



### **Mission Statement**

*To provide exemplary experiences, services & spaces that create opportunities for everyone to learn, engage and thrive.*

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## **YANKTON BOARD OF CITY COMMISSIONERS**

Work Session Meeting beginning at 5:30 P.M.

**Monday, November 22, 2021**

**City of Yankton Community Meeting Room**

Located at the Career Manufacturing Technical Education Academy formerly known as Technical Education Center • **1200 W. 21<sup>st</sup> Street • Room 114**

**If you would like to watch the City Commission meeting you can do so by accessing the City of Yankton's YouTube Live Channel.**

<https://www.youtube.com/channel/UCD1a1hf1dIkiLVSXnmdRQg/live>

Rebroadcast Schedule: Tuesday @ 7:30pm, on channels 3 & 45

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1. **Roll Call**
2. **Public Appearances**
3. **Wastewater Plant**
4. **Other Business**

*Other business is a time for City Commissioners to address the commission regarding matters not on the agenda. These items will be deliberated by the governing body and will not be acted upon at this time. Items mentioned may be added to a future City Commission meeting or work session for deliberation or action.*

5. **Adjourn the Work Session of November 22, 2021**

MEMORANDUM #21-241

To: Amy Leon, City Manager  
From: Kyle Goodmanson, Director of Environmental Services  
Date: November 22, 2021  
Subject: November 22<sup>nd</sup> Work Session - Loan Application for Wastewater Improvements

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In continuing action related to wastewater improvements, city staff will be submitting a Clean Water State Revolving Fund (SRF) Loan Program Application. The City has identified the need to make substantial improvements to our wastewater system including improvements in the treatment system. The State of South Dakota recently received \$974.5 million in American Rescue Plan Act Funds. ARPA funds could potentially be used by the State to grant fund a portion of approved projects.

Timeline/Future Timeline

1995	The last Wastewater Plant Assessment and Master Plan
1999-2003	Wastewater Plant upgrades including several new structures
2011	Missouri River Flood resulting plant failures
2018	Wet conditions resulting in further plant failures
2019	March flood bypass discharge and additional failures
2019	Contract with HDR to perform Condition Assessment/Master Plan
2020	EDA project funding-waiting for EDA final review of plans
2020	Covid
2021	American Rescue Plan Act- State Water Plan application
2022	January 1 SRF loan and ARPA funds application deadline
2022	Bid EDA project and start construction
2022	March DANR award of SRF funds, potential ARPA funds.
2022	April establish future rate increase to secure funds for ARPA Project
2022	April/May design contract
2023	Construction begins
2025	Substantial Completion
2026	Final Completion
2026	December of 2026 deadline for ARPA Project completion

Staff has been working with HDR to develop a Facilities Plan for the SRF application. The facilities plan includes two alternatives for wastewater treatment improvements. Staff is currently putting together a final cost estimates to be included in the final facilities plan that will be presented at the December 13<sup>th</sup> meeting. The project is mainly addressing aging equipment infrastructure.

The first option is a rehabilitation/retrofit project of the existing facilities. This project will include major equipment replacement at the current facilities. This project will

continue to build off work completed as part of the upcoming EDA project. The project will take advantage of existing structures with limited amount of brick and motor construction. The project is estimated to cost \$44 million and the majority of the project will be equipment replacement. SRF equipment loans are 20-year loans at 2%. User rates will have to increase approximately 67.6%. The average user rates will increase from \$48.62 to \$81.49 an increase of \$32.87.

The second option is a new facility at a location to be determined. The estimated project cost is \$90 million. SRF loans for new construction are 30-year loans at 2.125%. User rates will have to increase approximately 102.76%. The average user rates will increase from \$48.62 to \$98.58 an increase of \$49.96. City staff does recommend the equipment portion of a new plant project be funded on a 20-year loan that would further increase the user rates. The new facility would most likely be relocated east of town approximately 5 miles if land can be acquired. The project would include a raw sewage line, treatment plant, discharge line, and a lift station at the location of the existing plant. The facility would need good access for staff to respond during emergency operation. Facility would also have to discharge to the Missouri River and the discharge location would need to be located in South Dakota. The area is also limited by flood plain concerns.

American Rescue Plan Act funds could potentially reduce total project cost. South Dakota Department of Agriculture and Natural Resources (DANR) released a press release on August 31<sup>st</sup> reminding entities of the October 1<sup>st</sup> State Water Plan deadline. Projects must be on the State Water Plan to be considered for SRF and other state funding including ARPA funding. The State Water plan is a listing of potential projects eligible for funding from the DANR's Environmental Funding Program, which includes water, wastewater, and storm water projects.

The potential of American Rescue Plan funding being utilized by the SD DANR Environmental Funding Program could result in one time grant funds available. Staff is currently working on potential projects. Staff provided an executive summary, detailed cost estimate, discussion of alternatives and maps as part of the State Water Plan application. Staff is working with HDR to help put together a phase 2 project at the wastewater facility expanding off the EDA project. HDR is currently working on the Wastewater Treatment Plant master plan and has a lot of the required information available. Staff is also looking at potential projects in the water distribution system (\$8.2 million) and wastewater collection system (\$7.2 million), but may be limited by the short time-line. Applications for the first round of funding would be due Jan. 1<sup>st</sup> with a March award. Roughly \$3.2 billion worth of projects applied for placement on the State Water Plan. All ARPA funds would have to be spent by December of 2026. DANR staff presented at the Annual Water and Wastewater Association Conference in mid-September. DANR staff's only direction was "think big, but not to big". DANR staff have voiced concerns that the option of a new plant at a new location may not involve grant funding based on the availability of the rehabilitation of the current facilities. The additional cost of a new treatment plant at a new location would have to be funded with

SRF loan only. Land acquisition and easements along with the construction timeline may make it difficult to meet the required deadline for ARPA funds at a new location.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Kyle M.", with a long horizontal flourish extending to the right.

Kyle Goodmanson  
Director of Environmental Services