLE

Sanitary/Storm Sewer Facilities Funding Application

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

Applicant: City of Bridgewater Address: PO Box 37 Bridgewater, South Dakota 57319 Subapplicant: DUNS Number: 145086984	RECEIVED JAN 02 2019 Division of Financial & Technical Assistance	Proposed Funding Package Requested Funding <u>\$1,760,000</u> Local Cash _____ Other: <u>Community Access</u> <u>\$258,000</u> Other: <u>CDBG</u> <u>\$765,000</u> Other: _____ TOTAL <u>\$2,783,000</u>
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Project Title: Bridgewater Storm Sewer Improvements

Description:

The City of Bridgewater proposes to retrofit and improve deficiencies in its storm water drainage system. Upon completion of a comprehensive drainage study completed in 2017, several areas were identified as the primary source of drainage issues in the City. This project will replace approximately 5,860 feet of storm sewer pipe and add detention to reduce downstream flows in Drainage Basin A. The improvements will begin at Main Street near the school and intersect with Sixth Street, then proceed south at either end of Sixth Street.

The City of Bridgewater recently received notice of funding from the Community Access Grant and the Community Development Block Grant to help offset the cost of construction.

The City does not currently have a storm water fee. Wastewater rates include a base rate of \$22.75 and \$.015 per cubic foot of water used. Rate for 5,000 gallons is \$38.72.

The Applicant Certifies That:

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

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

Michael Damm
 Signature

12/20/2018
 Date

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

Project Title: Bridgewater Storm Sewer Improvements

Funding Requested: \$1,760,000

Other Proposed Funding: \$258,000 – DOT Community Access (Secured)
\$765,000 - Community Development Block Grant (Secured)

Total Project Cost: \$2,783,000

Project Description: The city of Bridgewater plans to correct deficiencies to its storm water system. Deficiencies include undersized piping and inlets, storm sewers located under homes, undersized trunk lines and areas of ponding and street deterioration.

Alternatives Evaluated: The city evaluated six alternatives.

Alternative #1 – The “No Action” alternative will not correct any of the deficiencies with the existing storm sewer collection system.

Alternative #2 – Replace Storm Sewer Trunk Line – This alternative would replace approximately 5,900 feet of 24 – inch storm pipe with a new 42-inch RCP trunk line sized to adequately convey a 2-year storm event.

Alternative #3 – Replace Storm Sewer Collection Line in Basin A – This alternative would reconstruct the existing storm sewer collection system within Basin A. The pipes and inlets would be replaced with adequately sized infrastructure along with full street reconstruction. The roadside ditches in town would be eliminated and curb and gutter would be installed.

This alternative would also include a regional detention basin of approximately 7.7 acres in the southwest corner of Basin A.

Alternative #4 – Phase 1 Improvements – This alternative would be a phased approach to Alternative #3 to reduce the financial burden to the city. Pipes and inlets would be replaced with adequately sized infrastructure along with full street reconstruction. The roadside ditches in town would be eliminated and curb and gutter would be installed.

This alternative would also include a regional detention basin of approximately 3.9 acres in the southwest corner of Basin A.

Alternative #5 – Phase 2 Improvements – This alternative would be an extension onto Alternative #4. Additional storage to the detention basin in Alternative #4 may be necessary to allow improvements to discharge through the existing 24-inch trunk sewer downstream

Alternative #6 – Phase 3 Improvements – This alternative would also be an extension of Alternatives #4 and 5. Additional storage to the detention basin in Alternatives #4 and 5 may be necessary to allow improvements to discharge through the existing 24-inch trunk sewer downstream.

The city selected Alternative #4 – Phase 1 Improvements

Implementation Schedule:

Bridgewater anticipates bidding the project in March 2020 with a project completion date of October 2020.

Service Population:

475

Current Domestic Rate:

\$32.75 per 5,000 gallons

Interest Rate: 2.75%

Term: 30 years

Security: Project Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan the city of Bridgewater would have to establish a surcharge of approximately \$28.70. When added to current rate of \$32.75/5,000 gallons residents would be paying \$61.45/5,000 gallons.
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25% Funding Subsidy:	\$440,000 subsidy with a loan of \$1,320,000.
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Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of \$1,320,000, the city of Bridgewater would have to establish a surcharge of approximately \$21.50 thereby paying a rate \$54.25/5,000 gallons.
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50% Funding Subsidy:	\$880,000 subsidy with a loan of \$880,000.
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Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of \$880,000, the city of Bridgewater would have to establish a surcharge of approximately \$14.35 thereby paying a rate \$47.10/5,000 gallons.
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75% Funding Subsidy:	\$1,320,000 subsidy with a loan of \$440,000.
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Coverage at 75% Subsidy:	Based on a 75% subsidy and a loan of \$440,000, the city of Bridgewater would have to establish a surcharge of approximately \$7.15 thereby paying a rate \$39.90/5,000 gallons.
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ENGINEERING REVIEW COMPLETED BY: JIM ANDERSON

FINANCIAL REVIEW COMPLETED BY: JON PESCHONG

TITLE: Solid Waste Management Program Funding Applications

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

- a. Brown County
- b. Department of Environment and Natural Resources

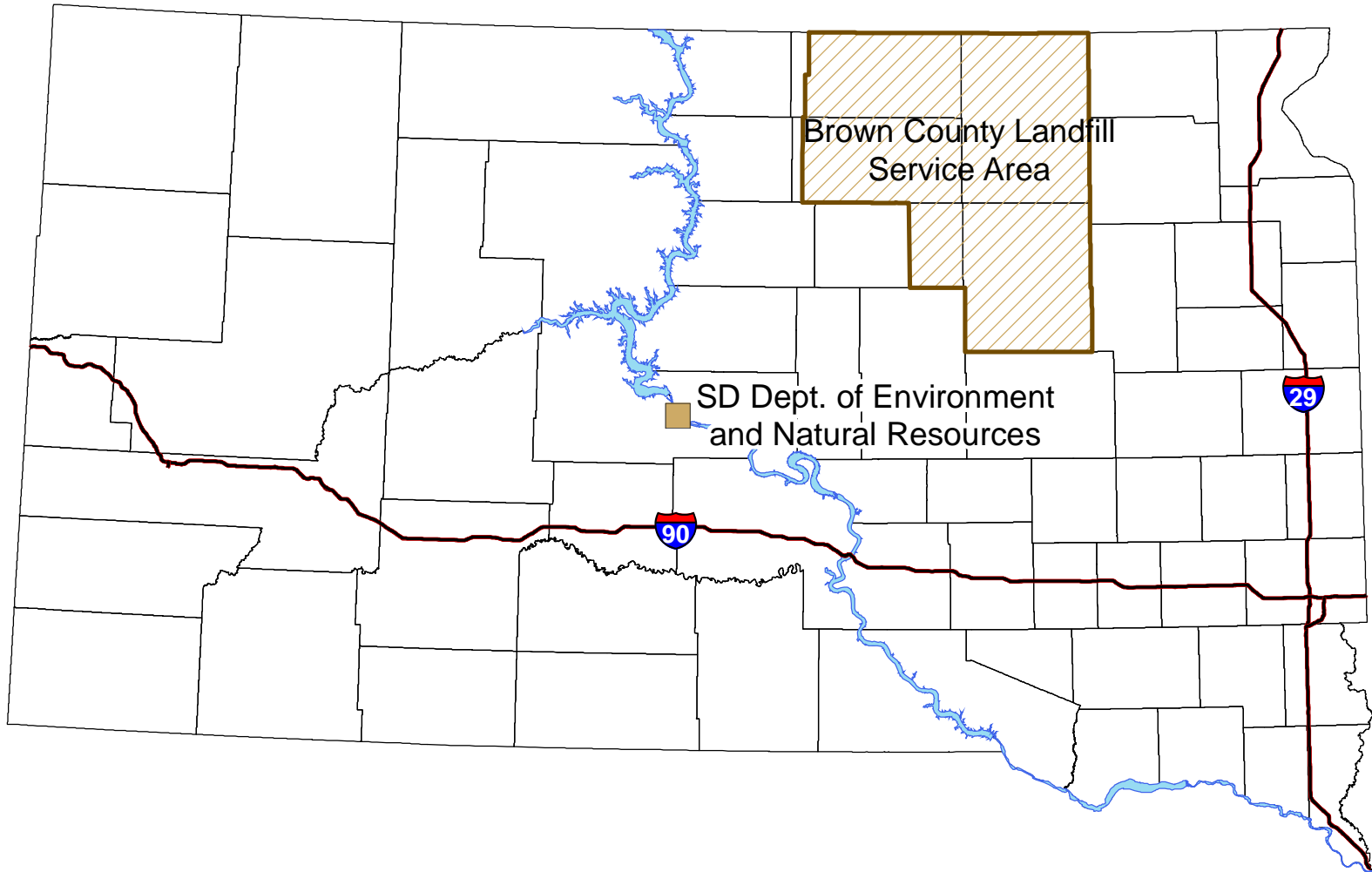
COMPLETE APPLICATIONS: The application cover sheets and summary sheet with a financial analysis have been provided as part of the board packet. Complete applications are available online and can be accessed by typing the following address in your internet browser:

<http://denr.sd.gov/bwnrapps/BWNRappsother0319.pdf>

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

Solid Waste Management Program Funding Applications

March 2019



Solid Waste Management Program Application

Applicant
Brown County

Proposed Funding Package

Address
25 Market Street
Aberdeen, SD 57401

SWMP Funds: \$347,500

Local Cash: \$347,500

Other: _____

Other: _____

Other: _____

Phone Number (605) 626-7110

Total Project Cost: \$695,000

Project Title: Brown County Landfill New Compactor

Description:

Brown County is proposing to purchase a new compactor at its landfill facility. The new compactor will replace a 2012 compactor that has over 10,000 hours on the machine.

RECEIVED

OCT 30 2018

Division of Financial
& Technical Assistance

The Applicant certifies that:

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

Doug Fjeldheim, Chair

Name and Title of Authorized Signatory (Typed)

Doug Fjeldheim 9/25/18
Signature Date

FUNDING REQUEST EVALUATION FORM
SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATION
APPLICANT: BROWN COUNTY

Project Title:	New Compactor Purchase
Funding Requested:	\$347,500
Other Proposed Funding:	\$347,500
Total Project Cost:	\$695,000
Project Description:	<p>Brown County is proposing to purchase a new compactor at its landfill facility. The new compactor will replace a 2012 compactor that has over 10,000 hours on the machine.</p> <p>Brown County intends to purchase a Bomag 772 landfill/refuse compactor or equivalent.</p>
Type:	Regional Landfill
Service Population:	36,541
Financial & History Information:	<p>In January of 2018, Brown County was awarded a \$490,000 SWMP grant to construct landfill cell #2 at their landfill facility.</p> <p>In June of 2015, Brown County was awarded a \$231,000 SWMP grant to assist in the purchase of a new scraper at the landfill.</p> <p>In March of 2014, Brown County was awarded a \$346,400 SWMP grant to assist in the construction of landfill cell #2.</p>
Implementation Schedule:	If the grant is awarded, the compactor will be purchased in April 2019.
Fees:	\$38 per ton of Municipal Solid Waste

Engineering Review Completed By: Drew Huiskens

Financial Review Completed By: Stephanie Riggles

Solid Waste Management Program Application

Applicant
South Dakota Department of Environment and
Natural Resources

Proposed Funding Package

SWMP Funds: \$600,000

Address
Joe Foss Building
523 East Capitol
Pierre, SD 57501-3182

Local Cash: \$0

Other: _____

Other: _____

Other: _____

Phone Number (605) 773-4216

Total Project Cost: \$600,000

Project Title: South Dakota Waste Tire and Other Solid Waste Cleanups

Description:

The South Dakota Department of Environment and Natural Resources proposes to continue its efforts to fund the statewide cleanup of waste tires and other solid waste. This is a continuation of past department efforts that began in 1999. DENR will work with local entities as sponsors for the tire cleanups.

The department will also use funds for the cleanup of chemicals that are in storage on school district properties throughout the State. The department has recently had applications for assistance in funding these clean-ups, and this grant will allow the department to address these requests in a timely manner to promote a healthier environment for students and staff. The department proposes to fund these projects with a one-time assistance of 50 percent cost share up to a maximum of \$10,000 for each school district. This will allow additional schools to dispose of chemicals which are of no use to the school without the full financial burden.

The 2017 Legislature in Senate Bill 70, Section 3 provided authorization for the Department of Environment and Natural Resources to use up to \$250,000 to contract for the statewide cleanup of waste tires and solid waste. The additional \$350,000 in funds being requested do not require legislative authorization and would require a minimum local match of 20 percent before a subgrant would be approved.

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.

Steven M. Pirner, Department Secretary

Name and Title of Authorized Signatory (Typed)



Signature

12/20/18

Date

FUNDING REQUEST EVALUATION FORM
SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATION
APPLICANT: SOUTH DAKOTA DEPARTMENT OF ENVIRONMENT AND NATURAL
RESOURCES

Project Title:	South Dakota Waste Tire and Other Solid Waste Cleanups
Funding Requested:	\$600,000
Other Proposed Funding:	None
Total Project Cost:	\$600,000
Project Description:	<p>The SD Department of Environment and Natural Resources proposes to continue its efforts to fund the statewide cleanup of waste tires and other solid waste.</p> <p>This is a continuation of past department efforts that began in 1999. DENR will work with local entities as sponsors for the tire cleanups.</p>
Type:	Solid Waste
Service Population:	877,790
Financial & History Information:	DENR has periodically received funding for these cleanups for the past 20 years. The most recent iteration of funding has helped eliminate 4,250 tons of waste tires in South Dakota with several hundred tons more anticipated before funding is fully expended.
Implementation Schedule:	Cleanups will be scheduled on a rotation around the State or as the demand presents until funding is spent. This grant is anticipated to last approximately 3 years.
Fees:	Not Applicable.

Engineering Review Completed By: Drew Huisken

Financial Review Completed By:

TITLE: Edgemont Request to Amend Drinking Water SRF Loan C462216-02

EXPLANATION: On June 22, 2017, the City of Edgemont received a \$447,000 Drinking Water State Revolving Fund loan at 0% for 30 years, with 35.2% principal forgiveness, not to exceed \$157,000 to construct an additional well and to cap a well that could not be rehabilitated.

In September 2017, the low bid received for this project greatly exceeded both the engineer's estimate and the available funding.

On February 8, 2019, the department received a request from the city of Edgemont to increase the loan by \$253,000, for a total loan amount of \$700,000.

RECOMMENDED ACTION: Approve/Disapprove the amendment request

CONTACT: Drew Huiskens, 773-4216



CITY OF EDMONT

RECEIVED

FEB 08 2019

Division of Financial
& Technical Assistance

February 6, 2019

Drew Huisken, Natural Resources Engineer II
SD Dept. of Environment & Natural Resources
Foss Building
523 E. Capitol
Pierre, SD 57501-3182

Dear Mr. Huisken,

Please consider this letter as an official request by the City of Edgemont to amend our Drinking Water SRF Loan (#C462216-02) by increasing the loan amount. It is my understanding that this action can be considered at the March, 2019 BWNR meeting because this loan has not yet been closed. This loan was awarded to the City in 2017 in the amount of \$447,000 and is to be used for the last phase of the City's Water Improvements Project which will involve the construction of a new well and abandonment of existing Well #2.

Specifically, the City is requesting that the loan amount be increased by \$253,000 to bring the resulting total loan amount to \$700,000.00 (seven hundred thousand dollars even). This increase is necessary because the low bid for the project substantially exceeded the project budget. Without this additional funding, the City will be unable to complete this critical project.

In the coming weeks, the City will advertise and hold a new SRF public hearing and will pass a new SRF resolution reflecting this loan increase. Documentation of these actions will be forwarded to your office as soon as possible after the hearing is held. In the meantime, please contact me with any questions or concerns regarding this request.

Thanks for consideration of this request.

Sincerely,

A handwritten signature in blue ink, which appears to read "Jerry J. Dibble". The signature is fluid and cursive, written over the printed name.

Jerry J. Dibble, Mayor

TITLE: Miller Request to Amend Clean Water SRF Water Quality Grant 2017G-WQ-100

EXPLANATION: On March 31, 2016, the City of Miller received a \$1,000,000 Clean Water State Revolving Fund –Water Quality Grant at 22.1% of total eligible costs to make improvements to the sanitary sewer system associated with the Phase I Utilities Improvements project.

This project is nearing completion and it is anticipated there will not be enough costs associated with improvements to the sanitary sewer utilities to fully draw down the Water Quality Grant.

On December 10, 2018, the Department received a request from the City of Miller to increase the grant percentage from 22.1% to 28.5% of total eligible costs in order to utilize all of the remaining grant funding.

RECOMMENDED ACTION: Approve/Disapprove the amendment request

CONTACT: Drew Huisken, 773-4216

CITY OF

MILLER

South Dakota

120 W 2ND ST

Miller SD 57362

Phone: (605) 853-2705

Fax: (605) 853-3617

finance.office@cityofmiller.com

The City of Miller is an equal opportunity employer.

December 10, 2018

Drew Huisken
DENR
523 E. Capitol Avenue
Pierre, SD 57501

RECEIVED

DEC 14 2018

Division of Financial
& Technical Assistance

Dear Mr. Huisken:

The City of Miller is requesting an increase in the percentage being reimbursed by the South Dakota Department of Environment and Natural Resources in our Phase I project. The Water Quality grant 2017G-WQ-100 was awarded at 22.1%. The City of Miller would like to increase that percentage to 28.5% in order to utilize all of the remaining grant funding.

We appreciate all of the assistance and consideration your agency has given us, not only in Phase I, but Phases II and III. If you have any questions regarding this or any other manner, please feel free to write or call at the address above.

Sincerely,



Ron Blachford
Mayor

TITLE: Pierre Request to Amend Drinking Water SRF Loan C461288-03

EXPLANATION: In January 2019, the Board awarded the city of Pierre a \$36,850,000 Drinking Water SRF loan. These funds were for the construction of a raw water intake in the Missouri River, a raw water pump station with a transmission line to the treatment plant, an 8.8 million gallon per day ultrafiltration water treatment facility and a transmission line to connect the new treatment facility to the city distribution system.

The city had pledged water system revenues for repayment of the loan. On February 25, 2019, the department received a letter from Pierre requesting that the revenue pledge be amended to a pledge of a project surcharge as its bond counsel had informed them that the debt would exceed the city's constitutional debt limit. The city's bond counsel recommended that the city pledge a project surcharge for repayment as the debt would not be considered constitutional debt.

RECOMMENDED ACTION: Approve/Disapprove the amendment request.

CONTACT: David Ruhnke, 773-4216



February 21, 2019

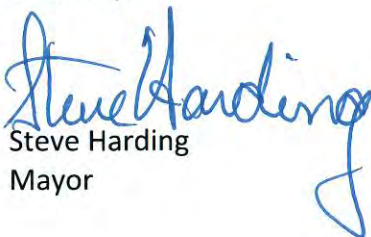
Michael Perkovich
Program Administrator
Department of Environment & Natural Resources
523 E Capitol
Pierre, SD 57501

RECEIVED
FEB 25 2019
Division of Financial
& Technical Assistance

Dear Mr. Perkovich –

The City of Pierre respectfully requests a change to the security pledged for our recently awarded funding for the Water Supply Improvement Project. Todd Meierhenry brought it to our attention that we pledged general water revenues, which will cause this debt to count against the City's constitutional debt limit. It was always the City's intent to fund the repayment with surcharge revenues on the Water Utility user's rates. This appears to just be an error on our part and I apologize for the inconvenience. City staff have visited with DENR staff to gain full understanding of the surcharge requirements that will need to be in place to fully comply with DENR surcharge pledge for repayment and have no concerns with meeting these requirements. I appreciate your consideration of this request.

Sincerely,


Steve Harding
Mayor

TITLE: Mitchell Request to Amend Clean Water SRF Loan C461129-05 and Drinking Water SRF Loan C462129-03

EXPLANATION: On September 27, 2018, the City of Mitchell received a \$6,842,000 Clean Water SRF loan at 1.25% for 20 years and an \$821,000 Drinking Water SRF loan at 2.25% for 20 years for improvements to the utilities along North Sanborn Boulevard. The City of Mitchell also received a \$682,000 Clean Water SRF loan at 1.25% for 20 years for a nonpoint source project along and adjacent to Firesteel Creek.

In January 2019, bids for the Sanborn Boulevard Utilities project were opened and the low bid received for this project exceeded both the engineer's estimate and the available funding.

On February 20, 2019, the Department received a request from the City of Mitchell to increase the amount of the CWSRF loan to \$7,832,000, increase the amount of DWSRF loan to \$1,028,000, and increase the amount of the CWSRF (NPS) loan to \$780,750.

RECOMMENDED ACTION: Approve/Disapprove the amendment request

CONTACT: Drew Huiskens, 773-4216

City of Mitchell
612 North Main Street | Mitchell, SD 57301
Phone: 605-995-8143
CityOfMitchell.org



February 20, 2019

Mr. Andrew Bruels
Department of Environment and Natural Resources
523 East Capitol
Pierre, SD 57501

Dear Mr. Bruels:

The City of Mitchell would like to request additional funding for our North Sanborn Blvd utilities project. We are now requesting \$7,832,000 in Clean Water SRF funds, \$780,750 in Non-Point Source funds, and \$1,028,000 in Drinking Water SRF funds. A public hearing to discuss the project and this request was held at our February 19th city council meeting. Please let me know if you have any questions about this matter.

Thank you.

Yours Sincerely,

A handwritten signature in blue ink, appearing to read "R. Everson".

Mr. Robert Everson
Mayor, City of Mitchell

TITLE: Amend Dell Rapids Clean Water SRF Loan C461064-09

EXPLANATION: In March 2018, the Board awarded the city of Dell Rapids a \$2,261,700 Clean Water SRF loan. The award consisted of \$2,324,000 for the city's Southeast Phase I and Railroad Utility Improvements and \$337,700 for non-point source implementation in the Big Sioux River watershed.

The city inadvertently approved its bond resolution for only \$2,261,000 which is \$700 less than the amount awarded. This amendment will reduce the non-point source award by \$700.

RECOMMENDED ACTION: Approve/Disapprove the Amendment Request.

CONTACT: David Ruhnke, 773-4216

TITLE: Amendment to SRF Program Investment Advisor Agreement.

EXPLANATION: The Investment Advisor Agreement with PFM Asset Management ends on March 31, 2019. The six year contract amount is for \$225,000. Staff has evaluated the remaining amount available in the contract to pay for the remaining services and determined the total contract amount is insufficient.

With the assistance from the Office of Attorney General, the Second Amendment to the contract was prepared and reviewed by PFM Asset Management and DENR. The Second Amendment increases the total contract amount by \$15,000 to \$240,000.

RECOMMENDED ACTION: Authorize the chairman to execute the Second Amendment to the Investment Advisor Agreement.

CONTACT: Jon Peschong (773-4216)

SECOND AMENDMENT TO INVESTMENT ADVISOR AGREEMENT

THIS SECOND AMENDMENT TO INVESTMENT ADVISOR AGREEMENT, dated as of March 29, 2019 (the “Second Amendment”), is entered into between the State of South Dakota, acting through the South Dakota Board of Water and Natural Resources, acting as the SOUTH DAKOTA CONSERVANCY DISTRICT, a governmental agency, and body politic and corporate of the State of South Dakota (hereinafter the “Client”) and PFM ASSET MANAGEMENT LLC, a Delaware limited liability company (hereinafter the “Advisor”).

WHEREAS, the Client and the Advisor entered into an Investment Advisor Agreement, dated as of April 1, 2013 (the “Original Agreement”), for the provision of investment advisory services, as specified therein; and

WHEREAS, the term of the Original Agreement was scheduled to expire on April 1, 2016; and

WHEREAS, the Client and the Advisor entered into a First Amendment to Investment Advisor Agreement, dated as of March 31, 2016 (the “First Amendment,” and with the Original Agreement, the “Existing Agreement”), whereby the parties extended the term of the Existing Agreement to end on March 31, 2019 and agreed to increase the total contract amount by \$50,000; and

WHEREAS, the Client and the Advisor desire to amend the Existing Agreement to increase the total contract value from \$225,000, as set forth in the Existing Agreement, to \$240,000; and

WHEREAS, the Existing Agreement, as amended and supplemented by this Second Amendment, is referred to as the “Agreement.”

NOW, THEREFORE, the Client and the Advisor, in consideration of the premises and mutual covenants herein contained, and intending to be legally bound, hereby agree as follows:

1. The first grammatical sentence of Section 2(e) of the Original Agreement, as amended by Section 1 of the First Amendment, is hereby amended and restated to read as follows:

“2. COMPENSATION

(e) The TOTAL CONTRACT AMOUNT is an amount not to exceed \$240,000; provided that, the parties agree that in the event that the net assets under management exceed \$69,000,000, the parties may mutually agree to amend this Agreement to increase the Total Contract Amount, utilizing the schedule set forth in Section 2(a) of the Original Agreement.”

2. Except as provided herein, all provisions of the Existing Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to be executed by their authorized representatives as of the date set forth in the first paragraph of this Second Amendment.

SOUTH DAKOTA CONSERVANCY DISTRICT

Date: _____

Chairman, South Dakota Board of Water and
Natural Resources

PFM ASSET MANAGEMENT LLC

Date: _____

Donn Hanson, Managing Director

TITLE: Board of Water and Natural Resources SFY 2020 Meeting Schedule

EXPLANATION: Each year the board establishes a tentative meeting schedule for the coming fiscal year. The following dates are suggested for the board's consideration for SFY 2020.

September 26-27, 2019
November 7, 2019
January 3, 2020
March 26-27, 2020
June 25-26, 2020

RECOMMENDED ACTION: Set tentative SFY 2020 schedule for Board of Water and Natural Resources meetings.

CONTACT: Mike Perkovich, 773-4216

Calendar for SFY 2020

July 2019

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

August 2019

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

September 2019

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

October 2019

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

November 2019

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

December 2019

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

January 2020

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

February 2020

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

March 2020

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

April 2020

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

May 2020

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

June 2020

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				