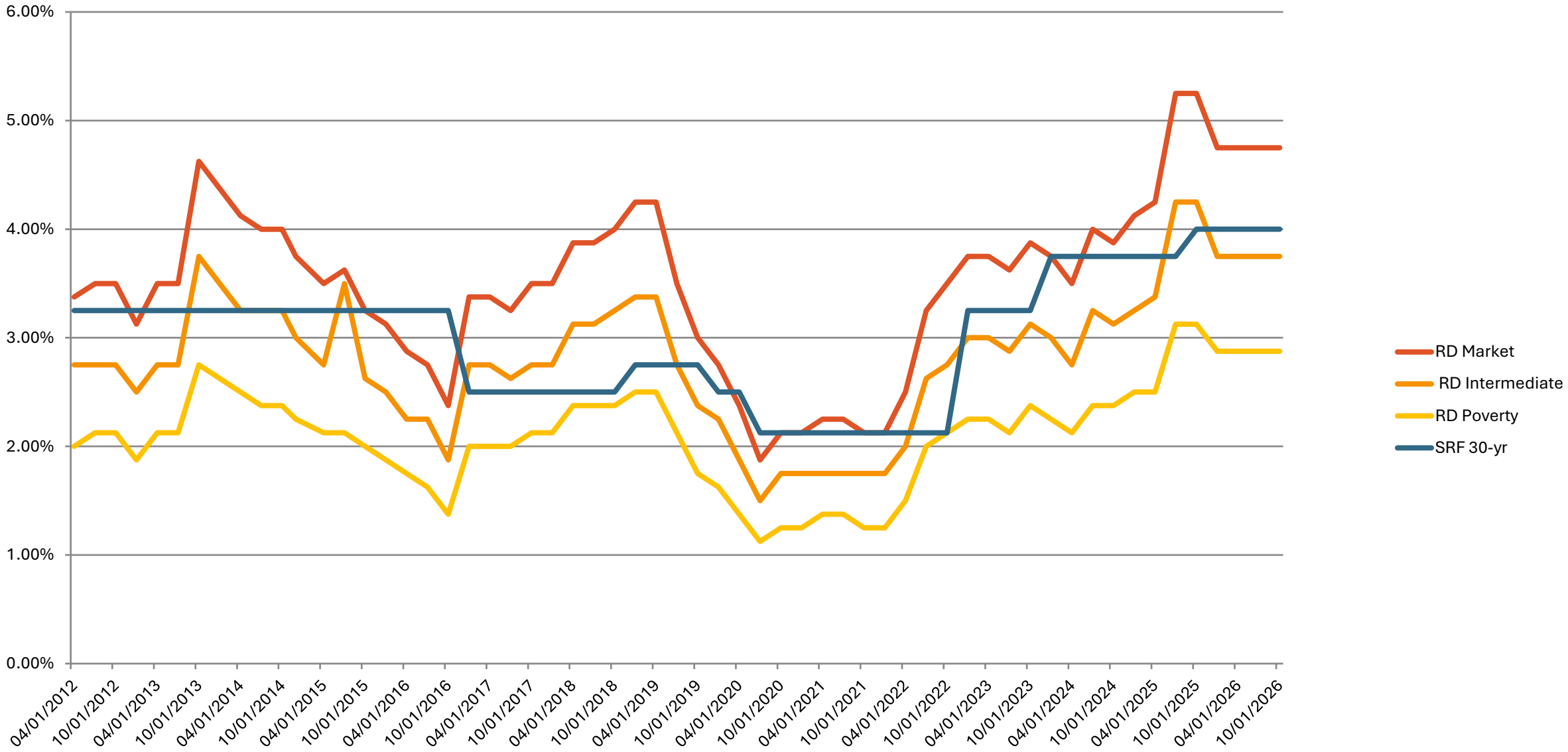
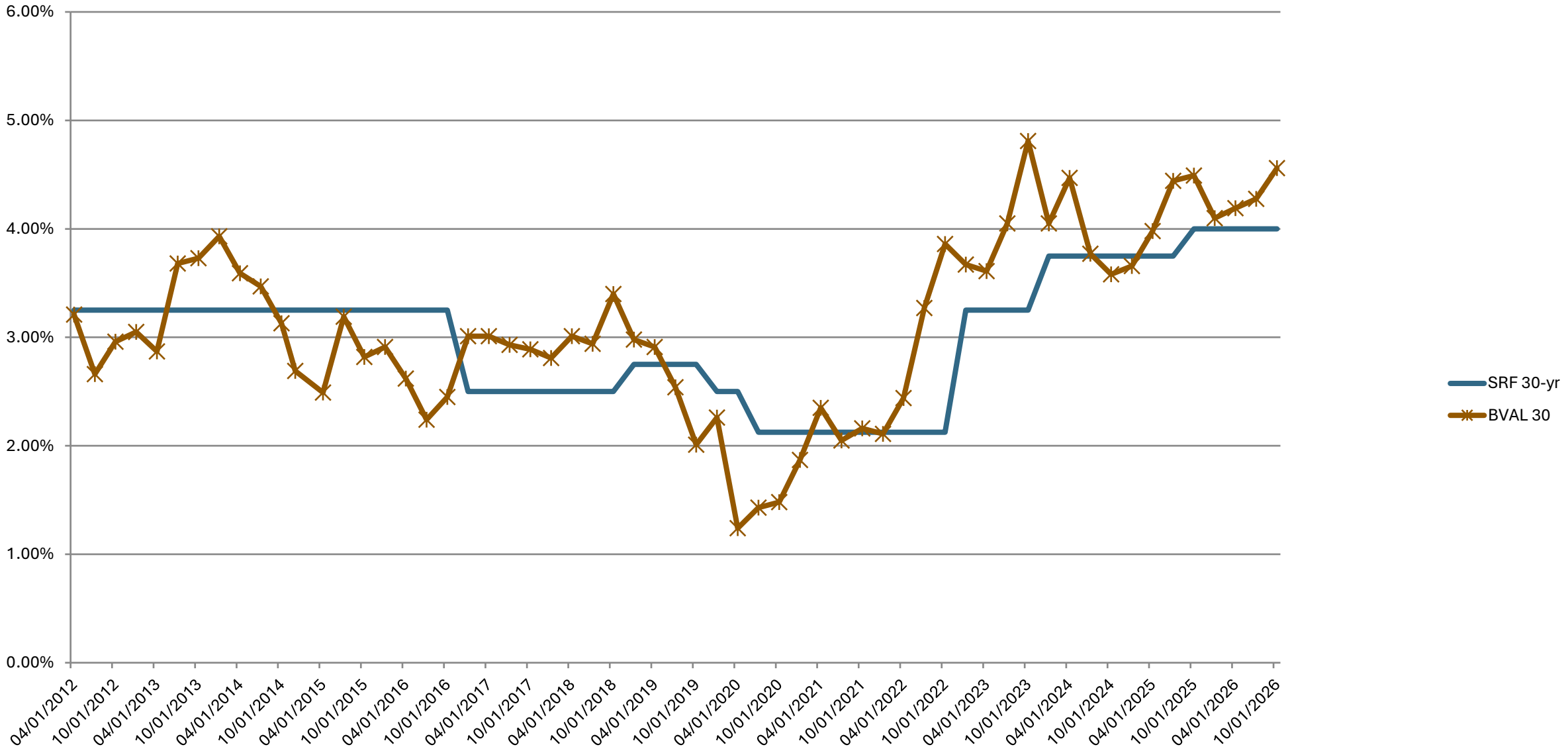
Rural Development & SRF Interest Rates



SRF Interest Rates vs 30 Year Municipal Bond



Proposed Consolidated Water Facilities Fund, Solid Waste Management Program, and Clean Water SRF Interest Rates

Consolidated Water Facilities Construction Fund Loan Rates

	Interest
Term Up to 30 Years	4.50%
Term Up to 20 Years	4.25%
Term Up to 10 Years	4.00%

Solid Waste Management Program Loan Rates

	Interest
Term Up to 20 Years	4.25%
Term Up to 10 Years	4.00%

Clean Water State Revolving Fund Loan Rates

	Interest	Admin	Total
Term Up to 30 Years	4.25%	0.25%	4.50%
Term Up to 20 Years	4.00%	0.25%	4.25%
Term Up to 10 Years	3.75%	0.25%	4.00%
Interim Financing (5 years)	2.50%	0.00%	2.50%
NPS--Watershed Incentive Rate (Up to 30 Years)	3.75%	0.25%	4.00%
NPS--Watershed Incentive Rate (Up to 20 Years)	3.50%	0.25%	3.75%
NPS--Watershed Incentive Rate (Up to 10 Years)	3.25%	0.25%	3.50%

Clean Water State Revolving Fund Loan Rates for Borrowers Subject to BABA

	Interest	Admin	Total
Term Up to 30 Years	4.00%	0.25%	4.25%
Term Up to 20 Years	3.75%	0.25%	4.00%
Term Up to 10 Years	3.50%	0.25%	3.75%

Proposed Drinking Water SRF Interest Rates

Drinking Water State Revolving Fund Interim Interest Rate for All Borrowers

	Interest	Admin	Total
Interim Financing (5 Years)	2.50%	0.00%	2.50%

Drinking Water State Revolving Fund Loan Rates for Lead Service Line Replacement

	Interest	Admin	Total
All Borrowers	0.00%	0.00%	0.00%

Drinking Water State Revolving Fund for Public Entity Borrowers

	Interest	Admin	Total
Term Up to 30 Years	4.25%	0.25%	4.50%
Term Up to 20 Years	4.00%	0.25%	4.25%
Term Up to 10 Years	3.75%	0.25%	4.00%
<u>Disadvantaged Community* Loans Up To 30 Years</u>			
Median Household Income (MHI) between 80% of MHI and the MHI	4.00%	0.25%	4.25%
MHI between 60% and 80% of MHI	3.75%	0.25%	4.00%
MHI Income less than 60% of MHI	3.75%	0.00%	3.75%
<u>Disadvantaged Community* Loans Up To 10 Years</u>			
MHI between 60% and 80% of MHI	3.00%	0.25%	3.25%
MHI Income less than 60% of MHI	3.00%	0.00%	3.00%

* Disadvantaged community must meet a MHI and water rate criteria as per ARSD 74:05:11:01(8)

Drinking Water State Revolving Fund Loan Rates for Borrowers Subject to BABA Public Entity Borrowers

	Interest	Admin	Total
Term Up to 30 Years	4.00%	0.25%	4.25%
Term Up to 20 Years	3.75%	0.25%	4.00%
Term Up to 10 Years	3.50%	0.25%	3.75%
<u>Disadvantaged Community* Loans Up To 30 Years</u>			
Median Household Income (MHI) between 80% of MHI and the MHI	3.75%	0.25%	4.00%
MHI between 60% and 80% of MHI	3.50%	0.25%	3.75%
MHI Income less than 60% of MHI	3.50%	0.00%	3.50%
<u>Disadvantaged Community* Loans Up To 10 Years</u>			
MHI between 60% and 80% of MHI	2.75%	0.25%	3.00%
MHI Income less than 60% of MHI	2.75%	0.00%	2.75%

* Disadvantaged community must meet a MHI and water rate criteria as per ARSD 74:05:11:01(8)

Proposed Drinking Water SRF Interest Rates

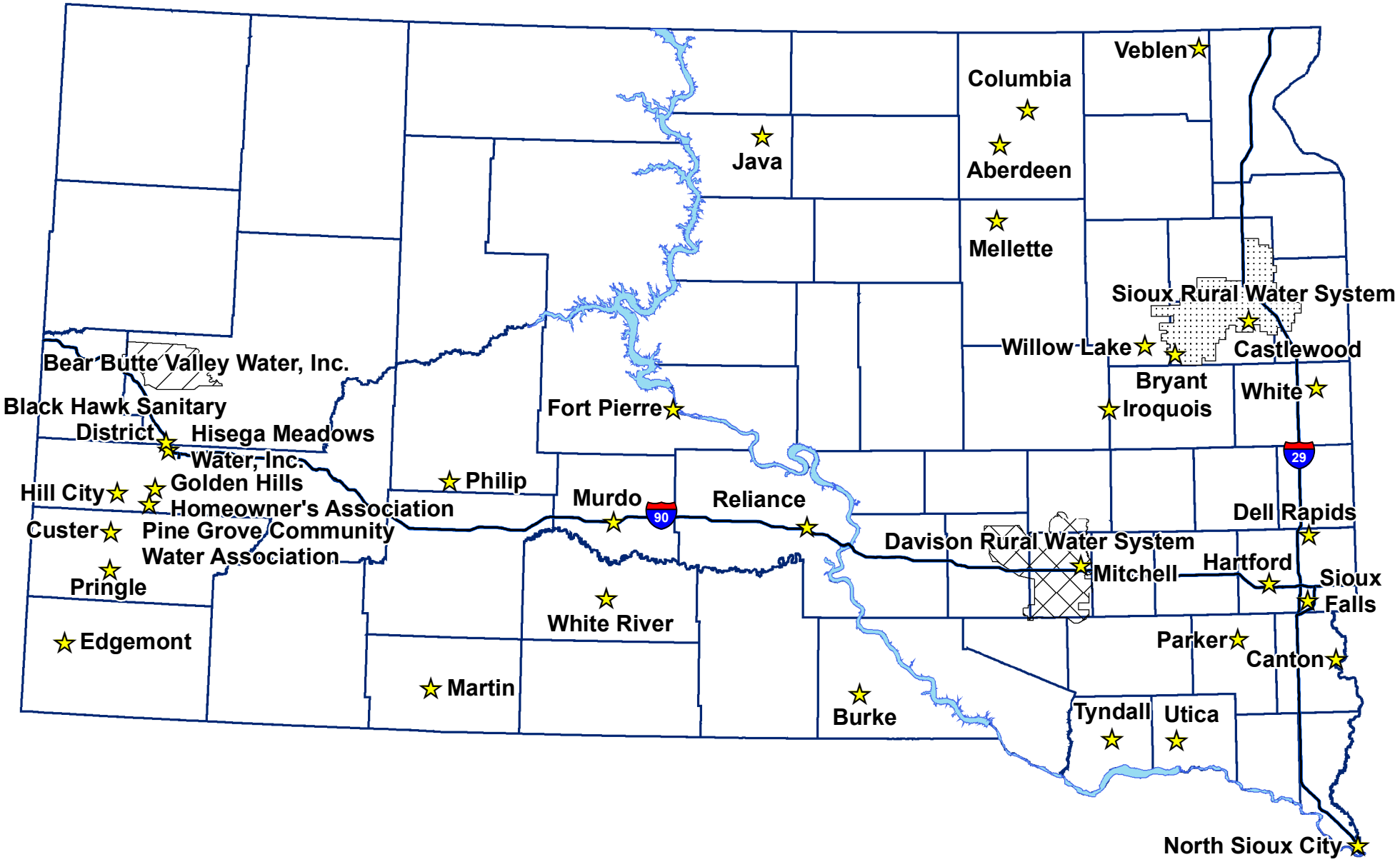
Drinking Water State Revolving Fund Loan Rates for Nonprofit Corporation Borrowers

	Interest	Admin	Total
Term Up to 30 Years	5.25%	0.25%	5.50%
Term Up to 20 Years	5.00%	0.25%	5.25%
Term Up to 10 Years	4.75%	0.25%	5.00%

Drinking Water State Revolving Fund Loan Rates for Borrowers Subject to BABA Nonprofit Corporation Borrowers

	Interest	Admin	Total
Term Up to 30 Years	5.00%	0.25%	5.25%
Term Up to 20 Years	4.75%	0.25%	5.00%
Term Up to 10 Years	4.50%	0.25%	4.75%

State Water Plan Applications
November 2026



State Water Facilities Plan Applicants

Project Sponsor	Description	Projected State Funding ($)	Recommendation
Aberdeen	Water Reclamation Facility Improvements - Phase 2	$40,539,000	Place on Facilities Plan
Aberdeen	Lead Service Line Replacements	$16,484,962	Place on Facilities Plan
Bear Butte Valley Water, Inc.	Elk Creek Valley Expansion	$11,760,000	Place on Facilities Plan
Bear Butte Valley Water, Inc.	Hereford Area and Internal System Expansion	$8,728,000	Place on Facilities Plan
Black Hawk Sanitary District	Lift Station Improvements	$648,000	Place on Facilities Plan
Bryant	Wastewater System Improvements - Phase 3A	$2,340,000	Place on Facilities Plan
Bryant	Drinking Water System Improvements - Phase 3A	$1,958,000	Place on Facilities Plan
Burke	Wastewater Treatment and Collection Improvements	$8,981,000	Place on Facilities Plan
Burke	Drinking Water Distribution Improvements	$7,846,000	Place on Facilities Plan
Canton	Sanborn Street Sanitary and Storm Sewer Improvements	$1,484,000	Place on Facilities Plan
Canton	Sanborn Street Drinking Water Improvements	$797,000	Place on Facilities Plan
Castlewood	Wastewater System Improvements - Phase 2	$3,825,000	Place on Facilities Plan
Columbia	Wastewater and Storm Water Improvements	$4,898,484	Place on Facilities Plan
Custer	Highway 385 Sanitary Sewer Extension	$686,000	Place on Facilities Plan
Custer	Water System Improvements	$11,820,000	Place on Facilities Plan
Davison Rural Water System	Elevated Storage Tank and Connecting Pipeline	$12,400,000	Place on Facilities Plan
Dell Rapids	Drainage Channel Improvements - Phase 1	$1,800,000	Place on Facilities Plan

State Water Facilities Plan Applicants

Project Sponsor	Description	Projected State Funding ($)	Recommendation
Dell Rapids	Northeast Area Sanitary and Storm Sewer Improvements	$3,580,000	Place on Facilities Plan
Dell Rapids	Northeast Area Drinking Water Improvements	$1,692,000	Place on Facilities Plan
Edgemont	New Well and Distribution System Improvements	$4,000,000	Place on Facilities Plan
Fort Pierre	Bad River Forcemain Bore	$1,669,980	Place on Facilities Plan
Fort Pierre	New Storage Tank, Booster Station, and Transmission Line	$2,418,600	Place on Facilities Plan
Golden Hills Homeowner's Association	Drinking Water System Improvements	$437,000	Place on Facilities Plan
Hartford	2nd Street Sanitary Sewer Extension	$459,600	Place on Facilities Plan
Hartford	Kelly Avenue Sanitary Sewer Replacement	$585,130	Place on Facilities Plan
Hartford	2nd Street Drinking Water Extension	$728,450	Place on Facilities Plan
Hartford	Kelly Avenue Drinking Water Replacement	$475,650	Place on Facilities Plan
Hill City	Wastewater Treatment Improvements and Expansion - Phase 3	$4,485,000	Place on Facilities Plan
Hisega Meadows Water, Inc.	Drinking Water Treatment Improvements	$1,890,000	Place on Facilities Plan
Iroquois	Wastewater Treatment Facility Improvements	$1,223,000	Place on Facilities Plan
Java	Wastewater Collection Improvements - Phase 2	$1,293,080	Place on Facilities Plan
Java	Water Meter Replacement and Storage Tank Painting	$508,870	Place on Facilities Plan
Martin	Drinking Water System Improvements	$4,532,000	Place on Facilities Plan

State Water Facilities Plan Applicants

Project Sponsor	Description	Projected State Funding ($)	Recommendation
Mellette	Drinking Water Distribution Improvements	$870,000	Place on Facilities Plan
Mitchell	Wastewater Collection Improvements	$55,000,000	Place on Facilities Plan
Mitchell	Water Distribution Improvements	$57,000,000	Place on Facilities Plan
Murdo	Sanitary Sewer Improvements	$6,315,000	Place on Facilities Plan
North Sioux City	North Shore Bypass Lift Station	$3,686,000	Place on Facilities Plan
Parker	Wastewater System Improvements - Phase 1	$3,197,000	Place on Facilities Plan
Parker	Drinking Water Distribution Improvements	$1,886,200	Place on Facilities Plan
Philip	Myrtle Avenue Sewer Improvements	$2,129,100	Place on Facilities Plan
Pine Grove Community Water Association	Drinking Water System Improvements	$3,006,793	Place on Facilities Plan
Pringle	Drinking Water System Improvements	$5,496,000	Place on Facilities Plan
Reliance	Wastewater Collection and Treatment System Improvements	$2,760,000	Place on Facilities Plan
Sioux Falls	Southeast Basins Sanitary Sewer Phases 2-5	$29,958,000	Place on Facilities Plan
Sioux Rural Water System	2027 User Expansion	$3,134,000	Place on Facilities Plan
Tyndall	Wastewater System Improvements	$22,690,861	Place on Facilities Plan
Tyndall	Water Storage and Distribution Improvements	$5,212,109	Place on Facilities Plan
Utica	Sanitary Sewer Improvements - Phases 1 and 2	$2,600,000	Place on Facilities Plan

State Water Facilities Plan Applicants

Project Sponsor	Description	Projected State Funding ($)	Recommendation
Utica	Drinking Water Improvements - Phases 1 and 2	$1,150,000	Place on Facilities Plan
Veblen	Collection System Improvements	$4,585,000	Place on Facilities Plan
White	Wastewater Collection and Treatment System Improvements - Phase 3	$3,312,200	Place on Facilities Plan
White	Drinking Water Distribution Improvements - Phase 3	$2,616,110	Place on Facilities Plan
White River	Wastewater Collection and Treatment System Improvements	$1,366,780	Place on Facilities Plan
White River	Drinking Water System Improvements	$5,681,530	Place on Facilities Plan
Willow Lake	Wastewater Collection and Treatment System Improvements	$7,077,421	Place on Facilities Plan

DAKOTA MAINSTEM

Dakota Mainstem Regional Water System
SWRMS Funding Request – FY2027



SOURCE: stock.adobe.com

AGENDA

- Introductions
- Dakota Mainstem Overview
- Appraisal Study Update
- Feasibility Study Update
- Federal Process
- Outreach
- Questions



Executive Committee



Executive Director

Kurt Pfiefle

Dakota Mainstem

President

Ryan Johnson

Principal Engineer

City of Sioux Falls

Vice President

Ron Gillen

Board of Directors President

Aurora-Brule Rural Water System

Treasurer

Grant-Roberts Rural Water System

Brent Hoffmann

Water General Manager

Grant-Roberts Rural Water System

Secretary

Minnehaha Community Water Corporation

Scott Buss

Executive Director

Minnehaha Community Water Corporation

Municipal Representative

Nathan Vander Plaats

City Administrator

City of Lennox

Regional Representative

Scott Gross

General Manager/CEO

Mid-Dakota Rural Water System

Other Representative

Kameron Runnels

Vice Chairman

Santee Sioux Nation

DAKOTA MAINSTEM OVERVIEW
A FOUR-STATE REGIONAL EFFORT

Mission: Plan and construct a Regional Water Supply System

59 Members

40 SD	12 IA	6 MN	1 NE (Tribal)

Regional partnership among Rural Systems, Cities, and Tribes

MEMBERSHIP IS GROWING

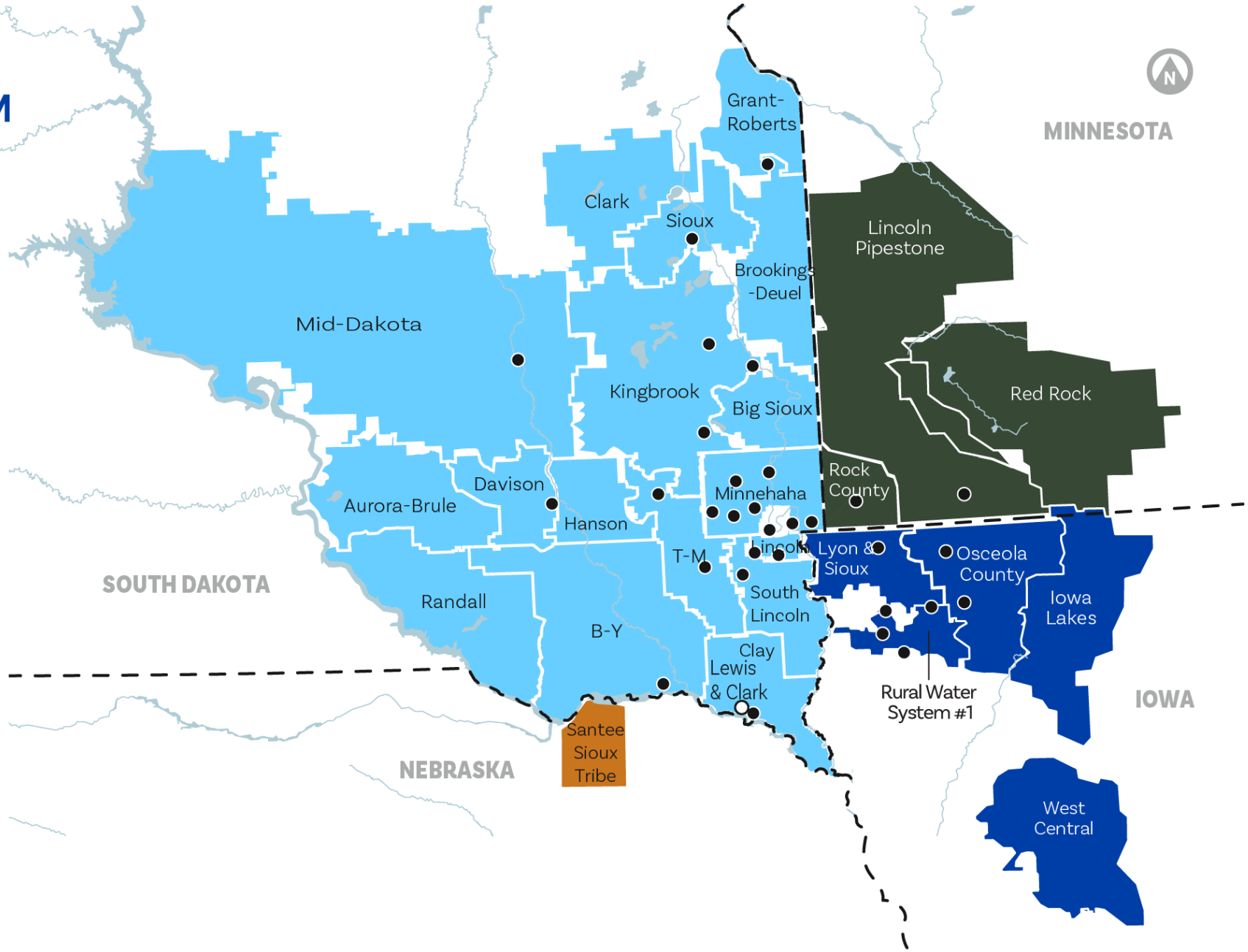
DAKOTA MAINSTEM

● **Municipalities**

South Dakota
Brandon
Brookings
Colton
Crooks
Dell Rapids
Huron
Hartford
Harrisburg
Humboldt
Lennox
Madison
Milbank
Mitchell
Parker
Salem
Sioux Falls
Tea
Valley Springs
Vermillion
Volga
Watertown
Yankton

Minnesota
Luverne
Worthington

Iowa
Hull
Orange City
Sanborn
Sheldon
Sibley
Sioux Center
Rock Rapids

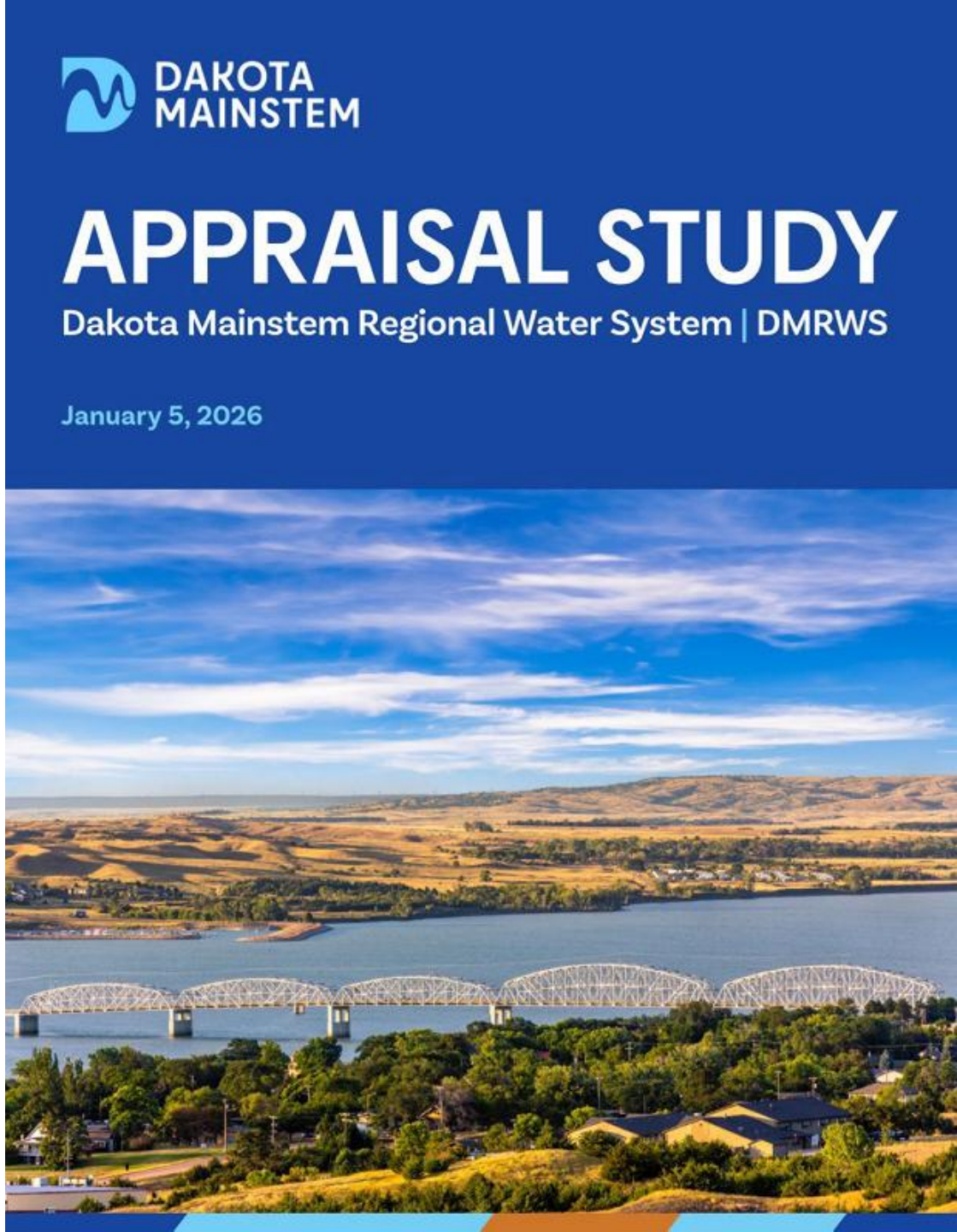


Appraisal Study Update

- Completed January 2026
- Missouri River water source

Year	Membership need
2030	7 MGD
2050	35 MGD
2070	194 MGD

- Total estimated Cost: $10.49B
  - Includes 30% contingency
  - 2030: $89,374,000
  - 2050: $5,514,546,000

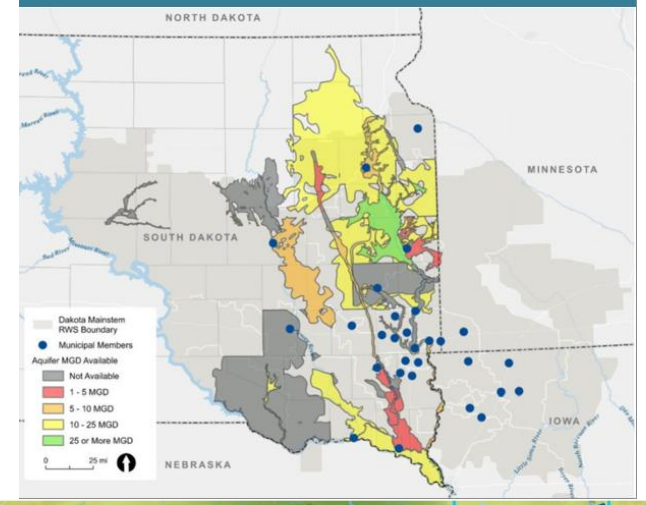


Feasibility Study Scope

Guided by the Bureau of Reclamation

- Initial Green Light
  - Intake and Collector Well Study
  - Water Rights Application
- On Hold
  - Transmission hydraulic modeling & optimization
  - Water treatment
  - Environmental/cultural analysis
  - Probable cost estimate, financing update & BCA
  - Feasibility report
  - Internal/external communications & multistate water strategy

Aquifer	Recharge [a] (Acre-Feet per Year)	Withdrawal [a] (Acre-Feet per Year)	Available Allocation (MGD)
Big Sioux Aquifer	225,768	140,429	76.2
Vermillion-East Fork Aquifer	43,373	16,278	24.3
Other Surficial Aquifers	262,998	195,623	52.8
Glacial Outwash and Sandstone Aquifers	33,486	10,631	23.3
Total	**565,625**	**362,961**	**176.6**



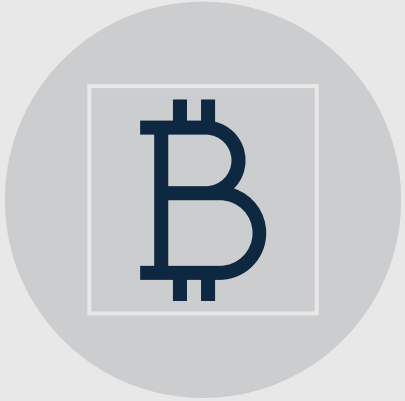


Preparing for The Feasibility Study



COST: $4.2 MILLION

DURATION: 30 MONTHS



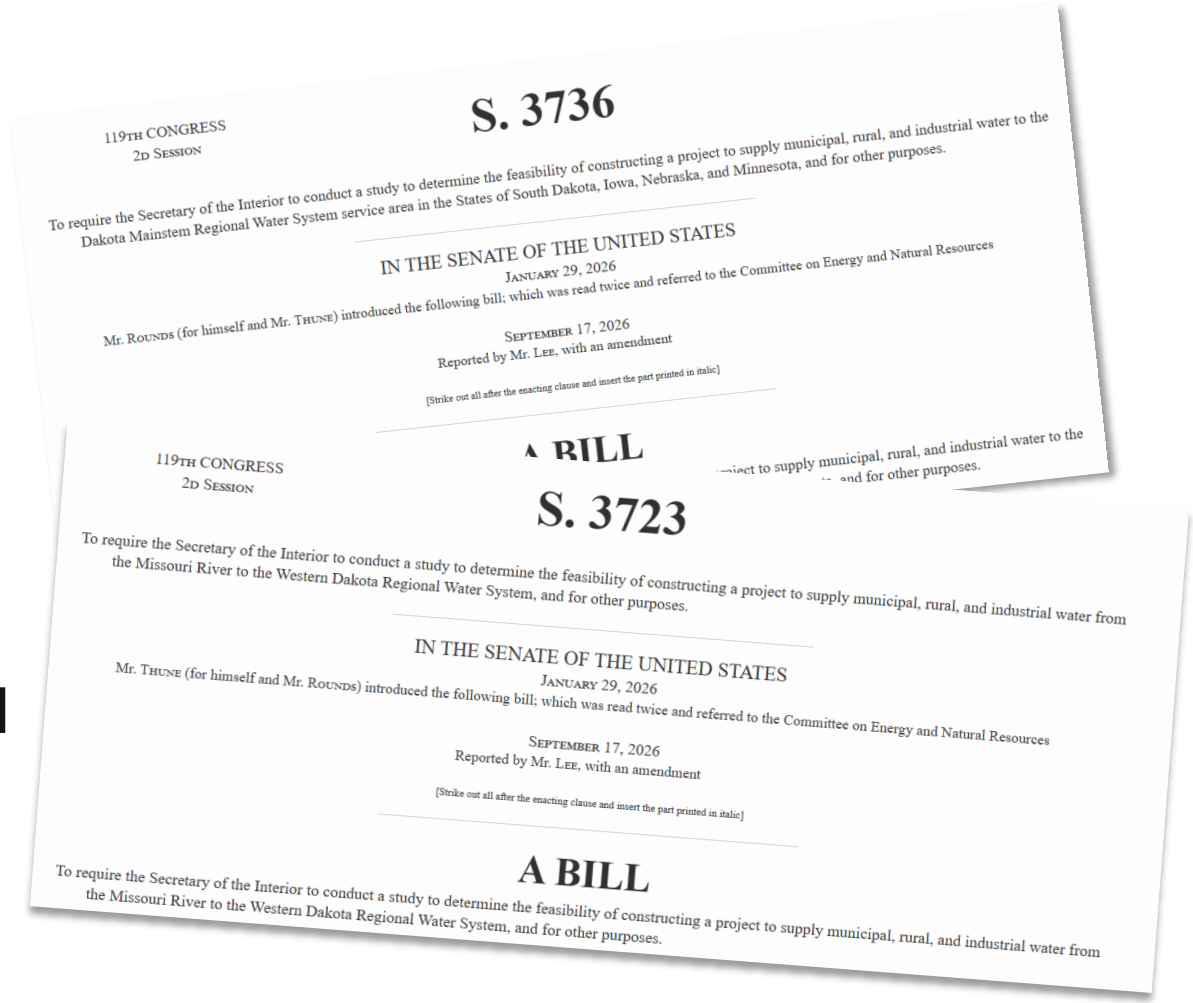
FEDERAL BUREAU OF RECLAMATION COST SHARE UP TO 50%



PHASED APPROACH ENSURES ACCOUNTABILITY

Federal Appropriation/Authorization

- Combined House Authorization Bill
  - H.R. 9785
  - Dakota Mainstem
  - Western Dakota
  - L&C
- Individual Senate Bills
  - Dakota Mainstem: S.3736
  - Western Dakota: S. 3723
  - L&C: S. 3735
  - Considering combining like the House
- Hope to receive authorization by end 2026
- Bills include $20M in funding(not guaranteed



119TH CONGRESS
2D SESSION

S. 3736

To require the Secretary of the Interior to conduct a study to determine the feasibility of constructing a project to supply municipal, rural, and industrial water to the Dakota Mainstem Regional Water System service area in the States of South Dakota, Iowa, Nebraska, and Minnesota, and for other purposes.

IN THE SENATE OF THE UNITED STATES
JANUARY 29, 2026

Mr. ROUNDS (for himself and Mr. THUNE) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

SEPTEMBER 17, 2026
Reported by Mr. LEE, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

119TH CONGRESS
2D SESSION

S. 3723

To require the Secretary of the Interior to conduct a study to determine the feasibility of constructing a project to supply municipal, rural, and industrial water from the Missouri River to the Western Dakota Regional Water System, and for other purposes.

IN THE SENATE OF THE UNITED STATES
JANUARY 29, 2026

Mr. THUNE (for himself and Mr. ROUNDS) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

SEPTEMBER 17, 2026
Reported by Mr. LEE, with an amendment

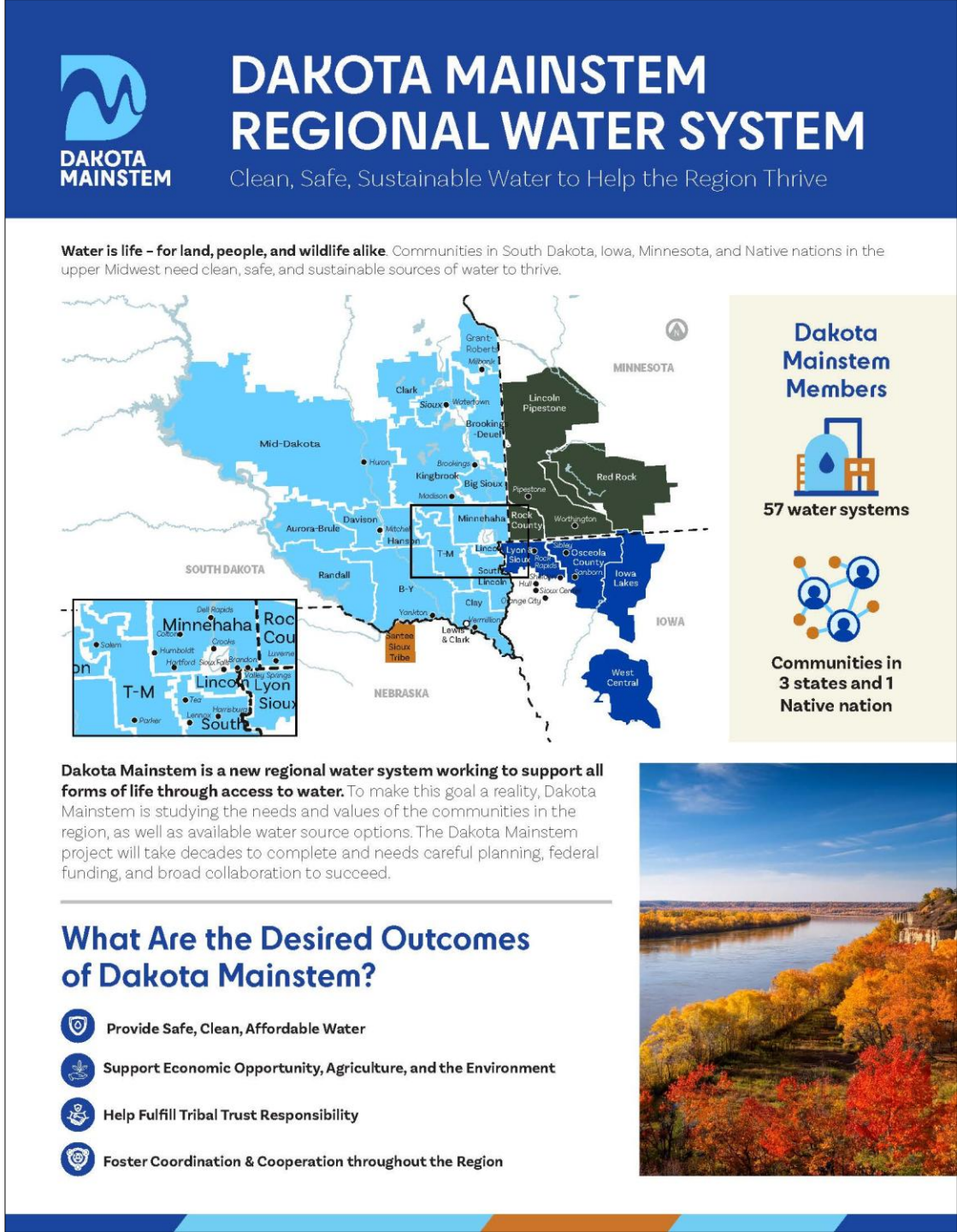
[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To require the Secretary of the Interior to conduct a study to determine the feasibility of constructing a project to supply municipal, rural, and industrial water from the Missouri River to the Western Dakota Regional Water System, and for other purposes.

Outreach: Tribal

- Reopen membership – two new
- 9 Tribal Nations. *Built on cooperation and respect, with shared water challenges and opportunities.*
- Tribal Nations Identified
  - Crow Creek Sioux Tribe
  - Flandreau Santee Sioux Tribe
  - Yankton Sioux Tribe
  - Sisseton Wahpeton Nation
  - Upper Sioux Community
  - Lower Sioux Community
  - Winnebago Tribe of Nebraska
  - Omaha Tribe of Nebraska
  - Santee(already a member)



Outreach: Sharing the responsibility

- MN and IA asked to pay their share, based on demand
- Large effort with Iowa Legislators
  - Jacob Bossman
  - John Wills
  - Megan Jones
  - Lynn Evens
  - Skyler Wheeler
  - Dave Rowley

State	Requested Capacity (MGD)	% of total demand in 2070	Amount Funded	Amount Requesting
MN	13	6.7	-	$185,000
SD	151	78.1	$2,750,000	$2,147,000
IA	30	15.2	-	$418,000
TOTAL	**194 MGD**	**100%**	**$2,750,000**	**$2,750,000**

- Minnesota Legislators lots of changes
  - Double efforts after November election

Investing in South Dakota's Water Future

- Supports resilience, economic growth, and cooperation
- Keeps South Dakota a leader in regional water development



SOURCE: stock.adobe.com

THANK YOU FOR YOUR CONTINUED SUPPORT!

We are happy to answer questions.

DAKOTA MAINSTEM

DANR-Water Rights Observation Well Network

Board of Water and Natural Resources
November 05, 2026

Adam Mathiowetz, PE
Chief Engineer
Water Rights Program

SOUTH DAKOTA DEPARTMENT of AGRICULTURE and NATURAL RESOURCES

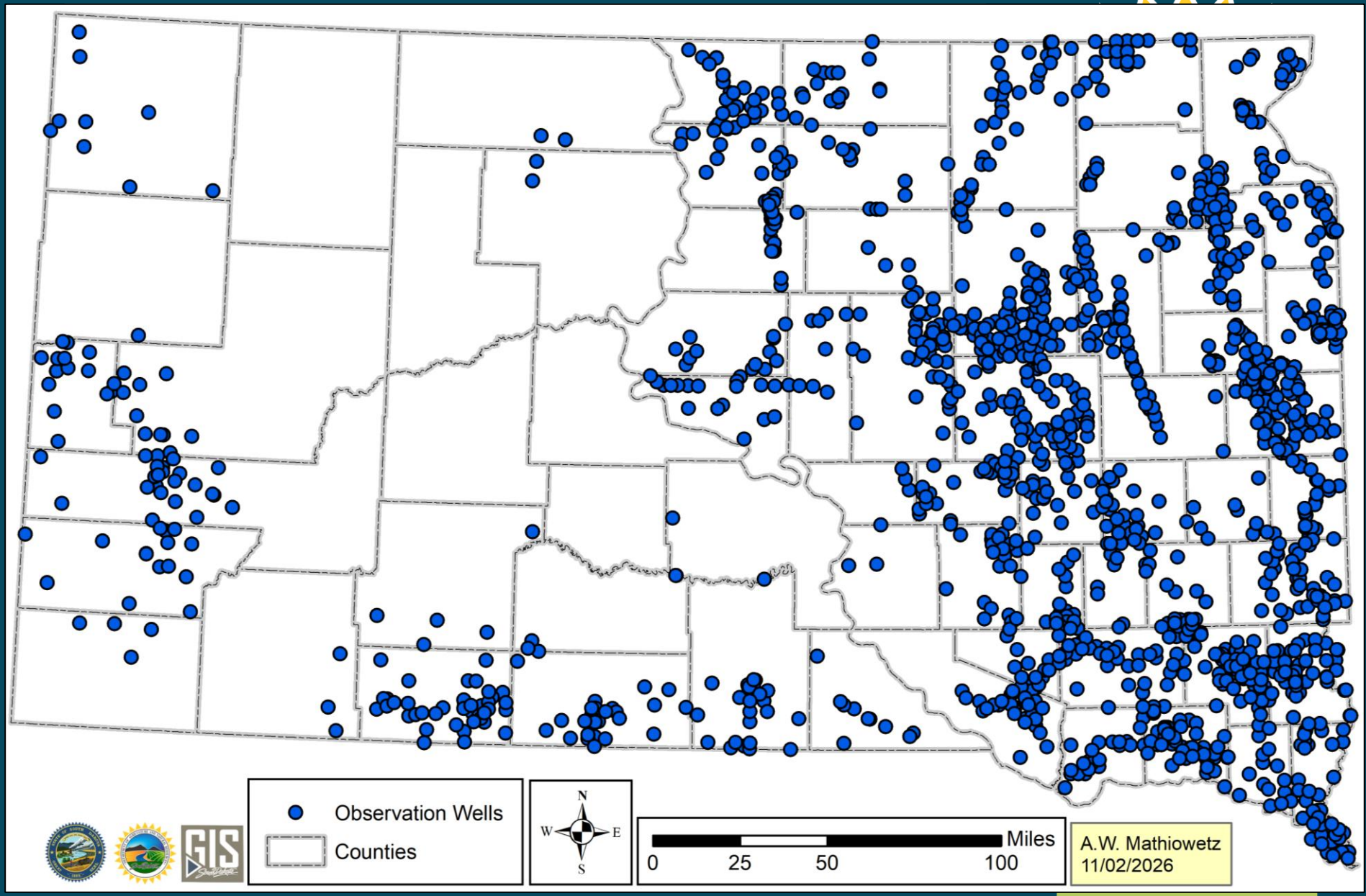
#SDAGPROUD

Observation Well Network Info

- DANR-Water Rights Program observation well network is 1,614 wells across the state;
  - 108 uniquely named aquifers/management units
    - Some are “catch-all” names for hydrologically similar but disconnected smaller aquifers
- Historic water levels of aquifers, with continuous manual measurements back to the 1950’s in some areas
- Observation well network is the backbone for management of groundwater resources in South Dakota
- The water level data gives us an actual view of what is occurring in the aquifers throughout time

SOUTH DAKOTA DEPARTMENT of AGRICULTURE and NATURAL RESOURCES

#SDAGPROUD


Observation Wells
Counties
N
W
E
S
Miles
0
25
50
100
A.W. Mathiowetz
11/02/2026

Observation Well Network Needs

- Additional observation wells across the state monitoring various aquifers
  - Limited number of observation wells completed into some aquifers;
  - Development in areas outside of existing network coverage;
  - Replacement of damaged/destroyed observation wells;
- Refurbishment and integration of existing public water supply wells not in use that can be added to the network;
  - Primarily in the Black Hills area where new wells can be very deep and expensive;
- Refurbishment of existing in-network wells;
- Installation of automated data collection units (data loggers) throughout the network;



SOUTH DAKOTA DEPARTMENT of AGRICULTURE and NATURAL RESOURCES

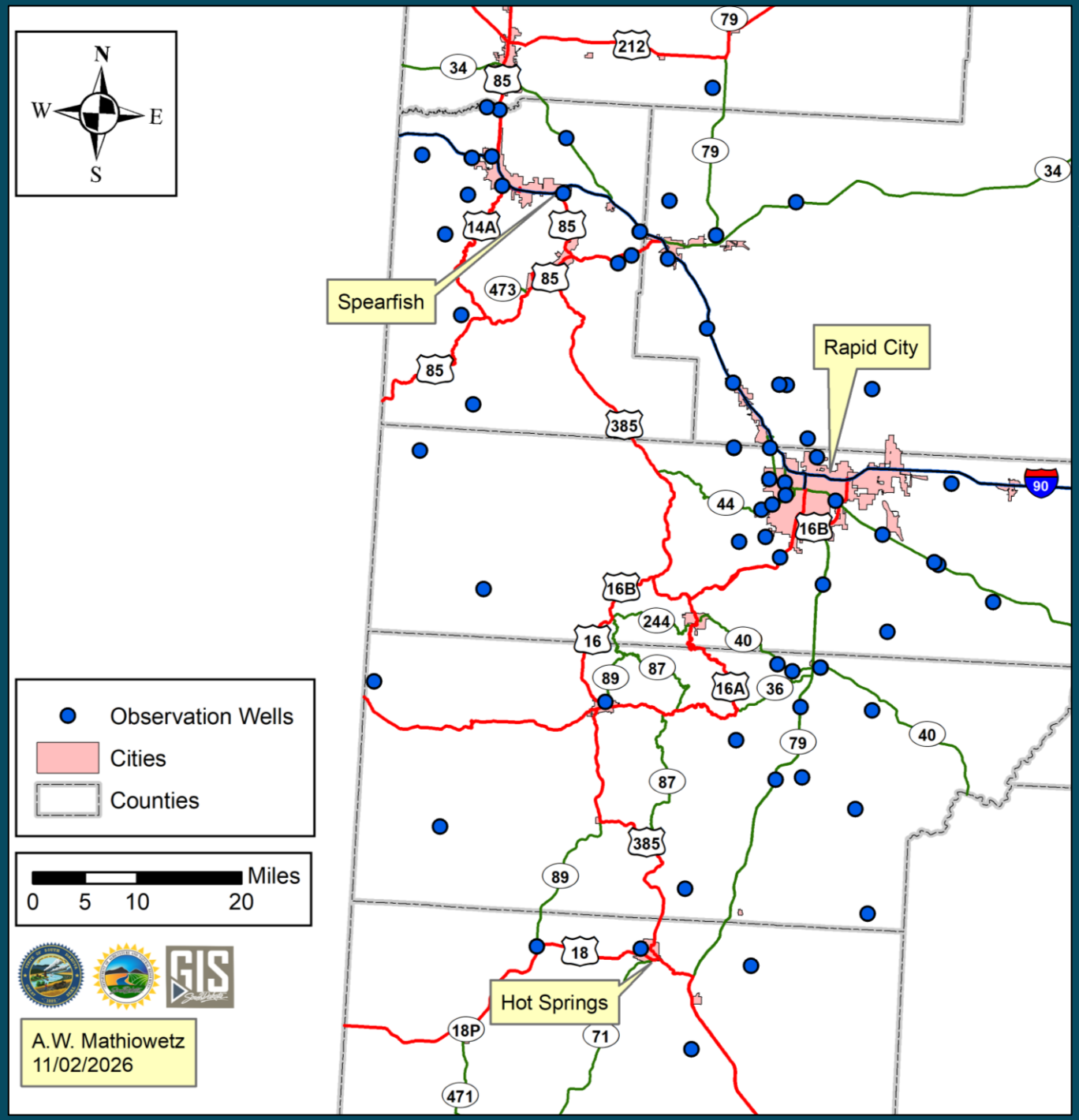
#SDAGPROUD

Observation Well Network Needs

- DANR-Water Rights Program request is for $500,000
  - $300,000 for data loggers
    - Purchase, install, and database integration/upgrades
  - $200,000 for well refurbishment
    - Unique to each well
- Well refurbishment is potentially highly variable and likely to set exactly how much is spent on data loggers in the end
- 100 data loggers with cellular telemetry costs $165,000 to $180,000 to purchase depending on site specific needs.
  - Focus on aquifers with more well interference complaints and concerns, difficult to access wells, areas where there is more year-round use (municipalities and rural water systems) than seasonal use (irrigation), and areas with cellular reception

SOUTH DAKOTA DEPARTMENT of AGRICULTURE and NATURAL RESOURCES

#SDAGPROUD



DEPARTMENT OF AGRICULTURE AND NATURAL RESOURCES
SouthDakota

SOUTH DAKOTA DEPARTMENT of AGRICULTURE and NATURAL RESOURCES

#SDAGPROUD









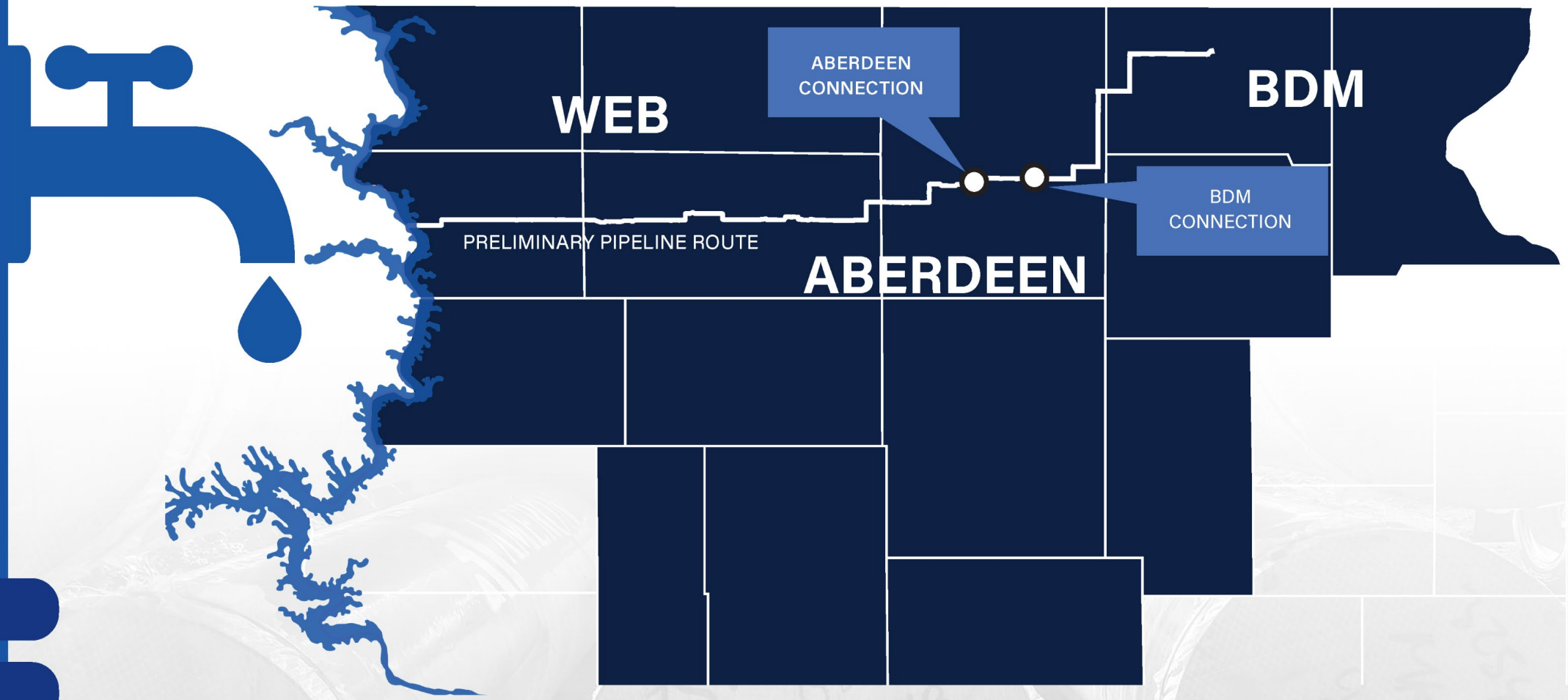
Questions?

ABOUT THE PROJECT

Water Investment in Northern South Dakota (WINS) is a water supply project that will provide a reliable water source to rural water providers and communities in northern South Dakota. Project benefits include economic and community growth to help diversify and bolster the State's economy, drought mitigation, and increased public health and safety through the delivery of clean, reliable water.

KEY PROJECT BENEFITS

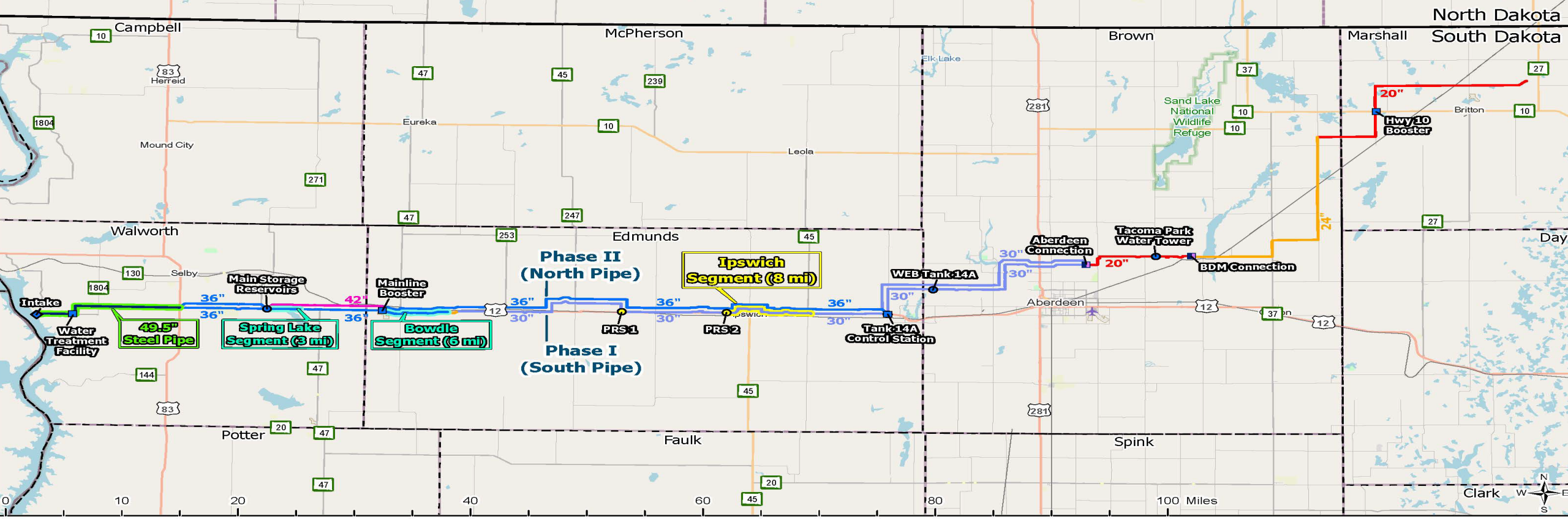
- Drought Mitigation
- Community Growth
- Public Health & Safety
- Economic Development





PRELIMINARY PIPELINE ROUTE

WINS WATER SUPPLY PROJECT



WINS Project Proposed Waterlines

Water Investment in Northern South Dakota

BANNER

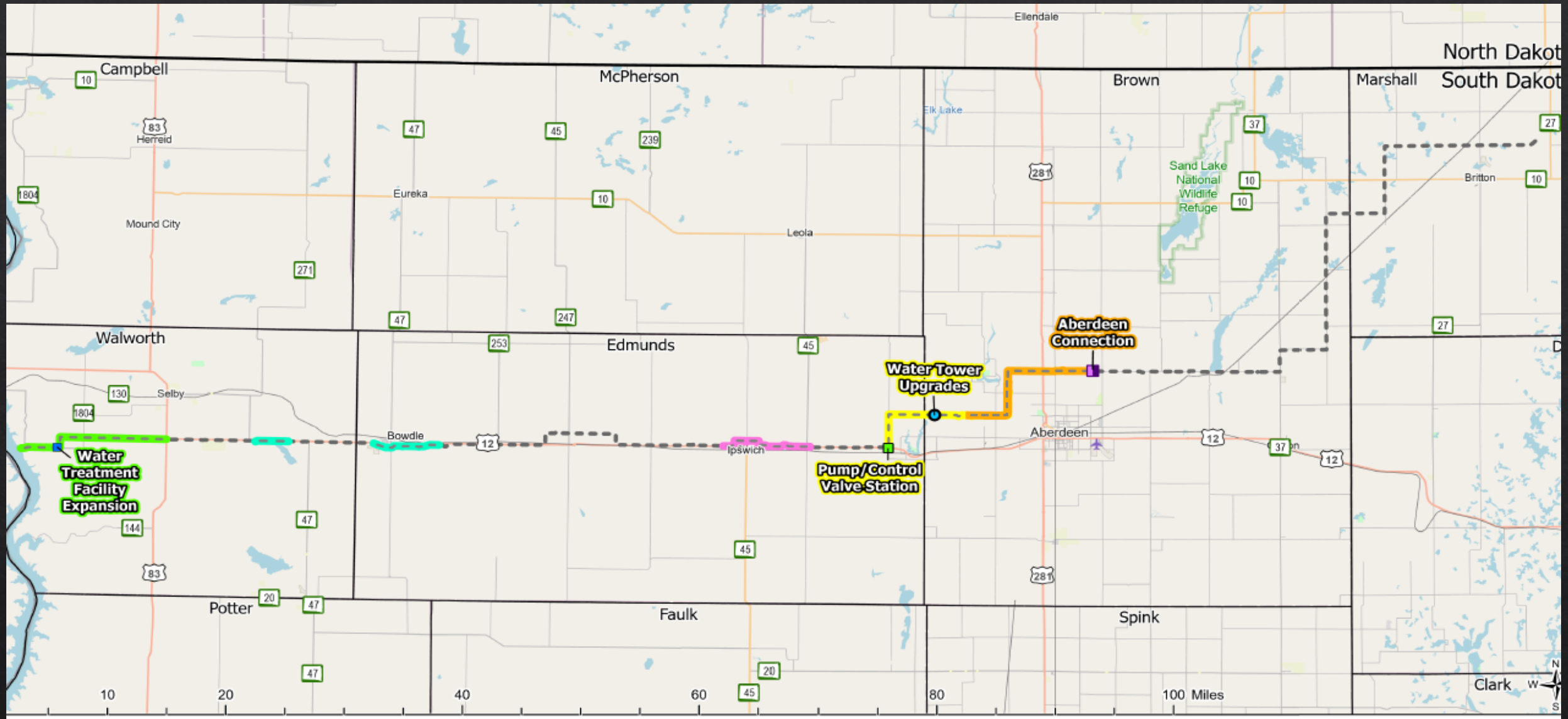
WINS Project Proposed Ultimate Design

WATER INVESTMENT IN NORTHERN SOUTH DAKOTA

WEB Water

ABERDEEN SOUTH DAKOTA

BDM RURAL WATER SYSTEM





Legend

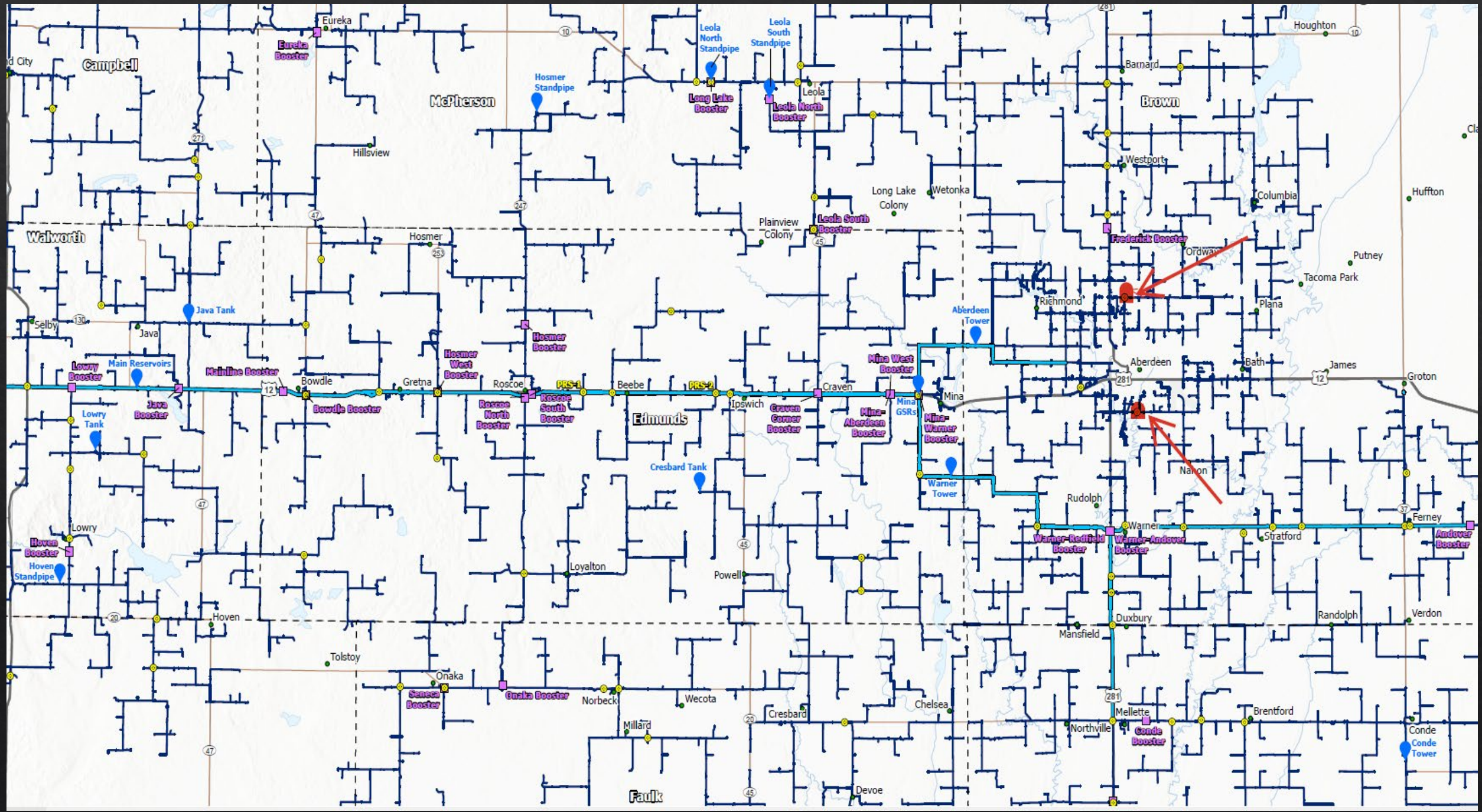
- Phase 1 (Complete)
- Phase 2A (Under Construction)
- Phase 2B (FY2026 CDS)
- Phase 3A (FY2027 CDS)
- Phase 3B (Future Phase)
- Water Treatment Facility
- Aberdeen Connection
- Pump/Control Valve Station
- Water Tower Upgrades
- Future Phases
- County Boundary
- State Boundary

WINS Project Proposed Waterlines

Water Investment in Northern South Dakota

WATER INVESTMENT IN NORTHERN SOUTH DAKOTA

BANNER


Campbell
McPherson
Walworth
Edmunds
Faulk
Brown
Eureka
Eureka Booster
Hosmer Standpipe
Leola North Standpipe
Leola South Standpipe
Long Lake Booster
Leola North Booster
Leola South Booster
Hillsview
Hosmer
Plainview
Colony
Long Lake
Colony
Wetonka
Barnard
Houghton
Westport
Columbia
Huffton
Frederick Booster
Ordway
Putney
Tacoma Park
Richmond
Plana
Aberdeen Tower
Aberdeen
Bath
James
Groton
Selby
Java
Java Tank
Lowry Booster
Main Reservoirs
Mainline Booster
Bowdle
Gretna
Roscoe
Hosmer Booster
Hosmer West Booster
PRS-1
PRS-2
Beebe
Ipswich
Craven
Craven Corner Booster
Mina West Booster
Mina
Mina GSRs
Mina-Aberdeen Booster
Mina-Warner Booster
Java Booster
Bowdle Booster
Roscoe North Booster
Roscoe South Booster
Lowry Tank
Cresbard Tank
Warner Tower
Nahon
Rudolph
Warner
Ferney
Stratford
Warner-Redfield Booster
Warner-Andover Booster
Andover Booster
Lowry
Hoven Booster
Hoven Standpipe
Loyalton
Powell
Hoven
Duxbury
Mansfield
Randolph
Verdon
Tolstoy
Onaka
Seneca Booster
Onaka Booster
Norbeck
Wecota
Millard
Cresbard
Chelsea
Mellette
Northville
Brentford
Conde
Conde Booster
Conde Tower
Devoe



Project Updates- Water Treatment Plant



Mainline Parallel - Phase 1

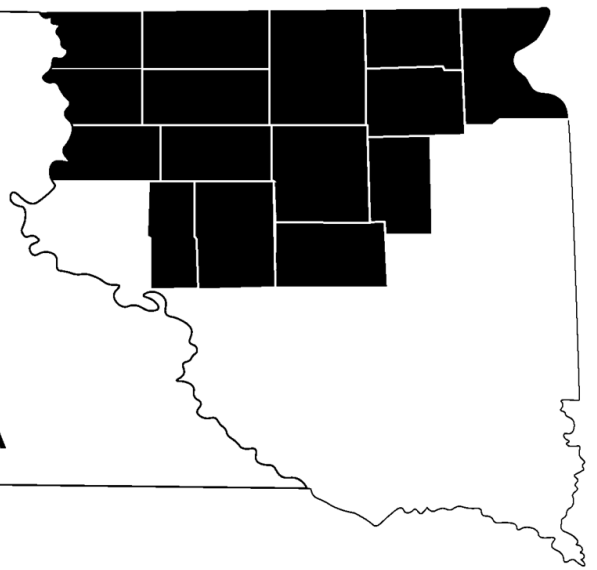


Mainline Parallel - Phase 2A

THANK YOU

Questions ??

WATER
INVESTMENT IN
NORTHERN
SOUTH DAKOTA





JUST ADD WATER.

WESTERN DAKOTA REGIONAL WATER SYSTEM

DEPARTMENT OF AGRICULTURE AND NATURAL RESOURCES
SouthDakota

November 5, 2026

WESTERN DAKOTA REGIONAL WATER SYSTEM



WDRWS Status

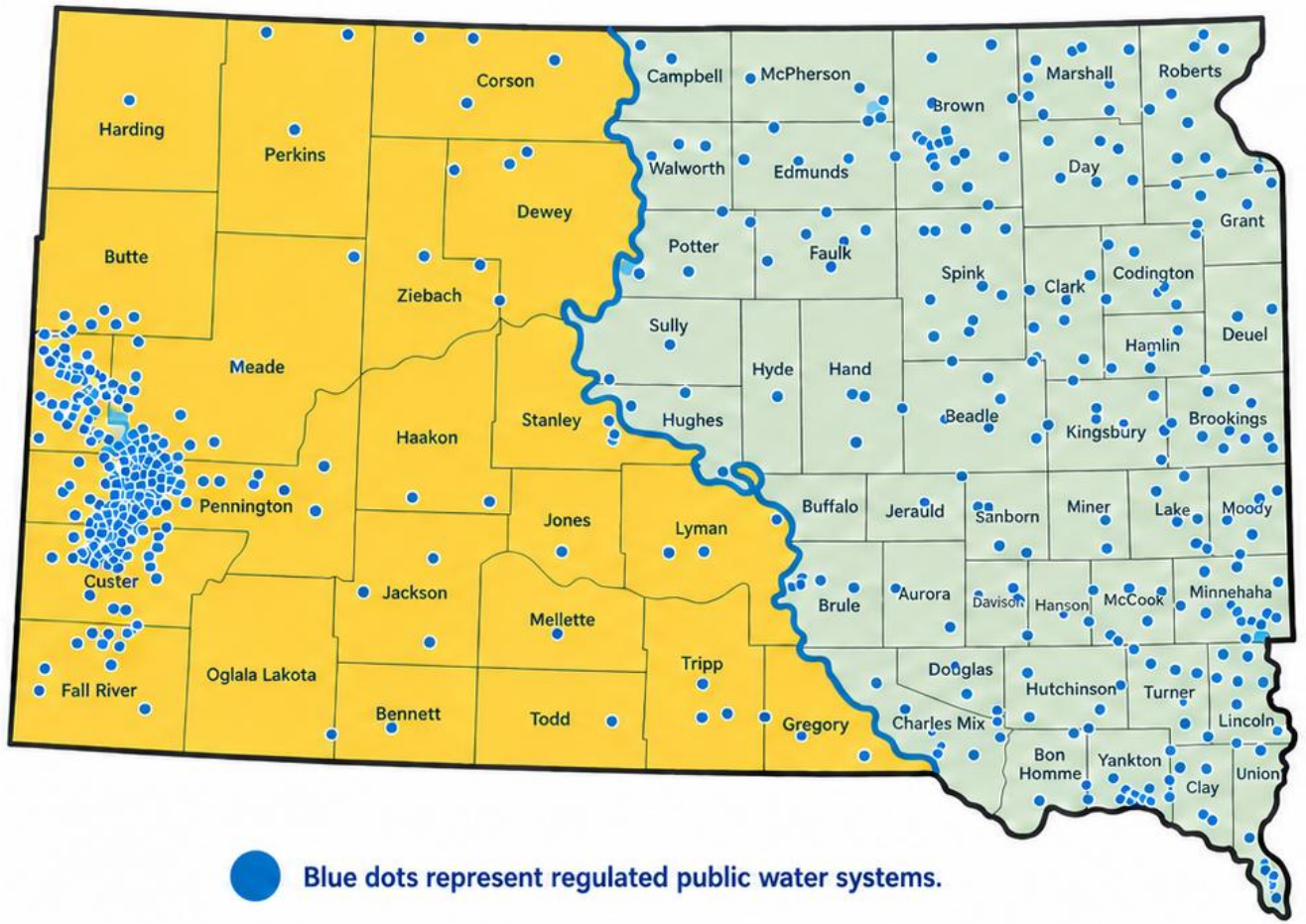
Why Do **Regional Drinking Water Systems Matter?**

South Dakota Drinking Water Systems

650 Regulated Public Water Systems in SD

Over 400 Unregulated Systems Below the Threshold

Public Water System Definition
15 or More Service Connections, or 25 people served for at least 6 days per year



Investing in the Solution

PROPOSED FEASIBILITY STUDY

270,000
RESIDENTS IN THE STUDY REGION

22
COUNTIES IN THE STUDY AREA

51,600
SQUARE MILES IN THE STUDY AREA

52
MEMBERS RURAL AND MUNICIPAL SYSTEMS

50
YEARS WATER-DEMAND PROJECTIONS

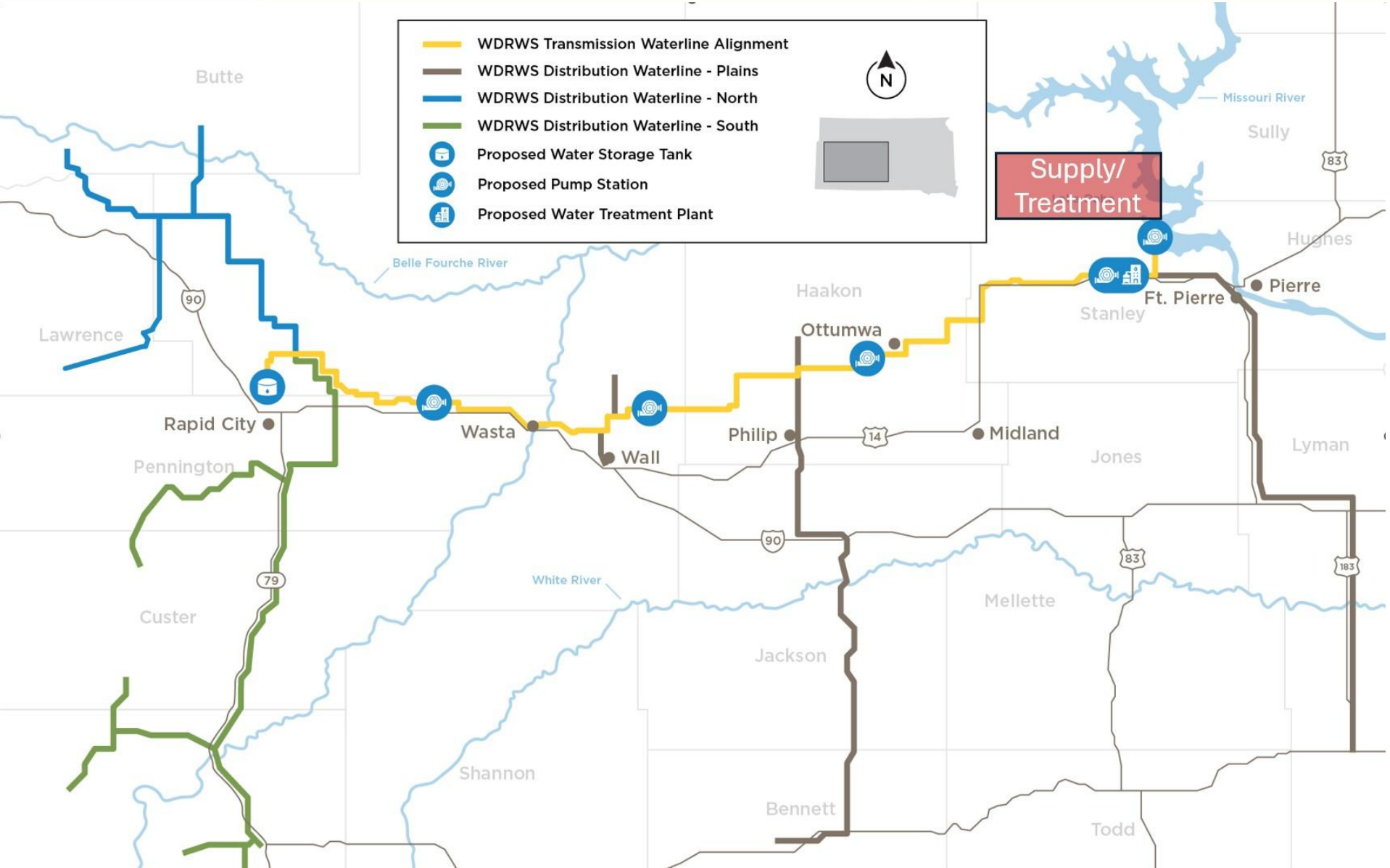
CURRENT PROPOSED INFRASTRUCTURE

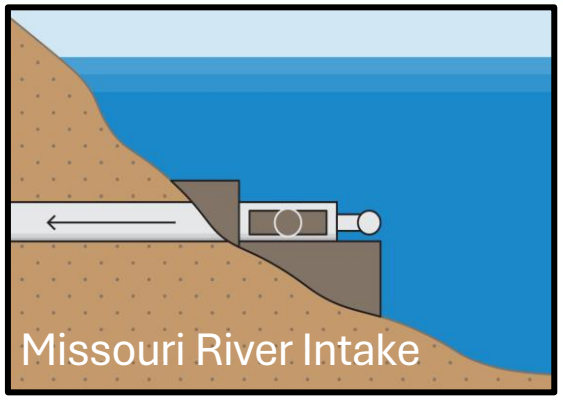
165
MILES
MAIN TRANSMISSION PIPELINE

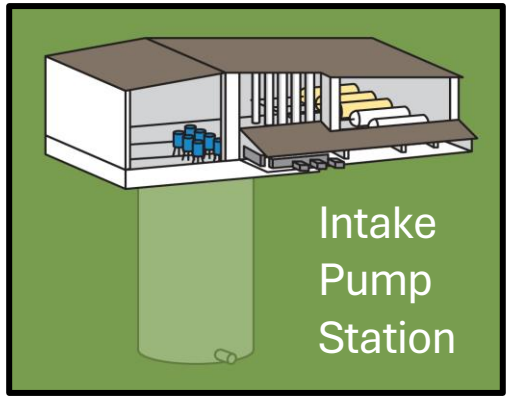
72
INCHES
PIPELINE DIAMETER

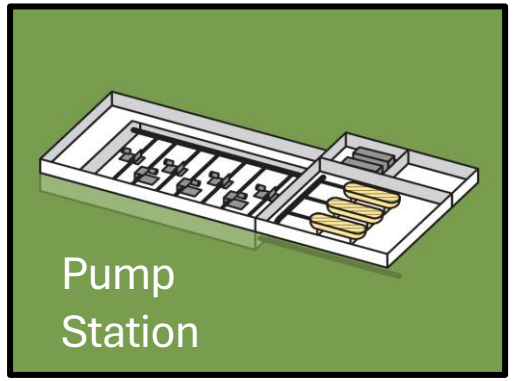
2,000
FEET
ELEVATION LIFT

Distribution System Conceptual Design









WDRWS Federal Feasibility Study Bills

South Dakota Rep. Dusty Johnson introduced H.R.9785, the South Dakota Water Feasibility Studies Act

- Consideration by full House next

South Dakota Sens. John Thune & Mike Rounds introduced S.3723 "Western South Dakota Water Supply Project Feasibility Study Act”

- Consideration by the Senate.
- Includes $9M confirmed appropriation for Bureau of Reclamation Feasibility Study.



WESTERN DAKOTA REGIONAL WATER SYSTEM



Financial Projections

WDRWS Projected Expenses

Projections assume the following:

- Feasibility study completed at a cost of $8.5M, from 2027 to 2029.
- BOR agreement allows WDRWS work to date to meet 50% cost share requirement.
- BOR share of appropriated funding = $250,000
- Local cost share for SWRMS remains at the same level as for the 2023 and 2024 SWRMS grant awards (*$250,000 for each $1M awarded / 20% of the total of SWRMS plus the required match*)

Projected Funding Needs through Feasibility Study

Local Match Met by Appraisal Study

Phases		Feasibility Study		
Expenses	2026	**2027**	**2028**	**2029**
Payroll	$ 175,000	$ 225,300	$ 236,565	$ 248,393
Office	$ 20,000	$ 20,000	$ 21,000	$ 22,050
Occupancy	$ 28,000	$ 28,000	$ 29,400	$ 30,870
Misc	$ 10,000	$ 16,500	$ 17,325	$ 18,191
Travel	$ 15,000	$ 16,360	$ 17,178	$ 18,037
Legal	$ 30,000	$ 31,500	$ 33,075	$ 34,729
Accounting	$ 39,000	$ 52,000	$ 54,600	$ 57,330
Audit	$ 26,000	$ 28,500	$ 29,925	$ 31,421
Insurance	$ 2,950	$ 3,100	$ 3,255	$ 3,418
Studies/Surveys	$ 115,000	$ -	$ -	$ -
Lobbyist	$ 90,000	$ 94,500	$ 99,225	$ 104,186
Engineering/Comm (TO7)	$ 200,000	$ 200,000	$ 210,000	$ 220,500
Engineering/Program Man (TO3)	$ 300,000	$ 300,000	$ 315,000	$ 330,750
Engineering - Financial/Leg (TO12)	$ 700,000	$ 100,000	$ 105,000	$ 110,250
Engineering - pre-Feasibility Study	$ 3,388,974	$ -	$ -	$ -
Engineering - Feasibility Study	$ -	$ 2,833,333	$ 2,833,333	$ 2,833,333
Enginering - Design/Construction	$ -	$ -	$ -	$ -
Total Expenses	$ 5,139,924	**$ 3,949,093**	**$ 4,004,881**	**$ 4,063,459**
Revenues	2026	**2027**	**2028**	**2029**
ARPA	$ 4,515,585	$ -	$ -	$ -
SWRMS	$ 535,581	$ 809,383	$ 851,936	$ 896,616
SWRMS Local Match 20%	$ 25,698	$ 211,877	$ 220,387	$ 229,323
Federal	$ -	$ 2,583,333	$ 2,583,333	$ 2,583,333
Federal Local Match (SWRMS)	$ -	$ 250,000	$ 250,000	$ 250,000
State Match	$ -	$ -	$ -	$ -
Local - Unrestricted	$ 63,060	$ 94,500	$ 99,225	$ 104,186
Total Revenues/Funds Required	$ 5,139,924	**$ 3,949,093**	**$ 4,004,881**	**$ 4,063,459**
Member Revenues and Contributions Needed	$88,758	**$306,377**	**$319,612**	**$333,509**
SWRMS Request:		**$ 1,059,383**	**$ 1,101,936**	**$ 1,146,616**

Local Match Not Met by Appraisal Study

Phases		Feasibility Study		
Expenses	2026	**2027**	**2028**	**2029**
Payroll	$ 175,000	$ 225,300	$ 236,565	$ 248,393
Office	$ 20,000	$ 20,000	$ 21,000	$ 22,050
Occupancy	$ 28,000	$ 28,000	$ 29,400	$ 30,870
Misc	$ 10,000	$ 16,500	$ 17,325	$ 18,191
Travel	$ 15,000	$ 16,360	$ 17,178	$ 18,037
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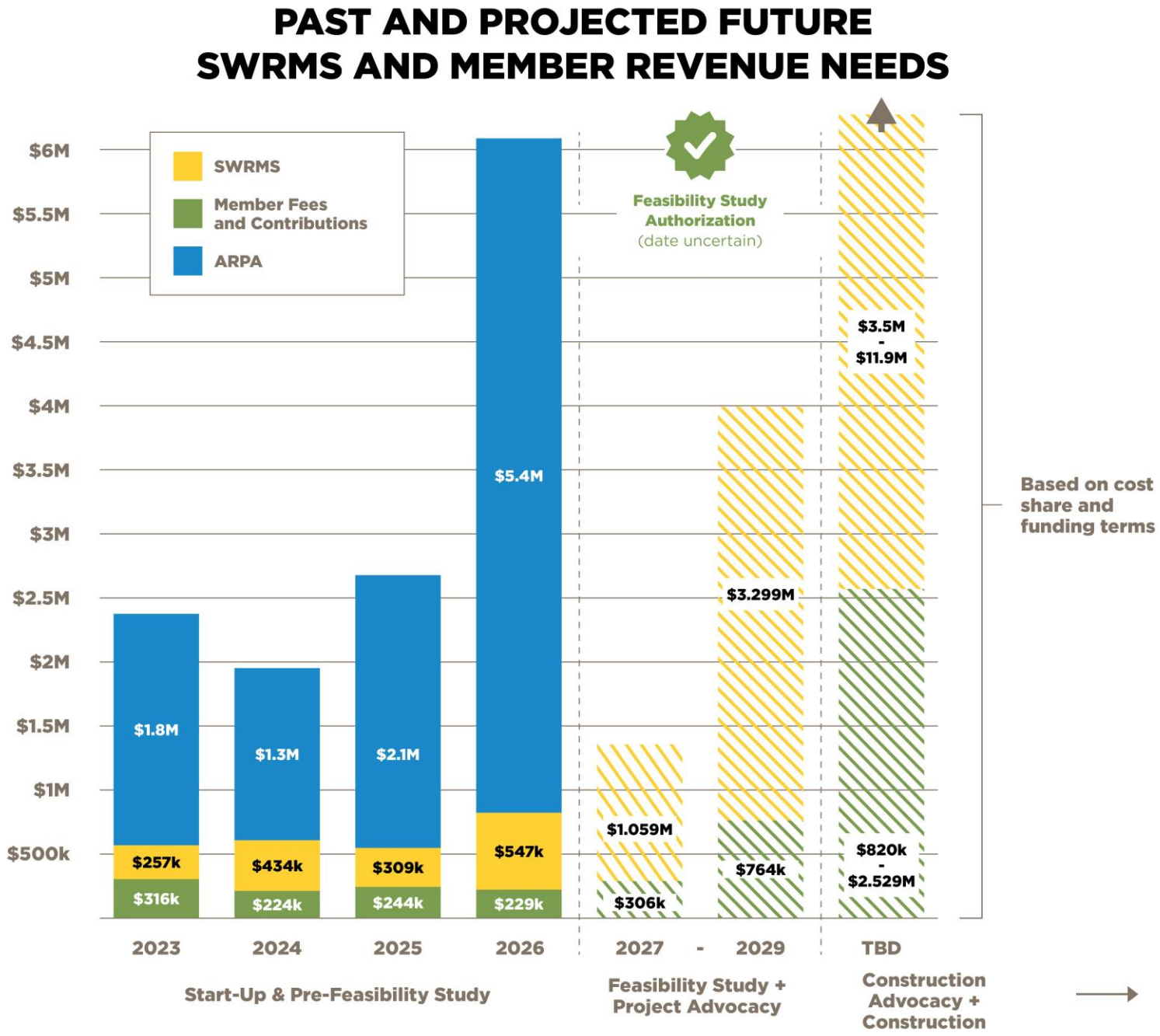
Audit	$ 26,000	$ 28,500	$ 29,925	$ 31,421
Insurance	$ 2,950	$ 3,100	$ 3,255	$ 3,418
Studies/Surveys	$ 115,000	$ -	$ -	$ -
Lobbyist	$ 90,000	$ 94,500	$ 99,225	$ 104,186
Engineering/Comm (TO7)	$ 200,000	$ 200,000	$ 210,000	$ 220,500
Engineering/Program Man (TO3)	$ 300,000	$ 300,000	$ 315,000	$ 330,750
Engineering - Financial/Leg (TO12)	$ 700,000	$ 100,000	$ 105,000	$ 110,250
Engineering - pre-Feasibility Study	$ 3,388,974	$ -	$ -	$ -
Engineering - Feasibility Study	$ -	$ 2,833,333	$ 2,833,333	$ 2,833,333
Enginering - Design/Construction	$ -	$ -	$ -	$ -
Total Expenses	$ 5,139,924	**$ 3,949,093**	**$ 4,004,881**	**$ 4,063,459**
Revenues	2026	**2027**	**2028**	**2029**
ARPA	$ 4,515,585	$ -	$ -	$ -
SWRMS	$ 535,581	$ 3,212,161	$ 3,254,714	$ 3,299,394
SWRMS Local Match 20%	$ 25,698	$ 642,432	$ 650,943	$ 659,879
Federal	$ -	$ -	$ -	$ -
Federal Local Match (SWRMS)	$ -	$ -	$ -	$ -
State Match	$ -	$ -	$ -	$ -
Local - Unrestricted	$ 63,060	$ 94,500	$ 99,225	$ 104,186
Total Revenues/Funds Required	$ 5,139,924	**$ 3,949,093**	**$ 4,004,881**	**$ 4,063,459**
Member Revenues and Contributions Needed	$88,758	**$736,932**	**$750,168**	**$764,065**
SWRMS Request:		**$ 3,212,161**	**$ 3,254,714**	**$ 3,299,394**

State of SD & WDRWS Members' Financial Investment



WDRWS Membership Fee Projections

- Phased increases to strengthen local investment
  - From 10%-24% of annual revenue needs through feasibility study
- Introduce Future Water Supply Surcharge per Connection

	2022-2026	2027	2028	2029	2030
Fixed Annual Fees					
Class 1	$1,500	$2,000	$2,800	$3,300	$4,000
Class 2	$750	$1,000	$1,400	$1,650	$2,000
Class 3	$375	$500	$700	$820	$950
Class 4	$50	$65	$100	$110	$125
Fee per Connection per Year					
All	--		$0.80-$8.00		$8-$36

WESTERN DAKOTA REGIONAL WATER SYSTEM

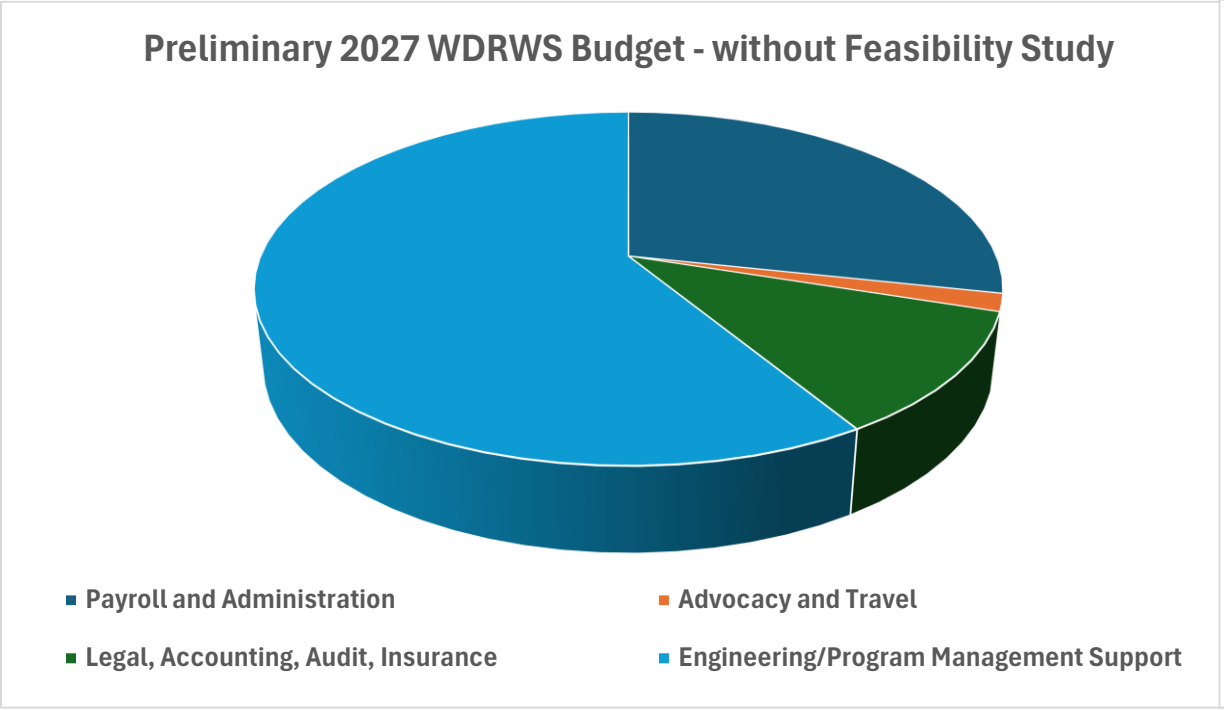


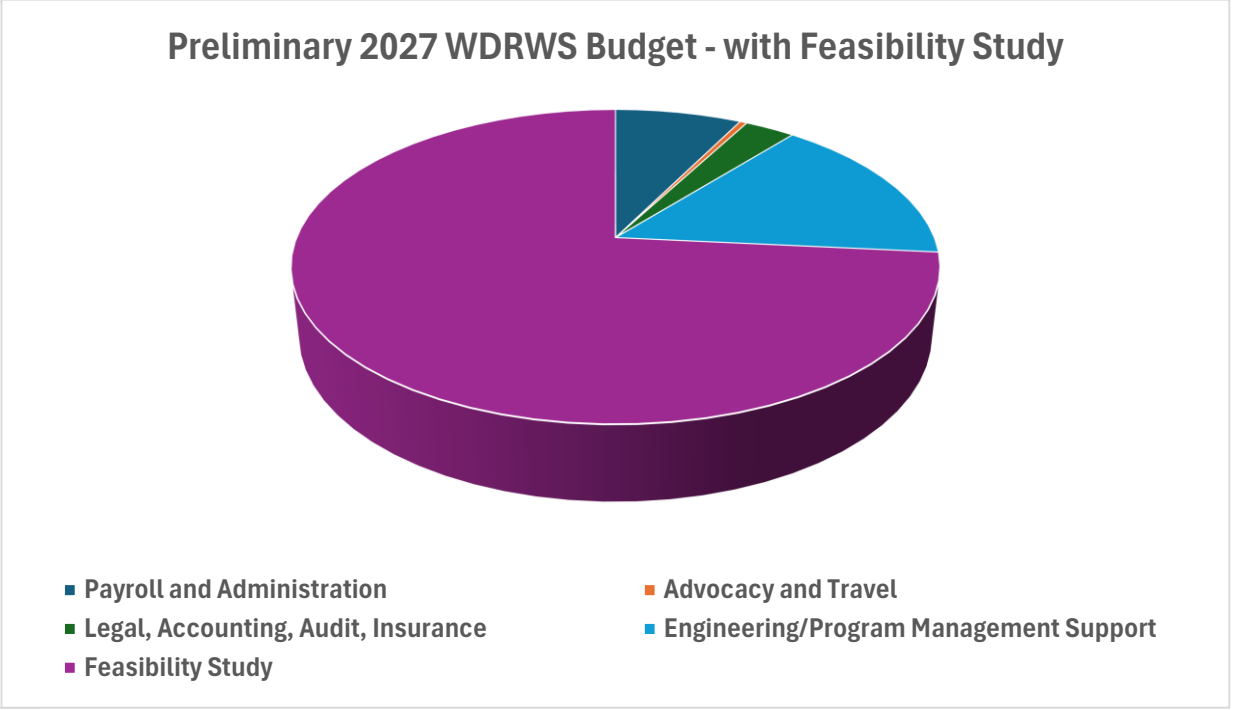
DANR SWRMS 2027 Matters

Next Phase

2027 SWRMS Request and Use

2027 Request = $1M





Projected SWRMS Eligible Expenditures = $1.021M

Projected SWRMS Eligible Expenditures = $3.855M

WDRWS Work Plan

Workstream	Proposed 2027 deliverable	How progress is measured
Federal coordination	Documented coordination with BOR and the congressional delegation	Status reports and decisions
Engineering	Defined scope for next technical work and outstanding issues	Engineering reports and approved scopes
Member engagement	Individual meetings and updated system participation information	Meetings, participation records and commitments
Financial planning	Updated local funding and cost share model	Board reviewed financial scenarios
Communications	Coordinated member and public information program	Materials and engagement reports
Administration	Budget oversight, contract administration and reporting	Financial reports and Board oversight

WESTERN DAKOTA REGIONAL WATER SYSTEM



Thank you!
Questions?

Kristin.Conzet@wdrws.org

WDRWS.org

JustAddWaterSD.org

WDRWS

Quarterly Technical Session:

April 9, 2027 Noon MST / 1:00 CST

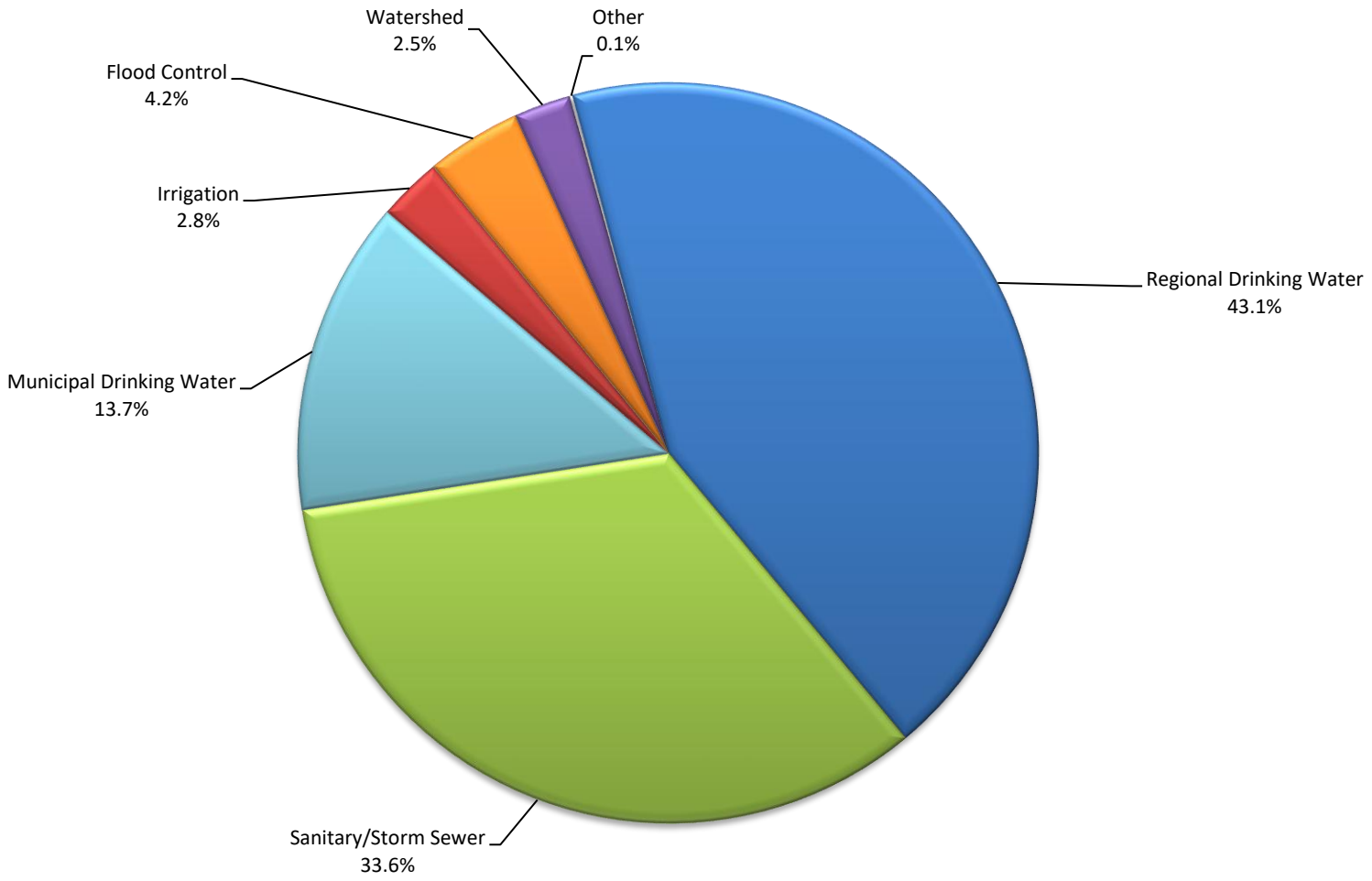
Register at WDRWS.org

2027 Omnibus Bill
Funding Recommendations

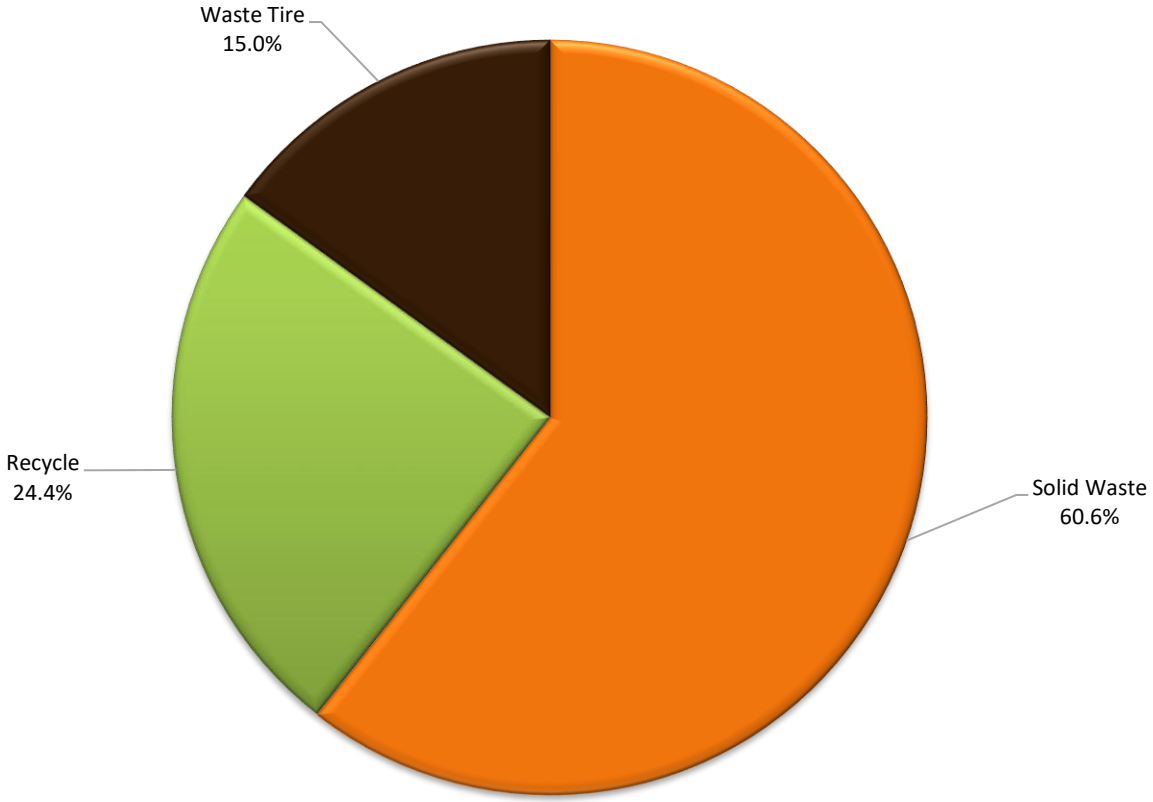
Board of Water & Natural Resources

November 05, 2026

Dedicated Water Funding
$359.2 Million
1993-2026



Dedicated Solid Waste Fees
$73.6 Million
1993-2026



2027 OMNIBUS BILL

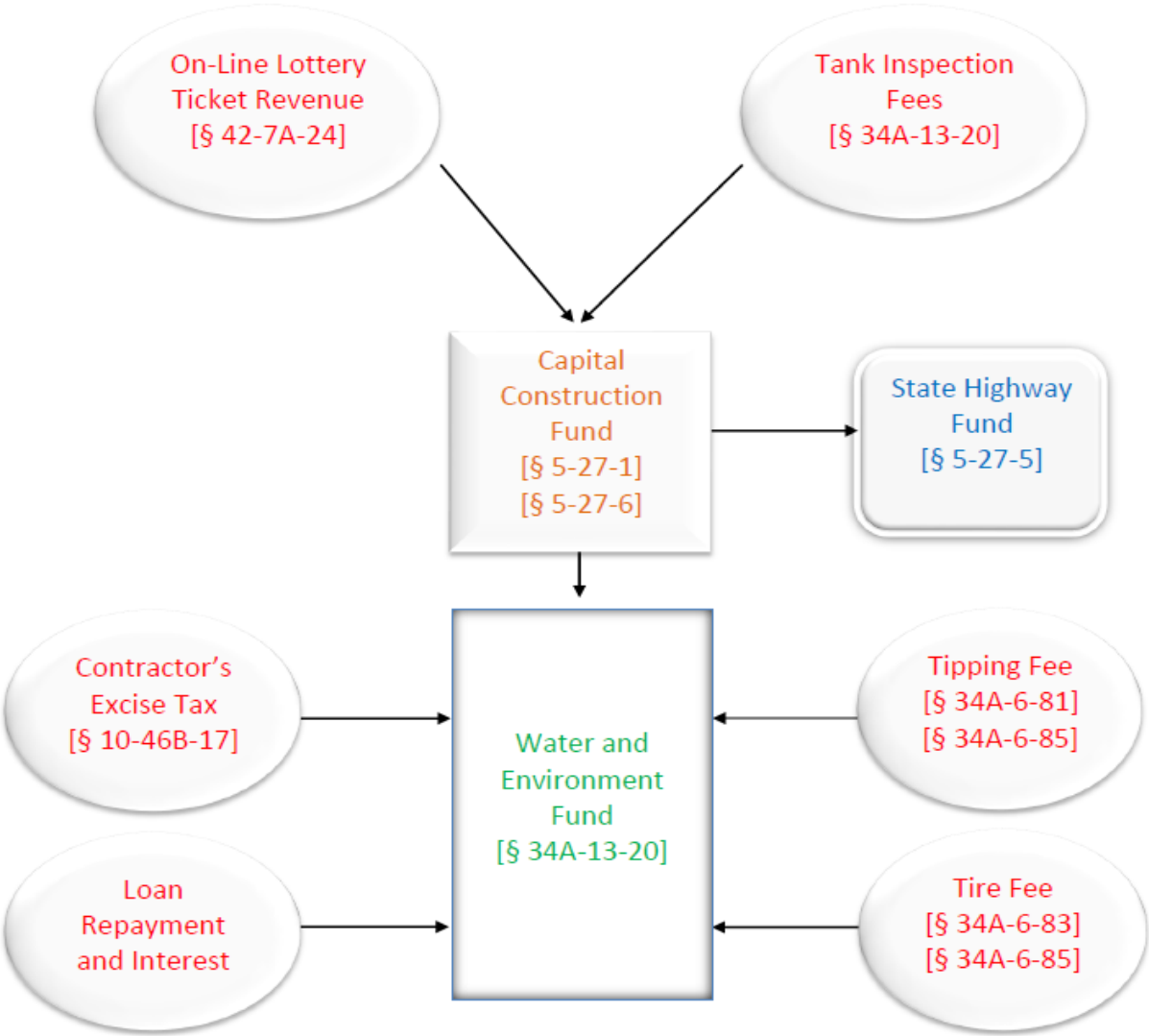
Authorizes **Special Appropriations** for State Fiscal Year 2028

Available for four fiscal years (i.e., through 30-Jun-2031)

Based on actual revenues received through 30-Jun-2026

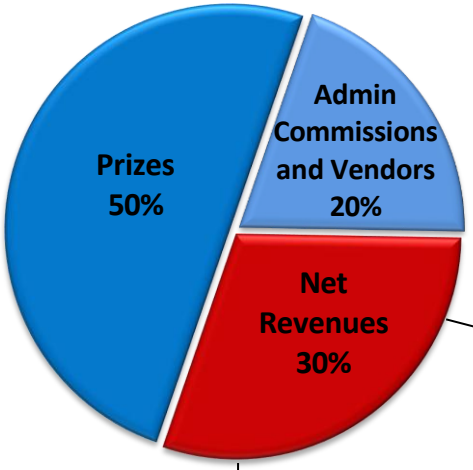
Revenue projections for SFY 2027 and 2028 used to estimate available funds

Revenue Flows



Projected SFY 2027 South Dakota Lotto Distribution

Lotto Breakout



SFY	On-Line Lottery Net Revenues	Lotto Deposits to Capital Construction Fund	Lotto Distribution to Water & Environment Fund
2022	$8,560,177	$4,280,089	$2,610,854
2023	$8,651,739	$2,595,522	$1,661,134
2024	$13,083,823	$3,925,147	$2,512,111
2025	$8,531,420	$2,559,426	$1,638,033
2026	$12,026,985	$3,608,096	$2,309,181
**2027	$10,000,000	$3,000,000	$1,920,000
**2028	$8,500,000	$2,550,000	$1,632,000

**Projected #s

30%

$3 Million

Capital Construction Fund [§ 5-27-1]

64%

$1.92 Million

Water and Environment Fund [§ 46A-1-60] [§ 5-27-6]

70%

$7 Million

General Fund [§ 42-7A-24]

36%

$1.08 Million

State Highway Fund [§ 5-27-5]

Projected SFY 2027 Petroleum Release Compensation and Tank Inspection Fee Distribution

($20 per 1,000 gallons or $0.02 per gallon)

SFY	Tank Inspection Fees	Tank Fees Deposits to the Capital Construction Fund	Tank Fees Distribution to the Water & Environment Fund
2022	$18,016,221	$12,971,679	$7,912,724
2023	$17,391,234	$14,173,856	$9,071,268
2024	$18,225,935	$14,854,137	$9,506,648
2025	$18,212,182	$14,842,928	$9,499,474
2026	$18,672,178	$15,217,825	$9,739,408
**2027	$18,750,000	$15,281,250	$9,780,000
**2028	$18,750,000	$15,281,250	$9,780,000

**Projected #s

§ 34A-13-20 Transfers



81.5% $15.28 Million

Capital Construction Fund [§ 5-27-1]

64%

$9.78 Million

Water and Environment Fund [§ 46A-1-60] [§ 5-27-6]

36%

$5.50 Million

State Highway Fund [§ 5-27-5]

1.5%

$281,000

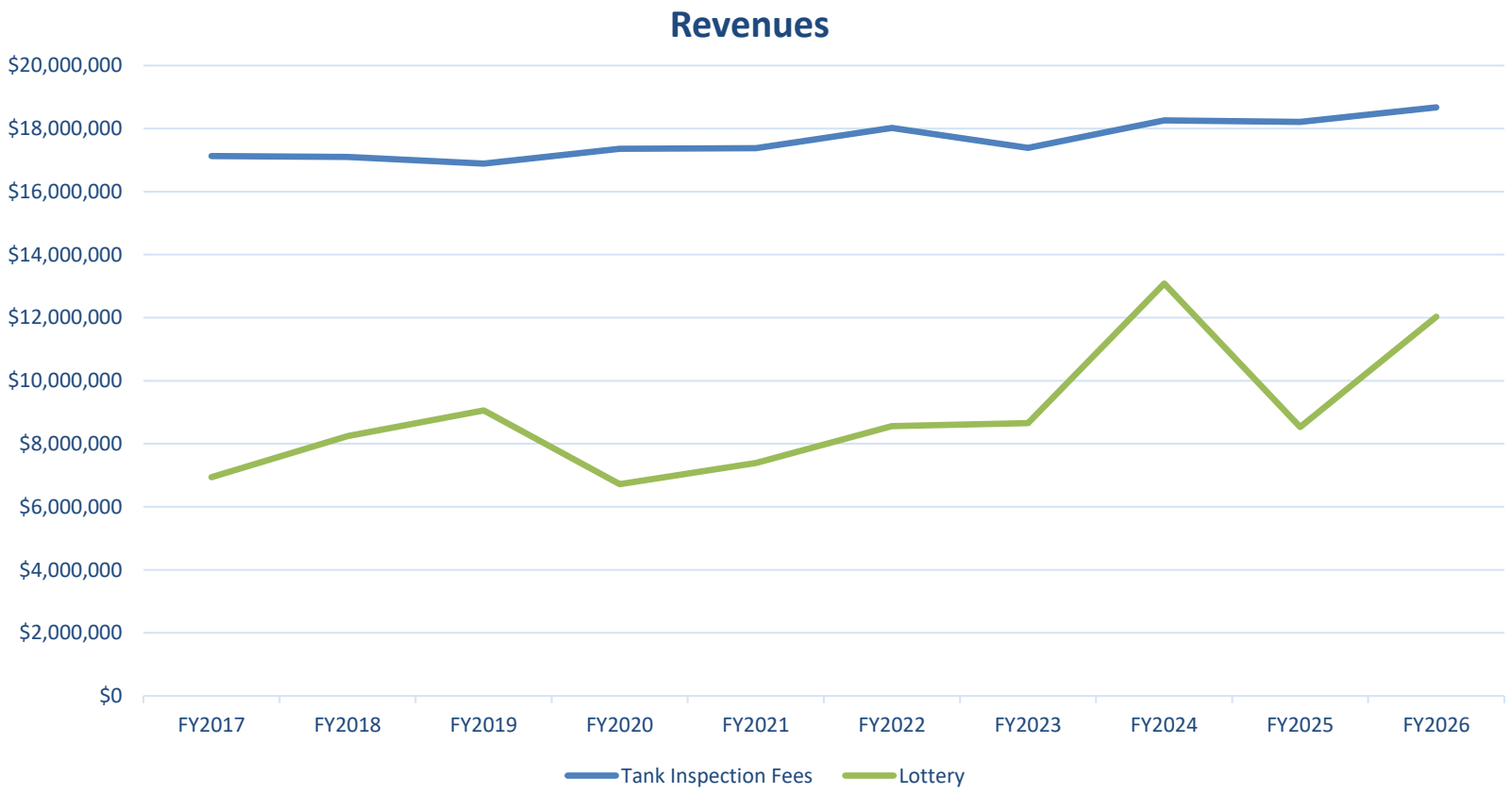
Ethanol Infrastructure Incentive Fund [10-47B-164.1]

17%

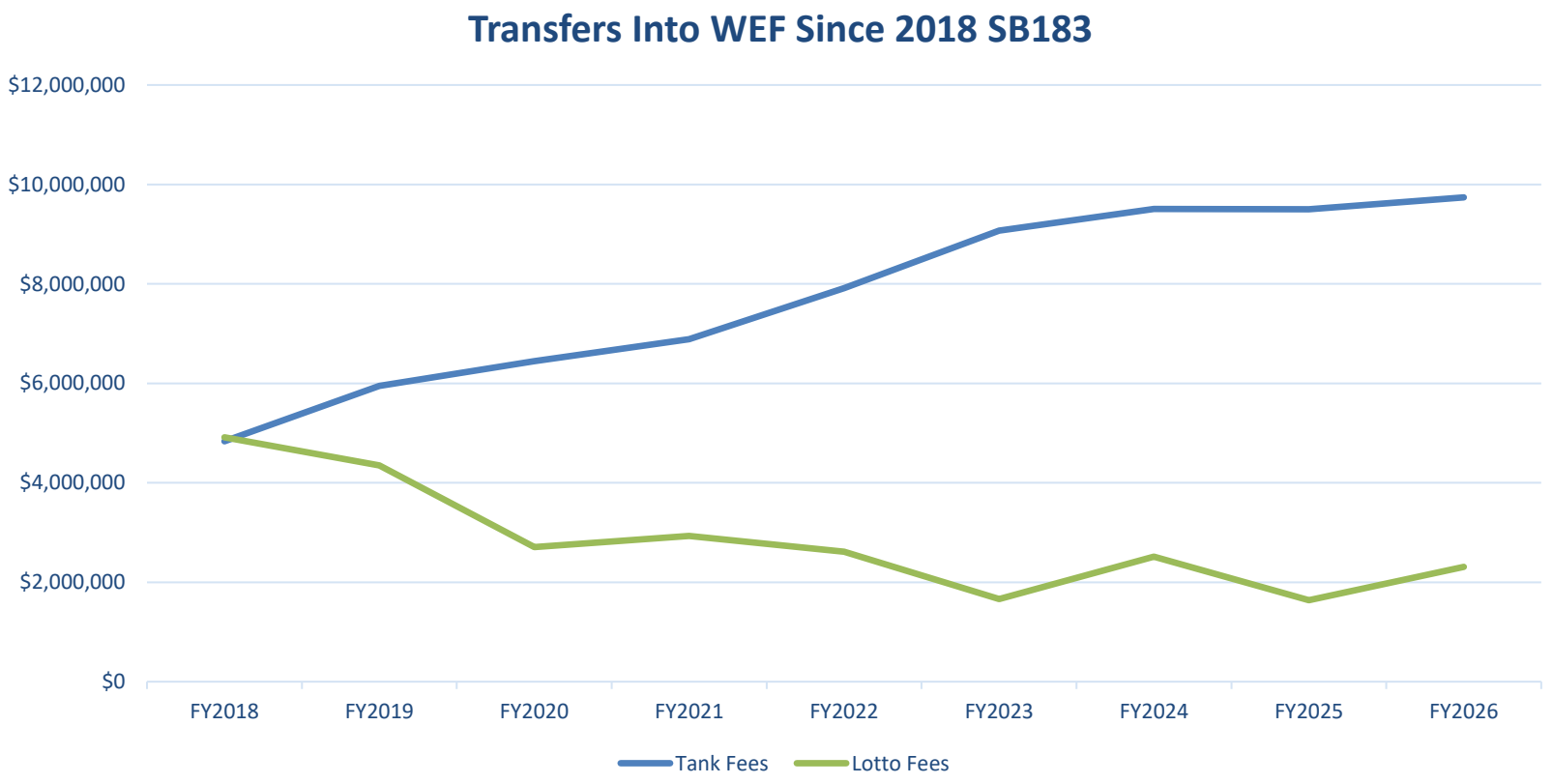
$3.18 Million

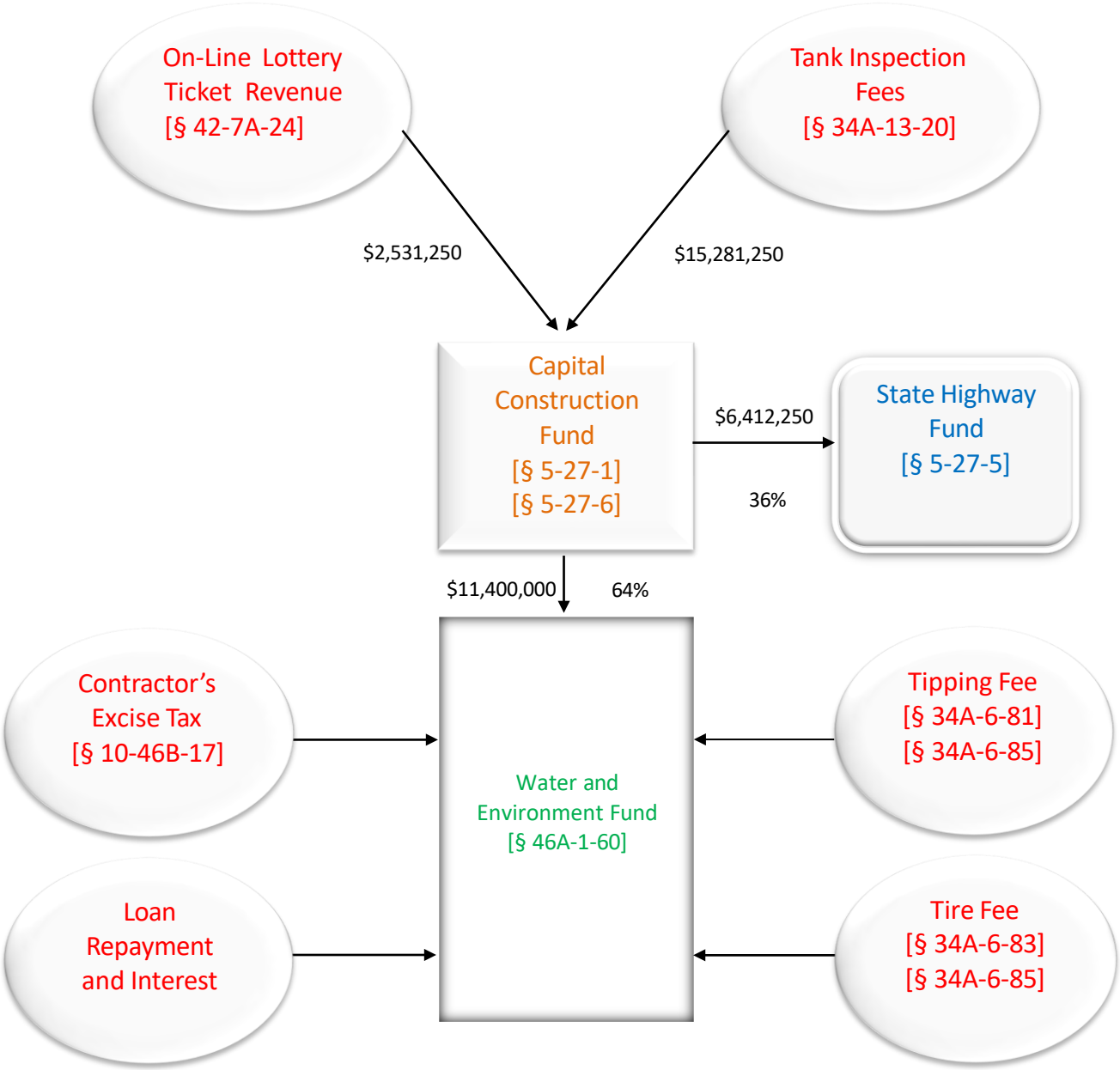
Petroleum Release Compensation Fund

Tank Fees and Lottery Revenue History



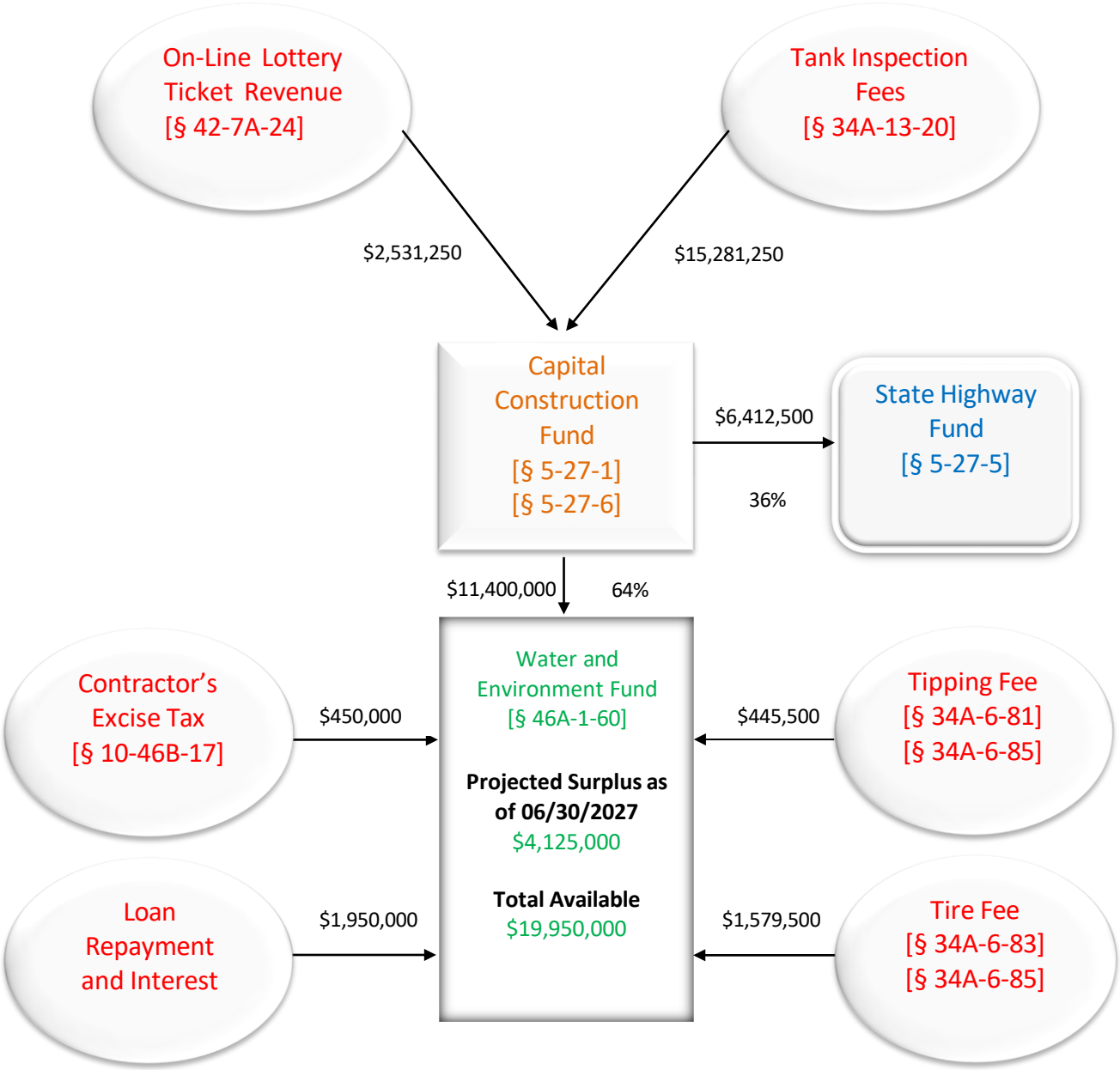
WEF Deposit History




On-Line Lottery Ticket Revenue [§ 42-7A-24]
Tank Inspection Fees [§ 34A-13-20]
$2,531,250
$15,281,250
Capital Construction Fund [§ 5-27-1] [§ 5-27-6]
$6,412,250
36%
State Highway Fund [§ 5-27-5]
$11,400,000
64%
Contractor's Excise Tax [§ 10-46B-17]
Water and Environment Fund [§ 46A-1-60]
Tipping Fee [§ 34A-6-81] [§ 34A-6-85]
Loan Repayment and Interest
Tire Fee [§ 34A-6-83] [§ 34A-6-85]

Available Funding for 2027 Omnibus Bill

WATER & ENVIRONMENT FUND	Solid Waste	Water	Total
Projected Surplus/(Shortfall) for Preparation of 2026 Omnibus Bill	$375,000	$3,750,000	$4,125,000
PROJECTED SFY 2027 DEPOSITS			
CCF Transfers		$11,400,000	$11,400,000
Contractor's Excise Tax		$450,000	$450,000
Loan Repayments & Interest	$1,100,000	$850,000	$1,950,000
Solid Waste Fees	$2,025,000		$2,025,000
TOTALS	$3,500,000	$16,450,000	$19,950,000


On-Line Lottery Ticket Revenue [§ 42-7A-24]
Tank Inspection Fees [§ 34A-13-20]
$2,531,250
$15,281,250
Capital Construction Fund [§ 5-27-1] [§ 5-27-6]
$6,412,500
36%
State Highway Fund [§ 5-27-5]
$11,400,000
64%
Contractor's Excise Tax [§ 10-46B-17]
$450,000
Water and Environment Fund [§ 46A-1-60]
Projected Surplus as of 06/30/2027
$4,125,000
Total Available
$19,950,000
$445,500
Tipping Fee [§ 34A-6-81] [§ 34A-6-85]
Loan Repayment and Interest
$1,950,000
$1,579,500
Tire Fee [§ 34A-6-83] [§ 34A-6-85]

SWRMS
Dakota Mainstem Regional Water Study

- **Dakota Mainstem Regional Water System is a collaboration of public water systems, including regional and municipal public water systems in the central and southern portions of eastern South Dakota, southwestern Minnesota, northwestern Iowa, and northern Nebraska.**
- **The purpose of this project is to address any potential regional water needs. The immediate project goals are to engage consultants and engineering teams to perform necessary studies including data gathering from public water systems in the area, culminating in a comprehensive needs assessment. The assessment will form the foundation for initial system capacity, treatment, and distribution network requirements.**
- **Since 2024, the board awarded $2,750,000 SWRMS grants towards this project.**
- **Staff is recommending a $750,000 Water and Environment Fund grant appropriation to assist in completion of the comprehensive needs assessment.**

SWRMS
DANR- Hydrology and Water Management Studies

- **DANR's Water Right's program maintains an observation well network of 1,676 wells to monitor and provide current and historic data on water levels in aquifers throughout South Dakota. The observation well network ins the backbone for management of the groundwater resources in South Dakota to ensure aquifers are not over appropriated and the resources is preserved into perpetuity for future generations.**
- **The program is continuing to develop the network, most notably in the Black Hills and Sioux Falls Regions. Several existing DANR observation wells in the Black Hills region require refurbishment to be used effectively.**
- **Furthermore, there is an opportunity to integrate unused public water supply wells in the Black Hills area into the observation well network. These wells will also require some refurbishment to be usable.**
- **Additionally, the addition of automatic data collection technology will allow for better assessment of the aquifers.**
- **Staff is recommending a $500,000 Water and Environment Fund grant appropriation to assist in the refurbishment and integration of unutilized wells in the Black Hills Area into the statewide observation well network and installation of automated data collection technology for selected wells across network.**

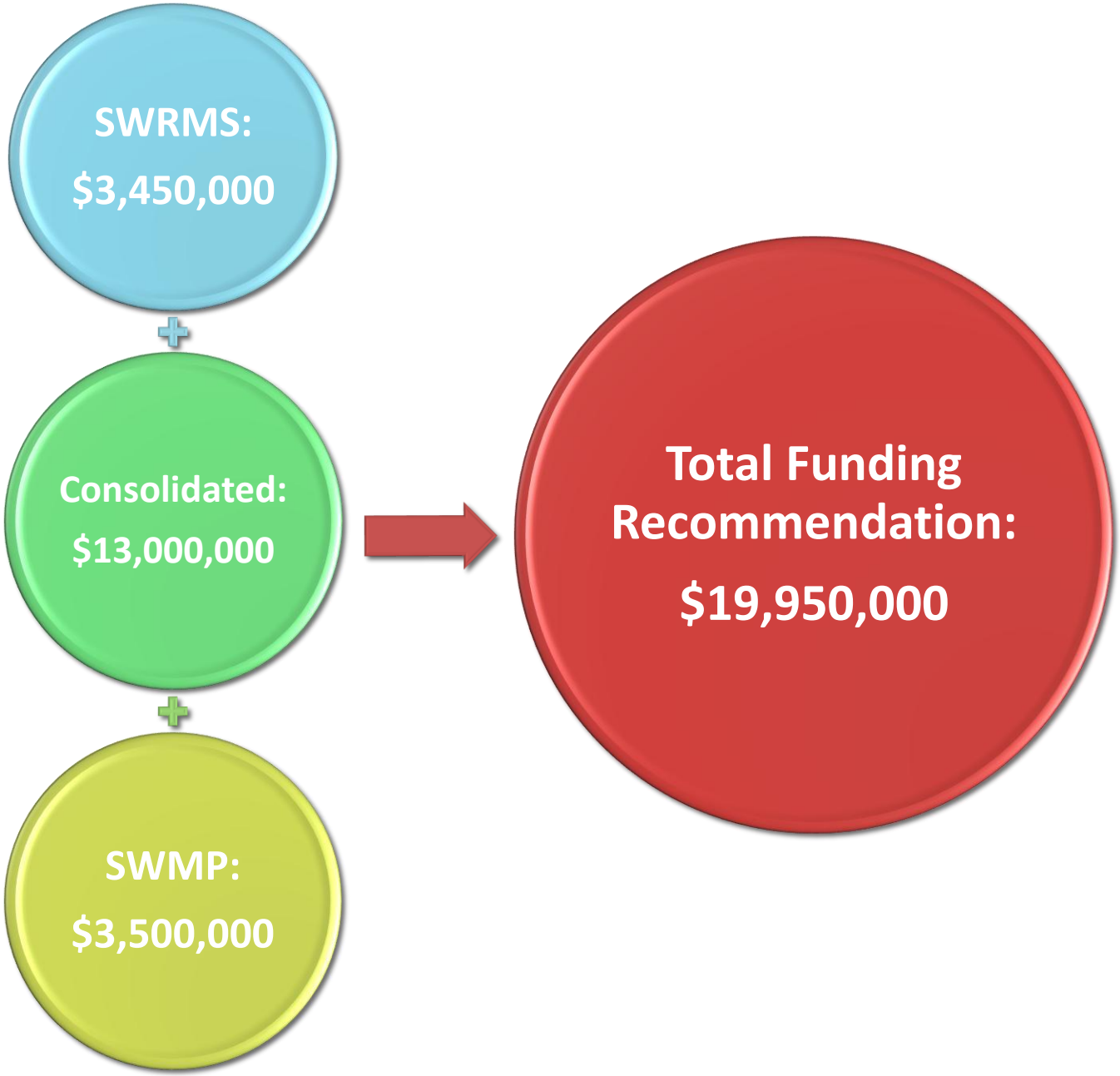
SWRMS
Water Investment in Northern South Dakota (WINS)

- **Joint project between the City of Aberdeen, BDM Rural Water System, and WEB Water Development Association to provide over 38.1 million gallons of water per day throughout northeast South Dakota to meet current user needs and provide for future growth.**
- **Total project cost estimate is $900 million**
- **The project sponsors plan to seek federal funding appropriations for portions of the project.**
- **Since 2022, the board has awarded almost $65 million in grants towards the project. These funds were provided to WEB for initial phases of the work necessary for the total project.**
- **Drinking Water SRF loans remain available for the project sponsors to apply for and receive to continue project construction.**
- **Staff is recommending an additional $2,000,000 Water and Environment Fund grant appropriation to assist in completion of this project.**

SWRMS
Western Dakota Regional Water System Study

- **Purpose is to conduct a feasibility study to determine the viability and costs to provide over 58 million gallons of water per day throughout western South Dakota to assure water availability in case of a long-term drought, meet current user needs, and provide for future growth.**
- **Total anticipated study cost is $13 million. Project construction estimates are nearing $3 billion.**
- **The project sponsors are seeking federal funding appropriations for portions of the project.**
- **The board provided ARPA grants of $10,165,000. These funds were provided for ARPA eligible portions of the feasibility study to begin.**
- **2023 SB 17 and 2024 SB 16 (Omnibus Bills) appropriated a $1,000,000 Water and Environment Fund grant each ($2,000,000 total) to assist in completion of the feasibility study.**
- **Staff is recommending an additional $200,000 Water and Environment Fund grant appropriation to assist in completion of the of the feasibility-level study, system startup, and administration of the Western Dakota regional water system study.**

WEF Special Appropriations



WEF Subfunds

- **SDCL 46A-1-60.1 established Clean Water SRF program and Drinking Water SRF program subfunds within the Water & Environment Fund.**
- **Intended Use Plan allocates funds for purposes authorized by the federal acts.**
- **Omnibus Bill provides budget authority for expenditure of these funds to include DW and CW SRF set-asides.**
- **Special appropriations that vary annually. Budget authority addressed through the Omnibus Bill rather through DANR's annual operating budget.**

Clean Water SRF Set-Asides/ Surcharge Fees

FFY 2027 Intended Use Plan -$700,000

- **Administrative Surcharge Fees**
  - Clean Water SRF Water Quality Grants
    - $200,000 SFY 2026 Expenditure Authority
      - To supplement the Section 319 program assistance for watershed projects
  - Application and Project administration assistance
    - $450,000 SFY 2026 Expenditure Authority
      - Clean Water SRF Application and Administration Technical Assistance from Planning Districts

- **Small System Technical Assistance Set-Aside**
  - Clean Water Technical Assistance
    - $50,000 Expenditure Authority
      - Small Community Planning Grants
      - Small System Capacity Assistance contract

Drinking Water SRF Set-Asides/ Surcharge Fees

FFY 2027 Intended Use Plan -$600,000

- **Administrative Surcharge Fees**
  - Application and Project administration assistance
    - $400,000 SFY 2026 Expenditure Authority
      - Drinking Water SRF Application and Administration Technical Assistance from Planning Districts

- **Small System Technical Assistance Set-Aside**
  - Drinking Water Water Technical Assistance
    - $200,000 SFY 2026 Expenditure Authority
      - Small Community Planning Grants
      - Small System Technical Assistance Contract
      - Local Assistance for Drinking Water Capacity Assessments

Drinking Water Emerging Contaminants

- As part of the Infrastructure Investment and Jobs Act (IIJA), a grant program was established to address PFAS and other emerging contaminants
- The IIJA Emerging Contaminants for Small or Disadvantaged Communities provides 100% grant for eligible project costs
- $17,285,000 federal fund expenditure authority will cover the amounts allocated to South Dakota for 2025 and 2026
  - 2022-2024 allocations were part of the 2025 Omnibus Bill (2025 SB 33)

2027 Omnibus Bill Funding Appropriations

	Solid Waste	Water
State Water Resources Management System		
Dakota Mainstem Regional Water Study		$750,000
DANR - Hydrology and Water Management Studies		$500,000
Water Investment in Northern South Dakota Project		$2,000,000
Western Dakota Regional Water System Project		$200,000
Consolidated Program		$13,000,000
Solid Waste Management Program	$ 3,500,000	
TOTAL WEF APPROPRIATIONS	**$ 3,500,000**	**$16,450,000**
State Revolving Fund (SRF) Administrative Surcharge Fees		
Clean Water SRF Water Quality Grants		$200,000
Clean Water SRF Application and Administration		$450,000
Drinking Water SRF Application and Administration		$400,000
Federal Funds		
Drinking Water Local & Technical Assistance		$200,000
Clean Water Technical Assistance		$50,000
Drinking Water Grants for Emerging Contaminants		$17,285,000
TOTAL OMNIBUS BILL APPROPRIATIONS		**$38,535,000**

SFY 2026 State Revolving Fund Investments and Investment Returns Overview

Board of Water & Natural Resources

State Revolving Fund
Guaranteed Investment Contract

Bond Issue	Provider	Interest Rate	Cap on Investment In Revenue Fund	Amount Invested as of June 30, 2026	Termination Date
2005	AIG Matched Funding Corp. (guaranteed by American International Group, Inc	4.41%	$80,000,000	$51,290,775	August 1, 2026

Federated Hermes Government Obligations Fund

Institutional Shares

Nasdaq symbol: GOIXX | Cusip number: 60934N104 | Newspaper listing: GovObIS

6/30/26

Product highlights

- Complies with Rule 2a-7 definition of a government money market fund.
- Not subject to liquidity fees.
- Pursues current income consistent with stability of principal and liquidity.
- Invests primarily in short-term US treasury and government securities, and repurchase agreements collateralized by US treasury and government agency securities for a higher yield potential than a treasury-exclusive portfolio.
- Holds AAAm, Aaa-mf and AAAmmf ratings from S&P Global Ratings, Moody's and Fitch, respectively.
- Gives investors more time to complete daily cash processing and initiate late-day deposit transactions through 5pm ET cut-off time for purchases and redemptions.

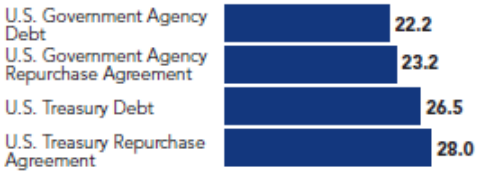
Key investment team

Susan Hill, CFA
Deborah A. Cunningham, CFA
John Wyda, CFA

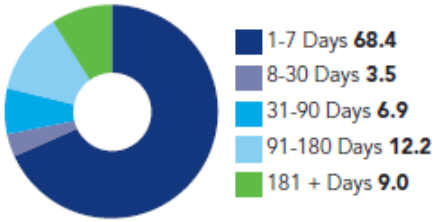
Credit ratings

AAAm *S&P Global Ratings*

Portfolio composition (%)



Effective maturity schedule (%)



2a-7 liquidity

Daily	64.54%
Weekly	79.87%

Weighted average maturity

45 Days

Weighted average life

95 Days

Fund performance

Net yield (%)	
7-day	3.50

Total return (%)	
1-year	3.82

Annualized yields (%)	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
7-day	4.19	4.17	4.01	3.98	3.84	3.63	3.54	3.54	3.53	3.53	3.49	3.50

State Revolving Fund Investment Balances as of June 30, 2026

Guaranteed Investments Contracts	$51,290,775
Federated Fund	$245,903,390
Total	$297,194,165

SFY 2026 Interest Deposits

2001 & 2004 GIC	$1,291,269
2005 GIC	$3,002,740
Federated Fund	$8,099,526
Total	$12,393,535

SRF Investments Summary
SFY 2026

Investment	June 30, 2026 Balances	Current Interest Yield	SFY26 Interest Deposits
2001 & 2004 GIC	$0	5.07%	$1,291,269
2005 GIC	$51,290,775	4.41%	$3,287,297
Federated Fund	$245,903,390	3.82%	$6,416,899
	$297,194,165		**$12,393,535**

SRF Loan Obligations $724,208,220

State Revolving Fund Loan Programs
Loan Portfolio Information

	SFY25	SFY26	%
Loans in Repayment	527	652	23.7
Loan Receivable Balance	$1,038,912,313	$1,394,449,335	34.2
SFY Repayment Information			
Principal	$41,013,709	$44,795,375	9.2
Interest	$13,737,371	$20,654,960	50.3
Admin Surcharge	$4,053,778	$4,933,710	19.7