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FOR PROJECT DETAILS: Visit <http://denr.sd.gov/bwnrapps.aspx>

Gov. Noem Announces an Additional \$400,000 for Kingbrook Rural Water System Oldham Consolidation and System Improvements

PIERRE, S.D. – Gov. Kristi Noem says the Board of Water and Natural Resources has approved an additional \$400,000 in loan funds for Kingbrook Rural Water System to consolidate Oldham’s water system into the rural water system and make improvements to the town’s drinking water system.

The board had previously awarded \$1.245 million loan with \$945,000 of principal forgiveness for the project. The additional loan funds include a \$400,000 increased Drinking Water State Revolving Fund loan with \$304,000 in principal forgiveness. Loan terms are 2.25 percent for 30 years.

The loan will be administered through the Department of Environment and Natural Resources

“I am pleased to announce Kingbrook Rural Water System will receive this assistance,” said Gov. Noem. “The loan will allow Kingbrook to finish making needed upgrades to Oldham’s drinking water system and ensure the residents of Oldham have a reliable and safe water supply.”

Since 2014, Oldham has had difficulty retaining a certified drinking water operator and has had significant, unaccounted for water loss from their aging distribution system. The city’s existing distribution system has asbestos cement mainline from the 1960’s. As part of the consolidation, Kingbrook Rural Water will replace the existing system with new PVC piping and new meter pits and will be responsible for system operation and maintenance.

The loan will cover the estimated project cost.

The State of South Dakota and the U.S. Environmental Protection Agency fund the Drinking Water State Revolving Fund Program, which provides low-interest loans for public drinking water system projects. Principal forgiveness is a subsidy option that results in a reduced loan payment amount for the borrower.

The board met today via remote video connection.