Protecting South Dakota's Tomorrow ... Today

BOARD OF WATER AND NATURAL RESOURCES

June 25, 2015

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

REVISED AGENDA

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

June 25, 2015
10:00 a.m. CDT

1. Call meeting to order
2. Approve agenda
3. Approve minutes of the March 26-27, 2015 meeting
4. Amend State Water Plan—Andy Bruels
   a. Dimock
   b. Hecla
   c. Lake Madison Sanitary District
   d. Perkins County Rural Water System
   e. Pierre
5. Amend 2015 Clean Water State Revolving Fund Intended Use Plan—Andy Bruels
6. Amend 2015 Drinking Water State Revolving Fund Intended Use Plan—Andy Bruels
7. Amend 2014 Clean Water State Revolving Fund Intended Use Plan—Andy Bruels
8. Hosmer Request to Rescind Clean Water SRF Loan C461279-01 and CWFCP Grant 2016G-103—Mike Perkovich
9. Ipswich Request to Rescind Clean Water SRF Loan C461133-01 and CWFCP Grant 2016G-104—Mike Perkovich
10. Minnehaha Community Water Corporation Request to Rescind Drinking Water SRF Loan C462440-02—Andy Bruels
11. Howard Request to Amend Clean Water SRF Loan C461127-01—Drew Huisken
12. Eagle Butte Request to Amend Drinking Water SRF Loan C462148-03—Jim Anderson
13. Lincoln County Request to Amend Consolidated Grant 2013G-205—Jim Anderson
14. Bear Butte Valley Water, Inc. Request to Amend Consolidated Grant 2013G-401—Andy Bruels
15. Hisega Meadows Water, Inc. Request to Amend Consolidated Grant 2015G-302—Claire Peschong

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.

11:45 a.m. CDT
RECESS FOR LUNCH

1:00 p.m. CDT
RECONVENE

16. Public Hearing to Amend Administrative Rule 74:05:05:16. James River water development district director areas—Pete Jahraus
17. Sanitary/Storm Sewer Facilities Funding Applications—Mike Perkovich
    a. Emery (7)
    b. Cavour (6)
    c. Montrose (5)
18. Drinking Water Facilities Funding Applications—Andy Bruels
    a. Edgemont (270)
    b. TC&G Water Association, Inc. (98)
    c. Florence (53)
    d. Emery (38)
19. Small Water Facilities Funding Application—Mike Perkovich
    a. Haakon County School District
20. Solid Waste Management Program Funding Applications—Andy Bruels
    a. Brown County
    b. Pierre
21. Delmont Force Majeure Notification and Request for Debt Service Relief—Jim Feeney
22. Transfer of Clean Water Loan SRF C461052-01 and Consolidated Grant 2015G-103 from the Lake Byron Watershed District to the Lake Byron Sanitary District—Mike Perkovich
23. Central South Dakota Enhancement District Request to Amend Joint Powers Agreement for SRF Application and Administration and Davis-Bacon Monitoring—Derek Lankford
24. Perkins Coie LLP Conflict Waiver Request for Simultaneous Representation of the State of South Dakota and Calpine Corporation—Jim Feeney
25. Selection of SRF Financial Advisor —Mike Perkovich
26. Midwest Assistance Program Drinking Water SRF Set-Aside Contract—Jon Peschong
27. Assignment of Randall Resource Conservation and Development District Consolidated Grant #2015G-402 to the James River Water Development District—Barry McLaury
28. Lewis and Clark Regional Water System State Water Resources Management Loan Agreement—Jim Feeney
29. Department of Environment and Natural Resources State Water Resources Management System Grant Agreement --Jim Feeney
30. Election of Board Officers
31. September 24-25, 2015 Meeting
32. Adjourn

Minutes of the
Board of Water and Natural Resources Meeting
Matthew Training Center
523 East Capitol
Pierre, South Dakota

March 26-27, 2015

MARCH 26, 2015 – 1:00 P.M. CT

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

BOARD MEMBERS PRESENT: Brad Johnson, Paul Gnirk, Paul Goldhammer, Todd Bernhard, and Jerry Soholt.

BOARD MEMBERS ABSENT: Jackie Lanning and Gene Jones.

OTHERS PRESENT: See attached attendance sheets.

APPROVE AGENDA: Mike Perkovich noted that the only changes to the posted agenda were that he would be presenting Items 16 and 18, and Andy Bruels would be presenting Item 17.

Chairman Johnson approved the agenda with the changes.

APPROVE MINUTES OF JANUARY 8, 2015, MEETING: Motion by Gnirk, seconded by Soholt, to approve the minutes of the January 8, 2015, Board of Water and Natural Resources meeting. Motion carried unanimously.

PUBLIC HEARING TO AMEND ARSD CHAPTERS 74:05:07 CONSOLIDATED WATER FACILITIES CONSTRUCTION PROGRAM, 74:05:08 STATE WATER POLLUTION CONTROL REVOLVING FUND PROGRAM, 74:05:10 SOLID WASTE MANAGEMENT PROGRAM, AND 74:05:11 DRINKING WATER STATE REVOLVING FUND PROGRAM: Chairman Johnson opened the hearing at 1:05 p.m. CDT on March 26, 2015.

The purpose of the hearing was to consider amendments to administrative rules in chapters:

74:05:07 Consolidated water facilities construction program;
74:05:08 State water pollution control revolving fund program;
74:05:10 Solid waste management program; and
74:05:11 Drinking water state revolving fund program.

Notice of the hearing was published in accordance with applicable rules and regulations. Affidavits of Publication were received and are included in the DENR file. Notice of the hearing was also sent to the Board of Water and Natural Resources interested parties mailing list. No written or verbal comments were submitted after publication of the notice.

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The Legislative Research Council (LRC) reviewed and approved the proposed rules for style, form, and legality. LRC's changes were incorporated into the final version of the rules.

Andy Bruels and Mike Perkovich presented, explained the proposed amendments, and answered questions from the board.

Chapter 74:05:07 Consolidated water facilities construction program

The proposed amendments to ARSD 74:05:07 will

- increase the amount in the definition of "Minimum established rates" for water and wastewater users in an incorporated municipality or sanitary district (74:05:08:01);
- remove application restrictions that prohibit a project from including preliminary design costs in the total project cost (74:05:07:03);
- remove the requirements of applications to include the status of permits, required lands, easements and right of way (74:05:07:08); and
- provide a time length for the applicant to correct the identified deficiencies (74:05:07:08.01).

The reason for the amendments is to

- increase the minimum rates for applicants to be eligible to receive grant funding;
- allow applicants to include preliminary design costs in the total project cost so those costs can be reimbursed through the program;
- remove the requirements to submit information with the application that can be submitted at a later date, if needed; and
- provide consistency for application review and responses throughout the administrative rules for the different funding programs administered by the Department of Environment and Natural Resources.

Chapter 74:05:08 State water pollution control revolving fund program

The proposed amendments to ARSD 74:05:08 will

- update the definition of "Act" (74:05:08:01);
- revise the definition of "Interim financing" from three years to five years (74:05:08:01);
- establish a definition for "Median household income" and source for that information (74:05:08:01);

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- increase the amount in the definition of "Minimum established rates" for wastewater users in an incorporated municipality or sanitary district (74:05:08:01);

- establish a definition for "Unemployment rate" and the source for that information (74:05:08:01);

- revise the definition of "Wastewater treatment works" (74:05:08:01);

- repeal the "Green infrastructure priority points" section (74:05:08:03.02) and remove references to this section (74:05:08:03, 74:05:08:04 and 74:05:08:12.02) ;

- revise the criteria for principal forgiveness eligibility (74:05:08:12.01);

- establish affordability criteria to receive principal forgiveness (74:05:08:12.03);

- revise required information to be submitted as part of the application for funding (74:05:08:13);

- add a section reference (74:05:08:13.01); and

- extend the duration of assistance for interim financing to five years and minor grammatical changes (74:05:08:17).

The reason for the amendments is to

- update references to the Clean Water Act authorizing legislation;

- provide additional time for projects to complete construction if they have received interim funding;

- comply with the Water Resource Reform and Development Act (WRRDA) of 2014 requirement that median household income data be included in the affordability criteria established by the state;

- increase the minimum rates for applicants to be eligible to receive principal forgiveness;

- comply with the WRRDA requirement that unemployment data be included in the affordability criteria established by the state;

- comply with the WRRDA requirement that expanded the definition of treatment works;

- remove the requirement to provide additional priority points for green infrastructure projects;

- comply with the WRRDA requirement that an applicant meet the affordability criteria established by the state to be eligible to receive principal forgiveness;

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- comply with the WRRDA requirement that the state must establish affordability criteria;
- remove certain documents currently required for application submittal which are no longer necessary, and include new documents which are now required;
- reference section 74:05:08:13.03 in the rule which was inadvertently omitted previously; and
- allow for interim financing loans to be provided for a period of up to five years and improve the readability of the section.

Chapter 74:05:10 Solid waste management program

The proposed amendments to ARSD 74:05:10 will

- change the requirements of documents that must be submitted as a part of the application (74:05:10:14);
- provide a time length for the applicant to correct the identified deficiencies (74:05:10:07); and
- repeal a duplicate section (74:05:10:32).

The reason for the amendments is to

- remove certain documents currently required for application submittal which are no longer necessary, and include new documents which are now required;
- provide consistency for application review and responses throughout the administrative rules for the different funding programs administered by the Department of Environment and Natural Resources; and
- eliminate duplicate sections in the chapter.

Chapter 74:05:11 Drinking water state revolving fund program

The proposed amendments to ARSD 74:05:11 will

- update the definition of "Act" (74:05:11:01);
- increase the amount in the definition of "Disadvantaged community" for water users in an incorporated municipality or sanitary district (74:05:11:01);
- revise the definition of "Interim financing" from three years to five year (74:05:11:01);
- update the definition for "Median household income" and the source for that information (74:05:11:01);

- increase the amount in the definition of "Minimum established rates" for water users in an incorporated municipality or sanitary district (74:05:11:01);

- repeal the "Green infrastructure priority points" section (74:05:11:06.01), and remove references to this section (74:05:11:05, 74:05:11:08 and 74:05:11:11.02);

- adjust the affordability priority point criteria (74:05:11:06);

- revise required information to be submitted as part of the application for funding (74:05:11:12); and

- extend the duration of assistance for interim financing to five years, and provide for financing to increase from 20 years to up to 30 years as permitted by the Act (74:05:11:16).

The reason for the amendments is to

- update references to the Safe Drinking Water Act authorizing legislation;

- increase the minimum rates for applicants to be eligible to receive disadvantaged assistance;

- provide additional time for projects to complete construction if they have received interim funding;

- update the current median household income levels which are based on the 2000 census data this data is outdated, and provide consistency for median household income data used in both the state revolving fund programs;

- increase the minimum rates for applicants to be eligible to receive principal forgiveness;

- remove the requirement to provide additional priority points for green infrastructure projects;

- adjust the priority point affordability criteria formula to reflect new median household income data being used;

- remove certain documents currently required for application submittal which are no longer necessary, and include new documents which are now required; and

- allow for interim financing loans to be provided for a period of up to five years and that extended financing be provided for up to 30 years for non-disadvantaged communities as permitted by a recent EPA determination.

Following the presentation, Chairman Johnson requested public comments. No public comments were presented.

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Motion by Goldhammer, seconded by Soholt, to adopt the amendments to 74:05:07 Consolidated Water Facilities Construction Program; 74:05:08 State Water Pollution Control Revolving Fund Program; 74:05:10 Solid Waste Management Program; and 74:05:11 Drinking Water State Revolving Fund Program. Motion carried unanimously.

REVIEW INTEREST RATES FOR THE DRINKING WATER SRF PROGRAM: Mr. Perkovich presented a table showing the current interest rates for the Drinking Water SRF Program. With the exception of the 1.25 percent for a 10-year Drinking Water SRF loan to disadvantaged communities, these rates have been in effect since February 2009. The 1.25 percent rate was adopted by the board in November 2011.

Periodically, the board reviews the rates and makes changes, as necessary. This was done for the Clean Water SRF Program in November 2014.

The administrative rules state that the board may adjust the interest rates at any meeting if the proposed action is included on the posted agenda. The rules also outline three criteria that is to be used in setting the interest rates: (1) current market rates, (2) rates secured on state issued matching funds, and (3) current demand for program funds.

Mr. Perkovich noted that for the current market rates, staff reviews the surrounding states' State Revolving Fund interest rates. The board members received this information prior to the meeting in the board packet. The interest rates for the states reviewed ranged from 1 percent to 2.75 percent.

Staff also reviewed the USDA Rural Development 2015 third quarter interest rates. The poverty rate is 2.125 percent and in order to qualify for the poverty rate, a community's median household income has to be less than 80 percent of the non-metropolitan median household income and the project has to address a health and safety issue. The intermediate rate, which is available for communities with a median household income less than 100 percent of the non-metropolitan median household income, qualifies for a 2.75 percent rate. Any other community would be driven by the market rate, which is 3.50 percent.

Staff also reviewed the Bond Buyer's 20 Bond Index, which was at 3.62% a week ago. This is an index that is a barometer for yields on tax-exempt bonds issued by state governments and local municipalities.

Mr. Perkovich stated that staff believes South Dakota's current Drinking Water SRF Program interest rates are in line with current market rates, so there is no need to adjust the rates.

Regarding the rates secured on state-issued matching funds, the Board of Water and Natural Resources did a Bond Issue in October 2014 in the amount of $9,060,000 for a five-year Taxable Series bond for state match. The all-in True Interest Cost (TIC) was 1.69 percent. For whole leveraged series - $50,755,000, which was a 20-year Tax-Exempt Leveraged Bond Series, the all-in TIC was 3.04 percent. Mr. Perkovich noted that he believes the current Drinking Water SRF Program interest rates are covering the funds as best they can, considering EPA requires the board to award the loans at or below market rate.

Mr. Perkovich stated that demand on the program is good.

Staff recommended that the board establish the Drinking Water SRF interest rate for interim financing up to a maximum term of five years at 2 percent interest.

Staff also recommended adding a thirty-year term and rate for non-disadvantaged communities. Mr. Perkovich noted that up until now, the SRF loans for anything greater than 20 years could only go to a disadvantaged community. EPA has determined that under certain circumstances, extended term loans can be made to non-disadvantaged communities, and this parallels a similar decision that was made in 2006 for the Clean Water SRF program.

EPA has determined that extended term financing may be applied when the state's SRF buys or refinances debt obligations from municipalities and inter-municipal and inter-state agencies and that the South Dakota program is structured in this manner. This excludes rural water systems and homeowner's associations that are formed as a nonprofit corporation from receiving this 30-year loan unless they qualify as a disadvantaged community. Extended term financing cannot exceed the useful life of the underlying asset, and the state must demonstrate that the long-term nature of the program is protected.

Working with Public Financial Management, the board's financial advisor, staff submitted a proposal to EPA, and the proposal was approved recently. Therefore, staff recommended the board establish a rate of 3.25 percent for the 30-year non-disadvantaged loans.

Motion by Bernhard, seconded by Goldhammer, adopt Resolution #2015-016 establishing the Drinking Water SRF interest rate for interim financing up to a maximum term of five years at 2 percent (consisting of a 2 percent interest rate and no administrative surcharge) for interim financing loans on the date the amendments to ARSD 74:05:11:01(17) and ARSD 74:05:11:16 become effective. Motion carried unanimously.

Motion by Bernhard, seconded by Goldhammer, to adopt Resolution #2015-17 establishing the Drinking Water SRF interest rate for loans to non-disadvantaged communities exceeding 20 years up to a maximum term of 30 years at 3.25 percent (consisting of 2.75 percent interest rate and 0.5 percent administrative surcharge) for construction loans commencing on the date the amendment to ARSD 74:05:11:16 becomes effective. Motion carried unanimously.

<u>AMENDMENTS TO STATE WATER FACILITIES PLAN:</u> Andy Bruels reported that water projects that will require state funding or need state support for categorical grant or loan funding must be on the State Water Plan. The Board of Water and Natural Resources annually approves projects for placement onto the State Water Facilities Plan and provides for amendment of projects onto the plan on a quarterly basis.

Placement of a project on the State Water Plan provides no guarantee of funding. The projects placed onto the plan at this meeting will remain on the facilities plan through December 2016.

Mr. Bruels presented the 13 applications that requested amendment onto the State Water Plan.

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The city of Dell Rapids requested amendment onto the 2015 facilities plan to replace existing clay sanitary sewer and cast iron water main pipe in various areas of the city. Total project costs are estimated at $4,195,000.

Florence requested amendment onto the 2015 facilities plan to replace existing clay sanitary sewer in various locations throughout town and to rehabilitate a wastewater treatment lagoon. Total project costs are estimated at $2,318,750.

Florence requested amendment onto the 2015 facilities plan to replace existing cast iron water mains, replace existing water meters, construct a new ground storage tank, and a booster pump station. Total project costs are estimated at $2,354,375.

Haakon County School District 27-1 requested amendment onto the 2015 facilities plan to construct upgrades to a wastewater treatment system used to treat geothermal well water. Total project costs are estimated at $641,000.

Hermosa requested amendment onto the 2015 facilities plan to construct a new well to supply the town with needed water or to possibly connect to the Southern Black Hills Water System. Total project costs are estimated at $1,471,875.

Hot Springs requested amendment onto the 2015 facilities plan to install new sanitary sewer collection lines to serve residents currently utilizing septic systems and connect them to the city sanitary sewer system. Total project costs are estimated at $270,000.

Lemmon requested amendment onto the 2015 facilities plan to replace or reline most of the existing clay sanitary sewer in various locations throughout the city. Total project costs are estimated at $9,515,948. Mr. Bruels noted that this project includes several phases.

Montrose requested amendment onto the 2015 facilities plan to install storm sewer collection pipe and drains to manage storm water flows within the city. Total project costs are estimated at $913,000.

Perkins County RWS requested amendment onto the 2015 facilities plan to install SCADA controls at an existing booster station that is currently manually operated and construction of a security fence around a different booster station. Mr. Bruels noted that previously Perkins County RWS was listed in SDCL 46A-1-2.1 as a preferred project priority on the State Water Resources Management System (SWRMS) list. SDCL 46A-1-10 states that no project can be on both lists. However, as part of SB 173, the Omnibus Bill that was recently signed, Perkins County was removed from the SWRMS list, so the project is now eligible for placement the state water facilities plan. Total project costs are estimated at $46,000.

Philip requested amendment onto the 2015 facilities plan to replace existing water meters with new remote-read meters. Total project costs are estimated at $340,000.

South Shore requested amendment onto the 2015 facilities plan to replace existing cast iron water mains, to replace existing water meters, construct a new water storage tank, and install a new well. Total project costs are estimated at $2,400,000.

T.C. & G. Water Association, Inc. requested amendment onto the 2015 facilities plan to replace an existing water main that is sized incorrectly and experiencing excessive breaks, replace existing water meters, and construct a booster pump station. Total project costs are estimated at $2,100,000.

Watertown requested amendment onto the 2015 facilities plan to install new sanitary sewer collection lines to serve residents currently utilizing septic systems and connect them to the city's sanitary sewer system. Total project costs are estimated at $832,896.

Staff recommended amending 13 projects onto the facilities plan:

Motion by Gnirk, seconded by Soholt, to amend the 13 projects listed above onto the 2015 State Water Facilities Plan. Motion carried unanimously.

AMENDMENTS TO THE FY 2011, 2012, 2013, and 2014 CLEAN WATER SRF INTENDED USE PLAN PROJECT PRIORITY LISTS: Mr. Bruels reported that the FY 2011, 2012, 2013, and 2014 Intended Use Plans (IUPs) have been approved and amended by the Board of Water and Natural Resources several times over the past few years, in most cases, doing the same thing – adding projects to Attachment I of the IUP, which is the Project Priority List either for new projects being added to the State Water Plan or to add projects previously funded for principal forgiveness utilization purposes

For a project to utilize principal forgiveness allowed by a specific capitalization grant, a project must be on the IUP 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 year's IUPs. The proposed projects will be amended to each year's project priority list, as presented.

Staff recommended the board amend Attachment I - Project Priority List of the FY 2011 Clean Water Intended Use Plan by adding the following:

Priority Points	Loan Recipient	Project Description	Est. Loan Amount	Expected Loan Rate & Term
7	Wakonda	Replacement of a lift station and televising the collection system.	$529,000	3.00%, 20 yrs

Staff recommended the board amend Attachment I - Project Priority List of the FY 2012 Clean Water Intended Use Plan by adding the following:

Priority Points	Loan Recipient	Project Description	Est. Loan Amount	Expected Loan Rate & Term
6	Letcher	Replacement of a lift station, rehabilitation of berms at the wastewater treatment facility, and televising the collection system.	$776,000	3.25%, 30 yrs

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Staff recommended the board amend Attachment I - Project Priority List of the FY 2013 Clean Water Intended Use Plan by adding the following:

Priority Points	Loan Recipient	Project Description	Est. Loan Amount	Expected Loan Rate & Term
15	Eagle Butte	Installation of aeration equipment and dredging of sludge at the wastewater treatment facility and the replacement of approximately 9,500 feet of sanitary sewer collection lines and an aging lift station. The project will also construct approximately 700 feet of storm sewer piping and catch basins.	$2,910,000	3.25%, 30 yrs

Staff recommended the board amend Attachment I - Project Priority List of the FY 2014 Clean Water Intended Use Plan by adding the following:

Priority Points	Loan Recipient	Project Description	Est. Loan Amount	Expected Loan Rate & Term
21	Hosmer	Construction of a new wastewater treatment pond and rehabilitation of the existing ponds, replacement of sanitary sewer collection piping, and cleaning and televising of the existing gravity collection sewer to determine where repairs are needed.	$4,122,000	3.25%, 30 yrs

Motion by Goldhammer, seconded by Gnirk, to approve the amendments to the FY 2011, 2012, 2013, and 2014 Clean Water SRF Intended Use Plans, as presented. Motion carried unanimously.

AMENDMENT TO THE FY 2015 CLEAN WATER SRF INTENDED USE PLAN: Mr. Bruels reported that the FY 2015 Clean Water State Revolving Fund IUP was approved by the Board of Water and Natural Resources in November 2014.

The Water Resources Reform and Development Act (WRRDA) of 2014 required that states adopt affordability criteria for the Clean Water SRF program. WRRDA limits the awarding of principal forgiveness to recipients that meet the state's affordability criteria or to projects that implement a process, material, technique, or technology with water efficiency, energy efficiency, mitigation of storm water runoff or other sustainability benefits.

In order to continue providing principal forgiveness to recipients, staff proposed that the affordability criteria language be added to the 2015 Clean Water SRF IUP. The affordability criteria language was included in the rules adopted by the board earlier in the meeting.

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Staff also proposed including the source of median household income statistics as the American Community Survey or by other statistically valid income data supplied by the applicant and acceptable to the board; and that the source of unemployment rates will be the 2013 average unemployment rates as determined by the South Dakota Department of Labor and Regulation, Labor Force Statistics.

Mr. Bruels noted that for planning purposes, Attachment II includes a list of projects to be funded in FY 2015 identifying $1,491,000 in potential principal forgiveness.

Staff recommended approving the proposed amendments to the 2015 Clean Water SRF IUP.

Motion by Goldhammer, seconded by Bernhard, to approve the amendments to the 2015 Clean Water SRF Intended Use Plan, as presented. Motion carried unanimously.

AMENDMENT TO FY 2015 DRINKING WATER SRF IUP: Mr. Bruels reported that the FY 2015 Drinking Water State Revolving Fund Intended Use Plan was approved by the Board of Water and Natural Resources in November 2014.

A recent EPA opinion has determined that states may provide Drinking Water SRF funding to non-disadvantaged recipients for terms of up to 30 years, provided the useful life of the project is at least as long as the funding term. Staff proposed establishing a rate of 3.25 percent for 30 years for all projects meeting the useful life requirements.

This rate and term will only be available to municipalities and other systems organized as political subdivisions.

Staff also proposed changing the interim financing from three years to five years.

Motion by Soholt, seconded by Bernhard, to approve the amendments to the 2015 Drinking Water SRF Intended Use Plan, as presented. Motion carried unanimously.

PARKER REQUEST TO RESCIND CONSOLIDATED LOAN 2015L-113: Jon Peschong reported that the city of Parker was awarded a $100,000 consolidated loan on March 28, 2014, for a lift station and force main replacement project. During the replacement of the lift station, the inspection of the force main revealed that the force main was in good condition and did not need to be repaired or replaced. The city submitted a letter to the department requesting that the loan be rescinded.

Staff recommended the board rescind Resolution #2014-52, which awarded a $100,000 Consolidated loan to the city of Parker.

Motion by Goldhammer, seconded by Bernhard, to adopt Resolution #2015-18 rescinding Resolution #2014-52, which awarded the South Dakota Consolidated Water Facilities Construction Program Revenue Obligation Loan Agreement (2015L-113) to the city of Parker for an amount not to exceed $100,000. Motion carried unanimously.

DAY COUNTY CONSERVATION DISTRICT REQUEST TO AMEND CLEAN WATER SRF WATER QUALITY GRANT 2014G-WQ-401: Barry McLaury reported that the Day County

Conservation District has requested amendment of its Clean Water SRF Water Quality grant (2014G-WQ-401) for the Northeast Glacial Lakes Watershed Protection and Improvement Project.

The amendment will increase the cost reimbursement to 50 percent for an amount not to exceed $115,000 for use in the construction of the project, amend the project description, and revise the budget to allow the district to utilize the funds for riparian area buffers, stream bank stabilization, and grass waterways.

The allocation of these grant funds will allow the project coordinator to utilize the grant funds in funding packages for producers interested in these practices.

Due to increased costs for construction of animal waste management systems, the $200,000 cap set in DENR's animal waste system cost share guidelines is provided using Natural Resources Conservation Service's Environmental Quality Incentive Program (EQIP) funds and Section 319 grant funds, and other funding sources such as Water Quality grants are not being used.

Staff recommended the board approve the amendment.

Motion by Gnirk, seconded by Bernhard, to adopt Resolution #2015-19 approving the First Amendment to the Day County Conservation District State Revolving Fund Program Water Quality Grant Agreement (2014G-WQ-401) increasing the cost reimbursement to 50 percent for an amount not to exceed $115,000 for the use in the construction of the project. Motion carried unanimously.

KINGBROOK RURAL WATER SYSTEM REQUEST TO AMEND ITS PARITY AGREEMENT AMONG RURAL DEVELOPMENT, THE SOUTH DAKOTA CONSERVANCY DISTRICT, AND COBANK: Elayne Lande reported that Kingbrook Rural Water System has five Drinking Water SRF loans as well as numerous Rural Development and CoBank loans. Kingbrook recently refinanced two of its Rural Development loans with CoBank.

An analysis of Kingbrook's debt service based upon the new loan and all other loans indicates coverage to be 176 percent, which exceeds the 110 percent coverage requirement.

Staff recommended approval of the amendment request.

Motion by Soholt, seconded by Bernhard, to approve the form and authorize the execution of the Second Amended and Restated Parity Agreement among CoBank, Rural Development, and the South Dakota Conservancy District. Motion carried unanimously.

AVAILABLE FUNDING: Mr. Perkovich provided a summary of available funds for the Consolidated Water Facilities Construction program, Drinking Water SRF program, and Clean Water SRF program.

SANITARY/STORM SEWER FACILITIES FUNDING APPLICATIONS: Mr. Perkovich presented the sanitary/storm sewer facilities funding applications and staff recommendations. A map showing the location of the applications was included in the board packet.

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Waubay requested $1,780,000 for wastewater treatment facility improvements. The remaining $415,820 is from a FEMA grant that Waubay has secured. The estimated total project cost is $2,195,820.

Waubay will construct a wastewater treatment facility to replace the current system that is non-functional due to a portion of the facility being in Bitter Lake. The town is under a DENR-issued compliance order to construct a total retention treatment system by September 30, 2016. Waubay anticipates bidding the project in August 2015 with project completion in September 2016.

Waubay's rates are $30.00 per 5,000 gallons usage.

Staff recommended awarding a $1,080,000 Clean Water SRF loan, at 3.25 percent interest for 30 years, with 46.3 percent as principal forgiveness not to exceed $500,000, and awarding a Consolidated grant for 31.9 percent of eligible costs not to exceed $700,000.

Waubay is pledging a wastewater surcharge toward repayment of the loan. Staff analysis indicates a surcharge of $9.00 is needed to provide the required 110% coverage, resulting in rates of $39.00.

Staff recommended the funding being contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, contingent upon the rule change to ARSD 74:05:07:03 allowing reimbursement for preliminary design activities becoming effective, contingent upon the rule change to ARSD 74:05:08:12.03 establishing the affordability criteria to award principal forgiveness becoming effective, and contingent upon receipt of the 2015 Clean Water capitalization grant from EPA.

Kevin Jens, mayor of Waubay, and Scott Mohror, Banner Associates, discussed the project and answered questions from the board.

Clark requested $5,485,000 for a wastewater treatment facility. The estimated total project cost is $7,000,000.

The project involves constructing a total retention treatment system to address a DENR compliance order to discontinue discharging from its existing treatment facility. The discharge must be eliminated due to reclassifications of Antelope Lake and Indian Springs Lake. A completion date of April 1, 2017, has been established in the compliance order.

Mr. Perkovich noted that the city received a $515,000 Community Development Block Grant, and the Board of Water and Natural Resources awarded a $1,000,000 Consolidated grant on March 28, 2014. At that time, funding from Rural Development was intended to complete the funding package.

Staff later approached Clark officials with an alternate plan to fund the project that involved getting legislative approval for up to $4,000,000 in Consolidated funding. This funding proposal was part of the Omnibus Bill recommendations approved by the board at its November meeting and was approved by the Legislature with the passage of SB 173.

The city's rates are $26.00 per 5,000 gallons usage.

Staff recommended the board rescind Resolution #2014-100 and adopt a new resolution awarding a Consolidated grant for 57.2 percent of eligible costs not to exceed $4,000,000, and award a $2,485,000 Clean Water SRF loan at 3.25 percent interest for 30 years.

The city is pledging a project surcharge for repayment of the loan. Staff analysis indicates that a surcharge of $17.80 is required to provide the 110% coverage, resulting in rates of $43.80.

Staff recommended the loan being contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon the rule change to ARSD 74:05:07:03 allowing reimbursement for preliminary design activities becoming effective.

Jackie Luttrell, Clark finance officer, discussed the project and answered questions from the board.

Kennebec requested $1,160,000 for wastewater system improvements. The estimated total project cost is $1,164,915.

Kennebec intends to expand the collection system to serve 30 additional users located just north of I-90, and to upgrade the existing wastewater treatment facility by installing an additional primary treatment pond for 180-day storage. The project also includes cleaning and television inspection of the town's sewer lines.

In December 2014, Kennebec raised its rates from a flat rate of $12.00 to a flat rate of $35.00.

Mr. Perkovich stated that DENR issued Kennebec a construction schedule to complete upgrades to the wastewater treatment system by October 1, 2016.

Kennebec pledged a project surcharge to repay the loan. Project surcharges can be charged only to those users that benefit from the improvement. Bond counsel has determined that Kennebec cannot use a surcharge to repay the entire loan since the portion of the project connecting new users does not benefit the existing users.

Staff, working with the city's bond counsel, believes the best option is to fund the project with two loans: one loan for the pond improvements and televising the collection system and a separate loan to extend the collection system.

Staff recommended awarding a $723,000 Clean Water SRF loan at 3.25 percent interest for 30 years for the collection system extension to be repaid with system revenues. This loan will be contingent upon the borrower adopting a bond resolution and the resolution becoming effective. The loan will raise the city's debt above the 5 percent constitutional debt allowance, and an election will be required in order for the city to incur debt under the 10 percent limit for water and wastewater infrastructure.

Staff analysis indicates that a rate of $24.50 will provide 114 percent coverage on the $723,000 loan and provide sufficient funds to cover operating expenses.

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Staff also recommended awarding a $437,000 Clean Water SRF loan at 3.25 percent interest for 30 years for the pond improvements and collection system televising to be repaid with a project surcharge. This loan will be contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage.

Staff analysis indicates that a surcharge of $12.50 is required to provide the 110% coverage on the $437,000 project surcharge loan.

Mr. Perkovich stated that overall rates of $37.00 are needed to operate the wastewater utility and provide coverage on the two loans.

Gene Mertens, town president, discussed the project and requested approval of funding. He answered questions from the board.

Humboldt requested $4,077,000 for sanitary sewer improvements. The estimated total project cost is $4,077,000.

The project will expand the existing wastewater lagoon to create a total retention facility and replace a portion of the existing clay lines throughout town. Humboldt anticipates bidding the project in January 2016 with project completion in October 2016.

Humboldt's rates are $25.00 per 5,000 gallons usage.

Mr. Perkovich stated that staff is recommending funding in the amount of $2,086,000 to fund the line replacement work that was identified in the application. This is consistent with the recommendation made in the facilities plan that the collection system be improved prior to the final sizing of the treatment ponds. The recommendation is for a $417,200 Clean Water SRF loan at 3.25 percent interest for 30 years and awarding a Consolidated grant for 80 percent of eligible costs not to exceed $1,668,800.

Humboldt has pledged a project surcharge for repayment of the loan.

Staff analysis indicates that the surcharge required on a $417,200 loan is $8.00, resulting in $33.00 rates. It is anticipated that a similar increase will be needed to complete the wastewater treatment facility expansion, which will bring rates to at least $40.00.

Staff recommended the award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, contingent upon the rule change to ARSD 74:05:07:03 allowing reimbursement for preliminary design activities becoming effective, and contingent upon verification the borrower has an active registration with the federal System for Award Management.

Mr. Perkovich noted that SB 173 raised the allowable limit of Consolidated funds the board can award without specific legislative authorization from $1,000,000 to $2,000,000.

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Richard Griepp, town president, discussed the project and answered questions from the board.

Hosmer requested $4,122,000 for wastewater system improvements. The estimated total project cost is $4,122,000.

The project includes the construction of additional cells to provide for a total retention wastewater treatment facility, televise the collection system, and replace or reline the lines based on the findings of the line televising. Hosmer anticipates bid letting in September 2015 with a completion date of September 2016.

Hosmer's wastewater treatment system consists of an Imhoff tank followed by open channel flow to holding ponds. Runoff from snowmelt and rainfall flow into the holding ponds due to lack of berms. There are concerns regarding the existence or integrity of the clay liner in the ponds due to the presence of excessive vegetation.

Mr. Perkovich noted that discussions with Surface Water Quality staff indicate that the facility is on the verge of being issued a compliance schedule to make improvements to the treatment facility.

Mr. Perkovich said staff recommended funding in the amount of $1,268,000 to fund the wastewater treatment facility upgrade and the televising of the collection system. The award includes a $968,000 Clean Water SRF loan, at 3.25 percent interest for 30 years with 73.9 percent as principal forgiveness not to exceed $714,400, and a Consolidated grant for 23.7 percent of eligible costs not to exceed $300,000. Mr. Perkovich noted that the overall subsidy is 80 percent.

The community is pledging a project surcharge for repayment of the loan. Staff analysis indicates that a surcharge of $7.85 is required to provide 110 percent coverage on the $253,600 loan.

Hosmer currently has a flat rate of $22.00. This rate is not sufficient to cover operation and maintenance costs. Staff believes a rate of $26.00 per user is needed to cover operation and maintenance. With the surcharge and the extra $4.00 needed to cover operation and maintenance, overall rates are expected to be $33.85. Rates will likely exceed $40.00 to complete the line portion of the project.

Staff recommended the loan being contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, contingent upon the rule change to ARSD 74:05:07:03 allowing reimbursement for preliminary design activities becoming effective, contingent upon the rule change to ARSD 74:05:08:12.03 establishing the affordability criteria to award principal forgiveness becoming effective, contingent upon receipt of the 2015 Clean Water capitalization grant from EPA, and contingent upon the borrower raising its base rate to a level sufficient to cover operation and maintenance expenses.

Mike Schwingler, mayor, and Bob Babcock, Helms & Associates, discussed the project and answered questions from the board.

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Brandon requested $27,785,000 for the construction of a new wastewater treatment plant and collection system improvements. The estimated total project cost of the wastewater treatment plant is $15,100,000 and estimated cost of the collection system improvements is $12,700,000.

The city's current rates are $51.55 based on 5,000 gallons usage. The rates were raised in January 2014 from $28.30 for 5,000 gallons usage.

Brandon currently pumps its partially treated wastewater to the Sioux Falls Water Reclamation plant, and has been doing so since 1994. Sioux Falls recently implemented a new rate structure for all its satellite users, which resulted in a significant increase to the city of Brandon. As a result, Brandon has begun moving forward with constructing its own wastewater treatment facility.

Mr. Perkovich stated that the Board of Water and Natural Resources and DENR staff have always preferred regional approaches to water and wastewater infrastructure, and this situation is no exception. Staff has had several meetings with Brandon and Sioux Falls representatives to see if a solution can be found that allows Sioux Falls to continue to treat Brandon's wastewater. The Environmental Finance Center at the University of North Carolina was hired to review the Sioux Falls rate structure and identify potential changes that can be made to rates that are amenable to both cities. The report is completed and staff is working to set up meetings to discuss the Environmental Finance Center study.

Mr. Perkovich stated that staff is reluctant to tie up nearly $28,000,000 for a project that may not proceed if a new deal can be negotiated with Sioux Falls. Also, it is likely that construction of a new wastewater treatment facility is two or three years off due the hurdles facing the siting of a new facility, i.e. land acquisition, potential Condition Use Permit issues with Minnehaha County, archaeological issues, flood plain issues, etc. Additionally, the collection line work cannot proceed until it is determined where wastewater will be pumped for treatment.

Staff recommended awarding a $3,000,000 Clean Water SRF loan, at 3.25 percent interest for 30 years. This would allow the city to continue working towards addressing the environmental concerns and to continue with design and land acquisition. Mr. Perkovich noted that staff discussed this option with Brandon and the city was receptive to it.

Brandon has pledged a project surcharge for repayment of the loan. Staff analysis indicates that a surcharge of $4.95 is needed to provide the 110 percent coverage. Staff believes the current rates can be restructured to provide this surcharge.

Staff recommended the award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon verification that the borrower has an active registration with the federal System for Award Management.

Gabe Laber, Stockwell Engineers, discussed the project and answered questions from the board.

Howard requested $1,764,334 for a lagoon expansion project. The estimated total project cost is $1,764,334.

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The city intends to expand the existing wastewater lagoon to provide additional storage and treatment of wastewater flows and to televise the collection system. Howard anticipates bidding the project in the spring of 2015 with project completion in early 2016.

Current rates in Howard are $23.90 per 5,000 gallons. This facility is being sized to accommodate flows from a meat processing operation that may re-open. The project cost without the capacity for the meat processing operation is $1,193,000.

Staff recommended awarding a $1,764,000 Clean Water SRF loan at 3.25 percent interest for 30 years.

Staff analysis indicates that a surcharge of $17.10 is required to provide the coverage on the $1,764,000 loan.

Mr. Perkovich noted that based on the numbers provided in the application, staff believes that the city needs approximately $9.00 to cover operation and maintenance expenses. By increasing the existing domestic rate to $26.10 per customer per month and restructuring the rate schedule to include the surcharge, the city would be able to cover both operation and maintenance expenses and surcharge for repayment of this debt. If the surcharge is enacted without restructuring the rates, Howard users would pay $41.00 per month based on 5,000 gallons.

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

Terry Aaker, SPN, answered questions from the board.

Sioux Falls requested $11,979,457 for the Bandon Road pump station parallel force main. The estimated total project cost is $11,979,457.

The project consists of running a parallel force main from the Brandon Road pump station to the water reclamation facility. A portion of the project involves nonpoint source improvements in the Big Sioux River basin. These improvements include stream bank stabilization, grazing management, agricultural waste management systems, and vegetative buffers. The nonpoint source component of the project is estimated to be $579,457

Sioux Falls anticipates bidding the force main project in April 2015 with project completion in May 2016.

The current rates in Sioux Falls are $27.56 per 5,000 gallons usage.

Mr. Perkovich noted that loans with a nonpoint source component are eligible to receive a reduced interest rate to offset the cost of the nonpoint source improvements.

Staff recommended awarding an $11,979,457 Clean Water SRF loan at 1.25 percent interest for 10 years, which will consist of two bonds: one in the amount of $11,400,000 for the sanitary sewer project and one in the amount of $579,457 for the nonpoint source project.

Sioux Falls is pledging a project surcharge for repayment of the loan. Staff analysis indicates that a surcharge of $2.35 is needed to provide the required 110 percent coverage.

Staff recommended the award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon EPA approval of the Big Sioux Watershed Implementation project.

Lance Weatherly, public works department, discussed the project and answered questions from the board. Mr. Feeney also answered questions from the board.

Sioux Falls requested $19,475,025 for an outfall sewer replacement project. The estimated total project cost is $19,475,025.

The project includes replacing the outfall line running from the Cliff Avenue equalization basin to the Brandon Road pump station. Similar to the previous loan, a portion of the loan is to make nonpoint source improvements in the Big Sioux River basin. These improvements include stream stabilization, grazing management, agricultural waste management systems, and vegetative buffers. The nonpoint source component of the project is estimated to be $942,025.

Sioux Falls anticipates bidding the outfall sewer portion of the project in June 2015 with project completion in December 2016.

Staff recommended awarding a $19,475,025 Clean Water SRF loan at 1.25 percent interest for 10 years which will consist of two bonds: one in the amount of $18,533,000 for the sanitary sewer project and one in the amount of $942,025 for the nonpoint source project.

Sioux Falls is pledging project surcharge for repayment of the loan. Staff analysis indicates that a surcharge of $4.15 is needed to provide the required 110 percent coverage on this loan. The surcharge for both loans total $6.50, which would bring rates to $34.06, although staff believes there is room in the existing rates to provide the 110 percent coverage.

Staff recommended the award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon EPA approval of the Big Sioux Watershed Implementation project.

Mr. Weatherly discussed this project and answered questions from the board.

Ipswich requested $5,459,000 wastewater system improvements. The estimated total project cost is $5,459,000.

Ipswich intends to replace or line the wastewater collection system and upgrade lift stations within the system. The project also includes minor upgrades at the wastewater treatment facility. The city anticipates bidding the project in November 2015 with project completion in July 2017.

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Staff recommended funding in the amount of $3,951,000 to fund the lift station improvements and the most critical collection system rehabilitation as identified in the facilities plan. The improvements needed at the wastewater treatment facility primarily involve fence repair and spot repair of rip rap. Staff believes the city can accomplish these items on its own, if needed.

The staff recommended awarding a $1,951,000 Clean Water SRF loan at 3.25 percent interest for 30 years, and awarding a Consolidated grant for 50.7 percent of eligible costs not to exceed $2,000,000.

Mr. Perkovich noted that Ipswich is not eligible for Clean Water SRF principal forgiveness because the city does not meet the affordability criteria and additional Consolidated funding is not possible without Legislative authorization. Staff believes Ipswich can address the high priority components of the project with the staff's funding recommendation.

The city has pledged project surcharge as repayment of the loan. Staff analysis indicates that a surcharge of $20.85 is needed to provide 110 percent coverage on the loan. The city's current rates are $22.00 per 5,000 gallons, and staff believes that about $16.50 is needed for operation and maintenance of the system, resulting in overall rates of $37.35 per user per month.

Staff recommended the award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon the rule change to ARSD 74:05:07:03 allowing reimbursement for preliminary design activities becoming effective.

LeRoy Kilber, mayor of Ipswich, and Bob Babcock, Helms & Associates, discussed the project and answered questions from the board.

Lennox requested $2,433,000 for Main Street storm and sanitary sewer system improvements. The estimated total project cost is $2,733,000. Other funding for the project includes a $200,000 DOT Community Access Grant and $100,000 in local cash.

The city intends to make improvements to its storm sewer and sanitary sewer systems. Lennox anticipates bidding the project in August 2015 with project completion in November 2016.

Wastewater rates are $43.34 per 5,000 gallons usage plus $7.13 surcharge for a loan that was awarded last year for a total of $50.47 for 5,000 gallons.

Lennox also collects storm water drainage fees that are expected to generate about $100,000 this year.

The storm sewer portion of project makes up about $1,873,000 of the requested funds and the sanitary sewer makes up the remaining $560,000.

Staff recommended awarding a $1,873,000 Clean Water SRF loan at 3.25 percent interest for 30 years and awarding a Consolidated grant for 20.5 percent of eligible costs not to exceed $560,000.

Lennox is pledging wastewater surcharge for repayment of the loan, even though the city has a storm drainage fee in place. Due to the high wastewater rates, the staff recommendation was for 100

percent subsidy for the wastewater portion of the project. Staff believes the storm water portion of the project should be financed with the storm drainage fee revenue and subsidy for the storm water portion is not justifiable when this revenue is not being used. A surcharge of about $9.25 is needed to provide coverage on a $1,873,000 loan. Wastewater rates of nearly $60 will be required if the city chooses to repay the loan with a wastewater surcharge rather than storm drainage revenues.

Staff recommended the award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon verification that the borrower has an active registration with the federal System for Award Management.

Greg Stack, public works director, discussed the project and answered questions from the board.

Wessington Springs requested $443,000 for a Main Street sanitary sewer infrastructure improvements project. The estimated total project cost is $433,000.

Wessington Springs intends to replace three blocks of sanitary sewer on Main Street in conjunction with a street improvement project. The city anticipates bidding the project in January 2016 with project completion in September 2016.

The city's rates are $24.00 based on 5,000 gallons usage.

Staff recommended awarding a $443,000 Clean Water SRF loan at 3.0 percent interest for 20 years.

Wessington Springs pledged a project surcharge for repayment of the loan. The city's bond counsel has determined that a surcharge cannot be used because the project does not benefit the entire community. Therefore, the city will have to pledge its wastewater revenues as security on the loan and an election may be necessary. Staff analysis indicates that current rate of $24.00 provides coverage of 288 percent.

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

Melissa Mebius, mayor, discussed the project and answered questions from the board.

This concluded presentation of the Sanitary/Storm Sewer Facilities funding applications. The board made funding decisions the following day.

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

Sioux Rural Water System requested $4,515,900 for 2015 water system improvements. The estimated total project cost is $4,564,600. The funding package also includes $50,000 in local cash.

This project will construct 31 miles of new water distribution line, connect the town of Kranzburg as individual users, replace the existing SCADA system, and develop two additional wells at the

Castlewood well field. Sioux RWS anticipates bidding the project in February 2016 with project completion in November 2016.

The current household rates are $62.20 per 7,000 gallons based on usage.

This project along with making several improvements to the Sioux RWS system as a whole includes a specific component to move the town of Kranzburg users to individual users of the Sioux RWS. Currently, Sioux RWS provides operation, maintenance and administrative support for the town. Without Sioux RWS being willing to take on the Kranzburg users individually, the cost to the city would be very high to replace lines and make upgrades as well as to hire a certified operator to run the system.

Mr. Bruels noted that staff believes this is a good solution and will get a small town out of the water business.

Staff recommended awarding a Consolidated grant for 43.9 percent of total project costs not to exceed $2,000,000 and awarding a $2,515,000 Drinking Water SRF loan at 3 percent interest for 20 years.

Sioux RWS has pledged system revenues for repayment of the loan. Staff analysis indicates that an increase in total system revenue of approximately 3.0 percent will be needed to provide the required 110 percent debt coverage for a loan of $2,515,000.

Staff recommended the award being contingent upon the borrower adopting a resolution and the resolution becoming effective, contingent upon the borrower raising its rates sufficient to provide the required debt coverage, contingent upon the borrower approving a security agreement and mortgage, and contingent upon an Inter-creditor Agreement being approved and executed by CoBank, Rural Utilities Service, Sioux Rural Water System, and the District.

Heath Thompson, Sioux RWS discussed the project and answered questions from the board.

Big Sioux Community Water System requested $3,014,700 for water system improvements. The estimated total project cost is $3,014,700.

The project is part of a larger effort to “wheel” water to the city of Madison. With this funding Big Sioux Community Water System will construct a pipeline that runs from Minnehaha Community Water Corporation’s tower near Colton to Lewis & Clark regional water’s Madison service line. The connection to the Minnehaha system allows Big Sioux Community Water System to deliver up to 1,000,000 gallons of water per day to Madison.

Big Sioux Community Water System anticipates bidding the project in August 2015 with project completion in November 2016.

Big Sioux Community Water System proposes rural household rates of $62.30 per 7,000 gallons based on usage.

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Staff recommended awarding a Consolidated grant for 66.4 percent of total project costs not to exceed $2,000,000, and awarding a $1,014,000 Drinking Water SRF loan, at 3 percent interest for 20 years.

Big Sioux Community Water System has pledged system revenues for repayment of the loan. Staff analysis indicates that an increase in total system revenues of approximately 4.8 percent will be needed to provide the required 110 percent debt coverage for a loan of $1,014,000.

Staff recommended the loan being contingent upon the borrower adopting a resolution and the resolution becoming effective, contingent upon the borrower raising its rates sufficient to provide the required debt coverage, contingent upon the borrower approving a security agreement and mortgage, contingent upon an Inter-creditor Agreement being approved and executed by CoBank, Rural Utilities Service, Big Sioux Community Water System and the District, and contingent upon service agreements for all parties being signed and executed.

Staff also recommended the grant being contingent upon service agreements for all parties being signed and executed.

Chad Bachman, Banner Associates, discussed the project. Mr. Bachman, Jay Gilbertson, and Mr. Feeney answered questions from the board.

Woodland Hills Sanitary District requested $481,000 for Phase I water system improvements. The estimated total project cost is $1,261,000.

In June 2013, Woodland Hills was awarded a $780,000 Drinking Water SRF loan with $480,000 in principal forgiveness for the water system improvement project. The proposed project included the construction of a ground level water storage tank, installation of PVC water main, new water meter pits for the entire system, water service line replacements and improvements to the well, well-house, and pump station buildings. The bids for the project came in over the cost estimate, so only a portion of the project was awarded. The district is now seeking funding to complete the replacement of service lines and meter pits and to make improvements to the well, well house, and pump station buildings, which were the items removed from the original bid.

The sanitary district anticipates bidding the project in May 2015 with project completion in October 2015.

Woodland Hills Sanitary District's current rates are $70.66 for 5,000 gallons.

Staff recommended awarding a $481,000 Drinking Water SRF loan at 3 percent interest for 20 years with 80 percent as principal forgiveness not to exceed $384,800.

Woodland Hills Sanitary District has pledged a project surcharge for repayment of the loan. The surcharge needed to provide the 110 percent coverage on a $96,200 loan is $5.76, which will bring the rates to $76.42.

Staff recommended the award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge sufficient to

provide the required debt coverage, and contingent upon receipt of the 2015 Drinking Water capitalization grant from EPA.

Randy Alexander, subdivision president, requested approval of funding and answered questions from the board.

Tyndall requested $1,570,000 for water distribution and storage system upgrades. The estimated total project cost is $1,575,330. Tyndall is contributing $5,330 in local cash for the project.

The project includes constructing a new 200,000-gallon water tower and replacing all the cast iron and selected asbestos concrete water main with new PVC water main throughout the city, as well as replacing valves, hydrants, and service connections.

Tyndall anticipates bidding the project in August 2015 with project completion in October 2016.

The city's rates are $43.00 per 5,000 gallons based on usage.

Staff recommended awarding a $1,570,000 Drinking Water SRF loan, at 2.25 percent interest for 30 years with 12.8 percent as principal forgiveness not to exceed $200,000.

Tyndall is pledging project surcharge for repayment of the loan. Staff analysis indicates a surcharge of $10.68 is needed for a $1,370,000 loan. In the past three years, Tyndall's revenues have exceeded its operating expenses by an average of $100,000. The city's existing rates generate sufficient revenue to provide the surcharge so no rate increase is needed.

Staff recommended the award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge sufficient to provide the required debt coverage, and contingent upon receipt of the 2015 Drinking Water capitalization grant from EPA.

Kevin Ranek, Tyndall city council, and Terry Aaker, SPN, discussed the project and answered questions from the board.

Buffalo requested $1,695,000 for drinking water system improvements. The estimated total project cost is $1,695,000.

The project will replace all existing cast iron and asbestos cement water main with PVC water main, valves, hydrants, and service connections. The town anticipates bidding the project in May 2015 with project completion in August 2016.

Buffalo's rates are $20.00 per 5,000 gallons based on usage. Mr. Bruels noted that the town's current rates are below the minimum to be able to receive additional subsidy; however, as a result of the recommended funding package the rates will be over the $25.00 minimum for 5,000 gallons.

Staff recommended awarding a $1,695,000 Drinking Water SRF loan, at 2.25 percent interest for 30 years with 35.4 percent as principal forgiveness not to exceed $600,000.

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Buffalo has pledged project surcharge for repayment of the loan. A surcharge of $18.82 is needed to provide coverage on the $1,095,000 loan, bringing overall rates to $38.82.

Staff recommended the award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge sufficient to provide the required debt coverage, and contingent upon receipt of the 2015 Drinking Water capitalization grant from EPA.

Gary Johnson, town board president, discussed the project and answered questions from the board.

Brandon requested $12,425,000 for drinking water system improvements. The estimated total project cost is $12,425,000.

The project includes the construction of two 1,250,000-gallon water storage tanks to ensure a reliable water supply, adequate system pressures and the recommended storage volume. The project will also loop distribution lines and upsize trunk lines to increase flow capacity and reduce pressure loss.

Brandon's rates are $30.05 for 5,000 gallons based on usage.

Staff recommended awarding a $12,425,000 Drinking Water SRF loan, at 3 percent interest for 20 years, with 4.1 percent as principal forgiveness, not to exceed $500,000.

The city has pledged a project surcharge for repayment of the loan. Staff analysis indicates a surcharge of $24.85 is needed for debt service on an $11,925,000 loan, which will result in rates of $54.90.

Mr. Bruels stated that the city of Brandon was informed that a new rate of 3.25 percent for 30 years would be available for this project; however, the city declined that option. With the extended term of 30 years, a surcharge of $20.35 is needed to provide the required coverage and overall rates would be reduced to $50.40. Additionally, staff identified that $2.25 of the current rate is being used to repay a loan that was pledged to sales tax. If this loan were repaid using sales tax, rates would be $48.15.

Mr. Bruels noted that staff acknowledges that the rates will be rather high even with the extended term; however, staff believes Brandon has other options to reduce rates. These options include reducing project costs by reducing the tank size, eliminating or downsizing lines proposed to loop the distribution system, or putting local cash towards the project. Brandon's unrestricted cash balance at the end of 2014 was $946,000 and projected to grow to $1.4 million in three years. Brandon's base rate could also be reduced by $3.00 to $4.00 per 5,000 gallons and still have sufficient funds to cover operation and maintenance expenses.

Staff recommended the award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge sufficient to provide the required debt coverage, contingent upon verification the borrower has an active registration with the federal System for Award Management, and contingent upon receipt of the 2015 Drinking Water capitalization grant from EPA.

Gabe Laber, Stockwell Engineering, discussed the project and answered questions from the board.

Minnehaha Community Water Corporation requested $1,800,000 for connection to Big Sioux Community Water System and Madison. The estimated total project cost is $1,800,000.

This project is another part of the effort to "wheel" water to the city of Madison. The funding will enable Minnehaha Community Water Corporation to more effectively utilize its second connection to the Lewis & Clark Regional Water System. This frees up water from Minnehaha's water treatment plants near Dell Rapids and allows it to sell up to 1,000,000 gallons of water per day to Big Sioux Community Water System, which will then deliver water to Madison.

Minnehaha Community Water Corporation anticipates bidding the project in August 2015 with project completion in November 2016.

The rural household rates are $52.75 per 7,000 gallons based on usage.

Staff recommended awarding a Consolidated grant for 50 percent of total project costs not to exceed $900,000 and awarding a $900,000 Drinking Water SRF loan at 3 percent interest for 20 years.

Minnehaha Community Water Corporation's current rate of $52.75 is below the minimum rate of $55.00 for 7,000 gallons to be eligible to receive grant funds. However, in accordance with ARSD 74:05:07:11, the board may award grant assistance to recipients not meeting the minimum established rates for regionalization or consolidation of facilities.

Minnehaha Community Water Corporation has pledged system revenue for repayment of the loan. Staff analysis indicates that Minnehaha Community Water Corporation has sufficient revenue with its existing rates to provide 110 percent debt coverage on the loan.

Staff recommended the loan being contingent upon the borrower adopting a resolution and the resolution becoming effective, contingent upon the borrower approving a security agreement and mortgage. contingent upon an Inter-creditor Agreement being approved and executed by Rural Utilities Service, Minnehaha Community Water Corporation, and the District, and contingent upon service agreements for all parties being signed and executed.

Staff also recommended the grant being awarded contingent upon service agreements for all parties being signed and executed.

Scott Buss, executive director of Minnehaha Community Water Corporation, discussed the project and answered questions from the board.

Canton requested $1,550,000 for water supply improvements. The estimated total project cost is $1,970,000. Canton is contributing $420,000 in local cash for this project.

The project includes the replacement of two existing wells with diminishing capacities with two new wells and replacement or upgrades to the existing high service pumps and control system.

The city anticipates bidding the project in July 2015 with project completion in May 2016.

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Canton's rates are $31.20 for 5,000 gallons based on usage.

Mr. Bruels noted that the original application submitted by Canton requests a loan rate and term of 3 percent interest for 20 years. In reviewing the application, staff determined that Canton is eligible for the disadvantaged rate and term of 3 percent interest for 30 years based on the new Median Household Income data approved by the board in the rule changes earlier today. Staff contacted the city regarding this possibility, and the city has decided they would prefer the extended terms on the loan. The loan will include an additional contingency that will require the rule changes becoming effective prior to the loan closing.

Staff recommended awarding a $1,550,000 Drinking Water SRF loan, at 3 percent interest for 30 years.

Canton has pledged a project surcharge for repayment of the loan. Staff analysis indicates that a surcharge of $5.45 per user is needed to repay the loan. This results in rates of $36.65 per month. Mr. Bruels stated that Canton's current water rate is sufficient to provide coverage for existing system debt and operation and maintenance, along with providing coverage for this new loan. A restructure of the rates would be sufficient if the city chose not to add the surcharge to the current rate.

Staff recommended the award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge sufficient to provide the required debt coverage, and contingent upon the rule change to ARSD 74:05:11:01(20) changing the source of median household income data becoming effective.

Bill Thorson, public works director, discussed the project and answered questions from the board.

Wessington Springs requested $259,600 for a Main Street infrastructure improvements project. The estimated total project cost is $259,600.

The project will replace three blocks of asbestos cement water main on Main Street with PVC water main. The city anticipates bidding the project in January 2016 with project completion in September 2016

The city's rates are $33.00 for 5,000 gallons based on usage.

Wessington Springs' original application requested a loan rate and term of 3 percent interest for 20 years; however, in reviewing the application, staff determined that the city is eligible for the disadvantaged rate and term of 2.25 percent interest for 30 years based on the new Median Household Income data. Staff contacted the city regarding this possibility, and the city has decided they would prefer the disadvantaged rate and terms on the loan. Mr. Bruels noted that the loan will include an additional contingency that will require the rule changes becoming effective prior to the loan closing.

Staff recommended awarding a $259,000 Drinking Water SRF loan at 2.25 percent interest for 30 years.

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The city pledged a project surcharge for repayment of the loan. The city's bond counsel has determined that a project surcharge cannot be pledged for repayment of the loan, and the city will need to pledge system revenues.

Staff analysis indicates that the city's existing rates will provide 190.2 percent coverage of the loan.

Staff recommended the award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the rule change to ARSD 74:05:11:01(20) changing the source of median household income data becoming effective.

Melissa Mebius, mayor of Wessington Springs, discussed the project and answered questions from the board.

This concluded presentation of the Drinking Water Facilities funding applications. The board made its funding decisions the following day.

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

Lesterville requested $53,000 for a water meter replacement project. The estimated total project cost is $53,000.

The project will replace water meters in conjunction with switching to remote reading system. Lesterville anticipates bidding the project in April 2015 with project completion in July 2015.

Lesterville's rates are $35.00 per month based on 5,000 gallons usage.

Staff recommended awarding a $26,500 Consolidated loan at 2.25 percent interest for 10 years and awarding a Consolidated grant for 50 percent of eligible costs not to exceed $26,500.

Lesterville has pledged water revenues for replacement of the loan. Staff analysis indicates a rate increase of $4.00 is needed to provide the required coverage, resulting in overall rates of $39.00.

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.

Northville requested $140,000 for storm sewer improvements. The estimated total project cost is $140,000.

The project will replace approximately three blocks of storm sewer and install catch basins at intersections and several clean outs for sump discharge from residences. Northville anticipates bidding the project in July 2015 with project completion in December 2015.

Northville has a $37.60 flat rate per user for wastewater. The community has not established a separate storm water fee.

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Mr. Perkovich noted that it appears the project is needed to drain water away from a street that has water issues. Small-scale storm drainage projects are low priority projects that do not typically receive subsidy.

Staff recommended awarding a $140,000 Consolidated loan at 3.25 percent interest for 30 years.

Northville has pledged a wastewater surcharge for repayment of the loan. Staff analysis shows that a surcharge of $9.40 is needed to repay the loan, resulting in overall rates of $47.00.

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

Clayton Blachford, town president, discussed the project.

The board made funding decisions the following day.

SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATIONS: Mr. Bruels reviewed available funds for the Solid Waste Management Program. The board packet included a map showing the location of the Solid Waste Management Program applicants.

The board may award grant and loan funds for the purpose of solid waste planning and management under the program. In accordance with the administrative rules, the board must make its funding decisions within 120 days after the applications are presented.

The department received two new applications for Solid Waste Management Program funding by the January 1, 2015, deadline. Mr. Bruels presented the applications and staff recommendations for funding.

The Department of Environment and Natural Resources requested $350,000 for waste tire and other solid waste cleanup projects. The estimated total project cost is $350,000.

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. Section 7 of the Governor's 2012 Omnibus Bill appropriated $500,000 to the department, and provided that grants could be awarded for up to 100 percent for the purpose of conducting waste tire and other solid waste cleanups within the state. The existing grant that the board awarded to the department is expiring at the end of March, and there are still funds available from the appropriation to be obligated to the department. There is approximately $370,000 of this appropriation available.

Since 2010, the department has used $1.32 million for 22 waste tire cleanup projects totaling nearly 8,950 tons of tires being disposed of properly. An additional $58,000 has been used for 22 school chemical cleanups and other solid waste cleanups throughout the state. Allocating additional funds will allow the department to continue its efforts to have waste tires, chemicals, and solid waste disposed of properly.

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Staff recommended awarding a Regional Landfill Assistance grant for 100 percent of total project costs not to exceed $350,000.

Mr. Bruels answered questions from the board.

South Eastern Council of Governments requested $500,000 for the Solid Waste Management Regional Revolving Loan fund recapitalization. The total cost is $625,000. South Eastern Council of Governments' borrowers are contributing $125,000 to match these funds.

South Eastern Council of Governments has requested funding to pass through to the South Eastern Development Foundation to recapitalize a fund promoting the solid waste hierarchy in for-profit businesses in Clay, Lincoln, McCook, Minnehaha, Turner, and Union Counties.

South Eastern Council of Governments has received previous funds from this board totaling $1,345,000 for the same purpose. The funds have been loaned to local borrowers at rates and terms that are the same as the board's rate and terms. South Eastern Council of Governments is able to more quickly provide the loan funding to local businesses for solid waste and recycling projects and this makes utilizing their program more attractive to borrowers. The funds awarded will enter a revolving fund and can then be reused again for future projects similar to the way our SRF program works.

This program has been an effective partnership for the department and South Eastern Council of Governments. There are currently two projects ready to utilize some of the requested funding, if approved by the Board.

Staff recommended awarding a Solid Waste Management Program Recycling grant for 80 percent of total project costs not to exceed $250,000 and awarding a Solid Waste Management Program disposal grant for 80 percent of total project costs not to exceed $250,000.

Staff recommended the grant being contingent on all funds passing through the South Eastern Development Foundation.

This concluded presentation of the Solid Waste Management Program funding applications. The board made funding decisions the following day.

RECESS: Chairman Johnson declared the meeting in recess until the following day.

MARCH 27, 2015 – 8:15 A.M.

Chairman Johnson called the meeting back to order. A quorum was present.

LEGISLATIVE UPDATE: DENR Secretary Steve Pirner provided an update on 2015 legislation and answered questions from the board.

SANITARY AND STORM SEWER FACILITIES FUNDING DECISIONS: Mr. Perkovich reviewed available funding, the applications and staff recommendations.

Motion by Goldhammer, seconded by Soholt, to adopt Resolution #2015-20 approving a Clean Water State Revolving Fund loan up to a maximum committed amount of $1,080,000 at 3.25 percent interest for 30 years with up to 46.3 percent principal forgiveness not to exceed $500,000 to the city of Waubay for wastewater treatment facility improvements; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, contingent upon the rule change to ARSD 74:05:07:03 allowing reimbursement for preliminary design activities becoming effective, contingent upon the rule change to ARSD 74:05:08:12.03 establishing the affordability criteria to award principal forgiveness becoming effective, and contingent upon receipt of the 2015 Clean Water capitalization grant from EPA; and to adopt Resolution #2015-21 approving the South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the city of Waubay for up to 31.9 percent of approved total project costs not to exceed $700,000 for wastewater treatment facility improvements. Motion carried unanimously.

Motion by Bernhard, seconded by Soholt, to adopt Resolution #2015-22 rescinding Resolution #2014-16 which awarded the Consolidated Water Facilities Construction Program Grant Agreement (2015G-100) to the city of Clark for up to 20.3 percent of approved total project costs not to exceed $1,000,000, and approving the South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the city of Clark for up to 57.2 percent of approved total project costs not to exceed $4,000,000 for a wastewater treatment facility construction project; and to adopt Resolution #2015-23 approving the Clean Water State Revolving Fund loan up to a maximum committed amount of $2,485,000 at 3.25 percent interest for 30 years to the city of Clark for a wastewater treatment facility construction project; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust. The loan is contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon the rule change to ARSD 74:05:07:03 allowing reimbursement for preliminary design activities becoming effective. Motion carried unanimously.

Motion by Gnirk, seconded by Bernhard, to adopt Resolution #2015-24 approving the Clean Water State Revolving Fund loan up to a maximum committed amount of $723,000 at 3.25 percent interest for 30 years to the city of Kennebec for wastewater system improvements; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust. The loan is contingent upon the borrower adopting a bond resolution and the resolution becoming effective. Motion carried unanimously.

Motion by Gnirk, seconded by Goldhammer, to adopt Resolution #2015-25 approving the Clean Water State Revolving Fund loan up to a maximum committed amount of $437,000 at 3.25 percent

interest for 30 years to the city of Kennebec for wastewater system improvements; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust. The loan is contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried unanimously.

Motion by Soholt, seconded by Goldhammer, to adopt Resolution #2015-26 approving the Clean Water State Revolving Fund loan up to a maximum committed amount of $417,200 at 3.25 percent interest for 30 years to the city of Humboldt for a 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 a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, contingent upon the rule change to ARSD 74:05:07:03 allowing reimbursement for preliminary design activities becoming effective, and contingent upon verification the borrower has an active registration with the federal System for Award Management; and to adopt Resolution #2015-27 approving the South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the city of Humboldt for up to 80 percent of approved total project costs not to exceed $1,668,800 for a sanitary sewer improvements project. Motion carried unanimously.

Motion by Soholt, seconded by Goldhammer, to adopt Resolution #2015-28 approving the Clean Water State Revolving Fund loan up to a maximum committed amount of $968,000 at 3.25 percent interest for 30 years with 73.9 percent principal forgiveness not to exceed $714,400 to the city of Hosmer for wastewater treatment system improvements; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, contingent upon the rule change to ARSD 74:05:07:03 allowing reimbursement for preliminary design activities becoming effective, contingent upon the rule change to ARSD 74:05:08:12.03 establishing the affordability criteria to award principal forgiveness becoming effective, contingent upon receipt of the 2015 Clean Water capitalization grant from EPA, and contingent upon the borrower raising its base rate to a level sufficient to cover operation and maintenance expenses, and to adopt Resolution #2015-29 approving the South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the city of Hosmer for up to 23.7 percent of approved total project costs not to exceed $300,000 for wastewater treatment system improvements. Motion carried unanimously.

Motion by Bernhard, seconded by Goldhammer, to adopt Resolution #2015-30 approving the Clean Water State Revolving Fund loan up to a maximum committed amount of $3,000,000 at 3.25 percent interest for 30 years to the city of Brandon for sanitary sewer improvements; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local

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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, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon verification that the borrower has an active registration with the federal System for Award Management. Motion carried unanimously.

Motion by Goldhammer, seconded by Soholt to adopt Resolution #2015-31 approving the Clean Water State Revolving Fund loan up to a maximum committed amount of $1,764,000 at 3.25 percent interest for 30 years to the city of Howard for a lagoon expansion project; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried unanimously.

Motion by Soholt, seconded by Bernhard, to adopt Resolution #2015-32 approving the Clean Water State Revolving Fund loan up to a maximum committed amount of $11,979,457 at 1.25 percent interest for 10 years to the city of Sioux Falls for the Brandon Road pump station parallel force main project and nonpoint source activities, 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, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon EPA approval of the Big Sioux Watershed project implementation plan. Motion carried unanimously.

Motion by Soholt, seconded by Bernhard, to adopt Resolution #2015-33 approving the Clean Water State Revolving Fund loan up to a maximum committed amount of $19,475,025 at 1.25 percent interest for 10 years to the city of Sioux Falls for an outfall sewer replacement project and nonpoint source activities; 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, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon EPA approval of the Big Sioux Watershed project implementation plan. Motion carried unanimously.

Motion by Goldhammer, seconded by Bernhard, to adopt Resolution #2015-34 approving the Clean Water State Revolving Fund loan up to a maximum committed amount of $1,951,000 at 3.25 percent interest for 30 years to the city of Ipswich for wastewater system improvements; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the

performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon the rule change to ARSD 74:05:07:03 allowing reimbursement for preliminary design activities becoming effective; and to adopt Resolution #2015-35 approving the South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the city of Ipswich for up to 50.7 percent of approved total project costs not to exceed $2,000,000 for wastewater system improvements. Motion carried unanimously.

Motion by Gnirk, seconded by Bernhard, to adopt Resolution #2015-36 approving the Clean Water State Revolving Fund loan up to a maximum committed amount of $1,873,000 at 3.25 percent interest for 30 years to the city of Lennox for Main Street storm and sanitary sewer improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon verification that the borrower has an active registration with the federal System for Award Management; and to adopt Resolution #2015-37 approving the South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the city of Lennox for up to 20.5 percent of approved total project costs not to exceed $560,000 for Main Street storm and sanitary sewer improvements. Motion carried unanimously.

Motion by Soholt, seconded by Bernhard, to adopt Resolution #2015-38 approving the Clean Water State Revolving Fund loan up to a maximum committed amount of $393,000 at 3 percent interest for 20 years to the city of Wessington Springs for Main Street sanitary sewer improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective; and to adopt Resolution #2015-39 approving the South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the city of Wessington Springs for up to 11.3 percent of approved total project costs not to exceed $50,000 for Main Street sanitary sewer improvements. Motion carried unanimously.

<u>DRINKING WATER FACILITIES FUNDING DECISIONS</u>: Mr. Bruels reviewed available funding, the applications, and staff recommendations for funding.

Motion by Goldhammer, seconded by Soholt, to adopt Resolution #2015-40 approving the South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the Sioux Rural Water System for up to 43.9 percent of approved total project costs not to exceed $2,000,000 for drinking water facility improvements project; and to adopt Resolution #2015-41 approving a Drinking Water State Revolving Fund loan up to a maximum commitment amount of $2,515,000 at 3 percent for 20 years to the Sioux Rural Water System for a

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drinking water facility 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 resolution and the resolution becoming effective, contingent upon the borrower raising its rates sufficient to provide the required debt coverage, contingent upon the borrower approving a security agreement and mortgage, and contingent upon an Inter-creditor Agreement being approved and executed by CoBank, Rural Utilities Service, Sioux Rural Water System, and the District. Motion carried unanimously.

Motion by Bernhard, seconded by Soholt, to adopt Resolution #2015-42 approving the South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the Big Sioux Community Water System for up to 66.4 percent of approved total project costs not to exceed $2,000,000 for a system interconnection project to deliver water to Madison contingent upon service agreements for all parties being signed and executed; and to adopt Resolution #2015-43 approving a Drinking Water State Revolving Fund loan up to a maximum commitment amount of $1,014,000 at 3 percent for 20 years to the Big Sioux Community Water System for a system interconnection project to deliver water to Madison and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a resolution and the resolution becoming effective, contingent upon the borrower raising its rates sufficient to provide the required debt coverage, contingent upon the borrower approving a security agreement and mortgage, contingent upon an Inter-creditor Agreement being approved and executed by CoBank, Rural Utilities Service, Big Sioux Community Water System and the District. Motion carried unanimously.

Motion by Gnirk, seconded by Goldhammer, to adopt Resolution #2014-44 approving a Drinking Water State Revolving Fund loan up to a maximum commitment amount of $481,000 at 3 percent for 20 years with up to 80 percent principal forgiveness not to exceed $384,800 to Woodland Hills Sanitary District for water system improvements; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge sufficient to provide the required debt coverage, and contingent upon receipt of the 2015 Drinking Water capitalization grant from EPA. Motion carried unanimously.

Motion by Gnirk, seconded by Goldhammer, to adopt Resolution #2014-45 approving a Drinking Water State Revolving Fund loan up to a maximum commitment amount of $1,570.000 at 2.25 percent for 30 years with up to 12.8 percent principal forgiveness not to exceed $200,000 to the city of Tyndall for water distribution and storage system upgrades; 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

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effective, contingent upon the borrower establishing a surcharge sufficient to provide the required debt coverage, and contingent upon receipt of the 2015 Drinking Water capitalization grant from EPA. Motion carried unanimously.

Motion by Gnirk, seconded by Soholt, to adopt to Resolution #2014-46 approving a Drinking Water State Revolving Fund loan up to a maximum commitment amount of $1,695,000 at 2.25 percent for 30 years with up to 35.4 percent principal forgiveness not to exceed $600,000 to the town of Buffalo for drinking water system improvements; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge sufficient to provide the required debt coverage, and contingent upon receipt of the 2015 Drinking Water capitalization grant from EPA. Motion carried unanimously.

Motion by Goldhammer, seconded by Soholt, to adopt Resolution #2014-47 approving a Drinking Water State Revolving Fund loan up to a maximum commitment amount of $12,425,000 at 3 percent interest for 30 years with up to 4.1 percent principal forgiveness not to exceed $500,000 to the city of Brandon for drinking water system improvements; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge sufficient to provide the required debt coverage, contingent upon verification the borrower has an active registration with the federal System for Award Management, and contingent upon receipt of the 2015 Drinking Water capitalization grant from EPA. Motion carried unanimously.

Motion by Bernhard, seconded by Goldhammer, to adopt Resolution #2015-48 approving the South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the Minnehaha Community Water Corporation for up to 50 percent of approved total project costs not to exceed $900,000 for a water distribution improvements project, contingent upon service agreements for all parties being signed; and to adopt Resolution #2015-49 approving a Drinking Water State Revolving Fund loan up to a maximum commitment amount of $900,000 at 3 percent for 20 years to the Minnehaha Community Water Corporation a water distribution 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 resolution and the resolution becoming effective, contingent upon the borrower approving a security agreement and mortgage, contingent upon an Inter-creditor Agreement being approved and executed by Rural Utilities Service, Minnehaha Community Water Corporation, and the District, and contingent upon service agreements for all parties being signed and executed. Motion carried unanimously.

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Motion by Goldhammer, seconded by Soholt, to adopt Resolution #2014-50 approving a Drinking Water State Revolving Fund loan up to a maximum commitment amount of $1,550,0000 at 3 percent interest for 30 years to the city of Canton for water supply 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, contingent upon the borrower establishing a surcharge sufficient to provide the required debt coverage, and contingent upon the rule change to ARSD 74:05:11:01(20) changing the source of median household income data becoming effective. Motion carried unanimously.

Motion by Soholt, seconded by Bernhard, to adopt Resolution #2015-51 approving a Drinking Water State Revolving Fund loan up to a maximum commitment amount of $209,000 at 3 percent for 20 years to the city of Wessington Springs for Main Street water infrastructure 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 rule change to ARSD 74:05:11:01(20) changing the source of median household income data becoming effective, and to adopt Resolution #2015-52 approving the South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the city of Wessington Springs for up to 19.3 percent of approved total project costs not to exceed $50,000 for Main Street water infrastructure improvements. Motion carried unanimously.

SMALL WATER FACILITIES FUNDING DECISIONS: Mr. Perkovich reviewed the applications and the staff recommendations for funding.

Motion by Gnirk, seconded by Soholt, to adopt Resolution #2015-53 approving the South Dakota Consolidated Water Facilities Construction Program loan agreement between the Board of Water and Natural Resources and the town of Lesterville for a loan not to exceed $26,500 at 2.25 percent interest for 10 years for a water meter replacement project, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower raising its wastewater rates to a level sufficient to provide the necessary coverage; and to adopt Resolution #2015-54 approving the South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the town of Lesterville for up to 50 percent of approved total project costs not to exceed $26,500 for a water meter replacement project. Motion carried unanimously.

Motion by Gnirk, seconded by Soholt, to adopt Resolution #2015-55 approving the South Dakota Consolidated Water Facilities Construction Program loan agreement between the Board of Water and Natural Resources and the town of Northville for a loan not to exceed $140,000 at 3.25 percent interest for 30 years for storm sewer improvements, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge sufficient to provide the required debt coverage. Motion carried unanimously.

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SOLID WASTE MANAGEMENT PROGRAM FUNDING DECISIONS: Mr. Bruels reviewed available funds, the applications, and staff recommendations.

Motion by Gnirk, seconded by Bernhard, to adopt Resolution #2015-56 approving the South Dakota Regional Landfill Assistance grant agreement between the Board of Water and Natural Resources and the Department of Environment and Natural Resources for up to 100 percent of approved total project costs not to exceed $350,000 for waste tire and other solid waste cleanup projects. Motion carried unanimously.

Motion by Jones, seconded by Gnirk, to adopt Resolution #2015-57 approving the South Dakota Solid Waste Management Program grant agreement (2016G-REC-102) between the South Dakota Board of Water and Natural Resources and South Eastern Council of Governments for up to 80 percent of the total project costs not to exceed $250,000 for financial assistance to recapitalize the waste management regional revolving loan fund contingent upon all funds passing through the South Eastern Development Foundation. Motion carried unanimously.

Motion by Goldhammer, seconded by Soholt, to adopt Resolution #2015-58 approving the South Dakota Solid Waste Management Program grant agreement (2016G-SW-101) between the South Dakota Board of Water and Natural Resources and South Eastern Council of Governments for up to 80 percent of the total project costs not to exceed $250,000 for financial assistance to recapitalize the waste management regional revolving loan fund contingent upon all funds passing through the South Eastern Development Foundation. Motion carried unanimously.

AUTHORIZATION FOR DENR TO AWARD GRANTS TO VERY SMALL SYSTEMS AS ALLOWED BY THE DRINKING WATER 2015 IUP AND THE 2015 OMNIBUS BILL: Claire Peschong reported that the Very Small System Compliance Grant program is meant to assist small water systems that are in violation of the Safe Drinking Water Act to achieve compliance. This does not include systems that are solely in violation of the total coliform rule.

The implementation of this grant program allows a qualifying water system to receive up to a $50,000 grant to streamline a project that would correct system deficiencies. The grant may be used to purchase equipment and pay for engineering and labor costs directly associated with the construction of the project. These funds will be limited to systems with 50 or fewer connections and not-for-profit, non-transient, non-community water systems.

Administrative surcharge funds will be provided as 100 percent grants up to a maximum of $50,000. The total project must cost less than $100,000. The 2015 allocation for these activities will be $250,000.

The department's intent is that the non-governmental recipients of these grant funds will not be required to comply with state bid law. Staff anticipates that the large majority of the applicants will be homeowner associations, and they will be allowed to get three quotes for project costs when possible. In the past, private borrowers and grantees have had to follow state bid law because of a board decision that public funds disbursed by the board should follow state bid law with its theory of getting the best deal for the public dollar. However, the board could consider making a limited exception to this by allowing the Very Small System Compliance Grant program to streamline the process.

As an example: the cost to purchase and install a treatment unit for radionuclides is around $80,000. If we were to require engineering services to prepare specifications and advertise for bids, the project costs may exceed the $100,000 project limit. Although the applicant could proceed through regular funding channels, this would result in the applicant losing the opportunity to streamline the corrective action, which again is the intent of this program.

Staff recommended the board approve the Very Small System Compliance Grant program proposal and authorize the department to develop and implement the program; and approve the use of $250,000 of the administrative surcharge funds as provided in the 2015 Drinking Water State Revolving Fund Intended Use Plan to assist eligible water systems in achieving compliance with current or future standards of the Safe Drinking Water Act, and designate the Secretary, of the Department of Environment and Natural Resources as a representative of this Board to do all things on its behalf to develop and implement the Very Small System Compliance Grant Program.

Ms. Peschong and Mr. Feeney answered questions from the board.

Motion by Goldhammer, seconded by Gnirk, to adopt Resolution #2015-59 approving the Very Small System Compliance Grant Program proposal and authorize the department to develop and implement the Very Small System Compliance Grant Program, and approving the use of up to $250,000 from the administrative surcharge collected from loans made through the Drinking Water SRF Program to assist eligible water systems in achieving compliance with current or future standards of the Safe Drinking Water Act. Motion carried unanimously.

DISTRIBUTION OF REQUEST FOR PROPOSALS FOR FINANCIAL ADVISOR FOR THE STATE REVOLVING FUND PROGRAMS: Mr. Perkovich reported that in 2003 and 2011, the Board of Water and Natural Resources requested proposals from qualified firms to serve as its State Revolving Fund Financial Advisor. Public Financial Management (PFM) was selected and has served as Financial Advisor since 2003. The Board's current contract with PFM expires on June 30, 2015.

Mr. Perkovich noted that the draft Request for Proposal to srve as Financial Advisor for the State Revolving Fund Programs was included in the board packet.

The Request for Proposals will be advertised on April 1, 2015, and proposals are due on May 1, 2015. Financial advisor selection will take place in June 2015, and a contract will be executed on July 1, 2015. The contract will be for a three-year period with the option to renew for an additional three years if the board chooses to do so.

Mr. Perkovich requested that the board authorize distribution of the Request for Proposals to serve as financial advisor for the State Revolving Fund programs.

Motion by Bernhard, seconded by Goldhammer, to authorize distribution of the Request for Proposals to serve as financial advisor for the State Revolving Fund programs. Motion carried unanimously.

DRAFT

Chairman Johnson appointed himself, Mr. Soholt and Mr. Bernhard as the subcommittee to work with staff in the selection process.

AMENDMENT TO JOINT POWERS AGREEMENT WITH EAST DAKOTA WATER DEVELOPMENT DISTRICT FOR AQUIFER DELINEATION TECHNICAL ASSISTANCE TO COMMUNITY WATER SYSTEMS: Jon Peschong reported that at it's March 2013 meeting, the board approved a Joint Powers Agreement with East Dakota Water Development District to undertake and complete the Updating and Implementation of Comprehensive Local Groundwater Protection for Shallow Aquifers in Eastern South Dakota.

The original work plan called for coordination with the Department's Geological Survey Program to install new or possibly rehabilitate old observation wells at a variety of public water supply well fields during the 2013 season. This work was delayed by the Department's Geological Survey Program investigation of the Upper Vermillion-Missouri aquifer for priority pending water rights permit applications.

With the current agreement scheduled to terminate on April 1, 2015, East Dakota Water Development District submitted a letter requesting that the Joint Powers Agreement be extended for one year to April 1, 2016.

Staff recommended the board approve the First Amendment to the Joint Powers Agreement with East Dakota Water Development District to extend the term by one year to April 1, 2016.

Jay Gilbertson requested board approval of the amendment.

Motion by Gnirk, seconded by Goldhammer, to adopt Resolution #2015-60 approving the First Amendment to Joint Powers Agreement with East Dakota Water Development District to extend the term of the Joint Powers Agreement to April 1, 2016, and to authorize the chairman and secretary of the Board of Water and Natural Resources to execute the First Amendment. Motion carried unanimously.

SFY 2016 MEETING SCHEDULE: Mr. Perkovich presented the tentative FY 2015 meeting schedule.

Motion by Gnirk, seconded by Bernhard, to adopt the following meeting schedule for FY 2016:

September 24-25, 2015
November 5, 2015
January 7-8, 2016
March 31-April 1, 2016
June 23-24, 2016

Motion carried unanimously.

JUNE MEETING: The next meeting is scheduled for June 25-26, 2015, at the Matthew Training Center, Foss Building, in Pierre. Mr. Perkovich highlighted some of the agenda items for that meeting.

DRAFT

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

Approved this 25th day of June, 2015.

(SEAL)

_____
Chairman, Board of Water and Natural Resources

ATTEST:

_____
Secretary, Board of Water and Natural Resources

DRAFT

BOARD OF WATER AND NATURAL RESOURCES
ATTENDANCE SHEET

DATE 3-26-15 LOCATION Matthew Training Center, Pierre

Name (PLEASE PRINT)	Address	Representing
Mike Perkovich	Pierre	DENR
Jim Feeney	Pierre	DENR
Andy Bruels	Pierre	DENR
Elayne Lande	Pierre	DENR
PAUL GNIRK	NEW UNDERWOOD	BWNR
PAUL BUCHHAMMER	WALL	BWNR
Dan Miller	Hermosa	Hermosa
Jarek Munkvold	Lesterville	Lesterville
Becky Frank	Lesterville	Lesterville
Muriel Pratt	Lesterville	Lesterville
~~Dan Holsworth~~	~~Hermosa~~	~~Hermosa~~
Ritchy Gorepp	Humboldt	Humboldt
Melissa Mebius	Wessington Springs	Wessington Springs
Lynda Wallman	Wessington Springs	Wess Springs
TED HAGER	WATERTOWN	FIRST DISTRICT
Jim PUTNAM	Ammann	SCWD
Scott Buss	Dell Rapids	MCWC
Barry McLaury	Pierre	DENR
Jerry Schoolt	Sioux Falls	BWNR
Jon Pochang	Pierre	DENR
Amanda Angelon	Ipswich	City of Ipswich

BOARD OF WATER AND NATURAL RESOURCES
ATTENDANCE SHEET

DATE 3-26-15 LOCATION Matthew Training Center, Pierre

Name (PLEASE PRINT)	Address	Representing
Jerry Aaker	PO Box 398 Mitchell	SPN
Jeff McCormick	Po Box 398 Mitchell	SPN
Gene Mertens	PO Box 125, Kennebec	city of Kennebec
Jon Gilbert	10193rd Ave Ipswich	Ipswich
LeRoy Kilber	804 4th St Ipswich	Ipswich
Mike Schwingler	Hosmer	Hosmer S.D.
Chris Holmes	po 132 Hosmer	city of Hosmer
DAle A Preszler	410 Valley Dr. Hosmer	city of Hosmer
Chad Buchman	409 22nd Ave S	Banner
Scott Mohror	402 22nd Ave S	Banner Asso.
Beth Niemeyer	402 22nd Ave S Brookings	Banner Assoc.
Claire Peschong	SDDENR	DENR
Drew Huisken	SDDENR	DENR
Todd Bernhard	Fort Pierre	BWNR
Kevin Jews	PO Box 155	City of Wakonda
Dave Rubnke	Pierre	DENR
Jackie Luttrell	Clark	City of Clark
Nick Nelson	Pierre	DENR
Kevin Ranek	Tyndall	City of Tyndall
Richard Jones	Tyndall	City of Tyndall

BOARD OF WATER AND NATURAL RESOURCES
ATTENDANCE SHEET

DATE 3-26-15 LOCATION Matthew Training Center, Pierre

Name (PLEASE PRINT)	Address	Representing
Gabe Laber	Sioux Falls	Stockwell
Greg Stack	Lennox	City of Lennox
Lance Weatherly	Sioux Falls	City of Sioux Falls
Bill Thorson	Canton	City of Canton
Justin Blade	canton	city of canton
Randy Alexander	BLACK HAWK	WHSD
EVAN HUTCHINES	BLACK HAWK	WOODLAND HILLS SANITARY DIST.
Mary Duvall	Pierre	Legis. Oversight
Duane Hawila	Buffalo	Town of Buffalo
Bill Gess	Rapid City	BHCLG's
Gary Johnson	Buffalo	Town of Buffalo
DON WEIGEL	ABERDEEN	CLARK ENGINEERING
Bob Babcock	"	Helms & Associates
Jay Gilbertson	Brookings	East Dakota WDD
Kirby Baier	Buffalo	Town of Buffalo
Jim Jones	Black Hawk	MAP - TCG, Lennox,
Bob Mercer	Pierre	Newspapers
Jennifer Sietsema	NECOG	NECOG
Heath Thompson	Watertown	Sioux Rural WUA
Todd Moritz	Clear Lake SD	" " "
Jim Thyen	Waverly SD	" "

BOARD OF WATER AND NATURAL RESOURCES
ATTENDANCE SHEET

DATE 3-26-15 LOCATION Matthew Training Center, Pierre

Name (PLEASE PRINT)	Address	Representing
Vernon Arens	Yankton, SD	Lesterville, SD.
CLAYTON BLACKFORD	NORTHVILLE SD	City of Northville
Jason Hanson	Sturgis, SD	Buffalo

June 25, 2015
Item 4

TITLE: Amendments to 2015 State Water Facilities Plan

EXPLANATION: Water projects that will require state funding or need state support for categorical grant or loan funding must be on the State Water Plan. The Board of Water and Natural Resources annually approves projects for placement onto State Water Facilities Plan and provides for amendment of projects onto the plan. Placement of a project on the State Water Plan by the board provides no guarantee of funding. The projects placed onto the plan at this meeting will remain on the State Water Plan through December 2016.

The following is the list of State Water Plan applications received by the May 1, 2015 deadline. The list also designates those projects to be placed on a State Revolving Fund project priority list. The following tables provide additional details on the project priority list entries.

a. Dimock
b. Hecla
c. Lake Madison Sanitary District
d. Perkins County Rural Water System
e. Pierre

RECOMMENDED ACTION: Approve amendment of projects on the 2015 State Water Facilities Plan

CONTACT: Andy Bruels, 773-4216

State Water Plan Applications
June 2015

State Water Facilities Plan Application

Applicant:	Proposed Funding Package	
Town of Dimock		
Address:	Requested Funding	$529,425
PO Box 115 Dimock, SD 57331	Local Cash	$50,000
	Other:	
Phone Number: (605) 227-4621	Other:	
	TOTAL	$579,425

Project Title: Dimock Water and Wastewater Improvements

Description: (Include present monthly utility rate and whether a reserve fund has been established for the utility to benefit from the project.)

The Town of Dimock is seeking to improve its wastewater treatment facilities and expand its water distribution and wastewater collection systems. The wastewater treatment facility has compliance issues regarding maintaining an adequate depth in the pond and freezing of the influent line in the winter. Correcting this deficiency includes replacement of the existing stream crossing segment of the influent line as well as the installation of an interior dike dividing the deeper section from the shallow section.

The Town is also planning to serve an area in the southern part of the community through the expansion of its water distribution and wastewater collection systems. The development area is planned to accommodate 20 lots. BY Rural Water District provides water service to the Town, but is not responsible for providing new water lines. Therefore, the Town must act as the responsible developer and install the lines. Improvements to the development area include 2 1/2" and 3" watermains, 8" sewer mains, service lines, and appurtenances.

The Town charges $25/$30 for its sewer service (rescomm). The Town funds would repay water loan(s) from its General Fund since BY operates the water system.

The Applicant Certifies That:

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

Rick Herrold, Town Board President		April 14, 2015
Name & Title of Authorized Signatory (Typed)	Signature	Date

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Division of Financial & Technical Assistance

State Water Plan Application Form

Applicant	Proposed Funding Package	
City of Hecla	Requested Funding	$554,000
Address:	Other_____	_____
PO Box 188 Hecla, SD 57446	Other_____	_____
	Other_____	_____
Phone Number:		
(605) 994-2333	**TOTAL**	$554,000

Project Title: Hecla Water Improvements

Description: (Include present monthly utility rate and whether a reserve fund has been established for the utility to benefit from the project.)

The City of Hecla is proposing to replace all remaining stretches of water mains constructed out of cast-iron pipe and asbestos-cement pipe with PVC. They are also proposing to replace in operable gate valves and raise the curb stops that are below grade. Finally they are replacing water meters and purchasing a generator.

The current water rates are $42.00 per 5,000 gallons. Hecla does not have a reserve fund established for the utility to benefit from the project.

The Applicant Certifies That:

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

Jay Osterloh, Mayor — Signature — 2/2/15 Date

Name and Title of Authorized Signatory (Typed)

Application Prepared By:

Name and Title (Typed)	Phone #	Representing
Ted Dickey, Program Coordinator	(605) 626-2595	Northeast Council of Governments
Trent Baumeister	(605) 225-3494	Clark Engineering
Name of Engineer/Architect	Phone #	Representing

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MAY - 4 2015

Division of Financial
& Technical Assistance

SD EForm - 0487LD V2

State Water Facilities Plan Application

Applicant:	Proposed Funding Package	
Lake Madison Sanitary District	Requested Funding	$428,000
Address:	Local Cash	
PO Box 123 Madison, SD 57042-0123	Other:	
	Other:	
Phone Number: (605) 256-4428	TOTAL	$428,000

Project Title: LMSD Area Lift Station 14 South Upgrade Project

Description: (Include present monthly utility rate and whether a reserve fund has been established for the utility to benefit from the project.)

The Lake Madison Sanitary District (LMSD) proposes to upgrade several lift stations and replace an existing force main to resolve issues with the wastewater collection system. Parts of the collection system are experiencing overloading issues during certain times of the year. Several area lift stations share a common three inch force main. This fact plus an increase in the number of dwelling units in this portion of the system are causing overloading problems. The LMSD proposes to install approximately 7,800 LF of six inch force main, install one air release manhole, install six access pits, complete improvements/upgrades to three system lift stations, street repairs and seeding plus install any other necessary appurtenances to complete the proposed project. The proposed project will resolve the identified issues with the system. The LMSD wastewater rate for residential dwellings is a flat fee of $36/month. The LMSD has an established reserve fund for the system.

The Applicant Certifies That:

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

Gary Avise, Chairman	Gary Avise	April 30th 2015
Name & Title of Authorized Signatory (Typed)	Signature	Date

SD EForm - 0487LD V2

State Water Facilities Plan Application

Applicant:	Proposed Funding Package	
Perkins County Rural Water System	Requested Funding	$1,516,700
Address:	Local Cash	
PO Box 160 Bison, SD 57620-0160	Other:	
	Other:	
Phone Number: 605-244-5608	TOTAL	$1,516,700

Project Title: Highway 12 and Highway 73 Water Line Realignment Project

Description: (Include present monthly utility rate and whether a reserve fund has been established for the utility to benefit from the project.)

Perkins County Rural Water System (PCRWS) is proposing a project to relocate and modify existing water lines to prevent freezing, damage, and water loss. The proposed project is necessary due to a South Dakota Department of Transportation (SD DOT) project that will widen the existing right-of-way at Highway 12 and modify the road elevations at both Highway 12 and Highway 73. The change in road elevations will negatively impact the ground cover over the existing water lines leaving these lines susceptible to freezing. As part of the SD DOT project, PCRWS will also be required to relocate existing water lines located within the right-of-way.

The current utility rate for residential users is $105.02 per 7,000 gallons. The system consists of 846 miles of pipe, supplying water to 876 metered accounts and the City of Lemmon and Town of Bison.

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.

Don Melling, Board President	Donald Melling	4-21-15
Name & Title of Authorized Signatory (Typed)	Signature	Date

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Division of Financial & Technical Assistance

State Water Plan Application Form

Applicant	Proposed Funding Package	
City of Pierre	Requested Funding	$1,772,100
Address:	Other	
222 East Dakota	Other	
Pierre, SD 57501	Other	
Phone Number:		
(605) 773-7341	**TOTAL**	$1,772,100

Project Title: Pierre Wastewater Treatment Plant

Description: (Include present monthly utility rate and whether a reserve fund has been established for the utility to benefit from the project.)

Utility Rates are attached. The Utility maintains a reserve fund for projects such as this. Rates have been adjusted to cover the improvements as proposed. The proposed improvements will replace existing equipment at the Pierre WWTP that has reached the end of its useful life. The existing equipment proposed to be replaced is in bad condition and has the potential to fail which would cause multiple operational difficulties and potential problems with meeting the City of Pierre's SWD permit. The proposed improvements will provide a treatment system with the reliability need to handle the present and future flows and loads while meeting the requirements of the SWD permit.

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.

Leon Schochenmaier - City Administrator

Name and Title of Authorized Signatory (Typed)

Signature 3-25-15 Date

Application Prepared By:

Name and Title (Typed)	Phone #	Representing
Bradley E. Palmer Utilities Director	(605) 295-0403	City of Pierre
Banner Associates, Inc. Jim Housiaux	(605) 692-6342	Banner Associates, Inc.
Name of Engineer/Architect	Phone #	Representing

June 25, 2015
Item 5

TITLE: Amendment to the FY 2015 Clean Water SRF Intended Use Plan

EXPLANATION: The FY 2015 Clean Water State Revolving Fund Intended Use Plan was approved by the Board of Water and Natural Resources in November 2014 and amended in March 2015.

Due to the administrative rule changes the Board approved at its March meeting and that became effective May 11, 2015, some changes to the narrative section of the IUP were needed to be consistent with the new rules.

A section was added to include Green Project Reserve amounts for the 2015 capitalization grant.

A section was changed to address the need for additional administrative surcharge funds to provide funding for small community planning grants and the following was added.

> The $99,000 of prior years' allocations for planning grants is not expected to be sufficient to meet demand for planning grants in federal fiscal year 2015. As a result, $53,093 of the $1,000,000 allocated to supplement the Consolidated and 319 programs will be shifted to the Small Community Planning Grant program.

Another section was added to address the need for state match for the program administration portion of the capitalization grant, and the following was added.

> Administrative surcharge funds in the amount of $136,000 will be used to match that portion of 2015 and 2016 capitalization grants reserved for program administration. The 2014 bond issue did not differentiate between state match funds needed to match program administration and funds needed to match loan disbursements. Due to tax and accounting issues, restructuring the 2014 bond issue was not viable.

June 25, 2015
Item 5

Staff proposes to add following projects onto the 2015 Clean Water State Revolving Fund Project Priority List:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
28	Watertown	$832,896	3.25%, 30 years
18	Pierre	$1,772,100	3.00%, 20 years
16	Hot Springs	$270,000	3.25%, 30 years
13	Florence	$2,318,750	3.25%, 30 years
12	Dimock	$529,475	3.25%, 30 years
10	Dell Rapids	$2,312,000	3.25%, 30 years
7	Lake Madison Sanitary District	$428,000	3.25%, 30 years
6	Avon	$469,800	2.25%, 10 years
6	Humboldt	$240,000	2.25%, 10 years
6	Philip	$340,000	2.25%, 10 years
6	Plankinton	$196,000	2.25%, 10 years
5	Montrose	$913,000	3.25%, 30 years

RECOMMENDED ACTION: Approve the proposed amendments to the 2015 Clean Water SRF Intended Use Plan

CONTACT: Andy Bruels, 773-4216

June 25, 2015
Item 6

TITLE: Amendment to the FY 2015 Drinking Water SRF Intended Use Plan

EXPLANATION: The FY 2015 Drinking Water State Revolving Fund Intended Use Plan was approved by the Board of Water and Natural Resources in November 2014 and amended in March 2015.

Due to the administrative rule changes the Board approved at its March meeting and that became effective May 11, 2015, changes to the narrative section of the IUP were needed to be consistent with the new rules to include removing repealed sections, updating requirements and adding 30 year loan rate and terms.

In the project priority rankings priority points were change for many of the communities due to the new affordability criteria for drinking water projects and the removal of the green project points. With the use of new median household income data, some communities' eligibility for disadvantaged rates changed.

Staff recommends that the following projects be amended onto the 2015 Drinking Water State Revolving Fund Project Priority List:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
145	Hermosa	$1,471,875	2.25%, 30 years
110	South Shore	$2,400,000	3.00%, 30 years
108	Hecla	$554,000	2.25%, 30 years
98	T.C. & G. Water Association	$2,100,000	2.25%, 30 years
81	Perkins County Rural Water System	$1,516,700	2.25%, 30 years
53	Florence	$2,354,375	2.25%, 30 years
39	Colman	$925,000	3.00%, 30 years
14	Philip	$340,000	2.25%, 10 years
11	Dell Rapids	$1,883,000	3.25%, 30 years

RECOMMENDED ACTION: Approve the proposed amendments to the 2015 Drinking Water SRF Intended Use Plan

CONTACT: Andy Bruels, 773-4216

June 25, 2015
Item 7

TITLE: Amend the FY 2014 Clean Water SRF IUP Project Priority List

EXPLANATION: The FY 2014 Clean Water State Revolving Fund Intended Use Plan was approved by the Board of Water and Natural Resources November 2013 and amended in March, June, and September 2014 and March 2015.

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 proposes to amend Attachment I - Project Priority List of the FY 2014 Clean Water Intended Use Plan by adding the following entry:

Priority Points	Loan Recipient	Project Description	Est. Loan Amount	Expected Loan Rate & Term
30	Waubay	Construction of new wastewater treatment ponds to provide total retention.	$1,779,000	3.25%, 30 yrs

RECOMMENDED ACTION: Approve the proposed amendments to the 2014 Clean Water SRF Intended Use Plan

CONTACT: Andy Bruels, 773-4216

June 25, 2015
Item 8

TITLE: Hosmer Request to Rescind Clean Water State Revolving Fund (SRF) Loan C461279-01 and Consolidated Water Facility Construction Program (Consolidated) Grant 2016G-103.

EXPLANATION: On March 27, 2015, Hosmer received a Clean Water SRF loan (C461279-01), in the amount of $968,000 with $714,400 of principal forgiveness and a Consolidated grant (2016G-103) in the amount of $300,000.

Hosmer requested $4,122,000 to construct additional cells to provide for a total retention wastewater treatment facility, televise the collection system, and replace or reline the lines. The funding award of $1,268,000 was intended to fund the wastewater treatment facility upgrade and the televising of the collection system.

Hosmer also submitted applications to Rural Development and the Community Development Block Grant program to fund the project. Hosmer received sufficient funding from these two sources to fund the project in its entirety and has submitted a letter to the Department requesting the loan and grant be rescinded.

RECOMMENDED ACTION: Rescind Resolution #2015-28 authorizing the Clean Water SRF loan and Resolution #2015-29 authorizing the Consolidated grant to Hosmer.

CONTACT: Mike Perkovich
(605) 773-4216.

City of Hosmer
OFFICE OF FINANCE OFFICER
EDMUNDS COUNTY • P.O. BOX 1 • HOSMER, SD 57448 • PHONE: 605-283-2748

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& Technical Assistance

April 28, 2015

DENR – Mike Perkovich
Joe Foss Building
523 E. Capitol Ave
Pierre SD 57501

Dear Mike,

The City of Hosmer would like to thank you for the consideration of a grant and loan for our Wastewater Project awarded March 26, 2015.

The City of Hosmer would like to rescind the award from DENR and accept a total funding package offered to the city by Rural Development.

Again, thank you for your time and consideration in this matter.

Sincerely,

Micheal P. Schwingler

Mayor

June 25, 2015
Item 9

TITLE:	Ipswich Request to Rescind Clean Water State Revolving Fund (SRF) Loan C461133-01 and Consolidated Water Facility Construction Program (Consolidated) Grant 2016G-104
EXPLANATION:	On March 27, 2015, Ipswich received a Clean Water SRF loan (C461279-01), in the amount of $1,951,000 and a Consolidated grant (2016G-103), in the amount of $2,000,000. Ipswich requested $5,459,000 to replace or line the wastewater collection system, upgrade lift stations and make minor upgrades at the wastewater treatment facility. The funding award of $3,951,000 was intended to fund the lift station improvements and the most critical collection system rehabilitation as identified in the facilities plan. Ipswich also submitted applications to Rural Development to fund the project. Ipswich received sufficient funding from Rural Development to fund the project in its entirety and has submitted a letter to the Department requesting the loan and grant be rescinded.
RECOMMENDED ACTION:	Rescind Resolution #2015-34 authorizing the Clean Water SRF loan and Resolution #2015-35 authorizing the Consolidated grant to Ipswich.
CONTACT:	Mike Perkovich (605) 773-4216.

City of IPSWICH South Dakota

PO Box 586, Ipswich, SD 57451-0586
Phone: 605-426-6961
Fax: 605-426-6626
E-mail: ipswichfo@valleytel.net

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MAY - 4 2015
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& Technical Assistance

May 1, 2015

Department of Environment and Natural Resources
Joe Foss Building
523 East Capitol
Pierre, SD 57501-3182

Dear Chairman Brad Johnson, Board Members & Staff,

The City of Ipswich sends its most sincere Thank you for awarding us such a generous funding package for our proposed sewer project. We also applied and were awarded a funding package through USDA Rural Development.

At this time, the Ipswich City Council has decided to accept the funding package from Rural Development.

The council also decided to decline and return the funding awarded by DENR. We feel the best decision for our community is to complete the proposed project at one time and for this reason we are utilizing Rural Development funds.

Please rescind the grant and loan awarded to the City of Ipswich at the March 26, 2015 BWNR meeting.

We truly appreciate your time and effort in providing funds to past, present and future Ipswich projects. We look forward to working with you again.

Thank you.

LeRoy Kilber

Mayor LeRoy Kilber
City of Ipswich

Mayor LeRoy Kilber
Council: Jon Gilbert, Mike Hammrich, Mike Steen, Dave Thares, Barb Gillick & David Bauer

This Municipality is an equal opportunity provider, and employer.

June 25, 2015
Item 10

TITLE:	Minnehaha Community Water Corporation Request to Rescind Drinking Water SRF Loan C462440-02.
EXPLANATION:	On March 27, 2015, Minnehaha Community Water Corporation (MCWC) received a Drinking Water SRF loan (C462440-02) in the amount of $900,000 and a Consolidated grant (2016G-108) in the amount of $900,000. Funds were provided as part of the Lewis & Clark Madison "Wheeling" option. The funds were to make improvements to the distribution system to provide for the ability to receive additional water from Lewis & Clark and free up capacity to provide up to one million gallons per day to Big Sioux Community Water System with the end use of providing water to the city of Madison. MCWC has determined that they have sufficient local funds to provide the loan portion of the funding and has submitted a letter to the Department requesting the loan be rescinded.
RECOMMENDED ACTION:	Rescind Resolution #2015-49 authorizing the Drinking Water SRF loan to Minnehaha Community Water Corporation.
CONTACT:	Andy Bruels at (605) 773-4216.

MINNEHAHA COMMUNITY WATER CORP.

47381 248TH STREET
DELL RAPIDS, SD 57022-5305
TELEPHONE (605) 428-3374
FAX (605) 428-3395

RECEIVED
APR 23 2015
Division of Financial
& Technical Assistance

April 21, 2015

Mr. Jonathan Peschong
DENR – Division of Financial & Technical Assistance
523 E Capitol
Pierre, SD 57501

Dear Jonathan,

After review of system financial information and the project costs for the Big Sioux/Madison project, the MCWC board of directors has decided to fund the local cost share from system reserves. MCWC will not be moving forward with the Drinking Water State Revolving Fund loan.

MCWC would like to thank DENR for their generous funding of the project and their leadership in pulling together the four systems to facilitate this effort.

Please feel free to contact me if you have any questions or need additional information.

Sincerely,

Scott J Buss
Executive Director

June 25, 2015
Item 11

TITLE:	Howard Request to Amend Clean Water SRF Loan C461127-01
EXPLANATION:	Howard's first Clean Water SRF loan, in the amount of $1,764,000, was approved on March 27, 2015. The original project was for a treatment facility sized to accommodate a beef plant that no longer is anticipated. The new facility will be designed for a smaller population growth and will use aerated treatment ponds followed by artificial wetlands reducing the footprint of the facility from the original design. The city feels this is the most appropriate alternative based on more current information. The change in the estimated population, treatment type, and facility footprint reduced the project cost by $785,000 and the city now requests consideration of a $979,000 loan.
RECOMMENDED ACTION:	Rescind Resolution 2015-31 and approve Howard's request to amend C461127-01.
CONTACT:	Drew Huisken, 773-4216

CITY OF HOWARD
100 S. Main
P.O. Box 705
Howard, SD 57349-0705
Phone: (605) 772-4391
Fax: (605) 772-4535
E-Mail: howardsd@alliancecom.net

RECEIVED
JUN - 1 2015
Division of Financial & Technical Assistance

May 27, 2015

Andrew Bruels
SD Department of Environment and Natural Resources
Joe Foss Building
523 East Capitol
Pierre SD 57301-3182

RE: Wastewater Treatment System
Howard, South Dakota
SPN #13961

Dear Mr. Bruels:

The City of Howard wants to express appreciation for the funding awarded for the proposed project. Decisions have recently been made by the City Council to pursue several changes in the implementation of the improvements for the wastewater treatment facility.

First, the design hydraulic and organic loadings will be reduced from what were used in the preliminary design as presented in the Facility Plan on which funding was based. The City is aware now that the future possibility of a beef plant and its associated population growth are not likely. However, the City wants to plan for some population growth. A design population of 1,000 will be used which is an increase of approximately 17 percent over the 2010 population.

Second, the method for increasing the organic treatment capacity of the wastewater treatment facility will be by using venturi aeration rather than by increasing the stabilization pond size as recommended in the Facility Plan. The operating costs of the venturi aeration system were reduced slightly based on new information provided by the City. Although the operating costs are slightly higher on an annual basis than a standard stabilization pond system, the significant capital cost savings is worth the minor additional annual expense.

Enclosed is a map showing the proposed layout of the wetland improvements. Also enclosed are revised costs for the proposed project and a revised EUAC analysis. The

City requests that the loan amount be reduced to $979,000 as indicated in the revised cost evaluation.

Thank you for your consideration in this matter. If you have any questions please contact our engineer.

Sincerely,

Andrew Dold
Mayor, City of Howard

Enclosures

June 25 2015
Item 12

TITLE: Eagle Butte Request to Amend Drinking Water SRF C462148-03

EXPLANATION: The city of Eagle Butte was awarded a $490,000 Drinking Water State Revolving Fund loan on March 28, 2013. The loan is for 30 years at 0 percent interest with 80 percent principal forgiveness. The project as presented to the board involved construction of water mains on Willow Street in conjunction with a road resurfacing project. Due to legal issues regarding the ownership of Willow Street the loan was not closed and the project has not proceeded.

The city recently opened bids for a project to install water and sanitary sewer lines. The water portion of the project was intended to be funded by two Drinking Water SRF loans (C462148-02 and C462148-04). The construction cost for the water portion is approximately $2,200,000, which was higher than anticipated. There are insufficient funds in the two loans to cover the water costs.

In May 2015, Eagle Butte submitted a letter to the Board of Water and Natural Resources requesting that the loan intended for the Willow Street project be used to cover the funding shortfall on the other project. The request involves reducing the loan amount to $250,000 and changing the project scope. The project description for Eagle Butte's DW-03 loan will be changed to the project description in the city's DW-04 loan. The Drinking Water 04 loan description is a new water line constructed on the north side of the city to loop the system and provide water service to residences and businesses that are not currently served by the city. A water line will also be constructed on the west side of the city to provide a loop in the distribution system.

RECOMMENDED ACTION: Rescind Resolution 2013-52 and Approve Change of Loan Amount and Project Scope for Eagle Butte Drinking Water SRF C462148-03

CONTACT: Jim Anderson, 773-4216

CITY OF EAGLE BUTTE

May 4, 2015

Brad Johnson, Chairman
SD Board of Water and Natural Resources
%SD Dept of Environment and Natural Resources
Joe Foss Building
523 E Capitol
Pierre, SD 57501

Dear Chairman Johnson,

The City of Eagle Butte thanks the Board of Water and Natural Resources for approving three Drinking Water state Revolving Fund loans in the amount of $2,459,000 to assist us in the replacement of water lines within the city. The bids for the project were opened on April 28, 2015 and the total estimated cost for the water project is now at $2,200,000. Therefore, the City of Eagle Butte requests to reduce the amount of the DW-03 (C462148-03) loan from $490,000 to $250,000 and change the scope of the project. The city is requesting to remove the Willow Street portion of the project and change it to the equivalent project description of Eagle Butte's DW-04 (C462148-04) loan in order to cover the shortfall in funding. The new project description for DW-03 will be as follows:

The City of Eagle Butte proposes to receive additional funding to construct water distribution system improvements to improve reliability and operational efficiency to the existing water system. The project is being undertaken to improve aging systems through the construction of approximately 7,050 feet of new 6-inch PVC main to extend water service to a new area, approximately 2,080 feet of 8-inch PVC to replace aged asbestos-cement water main, and all necessary appurtenances related to the water main system.

With $1,244,000 from DW-02, $725,000 from DW-04, $250,000 from DW-03, and with engineering costs from a consolidated grant, that should enable us to undertake the $2,200,000 project. The Willow Street project as originally intended cannot be completed at this time due to a discrepancy regarding ownership of the water main and street, however, the use of the funds will enable us to complete the replacement of other identified aging water main and the necessary appurtenances approved in DW 02 and 04 loans.

This is a greatly needed project for our community and the city would greatly appreciate the Board of Water and Natural Resources approval of this request.

If you would like additional information, please feel free to contact me.

Sincerely,

Verzella LaPlante

Verzella LaPlante, Mayor
City of Eagle Butte, South Dakota

cc: Jim Anderson, SDDENR

June 25, 2015
Item 13

TITLE: Lincoln County – Request for Consolidated Grant Percentage Increase 2013G-205.

EXPLANATION: In June 2012, Lincoln County received a Consolidated Water Facilities Construction Fund Grant of $100,000 for the Spring Creek Drainage Project. The grant was based on 5.1% of total project costs of $1,997,000. The project included replacement of existing drainage culverts with higher capacity culverts and stream channel improvements to alleviate recurring water backup, ponding, flooding and erosion that damages homes, property and infrastructure in the project area.

The grant terminates on June 29, 2015. The Department received a letter from the county requesting a grant percentage increase from 5.1% to 13.0% to draw the total $100,000 grant based on project costs of $1,300,000.

RECOMMENDED ACTION: Approval of Consolidated Grant 2013G-205 percentage increase to Lincoln County

CONTACT: Jim Anderson (773-4216)

LINCOLN COUNTY COMMISSION

RECEIVED

MAY 14 2015

Division of Financial
& Technical Assistance

May 12, 2015

Re: Consolidated Grant 2013G-205– Lincoln County

James M. Anderson
Water Resources Assistance Program
Dept. of Environment and Natural Resources

Dear Mr. Anderson,

Thank you for financial support of the Spring Creek Drainage Project over the past 3 years. We are finalizing procedures to complete the project this year, however, we will not be able to complete all work by the grant period deadline of June 29 this year.

We have experienced several delays to the project mainly from flooding last year which hindered construction under way and required damage repairs at several finished sites in the lower part of the project. This phase of the project was prolonged into November, delegating construction of the upper portion of the project into this summer with completion by this fall.

Contracts are awarded for the remaining culverts and construction of Phase II of the project concluding with the improvements at SD Highway 11. The contract completion will be in October of 2015. Project costs are near to projected estimates with approximately $900,000 remaining. All funded activities are expected to be concluded by FEMA's grant period deadline in February 2016.

In order to utilize remaining consolidated grant funds toward completion of the Spring Creek Drainage Project, we respectfully request that the percent of reimbursement be adjusted to allow for disbursement of the unallocated funds in the amount of $33,308.81 by the grant deadline.

Sincerely,

Jim Schmidt
Lincoln County Chairman

104 N. Main St. Ste 120
Canton, SD 57013-1703

PHONE (605) 764-2581
FAX (605) 764-0134
WEB SITE www.lincolncountysd.org

June 25, 2015
Item 14

TITLE: Bear Butte Valley Rural Water System Consolidated Water Facilities Construction Program Funding Agreement Amendment No. 2

EXPLANATION: Bear Butte Valley Water, Inc. (BBV) was awarded two consolidated grants to assist them in the construction of a new rural water system. Grant #2011G-102 was awarded on March 26, 2010 for $500,000, and grant #2013G-401 was awarded on January 4, 2013 for $500,000.

Section 5 of the 2013 Omnibus Bill provided legislative authorization for the Board of Water and Natural Resources to award up to $1.5 million in Consolidated assistance to the BBV. In March 2013, the board amended consolidated grant #2013G-401 to provide an additional $500,000 in funding and re-award the remaining balance of $268,279 from consolidated grant #2011G-102. This increased the total amount of Consolidated funding awarded to $1.5 million.

In 2014, BBV successfully constructed a well at a cost of $760,000 to provide the water supply for the system. In April of this year, BBV opened bids to construct the remaining components of the system. The bids were favorable and overall within the engineer's estimate; however, with the sign-up of additional users, BBV is facing a funding shortfall of $500,000. Users who have prepaid a connection fee will need to be removed from this project if additional funding is not secured. Therefore, BBV is requesting an additional $500,000 in funding to cover this shortfall.

The 2015 Legislature amended SDCL 46A-1-64 giving the Board discretionary authority to award a project up to $2 million in Consolidated funding.

RECOMMENDED ACTION: Approve an additional $500,000 in Consolidated grant funding to Bear Butte Valley Water, Inc.

CONTACT: Eric Meintsma (773-4216)

RECEIVED
MAY 20 2015
Division of Financial
& Technical Assistance

Neal Rowett
Board President
Bear Butte Valley Water, Inc
PO Box 351
Sturgis, SD 57785
May 15, 2015

James Feeney
Director
South Dakota Department of Environment and Natural Resources
Joe Foss Building
523 E Capitol Ave
Pierre SD 57501

Dear James Feeney:

First of all we would like to thank you for the $1,500,000 in funding SDDENR has granted to Bear Butte Valley Water, Inc for the construction of our water system. Since the award of the Consolidated Grant, additional users have signed up, expanding the project beyond the $7.73 M project cost estimate considered during the funding request. We have awarded the bids to Engineering America for the storage reservoirs (schedule 2), Northern Plains, LLC for the pump stations (Schedule 4) and Site Works Specialists, Inc. for the pipeline project (Schedule 1). The pipeline project award includes the base bid plus additional area one and two.

The continued efforts of the board of directors, DGR Engineering, Talbot Weizcorek, SD Rural Water, and Midwest Assistance Program have resulted in project cost savings including placing the water pipeline in private easements and seeking cost saving construction methods for road crossings. However Additional area three of the pipeline project could not be awarded due to the funding shortfall. Current funding in place is $10.5 M which is comprised of SD DENR Consolidated Grant, USDA Rural Development Loan and Grant, USDA NRCS EQIP Grant, and local contributions. The plan for Bear Butte Valley Water, Inc. and DGR Engineering is to continue pursuing cost saving measures to add users from additional area three.

We would like to officially request an increase in Consolidated Grant Funding from SDDENR of $500,000. This additional funding will allow Bear Butte Valley, Inc. to extend service to approximately 11 to 15 users who have already paid a connection fee. Bear Butte Valley Water, Inc. anticipates some additional users will sign up along the proposed pipeline for Additional Area three during construction.

Attached are bid documents and other financial information for your review.

Should you require any additional information, please call me at (605)-490-1472.

Sincerely,

Neal Rowett
Board President
Bear Butte Valley Water, Inc.

Attachments: Schedule 1,2 and 4 Bid Letting Results, Proposed BBV Water Inc. Budget, and Engineers Award Recommendation Letter

June 25, 2015
Item 15

TITLE: Hisega Meadows Water Inc.'s Request To Amend Consolidated Water Facilities Construction Program Grant 2015G-302.

EXPLANATION: Hisega Meadows Water, Inc. was awarded a Drinking Water State Revolving Fund (SRF) loan of $487,000 with 51.30 percent principal forgiveness not to exceed $250,000 in June 2012. The project went to bid, and bids came in over estimate. In order to complete the original scope of the project, a second Drinking Water SRF loan of $273,000 and a Consolidated Grant for $273,000 not to exceed 50% of total project costs of $546,000 was awarded on September 26, 2014.

The original scope of the project included all work identified in both Phase I and Phase II, but was later split into phases due to the funding shortfall. Phase 1 included replacing 2,720 feet of 4-inch PVC and 2,780 feet of 8-inch PVC water line in 2014. Phase 2 will replace about 900 feet of 1-inch service line and 3,075 feet of 6-inch PVC water line this summer.

The scope of Consolidated Grant 2015G-302 only included work identified in Phase 2. Hisega Meadows Water, Inc. has requested that the scope of the Consolidated Grant be amended to include the original project description which includes all work as defined in both Phase 1 and Phase 2.

RECOMMENDED ACTION: Approve the amendment request.

CONTACT: Claire Peschong (773-4216)

June 4, 2015

Claire Peshong
Natural Resources Engineer II
Water & Waste Funding Program

RE: Consolidated Grant 2015G-302

Dear Claire,

I am enclosing a copy of the Hisega Meadows Water, Inc. Board minutes from 6/04/15 requesting that the Consolidated Grant be available for use on costs incurred during the Phase 1 of the project. We had been under the understanding that phase 2 was considered a continuation of the same project we started in 2013. We did in fact request funds from the DW SRF loan C462468-01for paying for some costs associated with the second phase of the project, such as engineering and administrative costs. We could have easily paid for the costs from our operating fund and then submitted them for reimbursement after the Consolidated Grant monies were available.

The copy of the Board meeting minutes also shows the resolution approved designating the Board President as the authorized representative to certify and sign the grant agreement and payment requests for our Phase 2 upgrade.

I should be able to provide two of the other three items later on Friday. The third item of Counsel certifying the information outlined in Item #17 will not be available until possibly June 12.

Please let me know if you need any additional items or if you have any questions.

Thank you,

Larry Deibert

Larry Deibert
President
Hisega Meadows Water, Inc.
605-343-3942

Hisega Meadows Water, Inc.
Special Board of Directors Meeting
June 4, 2015 @ 6:30 PM
Norm Tschetter's Home

Ron Brown-Secretary (2016) 343-2999
Mick Blumer-Director (2017) 605-310-9630
Craig Fischer-Vice President (2017) 519-1837
Keith Lau-Manager (staff) 390-2963

Larry Deibert-President (2015) 343-3942
Norm Tschetter-Treasurer (2016) 348-3003
Scot Licht-Operator (staff) 393-5892
Lona Lau-Bookkeeper (staff) 342-2254

Members Present:

Guests: No guests

The meeting began at: 6:30 PM

The special meeting was called by Larry Deibert to handle business related to the Consolidated Grant 2015G-302. Claire Peschong notified Larry that she needed a letter from Hisega Meadows Water Board by Friday, June 5. The letter will be submitted to the Board of Water and Natural Resources at their meeting June 25/26th.

Motion made by Norm Tschetter requesting that the Board of Water and Natural Resources make the Consolidated Grant 2015G-302 monies available for use on costs incurred during Phase 1 of the project since monies from the DW SRF loan C462468-01 were used to pay some costs associated with the second phase of the project. Ron Brown seconded the motion. Motion passed with a unanimous vote.

Motion was made by Ron Brown to approve the Resolution designating the Board President as the authorized representative to certify and sign the grant agreement and payment requests for Grant Number 2015G-302. Norm Tschetter seconded the motion. Motion passed with a unanimous vote.

Being no further business, the meeting was adjourned at 7:00 PM.

Respectfully submitted,

Ron Brown
Secretary

RESOLUTION NO. _____

RESOLUTION AUTHORIZING AN APPLICATION FOR FINANCIAL ASSISTANCE, AUTHORIZING THE EXECUTION AND SUBMITTAL OF THE APPLICATION, AND DESIGNATING AN AUTHORIZED REPRESENTATIVE TO CERTIFY AND SIGN PAYMENT REQUESTS.

WHEREAS, Hisega Meadows Water, Inc., a nonprofit corporation organized and existing under the laws of the State of South Dakota (the "Corporation"), has determined it is necessary to proceed with improvements to its Water System, including but not limited to water main and service line replacement (the "Project");

WHEREAS, the Corporation has determined that financial assistance will be necessary to undertake the Project and an application for financial assistance to the South Dakota Board of Water and Natural Resources (the "Board") will be prepared; and

WHEREAS, it is necessary to designate an authorized representative to execute and submit the Application on behalf of the Corporation and to certify and sign payment requests in the event financial assistance is awarded for the Project.

NOW THEREFORE BE IT RESOLVED by the Corporation as follows:

1. The corporation hereby approves the submission of an Application for financial assistance in an amount not to exceed $ 546,000.00 to the South Dakota Board of Water and Natural Resources for the Project.

2. The Board President is hereby authorized to execute the Application and submit it to the South Dakota Board of Water and Natural Resources, and to execute and deliver such other documents and perform all acts necessary to effectuate the Application for financial assistance

3. The Board President is hereby designated as the authorized representative of the Corporation to do all things on its behalf to certify and sign payment requests in the event financial assistance is awarded for the Project.

Adopted at Johnson Siding, South Dakota, this 25 day of June 2014.

APPROVED:

LARRY DEIBERT

BY: Larry Deibert

President (Title)

(Seal)

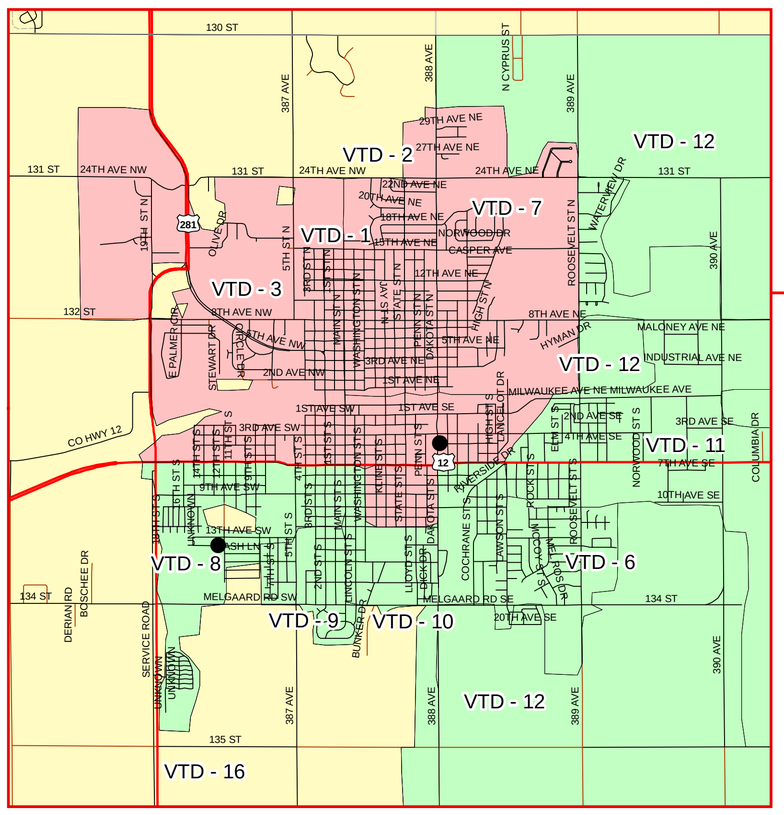
Attest: _____

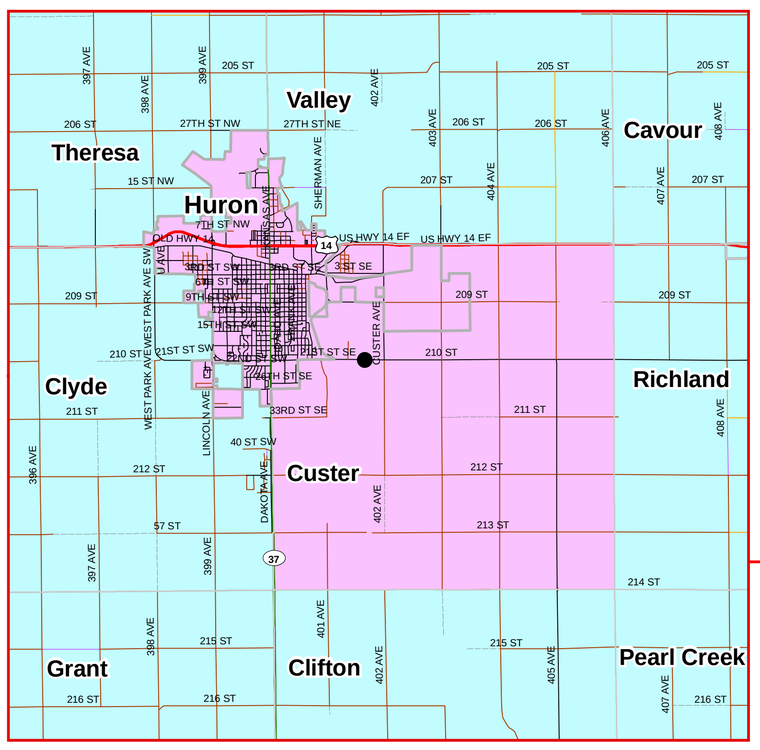
SECRETARY (Title)

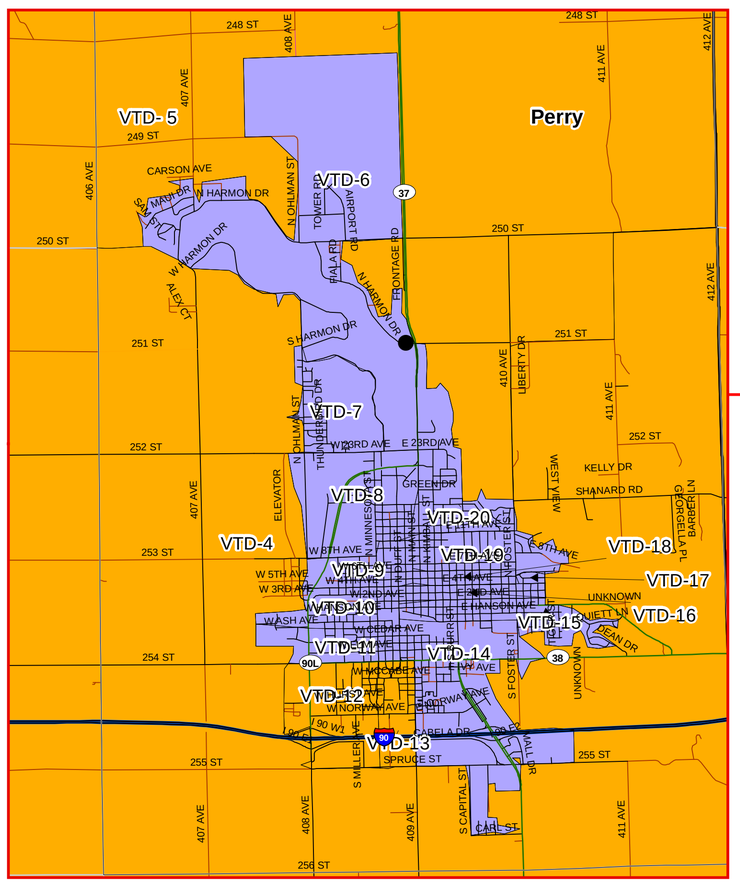
June 25, 2015
Item 16

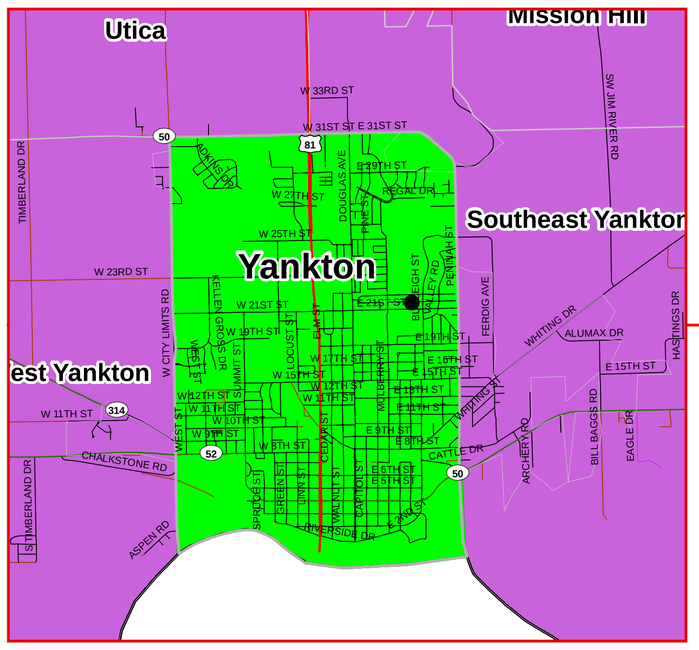
TITLE:	Public Hearing to Amend Administrative Rules
EXPLANATION:	A public hearing will be held on June 25, 2015, at 1:00 p.m. CDT in the Floyd Matthew Training Center, Joe Foss Building, 523 East Capitol, Pierre, South Dakota, to consider amendments to ARSD 74:05:05:16 (James River water development district director areas).
RECOMMENDED ACTION:	Accept public testimony on proposed rule and approve rule with modifications, if necessary.
CONTACT:	Pete Jahraus (773-4216)

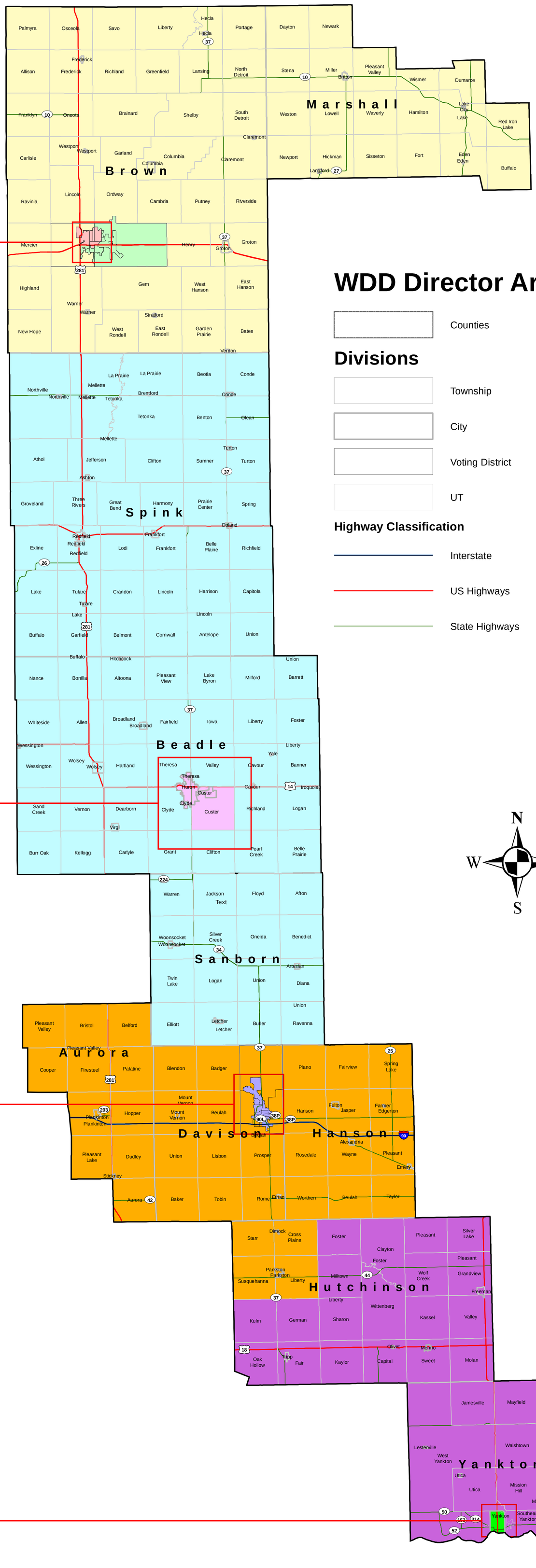
2015 James River WDD Director Areas











WDD Director Areas

Counties

Divisions

Township

City

Voting District

UT

Highway Classification

Interstate

US Highways

State Highways

Director Areas

1
2
3
4
5
6
7
8
9

N
W E
S

0 5 10 20 30 40 Miles

04/21/2015

74:05:05:16. James River water development district director areas. The director areas of the James River water development district are as follows:

(1) Director 1: representing Aberdeen voting districts 1, 2, 3, 4, 5, and 7;

(2) Director 2: representing Aberdeen voting districts 6, 8, 9, 10, and 11; and voting district 12 in Brown County;

(3) Director 3: representing the cities of Westport, Columbia, Claremont, Groton, Stratford, Verdon, Frederick, Warner, and Hecla in Brown County; Palmyra, Osceola, Savo, Liberty, Hecla, Portage, Allison, Frederick, Richland, Greenfield, Lansing, North Detroit, Franklyn, Oneota, Brainard, Shelby, South Detroit, Carlisle, Westport, Garland, Columbia, Claremont, Ravinia, Lincoln, Ordway, Cambria, Putney, Riverside, Henry, Groton, Gem, West Hanson, East Hanson, West Rondell, East Rondell, Garden Prairie, Highland, Mercier, New Hope, Warner, and Bates townships in Brown County; voting district 16 in Brown County; ~~and all of Marshall County;~~ the cities of Britton, Eden, Lake City, and Langford in Marshall County; and Buffalo, Dayton, Dumarce, Eden, Fort, Hamilton, Hickman, Lake, Lowell, Miller, Newark, Newport, Pleasant Valley, Red Iron Lake, Sisseton, Stena, Waverly, Weston, and Wismer townships in Marshall County;

(4) Director 4: representing all of Spink and Sanborn Counties; the cities of Broadland, Wessington, Wolsey, Hitchcock, Virgil, Cavour, Iroquois, and Yale in Beadle County; and Nance, Bonilla, Altoona, Whiteside, Allen, Broadland, Wessington, Wolsey, Hartland, Sand

Creek, Vernon, Dearborn, Bur Oak, Kellogg, Carlyle, Grant, Banner, Barrett, Belle Prairie, Cavour, Clifton, Fairfield, Foster, Iowa, Lake Byron, Liberty, Logan, Milford, Pearl Creek, Pleasant View, Richland, Theresa, Valley, and Clyde townships in Beadle County;

(5) Director 5: representing the city of Huron and Custer township in Beadle County;

(6) Director 6: representing Mitchell voting districts 6, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19, and 20;

(7) Director 7: representing all of Hanson County and Davison County except the city of Mitchell voting districts 6, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19, and 20; the cities of Plankinton and Stickney in Aurora County; Pleasant Valley, Bristol, Belford, Cooper, Firesteel, Palatine, Plankinton, Hopper, Pleasant Lake, Dudley, and Aurora townships in Aurora County; the cities of Dimock and Parkston in Hutchinson County; and Starr, Cross Plains, Liberty, and Susquehanna townships in Hutchinson County;

(8) Director 8: representing the city of Yankton ~~voting districts 1, 2, 3, 4, and 5~~ east of West City Limits Road, west of Peninah Street, south of Highway 50 or 31st Street, and census blocks 4055 and 4056;

(9) Director 9: representing the cities of Freeman, Tripp, Olivet, and Menno in Hutchinson County; Wolf Creek, Grandview, Kassel, Valley, Molan, Wittenberg, Kulm, German, Sharon, Oak Hollow, Fair, Kaylor, Capital, and Sweet townships in Hutchinson County; and all of

Yankton County except the City of Yankton ~~voting districts 1, 2, 3, 4, and 5~~ east of West City Limits Road, west of Peninah Street, south of Highway 50 or 31st Street, and census blocks 4055 and 4056.

Source: 11 SDR 72, effective November 25, 1984; 13 SDR 129, 13 SDR 141, effective July 1, 1987; 18 SDR 148, effective March 22, 1992; 22 SDR 95, effective January 17, 1996; 28 SDR 123, effective March 11, 2002; 36 SDR 27, effective August 20, 2009; 36 SDR 111, effective January 11, 2010; 38 SDR 9, effective August 4, 2011; 40 SDR 14, effective July 29, 2013.

General Authority: SDCL 46A-3C-6.

Law Implemented: SDCL 46A-3B-1 to 46A-3B-3.

June 25, 2015
Item 17

TITLE: Sanitary/Storm Sewer Facilities Funding Applications

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

a. Emery (7)
b. Cavour (6)
c. Montrose (5)

COMPLETE APPLICATIONS: Application cover sheets and WRAP summary sheets with 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/BWNRappssssf0615.pdf

If you would like hard copies of the applications, please contact Dave Ruhnke at (605) 773-4216.

Sanitary / Storm Sewer Facilities Applications
June 2015

RECEIVED
SD EForm - 2127LD V2
APR - 2 2015
Division of Financial & Technical Assistance

Sanitary/Storm Sewer Facilities Funding Application

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

Applicant	Proposed Funding Package	
City of Emery		
Address	CWFCP / CWSRF	$2,890,000
PO Box 38 Emery, South Dakota 57332	Local Cash	$4,127
	Other	
	Other	
Subapplicant	Other	
N/A		
DUNS Number 17-810-7202	**TOTAL**	$2,894,127

Project Title: Wastewater Collection System Upgrade and Replacement

Description:

The City of Emery is proposing to replace all of its dated wastewater collection infrastructure. Emery recently upgraded its wastewater treatment facilities and had began moving forward with a main street or downtown project to include replacement of the water and sewer mains. A Community Access grant was secured to assist in financing the project but upon further review and discussion by the City Council the project was scrapped in favor of a more comprehensive approach due to the age of the City's entire water and wastewater infrastructure.

USDA-RD funding was initially pursued due to the availability of grant funds and favorable financing terms. As time went on the USDA-RD became less attractive and other alternatives were discussed. After months of delays the City Council decided to now pursue SD-DENR funding. The project also includes replacement of the entire water distribution infrastructure therefore a complementary application is to be submitted in conjunction with this request. It is the aforementioned process which caused the delays and dated enfineering estimates and other documentation

The project before you includes replacement of the sanitary lines not only in the 6-7 blocks of downtown but also now encompasses every antiquated line within the city. The age of the existing infrastructure is estimated at 90 years, well past its useful life. The City has entered into a contact with Johnson Engineering Inc. of Yankton to begin surveying and preliminary design work for the proposed project.

The Applicant Certifies That:

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

Joshua Kayser, Mayor — 3-27-15

Name & Title of Authorized Signatory (Typed) — Signature — Date

WRAP Review Sheet
Sanitary/Storm Sewer Facilities Funding Application
Applicant: City of Emery

Project Title:	Wastewater Collection System Upgrade and Replacement
Funding Requested:	$2,890,000
Other Proposed Funding:	$4,127 - Local Cash
Total Project Cost:	$2,894,127
Project Description:	The city of Emery is experiencing excessive amounts of infiltration and inflow (I&I) which negatively affects Emery's treatment facility. The project improves the city's wastewater collection system and treatment capability by replacing portions of the existing sanitary sewer throughout the city with 8-, 10-, and 12-inch PVC pipe.
Alternatives Evaluated:	"Do Nothing Alternative" was evaluated but not recommended as this alternative would do nothing to benefit the issues facing the wastewater collection system. "Replace Collection System" alternative would replace sections of the sanitary sewer system with 8-, 10-, and 12-inch PVC pipe that has outlived its useful life and is experiencing excessive I&I. This alternative was evaluated and selected as it was the most practical alternative. "Removal of Storm Water Inlets" alternative evaluates reducing I&I by removing connections between the storm sewer system and the sanitary sewer system, as well as remove storm sewer inlets. This alternative was evaluated and not recommended as it was considered to be an impractical alternative that completely removes the storm sewer system.
Implementation Schedule:	The city of Emery anticipates bidding the project in October 2016 with a project completion date of October 2018.
Service Population:	456
Current Domestic Rate:	$30.00 per 5,000 gallons usage

Interest Rate: 3.25% Term: 30 years Security: Wastewater Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan Emery would have to enact a surcharge of approximately $63.86. When added to current rate of $30/5,000 gallons residents would be paying $93.86/5,000 gallons.

25% Funding Subsidy:	$722,500 subsidy with a loan of $2,167,500
Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of $2,167,500 Emery would have to enact a surcharge of approximately $47.89 thereby paying a rate $77.89/5,000 gallons..

50% Funding Subsidy:	$1,445,000 subsidy with a loan of $1,445,000
Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of $1,445,000 Emery would have to enact a surcharge of approximately $31.93 thereby paying a rate $61.93/5,000 gallons.

75% Funding Subsidy:	$2,167,500 subsidy with a loan of $722,500
Coverage at 75% Subsidy:	Based on a 75% subsidy and a loan of $722,500 Emery would have to enact a surcharge of approximately $15.96 thereby paying a rate $45.96/5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: NICK NELSON

FINANCIAL REVIEW COMPLETED BY: ELAYNE LANDE

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Sanitary/Storm Sewer Facilities Funding Application

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

Applicant	Proposed Funding Package		
Town of Cavour	CWFCP / CWSRF		$1,652,000
Address	Local Cash		
PO Box 75 Cavour, SD 57324	Other	JRWDD	$50,000
	Other		
Subapplicant	Other		
DUNS Number 805456352		**TOTAL**	$1,702,000

Project Title: Cavour Wastewater System Improvements

Description:

The Town of Cavour is proposing to replace 3,700 linear feet of wastewater line through a combination of open-cut and cast-in-place-pipe. They are also proposing to replace the lift station and the force main leading out to 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.

Lisa Gogolin, Town President

Name & Title of Authorized Signatory (Typed)

Lisa Gogolin

Signature

Mar 30, 2015

Date

WRAP Review Sheet
Sanitary/Storm Sewer Facilities Funding Application
Applicant: Town of Cavour

Project Title:	Wastewater System Improvements
Funding Requested:	$1,652,000
Other Proposed Funding:	$50,000 – James River Water Development District
Total Project Cost:	$1,702,000
Project Description:	The project will replace 3,700 feet of sanitary sewer line throughout the town. If the pipe condition is good enough, cast-in-place-pipe (CIPP) liner will be used in some sections. The lift station and force main leading to the wastewater treatment pond will also be replaced.
Alternatives Evaluated:	The facilities plan evaluated two alternatives and a no action alternative for the collection system, the lift station, and the force main. "No Action" alternatives were evaluated for the collection system, the lift station, and the force main, but none were recommended as the alternative for each would do nothing to improve the issues facing the wastewater collection system. "Pipe Conventional Replacement" alternative involves replacing the current aging sanitary sewer with new 8-inch PVC pipe. This alternative was evaluated and selected as it was the most practical in constructability and conservative in cost estimation. "CIPP Improvements" alternative considers replacing areas of the sanitary sewer collection system with an in-situ process where it is possible to do so. Implementing CIPP liner, where possible, can be a way to reduce excavation cost. This alternative was evaluated and recommended only if further analysis supports constructability. "Lift Station Full replacement" alternative considers the full replacement of the lift station. This alternative was evaluated and selected since it was considered the most cost effective. "Lift Station Rehabilitation" alternative proposes to rehabilitate the current lift station, reducing the cost by avoiding a full replacement. This alternative was evaluated and not recommended as it was not considered the most cost

effect alternative.

"Force Main Conventional Replacement" alternative would replace the existing forcemain with new 6-inch forcemain. This alternative was evaluated but not recommended as it was not considered the most cost effective.

"Direction Drill Replacement" alternative would replace the existing forcemain with a directionally drilled 6-inch bored forcemain. This alternative was evaluated and recommended as it was considered the most cost effective.

Implementation Schedule: The town of Cavour anticipates bidding the project in January 2016 with a project completion date of November 2016.

Service Population: 114

Current Domestic Rate: $17.00 flat rate

Interest Rate: 3.25% Term: 30 years Security: Wastewater Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan, Cavour would have to establish a surcharge of approximately $144.03. When added to current rate of $17.00/5,000 gallons residents would be paying $161.03/5,000 gallons.

25% Funding Subsidy:	$413,000 subsidy with a loan of $1,239,000.
Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of $1,239,000 Cavour would have to establish a surcharge of approximately $108.02 thereby paying a rate of $125.02/5,000 gallons.

50% Funding Subsidy:	$826,000 subsidy with a loan of $826,000.
Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of $826,000 Cavour would have to establish a surcharge of approximately $72.02 thereby paying a rate of $89.02/5,000 gallons.

75% Funding Subsidy:	$1,239,000 subsidy with a loan of $413,000.
Coverage at 75% Subsidy:	Based on a 75% subsidy and a loan of $413,000 Cavour would have to establish a surcharge of approximately $36.02 thereby paying a rate of $53.02/5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: NICK NELSON

FINANCIAL REVIEW COMPLETED BY: JON PESCHONG

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Division of Financial Assistance

Sanitary/Storm Sewer Facilities Funding Application

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

Applicant	Proposed Funding Package	
City of Montrose		
Address	CWFCP / CWSRF	$913,000
PO Box 97 Montrose, SD 57048	Local Cash	
	Other	
	Other	
Subapplicant	Other	
DUNS Number 610940582	**TOTAL**	$913,000

Project Title: 2015 Storm Drainage Improvements

Description:

The City of Montrose is proposing to replace existing storm drainage infrastructure that is undersized and not adequately handling 5-year and 100-year storm events. Roads and driveways are being overtopped and erosion is occurring due to large storm events. The City's current drainage infrastructure consists of streets, limited below grade storm sewer, overland flow and culverts, and most areas are without curb and gutter.

The proposed improvements will consist of the construction of curb and gutter and underground storm sewer on Elder Street and 2nd Avenue in the northern part of the City and Clark Street in the central part. At both project sites, overland flow is channeled by means of curb and gutter to drop inlets to the storm sewer. Storm sewer pipes will range from 18" to 36" and discharge into the Vermillion River.

The City has established a wastewater reserve fund. The City's wastewater rate is $27.00 per month for residential and commercial customers. Each apartment unit is also charged $27.00 per month and the school is charged $125.00.

The Applicant Certifies That:

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

Doris Sager, Mayor, City of Montrose

Name & Title of Authorized Signatory (Typed)

Doris Sager 3-24-15

Signature Date

REVISED WRAP REVIEW SHEET
SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION
APPLICANT: CITY OF MONTROSE

Project Title:	2015 Storm Drainage Improvements
Funding Requested:	$545,000
Other Proposed Funding:	A $515,000 Community Development Bloc k Grant was awarded to Montrose after application submittal
Total Project Cost:	$1,060,000
Project Description:	The city of Montrose is proposing to replace undersized storm drainage infrastructure. The project will consist of storm sewers and curb and gutter Elder Street and 2nd Avenue and Clark Street and Church Avenue. Discharges from the storm sewers will discharge to the Vermillion River.
Alternatives Evaluated:	The city evaluated several alternatives, including the "no action" alternative. This alternative was rejected because it would not stop property damage, storm drainage system overflows and erosion. Alternative One includes installing 18- to 36-inch storm sewers and new inlets with overland drainage consisting of culverts and grass swales. Alternative Two includes installing 18- to 36-inch storm sewers and new inlets with overland drainage consisting of new street sections with curb and gutters. The city selected Alternative Two as adequate to handle storm water flows greater than the 5-year design storm event up to the 100-year event. The city will install rain gardens to improve the water quality from runoff entering the storm sewers.
Implementation Schedule:	Montrose anticipates bidding the project in January 2016 with a project completion date of November 2017.
Service Population:	472
Current Domestic Rate:	$27.00 - flat rate

Interest Rate: 3.25% Term: 30 years Security: Wastewater Revenues

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount of $545,000:	If all funding is provided as loan Montrose would have to raise its rate approximately $12.10/month. When added to current flat rate of $27/month residents would be paying $39.10/month. Included in the current rate is a surcharge of $14.56 to cover CWSRF-02 loan.

10% Funding Subsidy:	$54,500 subsidy with a loan of $490,500.
Coverage at 10% Subsidy:	Based on a 10% subsidy and a loan of $490,500 Montrose would have to raise its rate approximately $10.90/month. When added to current flat rate of $27/month residents would be paying $37.90/month. Included in the current rate is a surcharge of $14.56 to cover CWSRF-02 loan.

25% Funding Subsidy:	$136,250 subsidy with a loan of $408,750.
Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of $408,750 Montrose would have to raise its rate approximately $9.10/month. When added to current flat rate of $27/month residents would be paying $36.10 /month. Included in the current rate is a surcharge of $14.56 to cover CWSRF-02 loan.

50% Funding Subsidy:	$272,500 subsidy with a loan of $272,500.
Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of $272,500 Montrose would have to raise its rate approximately $6.05/month. When added to current flat rate of $27/month residents would be paying $33.05/month. Included in the current rate is a surcharge of $14.56 to cover CWSRF-02 loan.

ENGINEERING REVIEW COMPLETED BY: JIM ANDERSON

FINANCIAL REVIEW COMPLETED BY: DAVE RUHNKE

June 25, 2015
Item 18

TITLE: Drinking Water Facilities Funding Applications

EXPLANATION: The following applications have been received by DENR for funding consideration at this meeting. The projects' priority points are shown in parentheses.

a. Edgemont (270)
b. TC&G Water Association, Inc. (98)
c. Florence (53)
d. Conde (42)
e. Emery (38)

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

http://denr.sd.gov/bwnrapps/BWNRappsdwf0615.pdf

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

Drinking Water Facilities Funding Applications
June 2015

Drinking Water Facilities Funding Application

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

Applicant	Proposed Funding Package	
City of Edgemont, SD	CWFCP / DWSRF	$3,890,000
Address	Local Cash	
PO Box A Edgemont, SD 57735-0809	Other	
	Other	
Subapplicant	Other	
DUNS Number 830590837	**TOTAL**	$3,890,000

Project Title: Edgemont Water System Improvements Project

Description:

The City of Edgemont, population 774, is proposing several major improvements to its existing water system:

- Installation of well casing liner pipe in two existing City wells;
- Construction of well by-pass piping, pitless adaptors & submersible well pumps for these same two wells;
- Construction of a water treatment facility with the capabilities to cool the water, reduce radiological contaminants, chlorine disinfection, and anti-scaling remediation of hard water;
- Construction of a 250,000 gallon elevated storage tank and demolition of existing substandard ground storage tanks and steel standpipe reservoir;
- Installation of new water main to connect the new storage tank to the existing distribution system;
- Other project components identified in the attached engineering facilities plan;
- Other work related to the above improvements as well as necessary engineering, project administration, etc.

Specific details on the above improvements are found in the attached "Executive Summary" and maps or the full facilities plan. Depending upon funding availability, the final project scope may be reduced from that described above. Project need is generally related to system age and condition and specifically related to: supply reliability, water temperature, compliance with State Water Quality Standards, potential sources of bacterial contamination, and inadequate water pressure. The proposed project will remedy these issues.

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.

Carl Shaw, Mayor — Carl A Shaw — 3-17-15

Name & Title of Authorized Signatory (Typed) — Signature — Date

WRAP Review Sheet
Drinking Water Facilities Funding Application
Applicant: City of Edgemont

Project Title:	Water System Improvements Project
Funding Requested:	$3,890,000
Other Proposed Funding:	None
Total Project Cost:	$3,890,000
Project Description:	This is a comprehensive project to address the city's water source, treatment, distribution and storage systems. The work includes the installation of well casing liner pipe in two existing city wells, construction of well by-pass piping, pit-less adaptors and submersible well pumps for the wells. A water treatment facility with the capabilities to cool the water, reduce radiological contaminants, provide chlorine disinfection, and scaling remediation will be constructed. This project also includes the construction of a 250,000-gallon elevated storage tank, demolition of the existing ground storage tanks and steel standpipe, and the installation of approximately 3,500 feet of new PVC water main to connect to the distribution system.
Alternatives Evaluated:	No Action Alternative: Was evaluated for source, storage, treatment and distribution. This alternative was rejected due to the problems associated with aging infrastructure. Water Source: Three additional water source alternatives were evaluated. These included drilling a new well in the Madison formation and developing a regionalization agreement with Southern Black Hills Water System to construct one or more Madison wells northeast of the city with a pipeline serving Edgemont as a bulk water customer of Southern Black Hills Water System. Rehabilitation of the existing Madison wells is the chosen alternative due to its lower project cost. Water Treatment: Four alternatives were reviewed as Best Available Technologies for radiological contaminant reduction. These were reverse osmosis, ion exchange, lime softening, and adsorptive media filtration (WRT). The recommended alternatives include the WRT adsorptive media system for reduction of radiological contaminants. This project will also use a forced draft closed-loop heat exchanger for temperature reduction, chemical feed of liquid

polyphosphate for hardness mitigation, and liquid sodium hypochlorite feed for disinfection and maintaining disinfection residual in the distribution system.

Water Storage: Two additional water storage alternatives were evaluated. These included a 250,000-gallon elevated storage tank at the existing location and 250,000-gallon ground level cylindrical tank ¾ mile west of the existing tank. The elevated storage tank is the chosen alternative due to its lower project cost and close proximity to the treatment building.

Water Distribution: A small portion of the overall project identifies the need to replace and upsize lines in support of the water storage tank improvements. The distribution project includes removing the existing 10-inch asbestos concrete main from service and installing 2,600 feet of 10-inch PVC and 800 feet of 8-inch PVC to upsize the transmission line and eliminate asbestos concrete pipe under the railroad.

Implementation Schedule: The city of Edgemont anticipates bidding the project in March 2016 with a project completion date of July 2018.

Service Population: 774

Current Domestic Rate: $35.45 per 5,000 gallons/usage

Interest Rate: 0% Term: 30 years Security: Water Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan Edgemont would have to enact a surcharge of approximately $30. In addition Edgemont's current rate of $35.45 will need a $5 increase to cover the increase in O&M as a result of this project. When the surcharge is added to required base rate of $40.50/5,000 gallons residents would be paying a rate of $70.50/5,000 gallons.

25% Funding Subsidy:	$972,500 subsidy with a loan of $2,917,500.
Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of $2,917,500 Edgemont would have to enact a surcharge of approximately $22.25. When the surcharge is added to increased base rate of $40.50/5,000 gallons residents would be paying a rate of $62.75/5,000 gallons.

50% Funding Subsidy:	$1,945,500 subsidy with a loan of $1,945,000.
Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of $1,945,000 Edgemont would have to enact a surcharge of approximately $14.85. When the surcharge is added to increased base rate of $40.50/5,000 gallons residents would be paying a rate of $55.35/5,000 gallons.

75% Funding Subsidy:	$2,917,500 subsidy with a loan of $972,500.
Coverage at 75% Subsidy:	Based on a 75% subsidy and a loan of $972,500 Edgemont would have to enact a surcharge of approximately $7.45. When the surcharge is added to increased base rate of $40.50/5,000 gallons residents would be paying a rate of $47.95/5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: CLAIRE PESCHONG

FINANCIAL REVIEW COMPLETED BY: DAVID RUHNKE

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Drinking Water Facilities Funding Application

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

Applicant	Proposed Funding Package	
TC&G Water Association, Inc.	CWFCP / DWSRF	$2,100,000
Address	Local Cash	
13485 258 Ave Glencross, SD 57630	Other	
	Other	
Subapplicant	Other	
N/A		
DUNS Number	Dewey County is applying for a CDBG which may lessen the amount needed from SDDENR.	
	TOTAL	$2,100,000

Project Title: T.C.&G Water Association, Inc. Water System Improvements Project

Description:

The T.C.&G Water Association proposes to replace approximately 140 meters, replace a booster station, upgrade approximately 94,000 feet of pipeline to 6" pipe, plus the necessary appurtenances involved with the project.

The T. C. & G Water Association, Inc. is currently experiencing a 28.4% water loss and the inability to meet water demands of its users on the east end of the system largely due to pipe size, water loss, and pressure capacity. The water demand by its users has increased 67% over the last few years. In fact, users on the east end of the system have been without water due to the demands of users on the west end. The storage facility on the east end can go dry within 12 hours and it takes up to 38 hours to refill the facility. A major loss of water is coming from its 20+ year old meter system. Studies have shown worn meters generally under-read actual flow. Therefore, it can be easily concluded that some of the system's water loss is due to old, worn meters that no longer accurately meter water flow. Thus, the Association proposes to replace approximately140 meters, plus necessary appurtenances for Automated Reading System. The Association proposes to replace the booster pump located on the west end of the system as it is beyond repair. In addition approximately 94,000 feet of pipeline will be upgraded to 6" pipe as the current pipe is undersized. Also involved will be all necessary appurtenances for the project. Currently residential water rates are $93/7000 gallons/month, and pasture taps are $65/year plus $4.00 for each 1000 gallons used. The system currently serves 138 users. A facility plan with costs was prepared by Brosz Engineering, Inc. and is on file with SDDENR.

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.

Don Hollenbeck, Board President/Chairman		3/30/2015
Name & Title of Authorized Signatory (Typed)	Signature	Date

WRAP Review Sheet
Drinking Water Facilities Funding Application
Applicant: TC&G Water Association

Project Title:	Water System Improvements
Funding Requested:	$2,100,000
Other Proposed Funding:	$0 - Local Cash $500,000 Community Development Block Grant awarded for this project after application was submitted
Total Project Cost:	$2,100,000
Project Description:	Replacement 140 water meters, a booster station and 94,000 feet of 2-to 5-inch PVC and 6 inch ductile iron pipe throughout the system with 6-inch PVC water main.
Alternatives Evaluated:	No Action Alternative: Was evaluated for both storage and distribution. This alternative was rejected due to the problems associated with aging infrastructure. Water Storage: One water storage alternative was evaluated which included the replacement of the 31,700-gallon standpipe. The storage system is considered adequate and the standpipe may come to the end of its useful life within the next 10 to 15 years. Water Distribution: Three additional water distribution alternatives were evaluated and recommended. This includes replacement of 140 water meters and installation of automatic meter reading system, replacement of the west end booster pump station and 94,000 feet of 2-to 5-inch PVC line and 6 inch ductile iron pipe with 6 inch PVC water main.
Implementation Schedule:	T.C. & G. Water Association anticipates bidding the project in October 2015 with a project completion date of October 2016.
Service Population:	220
Current Domestic Rate:	$93.00 per 7,000 gallons/usage
Proposed Domestic Rate at Project Completion:	$93.00 per 7,000 gallons/usage

Interest Rate: 2.25% Term: 30 years Security: Water Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan, TC&G would have to increase annual revenue approximately 45%. Current annual revenue is approximately $160,000. TC&G would need to increase annual revenue approximately $72,000. Based on 135 users, an increase of approximately $45/user/month would be needed.

30% Funding Subsidy:	$630,000,000 subsidy with a loan of $1,470,000.
Coverage at 25% Subsidy:	Based on a 30% subsidy and a loan of $1,470,000 TC&G would have to increase annual revenue approximately 41%. Current annual revenue is approximately $160,000. TC&G would need to increase annual revenue approximately $64,960. Based on 135 users, an increase of approximately $40/user/month would be needed.

60% Funding Subsidy:	$1,260,000 subsidy with a loan of $840,000.
Coverage at 60% Subsidy:	Based on a 60% subsidy and a loan of $840,000 TC&G would have to increase annual revenue approximately 21%. Current annual revenue is approximately $160,000. TC&G would need to increase annual revenue approximately $33,175. Based on 135 users, an increase of approximately $21/user/month would be needed.

90% Funding Subsidy:	$1,890,000 subsidy with a loan of $210,000.
Coverage at 90% Subsidy:	Based on a 90% subsidy and a loan of $210,000 TC&G would have to increase annual revenue approximately 1%. Current annual revenue is approximately $160,000. TC&G would need to increase annual revenue approximately $1,600. Based on 135 users, an increase of approximately $1/user/month would be needed

ENGINEERING REVIEW COMPLETED BY: CLAIRE PESCHONG

FINANCIAL REVIEW COMPLETED BY: DAVID RUHNKE

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Drinking Water Facilities Funding Application

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

Applicant	Proposed Funding Package	
Town of Florence	CWFCP / DWSRF	$2,255,000
Address	Local Cash	$100,000
PO Box 137 Florence, SD 57235-0137	Other	
	Other	
Subapplicant	Other	
DUNS Number 017186243	**TOTAL**	$2,355,000

Project Title: Florence Water System Improvements

Description:

Florence is proposing to construct improvements to the water system. The project will replace and install approximately 17,000 LF of water main with six inch pipe, 7,250 LF of service line, install 145 meters, install 25 hydrants, construct a new 105,000 gallon ground storage tank and booster pump station, street repairs and fencing plus all of the other necessary appurtenances to complete the project. The Town's existing water distribution system consists of smaller PVC water lines that have reached the end of their useful life. The older water lines are cracking and breaking causing significant water losses. Clark Rural Water System provides the drinking water to the Town of Florence. Water losses are a major expense for the water system. The cracks and breaks in the water lines also create a potential for contamination to enter the water distribution system. The system is mostly dead-end lines with little looping. Dead-end lines allow a longer water retention time in the pipe that can be detrimental to water quality. Portions of the system are experiencing low pressure problems. Deficiencies in the water system need to be corrected. Helms and Associates provided the preliminary engineering and cost estimates for the project. Florence's water rate for 5,000 gallons of usage is $32/month. The city does not have an established reserve account for the water fund.

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.

Patrick Callan, President

Name & Title of Authorized Signatory (Typed)

Patrick S Callan 3/19/15

Signature Date

WRAP Review Sheet
Drinking Water Facilities Funding Application
Applicant: Town of Florence

Project Title:	Water System Improvements
Funding Requested:	$2,255,000 ($1,567,000 Pledge by Water Surcharge Revenue & $688,000 Pledge by Sales Tax Revenue)
Other Proposed Funding:	$100,000 - Local Cash
Total Project Cost:	$2,355,000
Project Description:	The town of Florence is proposing to replace and install approximately 17,000 feet of water lines, services, hydrants and appurtenances. The town will also construct a 105,000-gallon ground water storage tank and booster station.
Alternatives Evaluated:	The town evaluated several alternatives, including, the "no action" alternative. This alternative was not selected as it would not correct the water pressure problems the town is experiencing. The "no action" alternative would also not address the deteriorated condition of the water lines. The town considered several alternatives for water storage; 1) a new 105,000-gallon ground water storage tank with booster pumps, 2) a new 55,000-gallon ground water storage tank with booster pumps and a new -0,000 elevated storage tank, and 3) a new 100,000-gallon elevated storage tank. The town selected the 105,000-gallon ground water storage tank with booster pumps. The town selected replacing all the 2-inch, 3-inch and 4-inch water lines with 6-inch water lines over the "no action" alternative.
Implementation Schedule:	Florence anticipates bidding the project in march 2016 with a project completion date of November 2016.
Service Population:	374
Current Domestic Rate:	$32.00 per 5,000 gallons

Interest Rate:	3.25%	Term:	30 years	Security:	Sales Tax - $688,000
Interest Rate:	3.25%	Term:	30 years	Security:	Water Surcharge - $1,567,000

DEBT SERVICE CAPACITY – Sales Tax Revenue Loan of $688,000

Coverage at $688,000 Loan Amount:	If $688,000 is provided as loan, the town of Florence would have 208.56% coverage based upon sales tax receipts from 2014.

DEBT SERVICE CAPACITY – Water Surcharge Revenue Loan of $1,567,000

Coverage at Maximum Loan Amount:	If $1,567,000 is provided as loan, the town of Florence would have to establish a surcharge of approximately $50.43. When added to current rate of $32.00/5,000 gallons residents would be paying $82.43/5,000 gallons.

25% Funding Subsidy:	$391,750 subsidy with a loan of $1,175,250.
Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of $1,175,250, Florence would have to establish a surcharge of approximately $37.82 thereby paying a rate of $69.82/5,000 gallons.

50% Funding Subsidy:	$783,500 subsidy with a loan of $783,500.
Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of $783,500, Florence would have to establish a surcharge of approximately $25.20 thereby paying a rate $57.20/5,000 gallons.

75% Funding Subsidy:	$1,175,250 subsidy with a loan of $391,750.
Coverage at 75% Subsidy:	Based on a 75% subsidy and a loan of $391,750, Florence would have to establish a surcharge of approximately $12.59 thereby paying a rate $44.59/5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: JIM ANDERSON

FINANCIAL REVIEW COMPLETED BY: JON PESCHONG

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Drinking Water Facilities Funding Application

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

Applicant	Proposed Funding Package	
City of Emery	CWFCP / DWSRF	$2,200,000
Address	Local Cash	$21,587
PO Box 38 Emery, South Dakota 57332	Other	
	Other	
Subapplicant	Other	
N/A		
DUNS Number	**TOTAL**	$2,221,587
17-810-7202		

Project Title: Water Distribution System Upgrade and Replacement

Description:

The City of Emery is proposing to replace all of its dated water distribution infrastructure. Emery recently upgraded its wastewater treatment facilities and had began moving forward with a main street or downtown project to include replacement of the water and sewer mains. A Community Access grant was secured to assist in financing the project but upon further review and discussion by the City Council the project was scrapped in favor of a more comprehensive approach due to the age of the City's entire water and wastewater infrastructure.

USDA-RD funding was initially pursued due to the availability of grant funds and favorable financing terms. As time went on the USDA-RD became less attractive and other alternatives were discussed. After months of delays the City Council decided to now pursue SD-DENR funding. The project also includes replacement of nearly the entire wastewater collection infrastructure therefore a complementary application is to be submitted in conjunction with this request. It is the aforementioned process which caused the delays and dated engineering estimates and other documentation

The project before you includes replacement of the water distribution mains not only in the 6-7 blocks of downtown but also now encompasses every antiquated line within the city. The age of the existing infrastructure is estimated at 90 years, well past its useful life. The City has entered into a contact with Johnson Engineering Inc. of Yankton to begin surveying and preliminary design work for the proposed project.

The Applicant Certifies That:

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

Joshua Kayser, Mayor — 3-27-15

Name & Title of Authorized Signatory (Typed) — Signature — Date

WRAP Review Sheet
Drinking Water Facilities Funding Application
Applicant: City of Emery

Project Title:	Water Distribution System Upgrade and Replacement
Funding Requested:	$2,200,000
Other Proposed Funding:	$21,587 - Local Cash
Total Project Cost:	$2,221,587
Project Description:	The project will replace portions of the existing watermain throughout the city and install looping sections, with 6- and 8-inch PVC pipe.
Alternatives Evaluated:	"Do Nothing Alternative" was evaluated but not recommended as this alternative would do nothing to improve the issues facing the water distribution system. "Add Piping to Loop Existing System" alternative includes installing 6-inch PVC watermain between existing watermain ends to loop the system. This alternative was considered but not recommended as it was not the most cost effective alternative. "Replace Water Distribution System" alternative proposes to replace the watermains within the city with 6- and 8-inch PVC pipe and to install 6-inch pipe to loop dead ends within the system. This alternative was considered and selected as it was the most effective alternative. "Looping with Limited Replacement" alternative would replace all of the 4-inch PVC watermain with minimum 6-inch PVC pipe and install 6-inch pipe to loop dead ends within the system. This alternative was considered but not recommended as it was not a practical alternative.
Implementation Schedule:	The city of Emery anticipates bidding the project in October 2016 with a project completion date of October 2018.
Service Population:	456
Current Domestic Rate:	$41.20 per 5,000 gallons usage

Interest Rate: 3.00% Term: 30 years Security: Water Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan Emery would have to enact a surcharge of approximately $47.09. When added to current rate of $41.20/5,000 gallons residents would be paying $88.29/5,000 gallons.

25% Funding Subsidy:	$550,000 subsidy with a loan of $1,650,000
Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of $1,650,000 Emery would have to enact a surcharge of approximately $35.32 thereby paying a rate $76.52/5,000 gallons..

50% Funding Subsidy:	$1,110,000 subsidy with a loan of $1,110,000
Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of $1,110,000 Emery would have to enact a surcharge of approximately $23.54 thereby paying a rate $64.74/5,000 gallons.

75% Funding Subsidy:	$1,650,000 subsidy with a loan of $550,000
Coverage at 75% Subsidy:	Based on a 75% subsidy and a loan of $550,000 Emery would have to enact a surcharge of approximately $11.77 thereby paying a rate $52.97/5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: NICK NELSON

FINANCIAL REVIEW COMPLETED BY: ELAYNE LANDE

June 25, 2015
Item 19

TITLE: Small Water Facilities Funding Application

EXPLANATION: The following application has been received by the department for funding consideration at this meeting.

a. Haakon County School District

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

http://denr.sd.gov/bwnrapps/BWNRappsother0615.pdf

If you would like a hard copy of the application, please contact Jon Peschong at (605) 773-4216.

CONTACT: Mike Perkovich, 773-4216

Small Water Facilities Funding Applications
June 2015

RECEIVED
MAR 3 ' ..
Division of Financial
& Technical Assistance

Small Water Facilities Funding Application

(Total Project Cost Not To Exceed $250,000
and
Non-State Revolving Fund Loan Programs to be Utilized)

Consolidated Water Facilities Construction Program (CWFCP)
CW SRF Water Quality Grants (WQ Grant)

Applicant	Proposed Funding Package	
Haakon County School District 27-1	CWFCP / WQ Grant	$647,000
Address	Other	
PO Box 730 Philip, South Dakota 57567	Other	
	Other	
Subapplicant	Other	
	TOTAL	$647,000

Project Title:
Haakon County School District Geothermal Wastewater Treatment System Project

Description:

The Haakon County School District operates a geothermal heating system which includes a wastewater treatment facility. The school district is out of compliance with its NPDES permit involving discharges to the Bad River and corrective action is being required by SDDENR. Over the years, Radium 226 limit violations have continued, as well as, potential safety violations concerning the use of barium chloride. In addition, there is the need for work at the ponds. The project at the two wastewater ponds includes the removal and disposal of the sludge and the reconstruction of the dikes and liners of both ponds. Further will be the construction of a new treatment building and second mixing trough, as well as all necessary appurtenances related to the project. The service area population for the system according to 2010 Census figures is approximately 1,697 persons. The entire geothermal system serves not only the school district, but several downtown businesses, the fire department, and the hospital complex. Fees for those users are based on square footage of the facility served, plus taxes, incidental costs, and a reserve fee which end up ranging from $401 to $4,317 per year.

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.

Kevin Morehart, Superintendent	Kevin Morehart	3/27/15
Name & Title of Authorized Signatory (Typed)	Signature	Date

WRAP Review Sheet
Small Water Facilities Funding Application
Applicant: Haakon County School District

Project Title:	Geothermal Wastewater Treatment System
Funding Requested:	$647,000
Other Proposed Funding:	$0 - Local Cash
Total Project Cost:	$647,000
Project Description:	Removal and disposal of sludge and treatment pond repair. Project also includes construction of a new treatment building and chemical mixing system including a SCADA system to operate the equipment.
Alternatives Evaluated:	Water from the geothermal well used in the heating system has high radium concentration. Barium chloride is used to treat the water and the current system for adding the chemicals is imprecise, inefficient and dangerous for the operator. The new system for chemical addition will address these issues. Several options were investigated for disposal of the accumulation of sludge in the treatment ponds. These included disposal at the pond site and hauling it to either the Rapid City or Pierre landfill. On site disposal was not feasible because the land owner will not allow disposal and the site is close to the Bad River. Disposal at the Pierre landfill was chosen over the Rapid City landfill due to the significant difference in tipping fees for the material. The treatment ponds have deteriorated and the liner and dikes need to be repaired.
Implementation Schedule:	The school district anticipates bidding the project in 2016 with a project completion date of 2017.
Service Population:	NA
Current Domestic Rate:	NA
Proposed Domestic Rate at Project Completion:	NA

Interest Rate: Term: Security:

ENGINEERING REVIEW COMPLETED BY: ERIC MEINTSMA

FINANCIAL REVIEW COMPLETED BY: JON PESCHONG

June 25, 2015
Item 20

TITLE: Solid Waste Management Program Funding Applications

EXPLANATION: The Solid Waste Management Program was established under SDCL 46A-1-83. The Board of Water and Natural Resources may award grant and loan funds for the purpose of solid waste planning and management under the program. ARSD 74:05:10:09 provides that applications for the March funding round are due by January 1. The following applications have been received by DENR for funding consideration at this meeting.

a. Brown County
b. Pierre

Pursuant to ARSD 75:05:10:11, the Board must make its funding decisions within 120 days after applications are presented. In accordance with SDCL 46A-1-83, a minimum of 50 percent of the Solid Waste Management Program funds must be reserved for recycling activities.

COMPLETE APPLICATIONS: The application cover sheets and summary sheets 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/BWNRappsother0615.pdf

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

Solid Waste Management Applications
June 2015

Solid Waste Management Program Application

RECEIVED
MAR 31 2015
Division of Financial Technical Assistance

Applicant/Tax ID #
Brown County
46-6000010

Address
25 Market Street
Aberdeen, SD 57401

Phone Number (605) 626-7110

Proposed Funding Package

SWMP Funds:	$385,000
Local Cash:	$385,494
Other:	
Other:	
Other:	
Total Project Cost:	$770,494

Project Title: Brown County Landfill Purchase of a new scraper

Description:

Brown County is proposing to purchase a new scraper to replace their existing scraper which has outlived its useful life.

The Applicant certifies that:

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

Duane Sutton, Chair

Name and Title of Authorized Signatory (Typed)

Signature

3-24-15
Date

WRAP Review Sheet
Solid Waste Management Program

Engineering Review Completed By: Drew Huisken

Applicant:	Brown County
Project Title:	Landfill Scraper Purchase
Funding Requested:	$385,000
Other Proposed Funding:	$385,494 – Local Cash
Total Project Cost:	$770,494
Project Description:	Brown County is proposing to purchase a new scraper at the landfill to replace the existing scraper which has outlived its useful life.
Type:	Regional Landfill
Service Population:	36,531
Financial & History Information:	In March 2014, Brown County received a $346,400 SWMP grant for the construction of a second cell at its landfill. In March 2012, Brown County received a $342,000 SWMP grant to purchase a new dozer for the landfill. In June 2011, Brown County received a $298,230 SWMP grant for a new compactor purchase.

Solid Waste Management Program Application

Applicant/Tax ID #
46-6000356

Address
City of Pierre
PO Box 1253
222 E Dakota
Pierre, SD 57501

Phone Number (605) 773-7434

Proposed Funding Package

SWMP Funds:	$575,000
Local Cash:	$250,000
Other:	
Other:	
Other:	
Total Project Cost:	$825,000

Project Title: Solid Waste Baler Replacement

Description:

The City of Pierre, Solid Waste Department operates a regional municipal solid waste landfill under Permit #14-22 and the Solid Waste Facility-Transfer Station under General Permit GPTS 98-04-016, both issued by DENR - Waste Management Program. The Facilities operate under several other environmental permits.

This baler replacement includes several items. A new baler which will be more efficient and minimize repairs that have been increasing the past few years. Concrete will be replaced where the baler sits and some other area that have deteriorated from the acidity from the garbage. We do not plan to replace the conveyor belt since it is structurally sound. However, because of the wet environment the frame has rusted and we will have that sandblasted and painted to help maintain the integrity of the conveyor system. We added an EnviroBale bagging system to the current baler in 2010. The current bagging system will be removed and installed on the new baler.

This Solid Waste Facility & Regional Landfill services approximately 39,000 people. The City of Pierre is committed to baling the MSW that goes to our regional landfill. The baling of waste is also a requirement in the conditional use permit Hughes County issued for the regional landfill.

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.

Leon Schochenmaier, City Administrator

Name and Title of Authorized Signatory (Typed)

Signature 3-31-15

Date

WRAP Review Sheet
Solid Waste Management Program

Engineering Review Completed By: Drew Huisken

Applicant:	City of Pierre
Project Title:	Solid Waste Baler Replacement
Funding Requested:	$575,000
Other Proposed Funding:	$250,000 – Local Cash
Total Project Cost:	$825,000
Project Description:	The City of Pierre is proposing to replace the baler at the regional landfill. A new baler will be more efficient and less likely to malfunction. The concrete around the baler area will also be replaced and minor improvements will be made to the conveyor system. The city is committed to baling its municipal solid waste, and the baling of waste is also a requirement of the Conditional Use Permit issued by Hughes County.
Type:	Regional Landfill
Service Population:	39,000
Financial & History Information:	In September 2014, Pierre received a $354,400 SWMP grant and an $817,600 CWSRF loan for the construction of landfill cell #3. In June 2011, Pierre received a $440,000 SWMP loan for the closure of its rubble site and the construction of a new rubble site and a scale. In March 2011, Pierre received a $60,000 SWMP grant for the closure of its rubble site and the construction of a new rubble site and a scale.

June 25, 2015
Item 21

TITLE: Delmont Force Majeure Notification and Request for Debt Service Relief

EXPLANATION: On May 10, 2015, a tornado struck Delmont. The tornado destroyed 27 homes and 14 more had major damage. Delmont's most recent funding application reflected 145 total drinking water accounts. Delmont has two loans in repayment:

- Drinking Water SRF (DW-01) – water main improvements
  - Terms: 2.5% / 30 years
  - Quarterly payment: $1,888.61
  - Next payment due: July 15, 2015
  - Loan balance: $138,086.75
- Consolidated (2011L-306) – water meter replacement
  - Terms: 2.25% / 10 years
  - Semi-annual payment: $1,387.24
  - Next payment due: November 1, 2015
  - Loan balance: $19,049.33

As required by section 9.1 (b) of the loan documents (see attached) for both loans, Delmont has provided written notice to the Board of its inability to meet its debt service obligations due to this act of God. In addition, the city of Delmont has requested forgiveness of the DWSRF loan balance of $138,086.75 and the Consolidated loan balance of $19,049.33.

While the Board has full discretion to convert the $19,049.33 balance of the Consolidated loan to a grant, consideration of additional principal forgiveness is constrained at this time by the limited amount of available principal forgiveness. In addition, adjustments to the Drinking Water SRF loan, which is technically Delmont's municipal bond, will probably constitute a reissuance and bond counsel involvement will be required.

RECOMMENDED ACTION:

1) Inform Delmont that its inability to make its July 15th payment is deemed not to constitute a default by reason of force majeure;
2) Provide direction to staff on debt forgiveness for consideration at the September board meeting; and
3) Re-evaluate Delmont's repayment ability at the September and subsequent board meetings.

CONTACT: Jim Feeney (773-4216)

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

Section 9.1. Events of Default Defined. Any one of the following shall constitute an Event of Default under this Loan Agreement:

(b) The failure by the Borrower to observe or perform any covenant, term, condition or agreement hereunder on its part to be observed and performed (except obligations referred to in sections 9.1(a) and 9.1(c) through 9.1(g) hereof) for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given by the Board to the Borrower; ***provided, however, if by reason of force majeure the Borrower shall be unable in whole or in part to carry out its obligations hereunder, and if the Borrower shall give prompt written notice and full particulars of such force majeure to the Board, the Borrower shall not be deemed in default under this section 9.1(b) during the continuation of such inability, provided that force majeure shall not excuse any other Event of Default. The term "force majeure" as used herein shall include, without limitation, acts of God***, acts of public enemies, orders of any kind of the government of the United States or the State, or any of their agencies, departments, or officials, or any civil or military authority, strikes, lock-outs, or other industrial disturbances, insurrections, riots, epidemics, landslides, lightning, earthquakes, fire, hurricanes, storms, washouts, droughts, explosions, breakage or accident to machinery, transmission pipes, canals, partial or entire failure of utilities, or any other cause or event not reasonably within the control of the Borrower.

CITY OF DELMONT
105 W MAIN ST
PO BOX 202
PHONE (605) 779-2621
FAX (605) 779-2622
DELMONT, SD 57330-0202

May 29, 2015

Board of Water and Natural Resources
523 E Capitol
Joe Foss Building
Pierre, SD 57501

RE: Drinking Water SRF and Consolidated loans

Dear Chairman Johnson and Board Members:

On May 10, 2015, a tornado struck Delmont and extensively damaged or completely destroyed over forty homes, the Koehn Funeral Chapel, Zion Lutheran Church, and the city's fire hall. Without the income from these properties, the city of Delmont is currently unable to meet its obligation to pay the required debt service on its Drinking Water SRF (DW-01) and Consolidated (2011L-306) loans.

As required by section 9.1(b) of the loan documents for both loans, this letter provides the written notice to the Board of Delmont's inability to meet its debt service obligations due to this act of God. In addition, the city of Delmont requests forgiveness of the DWSRF loan balance of $138,087 and the Consolidated loan balance of $19,050.

Forty-one percent of Delmont's residential structures were damaged; 72 percent of those structures had major damage or are completely destroyed. Governor Daugaard also noted that the community only has 234 people, and more than 12 percent of the population lives below the federal poverty level.

Fifty-seven homes were damaged; 14 sustained major damage, and 27 were completely destroyed as of this date. Ten homeowners are still waiting for insurance adjustors to determine if their homes are destroyed or can be repaired.

Please contact Linda Laib, City Finance Officer, if you need additional information regarding these matters. Thank you in advance for your consideration of this request.

Sincerely,

Mae Gunnare, Mayor

Mayor Mae Gunnare
City of Delmont

June 25, 2015
Item 22

TITLE: Transfer Clean Water State Revolving Fund (SRF) Loan C461052-01 and Consolidated Water Facility Construction Program (Consolidated) Grant 2015G-103 from the Lake Byron Watershed District to the Lake Byron Sanitary District

EXPLANATION: On March 28, 2014, the Lake Byron Watershed District received a Clean Water SRF loan (C461279-01), in the amount of $1,843,000 and a Consolidated grant (2016G-103), in the amount of $500,000.

The Lake Byron Watershed District requested $3,693,000 to construct a centralized wastewater collection and treatment system to serve the lake community. The awards included the contingencies shown on Attachment 1. The funding award of $2,343,000 was based on the district's intent to assess each landowner in the district $6,000 which DENR recommended be used to help lower the amount of loan funds needed by $1,350,000.

Due to the unique challenges involving the powers and authorities of a watershed district, staff recommended consideration be given to forming a sanitary district. Subsequently, a decision was made to form a sanitary district at Lake Byron, which was incorporated in April 2015.

With the formation of the sanitary district, the elections needed to satisfy the contingencies were not satisfied. Staff is working with the new sanitary district board to transfer the funding from the Lake Byron Watershed District to the Lake Byron Sanitary District.

RECOMMENDED ACTION: None at this time – informational only

CONTACT: Mike Perkovich
(605) 773-4216

ATTACHMENT 1

SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY

APPLICANT: Lake Byron Watershed District (CW-01)

DENR Funding Assistance Requested: $3,693,000

Rate/Term: 3.25%/30 years

Security Pledged For Repayment Of Loan: Project Surcharge

Staff Analysis

1) The District is planning on assessing a one time fee of $6,000/landowner for the project. If the District collects the fee on the front end of the project, the fee would generate $1,350,000 which could be used on the project thereby reducing SRF funding needed to $2,343,000.
2) If SRF funding is provided as all loan ($2,343,000), the District would have to enact a surcharge of approximately $50/landowner. The District's estimated O&M costs are $19/month. This would bring the total monthly cost to $69.
3) For each $100,000 received in subsidy, the monthly surcharge would be reduced by approximately $2.10.

Funding Recommendation: $1,843,000 CWSRF @3.25%/30 years and a $500,000 Consolidated grant

Debt Service Coverage: 110% based on a monthly surcharge of approximately $39.50

Loan Contingencies:

1) Contingent upon Borrower adopting a bond resolution and the resolution becoming effective
2) Contingent upon Borrower establishing a special assessment sufficient to provide the required debt coverage
3) Contingent upon Borrower amending its General Improvement Plan by April 1, 2015
4) Contingent upon Borrower holding an election to approve the loan and the levying of a special assessment of $6,000 per landowner by April 1, 2015

Special Grant Condition

5) Contingent upon the Clean Water State Revolving Fund loan C461052-01 closing.

June 25, 2015
Item 23

TITLE: Amendment to Joint Powers Agreement Central South Dakota Enhancement District for SRF Application and Administration and Davis-Bacon Monitoring

EXPLANATION: Since 2005, the board has entered into consulting contracts with each of the planning districts to provide administrative services in the form of State Revolving Fund loan applications and administration. In 2009, staff discussions with Harold Deering of the Attorney General's Office concluded that Joint Powers Agreements were preferable to consulting contracts, since planning districts can be considered to be governmental entities.

At its meeting on November 6, 2014, the Board increased reimbursement rates for the three SRF application and administration and two Davis-Bacon installments effective for applications presented to the Board at its regular March 2015 meeting. Depending upon when the funding was or is approved, SRF app/admin payments are $7,500 or $9,000, and the Davis-Bacon payments are $1,000 or $1,100.

The First Amendment to Joint Powers Agreement with Central South Dakota Enhancement District put $48,800 under agreement. This Second Amendment will add $22,000, provided by the Clean Water and Drinking Water SRF Administrative Surcharge fees, to the total available to Central South Dakota Enhancement District.

RECOMMENDED ACTION: Approve the Second Amendment to the Joint Powers Agreement with the Central South Dakota Enhancement District for SRF loan application and administration and Davis-Bacon monitoring.

CONTACT: Derek Lankford, 773-4907

SOUTH DAKOTA BOARD OF WATER AND NATURAL RESOURCES
SECOND AMENDMENT TO
JOINT POWERS AGREEMENT
WITH
CENTRAL SOUTH DAKOTA ENHANCEMENT DISTRICT

SECOND AMENDMENT made and entered into, effective upon its execution by all parties, by and between the South Dakota Board of Water and Natural Resources, Joe Foss Building, 523 East Capitol Ave., Pierre, SD 57501-3182 ("Board"), and Central South Dakota Enhancement District, PO Box 220, 3431 Airport Road, Suite 3, Pierre, SD 57501-0220 ("CSDED").

WHEREAS, the Board has the authority to make financial assistance awards to eligible entities pursuant to SDCL 46A-1-60.1, and the Department of Environment and Natural Resources ("DENR") serves as staff for the Board; and

WHEREAS, CSDED is a governmental entity, has the authority to enter into a Joint Powers Agreement with the Board, and is willing to provide the services described herein for the consideration stated herein in accordance within the covenants, terms, and conditions set forth herein;

WHEREAS, the Board has approved using Administrative Expense Surcharge Fee Funds for the purpose of contracting for the preparation of applications and administration of Clean Water and Drinking Water State Revolving Fund loans with the various planning districts; and

WHEREAS, the Board entered into a Joint Powers Agreement dated July 15, 2013 with CSDED to retain their services to help ensure the Davis-Bacon reviews and new job creation estimate requirements are being complied with on projects the Board funds in whole or in part with funds provided by the Act; and,

WHEREAS, the Board and CSDED have determined it is necessary to amend the Joint Powers Agreement to provide additional funds to be paid to CSDED to provide for the preparation and administration of state revolving fund applications, and believe that such an amendment is to their mutual benefit; and

WHEREAS, the Board and CSDED entered into a First Amendment to Joint Powers Agreement dated December 3, 2014, to provide additional funds to be paid to CSDED for the preparation and administration of state revolving fund applications; and

WHEREAS, CSDED has submitted a request dated May 6, 2015, requesting amendment of the Joint Powers Agreement to increase the total funding, and the parties believe that such an amendment is to their mutual benefit;

NOW THEREFORE IT IS MUTUALLY AGREED AS FOLLOWS:

1. That section 2 of the Joint Powers Agreement is hereby amended to read as follows:

"2. CSDED's services under this Agreement shall commence upon both parties' execution of the agreement and end on June 30, 2016, unless sooner terminated pursuant to the terms hereof.

In consideration of the services provided by CSDED pursuant to Attachment A, the Board agrees to pay to CSDED the amounts specified and on the schedule provided in Attachment A in an amount not to exceed $62,900. In consideration of the services provided by CSDED pursuant to Attachment B, the Board agrees to pay to CSDED the amounts specified and on the schedule provided in Attachment B in an amount not to exceed $7,900. Payment will be made pursuant to payment requests provided by DENR. The Board will not pay CSDED's expenses as a separate item. CSDED is required to submit a completed "Vendor ACH Authorization Form" which will authorize the Board to make electronic payments by direct deposit and provide electronic payment notification to CSDED. This form is available through the DENR Fiscal Office or it can be downloaded directly from http://www.state.sd.us/bfm/vendor/ach.htm. CSDED must fax the completed form to (605) 773-4068, or scan and email to DENRINTERNET@state.sd.us with "Attn: Fiscal Office" in the subject line, or mail it to:

DENR Fiscal Office
PMB 2020
523 East Capitol
Pierre, SD 57501-3182

Payment will be made consistent with SDCL ch. 5-26. The TOTAL AGREEMENT AMOUNT is an amount not to exceed $70,800."

2. That except as specifically modified herein, the Joint Powers Agreement as amended by the First Amendment shall remain in full force and effect in accordance with its original terms and conditions.

In witness hereto the parties signify their agreement by signatures affixed below:

CENTRAL SOUTH DAKOTA ENHANCEMENT DISTRICT

BY: _____
Marlene Knutson
Executive Director

(SEAL)

ATTEST:

BY: _____
Its:

BOARD OF WATER AND NATURAL RESOURCES

BY: _____
Brad Johnson
Chairman

(SEAL)

ATTEST:

BY: _____
Todd Bernhard
Secretary

STATE OF SOUTH DAKOTA

BOARD OF WATER AND NATURAL RESOURCES

RESOLUTION # 2015-___

APPROVING AN AMENDMENT TO THE JOINT POWERS AGREEMENT WITH THE CENTRAL SOUTH DAKOTA ENHANCEMENT DISTRICT FOR THE PREPARATION OF APPLICATIONS, ADMINISTRATION OF LOANS AND MONITORING DAVIS-BACON REQUIREMENTS AND DESIGNATING THE SECRETARY OF THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO ACT ON ITS BEHALF.

WHEREAS, the Board of Water and Natural Resources has the authority to make financial assistance awards to eligible entities under the American Recovery and Reinvestment Act of 2009 (the "Act"), pursuant to SDCL 46A-1-60.1 and DENR serves as staff for the Board; and

WHEREAS, the Board adopted Intended Use Plans for the Clean Water and the Drinking Water State Revolving Fund Programs that identified activities to be supported by the State Administrative Expense Surcharge Fee Funds; and

WHEREAS, Sections 12 and 13 of Senate Bill 173 adopted by the 2015 South Dakota Legislature provided authority to expend and the Board approved using Administrative Expense Surcharge Fee Funds for the purpose of contracting for the preparation of applications and administration under the Clean Water and the Drinking Water State Revolving Fund Programs established pursuant to § 46A-1-60.1; and

WHEREAS, the Board entered into a Joint Powers Agreement dated July 15, 2013 with CSDED to assist Borrowers in preparing and submitting loan applications to the Board, in administering loans, and in monitoring compliance with Davis-Bacon requirements; and

WHEREAS, a First Amendment to Joint Powers Agreement was entered into on December 3, 2014; and

WHEREAS, on May 6, 2015, CSDED requested a Second Amendment to Joint Powers Agreement to increase the funding provided; and

WHEREAS, the Board and CSDED have determined it is necessary to amend the Joint Powers Agreement to increase the funding provided; and

WHEREAS, the Board has reviewed the proposed Second Amendment to Joint Powers Agreement, a true copy of which is attached hereto and finds it proper in all respects.

NOW THEREFORE BE IT RESOLVED:

1) That the Board of Water and Natural Resources approves a Second Amendment to Joint Powers Agreement in an amount not to exceed $72,090 under the authority provided in SDCL 46A-1-97 to contract for financial services with the Central South Dakota Enhancement

District until June 30, 2016, as set forth with particularity in the form of the Second Amendment to Joint Powers Agreement attached hereto, which Amendment is hereby approved; and

2) That the Chairman and Secretary are authorized to execute the Second Amendment to the Joint Powers Agreement; and

3) That the Secretary, Department of Environment and Natural Resources, is hereby designated as the representative of the Board to do all things on its behalf allowable with reference to the Second Amendment to Joint Powers Agreement described herein, provided that the Secretary is hereby empowered to delegate such authority in writing to persons under the supervision of the Secretary as deemed appropriate.

Dated this _____ day of June, 2015

(SEAL)

_____
Chairman
Board of Water and Natural Resources

ATTEST:

_____
Secretary
Board of Water and Natural Resources

June 25, 2015
Item 24

TITLE: Perkins Coie LLP Conflict Waiver Request for Simultaneous Representation of the State of South Dakota and Calpine Corporation

EXPLANATION: Bruce Bonjour, Perkins Coie, has served as bond counsel for the Clean Water State Revolving Fund program since 1993 and the Drinking Water SRF program since 1997. Attached is a letter requesting the State and the Conservancy District to sign a waiver of a conflict of interest that will allow Mr. Bonjour to continue to represent the District, even though his firm may be adding a San Francisco partner who is representing Calpine Corporation in connection with *In re Murray*, an environmental litigation pending in the United States Court of Appeals for the District of Columbia Circuit.

The potential partner has filed an amicus brief on behalf of Calpine supporting EPA's proposed Clean Power Plan, and it is expected that at some point Calpine will intervene in the litigation on behalf of the EPA. A number of states and private parties, including the state of South Dakota, have intervened on behalf of Murray Energy in opposition to the Plan. Because there is a theoretical conflict here, the District needs to waive the conflict in order for the addition of the potential partner to proceed; the State's legal services contract requires consent of the Attorney General as well.

As you can see from his letter, Mr. Bonjour does not think the work that the potential partner does in regard to the Clean Power Plan will adversely affect the work he does for the District. The District's legal counsel, Mr. Harold Deering, agrees with conclusion of no adverse effect. Attorney General Marty Jackley has agreed to sign the waiver on behalf of the State of South Dakota.

RECOMMENDED ACTION: Authorize the Chairman to execute the Perkins Coie LLP Conflict Waiver Request for Simultaneous Representation of the State of South Dakota and Calpine Corporation.

CONTACT: Jim Feeney (773-4216)

PERKINSCOIE

131 South Dearborn Street
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June 2, 2015

Bruce A. Bonjour
Partner
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D. +1.312.324.8650
F. +1.312.324.9650

Harold Deering, Esq.
317 North Main
Sioux Falls, South Dakota 57104-6004

Re: Simultaneous Representation of the State of South Dakota and Calpine Corporation

Dear Harold:

I am writing to request that the State of South Dakota (the "State") grant Perkins Coie LLP ("Perkins Coie") its informed consent to undertake the representation of Calpine Corporation ("Calpine") in a matter in which the interests of the State and Calpine are or may be adverse, while continuing our representation of the State in unrelated matters.

As we discussed on Friday, May 29, 2015, Perkins Coie is currently in discussions with a potential lateral partner (the "Lateral") concerning a move to the firm's San Francisco office. The Lateral currently represents Calpine in connection with *In re Murray*, an environmental litigation pending in the United States Court of Appeals for the District of Columbia Circuit (Case Nos. 14-1112 and 14-1151) (the "Murray Energy Matter"). In 2014, Murray Energy Corporation ("Murray Energy") filed suit against the Environmental Protection Agency (the "EPA") challenging the EPA's proposed Clean Power Plan (Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Units) (the "Plan"). The rule would impose goals for each state to reduce the carbon dioxide emissions from its existing fossil fuel-fired electric generating units (i.e., power plants). A number of states and private parties, including the State, have intervened on behalf of Murray Energy in opposition to the Plan. The Lateral has filed an amicus brief on behalf of Calpine supporting the EPA's proposed Plan and it is expected that Calpine will, at some point, intervene in the litigation on behalf of the EPA. As such, the interests of Calpine and the State are or may be adverse. The rule is anticipated to be finalized during the summer of 2015 and petitions for judicial review will be due 60 days thereafter. Because the State is among the parties challenging the proposed rule, it

is possible that the State will file a challenge to the rule once finalized. Anticipated adversity in the litigation between Calpine and the State of South Dakota would likely include petitions filed by the State or others in the D.C. Circuit Court of Appeals challenging the EPA's not yet finalized Plan.

The Lateral expects to continue to represent Calpine in the Murray Energy Matter should the move to Perkins Coie take place. As such, Perkins Coie is seeking the State's consent to undertake the representation of Calpine in the Murray Energy Matter should the move take place, even if the interests of Calpine and the State are directly adverse. As you know, Perkins Coie has represented and is currently representing the State with respect to unrelated matters, including serving as bond counsel to the South Dakota Board of Natural Resources/Conservancy District in connection with the issuance of multiple series of bonds in the State Revolving Fund Programs for Clean Water and Drinking Water.

Under the rules governing professional responsibility and conflicts of interest, Perkins Coie may represent Calpine in a matter adverse to the State and simultaneously represent the State in unrelated matters only under certain conditions. First, we must have the written consent of both clients. Second, we must reasonably believe that we will be able to provide competent and diligent representation to each client. To the best of our knowledge, the work we are now being asked to undertake for Calpine is not related to any legal services Perkins Coie has performed, is performing, or expects to perform for the State.

To further ensure the protection of each client's confidences and secrets, Perkins Coie will implement the following formal screening mechanism should the Lateral join Perkins Coie. Specifically, all timekeepers representing the State will not concurrently participate in the representation of Calpine in any matters or discuss those matters with timekeepers representing Calpine. Similarly, all timekeepers who participate in the representation of Calpine will not concurrently participate in the representation of the State in any matter, and will not discuss matters concerning the State with timekeepers working on matters for the State. Based on these precautions, we are confident in our ability to represent each client's interests without limitation or compromise.

In light of the foregoing, please confirm that the State consents on an informed basis, after full disclosure of the conflict of interest, to Perkins Coie's representation of Calpine in a matter adverse to the State should the Lateral join the firm, and simultaneous representation of the State in unrelated matters.

I enclose an extra original of this letter for your files. Please sign and return one original for our files.

Very truly yours,

Bruce A. Bonjour

The undersigned hereby consents to the representation described above.

STATE OF SOUTH DAKOTA

By: _____

Its: _____

Date: _____

June 25, 2015
Item 25

TITLE: SRF Financial Advisor Contract

EXPLANATION:

The Board approved the release of a "Request For Proposal To Serve As Financial Advisor For The State Revolving Fund Programs" at its March 2011 meeting. The following is a list of activities and estimated timelines relevant to the Financial Advisor selection process:

- RFP advertisement – April 1, 2015.
- Proposals due – May 1, 2015.
- Financial Advisor selection – June 25,2015.
- Contract execution – July 1, 2015.

Public Financial Management (PFM) was the only firm to submit a proposal to serve as the SRF Financial Advisor. PFM has served as the SRF Financial Advisor since 2003. The Board's current contract with PFM terminates on June 30, 2015.

With assistance from the Office of Attorney General, a contract for financial advisor services has been prepared and reviewed by PFM and DENR. The contract period is from July 1, 2015 to June 30, 2017.

RECOMMENDED ACTION: Approve resolution authorizing the execution of the Financial Advisor contract.

CONTACT: Mike Perkovich, 773-4216

5-18D-17. Professional services exceeding fifty thousand dollars. No agency of the state may award or renew a contract for professional services exceeding fifty thousand dollars without complying with the procedures set forth in this section to § 5-18D-22, inclusive. Any agency seeking such professional services shall issue a request for proposals. The agency shall publish any request for proposals issued pursuant to this section on the electronic procurement system maintained by the Bureau of Administration. The request for proposals shall include the procedures for the solicitation and award of the contract.

Source: SL 2010, ch 31, § 111.

5-18D-18. Evaluation criteria to be stated in request for proposals. The request for proposals shall state the relative importance of evaluation criteria to be used in the ranking of prospective contractors. The agency shall include the following evaluation criteria in any request for proposals:

(1) Specialized expertise, capabilities, and technical competence as demonstrated by the proposed approach and methodology to meet the project requirements;

(2) Resources available to perform the work, including any specialized services, within the specified time limits for the project;

(3) Record of past performance, including price and cost data from previous projects, quality of work, ability to meet schedules, cost control, and contract administration;

(4) Availability to the project locale;

(5) Familiarity with the project locale;

(6) Proposed project management techniques; and

(7) Ability and proven history in handling special project constraints.

Source: SL 2010, ch 31, § 112.

5-18D-19. Discussion and negotiation of project. The agency and the highest ranked contractor shall mutually discuss and refine the scope of services for the project and shall negotiate terms, including compensation and performance schedule. The compensation level paid shall be reasonable and fair to the agency, as determined by the agency. If the agency and the highest ranked contractor are unable for any reason to negotiate a contract at a compensation level that is reasonable and fair to the agency, the agency shall, by notification either orally or in writing, terminate negotiations with the contractor. The agency may then negotiate with the next highest ranked contractor. The negotiation process may continue through successive contractors, according to agency ranking, until an agreement is reached or the agency terminates the contracting process.

Source: SL 2010, ch 31, § 113.

5-18D-20. Register of proposals for professional service contract--Confidential information. A register of proposals shall be prepared and maintained by any state agency issuing a request for proposals for a professional service contract. The register shall contain the names of any person whose qualifications were considered and the name of the person that was awarded the contract. Any professional service contract and the documentation that was the basis for the contract is public except for proprietary information which shall remain confidential. The qualifications and any other documentation of any person not issued a contract shall remain confidential.

Source: SL 2010, ch 31, § 114.

5-18D-21. Exemption of certain professional service contracts. The provisions of §§ 5-18D-17 to 5-18D-20, inclusive, do not apply to contracts issued for:

(1) Services of such a unique nature that the contractor selected is clearly and justifiably the only practicable source to provide the service. Determination that the contractor selected is justifiably the sole source is based on either the uniqueness of the service or sole availability at the location required;

(2) Emergency services necessary to meet an urgent or unexpected requirement or if health and public safety or the conservation of public resources is at risk;

(3) Services subject to federal law, regulation, or policy or state statute, under which a state agency is required to use a different selection process or to contract with an identified contractor or type of contractor;

(4) Services for professional legal services;

(5) Services of expert witnesses, hearing officers, or administrative law judges retained by state agencies for administrative or court proceedings;

(6) Services involving state or federal financial assistance passed through by a state agency to a political subdivision;

(7) Medical services and home and community-based services;

(8) Services to be performed for a state agency by another state or local government agency or contracts made by a state agency with a local government agency for the direct provision of services to the public; or

(9) Services to be provided by entertainers for the state fair and other events.

Source: SL 2010, ch 31, § 115.

5-18D-22. Effect on time deadline in contested case. Notwithstanding any other provisions of law, an agency that is required to issue a decision in a contested case proceeding in one year or less may increase its statutory deadline for issuing the agency decision by sixty days if the agency seeks to enter into a professional services contract covered by §§ 5-18D-17 to 5-18D-20, inclusive.

Source: SL 2010, ch 31, § 116.

SOUTH DAKOTA BOARD OF WATER AND NATURAL RESOURCES
REQUEST FOR PROPOSAL TO SERVE AS
FINANCIAL ADVISOR FOR THE STATE REVOLVING FUND PROGRAMS

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INTRODUCTION

The Board of Water and Natural Resources ("Board"), acting as the South Dakota Conservancy District ("District"), is seeking proposals from qualified firms to serve as its financial advisor. Proposals are requested for financial advisor services for a two year period from 1-Jul-2011 to 30-Jun-2013. The Board reserves the right to renew the contract to be awarded to the successful respondent for an additional two-year period if the Board considers any contract adjustment to be reasonable and justified.

BACKGROUND

The Board administers the South Dakota Clean Water State Revolving Fund (CW SRF) Program and the Drinking Water State Revolving Fund (DW SRF) Program. The South Dakota Department of Environment and Natural Resources serves as staff for the Board. The CW SRF program provides low interest loans for the construction of wastewater treatment facilities, wastewater collection lines, storm sewers, and nonpoint source projects to include the water quality protection components of solid waste facilities. Municipalities and other political subdivisions are eligible to receive CW SRF loans. The program has provided loans to more than 100 entities totaling $406 million dollars from 1989 through September 2010. Current interest rates and terms are 2.25% for 10 years, 3% for 11 to 20 years, and 3.25% for 21 to 30 years.

The DW SRF program provides low interest loans for the construction of drinking water supply, treatment, storage, and distribution projects. Political subdivisions and nonprofit public water systems are eligible to receive DW SRF loans. The program has provided loans to more than 100 entities totaling $293.3 million dollars from 1998 through September 2010. Current interest rates and terms are 2.25% for up to 10 years and 3% for 11 to 20 years. Borrowers meeting the disadvantaged community criteria are eligible for reduced interest rates and a term up to 30 years.

The SRF loan programs are federally authorized, and Federal funds are provided to the state in the form of capitalization grants awarded annually through the United States Environmental Protection Agency. For every $5 the federal government provides to each program through the annual capitalization grants, the state must provide $1 of match. The Board does that by issuing revenue bonds and notes. Under South Dakota Codified Law (SDCL 46A-1-31), the District has the authority to issue revenue bonds and notes for the purpose of funding all or part of the match funds required for either or both of the programs. Additionally, the District has the ability to issue revenue bonds and notes above the amount required for state match to leverage additional funds for the programs.

The District has issued state revolving fund bonds or bond anticipation notes since 1989 as indicated in the table below:

Issue	Original Principal Amount	Purpose
1989	$5,785,000	CWSRF State Match
1992	4,180,000	CWSRF State Match
1994A	10,220,000	Refunding and CWSRF State Match
1995A	7,970,000	CWSRF State Match and Leveraged
1996A	2,770,000	CWSRF State Match
1998A	6,450,000	DWSRF State Match
2001	5,270,000	DWSRF State Match
2001	4,405,000	CWSRF State Match
2004	38,460,000	Refunding, DWSRF State Match and Leveraged
2005	50,000,000	State Match and Leveraged
2008	40,000,000	State Match and Leveraged
2009	55,000,000	BANs for State Match and Leveraged
2010	54,330,000	BANs to Refinance the 2009 BANs
2010	92,380,000	Refunding of 1998 Bonds, 2008 Bonds, and 2010 BANs
TOTAL	$377,220,000	

AVAILABLE DOCUMENTS

Various resource documents pertaining to the state revolving fund programs, including recent official statements, the Master Trust Indenture, series resolutions, investment agreements, and annual reports, are available at: http://denr.sd.gov/srfrfp.aspx

SCOPE OF WORK

The financial advisor will be required to perform services with regard to the SRF programs of the type outlined in Attachment A. The Board may request services in addition to those listed. The financial advisor will work closely with the Board and staff and will be expected to respond to specific requests made by the Board and staff. During the course of providing these services, the financial advisor will be expected to make periodic oral and written reports on the status of its activities to the staff. These reports will help assure that the objectives are met and will minimize misunderstandings on task assignments.

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REQUEST FOR PROPOSALS

The following is a list of activities and estimated timelines relevant to the RFP process:

- RFP advertisement – April 1, 2011.
- Proposals due – April 28, 2011.
- Tentative Financial Advisor selection – June 23, 2011.
- Contract execution – July 1, 2011.

Proposal Contents

Proposals shall be prepared and submitted in such form and by such date as specified below. Each page shall be numbered. The proposal should provide a concise description of the respondent's ability to meet the requirements of this RFP. Information the respondent considers to be proprietary information should be identified as such. However, the Board reserves the right to determine if the information is public.

Proposals which in the judgment of the Board fail to meet the requirements of this RFP, or which are in any way incomplete, conditional, or which contain additions or deletions not called for, alterations or other irregularities, or in which errors occur, may be rejected at the Board's discretion. The Board reserves the right to waive any requirements of or informalities in any proposal or to reject any or all proposals if it determines that it is in the Board's best interest to do so.

Respondents should submit a complete response to all the required elements of the RFP as described below.

1. *Transmittal Letter* – Each respondent shall prepare a transmittal letter summarizing the principal points in the respondent's proposal. The letter must be signed by the representative who would serve as the primary contact for this contract and include that person's address, telephone number, fax number and email address.

2. *Experience* – Describe the respondent's experience and capabilities as well as any proposed subcontractor's experience and capabilities. Emphasis should be placed on knowledge of the Board's State Revolving Loan programs and the federal and state Revolving Fund program requirements.

3. *Project Team* - Identify the members of your firm as well as any proposed subcontractors that will participate in the completion of these services. The use of a subcontractor(s) to increase the effectiveness of the respondent's proposal is allowable. A joint venture is not allowed.

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4. *Compensation* – Provide a detailed description of the proposed compensation for state fiscal years 2012 and 2013. It is expected compensation for state fiscal years 2014 and 2015 will be negotiated later at the appropriate times.

CRITERIA AND PROCESS FOR SELECTION

Proposals will be evaluated in light of the following criteria which are listed in descending order of importance:

- Experience, demonstrated knowledge and acceptable performance history as financial advisor for state revolving fund revenue bond financings, similar pooled loan financings, and South Dakota bond financings, especially public or private public utilities.
- Familiarity with South Dakota's state revolving fund programs and national state revolving fund requirements.
- Personnel resources committed to the programs.
- Fees.
- Overall responsiveness and clarity of the proposal.

This is not a competitive bidding invitation. An evaluation committee, which may include staff from the SRF Programs, the Office of the Attorney General and the District's bond counsel and trustee, will review the submittals. The committee will make a recommendation to the Board. At the discretion of the Board, candidates may be invited to make oral presentations. Final selection will be made by the Board.

TERMS AND CONDITIONS

- The Department will make a recommendation to the Board on which respondent to hire. The Board will make the final determination regarding the selection of the respondent.
- The Board reserves the right to reject any and all proposals.
- The Board may negotiate the compensation and hire the successful respondent subject to the terms and conditions specified by the Board.
- If the Board is not able to successfully negotiate a contract with the highest ranked respondent, negotiations shall cease. The Board shall then begin negotiations with the second highest ranked respondent. This process may continue until negotiations are successful.
- The successful respondent may not subcontract with any firm not previously identified in its RFP without the prior, written consent of the Board.
- All respondents will be notified in writing of the selection.

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STATE NOT LIABLE FOR EXPENSES OF PROPOSALS

Neither the Board nor Department shall be liable for any expenses incurred by any respondent in preparing or presenting the proposal.

PROPOSAL DUE DATE AND CONTACT FOR INFORMATION

Six (6) hard copies of the respondent's proposal should be submitted to James Feeney, Natural Resources Administrator, Water Resources Assistance Program, South Dakota Department of Environment and Natural Resources, 523 East Capitol Avenue, Pierre, South Dakota, 57501 by 5:00 P.M., Central Time, on or before April 28, 2011. Additionally, please provide an electronic copy of your proposal to Mr. Feeney at Jim.Feeney@state.sd.us on or before the submittal deadline. Questions regarding this RFP may be directed to James Feeney via email or by phone at 605.773.4216.

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STATE REVOLVING FUND FINANCIAL ADVISOR
SCOPE OF WORK
ATTACHMENT A

The Consultant will provide the services detailed below in connection with the issuance of tax-exempt bonds for the Clean Water State Revolving Fund Program and the Drinking Water State Revolving Fund Program, as well as the District's outstanding Clean Water and Drinking Water bonds. Services include ongoing programmatic support, as well as transaction related services. An overview of the services to the Conservancy District includes:

Programmatic Support

- Maintain and update the custom cash flow models and loan portfolios created on behalf of the Conservancy District.
- Monitor the Conservancy District's outstanding debt for potential refundings.
- Create specialized models, as needed and requested.
- Analyze program capacity and financing needs.
- Notify the Conservancy District of any proposed or ratified regulatory changes which may impact its programs or financings.
- Provide ongoing analysis and support for interactions with and garnering approvals from EPA, as requested.
- Assist the Conservancy District with ongoing administrative decisions related to its programs, including issues relating to the repayment or refunding of borrower loans.
- Keep the Conservancy District apprised of new financing products, as well as changes to industry practice.
- Educate staff and Board, as requested.
- Be available to the Conservancy District to answer questions, attend meetings, furnish research and provide opinions and services, as requested.

Transaction Related Services

Consultant is to provide all of the transaction related services expected of a traditional financial advisory relationship. Following is a summary of the services we would expect to be provided regardless of sale method:

- Coordinate financing team members, including maintaining a time schedule, creating a distribution list, and maintenance of a costs of issuance budget.
- Make recommendations with respect to security provisions, mode of debt, maturity schedules, amortization schedules, redemption provisions and credit enhancement features. Provide ongoing updates to cash flow models and updated bond sizings.
- Work with bond counsel and other financing team members to develop the required legal, disclosure and other financing documents.
- Assist in the development of requests for proposals, evaluation of proposals and selection of ancillary service providers, such as managing underwriters (negotiated sale), private placement agents, remarketing agents (variable rate transactions), printers,

DRAFT

credit enhancement providers, liquidity providers (variable rate transactions), and such other professionals as requested.

- Review the appropriate sale method.
- Implement a comprehensive credit rating strategy appropriate to the financing. Develop rating agency presentations, default tolerance analyses and participate in those meetings.
- After the sale, prepare final transaction schedules including, but not limited to, debt service, pricing summary, proof of arbitrage yield, 8038 statistics and tax levies when appropriate.
- Assist in developing a strategy for the investment of bond proceeds.
- Assist staff and other members of the financing team in the bond closing process, including preparation of a closing memorandum.
- Prepare and deliver a post-sale analysis documenting the results of the sale, summarize the essential terms of the offering, identify market conditions at the time of sale, analyze the performance of the underwriting team, as applicable, and describe the sales results of other comparable issues in the market.

*Negotiated Sale Method***.** The following tasks will be performed for bonds sold through negotiated sale. These tasks are in addition to the tasks which are common to all financings.

- Review the marketing plan and participate in investor meetings, as applicable.
- Represent the Conservancy District during the planning, structuring, and marketing of the issue.
- For fixed rate transactions, prepare an independent analysis of market conditions and proposed interest rates based upon comparable issues.
- For fixed rate transactions, actively monitor the sale of the debt during the order period and provide recommendations regarding re-pricing of all or a part of the debt structure. Negotiate the most favorable interest rates with the managing underwriters during the course of pre-marketing, order taking period and final pricing.
- Review and advise upon bond orders and allotments. Provide a detailed analysis of the underwriting team performance and composition of investors, as applicable.

Competitive Sale Method. Should the Conservancy District decide to utilize a competitive sale process, the following additional tasks would be performed:

- Provide analysis necessary to determine appropriate bid parameters.
- Disseminate disclosure and bid documents.
- Market the issue to potential bidders.
- Set-up and manage sale process including bid receipt and tabulation.

DRAFT

June 25, 2015
Item 26

TITLE: Midwest Assistance Program Drinking Water SRF Set-Aside Contract

EXPLANATION: This contract will allow Midwest Assistance Program (MAP) to provide technical assistance and recommendations to small communities that received a DWSRF loan. Technical assistance and recommendations are made in the capacity assessment to improve the technical, financial, or managerial capacity of the system. The Midwest Assistance Program will work with DENR SRF and Drinking Water staff to identify communities for follow-up reviews and other capacity assistance needs.

MAP has requested an hourly rate of $71.00 per hour not to exceed 700 hours for a total of $49,700. The contract period will be from July 1, 2015 through June 30, 2016.

RECOMMENDED ACTION: Approve a resolution authorizing the chairman to sign a contract with Midwest Assistance Program to provide assistance in capacity assessments to improve technical, financial, or managerial capacity for small systems in South Dakota.

CONTACT: Jonathan Peschong (773-4216)

Midwest Assistance Program
serving rural communities since 1979
RCAP NETWORK MEMBER

May 5, 2015

James Feeney
Natural Resources Administrator
South Dakota DENR
Joe Foss Building
523 East Capitol
Pierre, SD 57501-3181

Dear Mr. Feeney:

Thank you for giving Midwest Assistance Program, Inc. (MAP) the opportunity to submit a concept paper to provide capacity assessment follow-up under the South Dakota SRF program.

MAP believes that we are a very strong and viable option to assist states with capacity issues under the State Revolving Funds 2% Set-Aside Programs.

The Midwest Assistance Program would like to propose to the South Dakota Department of Environment and Natural Resources as continuation of the contract for technical review of the Capacity Assessment Worksheets completed by State Revolving Fund applicants.

The Midwest Assistance Program has conducted capacity self-reviews under the direction of SDDENR since January of 2008. During that time MAP has provided on site review of the capacity documents as well as follow-up technical assistance to the systems having identified financial, managerial or operations issues jeopardizing the overall capacity of their system. We would like to propose a continuation of this contract to assure that small systems (under 10,000 in population) continue to understand that the overall capacity of their system has a direct relationship to the efficiency of operation of their drinking water system.

Services to these states continue to this date. We are confident that MAP can provide the same quality capacity assessment follow-up to communities throughout the state of South Dakota.
.
If you have any questions or comments, please contact me at 660-562-2575. Again, thank you for this opportunity.

Sincerely,

Michael Brownfield, Executive Director
mbrownfield@map-inc.org

cc: Mark Mayer, Natural Resources Engineer

A Midwest Assistance Program Proposal for:
South Dakota Department of Environmental and Natural Resources

Concept Paper
State Revolving Fund – Capacity Assessment Follow-up

Submitted to:
James Feeney, Natural Resources Engineer
Drinking Water Program
State of South Dakota Department of Environment & Natural Resources
Joe Foss Building
523 East Capitol Building
Pierre, SD. 57501-3182

Submitted by:
Midwest Assistance Program, Inc.
303 N Market St., Ste. 2
Maryville, MO 64468
Telephone: 660.562.2575
Fax: 660.562.2579
E-mail: mbrownfield@map-inc.org

Michael W. Brownfield
Executive Director

May 5, 2015

A MIDWEST ASSISTANCE PROGRAM PROPOSAL FOR:
SOUTH DAKOTA DEPARTMENT OF ENVIRONMENTAL AND NATURAL RESOURCES

STATE REVOLVING FUND – CAPACITY ASSESSMENT FOLLOW-UP

WORK OBJECTIVES.....ERROR! BOOKMARK NOT DEFINED.

FINANCIAL AND MANAGERIAL EXPERIENCE .....ERROR! BOOKMARK NOT DEFINED.

REPORTING.....ERROR! BOOKMARK NOT DEFINED.

BUDGET.....ERROR! BOOKMARK NOT DEFINED.

Capacity Assessment
Contract

Work Objectives

A). Midwest Assistance Program field staff in the state of South Dakota will meet with the Capacity Assessment Coordinator and other staff of the Department of Environment and Natural Resources (DENR) on a quarterly basis to review capacity assessments and determine the extent of possible non compliance issues of selected systems.

B). MAP staff will contact all systems identified by DENR and arrange for an on-site visit to these system to review the status of the deficiencies identified in the most recent capacity self-assessment form completed by the applicant community.

C). At the time of the on-site visit to the system, MAP staff will review the capacity self-assessment form and discuss what action has been taken by the system to address the issues identified.

D). MAP will gather information relating to unaddressed issues, or insufficiently addressed areas, in the self-assessment document and prepare a plan of action to be presented to each of these systems.

E). MAP staff will present these findings to the DENR staff and arrange for possible on-site technical assistance follow up to these systems if needed. These visits will require prior DENR approval. These findings will be presented not only to the system staff, but to the governing board as well.

F). MAP will conduct Board Trainings for approved systems by DENR staff that have applied for or been granted SRF Funding within the 12 months of the identification of the need for such training.

Financial and Managerial Experience

The Midwest Assistance Program has conducted capacity self assessment reviews under the direction of SDDENR since January of 2008. During that time MAP has provided on site reviews of the capacity documents as well as follow-up technical assistance to the systems having identified financial, managerial or operations issues jeopardizing the overall capacity of their system. We would propose continuation of this contract under the State Revolving Fund Local Assistance 15% Set-Aside Program to provide a capacity development assistance to systems to understand that the overall capacity of their system has a direct relationship to the efficiency of operation of their drinking water system.

The Midwest Assistance Program is no stranger to technical assistance provided to state agencies under the State Revolving Funds 2% Set-Aside Program. MAP began providing financial and managerial technical assistance under the direction of the State Health Department of North Dakota in 1999. Since that time, we have continually contracted with the Health Department to provide follow-up to capacity assessments, developed a Standard Operation Procedures Manual to be used by systems operators of small community water systems and conducted capacity assessments to both transient and non-transient systems in that state.

In 1999, MAP began a contractual arrangement with the Montana Department of Environment Quality to provide financial and managerial technical assistance to systems which were non- or near non-compliant. In addition to this program area, we also have a separate contract to provide operation and maintenance assistance to systems as referred by the DEQ.

In the State of Nebraska, Midwest Assistance Program began providing financial and managerial assistance to systems referred by the State Department of Health and Human Services in 2001. Beginning in 2005 under a separate contract with Nebraska, MAP also began providing technical assistance to small system operators experiencing compliance problems. Services provided to these states continue to this date.

Reporting

The Midwest Assistance Program will file a written report to the Capacity Assessment Coordinator of the South Dakota Department of Environment and Natural Resources on a quarterly basis. This report will include the names of the systems contacted, findings of systems deficiencies during the initial site visit, as well as a copy of the final report of the plans of action developed for each system.

Budget

MAP is proposing to continue this assistance at the rate of $71.00 per hour not to exceed 700 hours for a total of $49,700.

June 25, 2015
Item 27

TITLE: Assignment of Randall Resource Conservation and Development District Consolidated Grant #2015G-402 to the James River WDD

EXPLANATION: On January 8, 2015, the Board of Water and Natural Resources approved a $275,000 Consolidated Program grant (#2015G-402) to the Randall Resource Conservation and Development District for implementation of best management practices in the Lewis and Clark Watershed.

Randall RC&D has concluded that transferring sponsorship of the Lewis and Clark Watershed project to the James River Water Development District (JRWDD) would result in improved operational efficiencies and better utilization of grant resources, as well as JRWDD's financial and staff resources. The Department of Environment and Natural Resources has approved assignment of the Section 319 grant from Randall RC&D to JRWDD.

The Board may agree to the assignment or decline to assign Consolidated Grant #2015G-402 to the JRWDD. If the decision is to not assign, the existing agreement will be need to be terminated and the funds reverted back to the Water and Environment Fund.

RECOMMENDED ACTION: Approve the Assignment request.

CONTACT: Barry McLaury (773-5859)

June 25, 2015
Item 28

TITLE: Lewis and Clark Regional Water System State Water Resources Management Loan Agreement

EXPLANATION: The 2015 State Legislature appropriated $7,700,000 in loan funding to Lewis and Clark Regional Water System in Section 2 of Senate Bill 173. Funding has been provided based upon the expectation that the federal government will appropriate funds up to the federally authorized ceiling and that federal funding will be the repayment source. The department has received a request from the project sponsor to place this appropriation under agreement. A loan agreement has been drafted with the assistance of the Attorney General's Office and has completed the DENR review process.

The funding will be for engineering, easements, construction and other costs associated with completion of Segment 1 and Segment 5 of the Madison Service Line. Segment 1 will provide a connection for Minnehaha Community Water Corporation near Crooks, and Segment 5 will be used as part of an interim connection so Madison can receive water from Big Sioux Community Water System.

RECOMMENDED ACTION: Approve the resolution authorizing the Chairman to execute the State Water Resources Management System Loan Agreement with Lewis and Clark Regional Water System, Inc.

CONTACT: Jon Peschong, 773-4216

Lewis & Clark
REGIONAL WATER SYSTEM
46986 Monty Street
Tea, SD 57064
www.lcrws.org
Phone: 605.368.2400
Fax: 605.368.2800

June 3, 2015

South Dakota Board of Water & Natural Resources
c/o Jim Feeney
South Dakota Department of Environment & Natural Resources
Joe Foss Building
523 E. Capitol
Pierre, SD 57501

Dear Chairman Brad Johnson and Members of the Board of Water & Natural Resources:

On behalf of Lewis & Clark's board of directors and our 20 members, thank you very much for recommending approval to Governor Daugaard and the Legislature that a $7.7 million federal funding advance for the project be included in this year's Omnibus Water Bill this past session. Your continued support is greatly appreciated. Last week we celebrated our Silver Anniversary during our 25th Annual Membership Meeting. Please know how thankful we are for the important role the Board of Water & Natural Resources has played in helping bring Lewis & Clark to where it is today.

We have our monthly board of directors meeting on June 25th, so my apologies that I cannot be with you in person to express our thanks and request that the $7.7 million be put under contract. As previously discussed, the funding will be used to construct the northern most and southern most segments of the Madison service line, which are five miles each. The 32 mile gap in between will be bridged by infrastructure from Minnehaha Community Water Corp and Big Sioux Community Water System. This "wheeling plan" will ensure Madison's water needs will be addressed for the next 20 years if needed, but we certainly hope the pace of federal funding allows us to complete the line well before then.

Thanks again. If you ever want to tour the treatment plant or hold a board meeting in our conference room there, you are more than welcome to do so.

Sincerely,

Troy Larson

Troy Larson
Executive Director

Cc: Lewis & Clark Board of Directors

June 25, 2015
Item 29

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

EXPLANATION: Pursuant to the Board's recommendation, the 2015 Legislature amended the State Water Resources Management System component of the State Water Plan to include statewide Hydrology and Water Management Studies to manage and protect state water resources. In Section 3 of Senate Bill 173, the 2015 Legislature appropriated $250,000 to the Board for grants to state and local project sponsors of hydrology and water management studies.

The Department of Environment and Natural Resources' Geological Survey Program has submitted a request for a $47,000 grant to examine isotopes in selected aquifers in eastern South Dakota. The grant funds will cover the cost for analyzing water samples for carbon-14, tritium, and the stable isotope ratios at out-of-state laboratories. The Survey's *Proposal to Examine Isotopes in Selected Waters in Eastern South Dakota* is attached for your reference.

The proposal has two primary goals. The first goal is to ascertain the degree of mixing of glacial meltwater with more recently derived meteoric water in selected aquifers. The second goal is to draw inferences as to recharge sources, flow directions and discharge destinations of ground waters in the selected areas.

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: Jim Feeney, 773-4216

Exhibit A

PROPOSAL TO EXAMINE ISOTOPES IN SELECTED WATERS IN EASTERN SOUTH DAKOTA

Submitted by

Geological Survey Program
Department of Environment and Natural Resources

INTRODUCTION

A number of carbon-14 (^{14}C) dates of ground water drawn from glacially derived aquifers in eastern South Dakota yield dates of Late Wisconsin age, indicating that these waters are connate, or entrapped within the sediments comprising the aquifers since the time of deposition of these sediments. In the context of this proposal, meteoric water is water that has entered the ground-water system in a timeframe of decades before present rather than a timeframe measured in millennia. In some areas however, some degree of mixing of meteoric waters with these connate waters is suggested. The recharge of meteoric waters to the aquifers resulting in this mixing of waters in South Dakota has commonly been inferred by (1) the presence of water-level gradients, (2) rising water levels as measured in monitoring wells, and, (3) quality of the water. There is also often uncertainty as to the source areas of recharge of meteoric water to some of these ground waters as well as uncertainty as to the locations of their discharge areas.

The amount of mixing of connate and meteoric waters is relevant to the understanding of the flow of water from areas of recharge to areas of discharge from these aquifers as well as having a practical application in terms of the amount of water that can be sustainably withdrawn. The portion of South Dakota Codified Law 46-6-3.1 that pertains to glacially derived aquifers requires that annual withdrawal of ground water is not to exceed recharge. Identifying recharge areas directly pertains to land-use zoning and source water protection efforts, and may therefore be an additional practical benefit of performing isotope studies.

The naturally occurring ratios of hydrogen isotopes $^{2}H/^{1}H$ and oxygen isotopes $^{18}O/^{16}O$ (hereafter referred to as the stable isotope ratios) in ground water can be used to trace movement within aquifers (Terwey, 1984). In addition, these stable isotope ratios occurring in water of a known origin can be used as standards to compare with stable isotope ratios occurring in ground waters in which the amount of mixing of meteoric and connate waters is unknown.

The radioactive isotopes carbon-14 and tritium (^{3}H) are useful in determining the residence time of ground water in an aquifer where no mixing of waters of different sources has occurred. Carbon-14 is useful in gaining insight as to whether ground water present in glacially derived sediments is at least in part glacially-derived connate water. Tritium is useful in determining whether any meteoric water has entered a ground water system since the early 1950's.

The proposal specifies the sampling for:

- the departure from Standard Mean Ocean Water in parts per mil for the stable isotope ratios,
- the isotope of carbon-14, and
- the isotope of tritium

GOALS

There are two primary goals of the proposal. One goal is to ascertain the degree of mixing of connate glacial meltwater with more recently derived meteoric water in selected bodies of aquifer media in two areas of eastern South Dakota. One of the areas proposed for study encompasses southeastern Faulk County, northern Hyde and Hand Counties, southern Spink County, and northern Beadle County (fig. 1). This area includes portions of aquifers that have been described as the Grand, Bad-Cheyenne and Tulare aquifers. The second area will be in Turner County where the Parker-Centerville and Vermillion-Missouri aquifers have been recently investigated and McCook County (fig. 2).

The specific wells and surface-water bodies to be sampled are specified in table 1. However, alternate sampling sites (not additional sites) may be chosen if they are identified prior to commencement of sampling for this project. An integral part of this proposal is the sampling of freshly precipitated water so that the analytical results of these samples can be used as standards for comparison.

Carbon-14 derived dates will be used to indicate whether ground water at least partly originated as glacial meltwater. Detections of tritium at high enough concentrations will indicate whether any meteoric water younger the early 1950's is present in the ground water. Ratios of the stable isotopes will indicate the temperature at the time the waters were precipitated from the atmosphere. They will therefore be useful in assessing whether the water formed in a glacial setting or in a generally warmer, post glacial environment.

The second goal is to draw inferences as to recharge sources, flow directions, and discharge destinations of ground waters in these two areas. The recently enhanced understanding of the geology and hydrogeology of these areas will facilitate interpretation of the results of analyses of samples of surface water and ground water collected in these areas.

OBJECTIVES

One objective of this proposal will be to directly sample atmospheric precipitation and to analyze these samples for the stable isotope ratios. It will not be necessary to test atmospheric precipitation for tritium or carbon-14. Individual samples of atmospheric precipitation will be taken at various times of the year so that seasonal effects are factored into the ensuing construction of a meteoric water line for eastern South Dakota. A meteoric line is a convenient reference line for the understanding and tracing of local ground-water origins and movements (Mazor, 1991). In each hydrochemical investigation, the local meteoric line has to be established from samples of individual rain events (Mazor, 1991).

Emphasis for sampling will be in the late spring and early summer since eastern South Dakota usually receives most of its rainfall during this time of year. It will also be important, however, to take samples for analysis of these isotopes throughout the summer, fall, and winter in

approximate proportion to the general occurrence of atmospheric precipitation during these seasons so that a representative profile of variation in the stable isotopes ratios will be achieved. This meteoric water line will then be used as a standard of comparison for samples in which the relative quantity of meteoric water is not known.

A second objective is to sample and analyze water that is inferred on the basis of hydrogeological and geological criteria to be connate glacial water. Where carbon-14 dates have not been established for these waters, carbon-14, tritium, and the stable isotope ratios would all be tested for. The absence of tritium, Late Wisconsin age carbon-14 dates, and low ratios of the stable isotopes would indicate the presence of connate waters.

Sources of water thought to be all or nearly all glacially-derived, connate water include (1) the Dolton aquifer in McCook County, (2) remnants of the aquifer once described as the Bad-Cheyenne aquifer in Hand and Hyde County, and (3) a portion of what has been described as the Grand aquifer in Faulk County. Previous carbon-14 dating of samples drawn from the Dolton aquifer yielded dates corresponding with the later stages of the last glacial episode. Additionally, these dates were equivalent to dates determined by carbon-14 testing of samples of water drawn from unweathered glacial till in Turner and McCook Counties. One of the samples collected from the Dolton aquifer was also analyzed for the stable isotope ratios. This analysis indicated low ratios implying burial of the water in a colder climate. Analyses of the stable isotope ratios from these waters could possibly be used as a standard of comparison for samples in which the degree of mixing of connate and meteoric water is uncertain.

A third objective is to sample and analyze ground water for which the amount of mixing of meteoric and connate water is more uncertain. Aquifer bodies where there is greater uncertainty as to the mixing of waters of these different sources underlie Turner, Faulk, Hand, and Hyde Counties. Prior sampling of water in glacially derived aquifers in Turner and Faulk Counties for carbon-14 testing has yielded Late Wisconsin dates, indicating the sampled water is connate. However, the presence of water-level gradients indicates modern recharge to these aquifers. In addition, rising water levels measured in wells may also indicate recharge to these aquifers. The discrepancy between the carbon-14 derived dates and evidence for recent recharge will be addressed. This discrepancy will be examined by sampling water from glacially derived aquifers where recent investigations have indicated that the wells previously sampled indeed monitor aquifers where mixing of waters of differing origins is likely. Where carbon-14 dates have not been established for waters suspected of being from mixed sources, the isotopes of carbon-14, tritium, and the stable isotope ratios would be tested for.

A fourth objective is to attain samples from various sources of surface water. These samples would be tested for the stable isotope ratios. Variation in stable isotope ratios in surface-water bodies may accommodate tracing of recharge sources, particularly in aquifers where a substantial portion of the recharge is derived from bodies of surface water and not from the direct infiltration of precipitation.

DATA ANALYSIS AND REPORTING

By convention, analyses of the stable isotope ratios are reported in departure from standard mean ocean water in parts per mil, or delta deuterium (^{2}H) and delta oxygen-18 (^{18}O) per mil. Carbon-14 derived dates are reported as age in years before present, while tritium is reported as tritium units, or TU.

Stable-isotope data generated under this proposal would be evaluated graphically with delta deuterium (^{2}H) and delta oxygen-18 (^{18}O) values increasing away from the X-Y origin on a graph, as they are conventionally plotted. Separate graphs for each aquifer need not be constructed. Different symbols will be used on the same graph to distinguish samples from different sources.

It is anticipated that results of analyses of meteoric waters and waters inferred to be connate will plot on different portions of the graph and that any data from aquifers where mixing of meteoric and connate waters has occurred would plot in an intermediate position. Deviations from the meteoric water line can be interpreted as being caused by precipitation that occurred during a warmer or colder climate than at present or by hydrochemical changes that occurred when the water was underground (Fetter, 1988). Data from surface water plotting away from the ground-water data points will be inferred to be poorly connected if not entirely unconnected to the sampled ground water. The utility of the presence or absence of tritium will be to provide resolution as to whether meteoric waters recharged ground water before or after the early 1950s.

SAMPLE ANALYSES AND COST

The cost for analyzing samples for carbon-14, tritium, and the stable isotope ratios at four laboratories were compared to estimate total costs. The most cost effective means of having the specified isotope analyses performed at accredited laboratories will be to have the carbon-14 analyses performed by Beta Analytic located in Miami, Florida and the stable isotope ratios as well as tritium analyzed for by Isotech Laboratories, Inc. of Champagne, Illinois. The cost per sample for the 34 samples where all isotope parameters (carbon-14, tritium, and ratios of stable isotopes) are analyzed for will be $1,095, not including shipping costs. The cost per sample for the 17 samples where only the stable isotope ratios are analyzed for will be $100, not including shipping costs. Total laboratory costs are anticipated to be $40,000. The laboratories will be consulted with regard to any necessary considerations to sampling and shipping protocol prior to initiation of the sampling.

REQUESTED FUNDING

Funding is requested for estimated laboratory analytical fees of $40,000, an estimated $5,000 for shipping of the samples to the laboratory, and an estimated $2,000 for coolers in which to ship the samples; not to exceed $47,000.

Costs for meals, mileage, lodging, and sampling equipment, as well as staff time for sampling, data interpretation, and report preparation will be borne by the Geological Survey Program, Department of Environment and Natural Resources.

REFERENCES

Fetter, C.W., 1988, *Applied hydrogeology*: Merrill Publishing Company, Columbus, Ohio, second edition, 592 p.

Mazor, E., 1991, *Applied chemical and isotopic groundwater hydrology*: Halsted Press, New York, New York, 274 p.

Terwey, J.L., 1984, *Isotopes in groundwater hydrology*: Challenges in African Hydrology and Water Resources (Proceedings of the Haare Symposium, July, 1984) International Association of Hydrological Sciences Publ. no. 144.

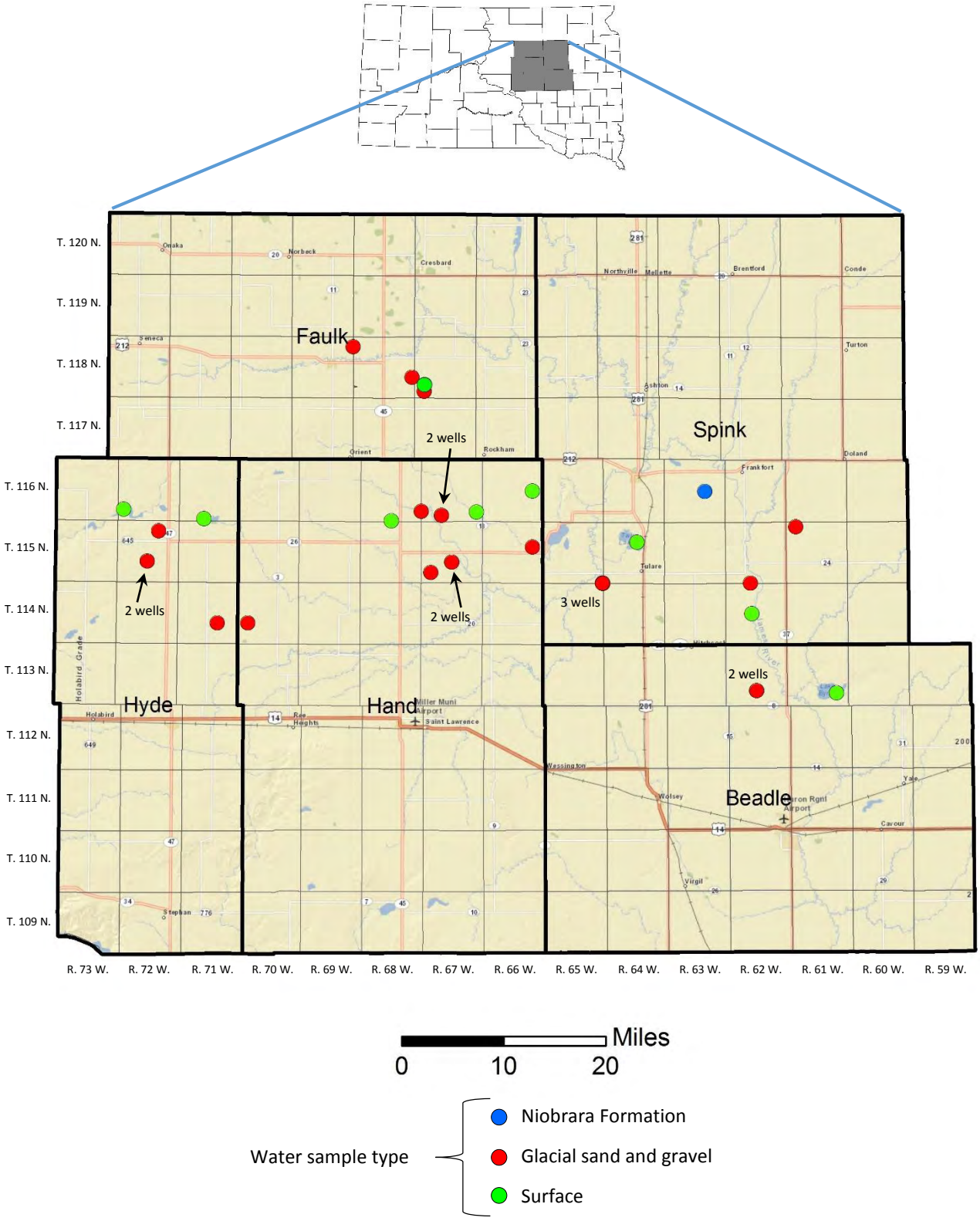


Figure 1. Proposed sampling locations and sample types in southeastern Faulk, northern Hyde and Hand, southern Spink, and northern Beadle Counties.

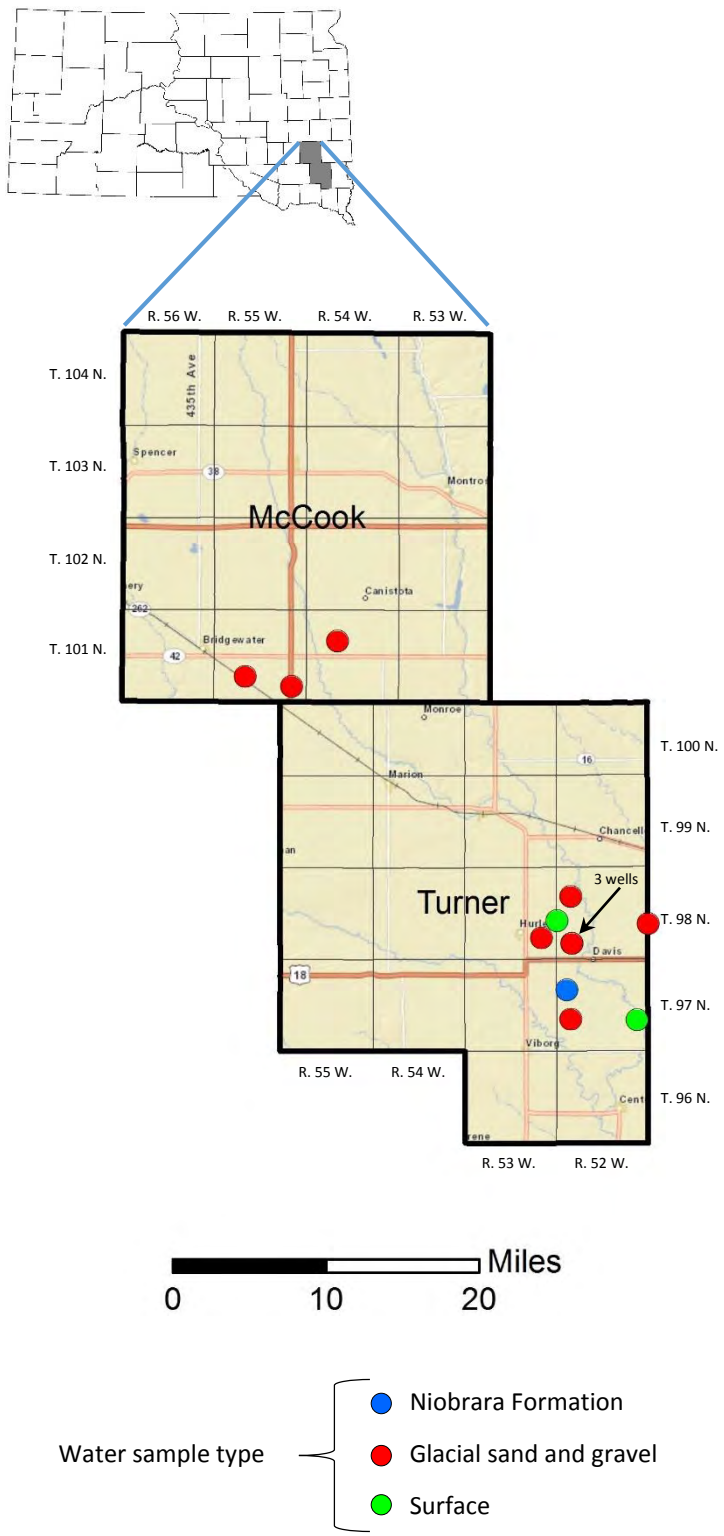


Figure 2. Proposed sampling locations and sample types in Turner and McCook Counties.

Table 1. Samples to be collected and analyses to be performed

Well Name	Aquifer name	Surface water name	County	Quarter section	Section	Township	Range	Total casing and screen (feet)	Carbon-14 (^{14}C)	Tritium (^{3}H)	Hydrogen (^{2}H/ ^{1}H)	Oxygen (^{18}O/^{16}O)
---	---	Precipitation	Clay	SW¼, SW¼, NE¼, SE¼	13	T. 092 N.	R. 52 W.	---	No	No	Yes	Yes
---	---	Precipitation	Clay	SW¼, SW¼, NE¼, SE¼	13	T. 092 N.	R. 52 W.	---	No	No	Yes	Yes
---	---	Precipitation	Clay	SW¼, SW¼, NE¼, SE¼	13	T. 092 N.	R. 52 W.	---	No	No	Yes	Yes
---	---	Precipitation	Clay	SW¼, SW¼, NE¼, SE¼	13	T. 092 N.	R. 52 W.	---	No	No	Yes	Yes
---	---	Precipitation	Clay	SW¼, SW¼, NE¼, SE¼	13	T. 092 N.	R. 52 W.	---	No	No	Yes	Yes
---	---	Precipitation	Clay	SW¼, SW¼, NE¼, SE¼	13	T. 092 N.	R. 52 W.	---	No	No	Yes	Yes
R20-2013-48	Niobrara	---	Turner	NW¼, NW¼, NW¼, NE¼	18	T. 097 N.	R. 52 W.	69.0	Yes	Yes	Yes	Yes
R20-2013-46	Vermillion-Missouri	---	Turner	SW¼, SW¼, SW¼, SW¼	20	T. 097 N.	R. 52 W.	253.5	Yes	Yes	Yes	Yes
M51-2013-15	Vermillion-Missouri	---	Lincoln	SW¼, SW¼, NW¼, SW¼	19	T. 098 N.	R. 51 W.	81.0	Yes	Yes	Yes	Yes
---	---	Vermillion River	Turner	NW¼, NW¼	25	T. 097 N.	R. 52 W.	---	No	No	Yes	Yes
TU-80F	Parker-Centerville	---	Turner	SE¼, SE¼, SE¼, SE¼	7	T. 098 N.	R. 52 W.	16.3	Yes	Yes	Yes	Yes
TU-77H	Vermillion-Missouri	---	Turner	NW¼, NW¼, NW¼, NW¼	32	T. 098 N.	R. 52 W.	74.3	Yes	Yes	Yes	Yes
TU-77I	Vermillion-Missouri	---	Turner	NW¼, NW¼, NW¼, NW¼	32	T. 098 N.	R. 52 W.	177.1	Yes	Yes	Yes	Yes
TU-77J	Parker-Centerville	---	Turner	NW¼, NW¼, NW¼, NW¼	32	T. 098 N.	R. 52 W.	22.9	Yes	Yes	Yes	Yes
---	---	Mud Lake	Turner	NE¼, SE¼	24	T. 098 N.	R. 53 W.	---	No	No	Yes	Yes
M51-2013-09	Vermillion-Missouri	---	Turner	SE¼, NE¼, NE¼, SE¼	26	T. 098 N.	R. 53 W.	91.7	Yes	Yes	Yes	Yes
CO-84-43	Dolton	---	McCook	NE¼, NE¼, NE¼, NE¼	17	T. 101 N.	R. 54 W.	167.1	Yes	Yes	Yes	Yes
R20-91-07	Dolton	---	McCook	SW¼, SW¼, SW¼, SW¼	25	T. 101 N.	R. 55 W.	185.0	Yes	Yes	Yes	Yes
CO-84-49	Dolton	---	McCook	SW¼, NW¼, SW¼, NW¼	28	T. 101 N.	R. 55 W.	148.1	Yes	Yes	Yes	Yes
---	---	Lake Byron	Beadle	SE¼, SE¼	26	T. 113 N.	R. 61 W.	---	No	No	Yes	Yes
M51-2014-06	Tulare	---	Beadle	SW¼, NW¼, NW¼, SW¼	27	T. 113 N.	R. 62 W.	61.5	Yes	Yes	Yes	Yes
M51-2014-07	Tulare	---	Beadle	SW¼, NW¼, NW¼, SW¼	27	T. 113 N.	R. 62 W.	187.7	Yes	Yes	Yes	Yes
---	---	James River	Spink	SE¼, SW¼, SW¼, SE¼	16	T. 114 N.	R. 62 W.	---	No	No	Yes	Yes
M51-2014-01	Tulare	---	Spink	NE¼, NE¼, NE¼, NE¼	1	T. 114 N.	R. 65 W.	74.5	Yes	Yes	Yes	Yes
M51-2014-03	Tulare	---	Spink	NW¼, NE¼, NE¼, NE¼	1	T. 114 N.	R. 65 W.	107.4	Yes	Yes	Yes	Yes
M51-2014-04	Tulare	---	Spink	NW¼, NE¼, NE¼, NE¼	1	T. 114 N.	R. 65 W.	169.3	Yes	Yes	Yes	Yes
M51-2011-35	undefined	---	Hand	SW¼, SW¼, SW¼, SW¼	20	T. 114 N.	R. 70 W.	206.0	Yes	Yes	Yes	Yes
M51-2011-36	undefined	---	Hyde	SW¼, SW¼, SW¼, SW¼	23	T. 114 N.	R. 71 W.	233.0	Yes	Yes	Yes	Yes
SP-77K	Tulare	---	Spink	SE¼, SE¼, SE¼, NE¼	6	T. 115 N.	R. 61 W.	145.9	Yes	Yes	Yes	Yes
SP-77W	Tulare	---	Spink	SE¼, SE¼, SE¼, SW¼	33	T. 115 N.	R. 62 W.	65.7	Yes	Yes	Yes	Yes
---	---	Twin Lakes	Spink	SE¼, SW¼	10	T. 115 N.	R. 64 W.	---	No	No	Yes	Yes
M51-2011-32	Tulare	---	Hand	NE¼, NE¼, NE¼, SE¼	14	T. 115 N.	R. 66 W.	99.0	Yes	Yes	Yes	Yes
---	---	unnamed wetland	Hand	NW¼, NW¼, NW¼	24	T. 115 N.	R. 66 W.	---	No	No	Yes	Yes
M51-2012-06	undefined	---	Hand	NW¼, NW¼, NW¼, NW¼	27	T. 115 N.	R. 67 W.	111.6	Yes	Yes	Yes	Yes
M51-2012-07	undefined	---	Hand	NW¼, NW¼, NW¼, NW¼	27	T. 115 N.	R. 67 W.	57.0	Yes	Yes	Yes	Yes

Table 1 – continued

Well Name	Aquifer name	Surface water name	County	Quarter section	Section	Township	Range	Total casing and screen (feet)	Carbon-14 (^{14}C)	Tritium (^{3}H)	Hydrogen (^{2}H/ ^{1}H)	Oxygen (^{18}O/^{16}O)
M51-2012-08	undefined	---	Hand	SE¼, SE¼, SE¼, SE¼	30	T. 115 N.	R. 67 W.	125.4	Yes	Yes	Yes	Yes
M51-2010-20	undefined	---	Hyde	SW¼, NW¼, NW¼, NW¼	11	T. 115 N.	R. 72 W.	153.3	Yes	Yes	Yes	Yes
M51-2010-17	undefined	---	Hyde	SE¼, SE¼, SE¼, SE¼	21	T. 115 N.	R. 72 W.	301.4	Yes	Yes	Yes	Yes
M51-2010-18	undefined	---	Hyde	SE¼, SE¼, SE¼, SE¼	21	T. 115 N.	R. 72 W.	156.0	Yes	Yes	Yes	Yes
SP-77D	Niobrara	---	Spink	SW¼, SW¼, SW¼, SW¼	14	T. 116 N.	R. 63 W.	142.9	Yes	Yes	Yes	Yes
---	---	Medicine Creek	Hand	NE¼, SE¼, SE¼	25	T. 116 N.	R. 67 W.	---	No	No	Yes	Yes
M51-2012-09	undefined	---	Hand	NW¼, NW¼, NW¼, NW¼	31	T. 116 N.	R. 67 W.	158.0	Yes	Yes	Yes	Yes
R20-2011-10	undefined	---	Hand	SW¼, SW¼, SW¼, NW¼	33	T. 116 N.	R. 67 W.	42.4	Yes	Yes	Yes	Yes
R20-2011-11	undefined	---	Hand	SW¼, SW¼, SW¼, NW¼	33	T. 116 N.	R. 67 W.	95.0	Yes	Yes	Yes	Yes
---	---	Castigan Slough	Hand	SW¼, SW¼	34	T. 116 N.	R. 68 W.	---	No	No	Yes	Yes
---	---	Baloun Lake	Hyde	SW¼, SE¼	33	T. 116 N.	R. 71 W.	---	No	No	Yes	Yes
---	---	unnamed lake	Hyde	SW¼, SE¼	30	T. 116 N.	R. 72 W.	---	No	No	Yes	Yes
---	---	Gerkin Lake	Faulk	SE¼	30	T. 118 N.	R. 67 W.	---	No	No	Yes	Yes
Dennis Mutch	Grand	---	Faulk	NE¼, NE¼, SE¼,NE¼	31	T. 118 N.	R. 67 W.	100.0	Yes	Yes	Yes	Yes
FA-71B	Grand	---	Faulk	SE¼, SW¼, SW¼, SE¼	24	T. 118 N.	R. 68 W.	151.0	Yes	Yes	Yes	Yes
R2-2007-45	Grand	---	Faulk	NE¼, NE¼, NE¼, NE¼	12	T. 118 N.	R. 69 W.	185.0	Yes	Yes	Yes	Yes

State Water Plan Applications
June 2015

Staff is recommending that the following projects be placed on the State Water Facilities Plan:

- Dimock
- Hecla
- Lake Madison Sanitary District
- Perkins County Rural Water System – Lines
- Pierre

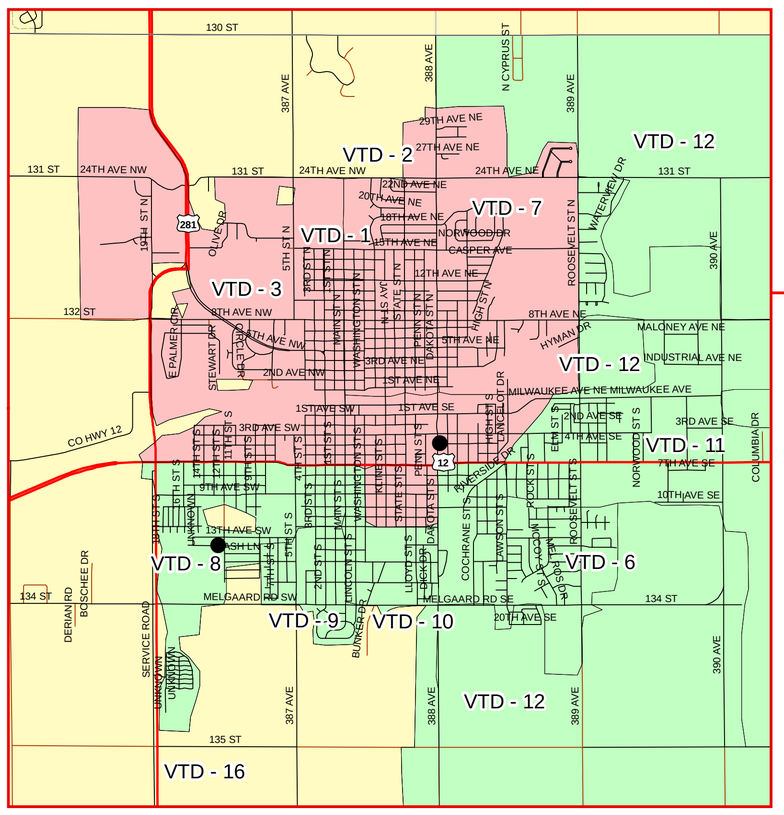
Staff is recommending that the following projects be added to *Attachment I – Project Priority* list of the Clean Water SRF Intended Use Plan:

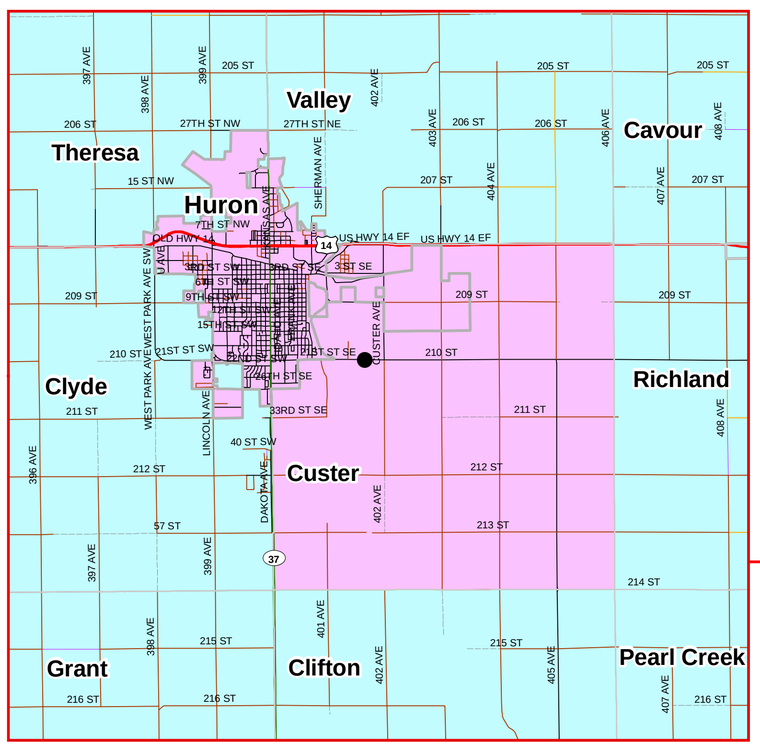
Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
28	Watertown	$832,896	3.25%, 30 years
18	Pierre	$1,772,100	3.00%, 20 years
16	Hot Springs	$270,000	3.25%, 30 years
13	Florence	$2,318,750	3.25%, 30 years
12	Dimock	$529,425	3.25%, 30 years
11	Lemmon	$9,515,948	3.25%, 30 years
10	Dell Rapids	$2,312,000	3.25%, 30 years
7	Lake Madison Sanitary Dist.	$428,000	3.25%, 30 years
6	Avon	$469,800	2.25%, 10 years
6	Humboldt	$240,000	2.25%, 10 years
6	Philip	$340,000	2.25%, 10 years
6	Plankinton	$196,000	2.25%, 10 years
5	Montrose	$913,000	3.25%, 30 years

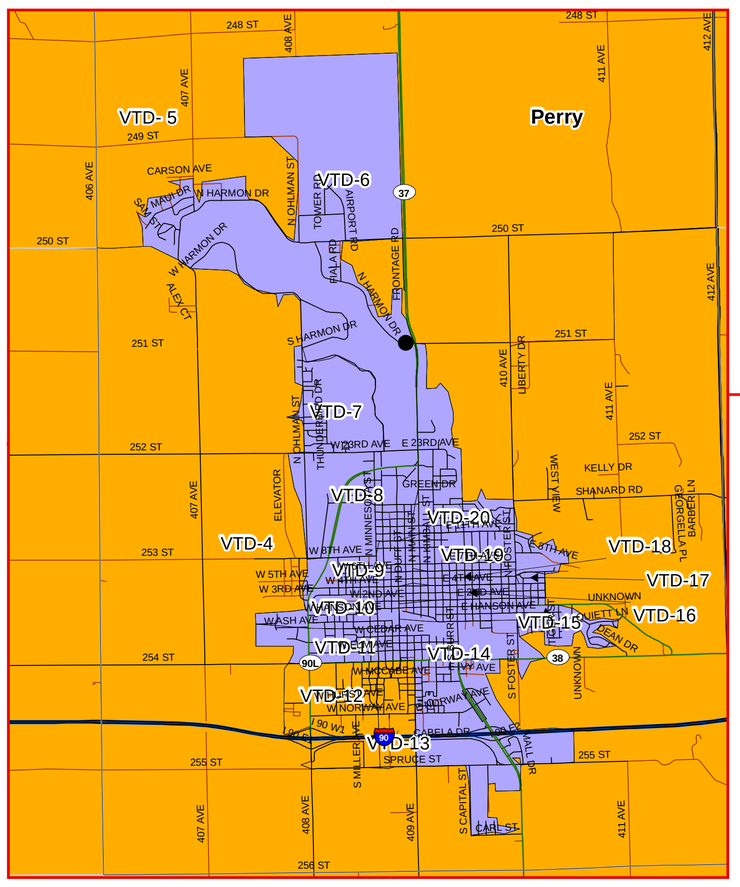
Staff is recommending that the following projects be added to *Attachment I – Project Priority* list of the Drinking Water SRF Intended Use Plan:

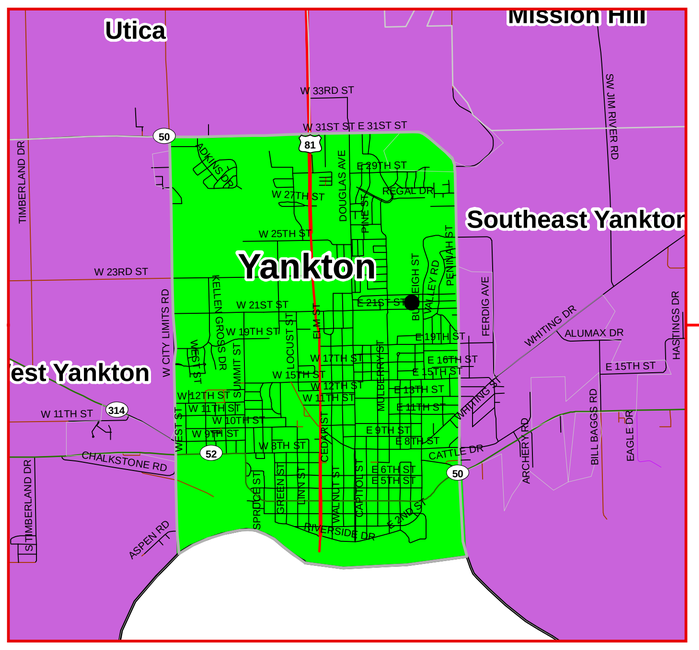
Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
145	Hermosa	$1,471,875	2.25%, 30 years
110	South Shore	$2,400,000	3.00%, 30 years
108	Hecla	$554,000	2.25%, 30 years
98	T.C. & G. Water Association	$2,100,000	2.25%, 30 years
81	Perkins County RWS	$1,516,700	2.25%, 30 years
53	Florence	$2,354,375	2.25%, 30 years
39	Colman	$925,000	3.00%, 30 years
14	Philip	$340,000	2.25%, 10 years
11	Dell Rapids	$1,883,000	3.25%, 30 years

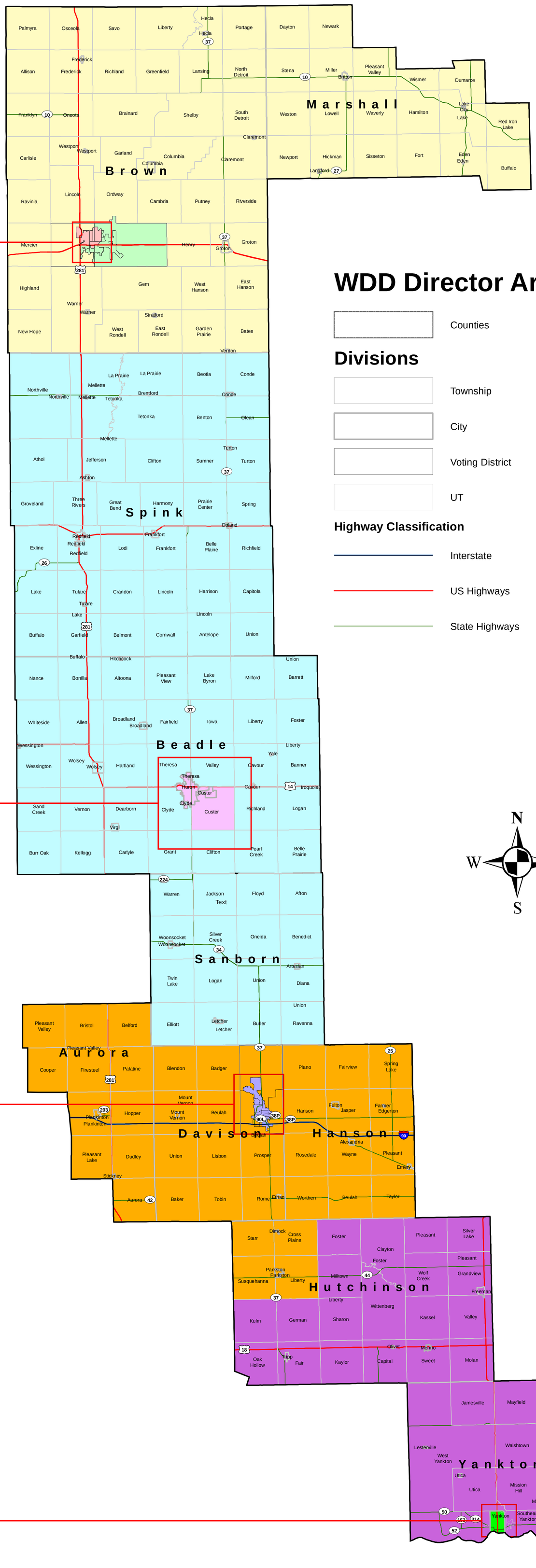
2015 James River WDD Director Areas











WDD Director Areas

Counties

Divisions

Township

City

Voting District

UT

Highway Classification

Interstate

US Highways

State Highways

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04/21/2015

June 2015
Available Funds Summary

CONSOLIDATED WATER FACILITIES CONSTRUCTION PROGRAM

Available Funds:	$	3,271,776
Reversions:	$	2,751,009
Available for Award:	$	6,022,785

DRINKING WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Allocations:	$	30,863,300
FFY-15 Maximum Allocation:	$	2,653,500
Reverted Principal Forgiveness:	$	445,094
Awarded to Date:	$	(32,755,004)
Available For Award:	$	1,206,890

DRINKING WATER SRF LOANS

Available Prior Year Funds (30-Sept-2014):	$	15,458,305
FFY-15 Cap Grant & Match:	$	10,083,300
FFY-15 Repayments:	$	13,000,000
Leveraged Bonds:	$	7,000,000
Deobligations/Recissions:	$	1,581,119
FFY-15 Awards to Date:	$	(27,883,750)
Available for Award:	$	19,238,974

June 2015
Available Funds Summary

CLEAN WATER SRF WATER QUALITY GRANTS

Available Prior Year Funds (8-Jan-2015):	$	608
2015 IUP Allocation:	$	1,000,000
Reversions:	$	267,631
SCPG Allotment:	$	(53,093)
Awarded to Date:	$	(400,000)
Available for Award:	$	815,146

CLEAN WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Allocations:	$	8,819,999
FFY-15 Maximum Allocation:	$	2,058,900
Reverted Principal Forgiveness:	$	1,067,591
Awarded to Date:	$	(9,999,919)
Available For Award:	$	1,946,571

CLEAN WATER SRF LOANS

Available Prior Year Funds (30-Sept-2014):	$	27,617,694
FFY-15 Cap Grant & Match:	$	7,835,600
FFY-15 Repayments:	$	14,750,000
Leveraged Bonds:	$	53,000,000
Deobligations/Recissions:	$	8,492,921
FFY-15 Awards to Date:	$	(50,622,682)
Available For Award:	$	61,073,533

Sanitary / Storm Sewer Facilities Applications
June 2015

CLEAN WATER FACILITIES FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY

APPLICANT: Emery

Total Project Cost:	$2,894,127
BWNR Funding Assistance Requested:	$2,890,000
Rate/Term:	3.25% for 30 years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

1) If funding is provided as all loan, Emery would have to establish a surcharge of $63.86 per month. When added to its current base rate of $30 per 5,000 gallons, the monthly rate would increase to $93.86 per 5,000 gallons.
2) Emery needs $14.00 to cover operating and maintenance expenses and other debt.
3) If funding is provided as recommended, Emery would need to have a surcharge of $26.80 per customer per month. When added to its current base rate of $30 per 5,000 gallons, the monthly rate would increase to $40.80 if rates were restructured.

Funding Recommendation: $2,890,000 Clean Water SRF loan with $ 1,677,000 principal forgiveness.

Debt Service Coverage: 110 percent with a surcharge of $26.80 per month.

Contingencies:

1) Contingent upon Borrower adopting a bond resolution and the resolution becoming effective.
2) Contingent upon Borrower establishing a surcharge sufficient to provide the required debt coverage.

Sanitary / Storm Sewer Facilities Applications
June 2015

CLEAN WATER FACILITIES FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY

APPLICANT: Town of Cavour CW-01

Total Project Cost:	$1,702,000
BWNR Funding Assistance Requested:	$1,652,000
Rate/Term:	3.25% for 30 years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

1) If all funding is provided as loan, Cavour would have to establish a surcharge of $144. The Town of Cavour was approved for a $50,000 grant from James River Water Development District.

2) The town of Cavour is not eligible for Clean Water SRF principal forgiveness, and there are not sufficient grant funds available to put together a viable funding package for the entire project. Staff is proposing to fund the lift station and force main replacement portion of the project which has an estimated cost of $845,000.

Funding Recommendation: Award a Water Quality grant for up to 76.4% of all approved total project costs not to exceed $645,000 and award a Clean Water SRF loan for $150,000 at 3.25% for 30 years.

Debt Service Coverage: 110% based on a surcharge of $13.10

Contingencies:

1) Contingent upon Borrower adopting a bond resolution and the resolution becoming effective.

2) Contingent upon Borrower establishing a surcharge at a level sufficient to provide the required debt coverage.

Sanitary / Storm Sewer Facilities Applications
June 2015

CLEAN WATER FACILITIES FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY

APPLICANT: Montrose CW-03

Total Project Cost:	$913,000
BWNR Funding Assistance Requested:	$913,000
Rate/Term:	3.25% for 30 years
Security Pledged For Repayment Of Loan:	System Revenues

Staff Analysis

1) In order to address DENR concerns with the project, the city amended the project scope which increased the total project cost to $1,060,000. However, Montrose was awarded $515,000 in CDBG funding leaving an unfunded balance of $545,000.
2) If the remaining $545,000 is provided as loan Montrose would have raise its rate approximately $12.10 per month. When added to the current flat rate of $27 per month residents would be paying $39.10 per month. Included in the current rate is a surcharge of $14.56 for payment of its CWSRF-02 loan.

Funding Recommendation: $545,000 Clean Water SRF loan at 3.25% for 30 years with 18.4% principal forgiveness not to exceed $100,000.

Debt Service Coverage: 110% based on an increase of $9.90 per month

Contingencies:

1) Contingent upon Borrower adopting a bond resolution and the resolution becoming effective.
2) Contingent upon Borrower establishing a sewer rate sufficient to provide the required debt coverage.

Drinking Water Facilities Funding Applications
June 2015

DRINKING WATER FACILITIES FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY

APPLICANT: Edgemont DW-01

Total Project Cost:	$3,890,000
BWNR Funding Assistance Requested:	$3,890,000
Rate/Term:	0% for 30 years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

1) Edgemont's current water rate is $35.45 per 5,000 gallons. Edgemont will have to increase its current rate $5 per month to cover anticipated increased O&M costs after the project is completed. This will bring the current rate up to $40.45 per 5,000 gallons.
2) If all funding is provided as loan Edgemont would have to establish a surcharge of approximately $30. This would raise its rates to $70.45 for 5,000 gallons.

Funding Recommendation: A Consolidated grant of $2,000,000 and a $1,890,000 Drinking Water SRF loan with 63.9% principal forgiveness not to exceed $1,206,890. Recommendation provides 90% subsidy for the project.

Debt Service Coverage: 110.9% coverage based on a $5.25 surcharge

Contingencies:

1) Contingent upon Borrower adopting a bond resolution and the resolution becoming effective.
2) Contingent upon Borrower establishing a surcharge sufficient to provide the required debt coverage.
3) Contingent upon receipt of the 2015 Drinking Water capitalization grant from EPA.

Drinking Water Facilities Funding Applications
June 2015

DRINKING WATER FACILITIES FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY

APPLICANT: TC&G Water Association DW-01

Total Project Cost:	$2,100,000
BWNR Funding Assistance Requested:	$2,100,000
Rate/Term:	2.25% for 30 years
Security Pledged For Repayment Of Loan:	System Revenues

Staff Analysis

1) After the application was received, Dewey County was awarded $500,000 in CDBG funding to provide funds for the TC&G project leaving an unfunded balance of $1,600,000.
2) If the remaining $1,600,000 is provided as loan TC&G would have raise its rate approximately $45 per month. When added to the current rate of $93 per 7,000 gallons users would be paying $138 per 7,000 gallons.

Funding Recommendation: A Consolidated grant of $1,390,000 and a $210,000 Drinking Water SRF loan at 2.25% for 30 years.

Debt Service Coverage: 111% coverage based on a $1 per month increase in monthly rate.

Contingencies:

1) Contingent upon the Borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of system revenues as repayment for the loan.
2) Contingent upon the Borrower establishing water rates sufficient to provide the required debt coverage.
3) Contingent upon the Borrower approving a security agreement and mortgage.
4) Contingent upon a Parity Agreement being approved and executed.

Drinking Water Facilities Funding Applications
June 2015

DRINKING WATER FACILITIES FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY

APPLICANT: Town of Florence (DW-01 & DW-02)

Total Project Cost:	$2,355,000
BWNR Funding Assistance Requested:	$2,255,000
Rate/Term:	3.25% for 30 years
Security Pledged For Repayment Of Loan:	Sales Tax & Project Surcharge

Staff Analysis

1) The Town of Florence has pledged $100,000 of local cash and has pledged both sales tax and project surcharge revenue.
2) Bond counsel had determined that the town's five percent constitutional debt limit would be exceeded with the sales tax loan and the town will need to schedule an election to apply this debt to the additional ten percent constitutional debt limit allowed for utilities.
3) If $1,567,000 is provided as all loan for the project surcharge loan, the town would have to establish a surcharge of $50.43. When added to the current rate of $32/5,000 gallons residents would be paying $82.43/5,000 gallons.

DW-01 -- Sales Tax Pledge

Funding Recommendation: Award a Drinking Water SRF loan for $688,000 at 3.25% for 30 years.

Debt Service Coverage: 208% debt service coverage

Contingencies:

1) Contingent upon Borrower adopting a bond resolution and the resolution becoming effective.

DW-02 -- Project Surcharge Pledge

Funding Recommendation: Award a Consolidated grant for up to 42.5 percent of all approved total project costs not to exceed $1,000,000 and a $567,000 Drinking Water SRF loan at 3.25% for 30 years.

Debt Service Coverage: 110% on a surcharge of $18.25

Contingencies:

1) Contingent upon Borrower adopting a bond resolution and the resolution becoming effective.
2) Contingent upon Borrower establishing a surcharge at a level sufficient to provide the required debt coverage.

Drinking Water Facilities Funding Applications
June 2015

DRINKING WATER FACILITIES FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY

APPLICANT: Emery, SD

Total Project Cost:	$2,221,587
BWNR Funding Assistance Requested:	$2,200,000
Rate/Term:	3.0% for 30 years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

1) If funding is provided as all loan, Emery would have to establish a surcharge of $47.10 per month. When added to its current base rate of $41.20 per 5,000 gallons, the monthly rate would increase to $88.30 per 5,000 gallons.

Funding Recommendation: $1,585,000 in Drinking Water SRF and $615,000 in Consolidated Grant.

Debt Service Coverage: 110 percent based upon a surcharge of $34.20 per month per customer

Contingencies:

1) Contingent upon Borrower adopting a bond resolution and the resolution becoming effective.
2) Contingent upon Borrower establishing a surcharge sufficient to provide the required debt coverage.

Small Water Facilities Funding Applications
June 2015

SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY

APPLICANT: Haakon County School District 27-1

Total Project Cost:	$647,000
BWNR Funding Assistance Requested:	$647,000
Rate/Term:	n/a
Security Pledged For Repayment Of Loan:	n/a

Staff Analysis

1) Haakon School District is to remove and dispose sludge and complete repairs to the geothermal wastewater treatment system. The project also includes construction of a new treatment building and chemical mixing system including a SCADA system to operate the equipment.

Funding Recommendation: Award a Consolidated grant for up to 80 percent of all approved total project costs not to exceed $517,600.

June 2015
Available Funds Summary

CONSOLIDATED WATER FACILITIES CONSTRUCTION PROGRAM

Available Funds:	$	3,271,776
Reversions:	$	2,751,009
Available for Award:	$	6,022,785
Recommended:	$	(6,022,600)
Balance:	**$**	**185**

DRINKING WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Allocations:	$	30,863,300
FFY-15 Maximum Allocation:	$	2,653,500
Reverted Principal Forgiveness:	$	445,094
Awarded to Date:	$	(32,755,004)
Available For Award:	$	1,206,890
Recommended:	$	(1,206,890)
Balance:	**$**	**-**

DRINKING WATER SRF LOANS

Available Prior Year Funds (30-Sept-2014):	$	15,458,305
FFY-15 Cap Grant & Match:	$	10,083,300
FFY-15 Repayments:	$	13,000,000
Leveraged Bonds:	$	7,000,000
Deobligations/Recissions:	$	1,581,119
FFY-15 Awards to Date:	$	(27,883,750)
Available for Award:	$	19,238,974
Recommended PF:	$	(1,206,890)
Recommended Loan:	$	(3,733,110)
Balance:	**$**	**14,298,974**

June 2015
Available Funds Summary

CLEAN WATER SRF WATER QUALITY GRANTS

Available Prior Year Funds (8-Jan-2015):	$	608
2015 IUP Allocation:	$	1,000,000
Reversions:	$	267,631
SCPG Allotment:	$	(53,093)
Awarded to Date:	$	(400,000)
Available for Award:	$	815,146
Recommended:	$	(645,000)
Balance:	**$**	**170,146**

CLEAN WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Allocations:	$	8,819,999
FFY-15 Maximum Allocation:	$	2,058,900
Reverted Principal Forgiveness:	$	1,067,591
Awarded to Date:	$	(9,999,919)
Available For Award:	$	1,946,571
Recommended:	$	(1,777,000)
Balance:	**$**	**169,571**

CLEAN WATER SRF LOANS

Available Prior Year Funds (30-Sept-2014):	$	27,617,694
FFY-15 Cap Grant & Match:	$	7,835,600
FFY-15 Repayments:	$	14,750,000
Leveraged Bonds:	$	53,000,000
Deobligations/Recissions:	$	8,492,921
FFY-15 Awards to Date:	$	(50,622,682)
Available For Award:	$	61,073,533
Recommended PF:	$	(1,777,000)
Recommended Loan:	$	(1,808,000)
Balance:	**$**	**57,488,533**

June 2015
Dedicated Solid Waste Management Fees

Total Available Dedicated Solid Waste Fees:	$	2,778,182

Solid Waste Management Program (SWMP)

Previous Balance of **Minimum** Reserved for Recycling:	$	1,199,084
Reversions:	$	57
Available for Award:	$	1,199,141

Previous Balance Available for Disposal or Recycling:	$	410,811
Reversions:	$	71,966
Available for Award:	$	482,777

Regional Landfill Assistance (RLA)

Previous Balance of RLA Funds:	$	1,096,264
Reversions:	$	-
Available for Award:	$	1,096,264

Solid Waste Management Applications
June 2015

SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY

APPLICANT: Brown County

Total Project Cost:	$770,494
BWNR Funding Assistance Requested:	$385,000
Rate/Term:	n/a
Security Pledged For Repayment Of Loan:	n/a

Staff Analysis

1) Brown County is proposing to purchase a new scraper at the landfill to replace the existing scraper which has outlived its useful life.

Funding Recommendation: Award a Regional Landfill Assistance grant for up to 30 percent of all approved total project costs not to exceed $231,000.

Solid Waste Management Applications
June 2015

SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY

APPLICANT: City of Pierre

Total Project Cost:	$825,000
BWNR Funding Assistance Requested:	$575,000
Rate/Term:	2.25% for 10 years
Security Pledged For Repayment Of Loan:	Sales Tax

Staff Analysis

1) The city of Pierre is proposing to purchase a baler for the regional landfill. A new baler will be more efficient and less likely to malfunction. The concrete around the baler area will also be replaced and minor improvements will be made to the conveyor system.

Funding Recommendation: Award a Regional Landfill Assistance grant for up to 40 percent of all approved total project costs not to exceed $330,000 and award a $245,000 Regional Landfill Assistance loan at 2.25% for 10 years.

Debt Service Coverage: 223% debt service coverage

Contingencies:

1) Contingent upon Borrower adopting a bond resolution and the resolution becoming effective

June 2015
Dedicated Solid Waste Management Fees

Total Available Dedicated Solid Waste Fees:	$	2,778,182
Recommended:	$	(806,000)
Balance:	**$**	**1,972,182**

Solid Waste Management Program (SWMP)

Previous Balance of **Minimum** Reserved for Recycling:	$	1,199,084
Reversions:	$	57
Available for Award:	$	1,199,141
Recommended:	$	-
Balance:	**$**	**1,199,141**

Previous Balance Available for Disposal or Recycling:	$	410,811
Reversions:	$	71,966
Available for Award:	$	482,777
Recommended:	$	-
Balance:	**$**	**482,777**

Regional Landfill Assistance (RLA)

Previous Balance of RLA Funds:	$	1,096,264
Reversions:	$	-
Available for Award:	$	1,096,264
Recommended:	$	(806,000)
Balance:		**$ 290,264**