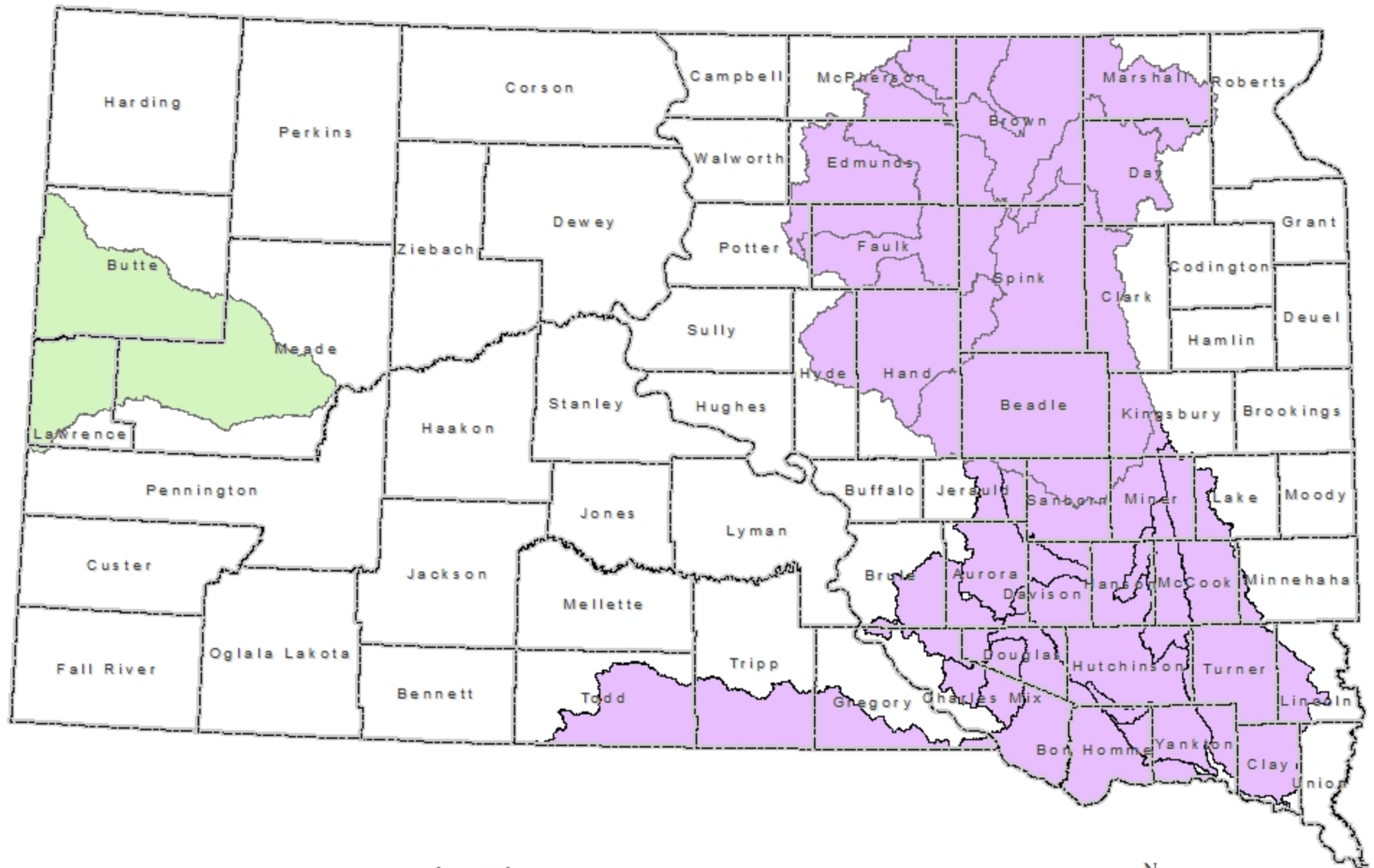






Applications for FY26 Section 319 funds



Legend

- | | |
|---|---|
|  | Statewide Projects - Soil Health Project Segment 3 - Request \$800,000 |
|  | Statewide Projects - SD Information and Education Segment 8 - Request \$407,000 |
|  | Belle Fourche River Implementation Project Segment 11 - Request \$735,000 |
|  | South Central Implementation Project Segment 2 - Request \$1,409,500 |



FFY 2026 319 NONPOINT SOURCE PROGRAM FUNDING RECOMMENDATIONS

SECTION 319 FUNDING

	Expected FY2025	Awarded FY2025	Expected FY2026
NPS Program Funds	\$1,322,000	\$1,319,000	\$1,121,150
Watershed Project Funds	\$1,322,000	\$1,319,000	\$1,121,150
	\$2,644,000	\$2,638,000	\$2,242,300
DANR Staff & Support	(\$842,000)	(\$842,000)	(\$842,000)
Total 319 Available for Projects	\$1,802,000	\$1,796,000	\$1,400,300
CWSRF Water Quality Grants	\$200,000	\$200,000	\$200,000
Total Available for Pass Through	\$2,002,000	\$1,996,000	\$1,600,300

IMPLEMENTATION PROJECTS

Belle Fourche Implementation Project - Segment 11 (Amendment)
 South Dakota Nonpoint Source I&E Project - Segment 8
 Soil Health Improvement and Planning Project - Segment 3 (Amendment)
 South Central Watershed Implementation Project - Segment 3

Requested	Recommendations			
	DANR		Total	Task Force
	319	WQ Grants		
\$735,000	\$ 230,000		\$ 230,000	\$230,000
\$407,000	\$ 77,000	\$ 200,000	\$ 277,000	\$277,000
\$800,000	\$ 300,000		\$ 300,000	\$300,000
\$1,409,500	\$ 793,300		\$ 793,300	\$793,300
\$3,351,500	\$ 1,400,300	\$ 200,000	\$1,600,300	\$1,600,300

Total Implementation

319 plus CWSRF WQ

Total Available

\$ 1,600,300

January 2026

Available Funds Summary

AMERICAN RESCUE PLAN ACT (ARPA) GRANTS

2022 Appropriation:	\$	600,000,000
Reversions:	\$	40,888,818.47
Awarded to Date:	\$	(637,782,038.98)
Available for Award:	\$	<u>3,106,779.49</u>
2024 SB 53 Section 1 Appropriation:	\$	89,384,221
2024 SB 53 Section 2 Authority Transfer:	\$	5,745,508.05
Reversions:	\$	-
Awarded to Date:	\$	(93,923,201)
Available for Award:	\$	<u>1,206,528.36</u>

CONSOLIDATED WATER FACILITIES CONSTRUCTION PROGRAM

Available Funds:	\$	444
Reversions:	\$	393,822
Available for Award:	\$	<u>394,266</u>

DRINKING WATER EMERGING CONTAMINANTS

SMALL or DISADVANTAGED COMMUNITIES

2025 Omnibus Bill Authority:	\$	30,000,000
Reversions:	\$	-
Available for Award:	\$	<u>30,000,000</u>

CLEAN WATER SRF WATER QUALITY GRANTS

Available Funds:	\$	311
2025 IUP Allocation:	\$	200,000
Reversions:	\$	-
Awarded to Date:	\$	(200,000)
Available for Award:	\$	<u>311</u>

January 2026 Available Funds Summary

DRINKING WATER SRF PRINCIPAL FORGIVENESS

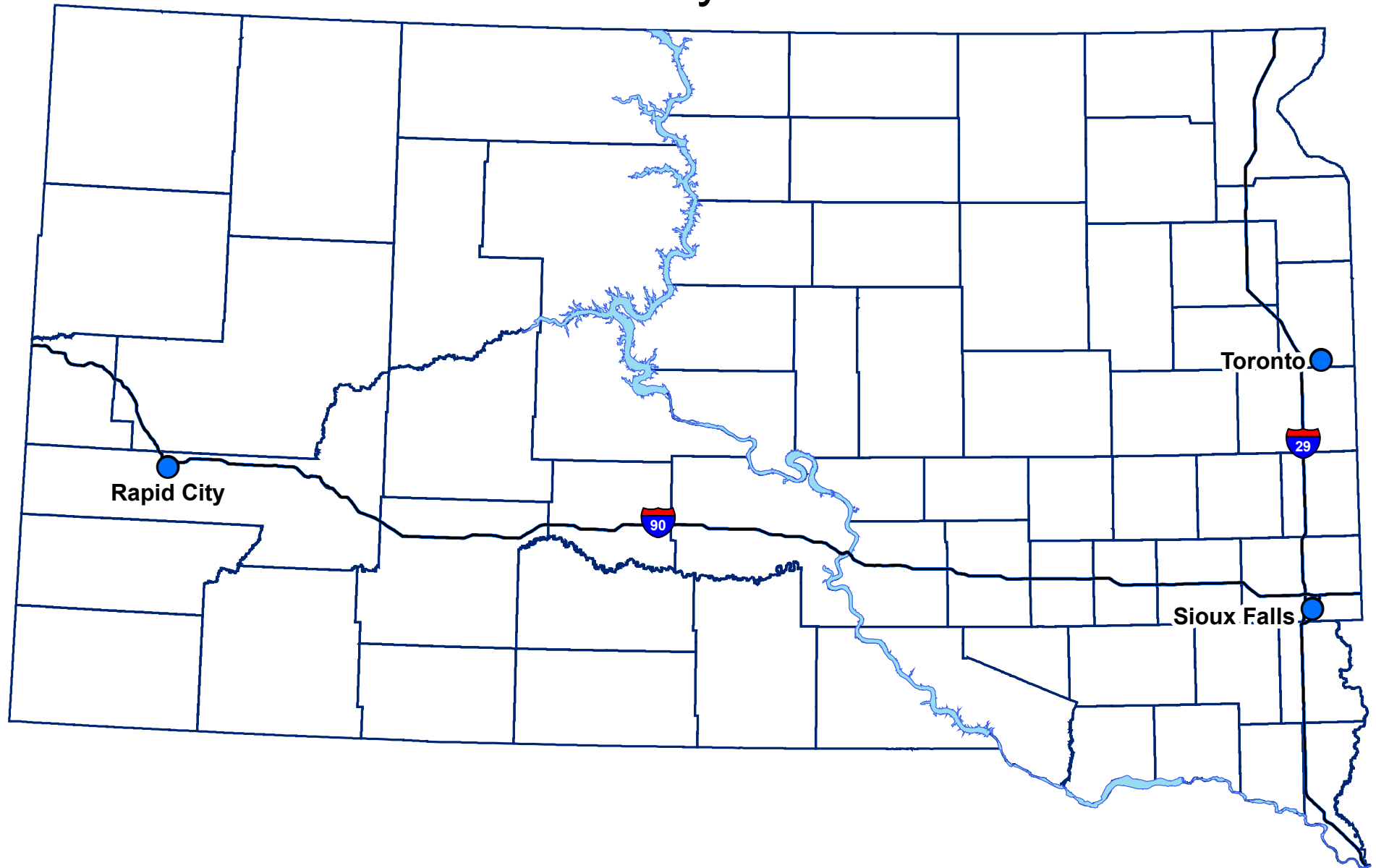
Prior Year Principal Forgiveness Allocations:	\$	46,672,520
FFY-25 Required:	\$	1,526,840
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(47,319,980)
Available For Award:	\$	879,380
Princ. Forg. for Disadvantaged Communities Maximum:	\$	25,525,328
Princ. Forg. for Disadvantaged Communities Minimum:	\$	3,985,680
FFY-25 Maximum Allowed:	\$	3,817,100
FFY-25 Minimum Required:	\$	1,308,720
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(24,378,828)
Maximum Available For Award:	\$	4,963,600
Current Required Amount to be Awarded:	\$	-
BIL Supplemental PF for Disadvantaged Communities:	\$	30,395,680
FFY-25 Required Allocation:	\$	12,200,020
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(31,746,036)
Available For Award:	\$	10,849,664
BIL Emerging Contaminants Principal Forgiveness:	\$	24,337,000
FFY-25 Maximum Allocation:	\$	7,640,000
FFY-25 Transfer from CWSRF Allocation:	\$	-
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(30,925,000)
Available For Award:	\$	1,052,000
BIL Lead Service Line PF for Disadvantaged Communities:	\$	14,528,500
FFY-25 Maximum Allocation:	\$	14,038,500
Reverted Principal Forgiveness:	\$	193,832
Awarded to Date:	\$	(490,000)
Available For Award:	\$	28,270,832

January 2026 Available Funds Summary

CLEAN WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Maximum:	\$	33,203,097
Prior Year Principal Forgiveness Minimum:	\$	10,325,181
FFY-25 Maximum Allowed:	\$	3,115,200
FFY-25 Minimum Required:	\$	1,557,600
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(33,900,047)
Maximum Available For Award:	\$	2,418,250
Current Required Amount to be Awarded:	\$	156,250
BIL Supplemental PF for Disadvantaged Communities:	\$	14,766,150
FFY-25 Maximum Allocation:	\$	5,926,060
Reverted Principal Forgiveness:	\$	865,000
Awarded to Date:	\$	(20,646,150)
Available For Award:	\$	911,060
BIL Emerging Contaminants Principal Forgiveness:	\$	2,545,000
FFY-25 Maximum Allocation:	\$	1,043,000
Transferred to DWSRF Allocation:	\$	(1,502,000)
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	-
Available For Award:	\$	2,086,000

Drinking Water Funding Applications January 2026



DRINKING WATER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: City of Sioux Falls

Total Project Cost: \$7,648,000

BWNR Funding Assistance Requested: \$7,648,000

Rate/Term: N/A

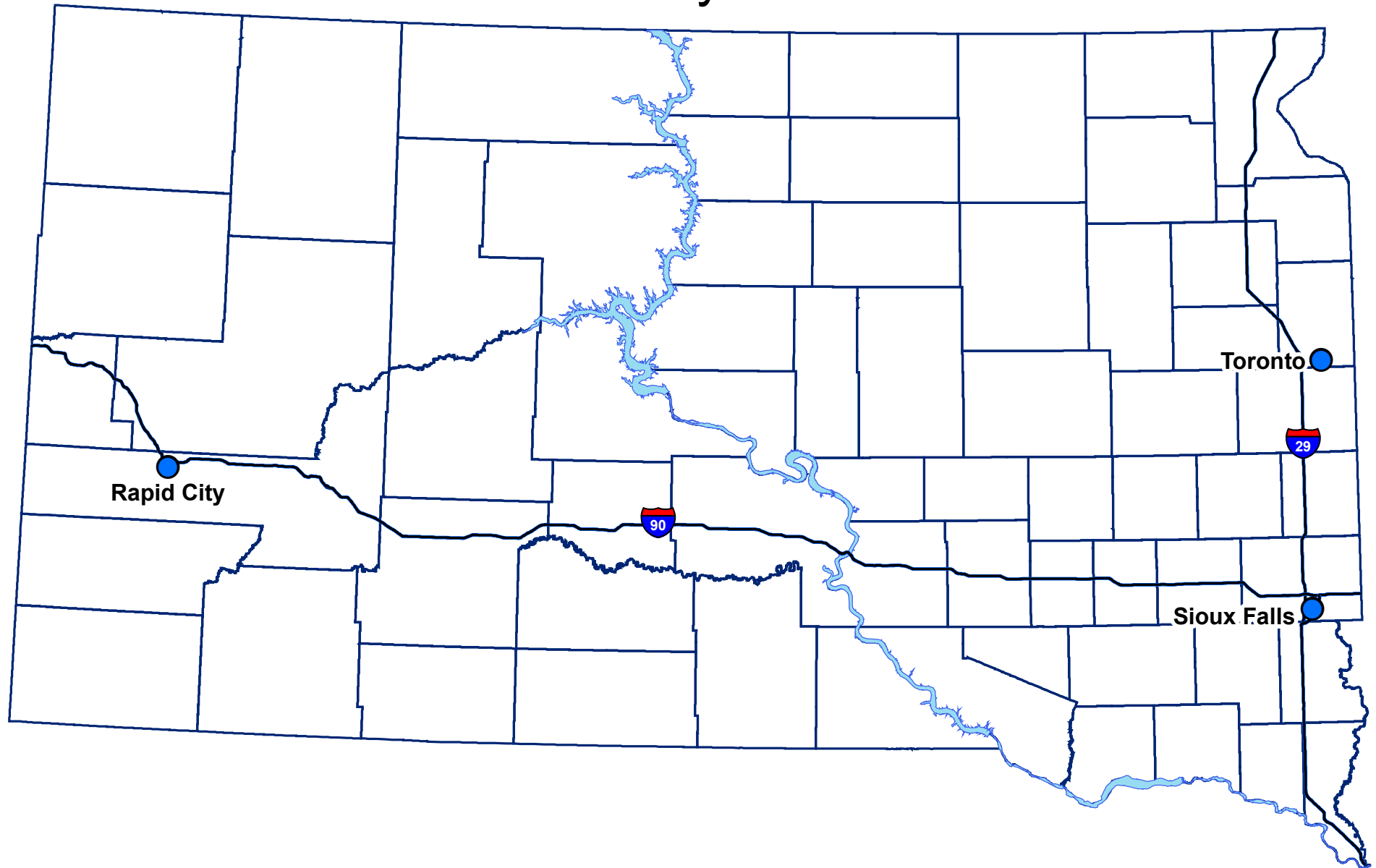
Security Pledged For Repayment Of Loan: N/A

Staff Analysis

- 1) The need for the project is driven by a PFAS contamination issue by providing an alternative source of water and needed capacity to serve current users it is eligible for funding through the new Emerging Contaminants for Small or Disadvantaged Communities grant program.
- 2) This is a federal grant that is separate from the SRF program but was also passed as part of the overall IJJA funding programs. South Dakota has not previously awarded any funding from this federal grant but authority for the use of funds was included in the 2025 Omnibus bill to allow eligible projects to be awarded these dollars.
- 3) These funds are to be provided at 100 percent grant and must be provided to small or disadvantaged communities which based on the population to primarily be served by this water the city qualifies as disadvantaged for this portion of the work. EPA has given approval DANR staff that the project is allowable and that the city of Sioux Falls is eligible to receive these grants.

Funding Recommendation: Award a \$7,648,000 grant from Emerging Contaminants for Small or Disadvantaged Communities.

Drinking Water Funding Applications January 2026



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

APPLICANT: Rapid City DW-06

Total Project Cost:	\$ 14,512,000
BWNR Funding Assistance Requested:	\$ 14,512,000
Rate/Term:	3.75% / 30 Years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) Current rates are \$51.81 per 5,000 gallons. If funding is provided as all loan, a surcharge of \$3.17 would be needed to meet the required debt coverage, which would bring overall rates to \$54.98.

Funding Recommendation: Award a \$14,512,000 Drinking Water SRF loan at 3.75% for 30 years.

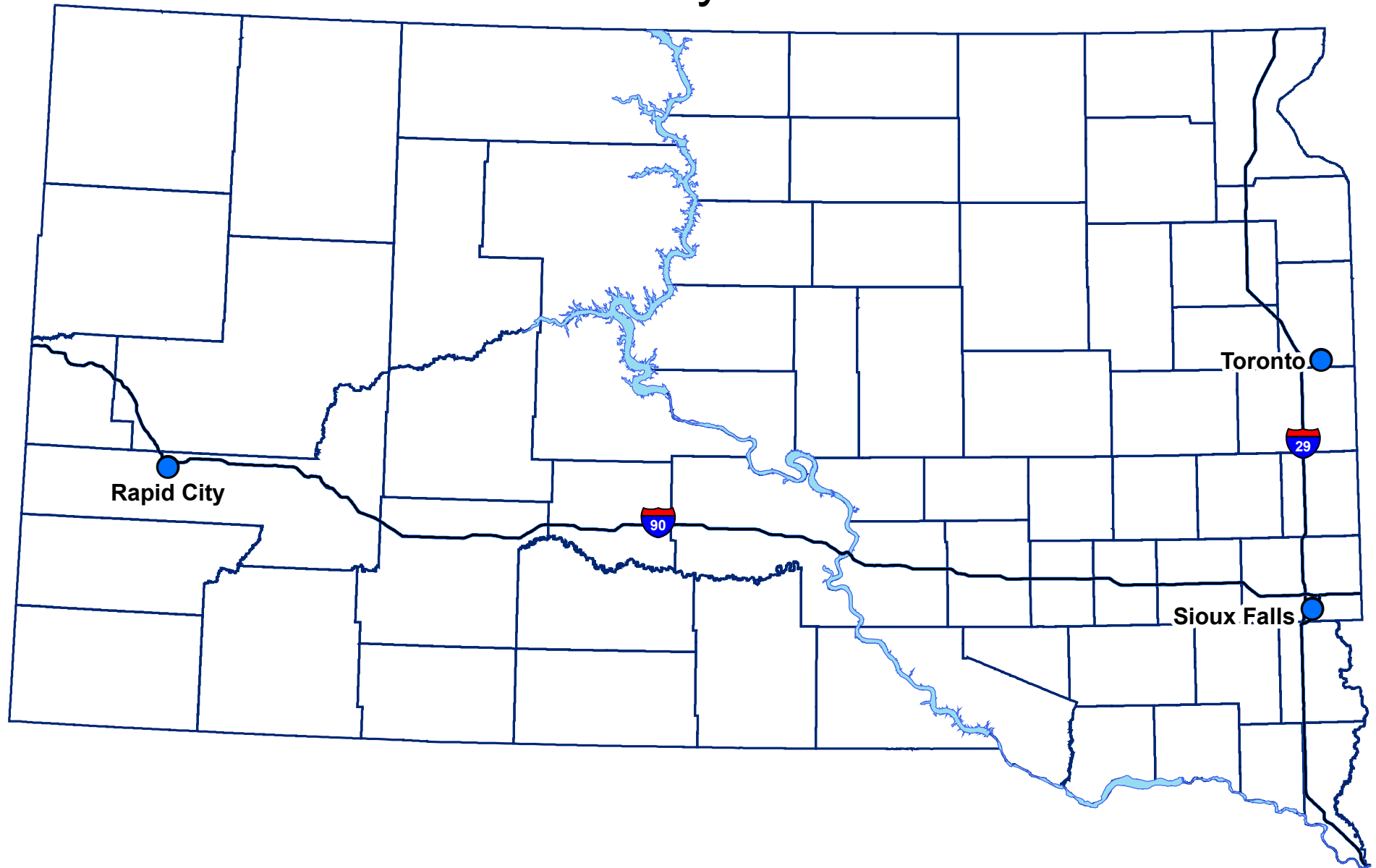
Debt Service Coverage: 110% based on a \$3.17 surcharge

Loan Contingencies:

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

Drinking Water Funding Applications

January 2026



DRINKING WATER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Toronto DW-01

Total Project Cost:	\$800,000
BWNR Funding Assistance Requested:	\$770,000
Rate/Term:	3.50% / 30 Years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) Current rates are \$51.50 per 5,000 gallons. If funding is provided as all loan, a surcharge of \$30.05 would be needed to meet the required debt coverage, which would bring overall rates to \$81.55.
- 2) At the recommended funding level a surcharge of \$13.50 would be required, which would bring overall rates to \$65.00.

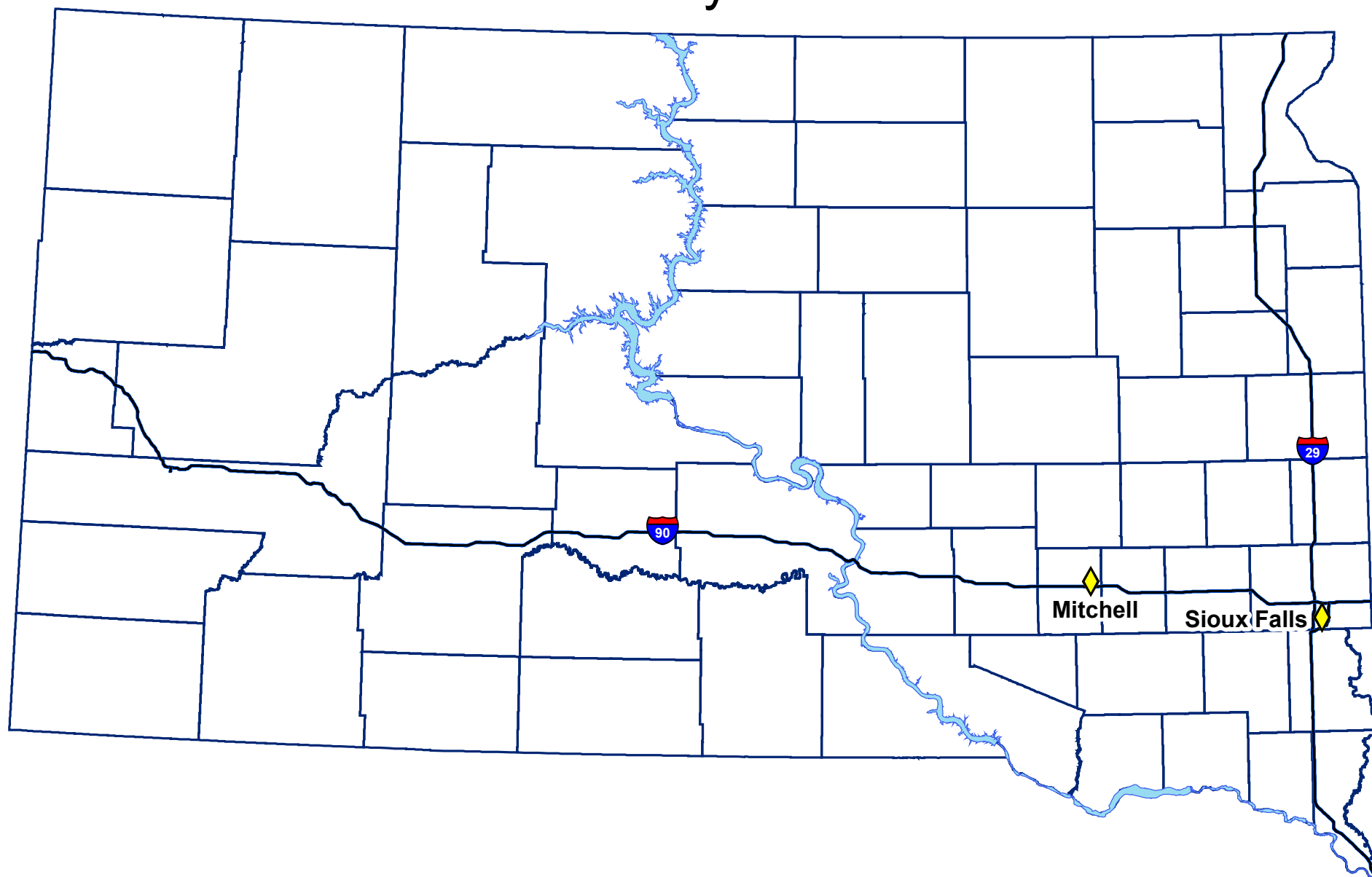
Funding Recommendation: Award a \$770,000 Drinking Water SRF loan at 3.5% for 30 years with 55.2% principal forgiveness not to exceed \$425,000.

Debt Service Coverage: 110% based on a \$13.50 surcharge.

Loan Contingencies:

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

Sanitary/Sewer Funding Applications January 2026



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

APPLICANT: Mitchell CW-16

Total Project Cost:	\$ 3,930,000
BWNR Funding Assistance Requested:	\$ 3,930,000
Rate/Term:	4.00% / 30 Years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) Current rates are \$61.43 per 5,000 gallons. If funding is provided as all loan, a surcharge of \$3.55 would be needed to meet the required debt coverage, which would bring overall rates to \$64.98.

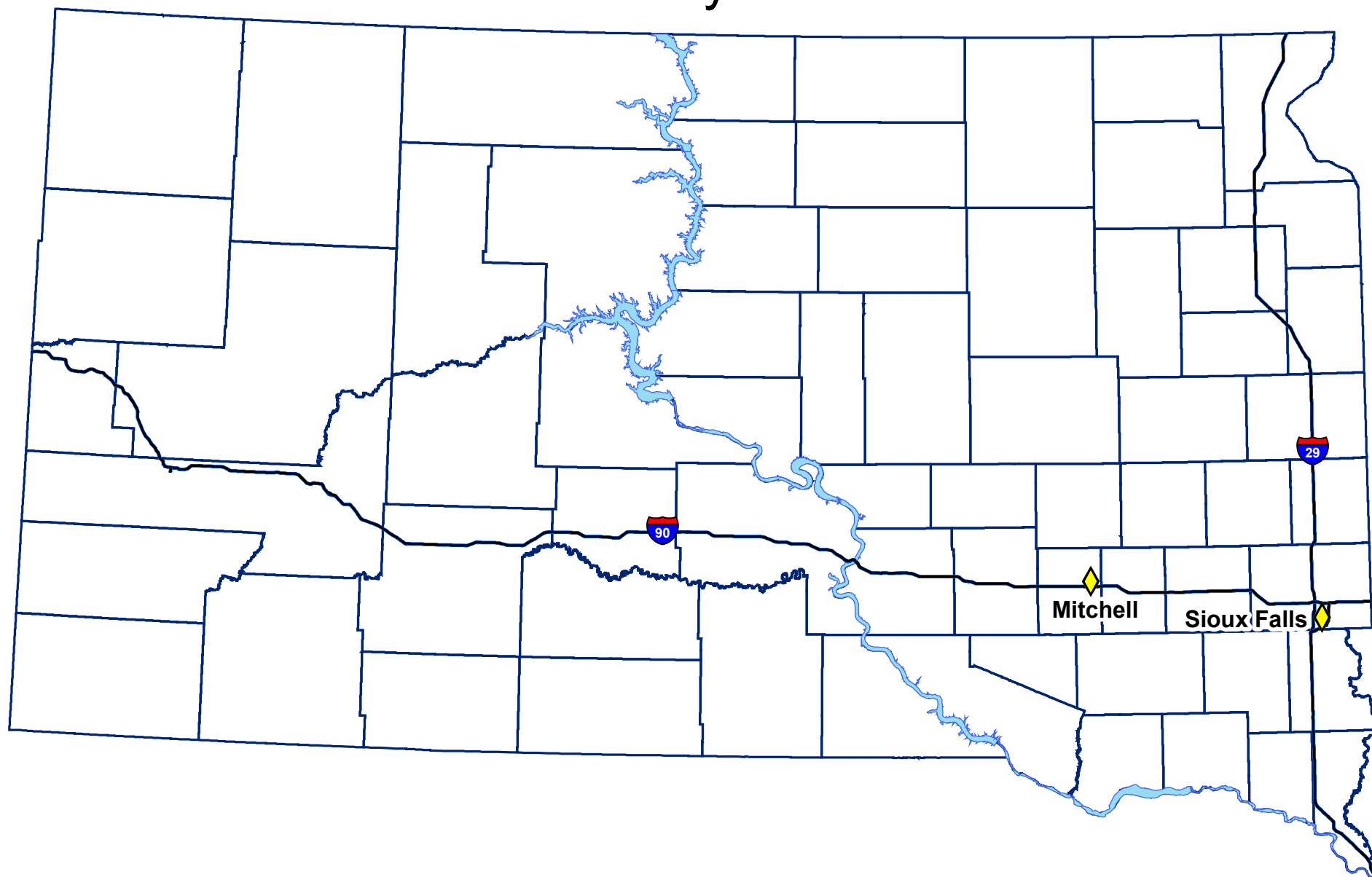
Funding Recommendation: Award a \$3,930,000 Clean Water SRF loan at 4.00% for 30 years.

Debt Service Coverage: 110% based on a \$3.55 surcharge

Loan Contingencies:

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

Sanitary/Sewer Funding Applications January 2026



SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Sioux Falls CW-50

Total Project Cost:	\$17,746,000
BWNR Funding Assistance Requested:	\$17,746,000
Rate/Term:	3.5% / 20 years
Security Pledged For Repayment Of Loan:	System Revenue

Staff Analysis

- 1) Sioux Falls has established rate increases for 2027 which will bring wastewater rates to \$48.44 per 5,000 gallons. Sioux Falls will have 5 clean water loans maturing in the next two years which will decrease their annual debt service by approx \$3.4 million.
- 2) If funds are provided as all loan, based on Sioux Falls projected revenues and expenses for 2027, sufficient revenue will be collected to provide the required 110 percent debt coverage.
- 3) The 3.50% interest rate is 0.25% lower than the standard rate and term. This project has been selected for compliance with Build American, Buy American material procurement requirements. The board adopted rates in September 2025 to allow for projects meeting this requirement to receive a 0.25% interest rate reduction.

Funding Recommendation: Award a \$17,746,000 Clean Water State Revolving Fund loan at 3.5% for 20 years

Debt Service Coverage: 120% based on a rate of \$48.44

Loan Contingencies:

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

January 2026
Remaining Available Funds Summary

AMERICAN RESCUE PLAN ACT (ARPA) GRANTS

2022 Appropriation:	\$	600,000,000
Reversions:	\$	40,888,818.47
Awarded to Date:	\$	(637,782,038.98)
Available for Award:	\$	3,106,779.49
Recommended:	\$	(3,106,779.49)
Balance:	\$	<u>0.00</u>
2024 SB 53 Section 1 Appropriation:	\$	89,384,221
2024 SB 53 Section 2 Authority Transfer:	\$	5,745,508
Reversions:	\$	-
Awarded to Date:	\$	(93,923,201)
Available for Award:	\$	1,206,528.36
Recommended:	\$	(1,206,528.36)
Balance:	\$	<u>-</u>

CONSOLIDATED WATER FACILITIES CONSTRUCTION PROGRAM

Available Funds:	\$	444
Reversions:	\$	393,822
Available for Award:	\$	<u>394,266</u>
Recommended:	\$	-
Balance:	\$	<u>394,266</u>

**DRINKING WATER EMERGING CONTAMINANTS -
SMALL or DISADVANTAGED COMMUNITIES**

2025 Omnibus Bill Authority:	\$	30,000,000
Reversions:	\$	-
Available for Award:	\$	<u>30,000,000</u>
Recommended:	\$	<u>(7,648,000)</u>
Balance:	\$	<u>22,352,000</u>

CLEAN WATER SRF WATER QUALITY GRANTS

Available Funds:	\$	311
2025 IUP Allocation:	\$	200,000
Reversions:	\$	-
Awarded to Date:	\$	(200,000)
Available for Award:	\$	<u>311</u>
Recommended:	\$	-
Balance:	\$	<u>311</u>

January 2026

Remaining Available Funds Summary

DRINKING WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Allocations:	\$	46,672,520
FFY-25 Required:	\$	1,526,840
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(47,319,980)
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Recommended:	\$	-
Balance:	\$	879,380
Princ. Forg. for Disadvantaged Communities Maximum:	\$	25,525,328
Princ. Forg. for Disadvantaged Communities Minimum:	\$	3,985,680
FFY-25 Maximum Allowed:	\$	3,817,100
FFY-25 Minimum Required:	\$	1,308,720
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(24,378,828)
Maximum Available For Award:	\$	4,963,600
Current Required Amount to be Awarded:	\$	-
Recommended:	\$	-
Maximum Balance:	\$	4,963,600
Required Balance:	\$	-
BIL Supplemental PF for Disadvantaged Communities:	\$	30,395,680
FFY-25 Required Allocation:	\$	12,200,020
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(31,746,036)
Available For Award:	\$	10,849,664
Recommended:	\$	(425,000)
Balance:	\$	10,424,664
BIL Emerging Contaminants Principal Forgiveness:	\$	24,337,000
FFY-25 Maximum Allocation:	\$	7,640,000
FFY-25 Transfer from CWSRF Allocation:	\$	-
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(30,925,000)
Available For Award:	\$	1,052,000
Recommended:	\$	-
Balance:	\$	1,052,000
BIL Lead Service Line PF for Disadvantaged Communities:	\$	14,528,500
FFY-25 Maximum Allocation:	\$	14,038,500
Reverted Principal Forgiveness:	\$	193,832
Awarded to Date:	\$	(490,000)
Available For Award:	\$	28,270,832
Recommended:	\$	-
Balance:	\$	28,270,832

January 2026

Remaining Available Funds Summary

CLEAN WATER SRF PRINCIPAL FORGIVENESS

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Maximum Available For Award:	\$	2,418,250
Current Required Amount to be Awarded:	\$	156,250
Recommended:	\$	-
Maximum Balance:	\$	2,418,250
Required Balance:	\$	156,250
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FFY-25 Maximum Allocation:	\$	5,926,060
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Recommended:	\$	-
Balance:	\$	911,060
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FFY-25 Maximum Allocation:	\$	1,043,000
Transferred to DWSRF Allocation:	\$	(1,502,000)
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	-
Available For Award:	\$	2,086,000
Recommended:	\$	-
Balance:	\$	2,086,000