

Protecting South Dakota's Tomorrow ... Today

**BOARD OF WATER
AND NATURAL RESOURCES**

June 26, 2014

DIGITAL DAKOTA NETWORK

Via Digital Dakota Network (DDN)

Thursday, June 26, 2014

1:00 p.m. – 5:00 p.m. CDT

A list of DDN sites is attached.

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 26, 2014

1:00 p.m. CDT

1. Call meeting to order
2. Approve agenda
3. Approve minutes of the March 27-28 and April 9, 2014 meetings
4. Amend State Water Plan, 2014 Clean Water SRF Project Priority List, and 2014 Drinking Water SRF Project Priority List—Andy Bruels
 - a. Colonial Pine Hills Sanitary District
 - b. Dakota Dunes Community Improvement District
 - c. Flandreau (Wastewater)
 - d. Flandreau (Water)
 - e. Northville
 - f. Onida
 - g. Pierre
 - h. Plankinton
 - i. Pukwana
 - j. Wessington Springs
5. Amend 2013 Drinking Water State Revolving Fund Intended Use Plan—Andy Bruels
6. Solid Waste Management Program Funding Applications—Andy Bruels
 - a. Pierre
 - b. Refuse Solutions, Inc.
7. Drinking Water Facilities Funding Application—Mike Perkovich
 - a. Rapid City (210)

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.

8. Sanitary/Storm Sewer Facilities Funding Applications—Mike Perkovich
 - a. Freeman (15)
 - b. Andover (12)
 - c. Hoven (10)
 - d. Bison (9)
 - e. Brown County (N/A)
9. Small Water Facilities Funding Application—Andy Bruels
 - a. Westport
10. Eagle Butte Request to Amend Consolidated Grant 2013G-301—Jim Anderson
11. McLaughlin Request to Amend Consolidated Grant 2012G-205—Eric Meintsma
- 11.1 Yale Request to Amend Consolidated Grant 2012G-203—Claire Peschong
- 11.2 Bison Request to Amend Consolidated Grant 2012G-202—Claire Peschong
12. Redfield Request to Amend State Revolving Fund Loan C461182-02—Elayne Lande
13. Brown County Request to Rescind Clean Water SRF Loan C461100-01—Drew Huisken
14. South Eastern Council of Governments Private Entity SWMP Loan Review Joint Powers Agreement—Andy Bruels
15. SWRMS Completion Certification of the West River/Lyman-Jones Component of the Mni Wiconi Rural Water System Construction Project—Jim Feeney
16. SWRMS Completion Certification of the Perkins County Rural Water System Construction Project —Jim Feeney
17. 2014 Bond Issue—Mike Perkovich
 - a. Authorization to Distribute Request for Proposals for Investment Banking Services
 - b. Appointment of BWNR Committee to Participate in Selection of Investment Banking Firm
 - c. Authorization to Negotiate a Contract with Bruce Bonjour, Perkins Coie, for Bond Counsel Services
 - d. Authorization to Negotiate a Contract with The First National Bank in Sioux Falls for Trustee and Related Services
18. Update on the Reauthorization of the Clean Water SRF Program—Mike Perkovich
19. Update on September 25-26, 2014 Meeting to be Held in Watertown—Mike Perkovich
20. Election of Board Officers
21. Lewis and Clark Regional Water System Reimbursable Grant Agreement—Jim Feeney
22. Adjourn

Digital Dakota Network Sites

Board of Water and Natural Resources

Thursday, June 26, 2014
1 p.m. to 5 p.m. Central Daylight Time

at the following locations:

PIERRE

(Capitol Building, HOST SITE)
500 E. Capitol Ave.
Room B12, Studio A

ABERDEEN

(Northern State University)
1200 S. Jay
Beulah Williams Library, Room 116

BISON

(BISON HIGH SCHOOL)
200 E. CARR STREET
DDN ROOM

BROOKINGS

(South Dakota State University)
8th & Medary Ave.
Pugsley Center, Room 203

RAPID CITY

(South Dakota School of Mines and Technology)
501 E. St. Joseph St.
Classroom Building, Room 109

SIoux FALLS

(University Center)
4801 N. Career Ave.
Room FADM 145

WATERTOWN

(South Dakota Department of Labor)
2001 9th Avenue SW
Suite 200

TITLE: Amendments to 2014 State Water Facilities Plan, 2014 Clean Water State Revolving Fund and 2014 Drinking Water State Revolving Fund Project Priority Lists

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 facilities plan through December 2015.

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

The following is the list of State Water Plan applications received by the May 1, 2014 deadline.

- a. Colonial Pine Hills Sanitary District
- b. Dakota Dunes Community Improvement District
- c. Flandreau - Water
- d. Flandreau - Wastewater
- e. Northville
- f. Onida
- g. Pierre
- h. Plankinton
- i. Pukwana
- j. Wessington Springs

Staff recommends that the following projects be amended onto the 2014 Clean Water State Revolving Fund Project Priority List:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
18	Pierre	\$1,172,000	2.25%, 10 years
12	Andover	\$305,000	3.25%, 30 years
11	Flandreau	\$3,820,000	3.25%, 30 years
4	Northville	\$137,000	3.25%, 30 years

State Water Plan Applications June 2014



The Clean Water IUP narrative should be amended as follows:

Unexpected demand and increased project costs have necessitated the following changes to the narrative portion of the Clean Water Intended Use Plan are proposed:

Leveraged Bonds: The South Dakota Conservancy District has the ability to issue additional bonds above that required for state match, known as leveraged bonds. ~~It is not anticipated that additional leveraged bonds will be required in 2014.~~ It is anticipated that approximately \$60,000,000 in leveraged bonds will be required in 2014 and 2015.

Staff recommend that the following projects be amended onto the 2014 Drinking Water State Revolving Fund Project Priority List:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
128	Woodland Hills San. Dist.	\$375,000	3.00%, 20 years
99	Onida	\$5,450,000	3.00%, 20 years
90	Flandreau	\$2,560,000	3.00%, 30 years
74	Plankinton	\$196,000	2.25%, 10 years
74	Wessington Springs	\$530,000	2.25%, 10 years
73	Pukwana	\$195,000	1.25%, 10 years
21	Dakota Dunes CID	\$1,600,000	3.00%, 20 years
20	Colonial Pine Hills San. Dist.	\$494,000	3.00%, 20 years

The Drinking Water IUP narrative should be amended as follows:

Unexpected demand and increased project costs have necessitated the following changes to the narrative portion of the Clean Water Intended Use Plan are proposed:

Capitalization Grants/State Match: Federal capitalization grants are provided to the state annually. These funds must be matched by the state at a ratio of 5 to 1. The fiscal year 2014 capitalization grant is expected to be \$8,845,000 which requires \$1,769,000 in state match. ~~Administrative surcharge will be used to match the 2014 capitalization grant.~~ Bond proceeds will be used to match 2014 capitalization grant funds.

Leveraged Bonds: The South Dakota Conservancy District has the

June 26, 2014

Item 4

ability to issue additional bonds above that required for state match, known as leveraged bonds. ~~It is anticipated that no additional leveraged bonds will be required in 2014.~~ It is anticipated that approximately \$6,500,000 in leveraged bonds will be required in 2014 and 2015.

RECOMMENDED ACTION: Approve amendments to the 2014 State Water Facilities Plan, 2014 Clean Water State Revolving Fund and 2014 Drinking Water State Revolving Fund Intended Use Plans and Project Priority Lists

CONTACT: Andy Bruels, 773-4216

State Water Plan Application Form

Applicant Colonial Pine Hills Sanitary District Address: 8251 Dunsmore Road Rapid City, SD 57702 Phone Number: (605) 348-3113	Proposed Funding Package <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Requested Funding</td> <td style="width: 20%; text-align: right;">\$493,334</td> </tr> <tr> <td>Other _____</td> <td>_____</td> </tr> <tr> <td>Other _____</td> <td>_____</td> </tr> <tr> <td>Other _____</td> <td>_____</td> </tr> <tr> <td>TOTAL</td> <td style="text-align: right;">\$493,334</td> </tr> </table>	Requested Funding	\$493,334	Other _____	_____	Other _____	_____	Other _____	_____	TOTAL	\$493,334
Requested Funding	\$493,334										
Other _____	_____										
Other _____	_____										
Other _____	_____										
TOTAL	\$493,334										

Project Title: Pinewood Drive Water System Improvements Project

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

In 2012, the Colonial Pine Hills Sanitary District (CPHSD) was awarded a State Revolving Fund loan for system improvements consisting of new filtration equipment and a raw water line along Croyle Avenue. Since that award, the project scope has changed. In addition to the installation of the filtration equipment and raw water line, CPHSD is now proposing to also replace an approximately 2,800-linear-foot water main along Pinewood Drive, from Nonanna Street to Croyle Avenue. The existing water main at Pinewood Drive is not adequately sized and is constructed of poor-quality materials. The proposed raw water line will now be located in Pinewood Drive, as opposed to Croyle Avenue, which was identified in the previous proposal.

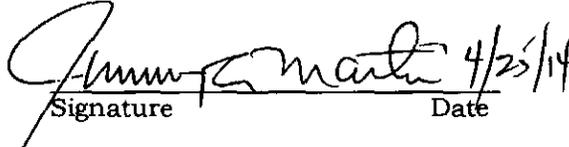
CPHSD has established a reserve fund for water system maintenance. Current water rates are \$53.75 per 5,000 gallons.

The Applicant Certifies That:

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

Jimmy L. Martin, Manager

 Name and Title of Authorized Signatory (Typed)
 Application Prepared By:



 Signature Date

Ali DeMersseman, Planner (605) 394-2681

 Name and Title (Typed) Phone #

Black Hills Council of Local Governments

 Representing

Ted Schultz, P.E. (605) 341-7800

 Name of Engineer / Architect Phone #

CETEC Engineering Services, Inc.

 Representing

RECEIVED

APR 28 2014

Division of Financial
& Technical Assistance

State Water Plan Application Form

Applicant Dakota Dunes Community Improvement Dist Address: 335 Sioux Point Road, Suite 200 Dakota Dunes, SD 57049 Phone Number: 232-4211	Proposed Funding Package <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Requested Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$1,600,000</td> </tr> <tr> <td>Other _____</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td>Other _____</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td>Other _____</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td>TOTAL</td> <td style="text-align: right; border-bottom: 1px solid black;">\$1,600,000</td> </tr> </table>	Requested Funding	\$1,600,000	Other _____		Other _____		Other _____		TOTAL	\$1,600,000
Requested Funding	\$1,600,000										
Other _____											
Other _____											
Other _____											
TOTAL	\$1,600,000										

Project Title: Dakota Dunes Clear Well Expansion Project

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

The project will expand the existing Dakota Dunes 500,000 gallon clear well tank to 1,000,000 gallons and add a third high service pump to the water treatment plant. The expanded storage will allow Dakota Dunes to better meet daily peak water demand by allowing maximum use of its treatment facility and bulk water connection to Sioux City, Iowa. Dakota Dunes rates for a 3/4 inch meter is \$7.70 base charge plus \$1.65 per 1000 gallons for domestic use and \$1.85 per 1000 gallons for irrigation use. All water is billed from the first gallon used. For residential users, domestic use is considered 0 though 7,000 gallons and irrigation use is anything over 7,000 gallons. Commercial users meter domestic and irrigation water separately and charged accordingly. For a 7,000 gallon user, the bill would be \$19.25. The estimated cost above includes the construction of the 500,000 gallon clear well, the installation of high service pump and engineering. Dakota Dunes intent is to seek a 20 year, 3.5 percent SRF Loan to complete this 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.

Kenneth Beaulieu, Chairman

Name and Title of Authorized Signatory (Typed)

Application Prepared By:

Kenneth Beaulieu 4/23/14

Signature Date

Jeff Dooley, Manager

Name and Title (Typed)

232-4211

Phone #

Dakota Dunes Community Imp Dist

Representing

Al Erickson

Name of Engineer/Architect

977-7741

Phone #

HDR, Inc.

Representing

State Water Plan Application Form

Applicant City of Flandreau 1005 W Elm Ave Flandreau, SD 57028-1404	Proposed Funding Package Consolidated Grant \$ <u>1,820,000</u> Consolidated Loan \$ _____ State Revolving Fund Loan \$ <u>2,000,000</u> Community Develop Block Grant \$ <u>1,500,000</u> Rural Development Grant \$ _____ Rural Development Loan \$ <u>5,000,000</u> Nonpoint Source 319 Grant \$ _____ Local Cash \$ _____ Other: \$ _____ \$ _____ \$ _____ \$ _____ \$ _____ \$ _____ \$ _____ \$ _____ TOTAL \$ <u>10,320,000</u>
Federal Employer ID No. 46-6000157	
Sub Applicant N/A	

Project Title: Flandreau Wastewater System Improvements Project

Description: The City is proposing to complete improvements to the wastewater system. The project activities include replacement of approximately 55 blocks of wastewater main, replacement of manholes, replacement of sidewalks and curb and gutter, street repairs, seeding, lift station and pump replacement plus any other necessary appurtenances to complete the project. The City will complete the improvements in phases. Most of the wastewater collection system consists of older clay mains. The older wastewater mains are contributing to the I&I problems in the wastewater system. The City needs to correct the problems with its wastewater system. Clark Engineering Corporation provided the preliminary engineering and cost estimates. Flandreau's wastewater rate for 5,000 gallons of usage is approximately \$24/month. The City has an established reserve account for the wastewater fund.

The Applicant Certifies that:

To the best of my knowledge and belief, the information included within this application is true and correct. The document and signatory have been duly authorized by the governing body of the applicant.

Mark Bonrud, Mayor 605-997-2492
 Name and Title of Authorized Signatory (Typed) Phone #

Mark Bonrud 3-27-14
 Signature Date

Application Prepared By:

Economic
Gregory J. Maag, Development Officer 605-882-5115
 Name and Title (Typed) Phone #

First District Association of Local Govts.
 Representing

Dave Burwitz, P.E. 605-331-2505
 Engineer/Architect Phone #

Clark Engineering Corporation
 Representing

State Water Plan Application Form

Applicant City of Northville Address: PO Box 49, Northville, SD 57465-0049 Phone Number: (605) 887-3651	Proposed Funding Package <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Requested Funding</td> <td style="width: 20%; text-align: right;">\$137,000</td> </tr> <tr> <td>Other _____</td> <td>_____</td> </tr> <tr> <td>Other _____</td> <td>_____</td> </tr> <tr> <td>Other _____</td> <td>_____</td> </tr> <tr> <td>TOTAL</td> <td style="text-align: right;">\$137,000</td> </tr> </table>	Requested Funding	\$137,000	Other _____	_____	Other _____	_____	Other _____	_____	TOTAL	\$137,000
Requested Funding	\$137,000										
Other _____	_____										
Other _____	_____										
Other _____	_____										
TOTAL	\$137,000										

Project Title: Northville Storm Sewer Improvements (Elm Street)

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 Northville is proposing to install storm sewer along the south side of Elm Street from Village Drive to West Street, connecting it to the existing well overflow. The City will replace the existing VCP storm pipe and installing catch basins at intersections. They will also install clean outs for sump discharge for residents. Storm water will discharge on the west end of Elm Street.

The city does not have a separate monthly utility rate for storm sewer nor has a reserve fund for storm sewer been established.

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.

Clayton Blachford, Mayor

 Name and Title of Authorized Signatory (Typed)

Application Prepared By:


 Signature

7/30/14
 Date

Jennifer Sietsema

 Name and Title (Typed)

(605) 626-2595

 Phone #

NECOG

 Representing

Bob Babcock, PE

 Name of Engineer/Architect

(605) 225-1212

 Phone #

Helms and Associates

 Representing

State Water Plan Application Form

Applicant City Of Onida Address: PO Box 72 Onida, SD 57564-0072 Phone Number: (605) 258-2441	Proposed Funding Package <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Requested Funding</td> <td style="text-align: right;">\$5,450,000</td> </tr> <tr> <td>Other <u>CPWDD</u></td> <td style="text-align: right;">\$10,000</td> </tr> <tr> <td>Other <u>City of Onida</u></td> <td style="text-align: right;">\$51,000</td> </tr> <tr> <td>Other _____</td> <td style="text-align: right;">_____</td> </tr> </table> Project financing may need to be phased. Sources of funding may change. \$5,511,000 TOTAL	Requested Funding	\$5,450,000	Other <u>CPWDD</u>	\$10,000	Other <u>City of Onida</u>	\$51,000	Other _____	_____
Requested Funding	\$5,450,000								
Other <u>CPWDD</u>	\$10,000								
Other <u>City of Onida</u>	\$51,000								
Other _____	_____								

Project Title: City of Onida Water System 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 Onida purposes to undertake major water system improvements including storage and distribution. Looping of mains, replacing Asbestos Cement distribution pipe, installation of valves and necessary appurtenances will correct water quality and health issues. Installation of new meters and distribution system improvements will reduce unaccounted for water losses, which have increased over the years to a high of 23%. A leak detection study is also included in the scope of work to address this issue. Water system storage has been determined to be inadequate and the tower does not meet OSHA standards. The 50,000 gallon elevated storage tower does not meet current peak day flow demands and the city often rations water usage. The project also involves replacement of 20,000 lineal feet of ACP (approx. 49% of the total system). Health risks associated with ACP include cancer.

CONTINUED ON NEXT PAGE

The Applicant Certifies That:

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

Gary Wickersham, Mayor

 Name and Title of Authorized Signatory (Typed)

Application Prepared By:

 Signature

 Date

4-25-17

Malcolm Tilberg, Planner

(507) 773-2780

 Name and Title (Typed)

 Phone #

 Central S.D. Enhancement District,
 Representing

Camden Hofer, P.E.

(605) 996-7761

 Name of Engineer/Architect

 Phone #

 S.P.N. & Associates, Mitchell, S.D.
 Representing

State Water Plan Application Form

Applicant City of Pierre / 46.6000356 Address: PO Box 1253 222 E Dakota Pierre, SD 57501 Phone Number: (605) 773-7434	Proposed Funding Package <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Requested Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$1,171,136</td> </tr> <tr> <td>Other _____</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td>Other _____</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td>Other _____</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td>TOTAL</td> <td style="text-align: right; border-bottom: 3px double black;">\$1,171,136</td> </tr> </table>	Requested Funding	\$1,171,136	Other _____		Other _____		Other _____		TOTAL	\$1,171,136
Requested Funding	\$1,171,136										
Other _____											
Other _____											
Other _____											
TOTAL	\$1,171,136										

Project Title: Regional Landfill - Cell #3 Construction

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 Pierre, Solid Waste Department operates a regional municipal solid waste landfill under permit #10-06 issued by DENR - Waste Management Program. We currently have a renewal application submitted, which contains landfill design changes. Plans include the approval/issuance of the permit renewal by Fall 2014 so that design for cell #3 construction can be completed. Request for bids on the construction is anticipated for January 2015 with construction of the new landfill cell to begin in the Spring of 2015.

The regional landfill services approximately 39,500 people. The City of Pierre is committed to baling the solid waste that goes to the regional landfill. This project is to construct the new cell to provide uninterrupted disposal options for our customers. Through a new master plan for the Regional Landfill a review of the leachate collection system showed changes should be made to make the system more environmentally efficient. These changes will be incorporated with the construction of Cell #3.

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)
 Application Prepared By:

 4-28-14
 Signature Date

Valerie Keller (605) 773-7434

 Name and Title (Typed) Phone #

City of Pierre

 Representing

Brent Erickson (701) 557-9608

 Name of Engineer/Architect Phone #

HDR Engineering

 Representing

State Water Plan Application Form

Applicant City of Plankinton Address: 123 North Main Street Plankinton, SD 57368 Phone Number: (605) 942-7767	Proposed Funding Package <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Requested Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$196,000</td> </tr> <tr> <td>Other _____</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td>Other _____</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td>Other _____</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td>TOTAL</td> <td style="text-align: right; border-bottom: 1px solid black;">\$196,000</td> </tr> </table>	Requested Funding	\$196,000	Other _____		Other _____		Other _____		TOTAL	\$196,000
Requested Funding	\$196,000										
Other _____											
Other _____											
Other _____											
TOTAL	\$196,000										

Project Title: Plankinton Water Meter Read System Project

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

Description: The City has experienced water loss in excess of 15% in recent years. The City would like to automate the meter reading system to be able to notify residents when a water leak has been identified.

The City will use new software to collect, store, and evaluate the meter data. The new system will help the City accurately monitor water sales and evaluate potential water losses. Finally, the new system will make operation of the system more cost-effective through a more efficient billing system.

The City charges \$33 to 382 household and commercial connections for 5,000 gallons of drinking water. The City also charges \$49.50 /5,000 gallons for several connections outside the City limits.

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.

Lawron Bohr, Mayor		
Name and Title of Authorized Signatory (Typed)		Signature
Application Prepared By:		Date
Eric Ambrosion, CDS	665-4408	Planning and Development District III
Name and Title (Typed)	Phone #	Representing
Camden Hofer	996-7761	SPN Associates
Name of Engineer/Architect	Phone #	Representing

State Water Plan Application Form

Applicant Town of Pukwana Address: PO Box 87 Pukwana, SD 57370 Phone Number: (605) 894-4316	Proposed Funding Package <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Requested Funding</td> <td style="width: 30%; text-align: right;">\$195,000</td> </tr> <tr> <td>Other _____</td> <td>_____</td> </tr> <tr> <td>Other _____</td> <td>_____</td> </tr> <tr> <td>Other _____</td> <td>_____</td> </tr> <tr> <td>TOTAL</td> <td style="text-align: right;">\$195,000</td> </tr> </table>	Requested Funding	\$195,000	Other _____	_____	Other _____	_____	Other _____	_____	TOTAL	\$195,000
Requested Funding	\$195,000										
Other _____	_____										
Other _____	_____										
Other _____	_____										
TOTAL	\$195,000										

Project Title: Ethan Water Meter Project

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

Description: The Town of Pukwana has water meters which are very old brass-bodied type that cannot be repaired. The Town's water loss rate is very high and is partially due to the meters which are under-reading the flow. The proposed project includes new meters to replace all of the existing meters. The Town would like to install a fixed network radio reading system to remotely read the meters. The Town will use new software to collect, store and evaluate the meter data. The new water meter reading system will help the Town to more accurately monitor water sales and evaluate possible water losses. With this system the Town would be able to notify residents when a water leak is identified. In addition, the new reading system will make meter reading and billing easier.

The Town charges \$25.00 to 150 household and commercial connections for 5,000 gallons of drinking water.

The Applicant Certifies That:

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

Larry McManus, Board President

Name and Title of Authorized Signatory (Typed)

Application Prepared By:

Larry J McManus 30 Apr
Signature Date

Eric Ambrosion, CDS

665-4408

Name and Title (Typed)

Phone #

Planning and Development District III

Representing

Camden Hofer

996-7761

Name of Engineer/Architect

Phone #

SPN Associates

Representing

State Water Plan Application Form

Applicant City of Wessington Springs Address: PO Box 443 Wessington Springs, SD 57382 Phone Number: (605) 539-1691	Proposed Funding Package <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Requested Funding</td> <td style="text-align: right;">\$530,000</td> </tr> <tr> <td>Other _____</td> <td>_____</td> </tr> <tr> <td>Other _____</td> <td>_____</td> </tr> <tr> <td>Other _____</td> <td>_____</td> </tr> <tr> <td>TOTAL</td> <td style="text-align: right;">\$530,000</td> </tr> </table>	Requested Funding	\$530,000	Other _____	_____	Other _____	_____	Other _____	_____	TOTAL	\$530,000
Requested Funding	\$530,000										
Other _____	_____										
Other _____	_____										
Other _____	_____										
TOTAL	\$530,000										

Project Title: Wessington Springs Water Meter Read System Project

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

Description: An analysis of the water usage data indicates that the City of Wessington Springs produced an average of approximately 33.1 million gallons per year (mgy). Of this amount, approximately 26.1 mgy were billed or accounted for through household, business or city meters. This amounts to an average of 21.2 percent unaccounted-for water. The city has been trying to locate and repair water leaks during the last few years. The residential and business water meters consist of varying types and ages over 20 years old. The City is interested in an automatic meter reading system.

The Town charges \$33.00 (\$13.00 minimum + \$4.00/1,000 gallons) to 540 household and commercial connections for 5,000 gallons of drinking water.

The Applicant Certifies That:

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

Melissa Mebius, Council President

 Name and Title of Authorized Signatory (Typed)
 Application Prepared By:

Melissa Mebius 4-30-14

 Signature Date

Eric Ambrosion, CDS 665-4408

 Name and Title (Typed) Phone #

Planning and Development District III

 Representing

Camden Hofer 996-7761

 Name of Engineer/Architect Phone #

SPN Associates

 Representing

TITLE: Amend the FY 2013 Drinking Water SRF Intended Use Plan (IUP)

EXPLANATION: The FY 2013 Drinking Water State Revolving Fund Intended Use Plan was approved by the Board of Water and Natural Resources in November 2012 and amended in March, June, and September 2013.

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

It is proposed to amend Attachment I - Project Priority List of the FY 2013 Drinking Water Intended Use Plan by adding the following entry:

Priority Points	Loan Recipient	Project Description	Est. Loan Amount	Expected Loan Rate & Term
210	Rapid City	<i>Problem:</i> there are several small water systems adjacent to Rapid City that have water quality (primarily concerning radionuclides) and water quantity issues, as well as distribution systems that are in poor condition. <i>Project:</i> connect the small systems as part of a project that Rapid City is undertaking to extend a second water line to the regional airport, and reconstruct distribution systems where needed.	\$5,626,000	3.00%, 20 years

RECOMMENDED ACTION: Approve the proposed amendment to the 2013 Intended Use Plan.

CONTACT: Andy Bruels, 773-4216

June 26, 2014

Item 6

TITLE: Solid Waste Management Program/Regional Landfill Assistance Funding Agreements

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 June funding round are due on the first day of May. The following applications have been received by DENR for funding consideration at this meeting.

- a. Pierre
- b. Refuse Solutions, Inc.

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/BWNRappsother0614.pdf>

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

Solid Waste Management Applications June 2014



Solid Waste Management Program Application

Applicant/Tax ID #
46-6000356

Proposed Funding Package

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

SWMP Funds: \$1,171,136

Local Cash: \$600,000

Other: _____

Other: _____

Other: _____

Phone Number (605) 773-7434

Total Project Cost: \$1,771,136

Project Title: Regional Landfill - Cell #3 Construction

Description:

The City of Pierre, Solid Waste Department operates a regional municipal solid waste landfill under permit #10-06 issued by DENR - Waste Management Program. We currently have a renewal application submitted which contains landfill design changes. Plans include the approval/issuance of the permit renewal by Fall 2014 so that design for cell #3 construction can be completed. Request for bids on the construction is anticipated for January 2015 with construction at the new landfill is to begin in the Spring 2015.

This regional landfill services approximately 39,500 people. The City of Pierre is committed to baling the solid waste that goes to the regional landfill. This project is to construct Cell #3 to provide uninterrupted disposal options for our customers. Through a new master plan for the Regional Landfill a review of the leachate collection system showed changes should be made to make the system more environmentally efficient. These changes will be incorporated with the construction of Cell #3.

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)

 4-1-14

Signature Date

Solid Waste Management Program Application

Applicant/Tax ID #
Refuse Solutions Inc.
26-4169178

Proposed Funding Package

SWMP Funds: \$70,000

Local Cash: \$0

Address
PO Box 546
800 Chamber Street
Belle Fourche, SD 57717

Other: _____

Other: _____

Other: _____

Phone Number (605) 723-7723

Total Project Cost: \$70,000

Project Title: RSI Recycling Program

Description:

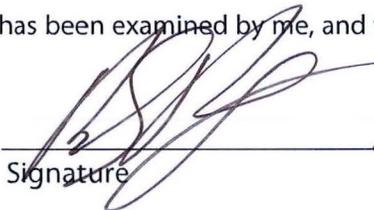
We are looking to erect a 36' X 48' building with a concrete floor to use for recycling. We are also looking to purchase a used horizontal baler and a used skid steer for the baling and handling of the recycled product. Another expense is adding electrical to the building including 3 phase electricity. We are extremely excited about this project as it will be a nice compliment to our garbage business. Our focus is to immediately begin to redistribute the amount of recyclable materials, currently being landfilled, into our new recycling facility to be baled and sent to a processing plant.

The Applicant certifies that:

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

Randy Ruby VP/Treasurer

Name and Title of Authorized Signatory (Typed)



 Signature

3/31/2014

 Date

WRAP REVIEW SHEET
SOLID WASTE MANAGEMENT PROGRAM

ENGINEERING REVIEW COMPLETED BY:

ANDY BRUELS

Applicant:	Refuse Solutions, Inc.
Project Title:	Recycling Program
Funding Requested:	\$70,000
Other Proposed Funding:	None
Total Project Cost:	\$70,000
Project Description:	<p>Refuse Solutions, Inc. is located in Belle Fourche, South Dakota and operates a commercial garbage collection business. The recycling business that had served the Belle Fourche and Spearfish areas has recently gone out of business, and Refuse Solutions, Inc. would like to take over that business. The proposed project would construct a 36'x48' building for recycling use, a baler for recycling materials would be purchased and installed, and a skid steer for material handling would be purchased. This facility and equipment will allow Refuse Solutions to expand cardboard recycling capabilities within their service area and possibly expand to new products to include paper and plastics.</p>
Type:	Private for Profit Recycling Business
Service Population:	28,000
Financial & History Information:	Refuse Solutions, Inc. has never received funding from the Solid Waste Management Program.

June 26, 2014

Item 7

TITLE: Drinking Water Facilities Funding Applications

EXPLANATION: The following application has been received by DENR for funding consideration at this meeting. The project's priority points are shown in parentheses.

- a. Rapid City (210)

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/BWNRappsdfw0614.pdf>

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

Drinking Water Facilities Funding Applications June 2014



Drinking Water Facilities Funding Application

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

Applicant City of Rapid City Address 300 Sixth Street Rapid City, SD 57701	Proposed Funding Package <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">CWFCP / DWSRF</td> <td style="width: 20%; text-align: right;">\$5,626,000</td> </tr> <tr> <td>Local Cash</td> <td style="text-align: right; border-top: 1px solid black;">\$1,500,000</td> </tr> <tr> <td>Other</td> <td style="border-top: 1px solid black;"></td> </tr> <tr> <td>Other</td> <td style="border-top: 1px solid black;"></td> </tr> <tr> <td>Other</td> <td style="border-top: 1px solid black;"></td> </tr> <tr> <td style="text-align: right;">TOTAL</td> <td style="text-align: right;">\$7,126,000</td> </tr> </table>	CWFCP / DWSRF	\$5,626,000	Local Cash	\$1,500,000	Other		Other		Other		TOTAL	\$7,126,000
CWFCP / DWSRF	\$5,626,000												
Local Cash	\$1,500,000												
Other													
Other													
Other													
TOTAL	\$7,126,000												
Subapplicant DUNS Number 057222119													

Project Title: East Rapid City Water System Expansion Project

Description:

Residential developments in the project area have water sources that are inadequate, unreliable and over 50% of the homeowners have water that fails to meet EPA safe drinking water standards. Over the past several years these developments have individually looked at various project alternatives. These alternatives ultimately proved to be unfeasible. The preferred alternative is to have the small systems and individual homeowners combine efforts into one regionalization project. Rapid City water system has proven to be the most viable option to a regionalized approach due to their TMF capabilities.

Rapid City is already in the process of extending an additional water line to the airport. This line runs through LVSD and is less than a quarter mile to Valley View. the proposed project will extend waterlines from the airport main to the small systems.

This project is absolutely critical for these homeowners in order to ensure safe clean and affordable drinking water.

Currently, Valley View residents pay \$53/5000 gallons to a water system that has been out of compliance since 2002. Mesa View \$51/5000, Terracotta \$45/5000. The remaining homes in LVSD are on private wells or haul water.

The Water Reclamation Division will be responsible for \$1.5M.

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.

Sam Kooiker, Mayor of Rapid City

Name & Title of Authorized Signatory (Typed)


 Signature

3.21.2014
Date

WRAP REVIEW SHEET
DRINKING WATER FACILITIES FUNDING APPLICATION
APPLICANT: CITY OF RAPID CITY

Project Title: East Rapid City Water System Expansion

Funding Requested: \$5,626,000

Other Proposed Funding: \$1,500,000 - Local Cash

Total Project Cost: \$7,126,000

Green Reserve Amount: \$0

Project Description: Expansion of the city water distribution system to serve users located east of the city limits. These homes are currently served by systems that provide substandard to poor quality water that is often in violation of drinking water standards. Others are not served by a water system. The city is in progress with construction of a major water transmission pipeline to serve the airport property located east of the city. The new users will be served from this new pipeline.

Alternatives Evaluated: The no action alternative was evaluated and rejected because of the need to provide these customers with improved water quality and service.

The city chose to implement the alternative to provide service to these areas as part of its expansion to the airport. Other alternatives considered included surface water sources, connection to Rapid Valley Sanitary District, connection to Box Elder water system, and construction of a well. All of these alternatives were not feasible or less desirable than the chosen alternative.

Implementation Schedule: Rapid City anticipates bidding the project in the spring of 2015 with a project completion date of December 2017.

Service Population: 72,481

Current Domestic Rate: \$28.16 per 5,000 gallons usage

Proposed Domestic Rate at Project Completion: \$30.00 per 5,000 gallons usage for Rapid City residents. \$45.00 per 5,000 gallons usage for users outside of city limits as per current Rapid City policy.

Interest Rate: 3.0%

Term: 20 years

Security: System Revenue

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: The city of Rapid City is pledging system revenue and has coverage of 167% based on 2017 projections. Rapid City will assess the debt service on users that benefit from the project by charging a surcharge above the rate of \$45/5,000 gallons. If funding is provided as all loan, the benefitting users would have a rate of \$182/5,000 gallons.

25 % Funding Subsidy: \$1,406,500 subsidy with a loan of \$4,219,500.

Based on a 25% subsidy and a loan of \$4,219,500, the benefitting users would have a rate of \$147/5,000 gallons.

50% Funding Subsidy: \$2,813,000 subsidy with a loan of \$2,813,000.

Based on a 50% subsidy and a loan of \$2,813,000, the benefitting users would have a rate of \$113.50/5,000 gallons.

75% Funding Subsidy: \$4,219,500 subsidy with a loan of \$1,406,500.

Based on a 75% subsidy and a loan of \$1,406,500, the benefitting users would have a rate of \$79.25/5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: ERIC MEINTSMA

FINANCIAL REVIEW COMPLETED BY: JON PESCHONG

June 26, 2014

Item 8

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.

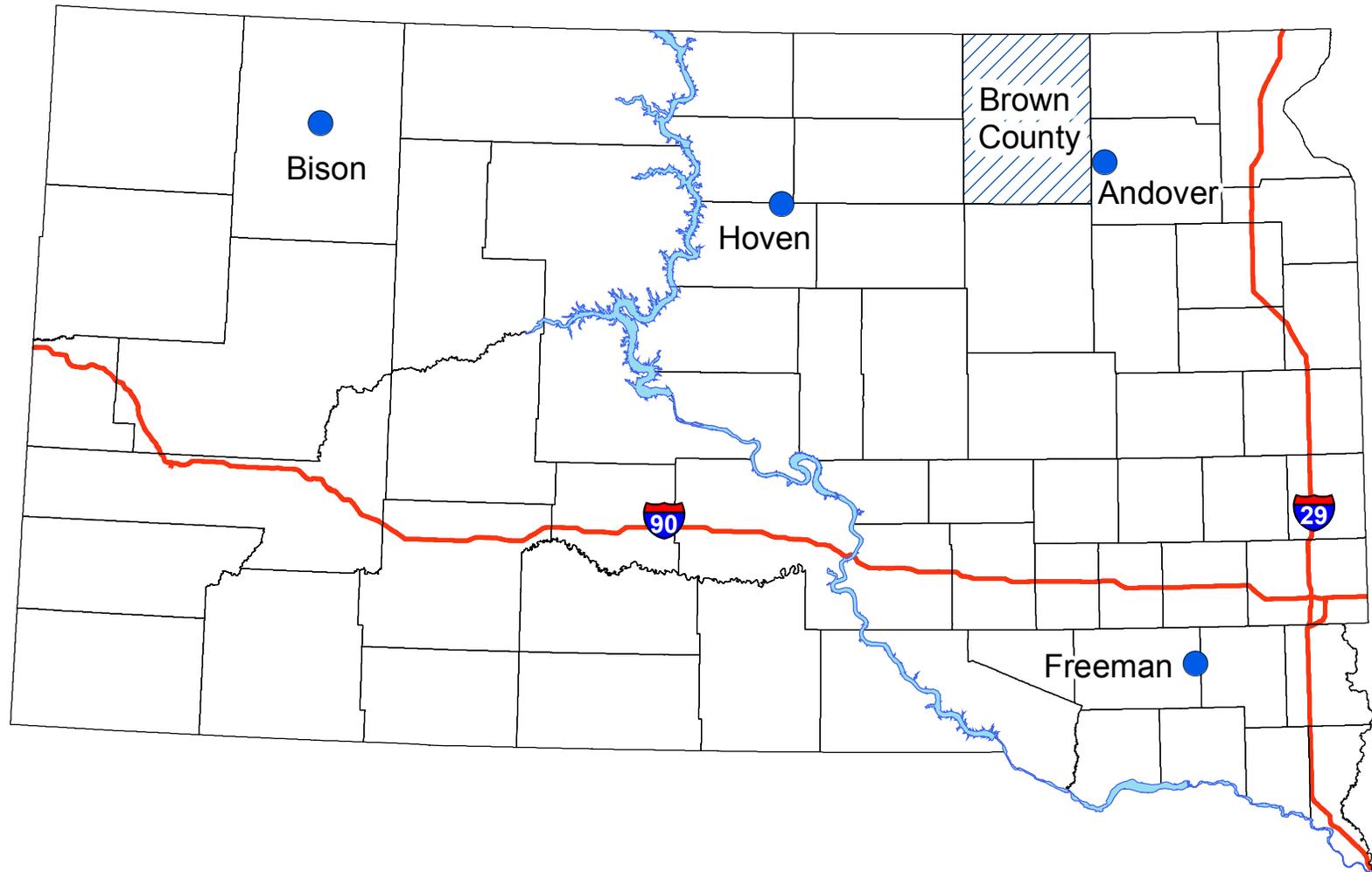
- a. Freeman (15)
- b. Andover (12)
- c. Hoven (10)
- d. Bison (9)
- e. Brown County (N/A)

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/BWNRappsssf0614.pdf>

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

Sanitary / Storm Sewer Facilities Applications June 2014



RECEIVED

SD EForm - 2121 (01/2012) APR 3 2014

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 City of Freeman Address PO Box 178 Freeman, SD 57029	Proposed Funding Package <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">CWFCP / CWSRF</td> <td style="text-align: right; border-bottom: 1px solid black;">\$1,536,000</td> </tr> <tr> <td>Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;">\$15,000</td> </tr> <tr> <td>Other</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td>Other</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td>Other</td> <td style="border-bottom: 1px solid black;"></td> </tr> </table>	CWFCP / CWSRF	\$1,536,000	Local Cash	\$15,000	Other		Other		Other	
CWFCP / CWSRF	\$1,536,000										
Local Cash	\$15,000										
Other											
Other											
Other											
Subapplicant DUNS Number 03-232-5995	TOTAL \$1,551,000										

Project Title: Freeman Wastewater Treatment Facility Improvements

Description:

The City of Freeman is proposing a comprehensive array of improvements for the city's wastewater treatment plant. The project will include upgrading the main lift station building, including the electrical system and control panels, as well as installation of a larger emergency power generator. The project also will include inspecting each of the wastewater treatment ponds, making repairs as needed, and removing sludge from the system's two primary treatment ponds.

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.

Sam Sorensen, Mayor

Name & Title of Authorized Signatory (Typed)

Sam Sorensen 3/7/14
Signature Date

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

Project Title:	Wastewater Treatment Facility Improvements
Funding Requested:	\$1,536,000
Other Proposed Funding:	\$15,000 - Local Cash
Total Project Cost:	\$1,551,000
Green Reserve Amount:	\$0
Project Description:	The project includes rehabilitation and upgrading the main lift station. This includes replacing pumps, blowers, controls, piping and valves. The project also includes replacing the aeration system in the aerated pond. The work involving the settling ponds includes sludge removal and disposal and minor miscellaneous repairs.
Alternatives Evaluated:	<p>No Action Alternative: The no action alternative was considered for both the collection and treatment systems. The no action alternative was not considered feasible due to the deteriorated condition of these systems. However, the city has decided to address the treatment system first.</p> <p>Collection System Replacement: Parts of the collection system are in poor condition. The city will replace or line sewer mains as needed in future projects.</p> <p>Treatment System Rehabilitation: Wastewater flows by gravity to the treatment facility where it is pumped into an aerated pond then flows through primary and secondary ponds for settling and additional treatment. The chosen alternative is to replace and upgrade aging parts of the lift station and aeration system. In addition, sludge from the settling ponds will be removed.</p>
Implementation Schedule:	Freeman anticipates bidding the project in the fall of 2014 with a project completion date of December 2015.
Service Population:	1,306
Current Domestic Rate:	\$33.25 per 5,000 gallons usage

Proposed Domestic Rate at Project Completion: \$38.25 (per 5,000 gallons) (usage)

Interest Rate: 3% Term: 20 years Security: Wastewater Surcharge

IF 3 PERCENT FOR 20 YEARS

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If funding is provided as all loan, Freeman would need to enact a surcharge of approximately \$14.74.

25% Funding Subsidy: \$384,000 subsidy with a loan of \$1,152,000.

Coverage at 25% Subsidy: Based on a 25% subsidy and a loan of \$1,152,000, Freeman would need to enact a surcharge of approximately \$11.06.

50% Funding Subsidy: \$768,000 subsidy with a loan of \$768,000.

Coverage at 50% Subsidy: Based on a 50% subsidy and a loan of \$768,000, Freeman would need to enact a surcharge of approximately \$7.38.

75% Funding Subsidy: \$1,152,000 subsidy with a loan of \$384,000

Coverage at 75% Subsidy: Based on a 75% subsidy and a loan of \$384,000, Freeman would need to enact a surcharge of approximately \$3.69.

IF 3.25 PERCENT FOR 30 YEARS
DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If funding is provided as all loan, Freeman would need to enact a surcharge of approximately \$11.57.

25% Funding Subsidy: \$384,000 subsidy with a loan of \$1,152,000

Coverage at 25% Subsidy: Based on a 25% subsidy and a loan of \$1,152,000, Freeman would need to enact a surcharge of approximately \$8.68.

50% Funding Subsidy: \$768,000 subsidy with a loan of \$768,000

Coverage at 50% Subsidy: Based on a 50% subsidy and a loan of \$768,000, Freeman would need to enact a surcharge of approximately \$5.79.

75% Funding Subsidy: \$1,152,000 subsidy with a loan of \$384,000

Coverage at 75% Subsidy: Based on a 75% subsidy and a loan of \$384,000, Freeman would need to enact a surcharge of approximately \$2.90.

ENGINEERING REVIEW COMPLETED BY: ERIC MEINTSMA

FINANCIAL REVIEW COMPLETED BY: ELAYNE LANDE

RECEIVED

Sanitary/Storm Sewer Facilities Funding Application APR - 1 2014

Consolidated Water Facilities Construction Program (CWFCP)
Clean Water State Revolving Fund Program (CWSRF)Division of Financial
Technical Assistance

Applicant	Proposed Funding Package	
Town of Andover	CWFCP / CWSRF	\$305,000
Address	Local Cash	_____
PO Box 35	Other	_____
Andover SD 57422-0035	Other	_____
605-298-5684	Other	_____
Subapplicant		
DUNS Number	TOTAL \$305,000	
963 291 112		

Project Title: Andover Wastewater Improvements Project-Additional Funds

Description:

The town of Andover is proposing to construct a new lift station, a 180-day storage system to bring their ponds into compliance with DENR, and installing a generator. The City applied for \$1,571,400 in funding for the project in 2011. The original project application included improvements to the ponds and lift station as well as televising the lines and repairing/replacing the collection lines throughout town. At that time BWNR advised the City to phase the project as they were concerned about the City's repayment ability and subsequently awarded \$463,700 in funding to complete the portion of the project that would address the wastewater treatment facility compliance issues. The project to improve the wastewater treatment facility was bid in early 2014 and the bids came in over the engineer's estimate at \$399,130.24. The professional services and land purchase total \$97,212.20, together with the construction bid bring the total project cost to \$496,342.44. In order to award the bid within the required 30-day time-frame a change order was completed to decrease project costs enough to meet the project budget. The change order removed fencing around the new ponds, changed the shape of the lift station structure to reduce cost, changed overflow controls, and removed the generator for the lift station. The City is requesting additional funds to cover the cost overrun. The additional funds will also be used to complete cleaning and televising the lines, installing rip rap on the pond dikes, and making spot repairs on collection lines that have collapsed since the initial project application was submitted.

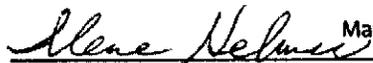
The town's current rate is \$30.00 per user and \$12.00 per unoccupied units. Of the \$30.00 flat fee, \$20.00 is designated for the project surcharge for the 2011 CWSRF loan. \$10 is for O&M.

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.

Ilene Helmer, Town President

Name & Title of Authorized Signatory (Typed)

 Mar 25, 2014
Signature Date

WRAP REVIEW SHEET
SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION
APPLICANT: TOWN OF ANDOVER

Project Title: Wastewater Improvement Projects – Additional Funds

Funding Requested: \$305,000

Other Proposed Funding: None

Total Project Cost: \$305,000

Green Reserve Amount: None

Project Description: Andover is requesting additional funds to complete the construction of a new 2.0 acre pond and televise the collection system to identify high-priority areas to repair. Andover was awarded \$463,700 in March 2012 for the project. Bids were opened on January 14, 2014 and costs came in higher than anticipated. In order to award the bid within the required 30 day time frame a change order was approved to decrease project costs enough to meet the project budget. The deductions included costs for fencing, riprap, and a portable generator, and design changes to the lift station and overflow control.

The town of Andover is requesting additional funds for the installation of rip rap on the pipe dikes, portable generator, cleaning and televising lines, and spot repairs on collection lines.

The increase in funding required is \$305,000 above the current funding bringing the total project funding to \$768,700.

The additional funds will be applied towards:

Televising	\$	30,485.00
Lift Station Generator	\$	31,900.00
Collection System Spot Repairs	\$	25,000.00
Rip Rap for Pond Dikes	\$	217,313.83
<hr/>		
TOTAL	\$	304,698.38

Alternatives Evaluated: NA

Implementation Schedule: Andover anticipates bidding the project in the summer of 2014 with project completion by October 2014.

Service Population: 91

Current Domestic Rate: \$30.00 flat rate

Proposed Domestic Rate at Project Completion: No proposed rate increase

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

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If funding is provided as all loan with a rate of 3%/20 years , Andover would have to enact a surcharge of approximately \$36.18/month. When added to the current rate of \$30, residents would be paying \$66.18/month.
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25% Funding Subsidy:	\$76,250 subsidy with a loan of \$228,750.
Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of \$228,750 Andover would have to enact a surcharge of approximately \$27.15, thereby paying a rate of \$57.15/month.

50% Funding Subsidy:	\$152,500 subsidy with a loan of \$152,500.
Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of \$152,500, Andover would have to enact a surcharge of approximately \$18.10/month, thereby paying a rate \$48.10/month.

75% Funding Subsidy:	\$228,750 subsidy with a loan of \$76,250.
Coverage at 75% Subsidy:	Based on a 75% subsidy and a loan of \$76,250, Andover would have to enact a surcharge of approximately \$9.05/month, thereby paying a rate \$39.05/month.

ENGINEERING REVIEW COMPLETED BY: CLAIRE PESCHONG

FINANCIAL REVIEW COMPLETED BY: DAVE RUHNKE

Sanitary/Storm Sewer Facilities Funding Application

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

Applicant City of Hoven Address PO Box 157 Hoven, SD 57450-0157	Proposed Funding Package CWFCP / CWSRF \$656,000 <hr/> Local Cash _____ <hr/> Other _____ <hr/> Other _____ <hr/> Other _____ <hr/> <p style="text-align: right;">TOTAL \$656,000</p>
Subapplicant DUNS Number 020787651	

Project Title: City of Hoven Highway 47 Sanitary Sewer Improvements

Description:

The City of Hoven proposes to replace portions of the clay sanitary sewer mains, manholes, and service lines along Highway 47 with PVC pipe. The amount of inflow and infiltration should be reduced once the new PVC pipe is installed.

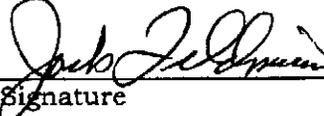
This project will be completed in conjunction with the South Dakota Department of Transportation reconstruction of South Dakota Highway 47 being reconstructed in 2015.

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.

Jack Feldmeier, Mayor

Name & Title of Authorized Signatory (Typed)



 Signature Mar 3, 2014
Date

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

Project Title:	Highway 47 Sanitary Sewer Improvements
Funding Requested:	\$656,000
Other Proposed Funding:	\$0
Total Project Cost:	\$656,000
Green Reserve Amount:	\$0
Project Description:	Hoven is proposing to repair an aging sanitary sewer collection system in conjunction with a SD DOT project on SD Highway 47. The sanitary sewer system in the project area is in poor condition and needs replacing. Inflow and infiltration should be reduced once new PVC pipe is installed.
Alternatives Evaluated:	<p>The “No Action” alternative was not selected as this alternative will not correct the structural deficiencies or address the problems in the sanitary collection system. Excessive infiltration/inflow problems will continue in the system.</p> <p>The city chose replace the aging pipe and manholes by open cut construction methods during the reconstruction of Highway 47.</p>
Implementation Schedule:	The city anticipates that the SD DOT will bid the project in the winter of 2014 with a project completion date of November 2015.
Service Population:	406
Current Domestic Rate:	\$24.00 flat rate
Proposed Domestic Rate at Project Completion:	\$38.00 flat rate
Interest Rate:	3.25%
Term:	30years
Security:	Wastewater Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If funding is provided as all loan, Hoven would need to enact a surcharge of approximately \$13.56. When added to the current rate of \$24, residents would pay \$37.56.

25% Funding Subsidy: \$164,000 subsidy with a loan of \$492,000

Coverage at 25% Subsidy: Based on a 25% subsidy and a loan of \$492,000, Hoven would have to enact a surcharge of approximately \$10.17, thereby paying a rate of \$34.17.

50% Funding Subsidy: \$328,000 subsidy with a loan of \$328,000

Coverage at 50% Subsidy: Based on a 50% subsidy and a loan of \$328,000, Hoven would have to enact a surcharge of approximately \$6.78, thereby paying a rate of \$30.78.

75% Funding Subsidy: \$492,000 subsidy with a loan of \$164,000

Coverage at 75% Subsidy: Based on a 75% subsidy and a loan of \$164,000, Hoven would have to enact a surcharge of approximately \$3.39, thereby paying a rate of \$27.39.

ENGINEERING REVIEW COMPLETED BY: JIM ANDERSON

FINANCIAL REVIEW COMPLETED BY: ELAYNE LANDE

Sanitary/Storm Sewer Facilities Funding Application

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

<p>Applicant</p> <p>Town of Bison</p> <p>Address</p> <p>PO Box 910 Bison, SD 57620-0910</p> <hr/> <p>Subapplicant</p> <p>DUNS Number 134200588</p>	<p>Proposed Funding Package</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">CWFCP / CWSRF</td> <td style="text-align: right;">\$419,000</td> </tr> <tr> <td>Local Cash</td> <td style="text-align: right; border: 1px solid black; border-radius: 50%;">\$123,715</td> </tr> <tr> <td>Other</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td>Other</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td>Other</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td colspan="2" style="text-align: right;">TOTAL \$542,715</td> </tr> </table>	CWFCP / CWSRF	\$419,000	Local Cash	\$123,715	Other		Other		Other		TOTAL \$542,715	
CWFCP / CWSRF	\$419,000												
Local Cash	\$123,715												
Other													
Other													
Other													
TOTAL \$542,715													

Project Title: Bison Wastewater Treatment and Sanitary Sewer Collection System Project

Description:

The Town of Bison will undertake several needed improvements to its sanitary sewer system including:

- Re-lining or replacement of existing segments of sewer main and services (including necessary main cleaning and camera) located in the following areas (refer to specific map locations):
 - o Carr Street east of 1st Ave. West (approximately 347 lineal feet of main);
 - o Alley between Carr St. and Main St. - West of 1st Ave. West (approximately 721 lineal feet of main);
 - o Alley between Carr St. and Main St. - East of 3rd Ave. East (approximately 471 lineal feet of main); and,
 - o 3rd Avenue and Wishards Addition (approximately 826 lineal feet of main).
- Main cleaning and camera of the following clay-pipe sewer main segments: Alley between Baird St. & Jackson St. (300 LF), Rogers St. (2,556 LF), Alley south of Main St. (310 LF), Alley between Rand and Rogers (310 LF), Coleman Addition E. & W. (310 LF each), Jackson & Cooper Addition (310 LF), and Blocks Y&W Tract D (310 LF).
- Repair berms w/clay material, and add fabric and riprap to various areas of existing berms surrounding existing sewage lagoon treatment ponds. Ponds involved are Cells 1, 3, 4 and 5 (refer to attached map for specific areas involved). Also, pond depth indicators will be added.
- Related improvements, engineering, administrative and miscellaneous work directly related to the above improvements.

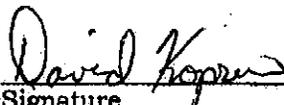
There is great need for this project. The sewer main segments to be re-lined or replaced are old and falling. The clay repair, fabric and riprap around the lagoons is needed as significant erosion is occurring to the existing earthen berms (refer to photos).

The Applicant Certifies That:

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

David Kopren, Town President

Name & Title of Authorized Signatory (Typed)


5-16-14
 Signature Date



WRAP REVIEW SHEET
SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION
TOWN OF BISON

Project Title: Wastewater Treatment and Sanitary Sewer Collection System Improvements

Funding Requested: \$419,000

Other Proposed Funding: \$123,715 - Local Cash

Total Project Cost: \$542,715

Green Reserve Amount: None

Project Description: This project will reline approximately 2,365 feet of sanitary sewer pipe, clean and televise another 4,700 feet of collection pipe for future project determinations, replace eroded clay liner on the wastewater treatment ponds, and place rip-rap to prevent pond dike erosion on the ponds.

Alternatives Evaluated: “No Action”
This alternative would not address the compliance schedule for the town to address their infiltration and inflow issues within the sanitary sewer collection system. It would also not allow the town to prevent further erosion from the wastewater treatment pond dikes. This alternative was not chosen.

The costs and locations for other sanitary sewer collection line replacement or relining projects have not been determined at this time. The cleaning and televising of the remaining vitrified clay sewer pipe will allow the town to prioritize which pipes should be replaced first.

Turf reinforcement mats and seeding of the wastewater treatment pond dikes was evaluated. This would require rebuilding of the pond dikes, placement of topsoil and a turf reinforcement mat over the top with seeding. This would require more intensive maintenance by the operator and may not protect the dikes as well as rip-rap. This alternative was not selected.

Implementation Schedule: The town of Bison anticipates bidding the Riprap Lagoon project in September 15, 2014 with a project completion date of December 31, 2014. The town also anticipates bidding the Sanitary Sewer Slip-lining project in

September 15, 2014 with a project completion date of
December 15, 2014.

Service Population: 340

Current Domestic Rate: \$22.00 per 5,000 gallons flat rate

Proposed Domestic Rate at Project
Completion: \$22.00 per 5,000 gallons flat rate

Interest Rate: 3.25 % Term: 30 - years Security: Sales Tax Revenue

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If funding is provided as all loan Bison's sales tax revenues will provide debt coverage of 383%.
--

ENGINEERING REVIEW COMPLETED BY: CLAIRE PESCHONG

FINANCIAL REVIEW COMPLETED BY: DAVID RUHNKE

Sanitary/Storm Sewer Facilities Funding Application

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

Applicant Brown County Address 25 Market Street Aberdeen, SD 57401	<table style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="3" style="text-align: left; padding-left: 5px;">Proposed Funding Package</th> </tr> <tr> <td style="width: 60%; padding-left: 5px;">CWFCP / CWSRF</td> <td style="width: 20%;"></td> <td style="width: 20%; text-align: right; border-bottom: 1px solid black;">\$150,000</td> </tr> <tr> <td style="padding-left: 5px;">Local Cash</td> <td></td> <td style="text-align: right; border-bottom: 1px solid black;">\$75,000</td> </tr> <tr> <td style="padding-left: 5px;">Other</td> <td style="padding-left: 10px; border-bottom: 1px solid black;">JRWDD</td> <td style="text-align: right; border-bottom: 1px solid black;">\$75,000</td> </tr> <tr> <td style="padding-left: 5px;">Other</td> <td style="border-bottom: 1px solid black;"></td> <td></td> </tr> <tr> <td style="padding-left: 5px;">Other</td> <td style="border-bottom: 1px solid black;"></td> <td></td> </tr> <tr> <td colspan="2" style="text-align: right; padding-right: 5px;">TOTAL</td> <td style="text-align: right;">\$300,000</td> </tr> </table>	Proposed Funding Package			CWFCP / CWSRF		\$150,000	Local Cash		\$75,000	Other	JRWDD	\$75,000	Other			Other			TOTAL		\$300,000
Proposed Funding Package																						
CWFCP / CWSRF		\$150,000																				
Local Cash		\$75,000																				
Other	JRWDD	\$75,000																				
Other																						
Other																						
TOTAL		\$300,000																				
Subapplicant DUNS Number 156955056																						

Project Title: Brown County Landfill New Cell

Description:

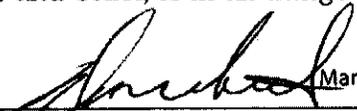
Brown County needs to replace an existing floodgate structure where Crow Creek flows into the James River. The existing floodgate was constructed approximately in 1911. The proposed project would replace the existing floodgate structure in the same place and with the same size water-flow capacity. There is no reserve fund in place and there is no monthly utility rate. Total project cost is \$300,000.

The Applicant Certifies That:

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

Duane Sutton, Chair

Name & Title of Authorized Signatory (Typed)



Signature

Mar 11, 2014

Date

WRAP REVIEW SHEET
SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION
APPLICANT: BROWN COUNTY

Project Title: Crow Creek Control Structure Improvement Project

Funding Requested: \$150,000

Other Proposed Funding: \$75,000 – James River Water Development District
\$75,000 – Local Funds

Total Project Cost: \$300,000

Project Description: Brown County needs to replace the Crow Creek Control Structure. The structure was constructed approximately 100 years ago to regulate flows from the Crow Creek drainage ditch to the James River. It can also be used to regulate high flow conditions on the James River from entering the drainage ditch.

The Brown County Highway Department, which operates the control structure, is concerned that the structure will become un-operable in the near future. Therefore, it is the intent of the county to replace the structure at its current location, with the same crest elevation and flow capacity.

Implementation Schedule: The county anticipates that the project will be bid in the winter of 2014 with a project completion date of November 2015.

Service Population: Not Applicable

ENGINEERING REVIEW COMPLETED BY: Jim Anderson

TITLE: Small Water Facilities Funding Application

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

a. Westport

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/BWNRapps0614.pdf>

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

CONTACT: Andy Bruels, 773-4216

Small Water Facilities Funding Applications June 2014



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	
Town of Westport	CWFCP / WQ Grant	\$100,000
Address PO Box 18 Westport, SD 481	Other _____	
	Other _____	
	Other _____	
	Other _____	
Subapplicant	Other _____	
TOTAL		\$100,000

Project Title:
City of Westport Water Meter Project

Description:

The City of Westport is proposing to install water meters and a new water meter reading system. Total project cost is \$97,600.

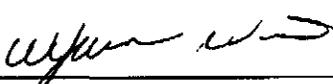
The Town of Westport's current residential water rates are \$39.00 per 5,000 gallons.

The Applicant Certifies That:

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

Wyatt Wilson, Town President

Name & Title of Authorized Signatory (Typed)



Signature

3/24/14

Date

WRAP REVIEW SHEET
DRINKING WATER FACILITIES FUNDING APPLICATION
APPLICANT: TOWN OF WESTPORT

Project Title:	Water Meter Replacement Project				
Funding Requested:	\$100,000				
Other Proposed Funding:	\$0				
Total Project Cost:	\$100,000				
Green Reserve Amount:	\$0				
Project Description:	The Town of Westport is proposing to replace all of its water meters with new water meters and a remote meter reading system. The existing water meters are over 20 years old, and replacement parts are no longer manufactured for the type of existing meters.				
Alternatives Evaluated:	<p>The no action alternative would have no additional costs for the city, but could potentially cost the city down the road in unmetered water and losses from the distribution system.</p> <p>The second alternative would be for the city to replace all of the water meters throughout the city with remote read meters.</p>				
Implementation Schedule:	Westport anticipates bidding the project in September 2014 with a project completion date of November 2014				
Service Population:	133				
Current Domestic Rate:	\$39.00 for 5,000 gallons usage				
Proposed Domestic Rate at Project Completion:	\$56.00 for 5,000 gallons usage				
Interest Rate:	2.25%	Term:	10 years	Security:	Water Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If funding is provided as loan, Westport would have to enact a surcharge of approximately \$15.05. When added to the current rate of \$39/5,000 gallons, residents would pay \$54.05/5,000 gallons.

25% Funding Subsidy: \$25,000 subsidy with a loan of \$75,000

Coverage at 25% Subsidy: Based on a 25% subsidy and a loan of \$75,000, Westport would have to enact a surcharge of approximately \$11.29, thereby paying a rate of \$50.29/5,000 gallons.

50% Funding Subsidy: \$50,000 subsidy with a loan of \$50,000

Coverage at 50% Subsidy: Based on a 50% subsidy and a loan of \$50,000, Westport would have to enact a surcharge of approximately \$7.53, thereby paying a rate of \$46.53/5,000 gallons.

75% Funding Subsidy: \$75,000 subsidy with a loan of \$25,000

Coverage at 75% Subsidy: Based on a 75% subsidy and a loan of \$25,000, Westport would have to enact a surcharge of approximately \$3.77, thereby paying a rate of \$42.77/5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: CLAIRE PESCHONG

FINANCIAL REVIEW COMPLETED BY: ELAYNE LANDE

TITLE: City of Eagle Butte Request to Amend Consolidated Grant 2013G-301

EXPLANATION: On September 27, 2012, the city of Eagle Butte received a Consolidated Water Facilities Construction Fund Grant of \$173,500 for wastewater system improvements. The grant was based on 10.0 percent of total project costs of \$1,735,000. The project included replacement of wastewater collection lines with a forcemain, lift station and upgrades to the wastewater lagoons.

On January 4, 2013, the city received an additional \$260,000 in grant funds to bring the total grant to \$433,500 and a grant percentage increase from 10.0 percent to 25.0 percent.

The Department has recently received a request from the city to increase the grant percentage from 25.0 percent to 80.0 percent and revise the project scope to include additional engineering costs not associated with the project for which the grant was originally awarded.

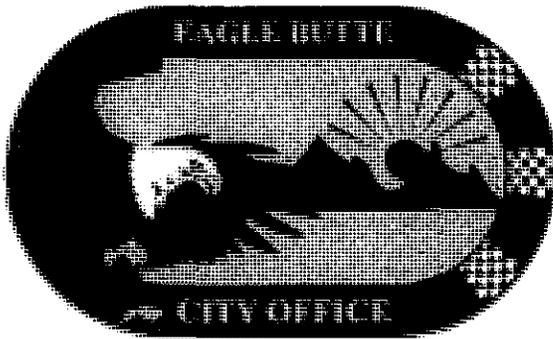
Department staff worked with the city and its engineer and developed the following recommendations:

1. Increase the grant percentage from 25.0 percent to 80.0 percent based on a revised project cost of \$541,875; and
2. Change the project description to the following:

Cleaning and televising of the sanitary sewer system and eligible engineering fees associated with the following projects: Sycamore and North Highway 212 Sanitary Sewer Improvements; Sanitary Sewer Lagoon Improvements; Sanitary Sewer Improvements; Prairie Road Sanitary Sewer Improvements; Shupick Park Storm Sewer Improvements; Willow Street Drinking Water Improvements; and 2015 Utility Improvements and Street Resurfacing, to include any costs incurred prior to the grant award date of September 27, 2012.

RECOMMENDED ACTION: Approve amendment to Eagle Butte's Consolidated Grant 2013G-301 for a percentage increase, project description change, and allowance of expenses incurred prior to September 27, 2012

CONTACT: Jim Anderson (773-4216)



**City of Eagle Butte
P.O. Box 150
209 Main Street
Eagle Butte, SD 57625-0150**

**605-964-8783
605-964-8785 Fax**

May 29, 2014
Brad Johnson, Chairman
SD Department of Water and Natural Resources
%SD Department of Environment and Natural Resources
PMB 2020
Joe Foss Building
523 East Capitol
Pierre, South Dakota 57501-3182

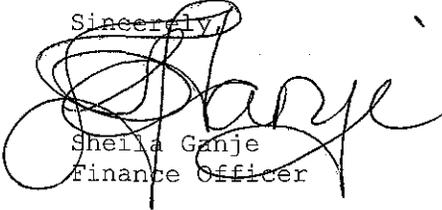
Dear Chairman Johnson,

The City of Eagle Butte respectfully requests that the project description and grant percentage on our CWFC agreement #2012G-301 involving our wastewater system improvements project be increased from 25% to 80%. The City had anticipated utilizing Rural Development and Consolidated Water Facility Construction grant funds for the wastewater project, however, the Rural Development funding is no longer an option due to legal issues and the City will be submitting applications to SDDENR for financing. Besides lagoon improvements, lift station construction, and a gravity and force sewer main as originally proposed, the project has grown and now includes wastewater and storm sewer throughout the city--such as sanitary lines and lift station along Sycamore and North 212, sanitary sewer lines along Prairie Road, plus storm sewer improvements along Shupick Park, Main Street, Willow Street, Brotsky area, Landmark Ave and various other locations throughout the city. Thus, the City is requesting that the past, current and future engineering costs going back to the beginning of 2012 be eligible for CWFC funds. The City currently owes the consultant engineer approximately \$382,800 which it has been unable to pay due to litigation issues and the limited financial income of the city. The scope of the project will only be for engineering for the projects.

It is anticipated the City still needs the entire grant amount and we are thus requesting that the grant percentage be adjusted so that the financial packaging as now being proposed.

The City would greatly appreciate the Board of Water and Natural Resources approval for this grant scope of work and percentage change request. If you would like additional information, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sheila Ganje', written over the typed name and title.

Sheila Ganje
Finance Officer

Cc: Jim Anderson, SDDENR

June 26, 2014

Item 11

TITLE: McLaughlin Request to Amend Consolidated Grant 2012G-205

EXPLANATION: On June 24, 2011, the city of McLaughlin was awarded a Consolidated Water Facilities Construction Program grant in the amount of \$899,325 for the Wastewater System Improvements Project; the grant expired on June 24, 2014. The project costs were estimated at \$2,045,000. Construction has not progressed as intended due to unforeseen site conditions. It is anticipated that project costs will exceed the amount necessary to draw the entire grant had the project been completed prior to the grant expiration date.

The city of McLaughlin has requested the grant reimbursement percentage be increased from 44 percent to 50 percent of project costs not to exceed \$899,325 to allow them to draw the remaining funds based on costs incurred up to the grant expiration date.

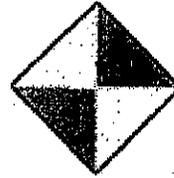
The Board may agree to amend the existing agreement or decline to amend the agreement. If the decision is to not amend, the existing agreement will stand as previously approved.

RECOMMENDED ACTION: Approve the amendment request

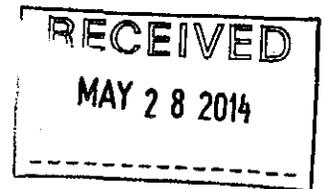
CONTACT: Eric Meintsma (773-4216)

City of McLaughlin

City of McLaughlin
McLaughlin, SD 57762



Phone: 605-822-4428
Fax: 605-822-4429
Email: mcld@mcld.net



May 27, 2014

Brad Johnson, Chairman
SD Department of Water and Natural Resources
%SD Department of Environment and Natural Resources
PMB 2020
Joe Foss Building
523 East Capitol
Pierre, South Dakota 57501-3182

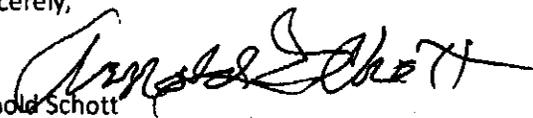
Dear Chairman Johnson,

The City of McLaughlin respectfully requests that the grant percentage on our CWFC agreement #2012G-205 involving our wastewater system improvements project be increased from 44% to 50%. The city awarded the wastewater system improvements project to two separate contractors. The contractor who was awarded the lagoon work has completed that portion of the project. However, the contractor who was awarded the collection system and the lift station improvements has yet to complete their portion of the work due to unforeseen difficulties, including having to deal with unanticipated rock excavation at the location of several manholes, slow progress and financial difficulties.

It is anticipated the city still needs the entire grant amount and we are thus requesting that the grant percentage be adjusted so that the financial packaging as originally proposed not be placed in jeopardy so additional financial needs to be found.

The city would greatly appreciate the Board of Water and Natural Resources approval for this grant percentage request. If you would like additional information, please feel free to contact me.

Sincerely,


Arnold Schott
Mayor

Cc: Eric Meintsma, SDDENR

TITLE: Yale Request to Amend Consolidated Water Facilities Construction Program Grant 2012G-203

EXPLANATION: Because of a recent inspection, the department expects to receive a request from the town of Yale for a percentage increase to its CWFCP Grant. The grant expires on June 24, 2014; an increase in the percentage will allow the community to draw the full amount of the grant.

The Board may agree to amend the existing agreement or decline to amend the agreement. If the decision is to not amend, the existing agreement will stand as previously approved.

RECOMMENDED ACTION: Approve the amendment request

CONTACT: Claire Peschong (773-4216)

TOWN OF YALE
104 Main St. A
Yale, SD 57386

June 12, 2014

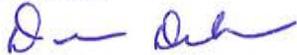
Mike Perkovich
SD DENR
523 East Capitol Avenue
Pierre, SD 57501-3182

Dear Mr. Perkovich:

The Town of Yale is requesting an increase in the percentage for its Consolidated Water Facilities Construction Program Grant (2012G-203). The grant for \$614,190 was awarded in June of 2011. The Consolidated Grant percentage of 41% was based on an estimated total project cost of \$1,599,300. The Town of Yale is requesting an increase in the grant percentage of 22.3% to 63.3% in order to draw all of the funding prior to the funding reverting back to the state.

We would like to thank you for your time and consideration of our request. If you need any additional information, please contact me at 605-437-2302 or Ted Dickey, NECOG, at 605-626-2595.

Sincerely,



Dennis Decker
Town President
Town of Yale

TITLE: Bison Request to Amend Consolidated Water Facilities Construction Program Grant 2012G-202

EXPLANATION: Because of a recent inspection, the department expects to receive a request from the town of Bison for a percentage increase to its CWFCP Grant. The grant expires on June 24, 2014; an increase in the percentage will allow the community to draw the full amount of the grant.

The Board may agree to amend the existing agreement or decline to amend the agreement. If the decision is to not amend, the existing agreement will stand as previously approved.

RECOMMENDED ACTION: Approve the amendment request.

CONTACT: Claire Peschong (773-4216)

Town of Bison

PO Box 910

Bison, SD 57620

Phone: 605-244-5677, Business Office; 605-244-5678, Shop

Fax: 650-244-7173; Email: bison@sdplains.com

June 24, 2014

SD Department of Environment and Natural Resources

Attn: Claire Peschong

PMB2020

Joe Foss Building

523 East Capitol Avenue

Pierre, SD 57501-3182

Re: *Town of Bison Storm Sewer Project Consolidated Grant Amendment Request*

Dear Board Members:

The purpose of this letter is to request an amendment to the terms of the Consolidated Grant that was awarded to the Town of Bison for the Storm Sewer Project. The Consolidated Grant will expire on June 27th, and due to unforeseen circumstances, completion of the project has been delayed, and therefore, the total grant amount of \$108,300 has not yet been drawn.

The original terms of the grant stated that the total grant amount could not exceed 15% of the total project costs. The Town of Bison is asking for an amendment to the terms of the grant to raise the grant amount to 18% of the total project costs in order for the town to draw the remaining \$22,851.53 Consolidate Grant funds prior to its expiration date. The project costs to date have totaled \$606,096.54 and the project is expected to be completed this summer.

Thank you for your consideration of this request.

Sincerely,



David Kopren, Town Board President

Board of Trustees:

David Kopren
Chairman

James Sandgren
Vice Chair

Luke Clements
Trustee

Matt Butsavage
Trustee

Phil Hahn
Trustee

June 26, 2014

Item 12

TITLE: Redfield Request to Amend Clean Water SRF Loan C461182-02

EXPLANATION: The city of Redfield was awarded a Clean Water SRF loan on March 30, 2012, for its Shar-Wynn Estates Sanitary and Storm Sewer Improvements project. The amount awarded was \$884,000 at 3.25 percent for 30 years, and the loan closed on August 27, 2012. The initial date by which the loan would have to begin repayments was July 15, 2014, but because of a delay, no funds have yet been drawn.

Construction of the project was delayed because the original contractor did not complete the job due to soil and water issues. A new contractor has been hired, and the target completion date is November 1, 2014.

The city has requested an amendment to its loan agreement for C461182-02 to reflect a new amortization date of July 15, 2015. If the city had not requested an amendment to its amortization date, repayments would become due as each disbursement is made.

Staff has worked with Harold Deering and Todd Meierhenry, the city's bond counsel, to prepare amended loan documents and resolutions.

RECOMMENDED ACTION: Approve a resolution amending the initial amortization date for the city of Redfield's Clean Water SRF loan (02).

CONTACT: Elayne Lande, 773-4907



City of Redfield

626 Main Street
Redfield, South Dakota 57469-1127
Telephone: 605-472-4550
Fax: 605-472-4553
Web Site: www.redfield-sd.com
E-Mail: cityhall@redfield-sd.com

RECEIVED

JUN - 6 2014

DIVISION of Financial
& Technical Assistance

Mayor

Jayne Akin

City Council President

Darrell Ronnfeldt

City Attorney

Paul Gillette

City Council Members

Ward 1

Darrell Ronnfeldt

Randy Maddox

Ward 2

Eileen Kearney

Mike Siebrecht

Ward 3

Frank Schwartz

David Moeller

Ward 4

Joe Morrissette

Larry Eldeen

City Finance Officer

Adam L. Hansen

Parks & Recreation

Yvette Albrecht

June 04, 2014

State of South Dakota
DENR Water and Waste Funding Program
523 E. Capitol
Pierre, SD 57501-3182

RE: Clean Water SRF Loan

Dear Board of Water & Natural Resources:

The City of Redfield would request an extension to the initial loan amortization date. We would request the extension to be one year from the current closing date. The reason we are asking for the extension is because the original contractor did not complete the job. The City of Redfield has started over and hired a new contractor to finish the job, with a completion date of November 1, 2014.

The City of Redfield sincerely appreciates your time and consideration on this matter.

Sincerely,

Jayne Akin
Mayor
City of Redfield



"In accordance with Federal law and U.S. Department of Agriculture policy, The City of Redfield is prohibited from discriminating on the basis of race, color, national origin, age disability, religion, sex, familial status, sexual orientation, and reprisal.(Not all prohibited bases apply to all programs).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD)."

Pheasant Capital of the World®

TITLE: Brown County Request to Rescind Clean Water SRF Loan C461100-01

EXPLANATION: On March 28, 2014, the Board approved Resolutions 2014-19, awarding Brown County a \$1,385,600 Clean Water State Revolving Fund loan, and 2014-20, awarding a \$346,400 Solid Waste Management Program grant, for its Landfill Expansion project. This project would construct a second cell to increase capacity and facilitate a growing service population through 2021.

Brown County has decided to utilize only the Solid Waste Management Program funds for the project. The county has informed staff that it has opted to decline the Clean Water SRF loan at this time.

RECOMMENDED ACTION: Rescind Resolution 2014-19.

CONTACT: Drew Huisken (773-5092)



Brown County Commission

Brown County Court House

25 Market Street

Aberdeen, SD 57401

Ph- 605-626-7109 • Fax- 605-626-4010

May 22, 2014

Jim Feeney
DENR
523 East Capitol
Pierre, SD 57501

Dear Mr. Feeney:

Brown County would like to de-obligate the South Dakota Department of Environment and Natural Resources Clean Water State Revolving Fund C4611000-01. This funding was going to be used for the construction of a new cell at the landfill, but Brown County has decided that we will not utilize the Clean Water State Revolving Fund loan.

Brown County is extremely grateful for the grant funding given for this project through the Solid Waste Management Program and looks forward to working with the South Dakota Department of Environment and Natural Resources on future endeavors.

Sincerely,

A handwritten signature in blue ink, appearing to read "Duane Sutton", written in a cursive style.

Duane Sutton
Chair
Brown County Commission

June 26, 2014

Item 14

TITLE: South Eastern Council of Governments Private Entity Loan Review Joint Powers Agreement

EXPLANATION: In 2009, the board entered into a \$7,500 consulting contract with the South Eastern Council of Governments to provide private entity loan review services. Approximately \$4,500 was expended under this contract which expires on July 15, 2014. This contract cannot be extended.

Section 3 of this past legislative session's Omnibus Bill (SB 87) appropriated \$2.65 million from the Water and Environment Fund to the Board's Solid Waste Management Program. Additional language in Section 3 also allows the Board to use up to \$10,000 of the appropriation to continue to contract for services to process and review private entity solid waste loan applications as authorized under SDCL Chapter 46A-1.

Staff discussions with Harold Deering of the Attorney General's Office have concluded that a Joint Powers Agreement is preferable to a consulting contract, since planning districts can be considered governmental entities. The Joint Powers Agreement being proposed will place \$7,500 of the appropriation under agreement with the South Eastern Council of Governments effective July 1, 2014. The agreement will limit the reimbursement rate to \$60 per hour and caps the review of each application at 15 hours without prior written approval.

RECOMMENDED ACTION: Approve the Joint Powers Agreement with the South Eastern Council of Governments

CONTACT: Andy Bruels (773-4216)

SOUTH DAKOTA BOARD OF WATER AND NATURAL RESOURCES
JOINT POWERS AGREEMENT
WITH
SOUTH EASTERN COUNCIL OF GOVERNMENTS

JOINT POWERS AGREEMENT (“Agreement”) 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 57501-3181 (“Board”), and South Eastern Council of Governments, 500 N. Western Avenue, Suite 100, Sioux Falls, South Dakota 57104-2017 (“SECOG”).

WHEREAS, the Board has the authority to make loans to private entities to carry out the Solid Waste Management Program (the “Program”) pursuant to SDCL 46A-1-83, and the SD Department of Environment and Natural Resources (“DENR”) serves as staff for the Board; and,

WHEREAS, SECOG has previous experience in reviewing and evaluating private entity loan applications for the Board, and is willing to provide similar services for DENR in connection with the processing and evaluation of the loan application received for the Program; and,

WHEREAS, the Board wishes to retain the services of SECOG as a loan reviewing agent, to assist in the processing and evaluating of the application received from the private entity requesting loan assistance, such applications to be considered by the Board for funding under the Program at its scheduled funding rounds; and,

WHEREAS, SECOG is a governmental entity under SDCL 11-1-1(4), 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 and SECOG have the authority and power to enter into joint powers agreements pursuant to SDCL chapter 1-24; believe it is a more efficient use of scarce state resources to enter into this joint undertaking for the work described herein; and believe that such an agreement is to their mutual benefit.

NOW THEREFORE IT IS MUTUALLY AGREED AS FOLLOWS:

1. SECOG agrees to review the application submitted by a private entity to DENR for a loan from the Solid Waste Management Program. DENR will supply SECOG with copies of all relevant information submitted by each applicant in connection with the loan application, copies of all statutes and rules concerning the loan program and such other information as SECOG may request. DENR will make the determination of whether the applicant and the project for which funding is sought is eligible for funding pursuant to ARSD 74:05:10:02(1) and (2) before copies of the file are sent to SECOG for evaluation.

2. SECOG will notify DENR within 5 working days after receipt of the application if any additional information is necessary to complete the application review. Within 10 working days of receipt of the application or such additional information, SECOG shall complete the review, and make a written recommendation to DENR concerning the application. The application and all information submitted to SECOG will be returned to DENR with the written recommendation.

3. The loan application and any additional information submitted will be reviewed by DENR in accordance with ARSD 74:05:10:04 and DENR will submit the information to SECOG. The information will include:

- (1) Application cover sheet;
- (2) Budget sheet;
- (3) Proposed method of financing;
- (4) Utility fee information;
- (5) Project narrative;
- (6) Cooperative agreements with units of local government;
- (7) Letters of financial commitment from other federal, state, or local agencies or private resources;
- (8) Status reports for all unclosed and existing solid waste management grants;
- (9) Local government resolutions;
- (10) Equity participation of the owners and investors
- (11) Personal financial statement of owner, current within 90 days;
- (12) Interim balance sheet and income statement, current within last 90 days;
- (13) Last two years of personal tax returns of owners with 20 percent or greater ownership;
- (14) Personal credit reports of owners with 20 percent or greater ownership, current within last 90 days;
- (15) Three-year annualized Pro Forma statement (future year-end);
- (16) Three years of both Profit and Loss statements and Balance Sheets (historical year-end); and
- (17) One year of company Cash Flow on a month-by-month basis (historical).

SECOG will analyze the financial information submitted in and with the application to determine the creditworthiness of the applicant, the applicant's financial capability necessary to plan, construct, operate, repair, and maintain the proposed solid waste management project and to obtain and administer the proposed funding for the project, the sufficiency of the proposed method of financing, and the adequacy of the collateral offered as security for the loan. SECOG's review will be conducted in a manner consistent with its established loan review procedures and prudent servicing practices. The Board and DENR shall be responsible for closing, disbursing, and servicing the loan.

4. SECOG's services under this Agreement shall commence on the 1st day July, 2014, and end on the 30th day of June, 2018, unless sooner terminated pursuant to the terms hereof.

5. SECOG agrees to keep all material or data consisting of trade secrets or commercial or financial information regarding the operation of an applicant's business confidential as required by SDCL 46A-1-98.

6. In consideration of the services provided by SECOG, the Board agrees to pay to SECOG an amount not to exceed \$60.00 per hour, not to exceed 15 hours for each loan application reviewed and not to exceed \$900 per loan without the prior written approval of the Board. Payment will be made upon satisfactory completion of the services pursuant to itemized invoices submitted with a signed state voucher. The Board will not pay SECOG's expenses as a separate item, provided, however, SECOG will be paid for the cost of the credit check up to but not to exceed \$60.00 on each application. The TOTAL AGREEMENT AMOUNT is an amount not to exceed \$7,500.

7. SECOG at all times during the term of this Agreement, shall obtain and maintain in force insurance coverage of the types and with the limits as follows:

a) Governmental General Liability Insurance:

SECOG shall maintain occurrence based governmental liability insurance or equivalent form with a limit not less than \$1,000,000 for each occurrence. If such insurance contains a general aggregate limit it shall apply separately to this Agreement or be no less than two times the occurrence limit.

b) Director's and Officer's Liability Insurance:

SECOG agrees to maintain Director's and Officer's Liability Insurance with a limit not less than \$1,000,000.

c) Governmental Automobile Liability Insurance:

SECOG shall maintain governmental automobile liability insurance or equivalent form with a limit of not less than \$1,000,000 for each accident. Such insurance shall include coverage for owned, hired and non-owned vehicles.

d) Worker's Compensation Insurance:

SECOG shall procure and maintain workers' compensation and employers' liability insurance as required by South Dakota law.

Before beginning work under this Agreement, SECOG shall furnish DENR with properly executed Certificates of Insurance which shall clearly evidence all insurance required in this Agreement.

In the event a substantial change in insurance, issuance of a new policy, cancellation or nonrenewal of the policy, SECOG agrees to provide immediate notice to DENR and provide a new certificate of insurance showing continuous coverage in the amounts required. SECOG shall furnish copies of insurance policies if requested by the Board.

8. SECOG agrees to hold harmless and indemnify the State, the Board, and its officers, agents, and employees, from and against any and all liabilities, losses, costs, damages, and expenses (including reasonable attorney's fees) which may arise as a result of the willful misconduct, negligence, error or omission of SECOG or any officer, agent or employee of SECOG performing services hereunder. This section does not require SECOG to be responsible for or defend against claims or damages arising solely from acts or omissions of the State, the Board and its officers, agents or employees.

9. This Agreement may be terminated by either party hereto upon fifteen (15) days written notice. This Agreement may not be assigned without the express prior written consent of Board. This Agreement may not be amended except in writing, which writing shall be expressly identified as a part hereof, and be signed by an authorized representative of each of the parties hereto.

10. This Agreement depends upon the continued availability of appropriated funds and expenditure authority from the Legislature for this purpose. If for any reason the legislature fails to appropriate funds or grant expenditure authority, or funds become unavailable by operation of law or funds reductions, this Agreement will be terminated by the Board. Termination for any of these reasons is not a default by the Board nor does it give rise to a claim against the Board.

11. This shall be governed by and construed in accordance with the laws of the State of South Dakota. Any lawsuit pertaining to or affecting this Agreement shall be venued in Circuit Court, Sixth Judicial Circuit, Hughes County, South Dakota.

12. The parties acknowledge that no separate entity as contemplated in SDCL 1-24-4 is being created to implement this Agreement, and that the cooperative undertakings herein described shall be administered by the Secretary, DENR for the Board and Lynne Keller Forbes, Executive Director for SECOG, or their designees as contemplated in SDCL 1-24-5. The parties acknowledge that the Board will file a true copy of this Agreement with the Office of Attorney General and the Legislative Research Council within 14 days of the execution hereof, as required by SDCL 1-24-6.1.

13. In the event that any provision of this Agreement shall be held unenforceable or invalid by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

14. Any required or permitted notice or other communication under this Loan Servicing Agreement shall be in writing and addressed as follows:

To the Board:

Board of Water and Natural Resources
c/o Department of Environment
and Natural Resources
523 East Capitol Ave.
Joe Foss Building
Pierre, SD 57501-3182

To SECOG:

South Eastern Council of Governments
500 N. Western Ave., Suite 100
Sioux Falls, S.D. 57104-2017

Notices required or permitted under this Agreement shall be given by and to the Secretary, DENR on behalf of the Board, and Lynne Keller Forbes, Executive Director, on behalf of SECOG, or such authorized designees as either party may from time to time designate in writing. Any such notice or other communication, if mailed, shall be sent by registered or certified mail, return receipt requested. Notices or communications to or between the parties shall be deemed to have been delivered when mailed by registered or certified mail or, if personally delivered, when received by such party.

15. Time is of the essence in the performance of the covenants, terms and conditions contained in this Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective transferees, successors and assigns except that SECOG may not assign or transfer its rights hereunder without prior written consent of the Board.

16. SECOG will comply with all federal, state and local laws, regulations, ordinances, guidelines, permits and requirements applicable to providing services pursuant to this Agreement, and will be solely responsible for obtaining current information on such requirements.

17. SECOG may not use subcontractors to perform the services described herein without the express prior written consent of the Board. SECOG will include provisions in its subcontracts requiring its subcontractors to comply with the applicable provisions of this Agreement, to indemnify the State, and to provide insurance coverage for the benefit of the State in a manner consistent with this Agreement. SECOG will cause its subcontractors, agents, and employees to comply, with applicable federal, state and local laws, regulations, ordinances, guidelines, permits and requirements and will adopt such review and inspection procedures as are necessary to assure such compliance.

18. All other prior discussions, communications and representations concerning the subject matter of this Agreement are superseded by the terms of this Agreement, and except as specifically provided herein, this Agreement constitutes the entire agreement with respect to the subject matter hereof.

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

SOUTH EASTERN COUNCIL OF
GOVERNMENTS

BOARD OF WATER
AND NATURAL RESOURCES

BY: _____

Its _____

Brad Johnson, Chairman
Board of Water and Natural Resources

(SEAL)

(SEAL)

ATTEST:

ATTEST:

Its _____

Secretary
Board of Water and Natural Resources

June 26, 2014

Item 15

TITLE: SWRMS Completion Certification of the West River/Lyman-Jones
Component of the Mni Wiconi Rural Water System Construction Project

EXPLANATION: The South Dakota Legislature authorized the Board of Water and Natural Resources to provide loans in an amount not to exceed \$12,901,800 from the Water and Environment Fund to project sponsors to be used for the West River/Lyman-Jones components of the Mni Wiconi Rural Water System to provide the nonfederal matching requirements as enumerated in P.L. 100-516.

To date the Board of Water and Natural Resources has provided \$12,500,000 in loan as the nonfederal matching requirements to West River/Lyman-Jones components of the Mni Wiconi Rural Water System for construction of the federally authorized project. SDCL 46A-1-13.4 provides that no interest shall accrue on the loan until the Board of Water and Natural Resources certifies the completion of construction of the authorized project.

RECOMMENDED ACTIONS: Approve a resolution authorizing the chairman to certify the completion of the federally authorized Mni Wiconi Rural Water System construction project effective July 1, 2014, and that the initial loan repayment as described in the loan agreement shall be due and payable one year from that date.

CONTACT: Jim Feeney, 773-4216

TITLE: SWRMS Completion Certification of the Perkins County Rural Water System Construction Project

EXPLANATION: The South Dakota Legislature authorized the Board of Water and Natural Resources to provide loans in an amount not to exceed \$4,500,000 from the Water and Environment Fund to the local project sponsor to be used for the construction of the Perkins County Rural Water System to provide the nonfederal matching requirements as enumerated in P.L. 106-136.

To date the Board of Water and Natural Resources has provided \$5,144,000 in loan as the nonfederal matching requirements by indexing the loan portion of the state cost share. SDCL 46A-1-94 provides that no interest shall accrue on the loan until the Board of Water and Natural Resources certifies the completion of construction of the project as authorized.

RECOMMENDED ACTIONS: Approve a resolution authorizing the chairman to certify the completion of the federally authorized Perkins County Rural Water System construction project effective July 1, 2014, and that the initial loan repayment as described in the loan agreement shall be due and payable one year from that date.

CONTACT: Jim Feeney, 773-4216

TITLE: 2014 Bond Issue

EXPLANATION: Staff requests authorization to distribute a Request for Proposals (RFP) for investment banking services for the SRF Programs. The Board of Water and Natural Resources, acting as the South Dakota Conservancy District, will seek proposals from qualified firms to provide investment banking, underwriting and additional services, such as remarketing, related to negotiated issuances for a period of three years. It is anticipated that the District will issue State Revolving Fund Program Bonds, Series 2014. Proceeds of the 2014 Bonds will be used to provide additional leverage proceeds of approximately \$60 million and state match proceeds of approximately \$9 million. The leveraged proceeds will be issued on a tax-exempt basis with a final maturity of 20 years. The District may choose to issue state match as tax-exempt or as a taxable series as a TIPRA mitigation strategy. The final maturity of the state-match issuance will likely be 5 years. The District may issue additional series to leverage the SRF Programs, provide state match for capitalization grants, and refinance outstanding bonds, as needed.

Public Financial Management, the Board’s SRF financial advisor, drafted the RFP, which was reviewed and revised by DENR staff, legal counsel, and bond counsel.

Staff requests that Chairman Johnson appoint a BWNR committee to work with the SRF financial team in the review and ranking of proposals. At the committee’s option, interviews of candidates may be conducted.

Staff also requests authorization to negotiate contracts with:

- Bruce Bonjour, Perkins Coie, for bond counsel services; and
- The First National Bank in Sioux Falls for trustee and related services;

The following is the anticipated schedule for the selection process:

- Release of RFP: June 30th
- Proposal Deadline: July 21st
- Rank Proposals:by August 4th
- Interviews: Week of August 11th
- Selection of Underwriting Team:September 4th

June 26, 2014
Item17

RECOMMENDED ACTION: Authorize staff to distribute the Request for Proposals for Investment Banking services and to negotiate contracts with Bruce Bonjour, Perkins Coie for bond counsel services and with The First National Bank in Sioux Falls for trustee and related services for the 2014 Bond Issue.

CONTACT: Mike Perkovich, 773-4216

REQUEST FOR PROPOSALS FOR INVESTMENT BANKING SERVICES

On behalf of

SOUTH DAKOTA CONSERVANCY DISTRICT

Clean Water and Drinking Water State Revolving Fund Loan Programs

Released June 30, 2014

The Board of Water and Natural Resources (“Board”), acting as the South Dakota Conservancy District (“District”) is seeking proposals from qualified firms to provide investment banking, underwriting and additional services, such as remarketing, related to negotiated issuances for a period of three years. Additional bonds are to be issued pursuant to the Fifth Amended and Restated Master Trust Indenture dated as of September 1, 2010 (the “Master Indenture”) to fund projects within the State of South Dakota’s (“State”) Clean Water State Revolving Fund Program (“CW SRF Program”) and Drinking Water State Revolving Fund Program (“DW SRF Program”) (collectively, “SRF Programs”). The District currently anticipates issuing State Revolving Fund Program Bonds, Series 2014 (the “2014 Bonds”). Proceeds of the 2014 Bonds will be used to provide additional leverage proceeds of approximately \$60 million and state match proceeds of approximately \$9 million. The leveraged proceeds will be issued on a tax-exempt basis with a final maturity of 20 years. The District may choose to issue state match as tax-exempt or taxable series as a TIPRA mitigation strategy. The final maturity of the state-match issuance will likely be 5 years if taxable or up to 20 years if tax-exempt. As needed or prudent, the District anticipates issuing additional series to leverage the SRF Programs, provide additional state match for capitalization grants or refinance outstanding bonds.

Investment banking firms may submit a proposal to serve as senior manager or co-manager. Joint proposals will not be accepted. The District reserves the right to add one or more co-managers and/or identify a selling group to the underwriting team at its sole discretion, although there is no guarantee that co-managers will be selected.

Background

The District is a governmental agency, body politic and corporate within the State of South Dakota and the Board is its governing body. Under state law, the Board administers the SRF Programs. Personnel from the South Dakota Department of Environment and Natural Resources provide staff support for the Board of Water and Natural Resources.

The SRF Programs receive capitalization grants from the U.S. Environmental Protection Agency (“EPA”). The State must provide match dollars for these capitalization grants.

The District does that by issuing revenue bonds. Under South Dakota Codified Law (SDCL 46A-1-31), the District has the authority to issue bonds for the purpose of funding all or part of the revolving funds required for either or both of the programs.

The District has issued state revolving fund bonds or bond anticipation notes since 1989 as indicated in the table below:

<u>Issue</u>	<u>Original Principal Amount</u>	<u>Principal Outstanding at 06/01/14</u>	<u>Purpose</u>
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	100,000	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 BAN	55,000,000	--	State Match and Leveraged
2010 BAN	54,330,000	--	Refinancing of 2009 BANs
2010A	38,695,000	38,695,000	Refunding
2010B	53,685,000	43,000,000	Refunding
2012A	69,775,000	63,155,000	Refunding
2012B	<u>53,530,000</u>	<u>50,760,000</u>	Refunding, CWSRF State Match and Leveraged
TOTAL	<u>\$284,840,000</u>	<u>\$195,710,000</u>	

Available Documents

Various resource documents pertaining to the Programs, including the most recent Official Statement, the Master Indenture, 2012 Series Resolution, project lists and annual reports, are available at:

<http://denr.sd.gov/srfrfp.aspx>

Objectives

The objective of the District is to select the best-qualified firm(s) whose background demonstrates the experience and capability to assist the District, as well as other financing team members, with respect to SRF program management issues generally, development of the best possible bond structure for the 2014 Bonds and any additional series, and pricing and distributing the 2014 Bonds and any additional series at the lowest overall cost and financing risk. Please note that Public Financial Management, Inc.

(“PFM”) has developed and will continue to prepare and maintain SRF Program cash flows in consultation with the District and its trustee.

Scope of Services for the Senior Manager

The scope of services to be rendered to the District by the senior manager in connection with the issuance of the proposed 2014 Bonds will include, but not be limited to, the following:

1. Consult with the District, its financial advisor and bond counsel regarding its SRF Programs generally and with respect to the structure and sizing of the proposed financing;
2. Assist bond counsel in preparation of legal documentation and official statement for the financing, as may be requested;
3. Consult with bond counsel and other advisors as to necessary amendments to the Master Indenture;
4. Participate with the District, its financial advisor and bond counsel in activities associated with rating agency reviews, as may be requested;
5. Submit a proposal to the District which will constitute a contract for the purchase of the bonds for resale to investors;
6. Assist financing team members in all other matters as necessary to ensure the successful marketing and sale of the 2014 Bonds;
7. Prepare and deliver preliminary pricing information to the District and its financial advisor at least one week prior to the scheduled sale. This information should include:
 - a. Actual quotations for the spread components;
 - b. An estimated interest rate scale detailing rates and yields;
 - c. Details on comparable recent sales, indicating the interest rates, spread components, ratings, unusual aspects, and so forth;
 - d. A description and characterization of the current market (if the market is considered "adverse," the justification should appear here);
 - e. The sales method - syndicate or selling group (proposed members of a syndicate should be indicated, and the District maintains the right to add other firms); and
 - f. The proposed strategy and desirability for marketing to retail customers and to institutional investors.
8. Prepare a post-sale summary of a transaction. This document should include (i) all relevant pricing information; (ii) a breakdown of orders between retail and institutional buyers; (iii) orders and allotments by firm, if applicable; and (iv) a discussion of any circumstances relating to the market or the District’s offering that may have impacted the sale results;

9. Coordinate closing arrangements with bond counsel, financial advisor, trustee and the District; and
10. Evaluate and recommend effective methods for mitigating the impacts of the strengthened reasonable expectation requirements associated with pooled financings as enacted by the Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA) on the SRF Programs.

Scope of Services for Co-Managers (to be selected at the sole discretion of the District)

The scope of services to be rendered by any co-senior manager and/or co-manager in connection with the issuance bonds will include, but not be limited to, the following:

1. Consultation with the District regarding its Programs and review of financing alternatives working with the District, its financial advisor, other members of the financing team, and book-running senior manager;
2. Review the preliminary and final official statement for the bond issue;
3. Actively participate in the marketing of the bonds;
4. Assist the District and the book-running senior manager in other matters as necessary to ensure the successful marketing and sale of bonds; and
5. Participate in the preparation of preliminary pricing information and post-sale analysis as requested by the book-running senior manager.

Contents of Proposal

Each respondent is expected to review the available documents prior to submitting its proposal. The proposal shall be prepared and submitted in such form and on such date as specified elsewhere in this RFP. Each page shall be numbered and the proposal shall not exceed fifteen pages in length (including the Transmittal Letter).

Proposals should be prepared simply and economically, providing concise descriptions of the respondent's ability to meet the requirements of this RFP. Emphasis should be on completeness, clarity and on straightforward responses to the questions posed.

Proposals which, in the judgment of the District, fail to meet the requirements of this RFP, or are in any way incomplete, conditional, obscure, or which contain additions or deletions not called for, alterations or other irregularities, or in which errors occur, may be rejected at the District's discretion. The District 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 its best interest to do so.

Senior manager candidate firms 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 of the respondent's proposal. The letter shall be signed by an officer of the firm who would serve as the primary contact for this engagement and include that person's address, telephone number, fax number and email address.
2. *Experience:* Please describe your experience and capabilities related to your firm's senior managed transactions. Emphasis should be placed on experience with state revolving fund loan programs, similar pooled loan programs that do not involve housing programs, and South Dakota issuers, especially public and private utilities.
3. *Marketing and Distribution Capabilities:* Please comment on the marketing and distribution capabilities of your firm nationally and in South Dakota. Please identify recent (since January 1, 2009) SRF and other pooled loan (not including housing) tax-exempt for which your firm participated as senior manager, co-senior manager or co-manager. Identify the number and location of your South Dakota offices, if any, noting the number of retail brokers and institutional salespersons at each location.
4. *Comments on South Dakota's SRF Program:* The District has previously utilized variable rate demand bonds, bond anticipation notes and extraordinary mandatory redemptions and is currently contemplating a potential taxable issuance to mitigate the impacts of TIPRA on the SRF Programs. Please comment on what your firm believes would be the best method or methods for the District to utilize for its SRF Programs and how your firm is suited to assist in TIPRA mitigation strategies, including implementation of such methods for other state revolving fund loan programs. Discuss the marketing approach that you feel is appropriate for the 2014 Bonds and the District's bonds going forward.
5. *Project Team:* Please identify the members of your firm that will participate in the completion of the District's financings and their respective roles. Brief resumes may be attached as an appendix to the proposal and will not count against the page limit.
6. *General Information About the Firm:* Has your firm exited from any phase of the public finance market in the last five years? Please identify any SEC, IRS, MSRB or state law enforcement agency litigation or investigation in which your firm is currently involved, or has been involved, since January 1, 2009. Indicate your firm's commitment to public finance and specify the magnitude of staff reductions or increases, if any, in your municipal trading and underwriting, sales and investment banking areas during this same five-year period.
7. *Compensation:* Provide a detailed description of proposed compensation for both the tax-exempt and taxable series by the components listed below, assuming triple-A ratings from Moody's Investors Service, Inc. and Standard & Poor's Ratings Group on the 2014 Bonds. Indicate which amounts will be fixed upon your engagement and which would vary depending upon market conditions. Also, please indicate how credit rating/enhancement and/or the target market might affect your proposed compensation, if at all.

- a. Management fee.
- b. Expenses. Please include a detailed itemization of anticipated expenses that you would expect to be paid from bond proceeds, including underwriter’s counsel. Identify one or two firms that you believe are qualified and available to serve as underwriter’s counsel on the 2014 Bonds and their estimated fee. Please note that preliminary and final official statements are expected to be prepared by bond counsel, not underwriter’s counsel.
- c. Takedown by maturity.
- d. Underwriting fee, if any.
- e. Any miscellaneous charges not included in the categories above.

<i>Component</i>	<i>Price per Bond</i>
<i>Management/Structuring Fee</i>	
<i>Average Takedown</i>	
<i>Underwriting Fee</i>	
<i>Expenses</i>	

- 8. *Conflict of Interest:* If your firm should be selected, the Board may require further disclosure of any client relationships that may give rise to a conflict of interest with the Board or the District.

Co-manager candidate firms should respond to, at a minimum, elements 1, 2, 3, 5, 6, and 8 noted above and (i) identify the additional value of selecting one or more co-managers for the financing; (ii) specifically describe how the inclusion of co-managers can contribute to the success of the marketing effort for any bonds issued; and (iii) state the proposed method and estimated amount of compensation for provision of co-manager services, if any. When responding to element 2, please include co-senior and co-manager experience in addition to senior manager experience.

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 with state revolving fund revenue bond financings, similar pooled loan financings, and South Dakota bond financings, especially public or private public utilities. (30 points)
- Appropriateness and thoroughness of marketing plan and program discussion. (30 points)
- Fees. (10 points)

- Overall responsiveness and clarity of the proposal. (30 points)

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 financial advisor, will review the submittals. The committee will make a recommendation to the District. At the discretion of the District, candidates may be invited to make oral presentations. Final selection will be made by the District.

Terms and Conditions

- The evaluation committee will make a recommendation to the District on which firm(s) to hire as underwriter or as part of an underwriting team. The District will consider the recommendation when selecting the firm(s) that will serve in this role but will make the final determination regarding final selection of the firm(s).
- The District reserves the right to reject any and all proposals or to select the proposal deemed to be the most advantageous for the District. The District reserves the right to select only one or any number of firms included in any joint proposal. The District may request additional information and clarification from any or all firms at any time during the selection process.
- All firms that submit a proposal will be notified of the final selection.
- The District may negotiate the compensation of the selected firm(s). The District may elect to establish the fees quoted in a proposal as a ceiling which final fees cannot exceed, with the final compensation to be determined at the time bonds are sold.
- The District will engage the firm(s) subject to the terms and conditions specified by the District and will contract consistent with such terms. While the proposed engagement is for three years beginning upon the sale date of the 2014 Bonds, the District reserves the right to remove or replace any firm(s) during this period or to issue competitive financings during this period.
- The firm(s) shall not subcontract or assign any work under the SRF Programs without the written consent of the District.
- The firm(s) may be paid only from bond proceeds. If for any reason bonds cannot be issued, the firm(s) will not be entitled to reimbursement for any fees or expenses incurred relating to the failed issuance.

State Not Liable for Expense of Proposals

Neither the State nor the District shall be liable for any expenses incurred by any applicant in preparing or presenting its proposal.

Proposal Due Date and Contact for Questions

Twelve (12) copies of your proposal should be submitted to Mike Perkovich, Program Administrator, Department of Environment and Natural Resources, 523 East Capitol

Avenue, Pierre, South Dakota 57501 by 2:00 P.M., Central Time, on Monday, July 21, 2014. Additionally, please provide an electronic copy of your proposal to both Mr. Perkovich and Jessica Cameron, Public Financial Management, Inc., at mike.perkovich@state.sd.us and cameronj@pfm.com, respectively. Questions regarding this RFP may be directed to Ms. Cameron at (612) 338-3535 or cameronj@pfm.com.

Proposed Time Schedule

RFP Distributed	June 30, 2014
Proposals Due	July 21, 2014
Interviews, if any	Week of August 11, 2014
Selection of Underwriting Team	By September 4, 2014
Anticipated Closing	Prior to December 31, 2014

TITLE: Lewis and Clark Regional Water System Reimbursable Grant Agreement

EXPLANATION: The 2014 Legislature in Senate Bill 53 (Attachment A) appropriated \$1,000,000 from the general fund for the “purpose of providing advance federal funds for the construction of the facilities included in the Lewis and Clark Rural Water System as authorized in § 46A-1-13.10. Funds shall be provided according to terms and conditions established by the Board of Water and Natural Resources”.

The Joint Appropriations Committee (JAC) drafted a Letter of Intent to supplement that appropriation with specific policy guidelines concerning the use of the funds (Attachment B). It is anticipated that the JAC will finalize its Letter of Intent at its June 17th meeting.

The draft letter provides that

[i]t is the intent of the Interim Joint Committee on Appropriations that the funds be distributed to the Lewis and Clark Regional Water System as a zero interest reimbursable grant to be used for expenses related to the South Dakota portion of the Lewis and Clark Rural Water System. It is also the intent of the Committee that upon receipt of federal funding, the Board of Water and Natural Resources will deposit the money in the state general fund. Therefore, the Committee directs the Board of Water and Natural Resources to distribute the funds based upon the expectation that the federal government will honor its commitment to provide funding, subsequently allowing the Lewis and Clark Regional Water System to repay the grant.

Lewis and Clark received \$22 million from the state of Minnesota in May 2014 as “advance federal funds” and seeks additional funding from Minnesota and the state of Iowa. Lewis and Clark developed its proposal (Attachment C) for utilizing future federal appropriations for construction and repayment to the states. Lewis and Clark proposes to use all future federal funding for construction until all members have been connected to the system and the system has the ability to deliver 45 million gallons per day of “non-firm capacity”. Lewis and Clark will then allocate its annual federal funding among the three states proportionally to the total amount of advance federal funding provided. Repayment to the states will occur over a series of years.

With assistance from the Attorney General’s office, a reimbursable grant agreement has been prepared consistent with JAC’s Letter of Intent and Lewis and Clark’s proposed repayment trigger.

RECOMMENDED ACTION: Authorize execution of Reimbursable Grant to the Lewis and Clark Regional Water System

CONTACT: Jim Feeney, 773-3786



June 5, 2014

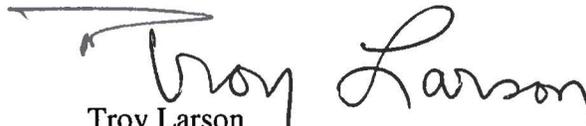
Mr. Jim Feeney
Department of Environmental and Natural Resources
523 E. Capitol Avenue
Pierre, SD 57501

Dear Jim:

On behalf of the South Dakota members of the Lewis & Clark Regional Water System, I respectfully request to have Lewis & Clark's 2014 legislative appropriation of \$1 million be put under contract at the Board of Water and Natural Resource's meeting on June 26.

We will use the funds for as much engineering design and easement acquisition on the Madison service line as we can accomplish. If you have any questions or need further information, please let me know.

Sincerely,



Troy Larson
Executive Director

AN ACT

ENTITLED, An Act to make appropriations to fund certain programs and projects that provide economic benefits to South Dakotans and to declare an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. There is hereby appropriated from the general fund, the sum of one million dollars (\$1,000,000), or so much thereof as may be necessary, to the South Dakota Board of Water and Natural Resources for the purpose of providing advance federal funds for the construction of the facilities included in the Lewis and Clark Rural Water System as authorized in § 46A-1-13.10. Funds shall be provided according to terms and conditions established by the Board of Water and Natural Resources.

Section 2. The secretary of the Department of Environment and Natural Resources shall approve vouchers and the state auditor shall draw warrants to pay expenditures authorized by section 1 of this Act.

Section 3. There is hereby appropriated from the general fund, the sum of five hundred thousand dollars (\$500,000), or so much thereof as may be necessary, to the Governor's Office of Economic Development for the purpose of funding the Readiness and Environmental Protection and Integration (REPI) buffer program at Ellsworth Air Force Base.

Section 4. The commissioner of the Governor's Office of Economic Development shall approve vouchers and the state auditor shall draw warrants to pay expenditures authorized by section 3 of this Act.

Section 5. There is hereby appropriated from the general fund, the sum of four hundred sixty-four thousand dollars (\$464,000), or so much thereof as may be necessary, to the Board of Regents for the purpose of funding a shale research facility at the South Dakota School of Mines and Technology.

Section 6. The executive director of the Board of Regents shall approve vouchers and the state auditor shall draw warrants to pay expenditures authorized by section 5 of this Act.

Section 7. There is hereby appropriated from the general fund the sum of five hundred thousand dollars (\$500,000), or so much thereof as may be necessary, to the state aeronautics fund for the purposes of airport improvements.

Section 8. The secretary of the Department of Transportation shall approve vouchers and the state auditor shall draw warrants to pay expenditures authorized by section 7 of this Act.

Section 9. Any amounts appropriated in this Act not lawfully expended or obligated by June 30, 2015, shall revert in accordance with the procedures prescribed in chapter 4-8.

Section 10. Whereas, this Act is necessary for the support of the state government and its existing public institutions, an emergency is hereby declared to exist, and this Act shall be in full force and effect from and after its passage and approval.

Draft Letter of Intent – G

2014 Legislative Session

Legislative Act: SB53

Draft Date: 3/26/2014

Department/Agency: Department of Environment and Natural Resources

Requesting Legislators: Senator Peters

Lewis and Clark Regional Water System

The 2014 South Dakota Legislature approved a special appropriation for \$1,000,000 in general funds to the South Dakota Board of Water and Natural Resources through SB 53. This Letter of Intent supplements that appropriation with a specific policy guideline concerning the use of such funds.

It is the intent of the Interim Joint Committee on Appropriations that the funds be distributed to the Lewis and Clark Regional Water System as a zero interest reimbursable grant to be used for expenses related to the South Dakota portion of the Lewis and Clark Rural Water System. It is also the intent of the Committee that upon receipt of federal funding, the Board of Water and Natural Resources will deposit the money in the state general fund. Therefore, the Committee directs the Board of Water and Natural Resources to distribute the funds based upon the expectation that the federal government will honor its commitment to provide funding, subsequently allowing the Lewis and Clark Regional Water System to repay the grant.

While this Letter of Intent does not have the force of statutory law, it rests solidly on a long-standing tradition of Legislature-Executive Branch relationships in South Dakota and it will be used by the Joint Committee as one basis for the fiscal oversight of the Executive Branch and its continued funding.

DRAFT LANGUAGE FOR LETTER OF INTENT BETWEEN THE STATE OF
SOUTH DAKOTA AND LEWIS AND CLARK RURAL WATER SYSTEM, INC.

April 24, 2014

Senate Bill 53, which was approved by the South Dakota Legislature and signed into law by Governor Daugaard on March 26, 2014, includes a \$1 million appropriation to the South Dakota Board of Water and Natural Resources for use by Lewis and Clark Rural Water System, Inc. (“L&C”) as an advance on its anticipated federal funding. This nonbinding letter of intent is intended to serve as a framework of the terms under which such funding is being provided.

The \$1 million appropriation, which is intended as a zero interest reimbursable grant (herein the “Grant”), will be made available to L&C through the South Dakota Department of Environment and Natural Resources (DENR). L&C officials are familiar with the process they need to follow with DENR staff and the South Dakota Board of Water and Natural Resources to put the Grant funds “under contract.”

The Grant shall only be used within the borders of South Dakota for expenses related to the completion of the Lewis & Clark Regional Water System (“System”) authorized by the Lewis & Clark Rural Water System Act of 2000 (Public Law 106 – 246). The Grant cannot be used for expenses related to operations or for work not included as part of the congressionally authorized project.

The parties acknowledge that the federal government has never reneged on an authorized rural water project but that the slow pace of federal funding necessitates the need for federal funding advances. L&C shall continue using its best efforts to encourage the federal government to fully honor its federal funding commitment. The parties recognize L&C cannot guarantee federal funding or its timing.

Subject to the terms of this letter of intent, L&C will use future federal funding, to the extent it is made available, to re-pay the Grant. If the states of Minnesota and Iowa also provide state monies as federal funding advances to L&C, the total amount from each state will be added together to determine the percentage of funds advanced from each state. In making any required reimbursement payments to the states, L&C will allocate its annual federal funding among the three states proportionally. It is understood repayment to the states likely will occur over a series of years.

Currently the nine non-connected members are Madison, Hull, Sheldon, Sioux Center, Sibley, Rock County RWD, Luverne, Worthington and Lincoln Pipestone RWS. The trigger that will cause L&C to begin repaying federal funding advances to the State is when : (a) all of these members have been connected to the System; and (b) L&C has the ability to deliver 45 million gallons per day (MGD) of “non-firm capacity.” “Non-firm capacity” is defined as the amount of water the System can deliver with all of its wells in operation and with the treatment plant running at maximum output. “Firm capacity” is defined as the amount of water the System can deliver with its highest producing well out of service.

The parties acknowledge that once all 20 members have been connected to the System, there will still be additional work that L&C needs to complete in order to reach 45 MGD of “firm capacity.” However, to ensure that the State is not the last party to be paid out of available federal funding and to ensure L&C and all of its members continue to use their best efforts to obtain federal funding, L&C intends to defer using any federal funds for the additional work required in order to reach 45 MGD of “firm capacity” until the Grant has been reimbursed to the State. The additional work is generally defined as additional System infrastructure beyond what is needed to deliver 45 MGD of “non-firm capacity.” The additional work that L&C intends to defer is as follows:

- Addition of a fifth solids contact basin at the water treatment plant.
- Pipeline and wells for future well sites J, U and W, as well as any additional wells at Mulberry Point needed to produce more than 45 million gallons a day of non-firm capacity.
- Emergency generator at the Tea pump station.
- Looping the System by building a pipeline between Sheldon and Sibley. Currently L&C is a non-looped system, which reduces reliability during operational disruptions.

Once the trigger is reached, L&C will use all additional federal funding it receives each year, net of any oversight costs by the Bureau of Reclamation, to repay the federal funding advances proportionately among the participating states. It is recognized that conditions beyond the control of L&C, such as drought, related Acts of God, or other unforeseen circumstances, can adversely impact the amount of water L&C is able to deliver. These conditions may require L&C to use future federal funding to build additional infrastructure from the “deferred list” to maintain the ability to deliver 45 MGD of “non-firm capacity.” If L&C and its engineers can reasonably demonstrate to the Board of Water and Natural Resources that the additional work or infrastructure is needed to consistently maintain the 45 MGD of “non-firm capacity” throughout a one-year period, L&C will be allowed to use additional federal funding for such construction to the extent required to restore the System to the “non-firm capacity” of 45 MGD. This will not impact the amount of the Grant that is due to be repaid to the State, rather only the re-payment timeline. This same flexibility will be requested of the other two states if they provide federal funding advances.

From: Feeney, Jim
Sent: Thursday, May 01, 2014 11:52 AM
To:
Cc:
Subject: Lewis and Clark's Draft Letter of Intent

Lewis and Clark's proposal is to:

- Construct \$169 million (in current dollars) of pipelines, storage and pumping facilities, meter houses, additional wells and treatment plant upgrades from state advances and federal appropriations to connect all 20 members and provide 45 MGD (million gallons per day) of non-firm capacity.
- Then repay all state advances from federal appropriations.
- And finally, construct the \$33.9 million (in current dollars) of deferred work needed to reach 45 MGD of firm capacity with "firm capacity" generally defined as the amount of water the System can deliver with its highest producing well out of service. The specific components Lewis and Clark has identified to defer are detailed below and offered to demonstrate that repayment to the states will not be from the last federal appropriations:
 - ✓ Pipeline and wells at well sites J, U and W, as well as any additional wells at Mulberry Point needed to produce more than 45 million gallons a day of firm capacity;
 - ✓ Addition of a fifth solids contact basin at the water treatment plant;
 - ✓ Emergency generator at the Tea pump station; and
 - ✓ Looping the System by building a pipeline between Sheldon and Sibley, Iowa. Currently L&C is a non-looped system, which reduces reliability during operational disruptions.

State Water Plan Applications June 2014



Staff is recommending that the following projects be placed on the State Water Facilities Plan:

- Colonial Pine Hills Sanitary District
- Dakota Dunes Community Improvement District
- Flandreau - Water
- Flandreau - Wastewater
- Northville
- Onida
- Pierre
- Plankinton
- Pukwana
- Wessington Springs

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
18	Pierre	\$1,172,000	2.25%, 10 years
12	Andover	\$305,000	3.25%, 30 years
11	Flandreau	\$3,820,000	3.25%, 30 years
4	Northville	\$137,000	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
128	Woodland Hills San. Dist.	\$375,000	3.00%, 20 years
99	Onida	\$5,450,000	3.00%, 20 years
90	Flandreau	\$2,560,000	3.00%, 30 years
74	Plankinton	\$196,000	2.25%, 10 years
74	Wessington Springs	\$530,000	2.25%, 10 years
73	Pukwana	\$195,000	1.25%, 10 years
21	Dakota Dunes CID	\$1,600,000	3.00%, 20 years
20	Colonial Pine Hills San. Dist.	\$494,000	3.00%, 20 years

June 2014

Dedicated Solid Waste Management Fees

Previous Balance of Dedicated Solid Waste Fees:	\$ 2,617,395
Reversions:	\$ 89,469
Available for Award:	<u>\$ 2,706,863</u>

Solid Waste Management Program (SWMP)

Previous Balance of Minimum Reserved for Recycling:	\$ 1,029,393
Reversions:	\$ -
Available for Award:	<u>\$ 1,029,393</u>

Previous Balance Available for Disposal or Recycling:	\$ 1,274,516
Reversions:	\$ 2,885
Available for Award:	<u>\$ 1,277,401</u>

Regional Landfill Assistance (RLA)

Previous Balance of RLA Funds:	\$ 224,017
Reversions:	\$ 86,584
Available for Award:	<u>\$ 310,601</u>

Solid Waste Management Applications June 2014



**SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: City of Pierre

Total Project Cost: \$1,771,136

DENR Funding Assistance Requested: \$1,171,136

Staff Analysis

- 1) The city of Pierre has submitted a permit renewal application which contains landfill design changes. The city is proposing to construct cell #3 and make changes to the leachate collections system to make it more environmentally efficient. These improvements will allow the landfill to continue to service current customers as well as any interested communities in the future.

Funding Recommendation: Defer until September 2014 funding round due to lack of Solid Waste Management funds.

Solid Waste Management Applications June 2014



**SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: Refuse Solutions Inc.

DENR Funding Assistance Requested: \$70,000

Staff Analysis

- 1) Refuse Solutions, Inc. is located in Belle Fourche and operates a commercial garbage collection business. The proposed project would construct a 36'x48' building for recycling, purchase a baler for recycling materials, and purchase a skid steer for material handling. This facility and equipment will allow Refuse Solutions to expand cardboard recycling capabilities within their service area and possibly expand to new products to include paper and plastics.

Funding Recommendation: \$70,000 SWMP loan at 2.25% for 10 years.

Debt Service Coverage: Coverage would exceed 100% based on revenue projections

Contingencies:

- 1) Contingent upon Borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan.
- 2) Contingent upon Borrower approving a security agreement and mortgage.
- 3) Contingent upon Borrower approving a personal guaranty agreement and providing a key man life insurance policy not less than the face value of the promissory note naming the borrower as the beneficiary with the proceeds payable to the Board of Water and Natural Resources to the extent of the outstanding balance of the loan.

June 2014 Dedicated Solid Waste Management Fees

Previous Balance of Dedicated Solid Waste Fees:	\$	2,617,395
Reversions:	\$	89,469
Available for Award:	\$	2,706,863
Recommended:	\$	(77,500)
Balance:	\$	2,629,363

Solid Waste Management Program (SWMP)

Previous Balance of Minimum Reserved for Recycling:	\$	1,029,393
Reversions:	\$	-
Available for Award:	\$	1,029,393
Recommended:	\$	(70,000)
Balance:	\$	959,393

Previous Balance Available for Disposal or Recycling:	\$	1,274,516
Reversions:	\$	2,885
Available for Award:	\$	1,277,401
Recommended:	\$	(7,500)
Balance:	\$	1,269,901

Regional Landfill Assistance (RLA)

Previous Balance of RLA Funds:	\$	224,017
Reversions:	\$	86,584
Available for Award:	\$	310,601
Recommended:	\$	-
Balance:	\$	310,601

June 2014

Available Funds Summary

CONSOLIDATED WATER FACILITIES CONSTRUCTION PROGRAM

Previous Balance:	\$	3,710,579
Reversions:	\$	42,062
Available for Award:	\$	<u>3,752,641</u>

DRINKING WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Allocations:	\$	28,140,375
FFY-14 Maximum Allocation:	\$	2,653,500
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	<u>(27,088,708)</u>
Available For Award:	\$	3,705,167

DRINKING WATER SRF LOANS

Available Prior Year Funds (30-Sept-2013):	\$	29,219,459
FFY-14 Cap Grant & Match:	\$	10,083,300
FFY-14 Repayments:	\$	10,200,000
Deobligations/Recissions:	\$	1,247,106
FFY-14 Awards to Date:	\$	<u>(19,640,000)</u>
Available for Award:	\$	31,109,865

June 2014 Available Funds Summary

CLEAN WATER SRF WATER QUALITY GRANTS

Previous Balance:	\$	75,608
2014 IUP Allocation	\$	800,000
Reversions:	\$	-
Awarded to Date:	\$	<u>(875,000)</u>
Available for Award:	\$	608

CLEAN WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Allocations:	\$	8,260,613
FFY-14 Maximum Allocation:	\$	559,386
Reverted Principal Forgiveness	\$	10,518
Awarded to Date:	\$	<u>(8,359,537)</u>
Available For Award:	\$	470,980

CLEAN WATER SRF LOANS

Available Prior Year Funds (30-Sept-2013):	\$	9,795,592
FFY-14 Cap Grant & Match:	\$	7,949,480
FFY-14 Repayments:	\$	12,800,000
Deobligations/Recissions:	\$	1,822,466
Arbitrage Rebate Liability	\$	(955,000)
FFY-14 Awards to Date:	\$	<u>(14,120,600)</u>
Available For Award:	\$	17,291,938

Drinking Water Facilities Funding Applications June 2014



**DRINKING WATER FACILITIES FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: Rapid City

DENR Funding Assistance Requested: \$5,626,000

Rate/Term: 3% / 20 years

Security Pledged For Repayment Of Loan: Water Revenue

Staff Analysis

- 1) Rapid City has sufficient annual revenue to provide the required debt coverage.

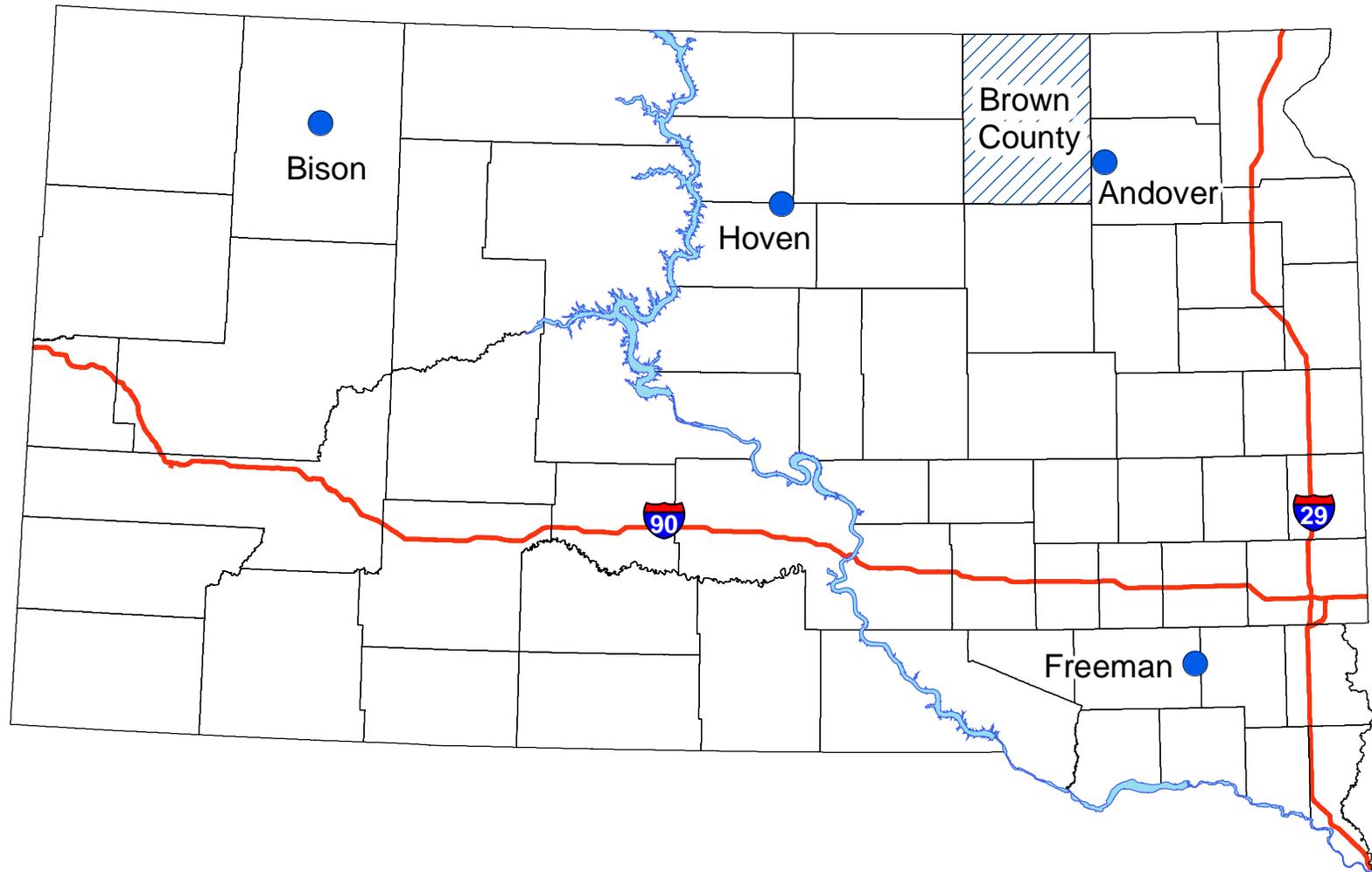
Funding Recommendation: \$4,626,000 Drinking Water State Revolving Fund Loan @ 3% for 20 years with 64.9% principal forgiveness not to exceed \$3,000,000 and a \$1,000,000 Consolidated Water Facilities Construction Program Grant.

Debt Service Coverage: Based on 2017 projections, Rapid City will have 182% debt coverage when the SRF loan goes into repayment.

Contingencies:

- 1) Contingent upon Borrower adopting a bond resolution and the resolution becoming effective.
- 2) Contingent upon borrower demonstrating financial, managerial, and technical capacity.

Sanitary / Storm Sewer Facilities Applications June 2014



**SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: Freeman

DENR Funding Assistance Requested: \$1,536,000

Rate/Term: 3% / 20 years

Security Pledged For Repayment Of Loan: Project Surcharge

Staff Analysis

- 1) If funding is provided as all loan, Freeman will need to establish a surcharge of \$14.74 per customer per month. When added to the current rate of \$33.25 per 5,000 gallons, the monthly rate would increase to \$47.99 per 5,000 gallons.
- 2) Because one loan pledged to the wastewater revenues will be paid in full by April 2016, there should be very little overlap, if any, in repayments. By restructuring the rate and adding less than \$0.25 to the base rate, Freeman will have sufficient revenues to pay its O&M expenses and to meet the debt service coverage required for this loan.

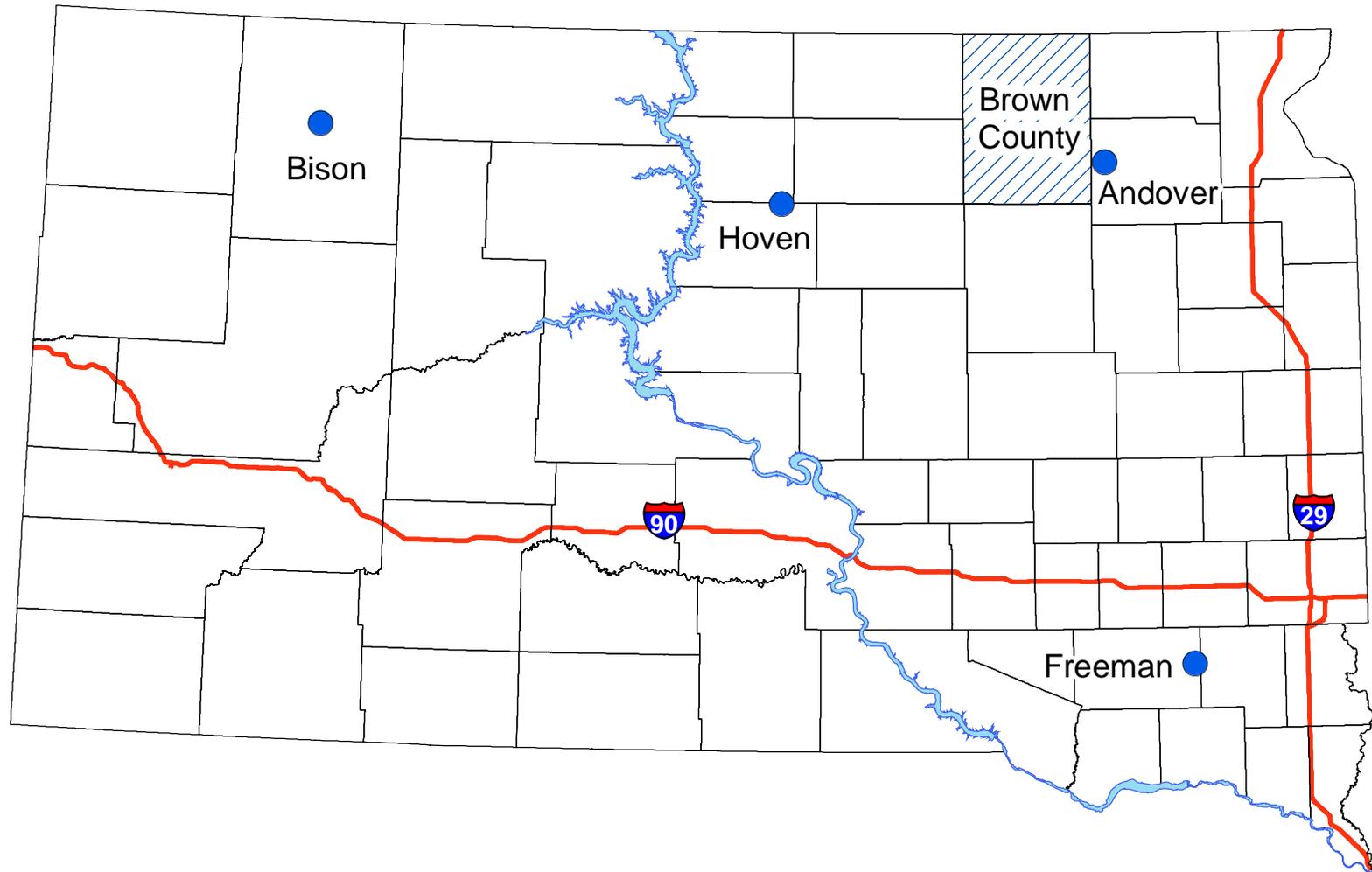
Funding Recommendation: \$1,536,000 Clean Water State Revolving Fund Loan

Debt Service Coverage: 110% with a surcharge of \$14.74

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 2014



**SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: Andover (CW-02)

DENR Funding Assistance Requested: \$305,000

Rate/Term: 3.25% / 30 years

Security Pledged For Repayment Of Loan: Project Surcharge

Staff Analysis

- 1) If funding is provided as all loan, Andover would have to enact a surcharge of over \$31 per month. When added to the current rate of \$30/month Andover's monthly rate would exceed \$61 per month.
- 2) Funding the project with Consolidated funding will aid Andover by requiring only a 100% debt coverage of any loan amount.

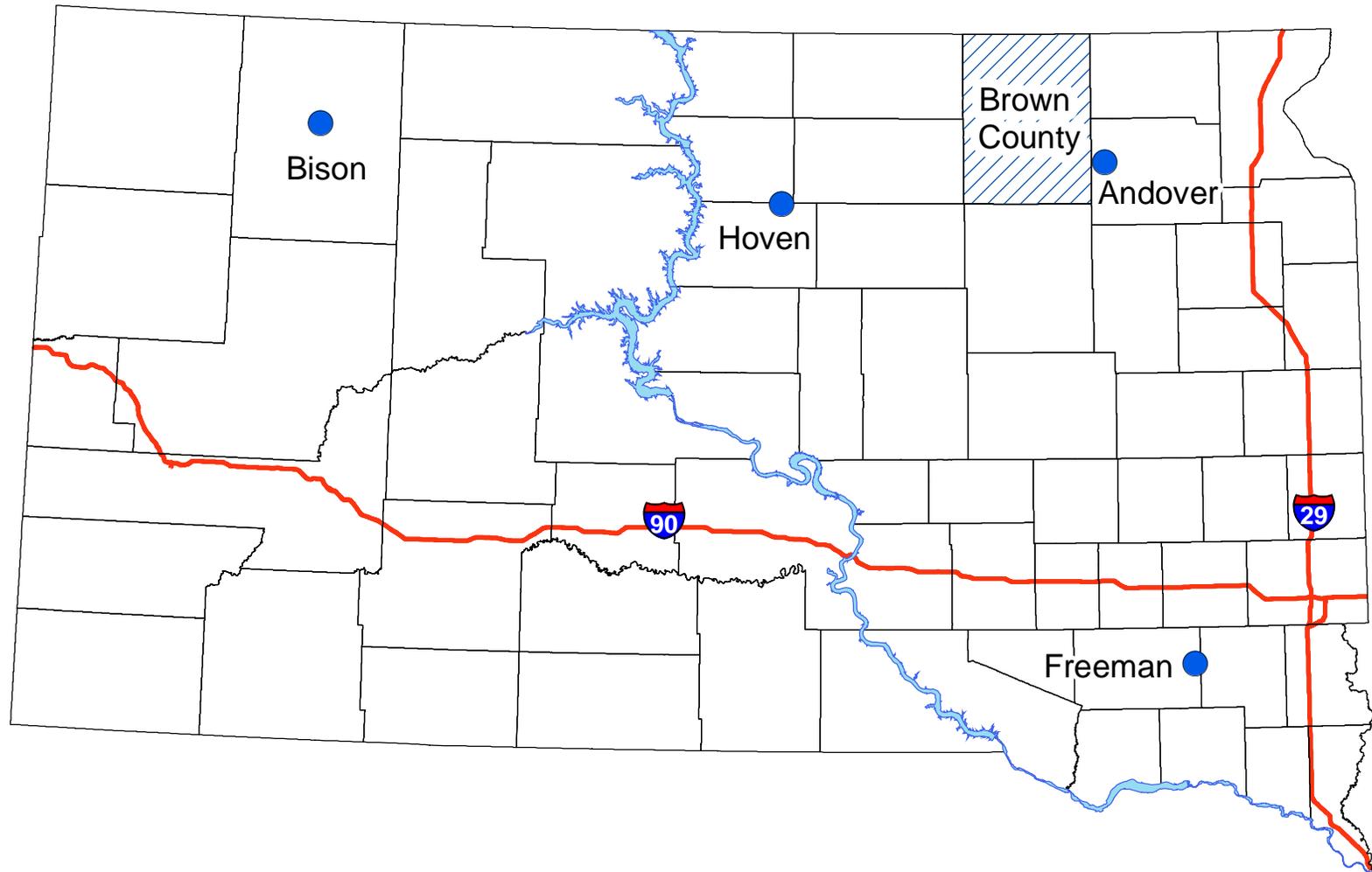
Funding Recommendation: \$61,000 Consolidated loan at 3% for 20 years and a \$244,000 Consolidated grant

Debt Service Coverage: 100% based on a surcharge of \$7.25

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 2014



**SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: Hoven

DENR Funding Assistance Requested: \$656,000

Rate/Term: 3.25% / 30 years

Security Pledged For Repayment Of Loan: Project Surcharge

Staff Analysis

- 1) If funding is provided as all loan, Hoven will need to establish a surcharge of \$13.56 per customer per month. When added to the current rate of \$24 per month, the residential rate will increase to \$37.56 per month.

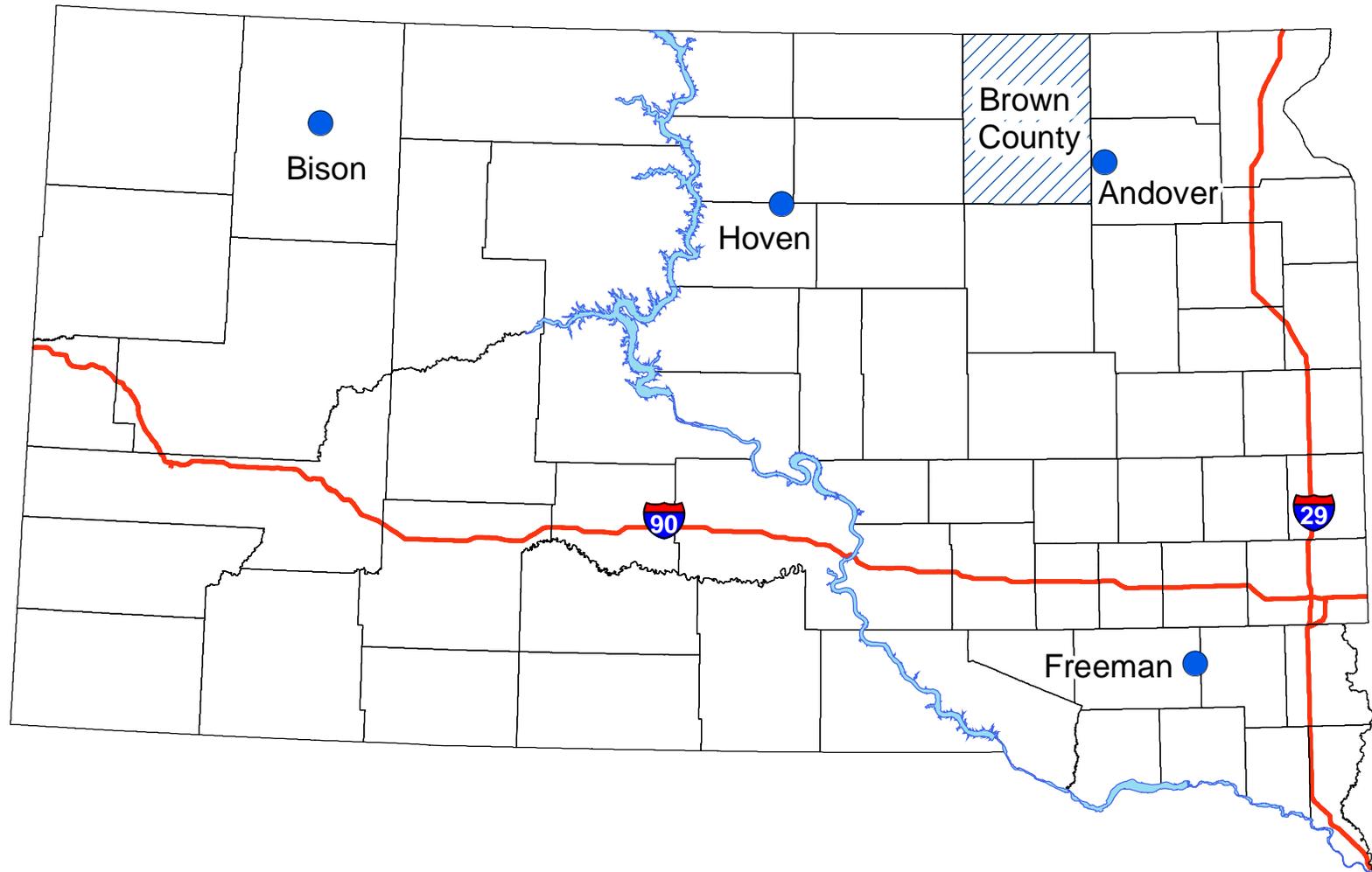
Funding Recommendation: \$656,000 Clean Water State Revolving Fund Loan

Debt Service Coverage: 110% with a surcharge of \$13.56

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 2014



**SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: Bison (CW-02)

DENR Funding Assistance Requested: \$419,000

Rate/Term: 3.25% / 30 years

Security Pledged For Repayment Of Loan: Sales Tax

Staff Analysis

- 1) If funding is provided as all loan, Bison's sales tax revenue is sufficient to provide the required 110% debt coverage.

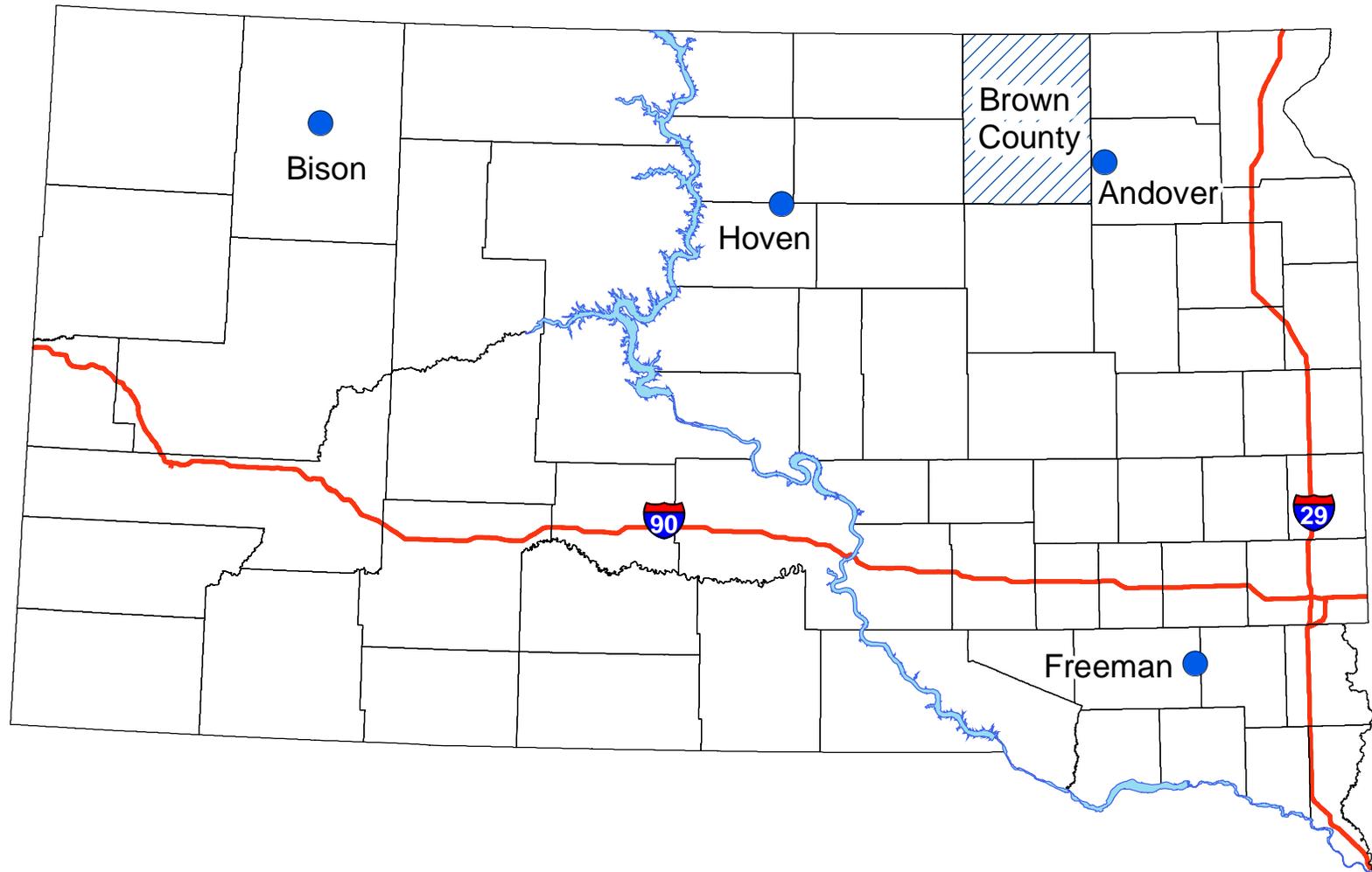
Funding Recommendation: \$419,000 CWSRF loan at 3.25% for 30 years

Debt Service Coverage: 383%

Contingencies:

- 1) Contingent upon Borrower adopting a bond resolution and the resolution becoming effective.

Sanitary / Storm Sewer Facilities Applications June 2014



**SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: Brown County

DENR Funding Assistance Requested: \$150,000

Rate/Term: 3.25% / 30 years

Security Pledged For Repayment Of Loan: Sales Tax

Staff Analysis

- 1) Project is not eligible for SRF funding
- 2) By state law, county cannot borrow funds for this project

Funding Recommendation: \$120,000 Consolidated grant

Debt Service Coverage: N/A

Contingencies: None

Small Water Facilities Funding Applications June 2014



**SMALL WATER FACILITIES FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: Westport

DENR Funding Assistance Requested: \$100,000

Rate/Term: 2.25%/10 years

Security Pledged For Repayment Of Loan: Water Project Surcharge

Staff Analysis

- 1) If funding is provided as all loan, Westport would need to charge \$15.05 to meet the required coverage covenant of 100 percent.
- 2) Staff analysis indicates that a restructure of the current rates will provide both the required coverage on the loan and sufficient funds to operate the system.

Funding Recommendation: \$100,000 Consolidated loan at 2.25% for 10 years.

Debt Service Coverage: 100% with a surcharge of \$15.05

Contingencies:

- 1) Contingent upon Borrower adopting a bond resolution and the resolution becoming effective.
- 2) Contingent upon Borrower establishing a surcharge sufficient to meet the required debt coverage.

June 2014

Available Funds Summary

CONSOLIDATED WATER FACILITIES CONSTRUCTION PROGRAM

Previous Balance:	\$	3,710,579
Reversions:	\$	42,062
Available for Award:	\$	3,752,641
Recommended:	\$	(1,525,000)
Balance:	\$	2,227,641

DRINKING WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Allocations:	\$	28,140,375
FFY-14 Maximum Allocation:	\$	2,653,500
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(27,088,708)
Available For Award:	\$	3,705,167
Recommended:	\$	(3,000,000)
Balance:	\$	705,167

DRINKING WATER SRF LOANS

Available Prior Year Funds (30-Sept-2013):	\$	29,219,459
FFY-14 Cap Grant & Match:	\$	10,083,300
FFY-14 Repayments:	\$	10,200,000
Deobligations/Recissions:	\$	1,247,106
FFY-14 Awards to Date:	\$	(19,640,000)
Available for Award:	\$	31,109,865
Recommended PF:	\$	(3,000,000)
Recommended Loan:	\$	(1,626,000)
Balance:	\$	26,483,865

June 2014

Available Funds Summary

CLEAN WATER SRF WATER QUALITY GRANTS

Previous Balance:	\$	75,608
2014 IUP Allocation	\$	800,000
Reversions:	\$	-
Awarded to Date:	\$	<u>(875,000)</u>
Available for Award:	\$	608
Recommended:	\$	-
Balance:	\$	<u>608</u>

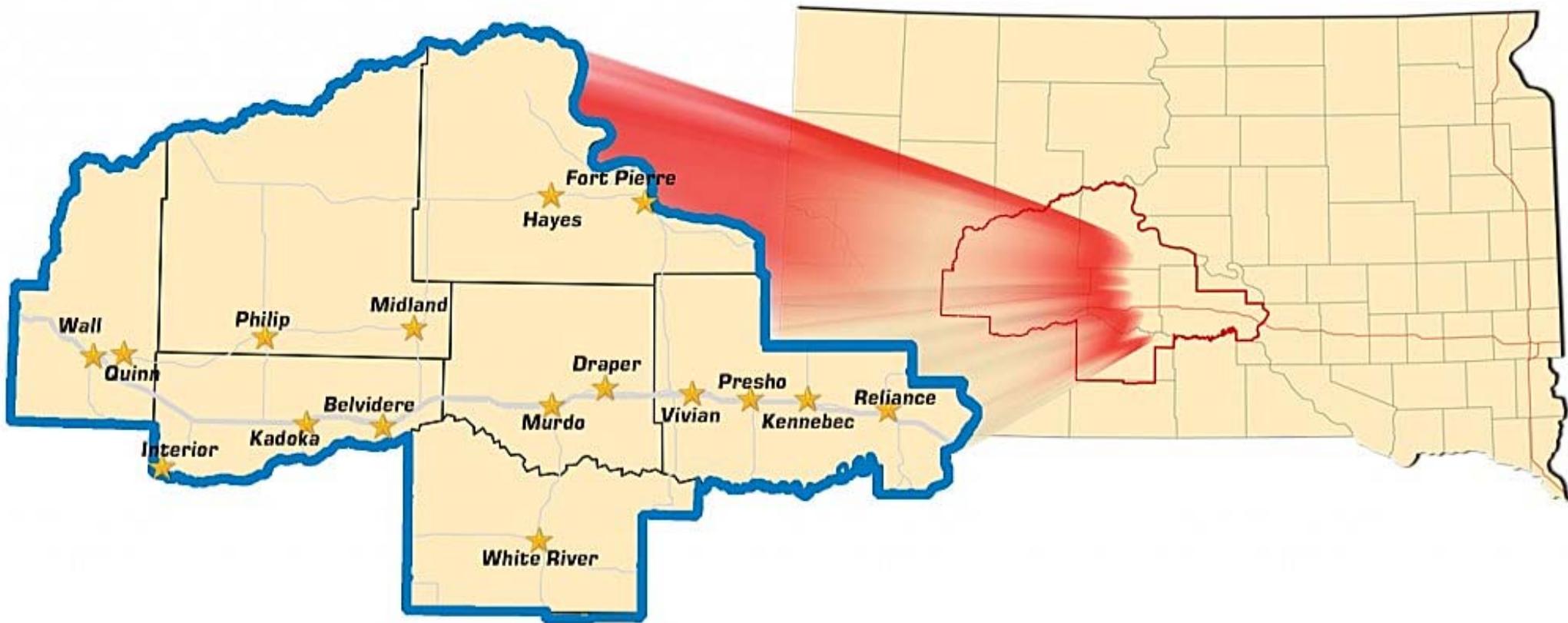
CLEAN WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Allocations:	\$	8,260,613
FFY-14 Maximum Allocation:	\$	559,386
Reverted Principal Forgiveness	\$	10,518
Awarded to Date:	\$	<u>(8,359,537)</u>
Available For Award:	\$	470,980
Recommended:	\$	-
Balance:	\$	<u>470,980</u>

CLEAN WATER SRF LOANS

Available Prior Year Funds (30-Sept-2013):	\$	9,795,592
FFY-14 Cap Grant & Match:	\$	7,949,480
FFY-14 Repayments:	\$	12,800,000
Deobligations/Recissions:	\$	1,822,466
Arbitrage Rebate Liability	\$	(955,000)
FFY-14 Awards to Date:	\$	<u>(14,120,600)</u>
Available For Award:	\$	17,291,938
Recommended PF:	\$	-
Recommended Loan:	\$	<u>(2,611,000)</u>
Balance:	\$	<u>14,680,938</u>

West River/Lyman-Jones RWS

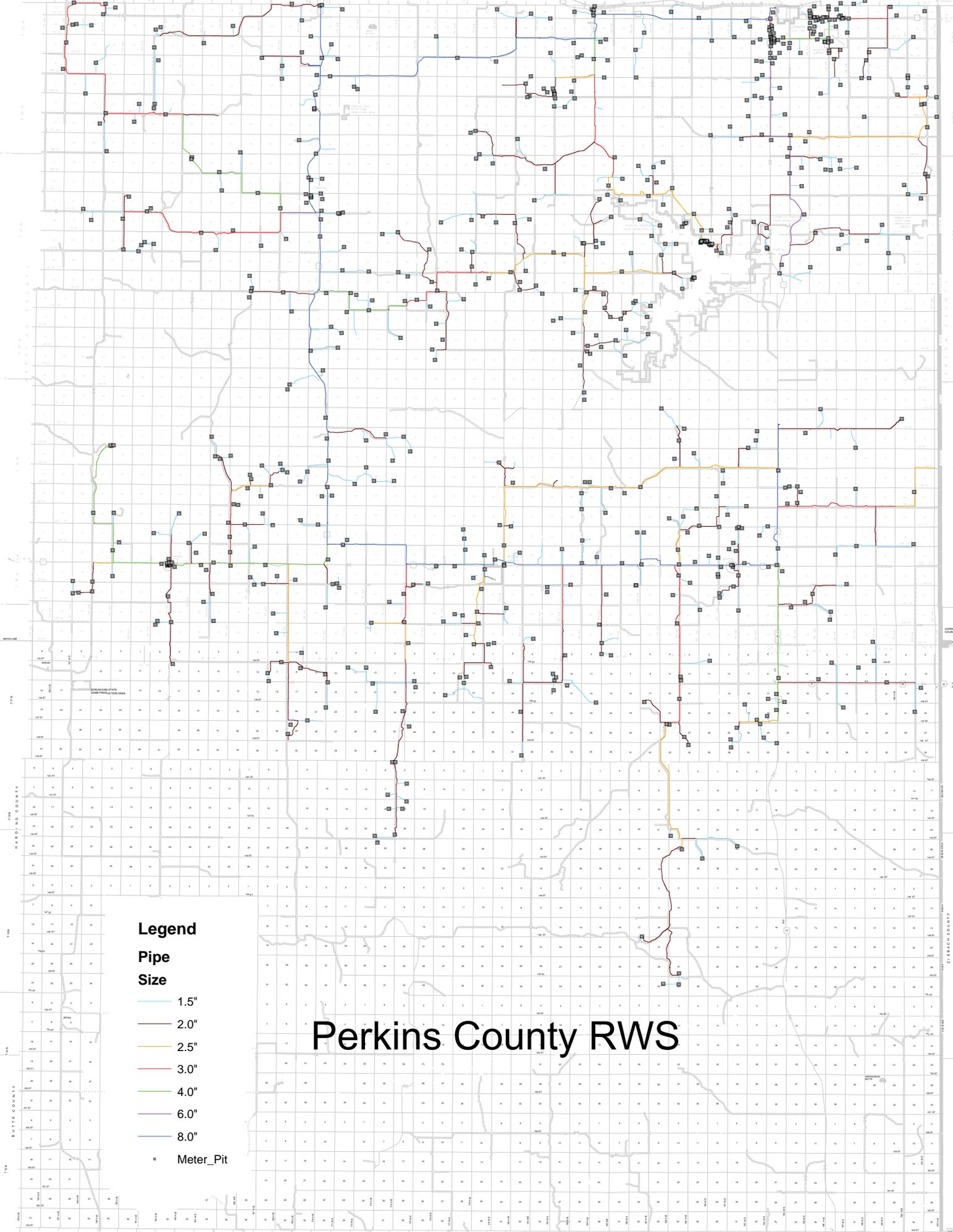


Legend

**Pipe
Size**

-  1.5"
-  2.0"
-  2.5"
-  3.0"
-  4.0"
-  6.0"
-  8.0"
-  Meter_Pit

Perkins County RWS



WATER RESOURCES REFORM & REDEVELOPMENT ACT (WRRDA)

Clean Water SRF Reauthorization

&

Water Infrastructure Finance & Innovation Act (WIFIA)

Water Infrastructure Finance & Innovation Act (WIFIA)

- Modeled after the Transportation Infrastructure Finance and Innovation Act (TIFIA)
- Pilot Program: \$20 million in 2015 to \$50 million in 2019
- WIFIA would access funds from the U.S. Treasury at long-term Treasury rates.
- Funds would flow from the Treasury, through WIFIA, to larger water projects or to State Revolving Funds wishing to borrow to enlarge their pool of capital (leverage).

WIFIA

- In addition to DWSRF and CWSRF eligible projects, the following projects are eligible:
 - Projects that reduce damage from floods and storms
 - Projects to improve the inland and intra-coastal waterway navigation system
 - Projects to improve navigation of harbors, to include channel deepening
- Project limits
 - Projects greater than \$20 million
 - SRF-eligible projects greater than \$5 million for communities of 25,000 or less

WIFIA – Mixed Support among the “Water Community”

- Pro: American Water Works Assoc., Water Environ. Federation, Assoc. of Metropolitan Water Agencies
 - More money needed to fund infrastructure
 - SRF unable to fund large metropolitan projects
 - SRF programs can leverage thru WIFIA at reduced rates
- Con: Council of Infrastructure Financing Auth., National Rural Water Assoc., Environ. Council of the States, Assoc. of State Drinking Water Administrators
 - WIFIA will divert federal funds from the SRF programs
 - SRF could handle larger projects with more funding

CWSRF Reauthorization

- Codifies items previously allowed or implemented through either EPA policy or appropriation bills:
 - Project eligibilities
 - Principal forgiveness
 - Extended financing
 - American Iron & Steel
 - Davis-Bacon wage rate????
- Adds several new program requirements

Positive/Neutral Requirements

- Positive
 - Cap Grant allowance for administration changed to greater of 4 percent of Cap Grant, \$400,000 per year, or 1/5 percent per year of the current valuation of the fund
- Neutral
 - Borrowers must negotiate contracts for engineering and architectural services on the basis of demonstrated competence and qualification for the type of professional services required and at fair and reasonable prices.
 - Applies only if contract is carried out using funds directly made available by a Cap Grant.

Negative Requirements

- **Cost Effectiveness Evaluations** – Recipients must certify, in a manner determined by the Governor, that recipient has:
 - Studied and evaluated costs and effectiveness of processes, materials, techniques, and technology for carrying out the proposed project
 - Selected, to maximum extent possible, a project or activity that maximizes potential for efficient water use, reuse, recapture, and conservation, and energy conservation
 - Capital cost
 - O&M cost
 - Replacement cost

Negative Requirements

- **Fiscal Sustainability Plans** – recipients must develop and implement a plan that includes;
 - an inventory of critical assets
 - An evaluation of condition and performance of inventoried assets
 - A certification that recipient has evaluated and will implement water and energy conservation efforts
 - A plan for maintaining, repairing, and replacing treatment works and for funding such activities
- Recipient certification to development and implementation of the plan

Negative Requirements

- Principal Forgiveness limited to:
 - Municipalities that meet affordability criteria established by the state that is based on income, unemployment criteria, population trends, and other data deemed relevant by the state
 - Projects to implement a process, material, technique, or technology to:
 - Address water-efficiency goals
 - Address energy-efficiency goals
 - Mitigate stormwater runoff
 - Encourage sustainable project planning, design, & construction

Probable Morning Tour Stops

City of Watertown Drinking Water Plant

City of Watertown Wastewater Treatment Plant

Watertown Regional Landfill

Lake Area Technical Institute “Green” Parking Lot

Lunch – Terry Redlin Environmental Center @ Bramble Park Zoo

Probable Afternoon Tour Stops

Lake Kampeska Phosphorus Removal Plant (former City water plant)

Lake Kampeska inlet/outlet control structure

John Moes Dairy (Florence)

Rauville area shallow aquifer well field - well head protection

USGS gage on the Big Sioux River – water quality/quantity monitoring

June 19, 2014

Letter of Intent Regarding Legislation Approved in the 2014 Session

Dear Mr. Pirner:

The 2014 South Dakota Legislature approved a special appropriation for \$1,000,000 in general funds to the South Dakota Board of Water and Natural Resources through SB 53. This Letter of Intent supplements that appropriation with a specific policy guideline concerning the use of such funds.

It is the intent of the Interim Joint Committee on Appropriations that the funds be distributed to the Lewis and Clark Regional Water System as a zero interest reimbursable grant to be used as an advance on anticipated federal funding. The grant shall only be used for expenses related to the South Dakota portion of the Lewis and Clark Regional Water System. It is also the intent of the Committee that upon reimbursement from the Lewis and Clark Regional Water System, the Board of Water and Natural Resources shall deposit the money in the State General Fund. Therefore, the Committee directs the Board of Water and Natural Resources to distribute the funds based upon the expectation that the federal government will honor its commitment to provide funding, subsequently allowing the Lewis and Clark Regional Water System to reimburse the grant.

NOW THEREFORE IT IS MUTUALLY AGREED AS FOLLOWS:

1. In consideration of the Grantee's observance and performance of the covenants, agreements, terms and conditions set forth herein and in reliance on the representations made by the Grantee herein, the Board hereby grants the sum of \$1,000,000 to the Grantee, subject to the terms and conditions set forth herein, for the facilities, improvements and activities financed, or the cost of which is being reimbursed pursuant to this Grant Agreement, as described in Exhibit A hereto (the "Work"). Costs incurred after March 31, 2014, are eligible for reimbursement under this Grant Agreement. Any amounts provided by this Grant Agreement not expended or obligated by June 30, 2015, shall revert in accordance with the procedures prescribed in SDCL chapter 4-8. In consideration of the funding by the Board, the Grantee agrees, warrants, and represents that it will comply with the terms and conditions set forth herein.

2. This Grant Agreement shall commence effective the date hereof, and shall end upon reimbursement of the grant funds, provided, however, that the obligations of the Grantee pursuant to sections 11 and 21 of this Grant Agreement shall survive termination. The parties agree that the Grantee's obligation to commence reimbursement payments with federal funds as set forth in the Grant Agreement will commence when (a) all of the nine non-connected members of Lewis and Clark (Rock County RWD, Lincoln Pipestone RWS, and the cities of Madison, SD, Hull, IA, Sheldon, IA, Sioux Center, IA, Sibley, IA, Luverne, MN, and Worthington, MN) have been connected to the System, and (b) the System has the ability to deliver 45 million gallons per day (MGD) of "non-firm capacity." "Non-firm capacity" is defined as the amount of water the System can deliver with all of its wells in operation and with the treatment plant running at maximum output. "Firm capacity" is defined as the amount of water the System can deliver with its highest producing well out of service.

NOW THEREFORE BE IT RESOLVED

1. That the Board of Water and Natural Resources hereby approves a reimbursable grant of one million dollars (\$1,000,000) to Lewis and Clark Rural Water System, Inc., as set forth with particularity in the Grant Agreement attached hereto, which Grant Agreement is hereby approved; and,

2. That the Chairman is authorized to execute the “SOUTH DAKOTA BOARD OF WATER AND NATURAL RESOURCES STATE WATER RESOURCES MANAGEMENT SYSTEM REIMBURSABLE GRANT AGREEMENT”; and

3. That the Secretary, Department of Environment and Natural Resources (the “Secretary”), is hereby designated as the representative of the Board of Water and Natural Resources to do all things on its behalf allowable under the terms of the Grant Agreement, and doing those acts specified in the Grant Agreement and is empowered to delegate such authority in writing to those persons under the supervision of the Secretary as deemed appropriate. The Secretary is directed to deposit reimbursements received pursuant to the Grant Agreement into the state general fund.

Dated this ____ day of June, 2014.

(SEAL)

Chairman, Board of Water and Natural Resources

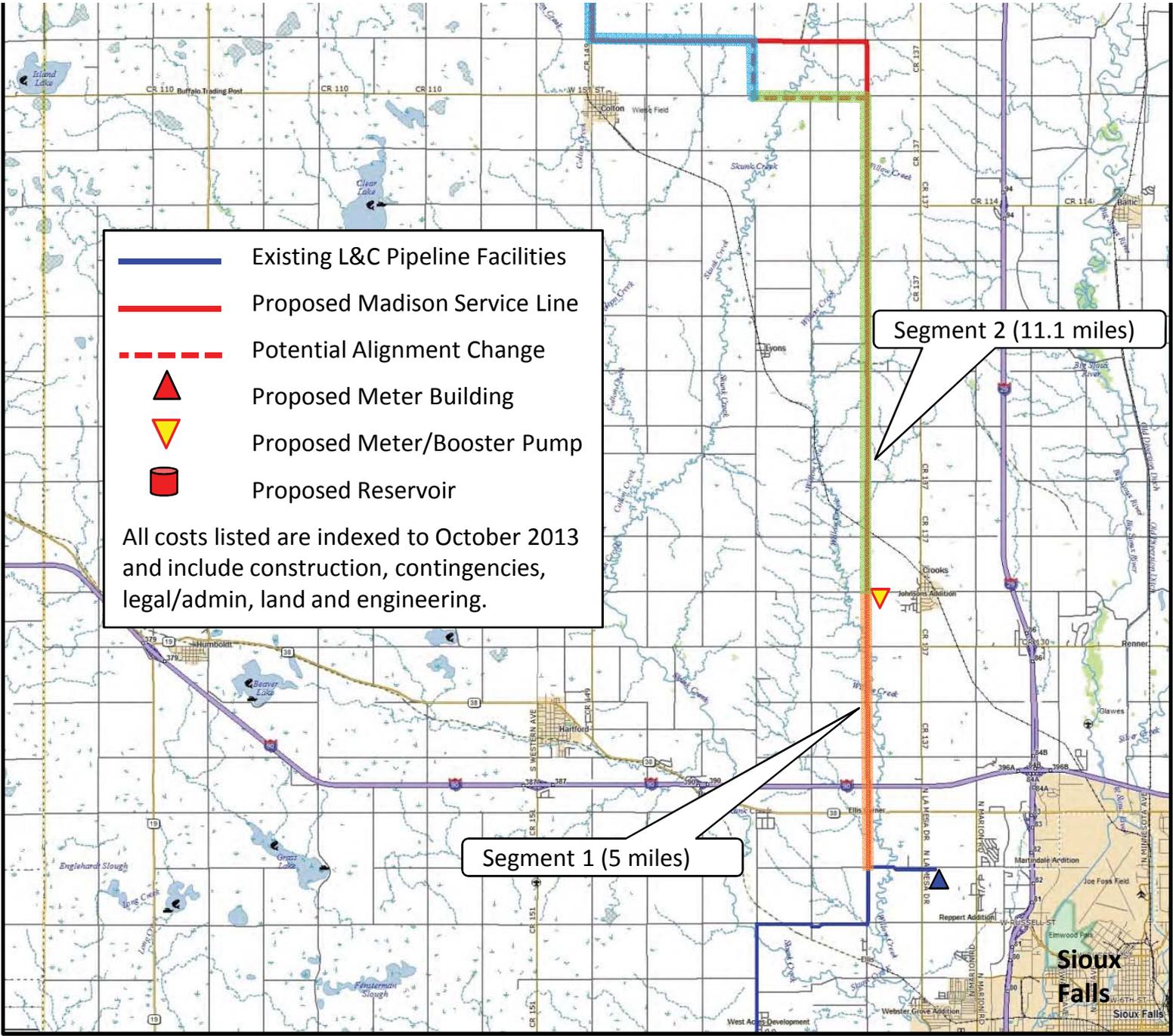
EXHIBIT A

Below are the estimated costs to complete the entire Madison service line (see attached map identifying the five segments). These projects are listed in the order they will be completed. In order to maximize use of the segments in the interim construction will not follow the numerical sequence. The Lewis & Clark Regional Water System will use the \$1 million appropriation approved during the 2014 Legislative Session to complete as much work as possible on the Madison service line. Depending on actual costs, with the \$1 million Lewis & Clark expects to complete the first three items listed and a portion of the fourth item.

Engineering Design of Segment 5	\$223,000	
Engineering Design of Segment 1	\$279,000	
Easement Acquisition of Segments 1 & 5	\$384,000 *	
Engineering Design of Segment 3	\$200,000	
Construction of Segment 5	\$3,266,000	
Construction of Segment 1	\$3,642,000	
Design of Segment 4	\$151,000	
Design of Segment 2	\$175,000	
Easement Acquisition of Segments 2 – 4	\$786,000 *	
Construction of Segment 3	\$7,087,000	
Construction of Segment 4	\$3,534,000	
Construction of Segment 2	\$5,626,000	
Lake County water storage reservoir	\$2,127,000	

Estimated cost for Madison service line	\$27,480,000	(October 2013 dollars)

*Much more cost effective to perform the easement acquisition by grouping segments together as opposed to one at a time



- Existing L&C Pipeline Facilities
- Proposed Madison Service Line
- - - Potential Alignment Change
- ▲ Proposed Meter Building
- ▼ Proposed Meter/Booster Pump
- Proposed Reservoir

All costs listed are indexed to October 2013 and include construction, contingencies, legal/admin, land and engineering.

Segment 2 (11.1 miles)

Segment 1 (5 miles)

Sioux Falls

