



DENR
SOUTH DAKOTA

DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

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

DENR Announces a \$5,777,000 Funding Package for Town of Chancellor Drinking Water and Wastewater Improvements

PIERRE, S.D. – Today, the South Dakota Department of Environment and Natural Resources (DENR) announced the Board of Water and Natural Resources has approved a \$5,777,000 funding package for Chancellor to make wastewater and drinking water improvements.

The funding package includes a \$470,000 Clean Water State Revolving Fund loan, a \$1,019,000 Clean Water State Revolving Fund grant, and a \$2,000,000 Consolidated Water Facilities Construction Program Water Quality grant for wastewater improvements. A \$2,288,000 Drinking Water State Revolving Fund Program loan with \$2,050,000 in principal forgiveness was approved for drinking water improvements.

The loans will be administered through the Department of Environment and Natural Resources. Loan terms are 2.125 percent for 30 years for the Clean Water State Revolving Fund loan and 1.875 percent for 30 years for the Drinking Water State Revolving Fund loan.

The wastewater improvements are a part of a two-phase project to reduce overloading at the wastewater treatment facility and upgrade drainage. Chancellor plans on installing 4,900 feet of new storm sewer along the south side of town. On the west side of town 5,400 feet of 8-inch sanitary sewer main will be replaced as well as 16 manholes. These improvements will ensure the wastewater treatment facility continues to serve residents by reducing the overloading at the treatment facility and improving drainage in town.

Chancellor's drinking water improvements include a two-phase project to replace water mains. During Phase 1, Chancellor plans to replace and install 7,000 feet of 6-inch PVC water mains. Currently, most of Chancellor's water mains are over 50 years old. This project will ensure residents have access to safe and reliable drinking water.

The Consolidated Water Facilities Construction Program, funded in part by revenues from the Petroleum Release Compensation Tank Inspection fee and the sale of lotto tickets, provides grants and loans for water, wastewater, and watershed projects.

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 repayment amount for the borrower. The State of South Dakota and the U.S. Environmental Protection Agency fund the Clean Water State Revolving Fund Program, which provides low-interest loans for wastewater, storm water, water conservation, and nonpoint source projects.

Water Quality grants are funded by an administrative surcharge that is part of the interest paid by Clean Water State Revolving Fund loan recipients.
The board met today via remote video connection.