

CHAPTER 74:05:08

STATE WATER POLLUTION CONTROL REVOLVING FUND PROGRAM

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74:05:08:01. Definitions. Terms not defined in this section have the meaning given by the Clean Water Act (CWA). The following terms mean:

(1) "Act," "Clean Water Act," "CWA," the federal Water Pollution Control Act Amendments of 1987, as amended to July 1, 2013, and Public Law 111-88, enacted October 30, 2009, Public Law 112-10, enacted April 15, 2011, Public Law 112-74, enacted December 23, 2011, Public Law 113-6, enacted March 26, 2013, Public Law 113-76, enacted January 17, 2014, ~~and~~ Public Law 113-121, enacted June 10, 2014, Public Law 113-235, enacted December 16, 2014, Public Law 114-113, enacted December 18,

2015, Public Law 115-31, enacted May 5, 2017, Public Law 115-141, enacted March 23, 2018, Public Law 116-6, enacted February 15, 2019, Public Law 116-260, enacted December 20, 2019, Public Law 116-93, enacted December 27, 2020, Public Law 117-58 enacted November 15, 2021, Public Law 117-103, enacted March 15, 2022, collectively known as the Clean Water Act;

(2) "Applicant," the sponsoring entity applying for interim financing or for funding to construct a project eligible under the Act;

(3) "Assistance," financial assistance awarded by the Board of Water and Natural Resources pursuant to SDCL 46A-1-60.1 to 46A-1-60.3, inclusive;

(4) "Board," the Board of Water and Natural Resources acting as that board or as the South Dakota Conservancy District;

(5) "Construction," any of the following procedures: preliminary planning to determine project feasibility; engineering, environmental, architectural, legal, fiscal, or economic studies, surveys, designs, plans, working drawings, specifications, or procedures; other necessary actions for the erection, building acquisition, alteration, remodeling, improvement, or extension of eligible works, the purchase of equipment, and the inspection or supervision of any of these procedures;

(6) "Department," the South Dakota Department of Agriculture and Natural Resources;

(7) "EPA," the United States Environmental Protection Agency;

(8) "Facilities plan," an engineering evaluation that describes the need for the proposed wastewater treatment works based on present conditions and future needs, evaluates the costs and adequacies of appropriate alternatives, identifies potential environmental impacts of the proposed project; and provides the selection and justification of a final alternative;

(9) "Intended Use Plan," "IUP," a document prepared annually which provides assurances and specific proposals, including a list of potential SRF projects;

(10) "Interceptor," a sewer that receives wastewater from a number of transverse sewers or outlets and conducts the wastewater to a point for treatment or disposal;

(11) "Interim financing," a loan for a term not to exceed five years which is to be repaid from the proceeds of a federal grant or loan to be made by an agency or instrumentality of the United States government for a project;

(12) "Loan," lending of funds by the board to an eligible applicant pursuant to a financing agreement through the purchase or acquisition of any evidence of indebtedness or other obligation which is issued by the applicant and which is payable from taxes, **non-ad valorem sales taxes**, or from rates, revenues, charges, or assessments, or from distributions of revenue pursuant to a state appropriation or statutory or constitutional provision, or payable from a pledge of property or other sources;

(13) "Median household income," the median household income as identified in the U.S. Census Bureau, American Community Survey, ~~S1903 Median Income in the Past 12 Months (in 2012 Inflation-~~

~~Adjusted Dollars) 2008-2012 American Community Survey 5-Year Estimates DP03 Selected Economic Characteristics 2020: 5-Year Estimates Data Profiles~~ or by other statistically valid income data supplied by the applicant and acceptable to the board;

(14) "Minimum established rates," rates charged to residential users of a wastewater system that meet the following criteria;

(a) For municipalities and sanitary districts the monthly residential wastewater bill is ~~\$30~~45 or more for 5,000 gallons usage ~~or \$30 or more for 5,000 gallons usage for projects that will receive loan proceeds from the Clean Water State Revolving Fund Emerging Contaminants Funding made available through Public Law 117-58;~~ or

(b) For all other assistance recipients the monthly residential wastewater bill is ~~\$40~~70 or more for 5,000 gallons usage ~~or \$30 or more for 5,000 gallons usage for projects that will receive loan proceeds from the Clean Water State Revolving Fund Emerging Contaminants Funding made available through Public Law 117-58;~~

(15) "Nonpoint source," pollution originating from many diffuse sources caused by rainfall or snowmelt moving over and through the ground, examples of which are excess fertilizers, herbicides, and insecticides from agricultural lands and residential areas; oil, grease, detergents, and other chemicals from urban runoff and energy production; sediment from improperly managed construction sites, crop and forest lands, and eroding stream banks; salt from irrigation practices; acid drainage from abandoned mines; bacteria and nutrients from livestock, pet wastes, and faulty septic systems; and atmospheric deposition from power plants and waste incinerators;

(16) "Point source," a discernible, confined, and discrete conveyance, including any pipe, ditch, channel, conduit, well, discrete fissure, container, or concentrated animal feeding operation from which pollutants are or may be discharged;

(17) "Principal forgiveness," a reduction in the outstanding principal balance of a loan to be applied at the time specified in the financial agreement;

(18) "Project," the actual erection, building acquisition, alteration, remodeling, improvement, or extension of eligible works, including the necessary planning, design, land acquisition, and purchase or installation of equipment, or implementation of nonpoint source practices;

(19) "Recipient," an applicant receiving funds;

(20) "Secretary," the secretary of the Department of Agriculture and Natural Resources;

(21) "Section 303(d) list," a list of waters targeted for the development of total maximum daily loads (TMDLs) as required by section 303(d) of the Act;

(22) "Section 319 project," a project that is eligible pursuant to section 319 of the Act;

(23) "Source Water Assessment Report," a report prepared by the department that identifies potential sources of pollution in the portion of a watershed or groundwater area that contributes water

to a water system that has at least 15 service connections for year-round residents or that serves at least 25 year-round residents;

(24) "SRF," the State Water Pollution Control Revolving Fund, a dedicated financing mechanism to provide loans, grants, and other forms of financial assistance for eligible works and projects;

(25) "Storm water projects," projects designed to carry or retain only storm waters, surface runoff, street wash waters, and drainage;

(26) "TMDL process," a determination of the amount of pollution a waterbody can receive and still maintain water quality standards;

(27) "Trustee," the legal entity to whom the bond is legally committed to be administered under the SRF program for the mutual benefit of the State and for the protection of the bond holders;

(28) "Unemployment rate," the 2013-2021 average unemployment rates as determined by the South Dakota Department of Labor and Regulation, Labor Force Statistics;

(29) "Wastewater treatment works," any devices and systems used in the storage, treatment, recycling, and reclamation of municipal sewage, domestic sewage, or industrial wastes of a liquid nature to implement section 201 of the Act, or necessary to recycle or reuse water at the most economical cost over the estimated life of the works, including intercepting sewers, outfall sewers, sewage collection systems, individual systems, pumping power, and other equipment and their appurtenances; extensions, improvement, remodeling, additions, and alterations thereof; elements essential to provide

a reliable recycled supply such as standby treatment units and clear well facilities; and acquisition of the land that will be an integral part of the treatment process or will be used for ultimate disposal of residues resulting from such treatment (including land use for the storage of treated wastewater in land treatment systems prior to land application) or is used for the ultimate disposal of residues resulting from such treatment and acquisition of other land, and interests in land, that are necessary for construction; or any other method or system for preventing, abating, reducing, storing, treating, separating, or disposing of municipal waste or industrial waste, including waste in combined storm water and sanitary sewer systems; and

(30) "Water quality grants," grants made by the board to eligible applicants for the purpose of providing financial assistance for projects eligible under the Act.

Source: 15 SDR 20, effective August 7, 1988; 19 SDR 102, effective January 17, 1993; 21 SDR 97, effective November 28, 1994; 25 SDR 93, effective January 9, 1999; 28 SDR 4, effective July 22, 2001; 29 SDR 87, effective December 22, 2002; 30 SDR 170, effective May 10, 2004; 33 SDR 106, effective December 26, 2006; 36 SDR 208, effective June 28, 2010; 40 SDR 14, effective July 29, 2013; 41 SDR 173, effective May 11, 2015; SL 2021, ch 1, §§ 8, 19, effective April 19, 2021.

General Authority: SDCL 46A-1-60.3.

Law Implemented: SDCL 46A-1-60.1 to 46A-1-60.3.

~~References: U.S. Census Bureau, American Community Survey, S1903 Median Income in the Past 12 Months (in 2012 Inflation-Adjusted Dollars) 2008-2012 American Community Survey 5-Year~~

~~Estimates. This is information available at no cost over the internet at
<http://denr.sd.gov/documents/MedianHouseholdIncome.pdf>.~~

~~-Labor Market Information Center, South Dakota Department of Labor and Regulation, Labor Force
Statistics. This information is available at no cost over the internet at
<http://denr.sd.gov/documents/UnemploymentRate.pdf>.~~

74:05:08:02. Eligibility. A facility is eligible for funding under the SRF program, established in SDCL 46A-1-60.1, if the facility is included in the state water facilities plan before submittal of the application, if the facility is on the current, approved IUP and project priority list, and if the facility is sponsored by one of the following entities:

- (1) Watershed districts organized under SDCL 46A-14, water project districts organized under SDCL 46A-18, water user districts organized under SDCL 46A-9, sanitary districts organized under SDCL 34A-5, recycling and waste management districts organized under SDCL 34A-16, and other lawful special purpose governmental entities that may construct eligible works;
- (2) State agencies, instrumentalities, or political subdivisions within the state, such as municipalities or counties; or
- (3) Federally recognized Indian tribes.

A facility is eligible for financial assistance under the SRF program in the form of a water quality grant if the project is sponsored by an entity listed in subdivisions (1) to (3) of this section or by a private entity undertaking an eligible project under the Act.

An applicant that uses the proceeds of a loan to make loans to private persons for nonpoint source projects is also eligible for financial assistance under the SRF program.

A facility is eligible for an interim loan under the SRF program if the project sponsor provides evidence, in a form satisfactory to the board, that an agency or instrumentality of the United States government has committed to make a federal grant or loan for the project, and the proceeds of the grant or loan will be assigned to repay the interim loan.

An applicant is eligible for a reduction in the interest rate if as part of its assistance agreement the applicant agrees to fund an eligible nonpoint source project in a watershed where the applicant is located or in a watershed or groundwater area that contributes water to the applicant's water system.

An applicant is eligible for a reduction in the interest rate if its project is subject to the Build America, Buy American Act (Public Law 117-58) provisions.

An applicant seeking funding solely for the expenses associated with the design of a facility and preparation of plans and specifications may receive funding without the facility being included in the state water facilities plan.

A facility that has been funded by the board is deemed to remain in the state water facilities plan for purposes of a request by the sponsor for additional funding for the facility.

Source: 15 SDR 20, effective August 7, 1988; 21 SDR 97, effective November 28, 1994; 28 SDR 4, effective July 22, 2001; 30 SDR 170, effective May 10, 2004; 33 SDR 106, effective December 26, 2006; 36 SDR 208, effective June 28, 2010; 40 SDR 14, effective July 29, 2013.

General Authority: SDCL 46A-1-60.3.

Law Implemented: SDCL 46A-1-60.1 to 46A-1-60.3.

74:05:08:03.01. Project priority rating system. Each potential project is assigned points based on the criteria in the following table:

Priority Criteria	Priority Points
(1) Project Type Criteria (points may be awarded to only one criterion - 2 to 10 points)	
(a) Wastewater treatment works;	
(i) Elimination of a combined sewer overflow	10 points
(ii) Construction of a new or rehabilitation of an existing wastewater treatment facility to increase or maintain its capacity or treatment ability	10 points
(iii) Elimination of a sanitary sewer overflow	8 points
(iv) Reduction in infiltration/inflow identified through documented sources, such as televising or smoke testing	6 points
(v) Replacement of existing lift stations or lines without documented infiltration/inflow benefits	4 points

(vi) Installation of new lift stations, collectors, or interceptors to provide service to undeveloped areas	2 points
(b) Untreated/uncontrolled runoff;	
(i) Construction of a manure management system	10 points
(ii) Construction or rehabilitation of a storm water treatment/management facility	8 points
(iii) Development or implementation of an agricultural best management practice	6 points
(iv) Capping of a landfill	6 points
(v) Construction of storm water conveyance systems	2 points
(c) Groundwater pollution;	
(i) Elimination of septic systems	10 points
(ii) Removal of leaking underground storage tanks or remediation of impacts resulting from leaking underground storage tanks	10 points
(iii) Construction of systems, to include, but not limited to, liners, collection systems, and monitoring wells, to protect groundwater from leachate from landfills, hazardous waste sites, or other chemical storage facilities	8 points
(iv) Elimination of subsurface discharges	6 points
(d) Aquatic/riparian habitat and lake and stream restoration;	
(i) Shoreline restoration	6 points
(ii) Sediment removal	5 points
(iii) Re-configuring of streams to enhance in-stream habitat	4 points
(e) Other - projects of a type not described above receive 2 points	

(2) Proposed project benefits criteria (points may be awarded to only one criterion - 0 to 10 points)

- | | |
|--|-----------|
| (a) Projects that address enforcement activities | 10 points |
| (b) Projects that address a documented water quality, public health, or safety issue, such as listing on the EPA quarterly noncompliance list, beach closings, stream sampling showing elevated fecal counts or fish kills | 10 points |
| (c) Projects that are identified in an EPA approved § 319 project implementation plan | 10 points |
| (d) Projects that raise the treatment capability of wastewater treatment facility from secondary treatment to advanced treatment or total retention | 8 points |
| (e) Projects that reduce the loading of a parameter that has been identified as an impairment to the receiving water or watershed as identified through the TMDL process | 8 points |
| (f) Projects that eliminate or remediate a source of ground water pollution | 8 points |
| (g) Projects that provide regional consolidation of facilities | 6 points |
| (h) Projects that incorporate pollution prevention or waste minimization techniques | 4 points |

(3) Water quality improvement criteria (points are cumulative for subsections (a) and (b) - 12 points maximum);

- | | |
|--|----------|
| (a) Surface water restoration (points may be awarded to only one criterion - 0 to 8 points); | |
| (i) Projects that benefit a priority 1 waterbody as identified on the 303(d) list | 8 points |

(ii) Projects that benefit a priority 2 waterbody as identified on the 303(d) list 6 points

(b) Source water quality protection (points may be awarded to only one criterion - 0 to 8 points);

(i) Projects eliminating or remediating a potential contamination source within the source water area of a ground water public water supply as identified in a Source Water Assessment Report 8 points

(ii) Projects eliminating or remediating a potential contamination source within zone A of a surface water public water supply as identified in a Source Water Assessment Report 8 points

(iii) Projects eliminating or remediating a potential contamination source within zone B of a surface water public water supply as identified in a Source Water Assessment Report 4 points

(4) Benefit magnitude criteria (points may be awarded to only one criterion - 2 to 10 points);

(a) Projects designed to serve the populace of a municipality, sanitary district, or other special purpose district are awarded points based on the population of the applicant. The source of population data is the 2010 census as prepared by the Bureau of Census, Department of Commerce. Points are awarded based on the following table:

1 to 200 persons	2 points
201 to 500 persons	3 points
501 to 1,000 persons	4 points
1,001 to 2,500 persons	5 points

2,501 to 5,000 persons	6 points
5,001 to 10,000 persons	7 points
10,001 to 30,000 persons	8 points
30,001 and greater	10 points;

(b) Projects benefiting a watershed or large rural area are awarded points

based on the area of the benefited area as provided in the following table:

less than 25,000 acres	2 points
25,000 to 100,000 acres	5 points
greater than 100,000 acres.	8 points

Source: 29 SDR 87, effective December 22, 2002; 30 SDR 100, effective December 23, 2003; 36 SDR 208, effective June 28, 2010; 40 SDR 14, effective July 29, 2013.

General Authority: SDCL 46A-1-60.3.

Law Implemented: SDCL 46A-1-60.1 to 46A-1-60.3.

~~Reference: U.S. Census Bureau, 2010 Census of Population and Housing, Summary Population and Housing Characteristics, CPH-1-43, South Dakota, Washington, DC, 2012. This document is available at no cost over the internet at <http://www.census.gov/prod/cen2010/cph-1-43.pdf>.~~

74:05:08:12.03. Affordability criteria to determine principal forgiveness eligibility. All applicants will be awarded points to determine principal forgiveness eligibility as follows: five points if an

applicant's median household income is less than or equal to ~~80-95~~ percent of the statewide median household income of \$59,896; three points if an applicant's median household income is less than or equal to 105 percent of the statewide median household income of \$59,896 and greater than ~~80-95~~ percent of the statewide median household income of \$59,896; one point if the applicant's ~~2010-2020~~ census population is less than the applicant's ~~2000-2010~~ census population; and one point if an applicant's county unemployment rate is greater than the statewide unemployment rate. If the boundaries of an applicant are located in more than one county, the unemployment rate of the county with the largest percentage of the applicant's population will be used. Applicants must receive a minimum of five points to be eligible for principal forgiveness.

Source: 41 SDR 173, effective May 11, 2015.

General Authority: SDCL 46A-1-60.3.

Law Implemented: SDCL 46A-1-60.1 to 46A-1-60.3.

~~Reference: U.S. Census Bureau, Table 1, 2000 Census of Population and Housing: Summary Population and Housing Characteristics, PHC-1-43, South Dakota, Washington DC, 2002. This document is available at no cost over the internet at <http://www.census.gov/prod/cen2000/phc-1-43.pdf>.~~

~~South Dakota and County Labor Force Data, December 2022, Labor Market Information Center, South Dakota Department of Labor and Regulation. This information is available at no cost over the internet at <http://denr.sd.gov/Funding/EnvironmentalFunding/docs/UnemploymentRate.pdf>.~~

74:05:08:13. Applications. An applicant for financial assistance shall submit an application to the board on forms obtained from the department. An application ~~may~~shall not be considered by the board until the secretary has determined that the application is complete. A complete loan application must include the following items:

(1) Application form to include:

(a) Certification of Clean Water Needs Categories; ~~and~~

(b) Certification Regarding Debarment, Suspension, and Other Responsibility Matters; and

(c) Cost and Effectiveness Certification Form;

(2) ~~Most~~Two years of the most recent audits or financial statements to include specific accounting of the fund pledged for repayment of the loan;

(3) Current year's budget;

(4) ~~User charge ordinance or resolution and its effective date~~Documentation of the current user rates and surcharges, if applicable;

(5) Resolution of authorized signatory for submittal of application and signing of payment requests;

(6) Draft facilities plan; and

(7) ~~Documentation that the applicant has an active registration in the Federal System for Award Management (SAM) website found at <https://www.sam.gov/portal/SAM/#1>; and~~

~~(8)~~ Amortization schedules for all existing debt secured by the proposed revenue pledged.

Source: 15 SDR 20, effective August 7, 1988; 33 SDR 106, effective December 26, 2006; 36 SDR 208, effective June 28, 2010; 40 SDR 14, effective July 29, 2013; 41 SDR 173, effective May 11, 2015.

General Authority: SDCL 46A-1-60.3.

Law Implemented: SDCL 46A-1-60.1 to 46A-1-60.3.

CHAPTER 74:05:11

DRINKING WATER STATE REVOLVING FUND PROGRAM

Section

- 74:05:11:01 Definitions.
- 74:05:11:02 Eligible systems.
- 74:05:11:03 Annual public hearing on proposed intended use plan.
- 74:05:11:04 Amendment of intended use plan.
- 74:05:11:05 Project priority determined by points.
- 74:05:11:06 Project priority rating system.
- 74:05:11:06.01 Repealed.
- 74:05:11:07 Priority list bypass procedures.
- 74:05:11:08 Amendment of priority list.
- 74:05:11:09 Deadline for application.
- 74:05:11:10 Repealed.
- 74:05:11:11 Amount of financial assistance.
- 74:05:11:11.01 Principal forgiveness as part of assistance agreements.
- 74:05:11:11.02 Principal forgiveness amount determination.
- 74:05:11:12 Application requirements
- 74:05:11:12.01 Application review and completeness determination.
- 74:05:11:12.02 Facilities plan submittal.
- 74:05:11:12.03 Environmental determinations.
- 74:05:11:13 Eligible use of funds.

74:05:11:14 Set-asides.

74:05:11:15 Financial security.

74:05:11:15.01 Repealed.

74:05:11:16 Duration of assistance.

74:05:11:17 Assistance agreement interest rate.

74:05:11:18 Loans to disadvantaged communities.

74:05:11:18.01 Disadvantaged loans to project sponsors acting on behalf of a disadvantaged community.

74:05:11:19 Repealed.

74:05:11:20 Assistance agreements.

74:05:11:21 Disbursement of funds.

74:05:11:22 Repealed.

74:05:11:23 Accounting methods and audits.

74:05:11:01. Definitions. Terms not defined in this section have the meaning given by the Safe Drinking Water Act. Terms used in this chapter mean:

(1) "Act," "Safe Drinking Water Act," the federal Safe Drinking Water Act, 42 U.S.C. § 300f to 42 U.S.C. § 300j-26, inclusive, including the Safe Drinking Water Act Amendments of 1996, as amended to July 1, 2013, Public Law 111-88, enacted October 30, 2009, Public Law 112-10, enacted April 15, 2011, Public Law 112-74, enacted December 23, 2011, Public Law 113-6, enacted March 26, 2013, ~~and~~ Public Law 113-76, enacted January 17, 2014, Public Law 113-235, enacted December 16, 2014, Public Law 114-113, enacted December 18, 2015, Public Law 114-322, enacted December 16, 2016, Public Law 115-31, enacted May 5, 2017, Public Law 115-141, enacted March 23, 2018, Public Law 115-270, enacted

October 23, 2018, Public Law 116-6, enacted February 15, 2019, Public Law 116-260, enacted December 20, 2019, Public Law 116-93, enacted December 27, 2020, Public Law 117-58 enacted November 15, 2021, Public Law 117-103, enacted March 15, 2022, collectively known as the Safe Drinking Water Act;

(2) "Affordability criteria," the expected annual residential water rate, based on 5,000 gallons usage per month for municipalities and sanitary districts and 7,000 gallons usage per month for all other systems, divided by the median household income;

(3) "Applicant," the sponsoring entity applying for interim financing or for funding to construct drinking water works;

(4) "Assistance," financial assistance awarded by the Board of Water and Natural Resources for drinking water works pursuant to SDCL 46A-1-60.1 to 46A-1-60.3, inclusive;

(5) "Board," the Board of Water and Natural Resources acting as that board or as the South Dakota Conservancy District;

(6) "Capacity assessment," a set of worksheets to be completed and submitted as part of the SRF application that assesses the applicant's technical, managerial, and financial capacity to operate a water system;

(7) "Capitalization grant," a grant supplied by EPA to the state to be matched by the state at a 5-to-1 federal-to-state ratio and to be used for purposes outlined in the Act;

(8) "Community water system," a water system that has at least 15 service connections for year-round residents or that serves at least 25 year-round residents;

(9) "Construction," any of the following procedures for drinking water works projects: preliminary planning to determine project feasibility; engineering, architectural, legal, fiscal, environmental, or economic studies, surveys, designs, plans, working drawings, specifications, or procedures; rehabilitation or development of new water sources; other necessary actions for the erection, building, acquisition, alterations, remodeling, improvement, or extension of drinking water works; the purchase of equipment; the acquisition of land integral to a project; and the inspection or supervision of any of these procedures;

(10) "Department," the South Dakota Department of Agriculture and Natural Resources;

(11) "Disadvantaged community," the service area of a community water system that meets the following criteria:

(a) For municipalities and sanitary districts:

(i) The median household income is below the state-wide median household income of \$59,896; and

(ii) The monthly residential water bill is \$3045 or more for 5,000 gallons usage or \$30 or more for 5,000 gallons usage for projects that will receive loan proceeds from the Drinking Water State Revolving Fund Emerging Contaminants Funding or the Drinking Water State Revolving Fund Lead Service Line Replacement Funding made available through Public Law 117-58; or

(b) For all other applicants:

(i) The median household income is below the state-wide median household income of \$59,896; and

(ii) The monthly residential water bill ~~for rural households~~ is \$5570 or more for 7,000 gallons usage or \$55 or more for 7,000 gallons usage for projects that will receive loan proceeds from the Drinking Water State Revolving Fund Emerging Contaminants Funding or the Drinking Water State Revolving Fund Lead Service Line Replacement Funding made available through Public Law 117-58;

(12) "Drinking water works," a community water system to provide piped water for human consumption, including water treatment facilities, distribution systems, storage facilities, wells and surface sources, and related appurtenances;

(13) "DWSRF," the drinking water state revolving fund, a dedicated financing mechanism to provide financial assistance to drinking water works;

(14) "EPA," the United States Environmental Protection Agency;

(15) "Emerging contaminants," perfluoroalkyl and polyfluoroalkyl substances or any contaminant in any of EPA's Contaminant Candidate Lists;

~~(1516)~~ "Facilities plan," an engineering evaluation that describes the need for the proposed supply, treatment, storage, or distribution project based on present conditions and future needs; evaluates the costs and adequacies of appropriate alternatives; identifies potential environmental impacts of the proposed project; and provides the selection and justification of a final alternative;

(~~16~~17) "Intended use plan," a document prepared annually which describes how the board intends to use available funds for the year to meet the objectives of the Act and includes the amount of funding that will be allocated to the set-asides and a list of potential projects showing the rating for each project;

(~~17~~18) "Interim financing," a loan for a term not to exceed five years which is to be repaid from the proceeds of a federal grant or loan to be made by an agency or instrumentality of the United States government for a project;

(~~18~~19) "Loan," the lending of funds by the board to an eligible applicant pursuant to a financing agreement through the purchase or acquisition of any evidence of indebtedness or other obligation which is issued by the applicant and which is payable from taxes, **non-ad valorem sales taxes**, or from rates, revenues, charges, or assessments, or from distributions of revenue pursuant to a state appropriation or statutory or constitutional provision, or payable from pledge of property or other sources;

(~~19~~20) "Loan servicing agent," an entity hired by the board to disburse payments, prepare amortization schedules, receive loan repayments, invest funds, and ensure the security of the loans remains intact;

(~~20~~21) "Median household income," the median household income as identified in the U.S. Census Bureau, American Community Survey, ~~S1903 Median Income in the Past 12 Months (in 2012 Inflation-Adjusted Dollars) 2008-2012 American Community Survey 5-Year Estimates DP03 Selected Economic~~

[Characteristics 2020: 5-Year Estimates Data Profiles](#) or by other statistically valid income data supplied by the applicant and acceptable to the board;

(~~21~~22) "Minimum established rates," rates charged to residential users of a water system that meet the following criteria:

(a) For municipalities and sanitary districts the monthly residential water bill is \$30 or more for 5,000 gallons usage; or

(b) For all other assistance recipients the monthly residential water bill is \$55 or more for 7,000 gallons usage;

(~~22~~23) "Primary drinking water standards," the water quality standards and other provisions in chapter 74:04:12 to which community water systems are subject;

(~~23~~24) "Principal forgiveness," a reduction in the outstanding principal balance of a loan to be applied at the time specified in the financial agreement;

(~~24~~25) "Project," the actual erection, building, acquisition, alteration, remodeling, improvement, or extension of drinking water works, including the necessary planning, design, acquisition of land integral to the project, and purchase or installation of equipment;

(~~25~~26) "Recipient," an applicant receiving funds to construct a drinking water works project;

(~~26~~27) "Secretary," the secretary of the Department of Agriculture and Natural Resources; and

(2728) "Trustee," the entity to whom the board assigns its bonds to be administered under the DWSRF program for the mutual benefit and protection of the state and the bond holders.

Source: 23 SDR 195, effective May 25, 1997; 25 SDR 93, effective January 9, 1999; 28 SDR 95, effective December 19, 2001; 29 SDR 58, effective November 6, 2002; 30 SDR 100, effective December 23, 2003; 30 SDR 170, effective May 10, 2004; 33 SDR 106, effective December 26, 2006; 36 SDR 208, effective June 28, 2010; 40 SDR 14, effective July 29, 2013; 41 SDR 173, effective May 11, 2015; SL 2021, ch 1, §§ 8, 19, effective April 19, 2021.

General Authority: SDCL 46A-1-60.1 to 46A-1-60.3.

Law Implemented: SDCL 46A-1-60.1 to 46A-1-60.3.

~~Reference: U.S. Census Bureau, American Community Survey, S1903 Median Income in the Past 12 Months (in 2012 Inflation Adjusted Dollars) 2008-2012 American Community Survey 5-Year Estimates. This information is available at no cost over the internet at <http://denr.sd.gov/documents/MedianHouseholdIncome.pdf>.~~

~~Reference: U.S. EPA, Contaminant Candidate List 5 – CCL 5. This information is available at no cost over the internet at [Contaminant Candidate List 5 - CCL 5 | US EPA](#)~~

74:05:11:02. Eligible systems. A facility is eligible for funding under the DWSRF loan program, established in SDCL 46A-1-60.1, if the facility is included in the state water plan before the submittal of

the application, and if the facility is on the intended use plan and the project priority list, and if the facility is sponsored by one of the following entities:

(1) Special purpose governmental entities, including water user districts organized under SDCL chapter 46A-9, watershed districts organized under SDCL chapter 46A-14, water project districts organized under SDCL chapter 46A-18, sanitary districts organized under SDCL chapter 34A-5, and other lawful special purpose governmental entities that may construct drinking water works;

(2) State agencies, instrumentalities, or political subdivisions within the state, such as municipalities or counties;

(3) Federally recognized Indian tribes; or

(4) Nonprofit corporations and cooperatives.

(5) All other public water systems that will receive loan proceeds from the Drinking Water State Revolving Fund Emerging Contaminants Funding or the Drinking Water State Revolving Fund Lead Service Line Replacement Funding made available through Public Law 117-58.

A facility is eligible for an interim loan under the DWSRF program if the project sponsor provides evidence, in a form satisfactory to the board, that an agency or instrumentality of the United States government has committed to make a federal grant or loan for the project, and the proceeds of the grant or loan will be assigned to repay the interim loan.

An applicant seeking funding solely for the expenses associated with the design of a facility and preparation of plans and specifications may receive funding without the facility being included in the state water facilities plan.

A facility that has been funded by the board is deemed to remain in the state water facilities plan for purposes of a request by the sponsor for additional funding for the facility.

Source: 23 SDR 195, effective May 25, 1997; 30 SDR 170, effective May 10, 2004; 36 SDR 208, effective June 28, 2010; 40 SDR 14, effective July 29, 2013.

General Authority: SDCL 46A-1-60.1 to 46A-1-60.3.

Law Implemented: SDCL 46A-1-60.1 to 46A-1-60.3.

74:05:11:06. Project priority rating system. Each potential drinking water works project shall be assigned points based on the criteria in the following table:

Priority Criteria	Priority Points
(1) Occurrences of nitrates, fecal coliform, or E. Coli bacteria in samples within the past three years have exceeded the allowable limits as defined in chapter 74:04:12, and this project will address the suspected cause of these occurrences;	150 points
<u>occurrences of an emerging contaminant in samples within the past three years, and this project will address the suspected cause of these occurrences or provide an alternative water source to replace a source or sources contaminated with an emerging contaminant; or</u>	<u>100 points</u>

occurrences of chronic primary drinking water contaminants in samples within the past three years have exceeded the allowable limits as defined in chapter 74:04:12 or the system is in violation of a treatment technique, and this project will address the suspected cause of these occurrences or correct the treatment technique violation; 100 points (Maximum Points = 150)

(2) Affordability criteria: 75 points

(a) Greater than 1.0 percent for community water systems whose median household income is ~~under~~less than or equal to ~~\$33,000~~\$54,000; or

(b) Greater than ~~2.0~~1.5 percent for community water systems whose median household income is ~~over~~more than ~~\$33,000~~\$54,000;

(3) Consolidation of facilities where:

(a) One or more community water systems consolidate with another community water system and the consolidation is cost effective; 50 points

2 points per

(4) Occurrences of secondary drinking water contaminants in samples within the past three years have exceeded the guidelines, and this project will address the suspected cause of these occurrences. The specific contaminants and the maximum contaminant level are: (up to a maximum of 10 points)

chloride 250 mg/L

color 15 color units

fluoride 2.0 mg/L

foaming agents 0.5 mg/L

iron 0.3 mg/L

manganese 0.05 mg/L

	3 threshold
odor	odor number
	range: 6.5 to
pH	8.5
silver	0.1 mg/L
sulfate	250 mg/L
total dissolved solids	500 mg/L
zinc	5 mg/L

(5) Occurrences of total coliform in samples within the past three years have exceeded the allowable limits, and this project will address the suspected cause of these occurrences; 25 points

(6) Rehabilitation of contaminated drinking water sources or development of sources to replace contaminated sources; 25 points

(7) Development of sources if existing sources are unable to supply the peak day demand or unable to meet the peak day demand with the largest source out of service; 15 points

(8) Installation of water meters if;
 (a) The meters are being installed on services that were previously not metered; or 50 points

(b) The meters being installed are replacing existing meters; 10 points

(9) Replacement of transmission lines for the following reasons (points are additive as they apply);

(a) Removal of lead piping; ~~20-30~~ points

(b) Decrease in water loss volume by 10% or more; 15 points

(c) Looping of lines that will result in improved water quality; 10 points

(d) ~~Lines are 50 years old or older~~Eliminating cast iron or asbestos cement

pipe; 5 points

(10) Construction of storage for a system with capacity less than an average day demand or to address low pressure problems within the system, where low pressure is defined as less than 20 pounds per square inch at ground level at any point in the distribution system under all conditions of flow; 15 points

(11) The construction, upgrade, or replacement of a water treatment plant or its components to assure compliance with upcoming or existing regulations; 50 points

(12) Population points according to the following schedule based on the population of the applicant as reported by the ~~2010-2020~~ census as prepared by the Bureau of Census, Department of Commerce: 4 points

1 to 200 persons 2 points

201 to 500 persons 3 points

501 to 1,000 persons 4 points

1,001 to 2,500 persons 5 points

2,501 to 5 ,000 persons 6 points

5,001 to 10,000 persons 7 points

10,001 to 30,000 persons 8 points

30,001 and greater 10 points.

Source: 23 SDR 195, effective May 25, 1997; 25 SDR 93, effective January 9, 1999; 28 SDR 95, effective December 19, 2001; 29 SDR 58, effective November 6, 2002; 30 SDR 100, effective December

23, 2003; 33 SDR 106, effective December 26, 2006; 36 SDR 208, effective June 28, 2010; 40 SDR 14, effective July 29, 2013; 41 SDR 173, effective May 11, 2015.

General Authority: SDCL 46A-1-60.3.

Law Implemented: SDCL 46A-1-60.1 to 46A-1-60.3.

~~Reference: U.S. Census Bureau, 2010 Census of Population and Housing, Summary Population and Housing Characteristics, CPH-1-43, South Dakota, Washington, DC, November 2012. This document is available at no cost over the internet at <http://www.census.gov/prod/cen2010/cph-1-43.pdf>.~~

74:05:11:06.01. Green infrastructure priority points. Repealed.

Source: 36 SDR 208, effective June 28, 2010; repealed, 41 SDR 173, effective May 11, 2015.

74:05:11:07. Priority list bypass procedures. Projects will be funded based on their project priority rating. Projects with the highest priority rating that have submitted a complete application and demonstrated adequate financial, managerial, and technical capacity to receive financial assistance shall be funded before lower-rated projects. Projects on the priority list may be bypassed if they have not demonstrated readiness to proceed by submitting an application, and the next highest priority project which has submitted an application shall be funded. The department shall exert reasonable efforts to ensure that the higher-rated projects on the priority list are funded.

Source: 23 SDR 195, effective May 25, 1997; 25 SDR 93, effective January 9, 1999.

General Authority: SDCL 46A-1-60.1 to 46A-1-60.3.

Law Implemented: SDCL 46A-1-60.1 to 46A-1-60.3.

74:05:11:12. Application requirements. Any applicant for financial assistance shall submit an application to the board on forms obtained from the department. An application ~~may~~shall not be considered by the board until the secretary has determined that the application is complete. A complete application must include the following items:

(1) Application form to include:

(a) Certification of Drinking Water Needs Categories;

(b) Certification Regarding Debarment, Suspension, and Other Responsibility Matters; ~~and~~

(c) Water Supply Assessment Certification Form; and

(d) Capacity Assessment Worksheets for Public Water Systems;

(2) ~~Most~~Two years of the most recent audit or financial statements to include specific accounting of the fund pledged for repayment of the loan;

(3) Current year's budget;

(4) ~~User charge ordinance or resolution and its effective date~~Documentation of the current user rates and surcharges, if applicable;

(5) Resolution of authorized signatory for submittal of application and signing of payment requests;

(6) Draft facilities plan; and

(7) ~~Documentation that the applicant has an active registration in the Federal System for Award Management (SAM) website found at <https://www.sam.gov/portal/SAM/#1>; and~~

~~—(8)—~~ Amortization schedules for all existing debt secured by the proposed revenue pledged.

Source: 23 SDR 195, effective May 25, 1997; 28 SDR 95, effective December 19, 2001; 33 SDR 106, effective December 26, 2006; 36 SDR 208, effective June 28, 2010; 40 SDR 14, effective July 29, 2013; 41 SDR 173, effective May 11, 2015.

General Authority: SDCL 46A-1-60.1 to 46A-1-60.3.

Law Implemented: SDCL 46A-1-60.1 to 46A-1-60.3.

74:05:11:14. Set-asides. ~~The Act authorizes DWSRF funding for nonproject set-aside activities. The board shall establish the tasks to be performed and the allocation of funds for each set-aside category through its adoption of the intended use plan. The specific nonproject set-aside activities are described as follows:~~

~~—(1)— Up to four percent of each annual capitalization grant may be used to administer the DWSRF program. Administrative activities include staff salary, benefits, travel, and overhead; and the retaining of bond counsel, bond underwriter, financial advisor, loan servicing agent, and trustee;~~

~~—— (2) Up to two percent of each annual capitalization grant may be used to provide technical assistance to communities of 10,000 people or less. Specific activities include training classes covering all aspects of water treatment and distribution systems and on-site facility evaluations as needed;~~

~~—— (3) Up to 10 percent of each annual capitalization grant may be used to do the following:~~

~~—— (a) Administer the state public water supervision system program;~~

~~—— (b) Administer or provide technical assistance through water protection programs, including the Class V portion of the underground injection control program;~~

~~—— (c) Develop and implement a capacity development strategy; and~~

~~—— (d) Develop and implement an operator certification program; and~~

~~—— (4) Up to 15 percent of each annual capitalization grant may be used to fund other activities to assist development and implementation of local drinking water protection activities, as specified in this~~

~~subdivision, if not more than 10 percent is used for any one activity. The allowable activities for this set-aside are as follows:~~

~~————(a) Assistance to a community water system to acquire land or a conservation easement for source water protection;~~

~~————(b) Assistance to a community water system to implement voluntary, incentive-based source water quality protection measures;~~

~~————(c) Funding to delineate and assess source water protection areas;~~

~~————(d) The establishment and implementation of a wellhead protection program; and~~

~~————(e) Funding to a community water system to implement a project under the capacity development strategy. Repealed~~

Source: 23 SDR 195, effective May 25, 1997; 33 SDR 106, effective December 26, 2006.

~~————General Authority: SDCL 46A-1-60.1 to 46A-1-60.3.~~

~~Law Implemented: SDCL 46A-1-60.1 to 46A-1-60.3.~~

74:05:11:18. Loans to disadvantaged communities. The board may provide additional subsidies to disadvantaged communities in the form of principal forgiveness as provided under the Act. The board may set interest rates for disadvantaged communities below the rate set for other loan recipients. ~~A disadvantaged community with less than 80 percent, but at or greater than 60 percent, of the state-wide median household income may be awarded a loan at an interest rate up to two percentage points below the rate set for other loans.~~ A loan for a disadvantaged community with a median household income less than 60 percent of the state-wide median household income of \$59,896 may be awarded at zero percent interest.

Source: 23 SDR 195, effective May 25, 1997; 25 SDR 93, effective January 9, 1999; 28 SDR 95, effective December 19, 2001; 40 SDR 14, effective July 29, 2013.

General Authority: SDCL 46A-1-60.1 to 46A-1-60.3.

Law Implemented: SDCL 46A-1-60.1 to 46A-1-60.3.

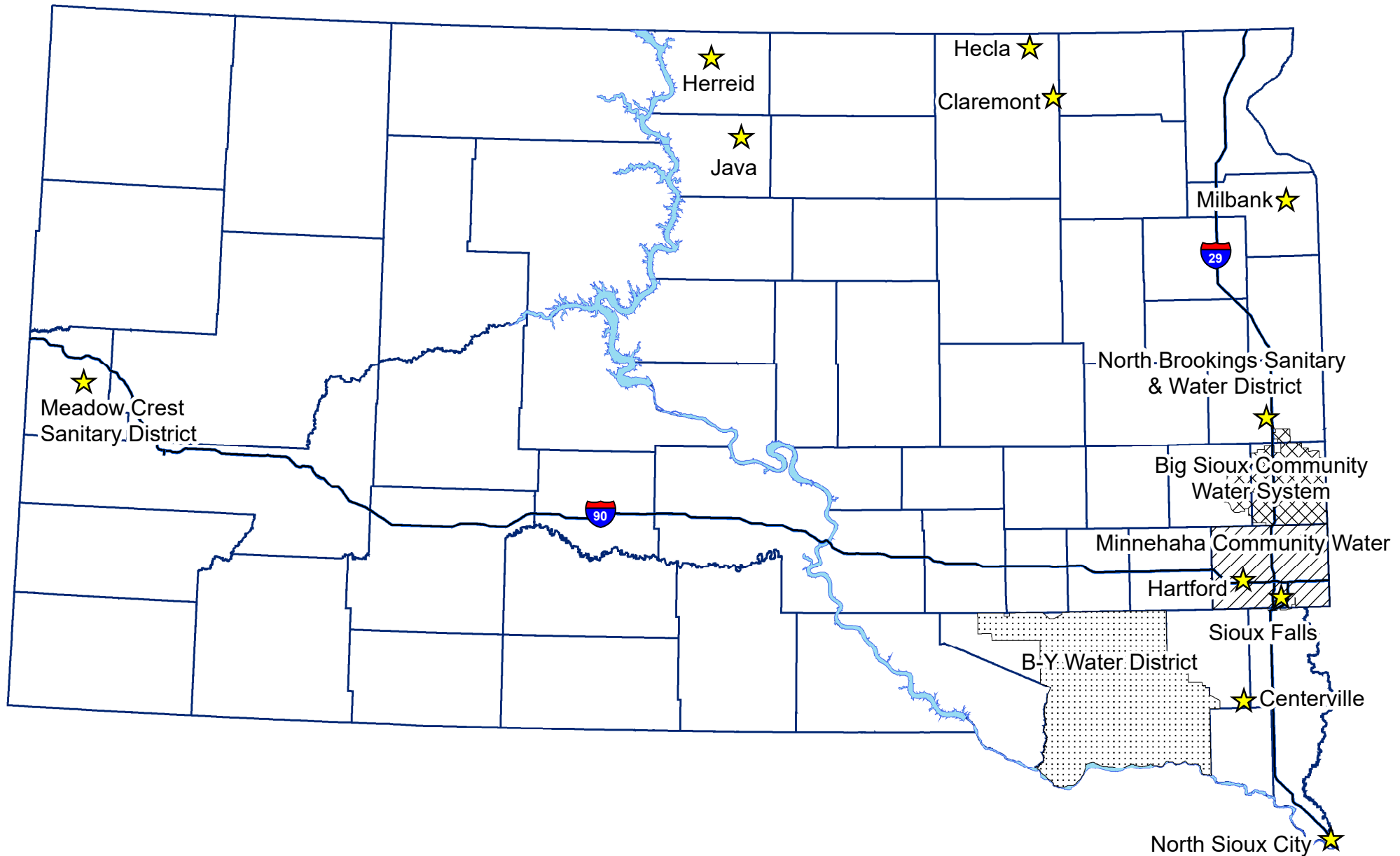
74:05:11:18.02. Loans to project sponsors subject to the Build America, Buy American Act provisions. The board may set interest rates for project subject to the Build America, Buy American Act (Public Law 117-58) provisions below the rate set for other loan recipients.

74:05:11:18.03. Loans to project sponsors replacing lead service lines. A loan, or that portion of a loan, that will be used to replace lead service lines and receives loan proceeds from the Drinking Water State

Revolving Fund Lead Service Line Replacement Funding made available through Public Law 117-58 may be awarded at zero percent interest.

State Water Plan Applications

March 2023



State Water Facilities Plan Applicants

Project Sponsor	Description	Projected State Funding (\$)	Recommendation
Big Sioux Community Water System	Lake Madison Area Improvements	\$2,200,000	Place on Facilities Plan
B-Y Water District	Reservoir Site Piping and Rehabilitation	\$4,000,000	Place on Facilities Plan
Centerville	Water Tower Construction	\$1,400,000	Place on Facilities Plan
Claremont	Storm Sewer and Lift Station Improvements	\$505,000	Place on Facilities Plan
Hartford	Highway 38 Watermain Looping	\$990,800	Place on Facilities Plan
Hecla	Wastewater and Stormwater Improvements	\$12,921,000	Place on Facilities Plan
Herreid	Water Tower Construction and Main Looping	\$2,550,550	Place on Facilities Plan
Java	Wastewater Improvements	\$4,017,386	Place on Facilities Plan
Meadow Crest Sanitary District	New Well Construction	\$590,000	Place on Facilities Plan
Milbank	Water Supply and Treatment Improvements	\$12,500,000	Place on Facilities Plan
Minnehaha Community Water Corp	Water Treatment Plant Control Upgrades	\$543,400	Place on Facilities Plan
North Brookings Sanitary & Water District	Water Distribution Improvements	\$1,300,000	Place on Facilities Plan
North Brookings Sanitary & Water District	Wastewater Collection Improvements	\$4,000,000	Place on Facilities Plan
North Sioux City	Water System Interconnection	\$574,100	Place on Facilities Plan
Sioux Falls	Basin 15 Sewer Extension Phase 2	\$6,214,000	Place on Facilities Plan
Sioux Falls	Southeast Sewer Basins 28 and 29 Extension	\$8,410,500	Place on Facilities Plan

Staff is recommending that the following projects be added to *Attachment I – Project Priority* list of the 2023 Clean Water SRF Intended Use Plan:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
13	Hecla	\$12,921,000	3.25%, 30 years
12	Sioux Falls – Basin 15 Phase 2	\$6,214,000	2.25%, 20 years
12	Sioux Falls – Basins 28 and 29	\$8,410,500	2.25%, 20 years
9	Tabor	\$1,000,000	3.25%, 30 years
8	North Brookings Sanitary & Water District	\$4,000,000	3.25%, 30 years
6	Claremont	\$505,000	3.25%, 30 years
6	Java	\$4,017,386	3.25%, 30 years

Staff is recommending that the following projects be added to *Attachment I – Project Priority* list of the 2023 Drinking Water SRF Intended Use Plan:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
103	Herreid	\$2,550,550	0.0%, 30 years
77	Milbank	\$12,500,000	2.75%, 30 years
31	North Sioux City	\$574,100	3.25%, 30 years
27	Saint Lawrence	\$940,000	3.25%, 30 years
17	Big Sioux Community Water System	\$2,200,000	3.25%, 30 years
17	Meadow Crest Sanitary District	\$590,000	3.25%, 30 years
16	Hartford	\$990,800	3.25%, 30 years
8	B-Y Water District	\$4,000,000	3.25%, 30 years
8	Minnehaha Community Water Corp.	\$543,400	3.00%, 20 years
7	North Brookings Sanitary & Water District	\$1,300,000	3.25%, 30 years
4	Centerville	\$1,400,000	3.00%, 30 years

Staff is recommending that the following projects be added to *Attachment I – Project Priority* list of the 2022 Clean Water SRF Intended Use Plan:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
18	Vermillion	\$23,100,000	3.25%, 30 years
8	Kimball	\$1,095,000	3.25%, 30 years
7	Wolsey	\$134,000	3.25%, 30 years

Staff is recommending that the following projects be added to *Attachment I – Project Priority* list of the 2022 Drinking Water SRF Intended Use Plan:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
138	Vermillion	\$7,000,000	2.75%, 30 years
77	Wessington	\$673,000	0.00%, 30 years
34	New Underwood	\$7,580,000	3.00%, 30 years
27	Saint Lawrence	\$940,000	3.25%, 30 years
20	Salem	\$1,400,000	3.00%, 30 years
9	Kimball	\$325,000	3.00%, 30 years

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

APPLICANT: Parkston CW-02 Amendment

Total Project Cost:	\$4,400,000
BWNR Funding Assistance Requested:	\$1,119,700
Rate/Term:	2.125% / 30 years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) Current rates for the city are \$33.00 per 5,000 gallon usage.
- 2) In April of 2022, the city was awarded a funding package of \$3,016,000, which includes an ARPA grant and a Clean Water SRF loan, however additional funding is needed for the project.
- 3) At the recommended level of loan funding, the city will have to establish a surcharge of approximately \$15.90 per month. This will bring overall rates to \$48.90 per 5,000 gallon usage.

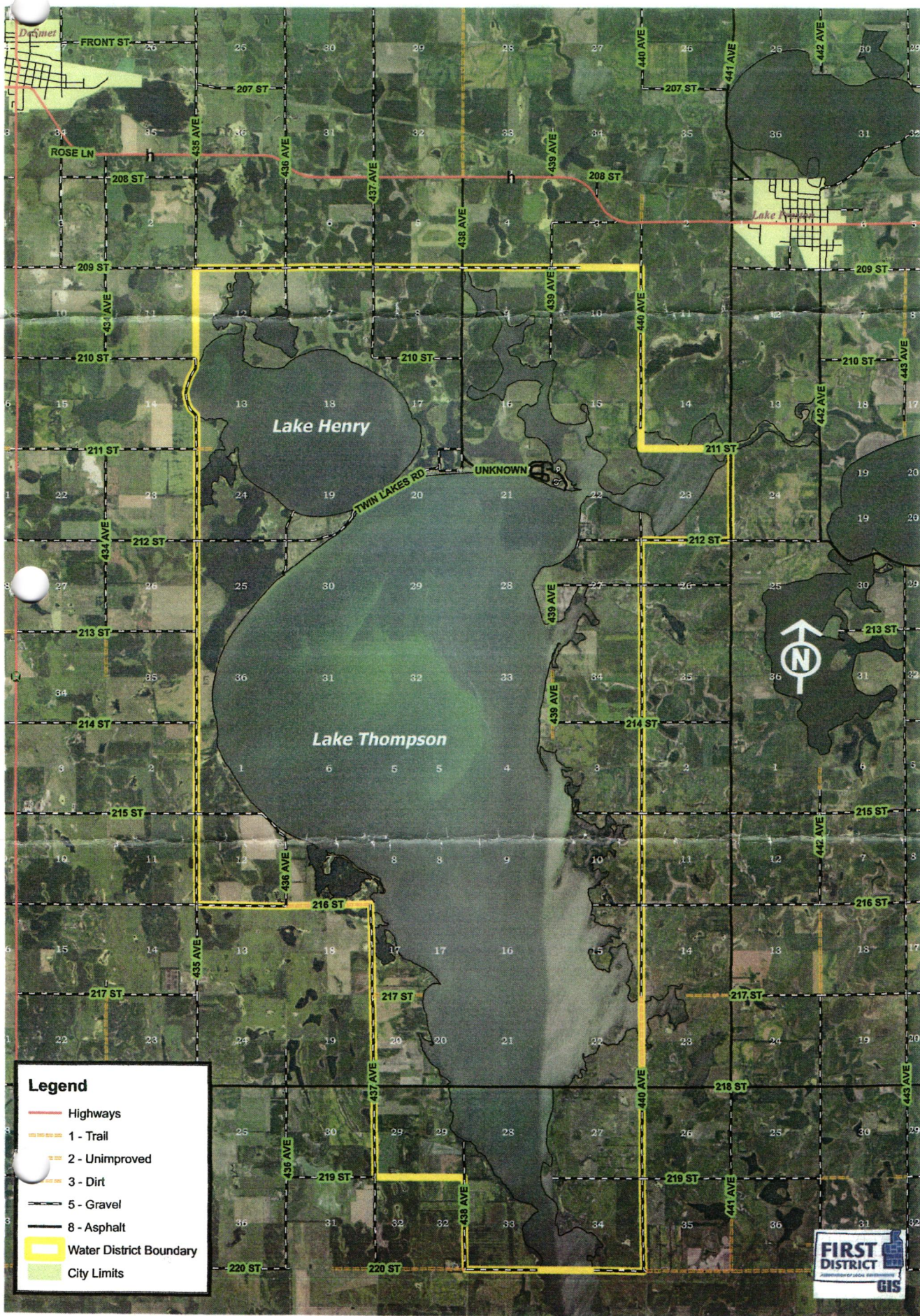
Funding Recommendation: Rescind resolution 2022-167 and award a \$3,045,960 Clean Water SRF Loan at 2.125% for 30 years.

Debt Service Coverage: 110% coverage based on a \$15.90 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.

(Kingsbury County, SD)



SFY 2024 BWNR Meeting Calendar

<u>July 2023</u>							<u>August 2023</u>							<u>September 2023</u>						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
						1			1	2	3	4	5						1	2
2	3	4	5	6	7	8	6	7	8	9	10	11	12	3	4	5	6	7	8	9
9	10	11	12	13	14	15	13	14	15	16	17	18	19	10	11	12	13	14	15	16
16	17	18	19	20	21	22	20	21	22	23	24	25	26	17	18	19	20	21	22	23
23	24	25	26	27	28	29	27	28	29	30	31			24	25	26	27	28	29	30
30	31																			

<u>October 2023</u>							<u>November 2023</u>							<u>December 2023</u>						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7				1	2	3	4						1	2
8	9	10	11	12	13	14	5	6	7	8	9	10	11	3	4	5	6	7	8	9
15	16	17	18	19	20	21	12	13	14	15	16	17	18	10	11	12	13	14	15	16
22	23	24	25	26	27	28	19	20	21	22	23	24	25	17	18	19	20	21	22	23
29	30	31					26	27	28	29	30			24	25	26	27	28	29	30
																				31

<u>January 2024</u>							<u>February 2024</u>							<u>March 2024</u>						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6					1	2	3						1	2
7	8	9	10	11	12	13	4	5	6	7	8	9	10	3	4	5	6	7	8	9
14	15	16	17	18	19	20	11	12	13	14	15	16	17	10	11	12	13	14	15	16
21	22	23	24	25	26	27	18	19	20	21	22	23	24	17	18	19	20	21	22	23
28	29	30	31				25	26	27	28	29			24	25	26	27	28	29	30
																				31

<u>April 2024</u>							<u>May 2024</u>							<u>June 2024</u>						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6				1	2	3	4							1
7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8
14	15	16	17	18	19	20	12	13	14	15	16	17	18	9	10	11	12	13	14	15
21	22	23	24	25	26	27	19	20	21	22	23	24	25	16	17	18	19	20	21	22
28	29	30					26	27	28	29	30	31		23	24	25	26	27	28	29
																				30

State-Wide Lead Service Line Inventory

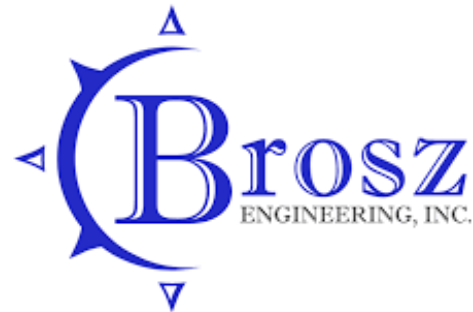
2023 Board of Water & Natural Resources
Spring Meeting - March 30, 2023
Presented by Mark Mayer, DANR
and Erin Steever, Bartlett & West



South Dakota Lead Service Line Inventory Team

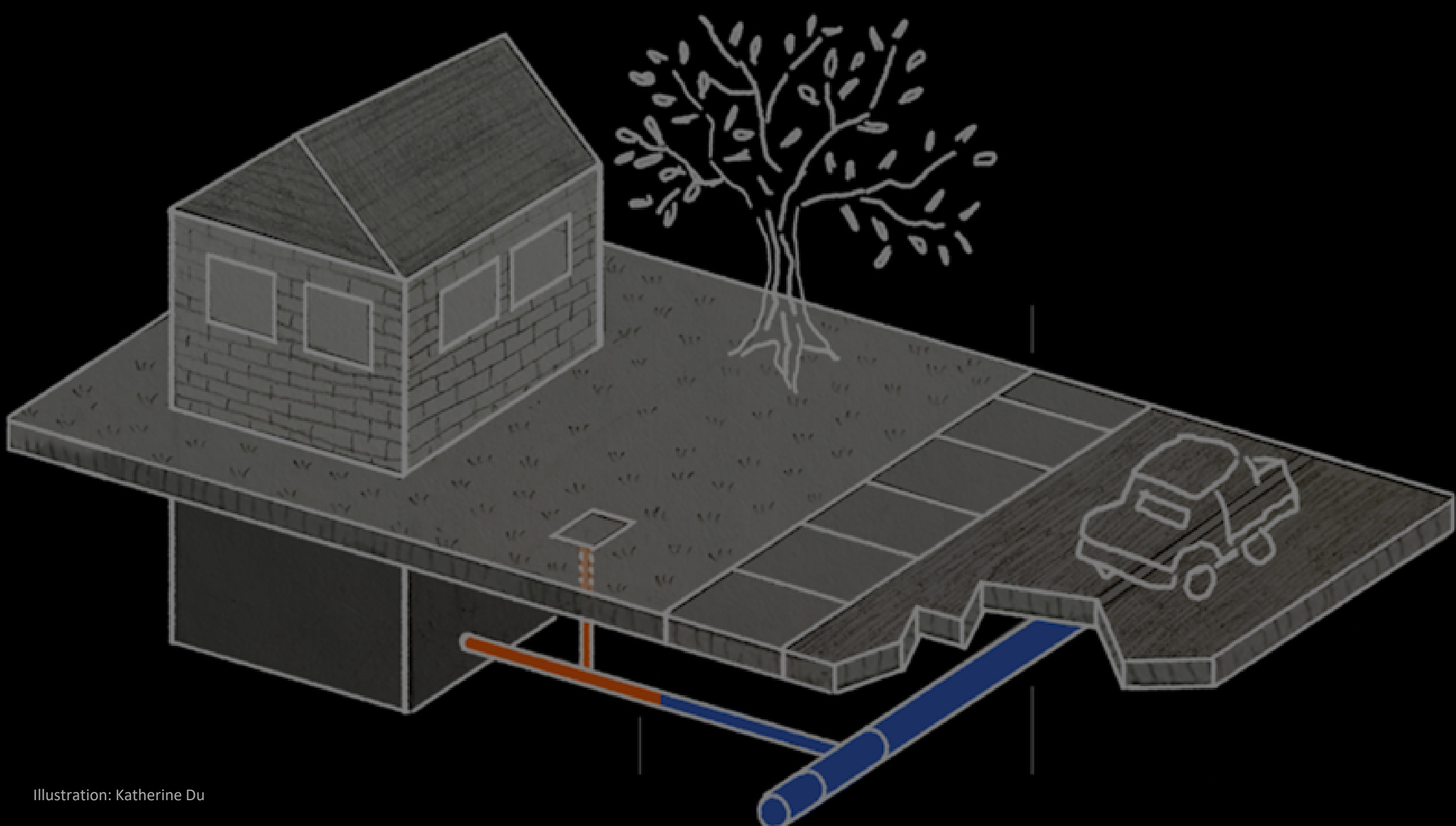


**Bartlett
& West**



Significant Resource Partner:





Where do we begin?

What are Water Systems' Doing Now

Developing Our Messaging

Understanding Requirements

Implementation



**Bartlett
& West**



Significant
Resource
Partner:



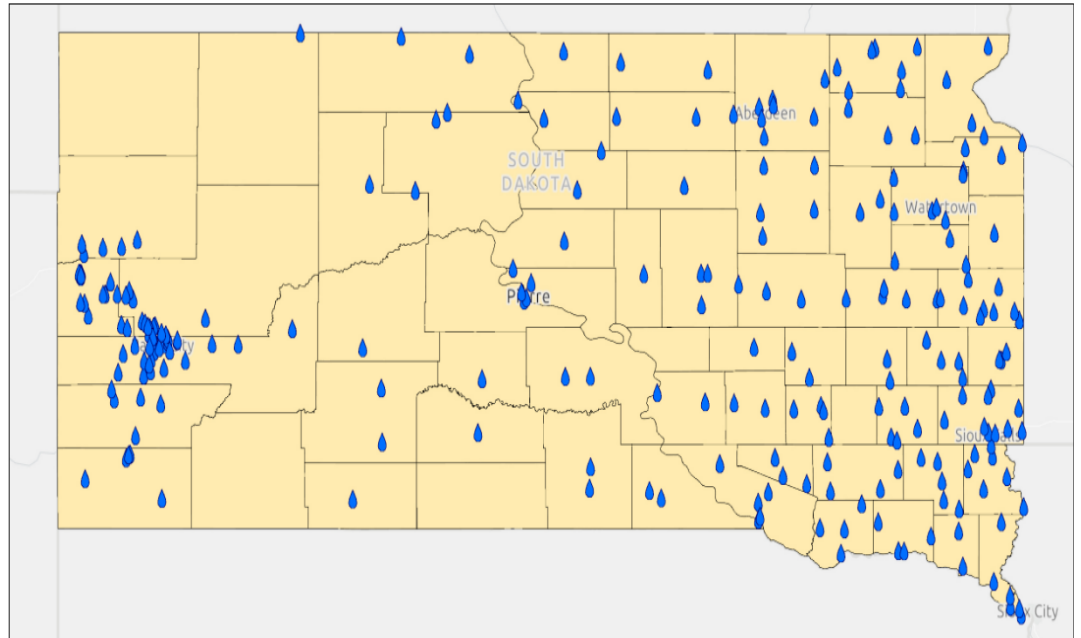
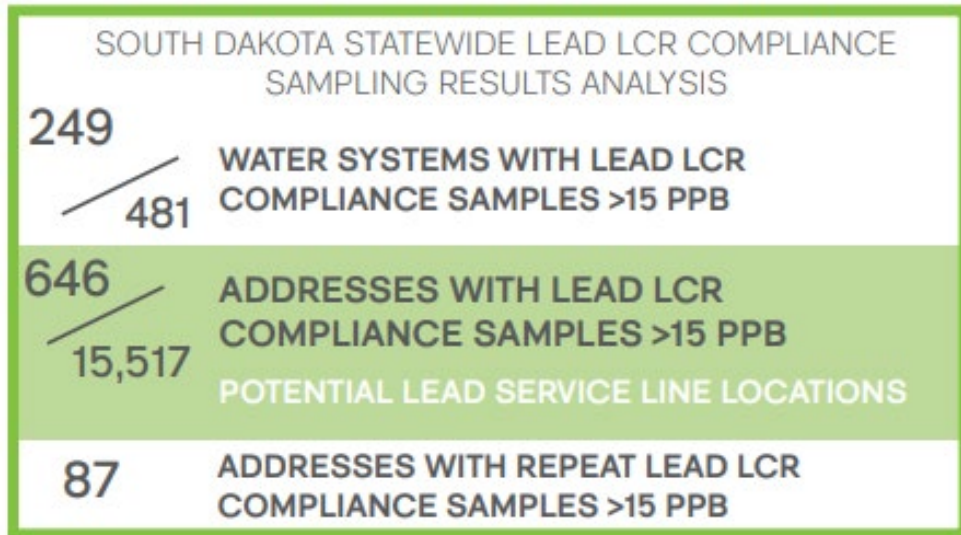
Water Systems' Data/Records Search



- What parts of your system were constructed before 1986 when the Safe Drinking Water Act Lead Ban went into effect?
- Services larger than 2" are generally not lead

Water Systems' Data/Records Search

What are your Lead Sampling Results?



Water Systems' Data/Records Search



- Gather Relevant Information Any Chance you Get
 - Access meters for Meter Reading
 - Water meter repair or replacements
 - Service line repair or replacement
 - Water main repair or replacement
 - Backflow prevention devices
- Historical Records Review
 - Review construction and plumbing codes, permits, tap cards
 - Lead sampling water quality records

73481

645 E. Moler St.

LOT NO 230

DATE SOLD 7-15-41

SIZE OF MAIN 6 18" E of S LL of 18th St

SIZE OF STOP 3/4

SIZE OF SERVICE 3/4 11" N of S LL of Moler St

SIZE OF PIPE 3/4

LENGTH OF PIPE 22 ft Lead

LOCATION OF METER North Wall

NAME NUMBER SIZE DATE SET REMARKS

Theobald 15/8 9/12/14 rem 11-3-12

Reck 22214 9/14 5/8 11-3-12

SERVICE RECORD

KIND OF ACCOUNT

LSLs identified

3844

101 East 1st Ave

114 Ft 26 of - LL of Summit St

12 Ft N of S LL of 1st Ave

Remarks

Main Size 6" Stop Size 3/4 Pipe Length 26 Kind Lead

Date Renewed 9/14/14 Reissued

Where do we begin?

What are Water Systems' Doing Now

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**Bartlett
& West**



Significant
Resource
Partner:



Developing Our Messaging

Add our Messaging

- Keep it Simple, Clear, and Positive
- What will we have to help you
 - Webinars
 - Project Website
 - Pocket Guides
 - Videos
 - Media for your use
 - Space for your logo



Developing Our Messaging



Project Website



One Page Fliers



Infographic



90-Second Video

What Action Are We Taking?

As a result of new EPA regulations, utilities across the country are implementing programs to identify your water service line material that include:

- Conducting field verifications of service line materials
- Providing support to affected customers
- Executing projects to replace lead service lines
- Testing in schools & child care facilities
- Implementing educational programs & online resources for our customers

The EPA now requires testing in schools & childcare facilities

Helpful Links

Identify Lead in Your Home

We need your help to identify the material of your service line. Clicking on the button below will take you to a new page with instructions and a web-based survey form that will assist you with the identification process. Depending on what you discover, the survey will provide guidance on what action you should take next.

[Lead Identification Survey](#)

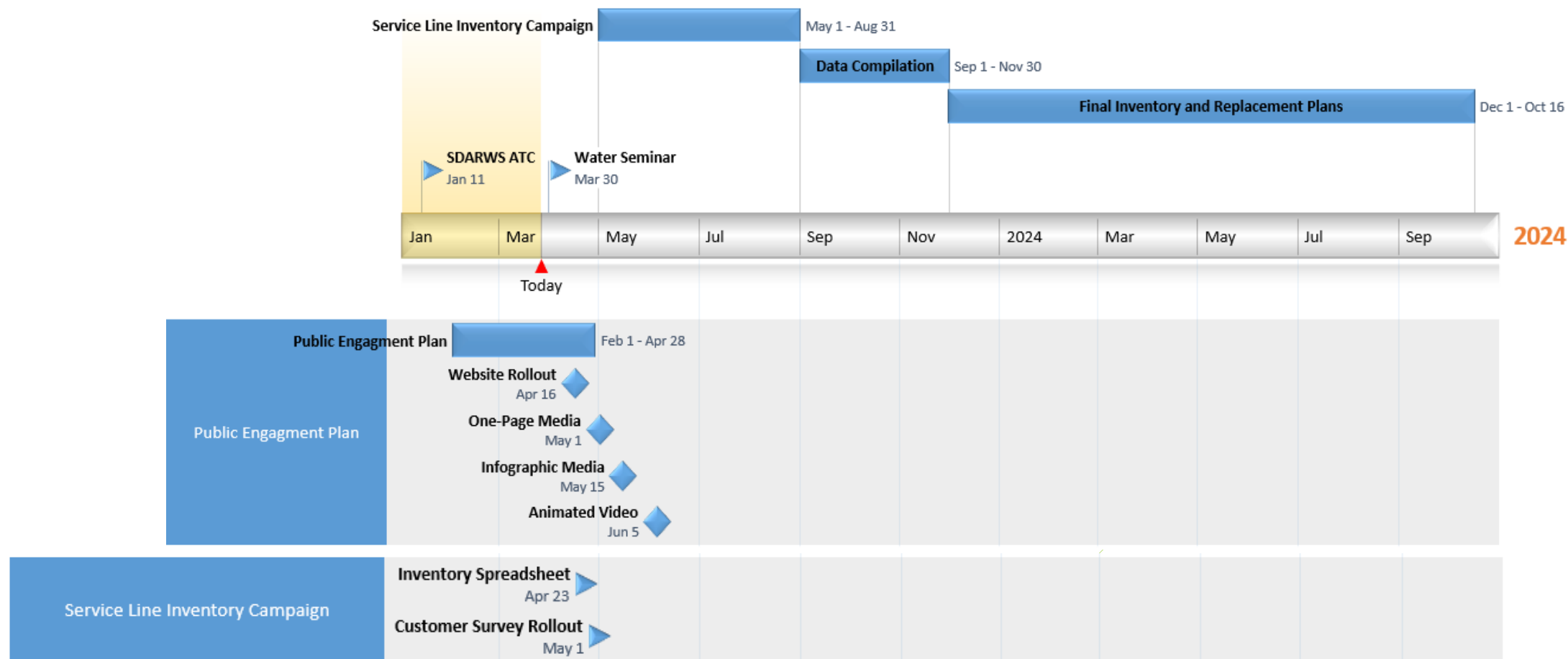
Frequently Asked Questions

WHAT WILL HAPPEN DURING THE FIELD INVESTIGATION?

IF LEAD IS FOUND, WILL THE PIPES BE REPLACED?



Developing Our Messaging



Note: All dates subject to change

Where do we begin?

What are Water Systems' Doing Now

Developing Our Messaging

Understanding Requirements

Implementation



**Bartlett
& West**



Significant
Resource
Partner:



Understand Requirements – Material



Plastic



Scratched Lead



Copper



Galvanized Steel & valve

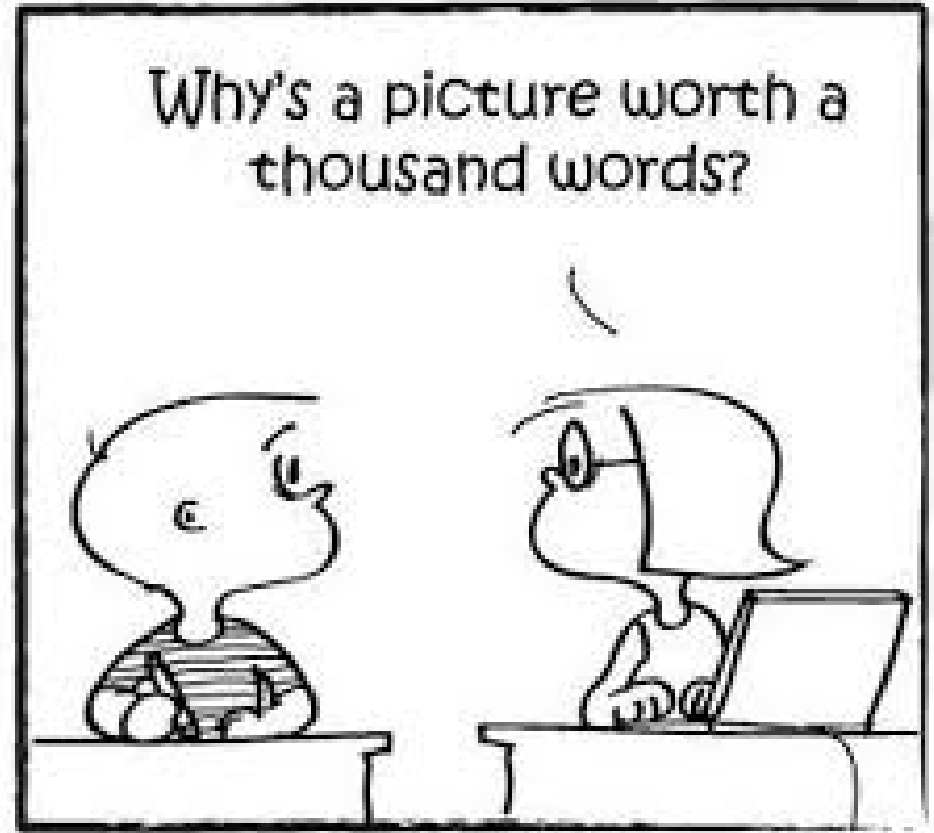
Understand Requirements – Material

- Scratch Magnet Test
 - Suggest customer wear gloves for the scratch test and cleaning up the debris
 - If the pipe is silver metallic color and the customer can scratch the pipe with a key or coin, and is not magnetic, it is lead
- Lead Paint Test Kit/Surface Swab Kits



Understand Requirements – Material

- Take a picture of the service line for the record
- This can and will be used to verify the data in the future



Understand Requirements – Timing

- When to schedule replacement of Lead Service Lines
 - No need to wait until your inventory is complete to begin replacement efforts
 - Conducting replacements while developing the inventory can have synergistic effects that enhance inventory development while accelerating and increasing the efficiency of replacement programs



Where do we begin?

What are Water Systems' Doing Now

Developing Our Messaging

Understanding Requirements

Implementation



**Bartlett
& West**



Significant
Resource
Partner:



Implementation - Survey

- Customer survey
- Walk customers through a brief survey to identify and verify their service line material
 - Location
 - Private Service Line Material
 - Verification Method (ie. picture taken through and linked to the survey)
- Information uploaded to State-Wide inventory and accessible by water system

STREAMLINE INVENTORY DATA COLLECTION

STEP 1. CUSTOMERS LOCATE THEIR SL



STEP 2. CUSTOMERS SUBMIT SL SURVEY AND PHOTO

Public Outreach

Home Site Links

Introduction Locating Your Service Line Can't Find Your Service Line? Preparing for Identification

Where you able to locate your service line?
Refer to the instructions above for assistance.

☒ Yes

☐ No

Is the service line entering the building plastic or metal?

☐ Plastic

☒ Metal

Ensure the service line is clean and free of debris. Perform a visual inspection of the pipe exterior.
What color is the pipe? (Refer to examples to the left)

☒ The service line is copper/orange like a penny.

☐ The service line is silver/gray

Your service line is likely made of copper
But it is still possible that you might have lead pipes or lead solder somewhere in the plumbing, especially if it was installed before 1960. Please take a photo and upload it here so that we have record of your service line material.

Image
Please take a photo that shows the service line pipe where it comes into the building and include the shut-off valve in the photo. It is important to show the pipe coming through the structure or wall. Please upload the photo to complete the survey. The pipe material that you provide as part of this survey will be verified and added to a comprehensive pipe material inventory (to be released at a later date).

Select file (support: .jpg, .png)

Submit

Implementation - Inventory

Detailed Inventory	
PWS Name:	
PWSID:	
Date Last Updated:	

Purpose of this worksheet: To provide a customizable format water systems can use to track materials for each service line in their distribution system.

General Instructions: Each row in this worksheet represents one service line connecting the water main to the customer's plumbing. The worksheet includes required and recommended elements; the columns with the aqua shading are required by the LCRR. Systems can customize by adding or deleting columns. Important notes for each column are in Row 12; also see the **Template Instructions** worksheet for detailed instructions. Note that users can freeze panes to enable them to see the headings and notes when entering data. The worksheet includes examples in rows 13 - 20 and is formatted for approximately 10,000 entries.

Location Information					System-Owned Portion					
Unique Service Line ID	Location Identifier		Sensitive Population? (Yes/No)	Disadvantaged Neighborhood? (Yes/No)	System-Owned Portion Service Line Material Classification	If Material in Column G, Was Material Ever Previously Lead?	Service Line Installation Date	Service Line Size	Basis of Material Classification	Was the Service Line Material Field Verified?
	Street Address	Other Location Identifier								
A Unique ID is recommended for each service line.	Water systems must track addresses of all service lines in their internal inventory. For the publicly accessible version, location identifiers are required for lead and galvanized requiring replacement. If the system does not use addresses for their location identifier, other options could include GPS coordinates, landmark, intersection, block, or other details to specify service line locations.		Select Yes if sensitive subpopulation, e.g., day care, school, multifamily home. If Yes-Other, describe in the Notes field.	Does location meet state affordability guidelines or other measures?	Dropdown list includes recommended subclassifications. If "Non-Lead Other", describe in Notes field	Select Yes, No, or Don't know. Important for determining if downstream/customer owned galvanized service line requires replacement	Date, year, or estimated date range when the service line was installed or replaced	Diameter in inches	Select option from drop down list. If "Other," describe in the Notes field	Select Yes or No
Example 1	1234 Test St., City, State, Zip Code	Intersection of Test and Elm St.	No	No	Non-Lead - Plastic	Yes	1997	2	Installation date after lead	Yes
Example 2	4321 Test St., City, State, Zip Code	Intersection of Test and Main St.	No							
Example 3	16 Capital St., City, State, Zip Code		No							
Example 4	1 Water Avenue, City, State, Zip Code		No							
Example 5	67 Children's Place, City, State, Zip Code		Yes - Day Care							

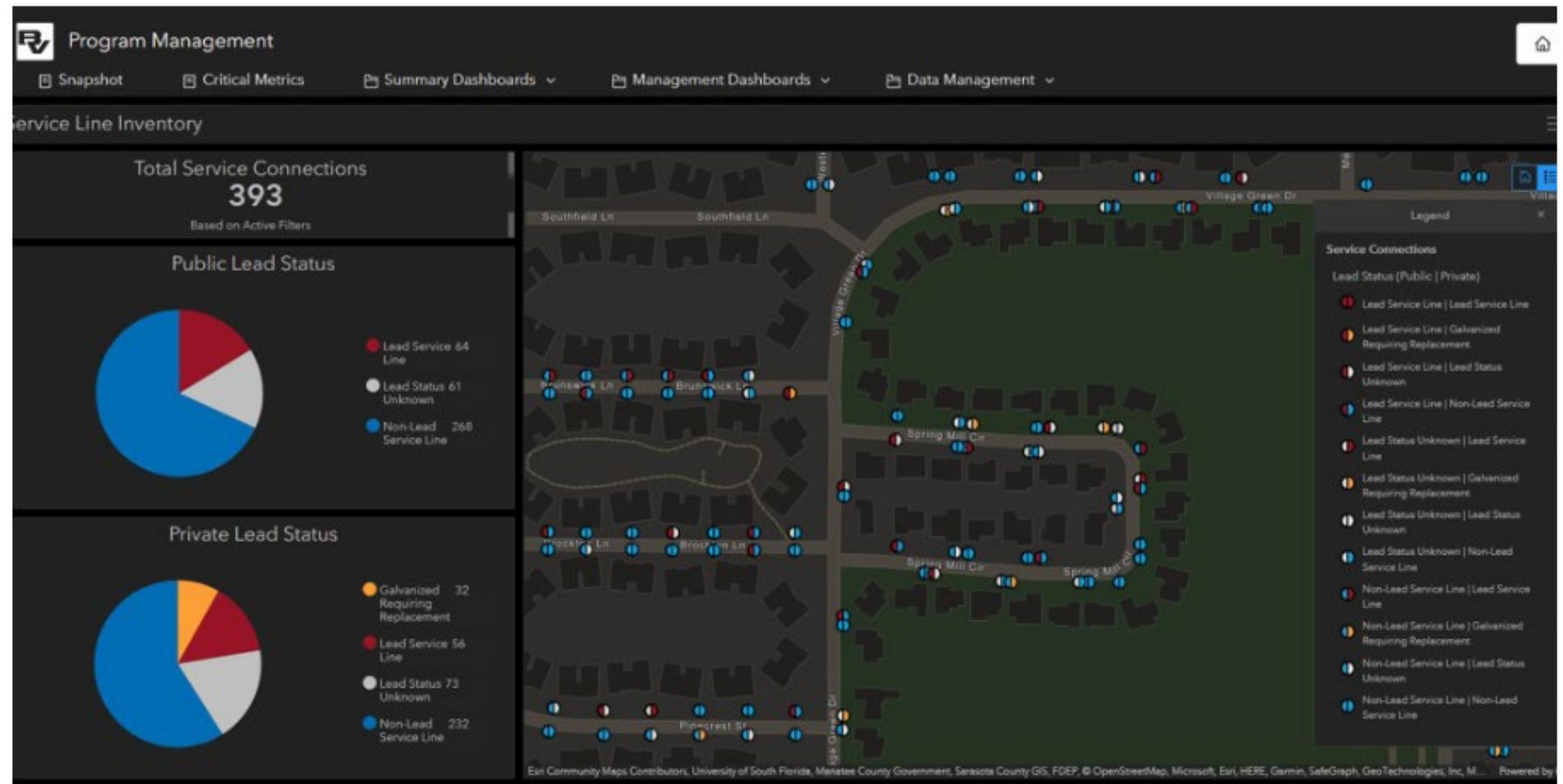
Customer-Owned Portion				
Customer-Owned Portion Service Line Material Classification	Service Line Installation Date	Service Line Size	Basis of Material Classification	Was the Service Line Material Field Verified?
				If "Yes" Service Line Material Was Field Verified? Describe the Field Verification Enter the Date of Field Verification

Customer-Owned Portion								Entire Service Line Material Classification	Other Potential Sources of Lead		
Customer-Owned Portion Service Line Material Classification	Service Line Installation Date	Service Line Size	Basis of Material Classification	Was the Service Line Material Field Verified?	If "Yes" Service Line Material Was Field Verified:		Notes		Is there a Lead Connector?	Is there Lead Solder in the Service Line?	Describe Other Fittings and Equipment Connected to the Service Line that Contain Lead
					Describe the Field Verification Method	Enter the Date of Field Verification					
Dropdown list includes recommended subclassifications. If non-lead other, describe in Notes field.	Date, year, or estimated date range when the service line was installed or replaced	Diameter in inches	Select option from drop down list. If "Other," describe in the Notes field	Select Yes or No	Select option from drop down list. If "Other," describe in the Notes field	Enter approximate date of field verification or date that record was updated	Can use this field for documenting additional relevant information, including when classification changes.	Dropdown list includes four required service line classifications of Lead, Non-lead, Galvanized Requiring Replacement, or Unknown	For example, lead gooseneck or pigtail where the water main is connected to the service line	Select Yes, No, or Don't Know	For example, backflow preventer or meter containing lead
Non-Lead - Plastic	2012	2	Installation date after lead ban	No				Non-Lead	No	No	
Galvanized	Fall 1980	2	Installation record (e.g., tan card)	Yes	Mechanical excavation at one location	9/10/2020		Non-Lead	No	No	

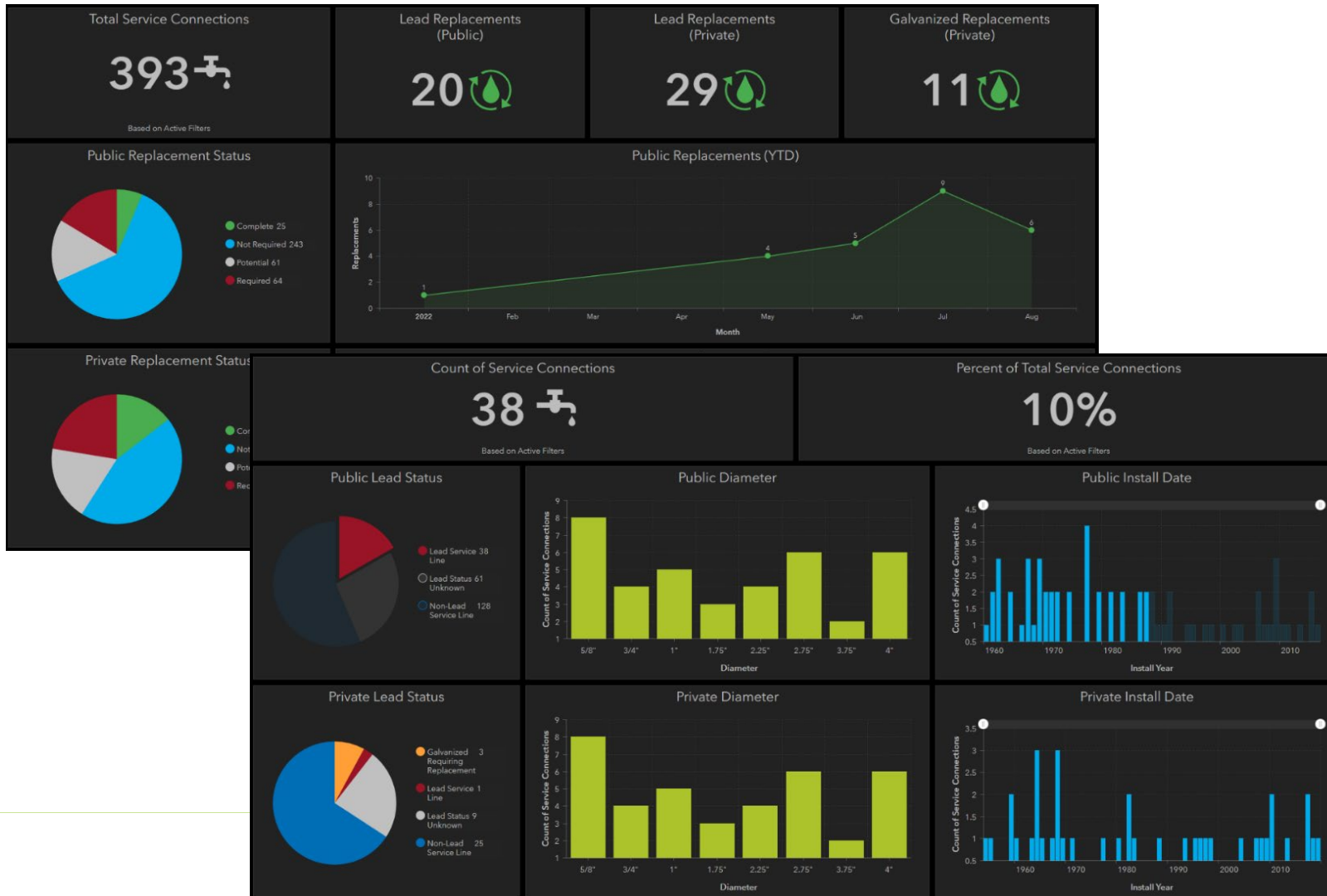
Critical Details

Implementation - Inventory

- Statewide Data Compilation
- Publicly-available searchable service line GIS Maps



Implementation - Inventory



- Prioritized replacements with social equity
- Track progress and keep the public informed
- Use available funding to replace lead

Thank you

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PE

- erin.steever@bartwest.com
- (605)373-5915



**Bartlett
& West**



Significant
Resource
Partner:



March 2023 Available Funds Summary

AMERICAN RESCUE PLAN ACT (ARPA) GRANTS

2022 Appropriation:	\$	600,000,000
Reversions:	\$	8,128,557
Awarded to Date:	\$	(606,190,008)
Available for Award:	\$	<u>1,938,549</u>

CONSOLIDATED WATER FACILITIES CONSTRUCTION PROGRAM

Available Prior Year Funds (5-Jan-2023):	\$	162,387
2023 Omnibus Appropriation:	\$	7,425,000
Reversions:	\$	533,699
Available for Award:	\$	<u>8,121,086</u>

DRINKING WATER SRF WATER CONSTRUCTION GRANTS

2023 IUP Allocation:	\$	2,000,000
Reversions:	\$	-
Awarded to Date:	\$	-
Available for Award:	\$	<u>2,000,000</u>

CLEAN WATER SRF WATER QUALITY GRANTS

Available Prior Year Funds (5-Jan-2023):	\$	4,311
2023 IUP Allocation:	\$	2,200,000
Reversions:	\$	-
Awarded to Date:	\$	(200,000)
Available for Award:	\$	<u>2,004,311</u>

March 2023

Available Funds Summary

DRINKING WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Allocations:	\$	45,314,800
FFY-23 Maximum Allocation:	\$	723,520
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(45,312,182)
Available For Award:	\$	726,138
Princ. Forg. for Disadvantaged Communities:	\$	22,341,050
FFY-23 Maximum Allocation:	\$	1,808,800
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(19,888,250)
Available For Award:	\$	4,261,600
BIL Supplemental PF for Disadvantaged Communities:	\$	8,816,080
FFY-23 Maximum Allocation:	\$	10,192,000
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(4,690,396)
Available For Award:	\$	14,317,684
BIL Emerging Contaminants Principal Forgiveness:	\$	7,555,000
FFY-23 Maximum Allocation:	\$	8,587,000
Transfer from CWSRF Allocation:	\$	459,000
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(7,895,000)
Available For Award:	\$	8,706,000
BIL Lead Service Line PF for Disadvantaged Communities:	\$	490,000
FFY-23 Maximum Allocation:	\$	13,891,500
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(490,000)
Available For Award:	\$	13,891,500

March 2023

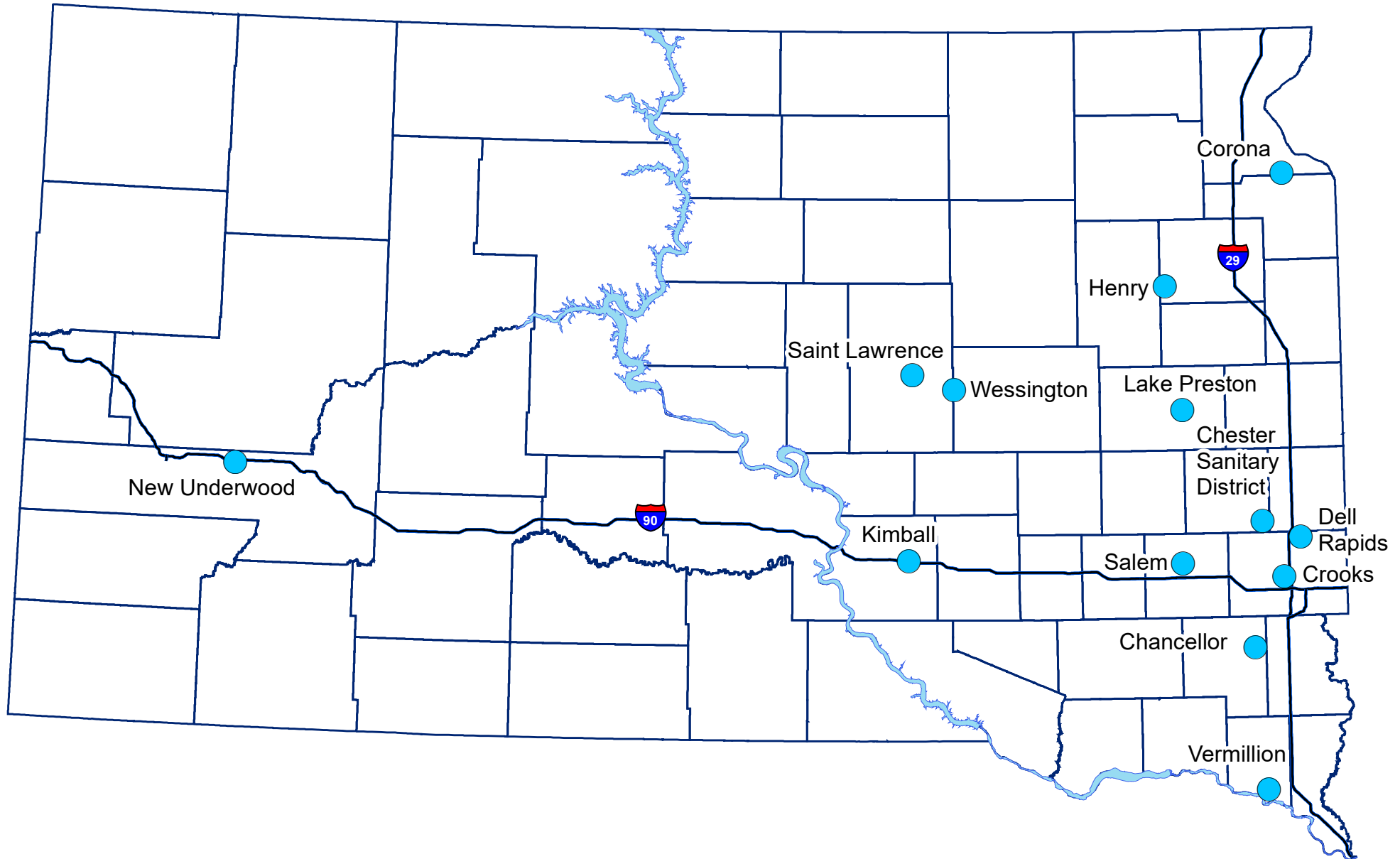
Available Funds Summary

CLEAN WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Allocations:	\$	30,703,676
FFY-23 Maximum Allocation:	\$	1,503,600
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(28,431,276)
Available For Award:	\$	3,776,000
BIL Supplemental PF for Disadvantaged Communities:	\$	4,281,620
FFY-23 Maximum Allocation:	\$	5,014,170
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(3,284,000)
Available For Award:	\$	6,011,790
BIL Emerging Contaminants Principal Forgiveness:	\$	459,000
FFY-23 Maximum Allocation:	\$	1,043,000
Transferred to DWSRF Allocation:	\$	(1,502,000)
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	-
Available For Award:	\$	-

Drinking Water Funding Applications

March 2023



DRINKING WATER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Vermillion DW-05

Total Project Cost:	\$7,000,000
BWNR Funding Assistance Requested:	\$7,000,000
Rate/Term:	2.75% / 30 years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) If funding is provided as all loan, the city will have to establish a surcharge of approximately \$8.90 per month. This will bring overall rates to \$40.17 per 5,000 gallons usage.

Funding Recommendation: Award a \$7,000,000 Drinking Water SRF loan at 2.75% for 30 years.

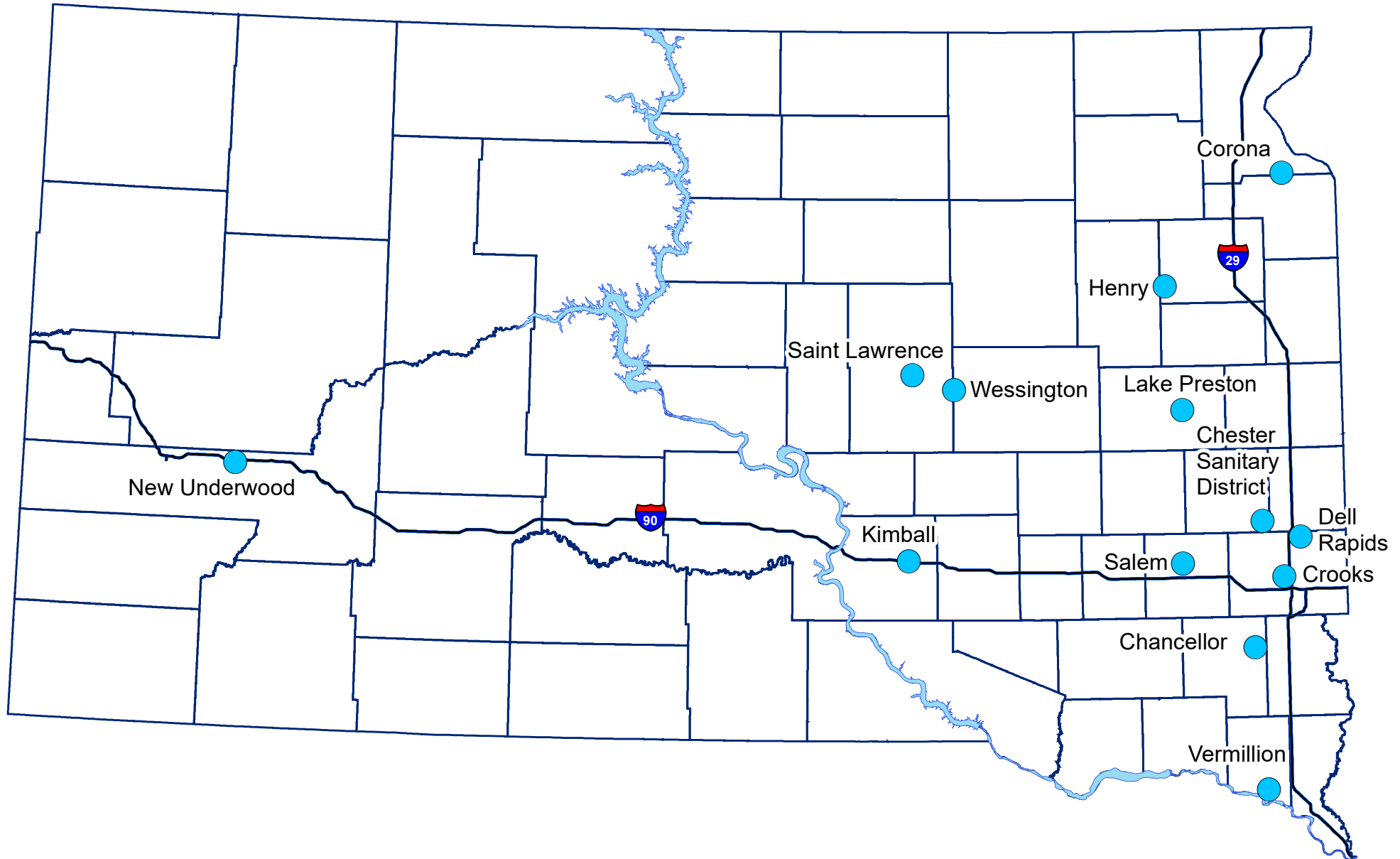
Debt Service Coverage: 110% based on a \$8.90 surcharge.

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

March 2023



DRINKING WATER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Wessington DW-01

Total Project Cost:	\$673,001
BWNR Funding Assistance Requested:	\$673,000
Rate/Term:	0% / 30 Years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) At full loan, the required surcharge would be \$17.60. When added to their current rates of \$54.00, it would result in overall rates of \$71.60 per 5,000 gallons usage.
- 2) At the recommended funding level, a \$3.55 surcharge will be required, which will result in overall rates of \$57.55 per 5,000 gallons usage.

Funding Recommendation: Award a \$673,000 Drinking Water SRF loan at 0% for 30 years with up to 80% principal forgiveness not to exceed \$538,000.

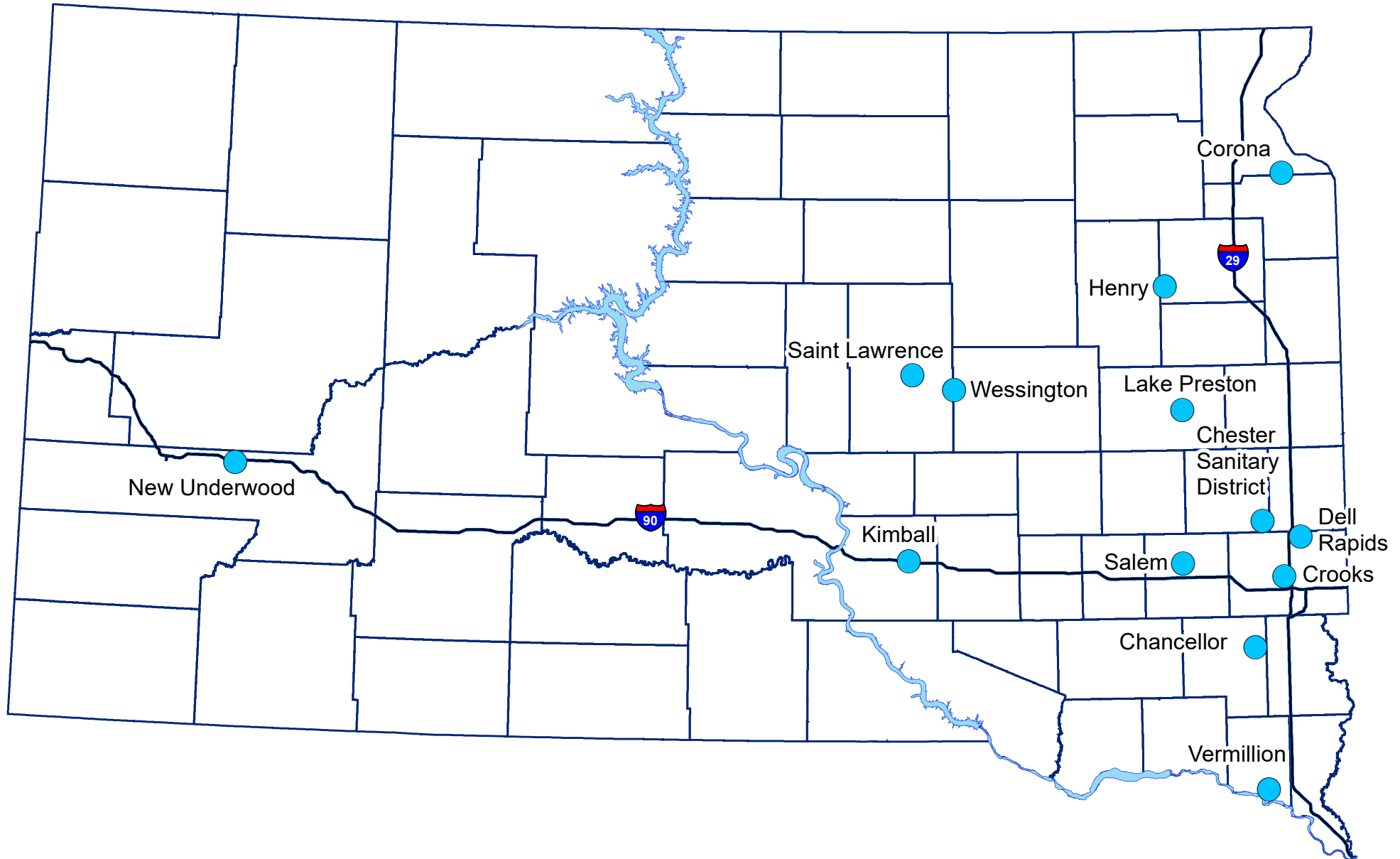
Debt Service Coverage: 110% based on a surcharge of \$3.55

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

March 2023



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

APPLICANT: Henry DW-01

Total Project Cost:	\$6,119,000
BWNR Funding Assistance Requested:	\$6,119,000
Rate/Term:	3.25% / 30 years
Security Pledged For Repayment Of Loan:	Project Surcharge

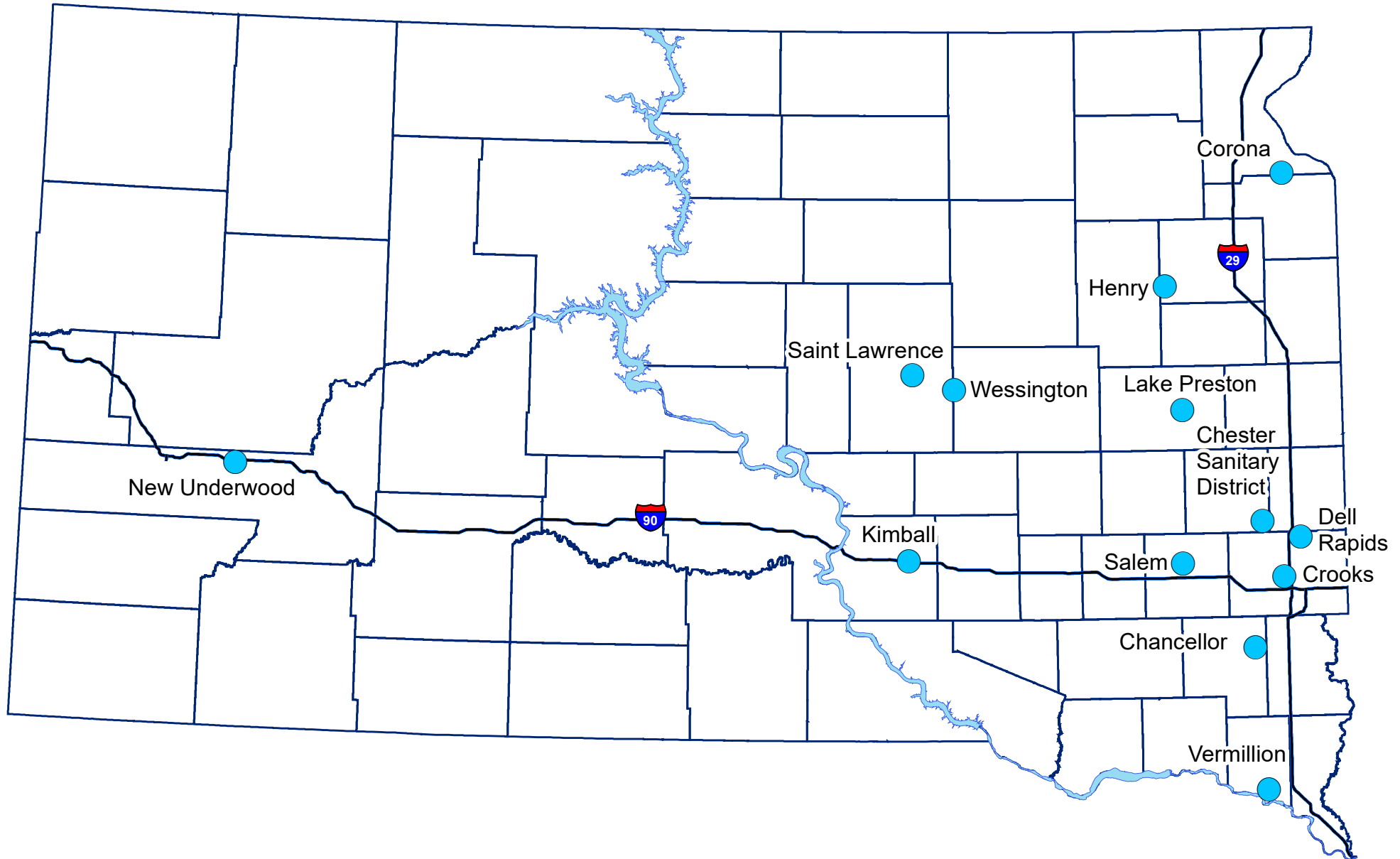
Staff Analysis

- 1) Due to the 2020 census data and proposed Administrative rules updates to the DWSRF program, it has been determined that the city's DWSRF loan could possibly qualify for a reduced interest rate, principal forgiveness or both. These options are not available until the amended rules are in effect.

Funding Recommendation: DEFER

Drinking Water Funding Applications

March 2023



DRINKING WATER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: New Underwood DW-02

Total Project Cost:	\$7,580,000
BWNR Funding Assistance Requested:	\$7,580,000
Rate/Term:	3.00% / 30 years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) If funding is provided as all loan, the city will have to establish a surcharge of approximately \$122.70 per month.
- 2) Current rates are \$41.00 per 5,000 gallons usage. At the recommended level of loan funding, the city will have to establish a surcharge of approximately \$24.95. Staff analysis indicates rates could be restructured to bring overall rates to \$60.95 per 5,000 gallons usage.
- 3) Staff's recommended funding level is based on the city's two highest identified alternatives for replacement or existing aged watermain and looping of areas in the community. The full applied for project scope is being approved in the funding award to allow the city to pursue additional work if bids are received with sufficient funds available.

Funding Recommendation: Award a \$4,010,000 Drinking Water SRF loan at 3.00% for 30 years with up to 61.4% principal forgiveness not to exceed \$2,460,000

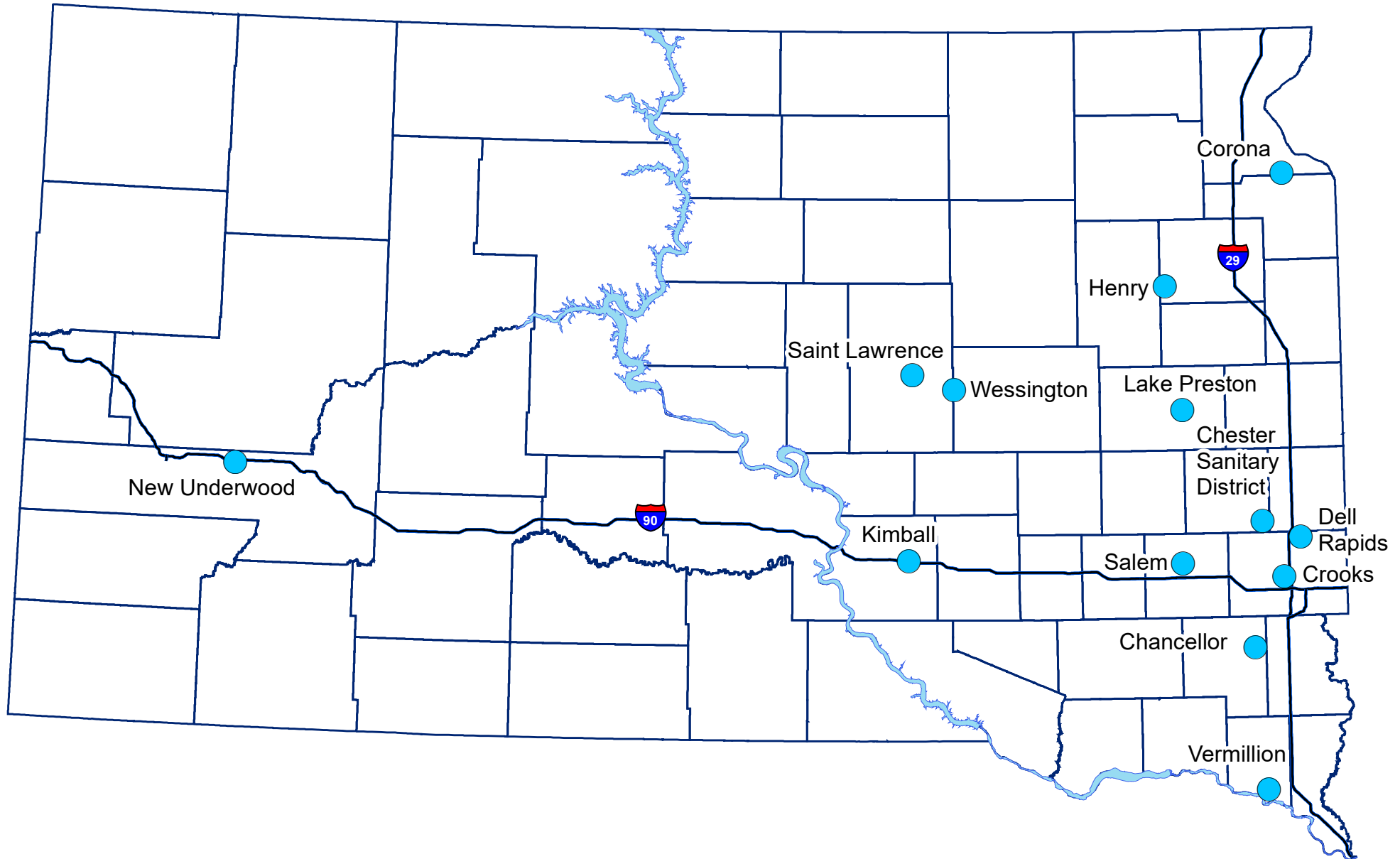
Debt Service Coverage: 110% based on a \$24.95 surcharge.

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

March 2023



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

APPLICANT: Saint Lawrence DW-02

Total Project Cost:	\$940,000
BWNR Funding Assistance Requested:	\$940,000
Rate/Term:	3.25% / 30 Years
Security Pledged For Repayment Of Loan:	Project Surcharge

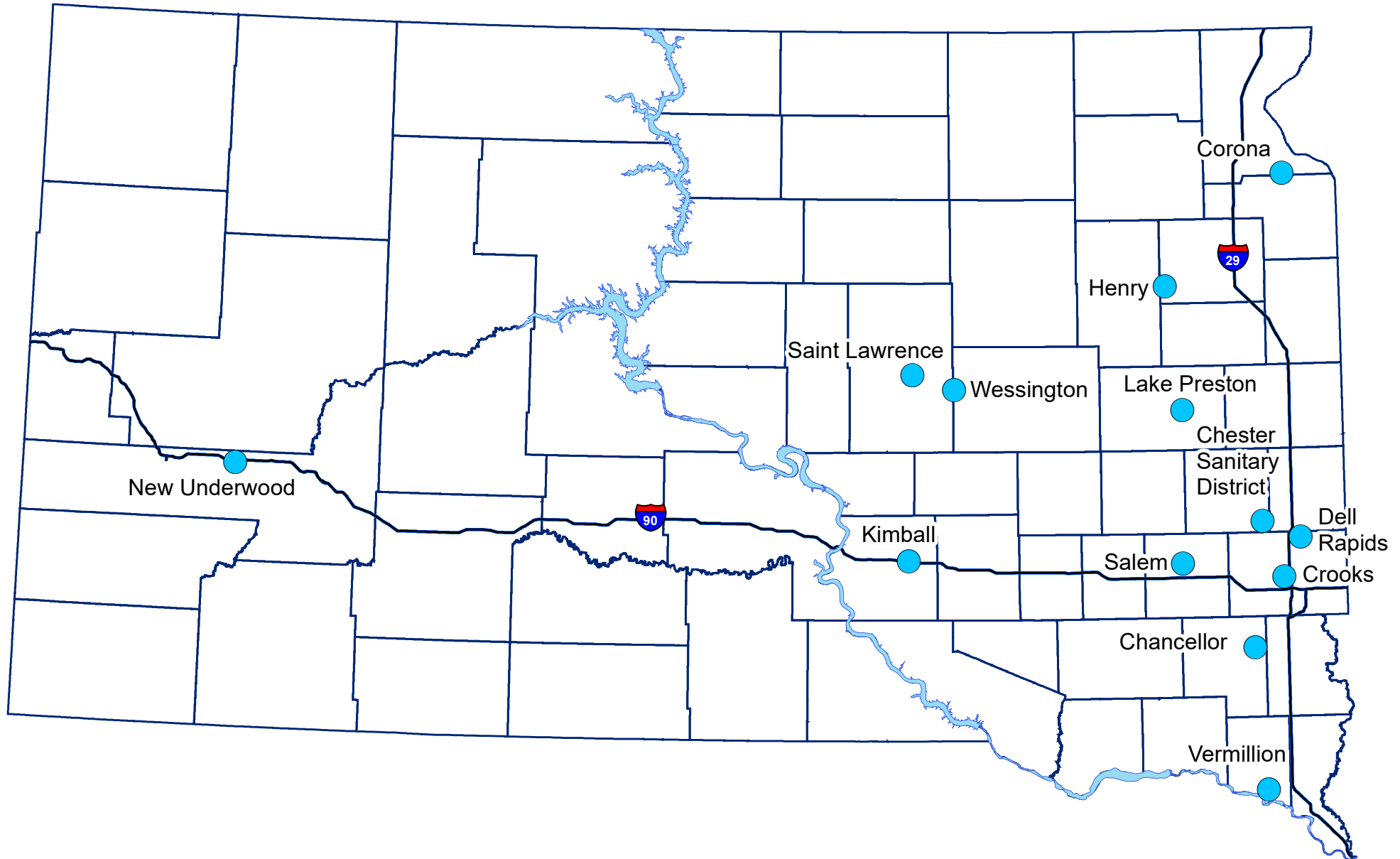
Staff Analysis

- 1) Due to the 2020 census data and proposed Administrative rules updates to the DWSRF program, it has been determined that the city's DWSRF loan could possibly qualify for a reduced interest rate, principal forgiveness or both. These options are not available until the amended rules are in effect.

Funding Recommendation: DEFER

Drinking Water Funding Applications

March 2023



DRINKING WATER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Dell Rapids DW-10

Total Project Cost:	\$2,936,000
BWNR Funding Assistance Requested:	\$800,000
Rate/Term:	3.25% / 30 Years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) The city was awarded a \$2,136,000 DWSRF loan in April 2022 for this project, but additional funding is needed.
- 2) At the recommended funding level, the city will have to establish an additional surcharge of \$2.70, which will bring overall rates to \$53.75 per 5,000 gallons usage

Funding Recommendation: Award a \$800,000 Drinking Water SRF loan at 3.25% for 30 years.

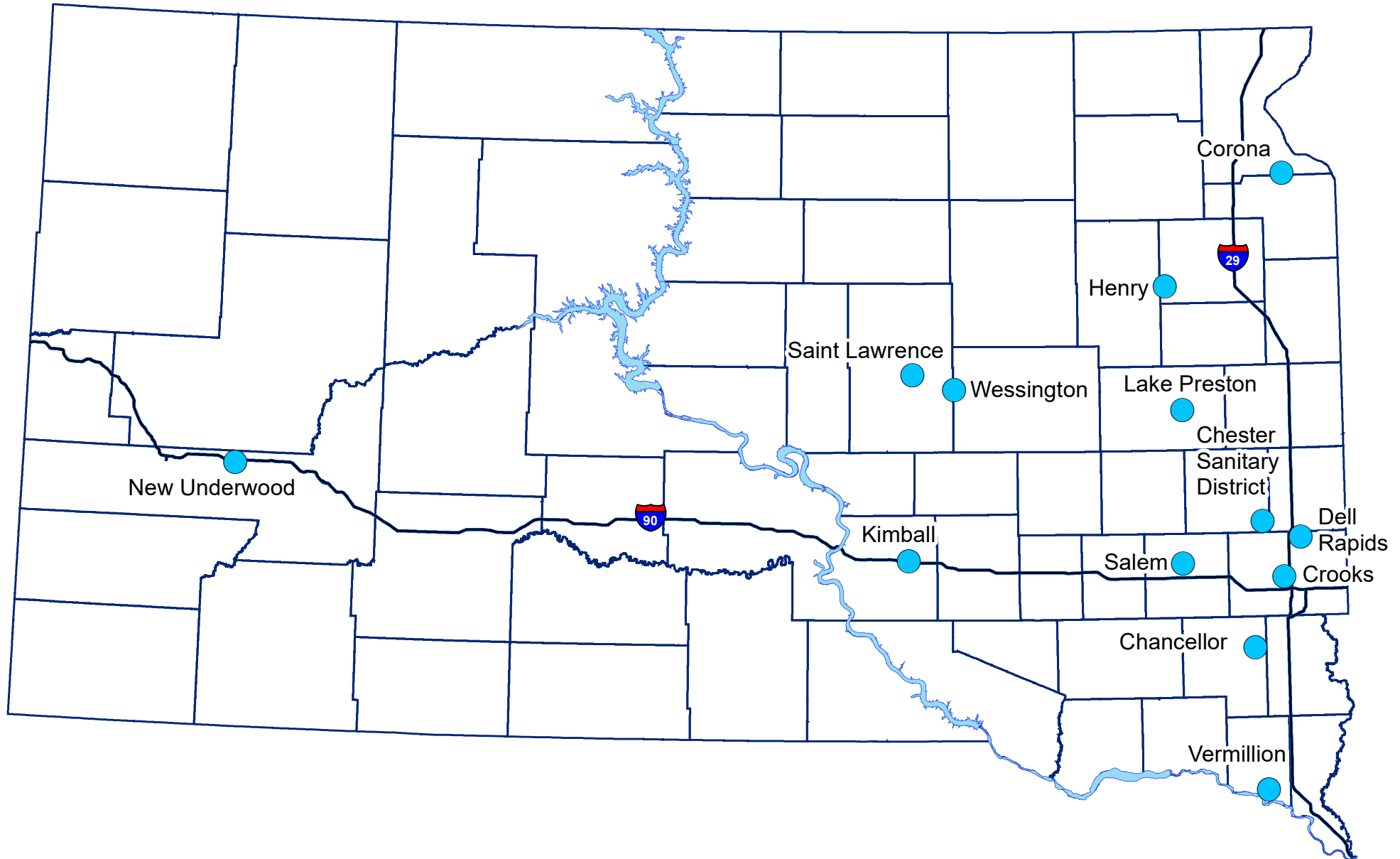
Debt Service Coverage: 110% based on a \$2.70 surcharge.

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

March 2023



DRINKING WATER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Crooks DW-03

Total Project Cost:	\$3,200,000
BWNR Funding Assistance Requested:	\$3,200,000
Rate/Term:	3.25% / 30 Years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) If funding is provided as all loan, the city would have to establish a surcharge of approximately \$29.00. This would bring overall rates to \$88.25.
- 2) At the recommended funding level a surcharge of \$14.25 will be required. Staff analysis indicates the city could restructure to keep rates at \$60.00 per 5,000 gallons usage.

Funding Recommendation: Award a \$1,575,000 Drinking Water SRF loan at 3.25% for 30 years and a \$1,625,000 Drinking Water Construction Grant

Debt Service Coverage: 110% based on a surcharge of \$14.25

Loan Contingencies:

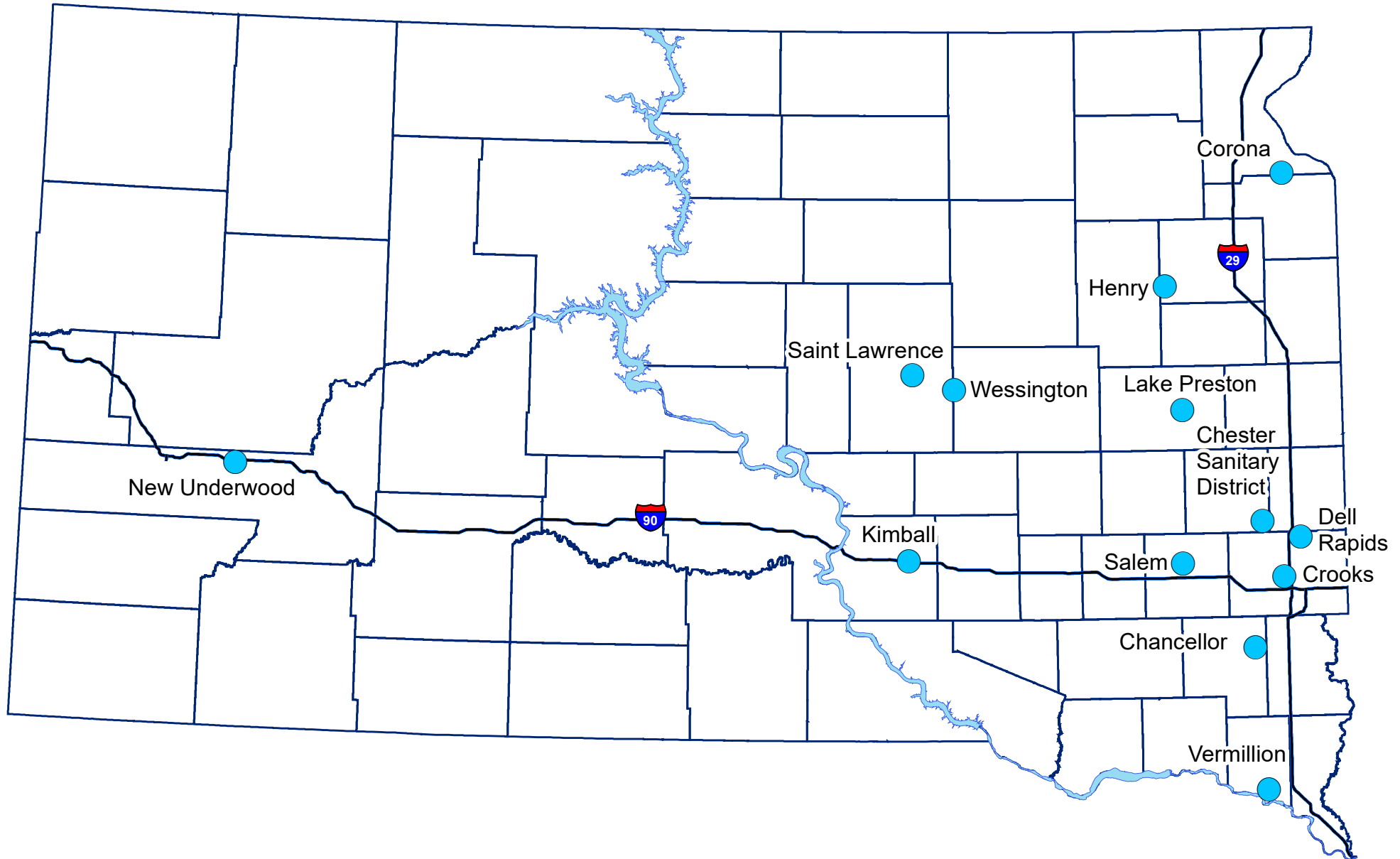
- 1) Contingent upon the Borrower adopting a bond resolution and the resolution becoming effective.
- 2) Contingent upon the Borrower establishing a surcharge at a level sufficient to provide the required debt coverage.

Grant Special Condition:

- 1) Grant funds for reimbursement of project costs must be drawn concurrently with the Drinking Water SRF loan funds.

Drinking Water Funding Applications

March 2023



DRINKING WATER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Salem DW-07

Total Project Cost:	\$1,400,000
BWNR Funding Assistance Requested:	\$1,400,000
Rate/Term:	3.00% / 30 Years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) The required surcharge at the recommended loan is \$9.75. When added to the current rate of \$65.60 it would result in rates of \$75.35. Staff analysis indicates the city could restructure their rates to keep them at or below \$68.00 per 5,000 gallons usage

Funding Recommendation: Award a \$1,400,000 Drinking Water SRF loan at 3.00% for 30 years.

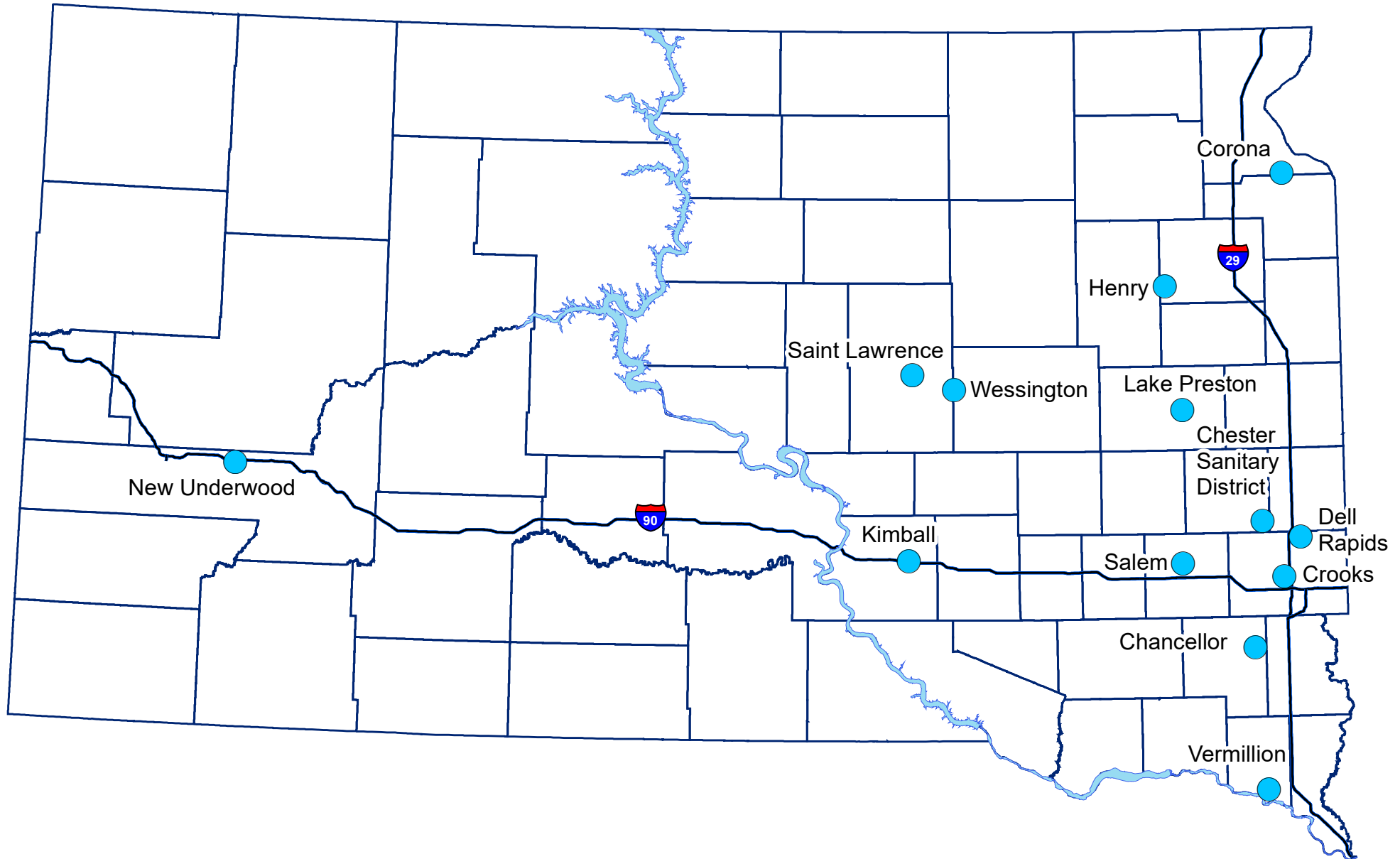
Debt Service Coverage: 110% based on a \$9.75 surcharge

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

March 2023



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

APPLICANT: Chancellor DW-04

Total Project Cost:	\$906,000
BWNR Funding Assistance Requested:	\$906,000
Rate/Term:	3.00% / 30 Years
Security Pledged For Repayment Of Loan:	Project Surcharge

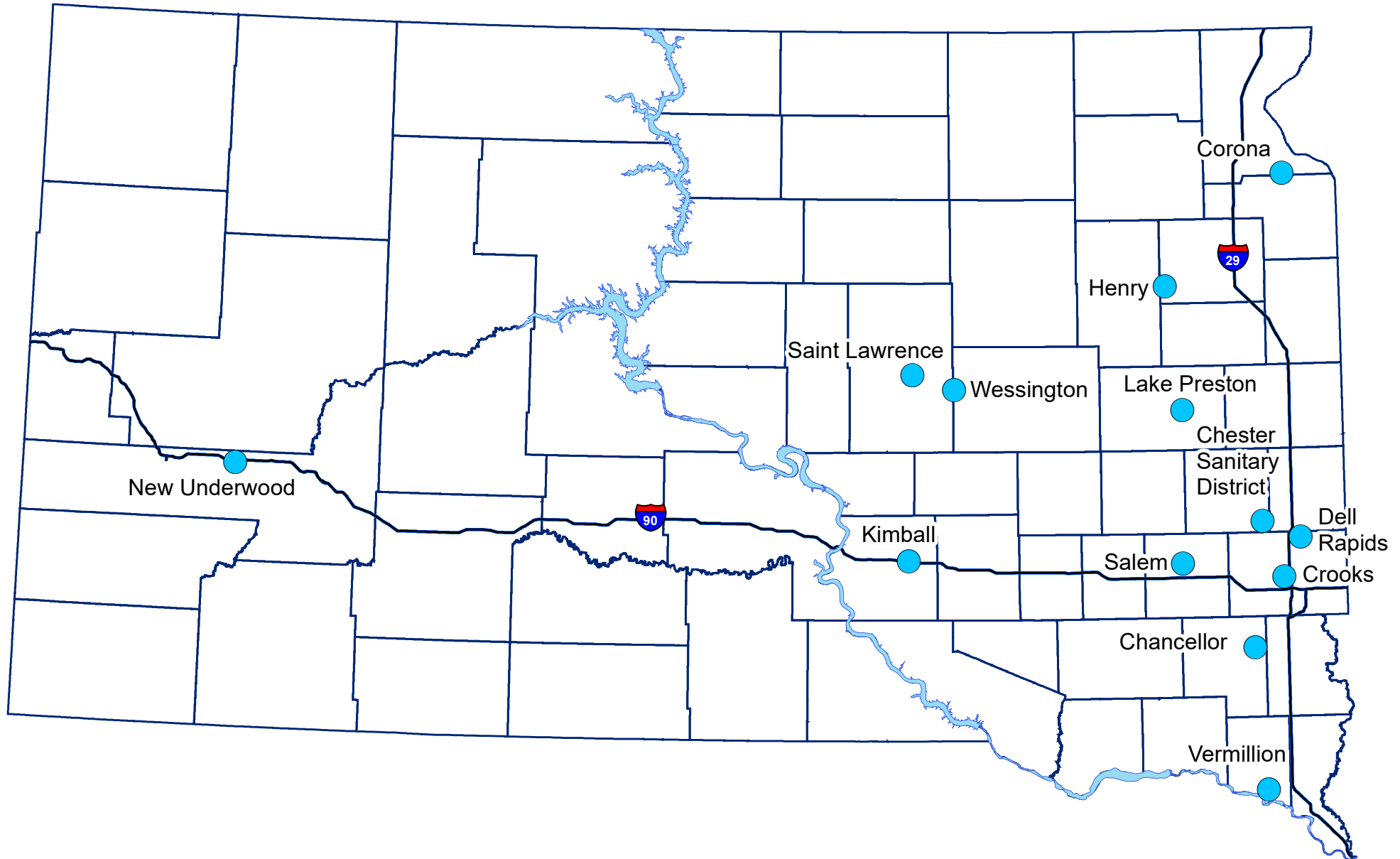
Staff Analysis

- 1) Due to the 2020 census data and proposed Administrative rules updates to the DWSRF program, it has been determined that the city's DWSRF loan could possibly qualify for a reduced interest rate, principal forgiveness or both. These options are not available until the amended rules are in effect.

Funding Recommendation: DEFER

Drinking Water Funding Applications

March 2023



DRINKING WATER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Chester Sanitary District DW-01

Total Project Cost:	\$2,342,000
BWNR Funding Assistance Requested:	\$2,342,000
Rate/Term:	3.00% / 30 years
Security Pledged For Repayment Of Loan:	System Revenue

Staff Analysis

- 1) At the recommended level of funding, Chester Sanitary District would have to increase rates by approximately \$29.10 per user, but staff analysis indicates the sanitary district could restructure their rates to \$60.00 per 5,000 gallons usage.

Funding Recommendation: Award a \$2,342,000 Drinking Water SRF loan at 3.00% for 30 years with up to 62.5% principal forgiveness not to exceed \$1,462,000.

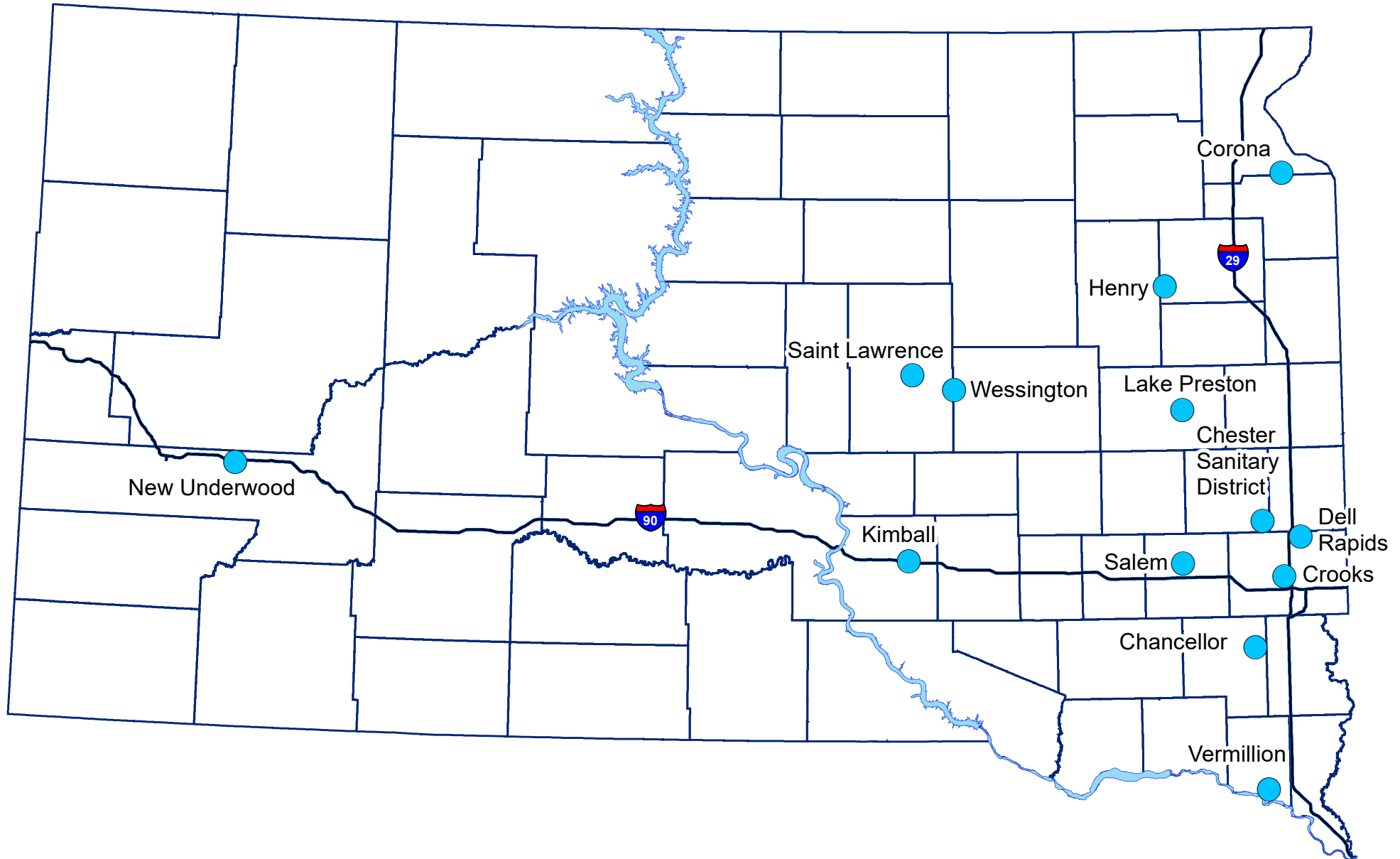
Debt Service Coverage: 110% at the recommended restructure to rates of \$60 per 5,000 gallons usage.

Loan Contingencies:

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

Drinking Water Funding Applications

March 2023



DRINKING WATER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Corona DW-01

Total Project Cost:	\$1,598,000
BWNR Funding Assistance Requested:	\$1,598,000
Rate/Term:	3.25% / 30 Years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) If funding was provided as all loan, the town would have to establish a surcharge of approximately \$153.25. This would bring overall rates to \$227.60.
- 2) At the recommended funding level, a surcharge of \$15.35 will be required for repayment of the loan. The new surcharge and current rates which include usage rates for Grant-Roberts RWS are estimated to be \$85.00. It is anticipated that the city will have overall rates of around \$100.00

Funding Recommendation: Award a \$159,800 Drinking Water SRF loan at 3.25% for 30 years, a \$1,278,400 Consolidated Grant, and a \$159,800 Drinking Water Construction Grant

Debt Service Coverage: 110% based on a \$15.35 surcharge

Loan Contingencies:

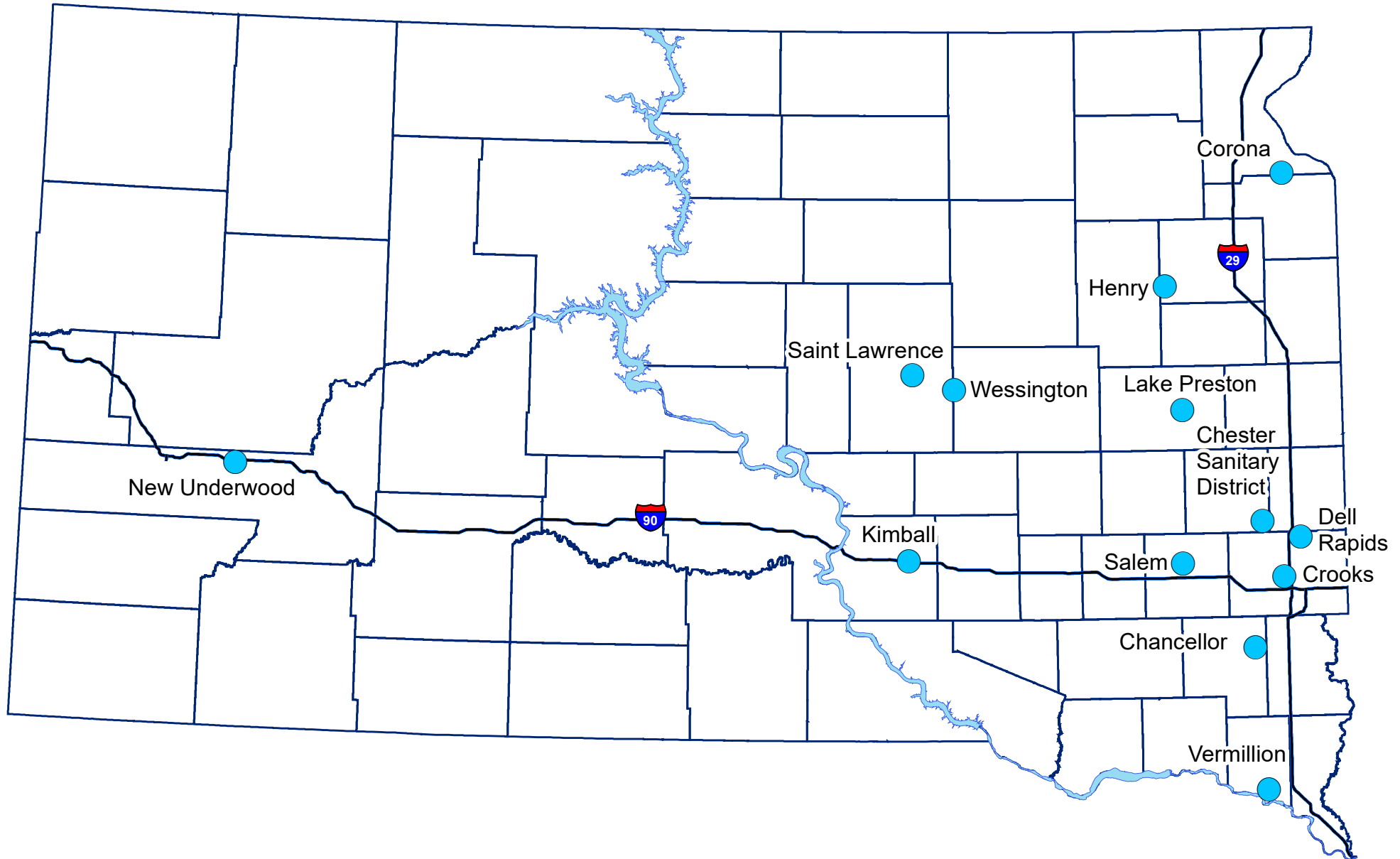
- 1) Contingent upon the Borrower adopting a bond resolution and the resolution becoming effective.
- 2) Contingent upon the Borrower establishing a surcharge at a level sufficient to provide the required debt coverage.

Grant Special Condition:

- 1) Grant funds for reimbursement of project costs must be drawn concurrently with the Drinking Water SRF loan funds.

Drinking Water Funding Applications

March 2023



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

APPLICANT: Kimball DW-01

Total Project Cost:	\$325,000
BWNR Funding Assistance Requested:	\$325,000
Rate/Term:	3.00% / 30 years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 2) At all loan, the city will have to establish a surcharge of approximately \$4.50 per month. This will bring overall rates to \$42 per 5,000 gallon usage.

Funding Recommendation: Award a \$325,000 Drinking Water SRF loan at 3.00% for 30 years.

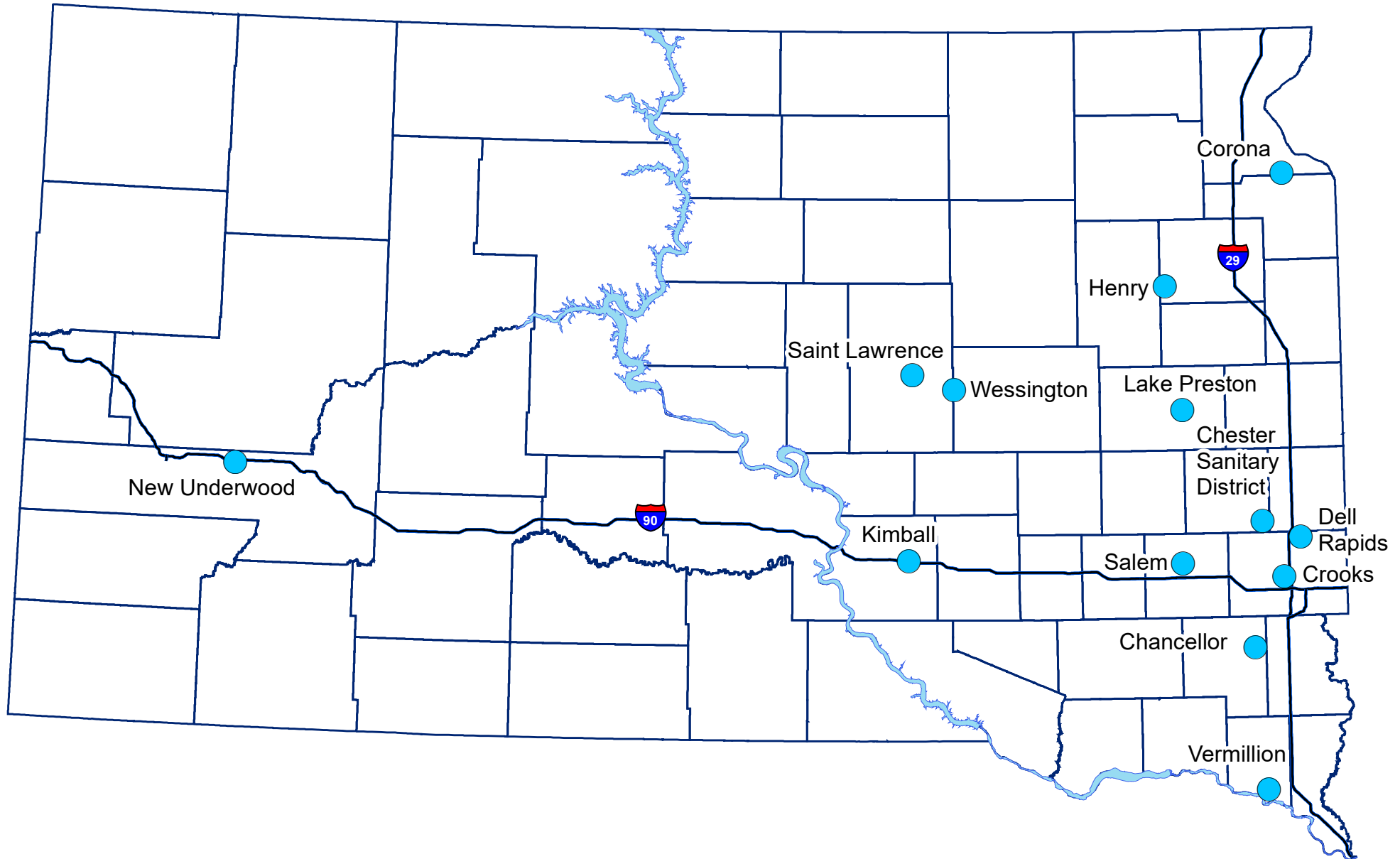
Debt Service Coverage: 110% based on a \$4.50 surcharge

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.

Drinking Water Funding Applications

March 2023



DRINKING WATER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Lake Preston DW-03

Total Project Cost:	\$2,002,000
BWNR Funding Assistance Requested:	\$2,002,000
Rate/Term:	3.00% / 30 Years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) Current rates for the city are \$71.75 per 5,000 gallons usage. Rates were recently restructured to accommodate the surcharge from the DW-02 loan approved in April 2022.
- 2) If funding was provided as all loan. The required surcharge would be approximately \$29.50, bringing the overall rates to \$101.25.
- 3) At the recommended funding level, a surcharge of \$4.45 will be required. This will bring overall rates to \$76.20

Funding Recommendation: Award a \$2,002,000 Drinking Water SRF loan at 3.00% for 30 years with up to 85.1% principal forgiveness not to exceed \$1,702,000.

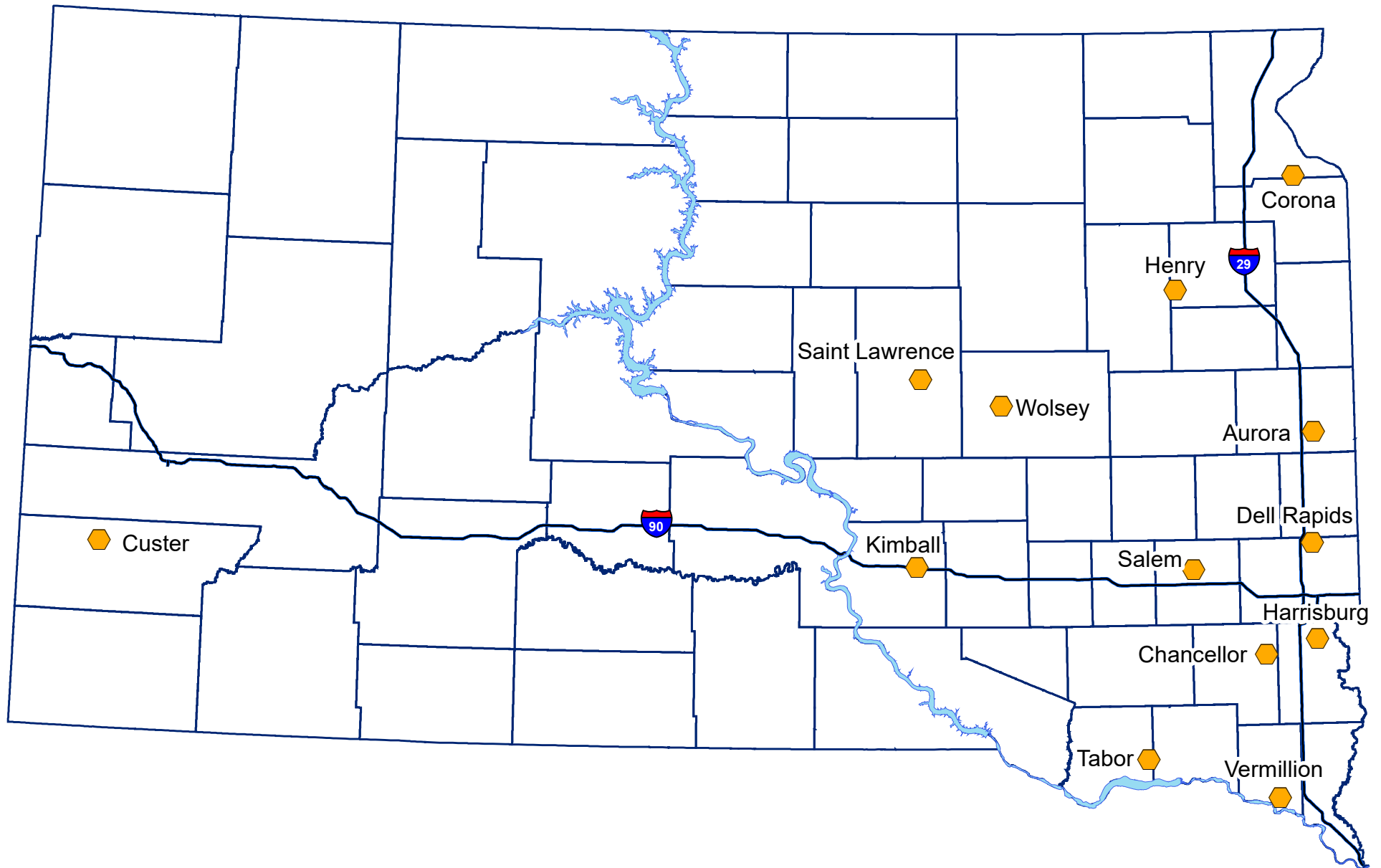
Debt Service Coverage: 110% based on a \$4.45 surcharge

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

March 2023



SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Vermillion CW-12

Total Project Cost:	\$23,100,000
BWNR Funding Assistance Requested:	\$23,100,000
Rate/Term:	3.25% / 30 years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) If funding is provided as all loan, the city will have to establish a surcharge of approximately \$31.25 per month. This will bring overall rates to \$68.50 per 5,000 gallons usage
- 2) Staff analysis indicates that the city can restructure to keep rates at approximately \$56 per 5,000 gallons usage.

Funding Recommendation: Award a \$23,100,000 Clean Water SRF loan at 3.25% for 30 years.

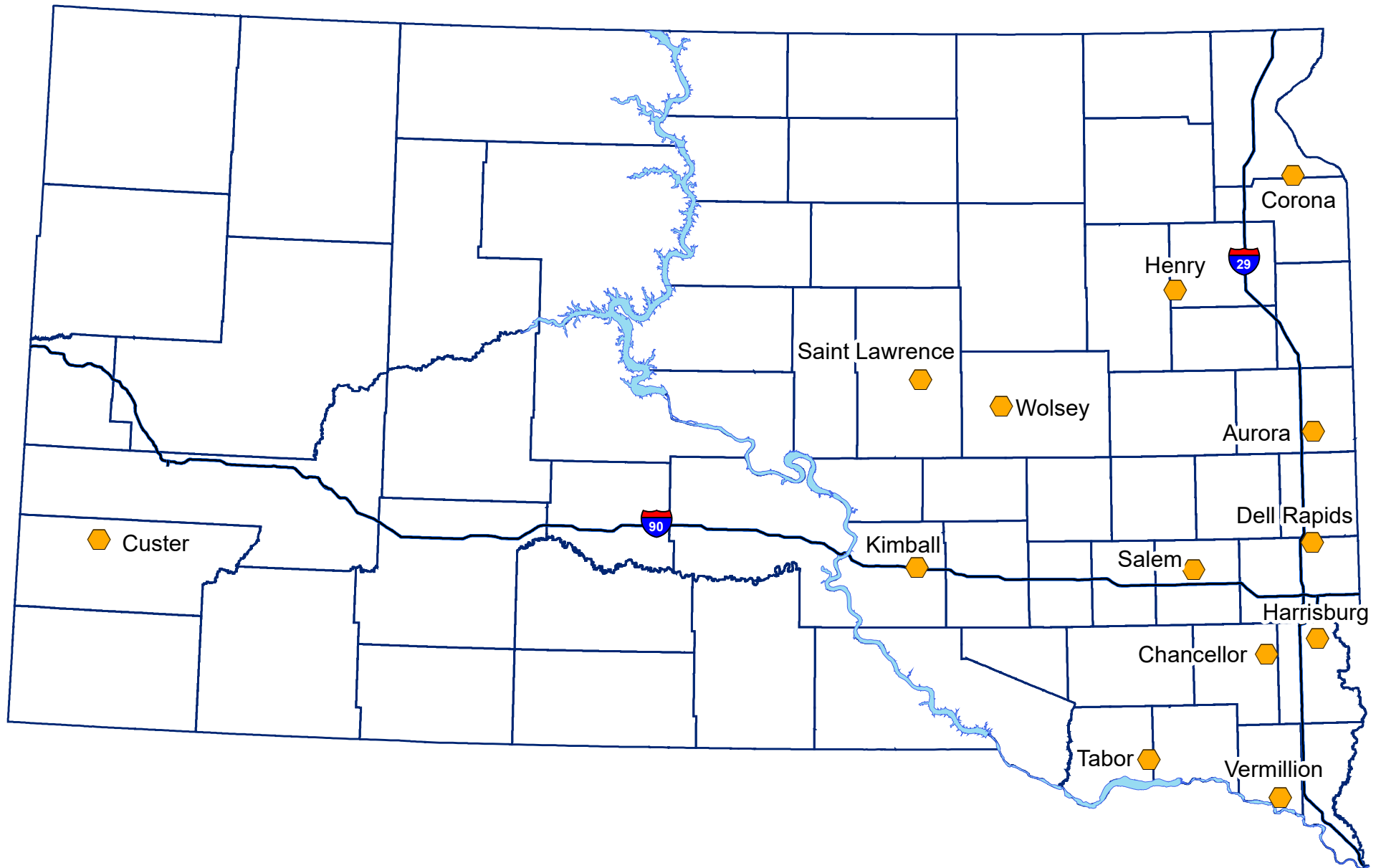
Debt Service Coverage: 110% based on a \$31.25 surcharge

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

March 2023



SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Custer CW-07

Total Project Cost:	\$5,596,000
BWNR Funding Assistance Requested:	\$5,596,000
Rate/Term:	3.25% / 30 Years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) If funding is provided as all loan, the city would have to establish a surcharge of approximately \$22.40, which would bring overall rates to \$82.96 per 5,000 gallons usage.
- 2) At the recommended funding level, the city will have to establish a surcharge of \$10.10 bringing overall rates to \$70.66 per 5,000 gallons usage.

Funding Recommendation: Award a \$5,596,000 Clean Water SRF loan at 3.25% for 30 years with up to 55% principal forgiveness not to exceed \$3,075,000.

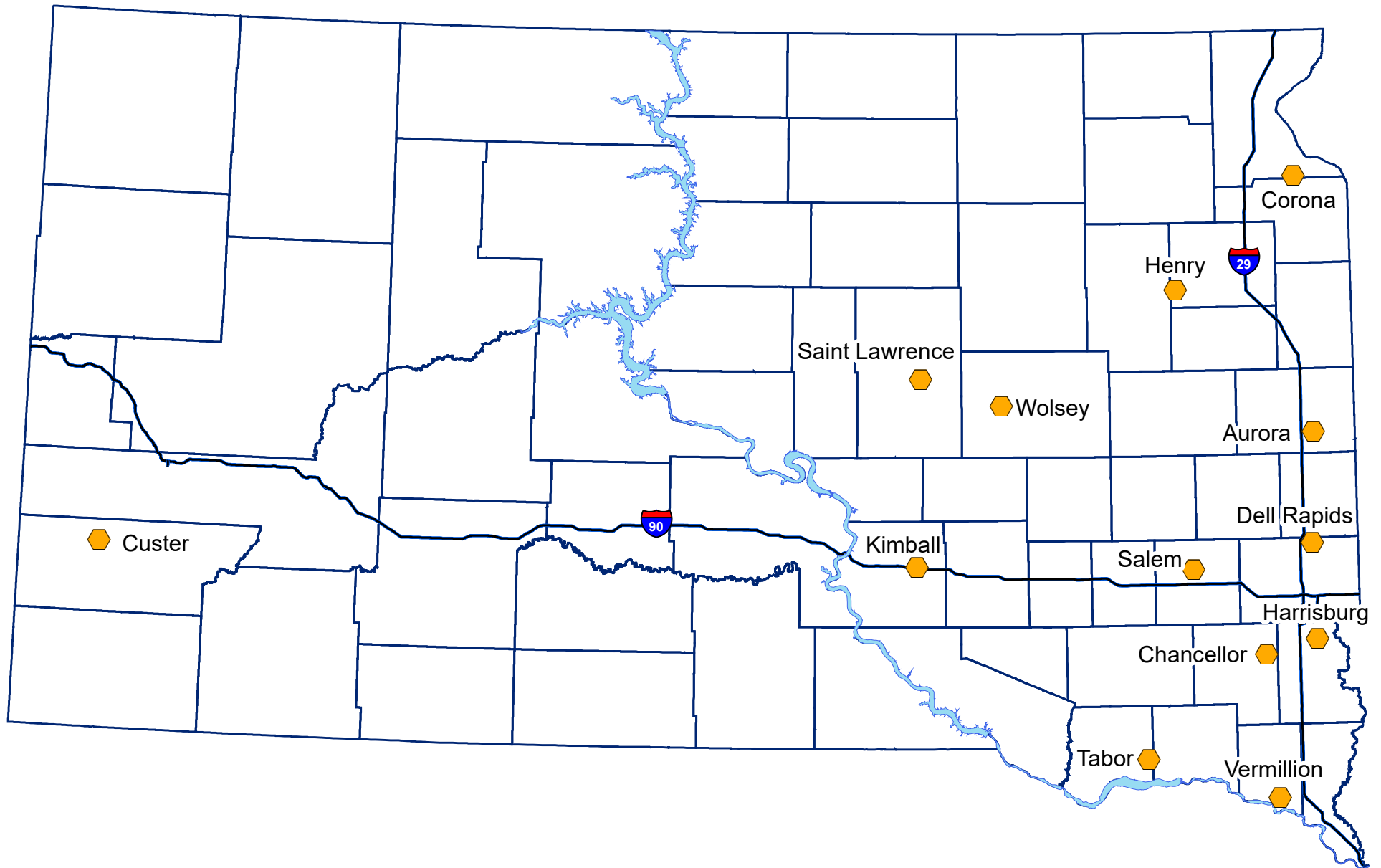
Debt Service Coverage: 110% based on a surcharge of \$10.10

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

March 2023



SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Aurora CW-05

Total Project Cost:	\$1,200,000
BWNR Funding Assistance Requested:	\$1,200,000
Rate/Term:	3.25% / 30 Years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) If funding is provided as all loan, the city will have to establish a surcharge of approximately \$13 per month. When added to their current rate of \$73.25, it would result in overall rates of \$86.25 per month.
- 2) Based on staff recommendation, a surcharge of \$2.60 will be required, which results in overall rates of \$75.85.

Funding Recommendation: Award a \$240,000 Clean Water SRF loan at 3.25% for 30 Years, a \$450,000 Consolidated Grant and a \$510,000 Clean Water SRF Water Quality Grant.

Debt Service Coverage: 110% based on a surcharge of \$2.60.

Loan Contingencies:

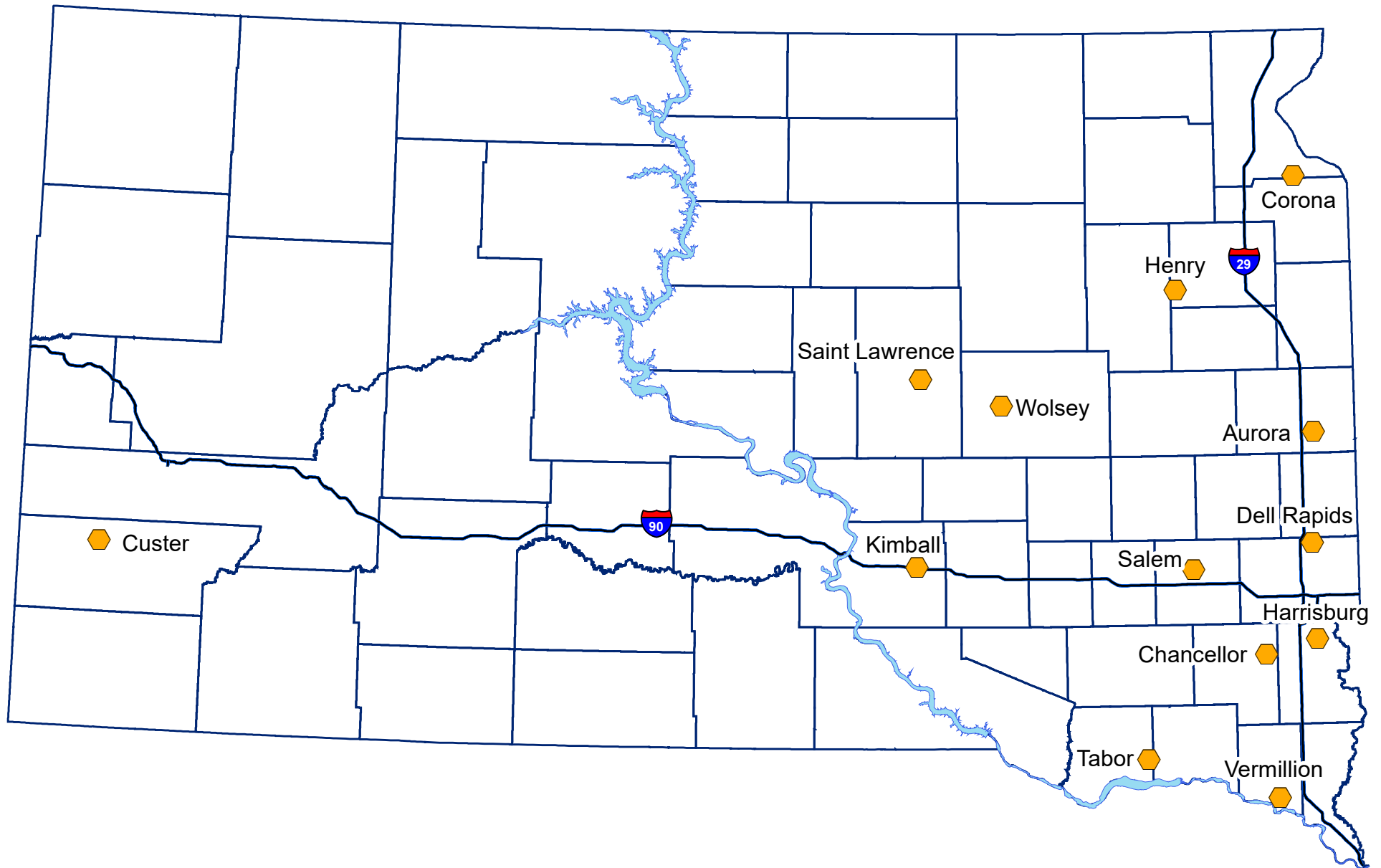
- 1) Contingent upon the Borrower adopting a bond resolution and the resolution becoming effective.
- 2) Contingent upon the Borrower establishing a surcharge at a level sufficient to provide the required debt coverage.

Grant Special Condition:

- 1) Grant funds for reimbursement of project costs must be drawn concurrently with the Clean Water SRF loan funds.

Sanitary/Sewer Funding Applications

March 2023



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

APPLICANT: Henry CW-01

Total Project Cost:	\$8,050,000
BWNR Funding Assistance Requested:	\$8,050,000
Rate/Term:	3.25% / 30 years
Security Pledged For Repayment Of Loan:	Project Surcharge

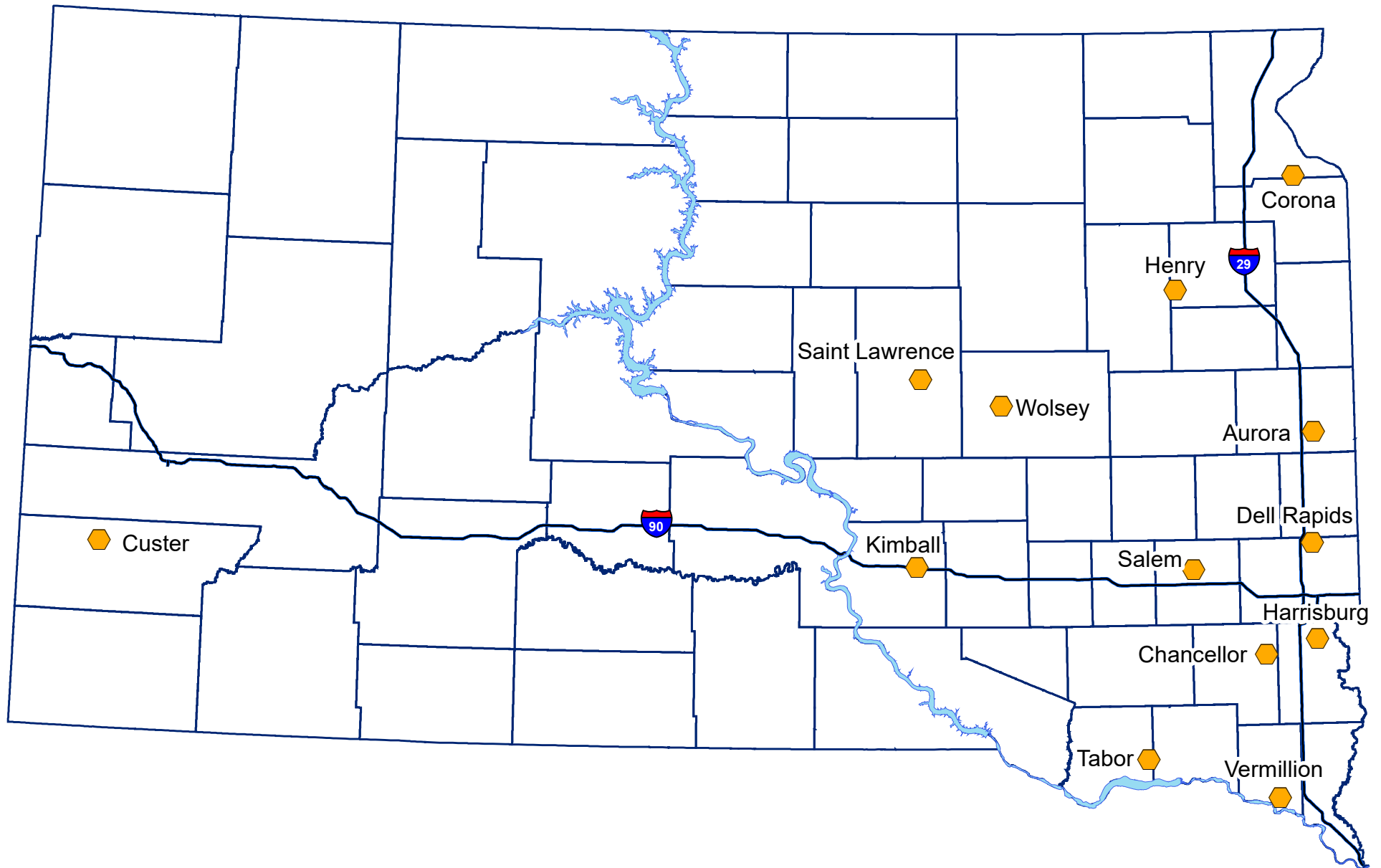
Staff Analysis

- 1) Due to the 2020 census data and proposed Administrative rules updates to the CWSRF program, it has been determined that the city's CWSRF loan could qualify for principal forgiveness. The option is not available until the amended rules are in effect.

Funding Recommendation: DEFER

Sanitary/Sewer Funding Applications

March 2023



SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Dell Rapids CW-12

Total Project Cost:	\$7,449,388
BWNR Funding Assistance Requested:	\$1,300,000
Rate/Term:	3.25% / 30 Years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) In April of 2022, the city was awarded a funding package of \$5,532,459, which includes an ARPA grant and a Clean Water SRF loan, however, additional funding is needed for the project.
- 2) Current rates are \$68.80 per 5,000 gallons usage. At the recommended funding level, the city will have to establish an additional surcharge of \$2.90 for the project, bringing overall rates to \$71.70.

Funding Recommendation: Award a \$845,000 Clean Water SRF loan at 3.25% for 30 years and a \$455,000 Consolidated grant.

Debt Service Coverage: 110% based on a \$2.90 surcharge

Loan Contingencies:

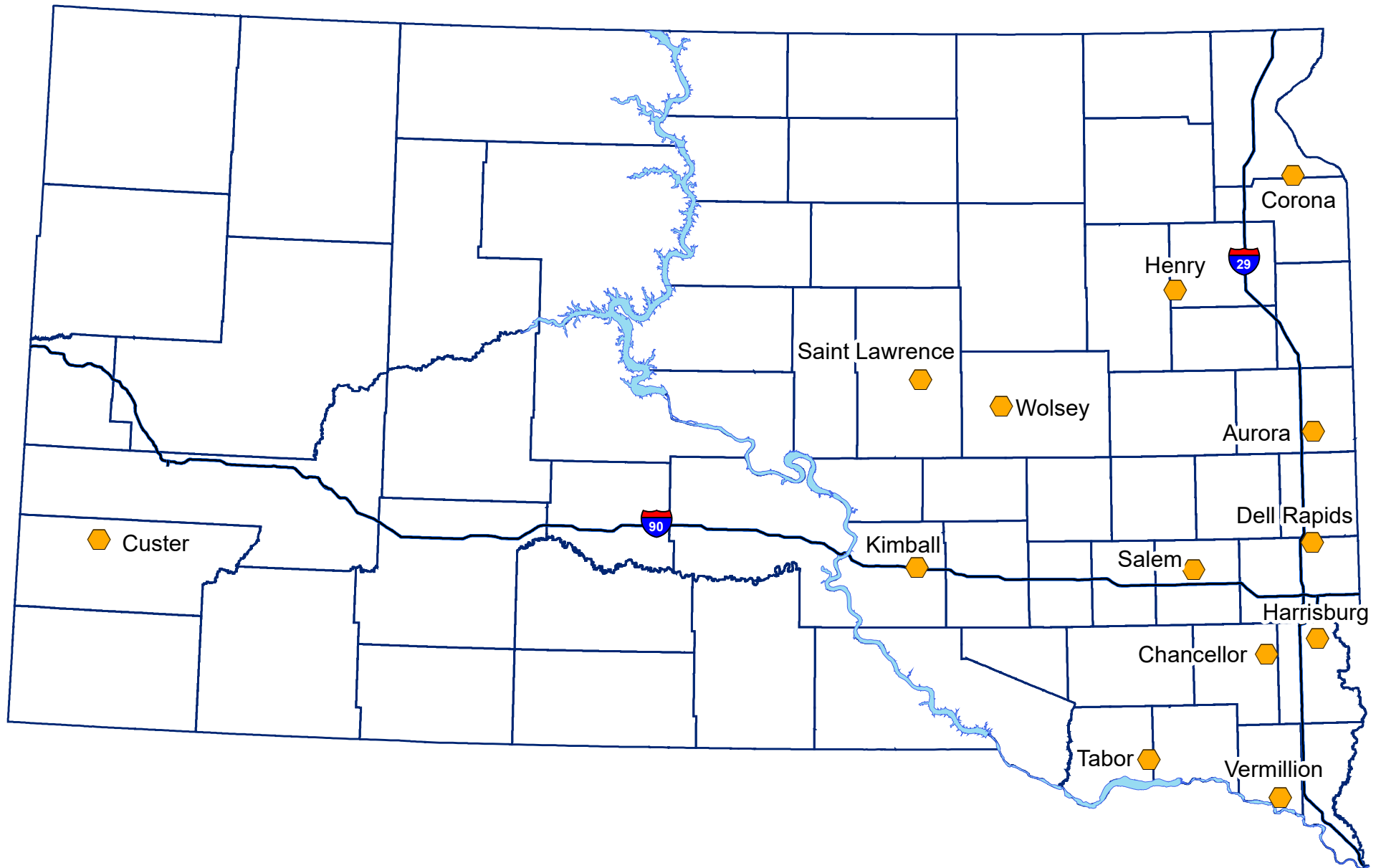
- 1) Contingent upon the Borrower adopting a bond resolution and the resolution becoming effective.
- 2) Contingent upon the Borrower establishing a surcharge at a level sufficient to provide the required debt coverage.

Grant Special Condition:

- 1) Grant funds for reimbursement of project costs must be drawn concurrently with the Clean Water SRF loan funds.

Sanitary/Sewer Funding Applications

March 2023



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

APPLICANT: Harrisburg CW-09

Total Project Cost:	\$11,709,000
BWNR Funding Assistance Requested:	\$11,709,000
Rate/Term:	3.25% / 30 Years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) Current residential rates are approximately \$97.01 per 5,000 gallons usage.
- 2) At the recommended funding a surcharge of \$21.80 will be required bringing overall rates to approximately \$118.81 per 5,000 gallons usage.

Funding Recommendation: Award a \$11,709,000 Clean Water SRF Loan at 3.25% for 30 years.

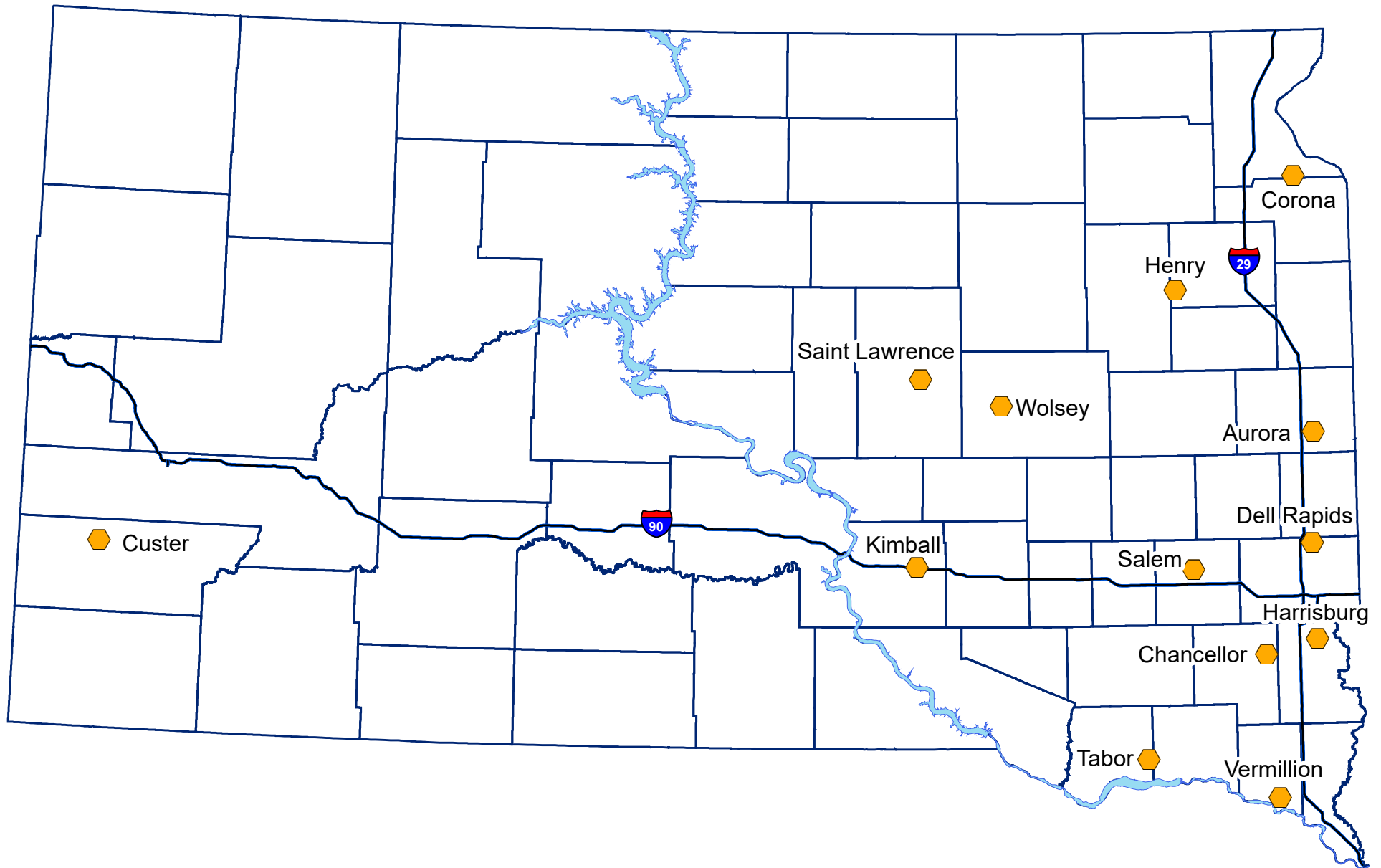
Debt Service Coverage: 110% based on a surcharge of \$21.80

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

March 2023



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

APPLICANT: Chancellor CW-05

Total Project Cost:	\$1,450,000
BWNR Funding Assistance Requested:	\$1,450,000
Rate/Term:	3.25% / 30 Years
Security Pledged For Repayment Of Loan:	Project Surcharge

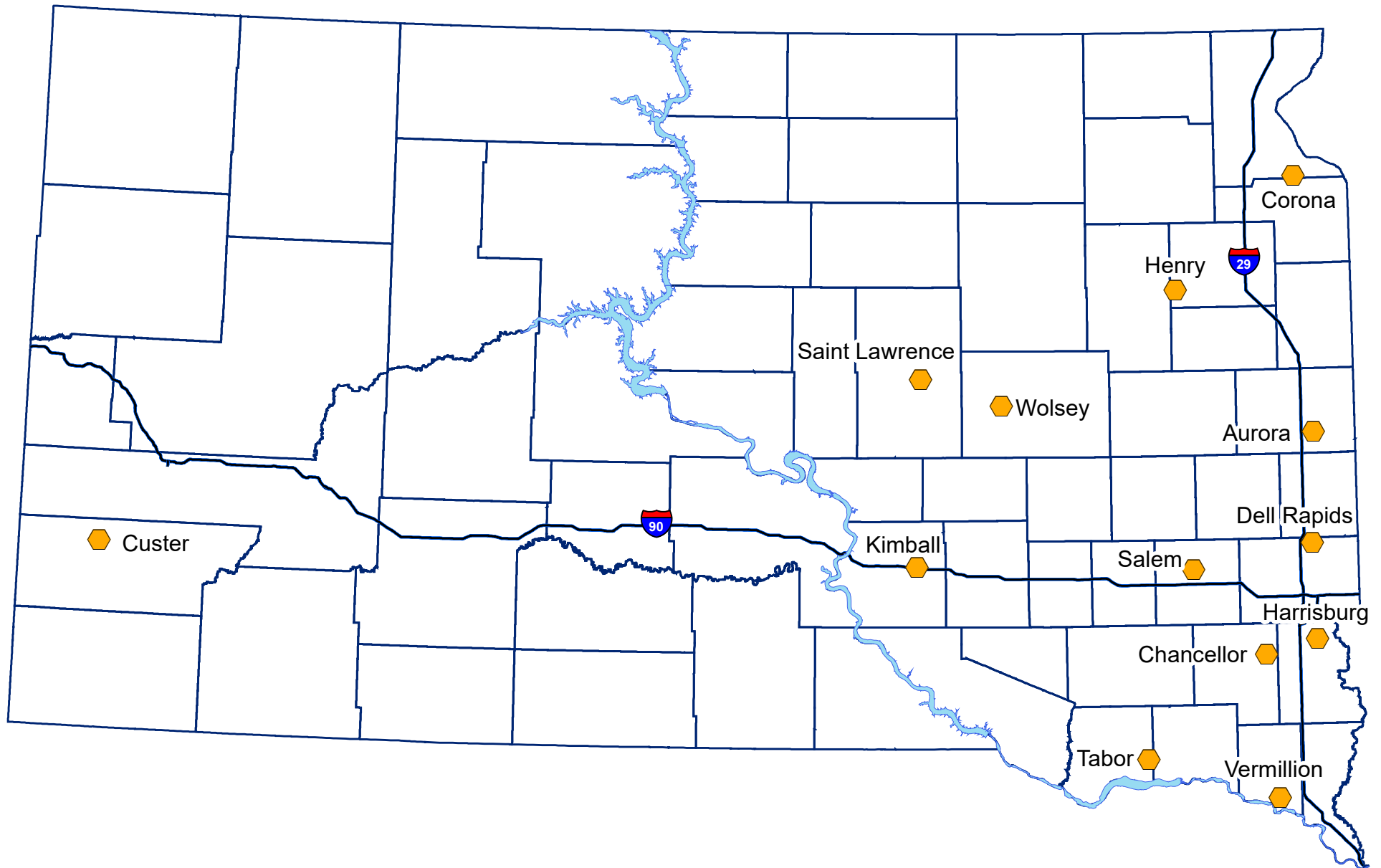
Staff Analysis

- 1) Due to the 2020 census data and proposed Administrative rules updates to the CWSRF program, it has been determined that the city's CWSRF loan could qualify for principal forgiveness. The option is not available until the amended rules are in effect.

Funding Recommendation: DEFER

Sanitary/Sewer Funding Applications

March 2023



SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Salem CW-07

Total Project Cost:	\$3,400,000
BWNR Funding Assistance Requested:	\$3,400,000
Rate/Term:	3.25% / 30 Years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) If funding was provided as all loan, the city would have to establish a surcharge of approximately \$25.00. When added to their current flat rate of \$52.00, it would result in overall rates of \$77.00 per user per month.
- 2) At the recommended funding level, a surcharge of \$10.25 will be required. When adding the surcharge to their current rate, it would result in overall rates of \$62.25 per user per month.

Funding Recommendation: Award a \$1,400,000 Clean Water SRF loan at 3.25% for 30 years and a \$2,000,000 Consolidated grant.

Debt Service Coverage: 110% based on a surcharge of \$10.25

Loan Contingencies:

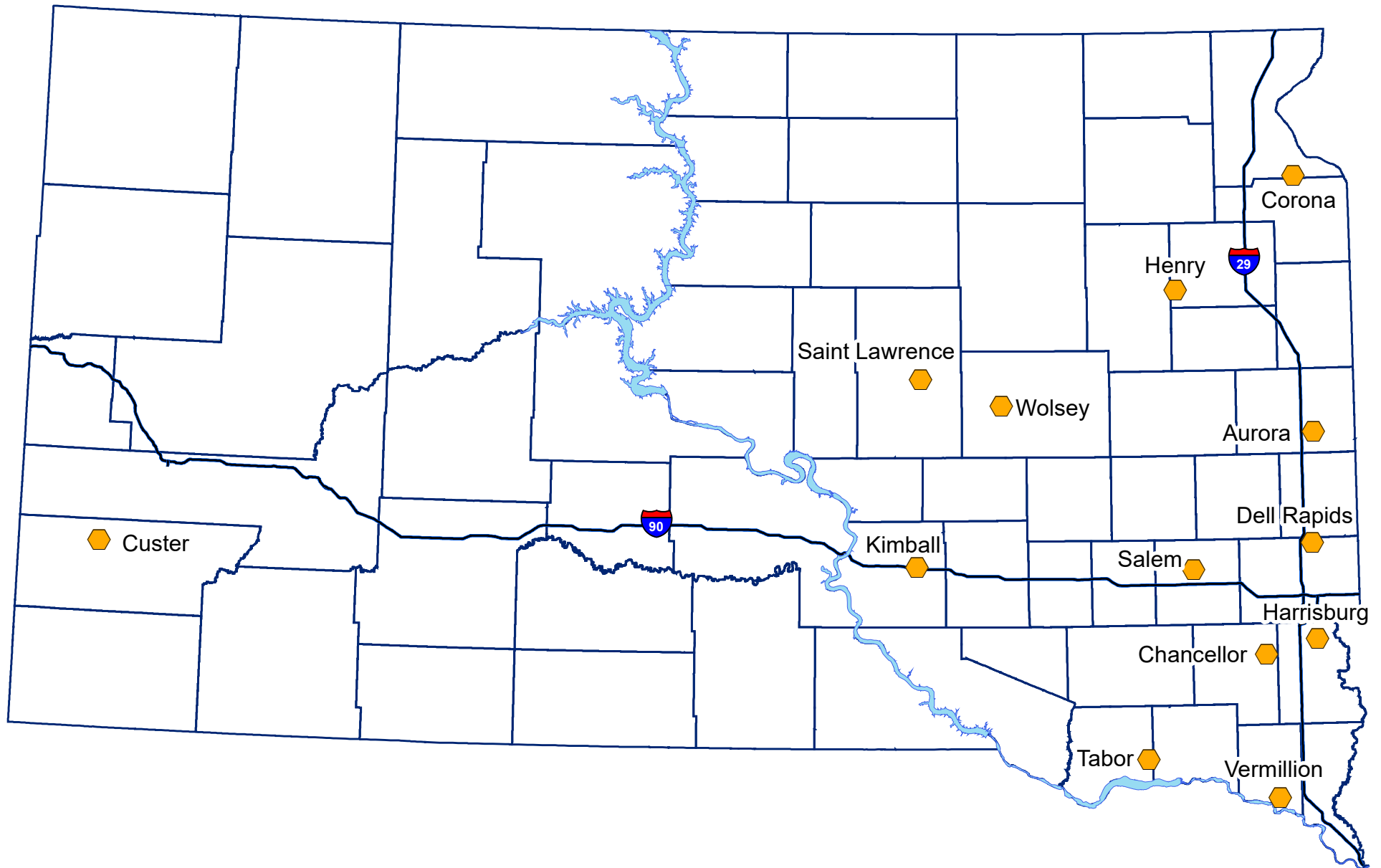
- 1) Contingent upon the Borrower adopting a bond resolution and the resolution becoming effective.
- 2) Contingent upon the Borrower establishing a surcharge at a level sufficient to provide the required debt coverage.

Grant Special Condition:

- 1) Grant funds for reimbursement of project costs must be drawn concurrently with the Clean Water SRF loan funds.

Sanitary/Sewer Funding Applications

March 2023



SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Tabor CW-02

Total Project Cost:	\$5,900,000
BWNR Funding Assistance Requested:	\$1,000,000
Rate/Term:	3.25% / 30 years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) If funding is provided as all loan, the city will have to establish a surcharge of approximately \$22.45 per month. This would bring overall rates to \$77.45 per 5,000 gallon usage.
- 2) At the recommended level of loan funding, the city will have to establish a surcharge of approximately \$5.60 per month. This will bring overall rates to \$60.60 per 5,000 gallon usage.

Funding Recommendation: \$250,000 Clean Water SRF loan at 3.25% for 30 years and a \$750,000 Consolidated grant.

Debt Service Coverage: 110% based on a \$5.60 surcharge.

Loan Contingencies:

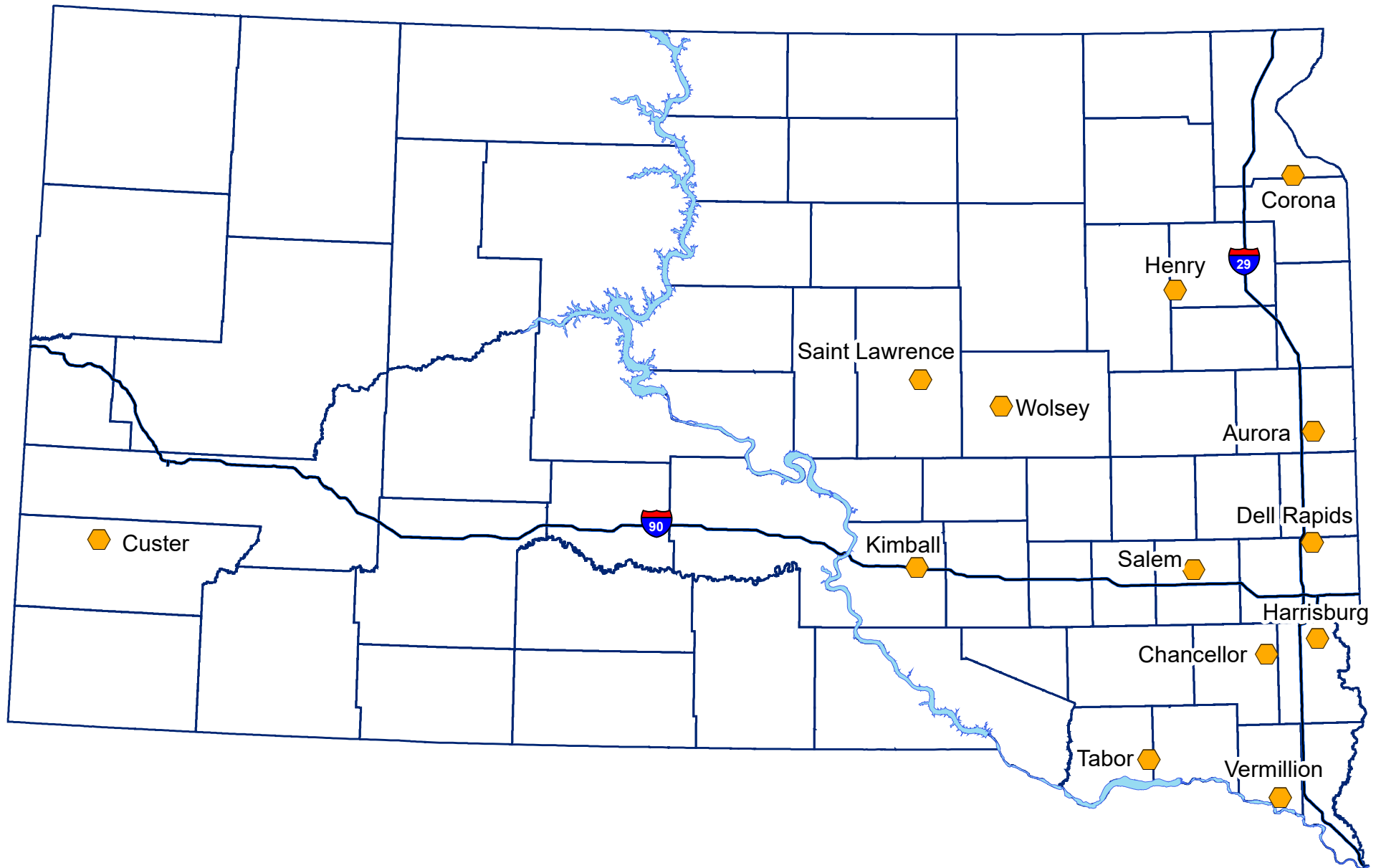
- 1) Contingent upon the Borrower adopting a bond resolution and the resolution becoming effective.
- 2) Contingent upon the Borrower establishing a surcharge at a level sufficient to provide the required debt coverage.

Grant Special Condition:

- 1) Grant funds for reimbursement of project costs must be drawn concurrently with the Clean Water SRF loan funds.

Sanitary/Sewer Funding Applications

March 2023



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

APPLICANT: Kimball CW-01

Total Project Cost:	\$1,095,000
BWNR Funding Assistance Requested:	\$1,095,000
Rate/Term:	3.25% / 30 years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) Current rates for the city are \$30.00 per 5,000 gallon usage.
- 2) At all loan, the city will have to establish a surcharge of approximately \$15.65 per month. This will bring overall rates to \$45.65 per 5,000 gallon usage.

Funding Recommendation: Award a \$1,095,000 Clean Water SRF loan at 3.25% for 30 years.

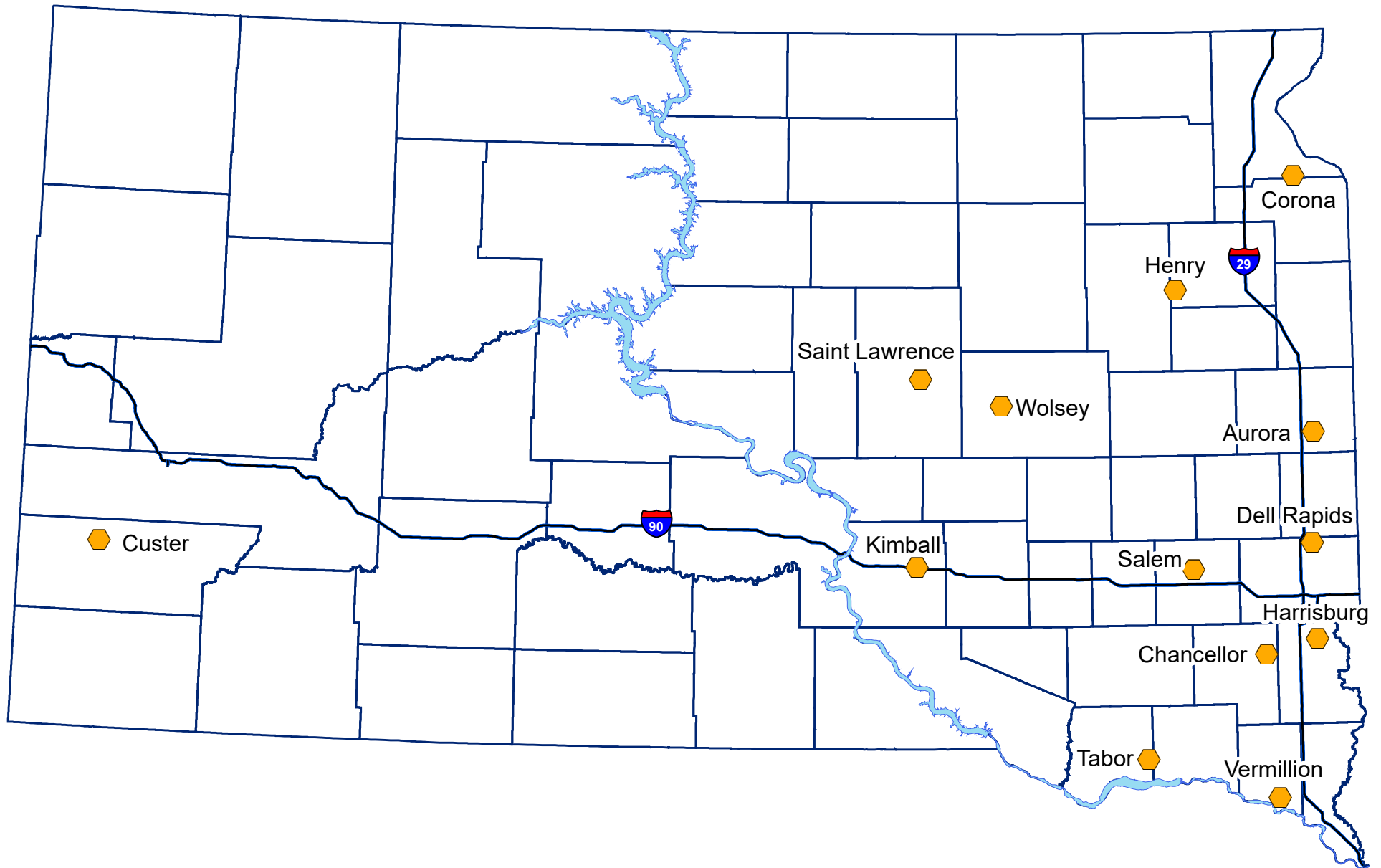
Debt Service Coverage: 110% based on a \$15.65 surcharge

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

March 2023



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

APPLICANT: Saint Lawrence CW-03

Total Project Cost:	\$1,138,000
BWNR Funding Assistance Requested:	\$1,138,000
Rate/Term:	3.25% / 30 Years
Security Pledged For Repayment Of Loan:	Project Surcharge

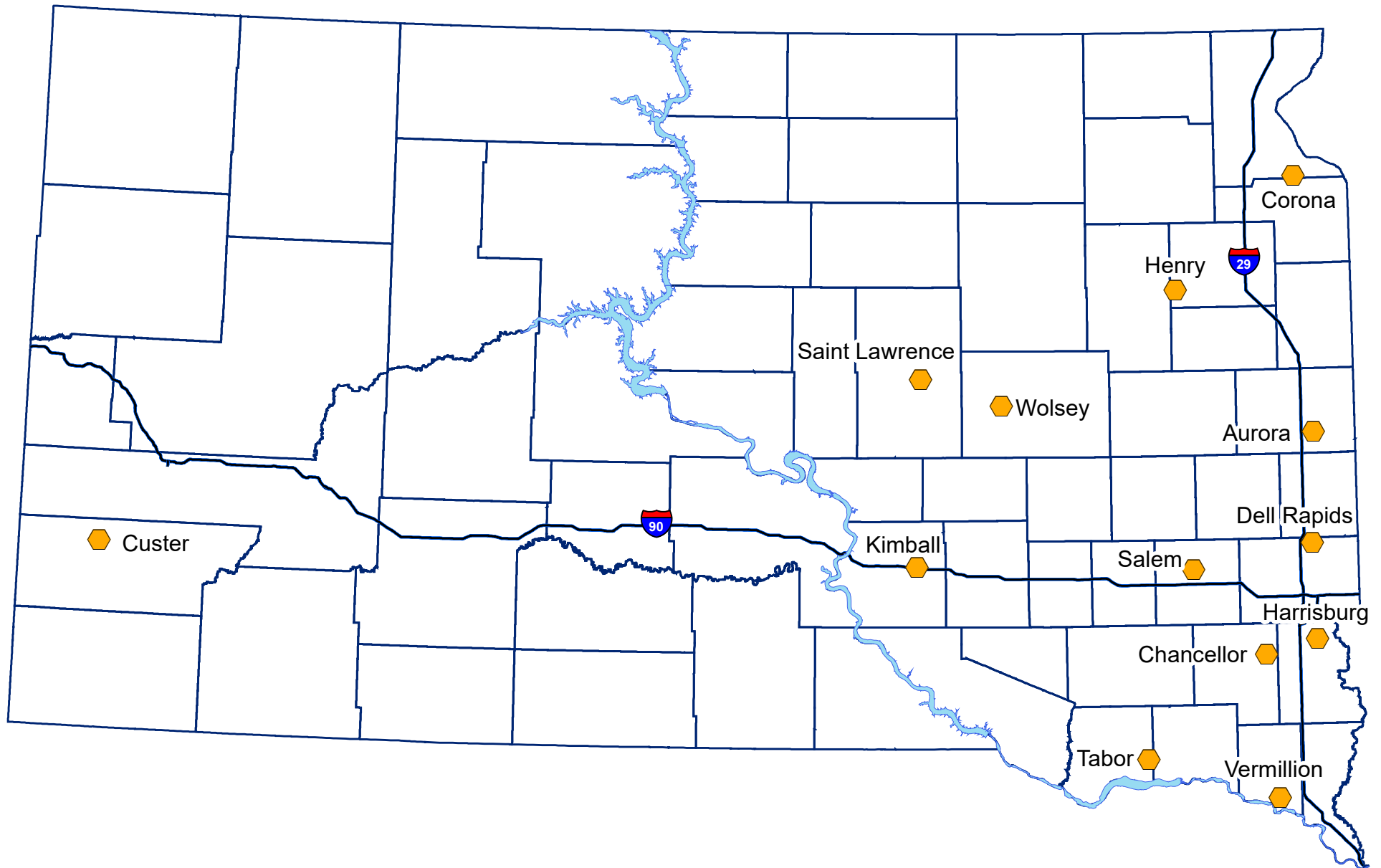
Staff Analysis

- 1) Due to the 2020 census data and proposed Administrative rules updates to the CWSRF program, it has been determined that the city's CWSRF loan could qualify for principal forgiveness. The option is not available until the amended rules are in effect.

Funding Recommendation: DEFER

Sanitary/Sewer Funding Applications

March 2023



SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Wolsey CW-04

Total Project Cost:	\$256,000
BWNR Funding Assistance Requested:	\$134,000
Rate/Term:	3.25% / 30 years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) At all loan, the city will have to establish a surcharge of approximately \$3.40 per month. This will bring overall rates to \$34.95.

Funding Recommendation: Award a \$134,000 Clean Water SRF loan at 3.25% for 30 years.

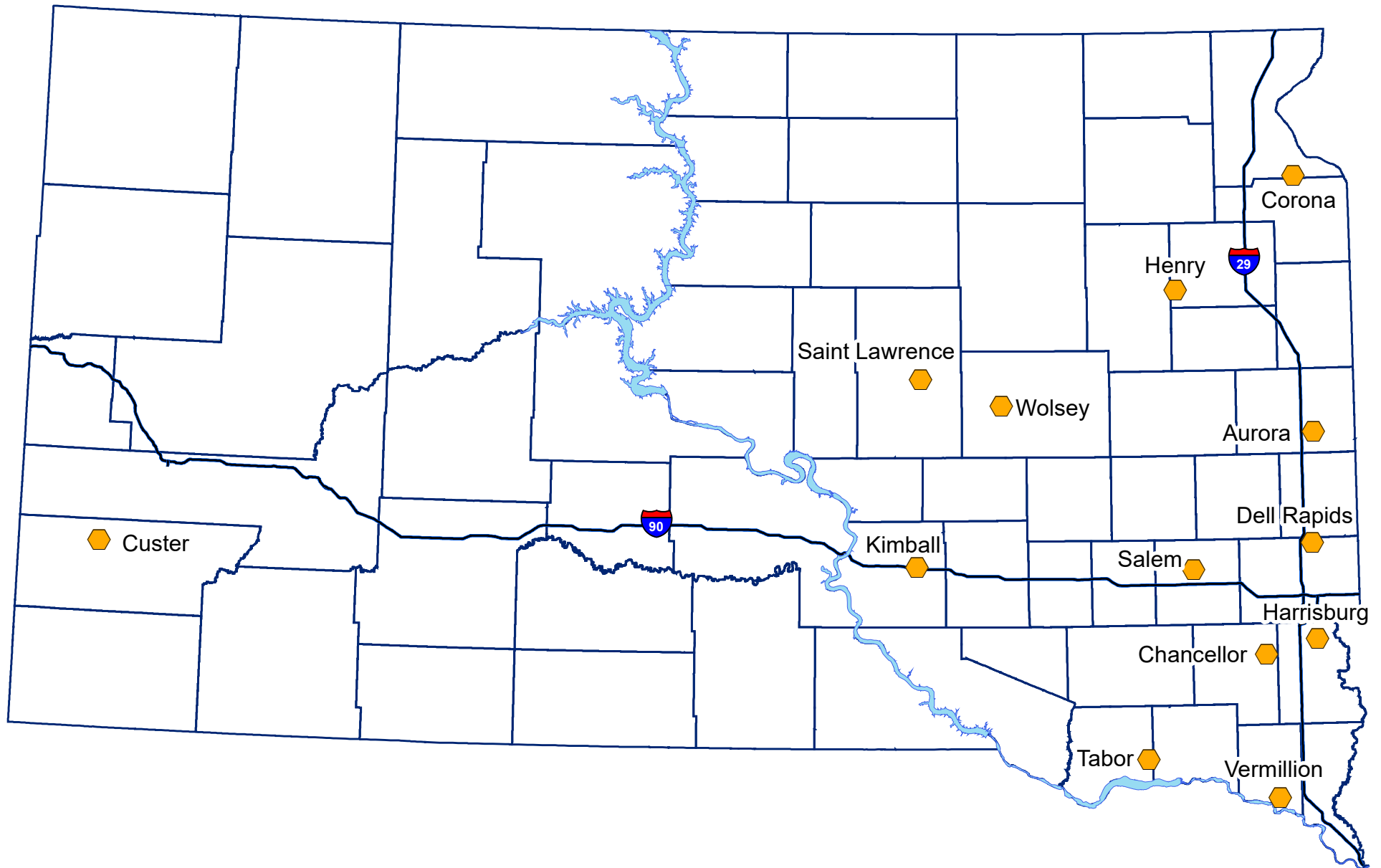
Debt Service Coverage: 110% based on a \$3.40 surcharge.

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

March 2023



SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Corona CW-01

Total Project Cost:	\$1,312,000
BWNR Funding Assistance Requested:	\$1,312,000
Rate/Term:	3.25% / 30 Years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) If funding was provided as all loan, the town would have to establish a surcharge of approximately \$123.35. This would bring overall rates to \$158.35
- 2) At the recommended funding level, a surcharge of \$51.00 will be required for repayment of the loan. Staff analysis indicates the town can restructure rates to bring overall rates to approximately \$60.00.

Funding Recommendation: Award a \$540,000 Clean Water SRF loan at 3.25% for 30 years and a \$772,000 CWSRF Water Quality Grant.

Debt Service Coverage: 110% based on a surcharge of \$51.00

Loan Contingencies:

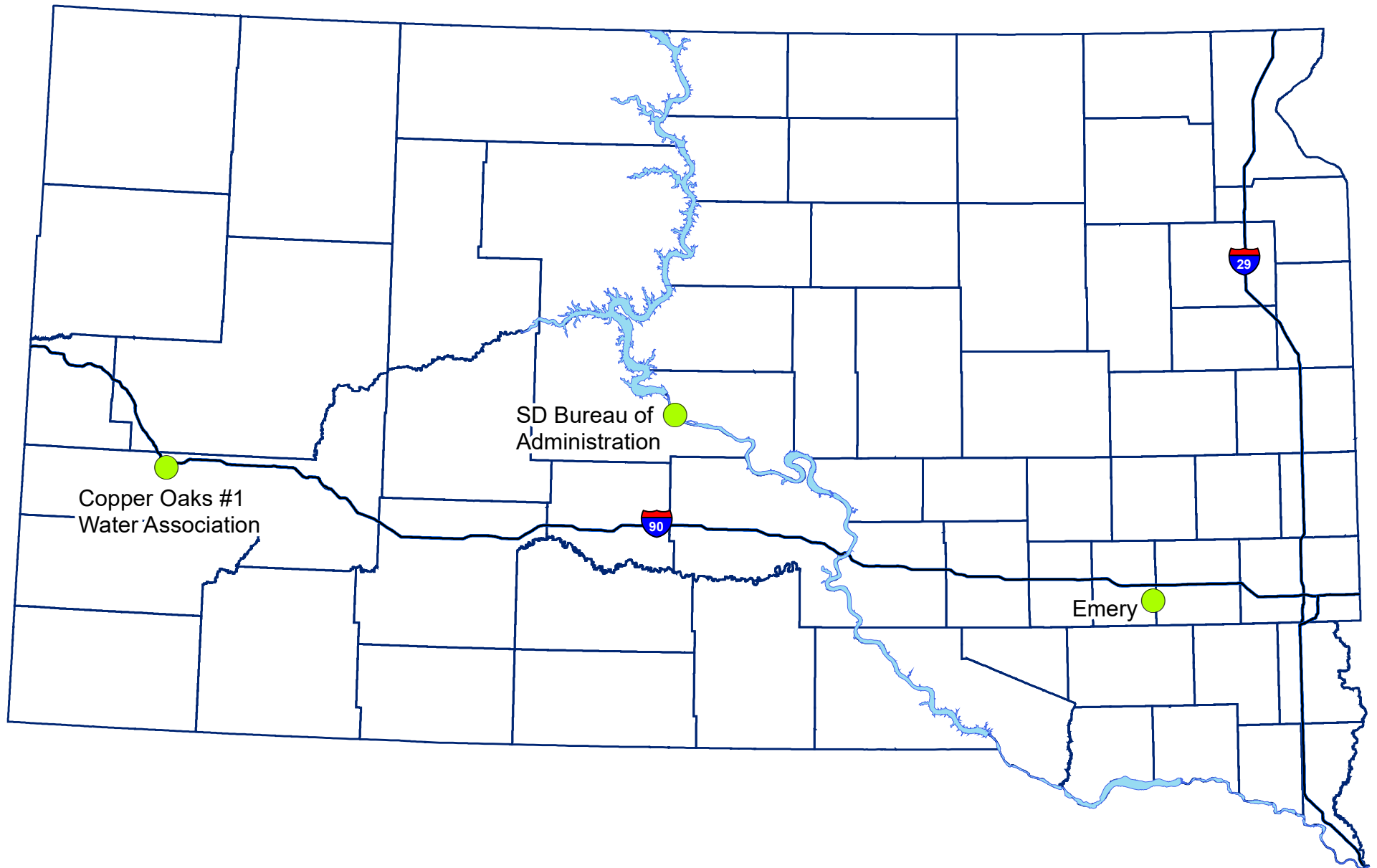
- 1) Contingent upon the Borrower adopting a bond resolution and the resolution becoming effective.
- 2) Contingent upon the Borrower establishing a surcharge at a level sufficient to provide the required debt coverage.

Grant Special Condition:

- 1) Grant funds for reimbursement of project costs must be drawn concurrently with the Clean Water SRF loan funds.

Small Water Facility Funding Applications

March 2023



SMALL WATER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: South Dakota Bureau of Administration

Total Project Cost: \$3,792,000

BWNR Funding Assistance Requested: \$2,000,000

Rate/Term: N/A

Security Pledged For Repayment Of Loan: N/A

Staff Analysis

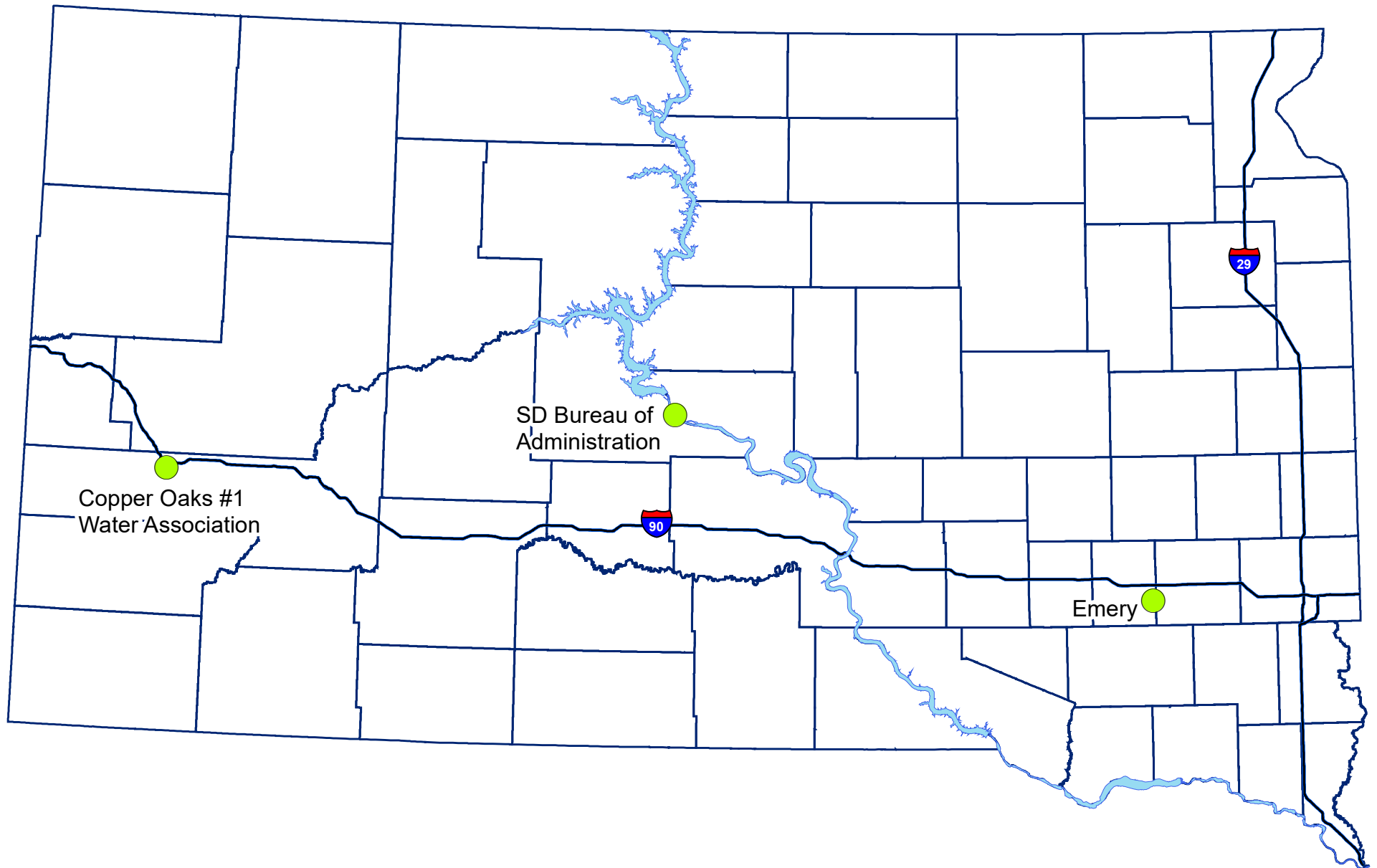
- 1) The South Dakota Bureau of Administration is undertaking a project that will assist in conserving over 8 million gallons of treated drinking water annually that is currently used for irrigation. Further use for irrigation with the city of Pierre and Pierre School District are being discussed. This would increase the amount of potable water being conserved and lower the demand on the water treatment facilities.

Funding Recommendation: Award a Consolidated grant at 80% of eligible costs not to exceed \$2,000,000.

Debt Service Coverage: N/A

Small Water Facility Funding Applications

March 2023



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

APPLICANT: Copper Oaks #1 Water Association

Total Project Cost:	\$93,000
BWNR Funding Assistance Requested:	\$93,000
Rate/Term:	3.25% / 30 Years
Security Pledged For Repayment Of Loan:	System Revenue

Staff Analysis

- 1) If all funding is provided as loan, the city would have 100% coverage based on the current rate of \$100 per 5,000 gallons usage.

Funding Recommendation: Award a \$93,000 Consolidated loan at 3.25% for 30 Years

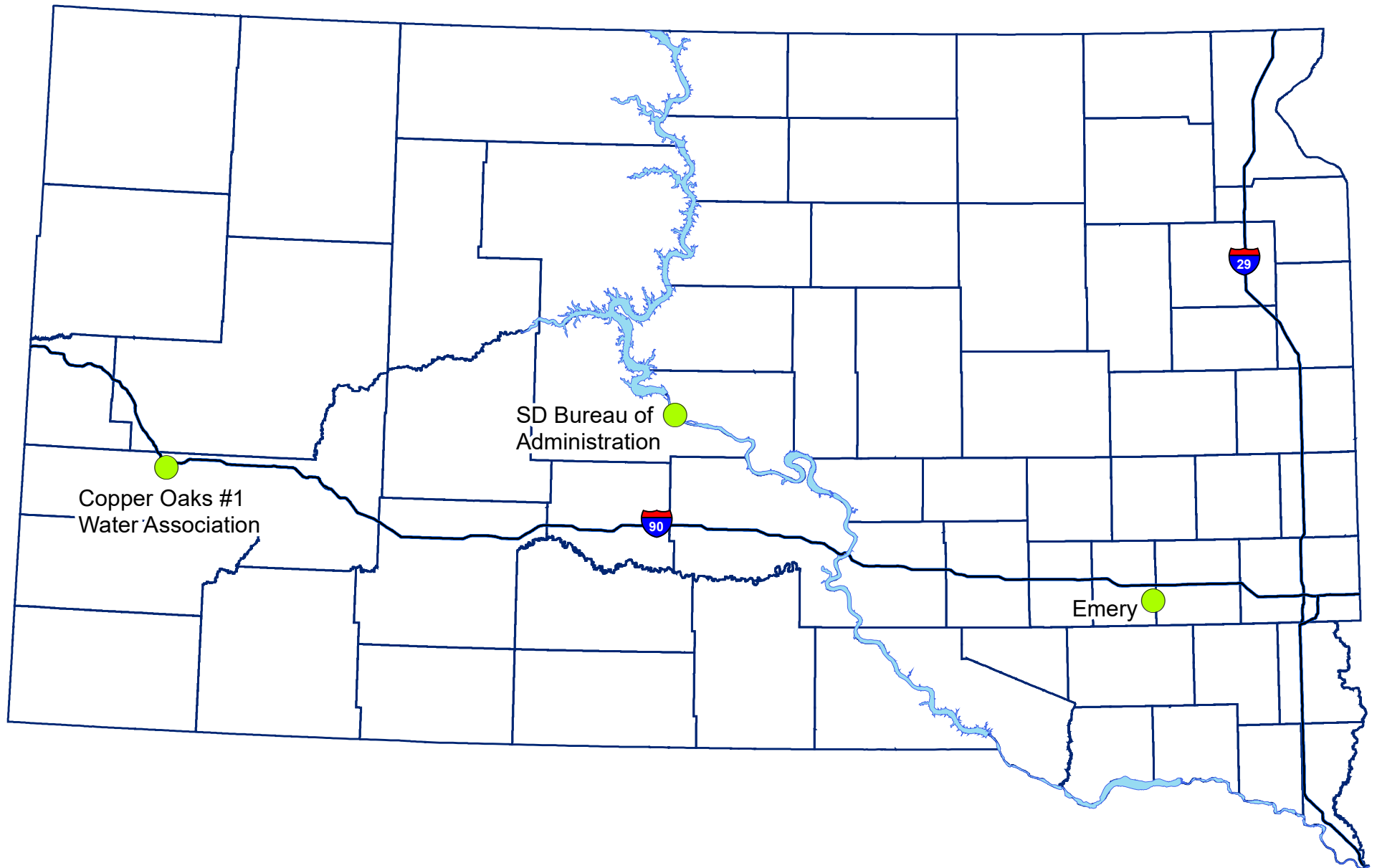
Debt Service Coverage: 100% based on their current rate of \$100 for 5,000 gallons usage

Loan Contingencies:

- 1) Contingent upon the Borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan.
- 2) Contingent upon the Borrower approving a security agreement and mortgage.
- 3) Contingent upon the borrower adopting a yearly budget and properly recording revenues and expenses as per SDCL 9-22-16

Small Water Facility Funding Applications

March 2023



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

APPLICANT: Emery

Total Project Cost: \$83,000

BWNR Funding Assistance Requested: \$70,000

Rate/Term: 2.75% / 10 Years

Security Pledged For Repayment Of Loan: Project Surcharge

Staff Analysis

- 2) Current rates are \$43.60 per 5,000 gallons usage. At the recommended funding level, the city will have to establish a surcharge of \$2.95, which would bring rates to \$46.55 per 5,000 gallons.

Funding Recommendation: Award a \$70,000 Consolidated loan at 2.75% for 10 years.

Debt Service Coverage: 110% based on a \$2.95 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.

March 2023
Available Funds Summary

AMERICAN RESCUE PLAN ACT (ARPA) GRANTS

2022 Appropriation:	\$	600,000,000
Reversions:	\$	8,128,557
Awarded to Date:	\$	(606,190,008)
Available for Award:	\$	1,938,549
Recommended:	\$	-
Balance:	\$	<u>1,938,549</u>

CONSOLIDATED WATER FACILITIES CONSTRUCTION PROGRAM

Available Prior Year Funds (5-Jan-2023):	\$	162,387
2023 Omnibus Appropriation:	\$	7,425,000
Reversions:	\$	533,699
Available for Award:	\$	8,121,086
Recommended:	\$	(7,096,400)
Balance:	\$	<u>1,024,686</u>

DRINKING WATER SRF WATER CONSTRUCTION GRANTS

2023 IUP Allocation:	\$	2,000,000
Reversions:	\$	-
Available for Award:	\$	2,000,000
Recommended:	\$	(1,820,780)
Balance:	\$	<u>179,220</u>

CLEAN WATER SRF WATER QUALITY GRANTS

Available Prior Year Funds (5-Jan-2023):	\$	4,311
2023 IUP Allocation:	\$	2,200,000
Reversions:	\$	-
Awarded to Date:	\$	(200,000)
Available for Award:	\$	2,004,311
Recommended:	\$	(1,735,743)
Balance:	\$	<u>268,568</u>

March 2023 Available Funds Summary

DRINKING WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Allocations:	\$	45,314,800
FFY-23 Maximum Allocation:	\$	723,520
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(45,312,182)
Available For Award:	\$	726,138
Recommended:	\$	-
Balance:	\$	726,138
Princ. Forg. for Disadvantaged Communities:	\$	22,341,050
FFY-23 Maximum Allocation:	\$	1,808,800
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(19,888,250)
Available For Award:	\$	4,261,600
Recommended:	\$	(2,240,000)
Balance:	\$	2,021,600
BIL Supplemental PF for Disadvantaged Communities:	\$	8,816,080
FFY-23 Maximum Allocation:	\$	10,192,000
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(4,690,396)
Available For Award:	\$	14,317,684
Recommended:	\$	(3,922,000)
Balance:	\$	10,395,684
BIL Emerging Contaminants Principal Forgiveness:	\$	7,555,000
FFY-23 Maximum Allocation:	\$	8,587,000
Transfer from CWSRF Allocation:	\$	459,000
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(7,895,000)
Available For Award:	\$	8,706,000
Recommended:	\$	-
Balance:	\$	8,706,000
BIL Lead Service Line PF for Disadvantaged Communities:	\$	490,000
FFY-23 Maximum Allocation:	\$	13,891,500
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(490,000)
Available For Award:	\$	13,891,500
Recommended:	\$	-
Balance:	\$	13,891,500

March 2023
Available Funds Summary

CLEAN WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Allocations:	\$	30,703,676
FFY-23 Maximum Allocation:	\$	1,503,600
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(28,431,276)
Available For Award:	\$	3,776,000
Recommended:	\$	(2,272,400)
Balance:	\$	1,503,600
BIL Supplemental PF for Disadvantaged Communities:	\$	4,281,620
FFY-23 Maximum Allocation:	\$	5,014,170
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(3,284,000)
Available For Award:	\$	6,011,790
Recommended:	\$	(802,600)
Balance:	\$	5,209,190
BIL Emerging Contaminants Principal Forgiveness:	\$	459,000
FFY-23 Maximum Allocation:	\$	1,043,000
Transferred to DWSRF Allocation:	\$	(1,502,000)
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	-
Available For Award:	\$	-
Recommended:	\$	-
Balance:	\$	-

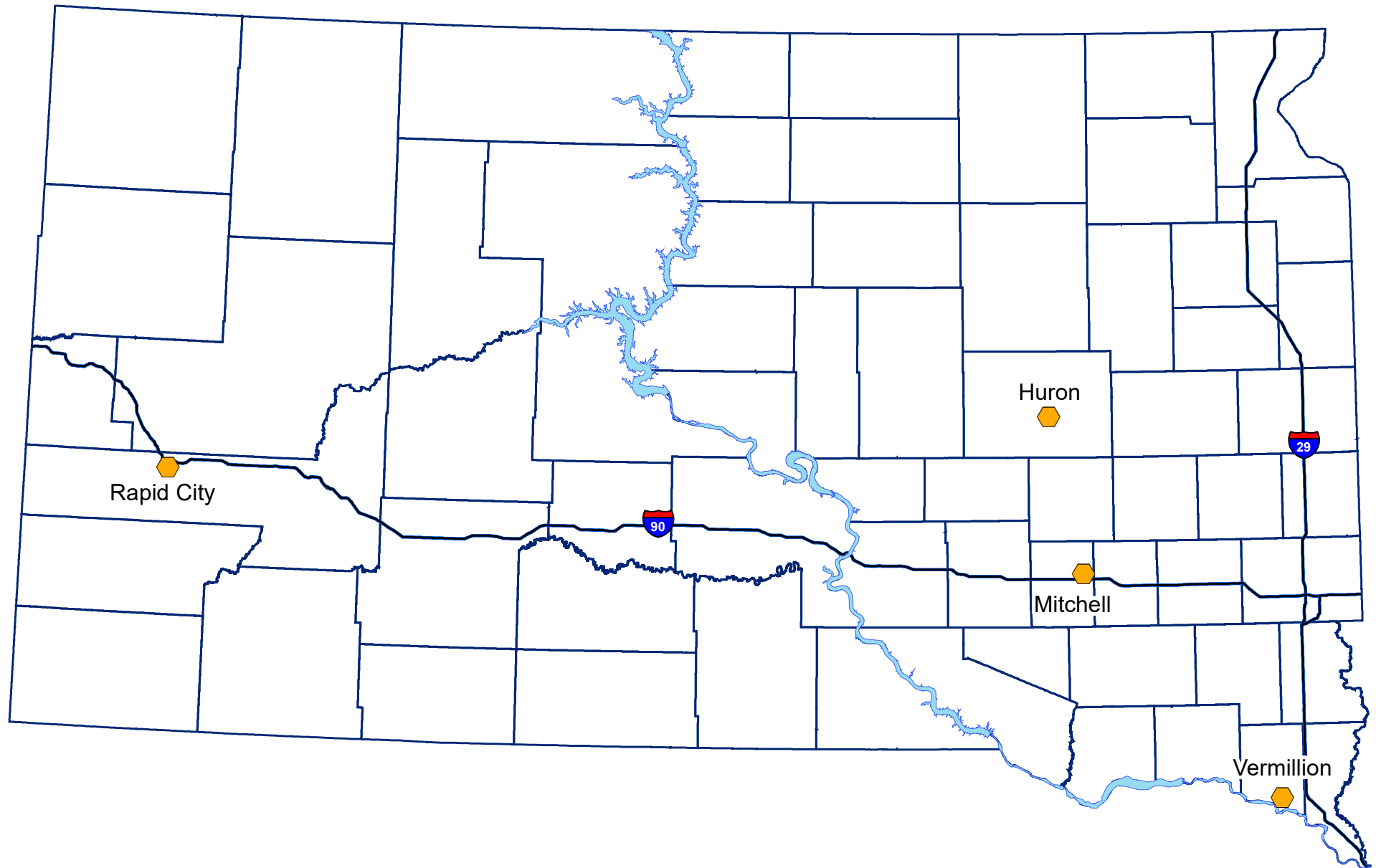
March 2023
Dedicated Solid Waste Management Fees

Solid Waste Management Program (SWMP)

Available Prior Year Funds (5-Jan-2023):	\$	162,163
2023 Omnibus Appropriation:	\$	2,450,000
Reversions:	\$	17,498
Available for Award:	\$	2,629,661

Solid Waste Management Program Funding Applications

March 2023



**SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: Huron

Total Project Cost: \$996,247

BWNR Funding Assistance Requested: \$498,123

Rate/Term: N/A

Security Pledged For Repayment Of Loan: N/A

Staff Analysis

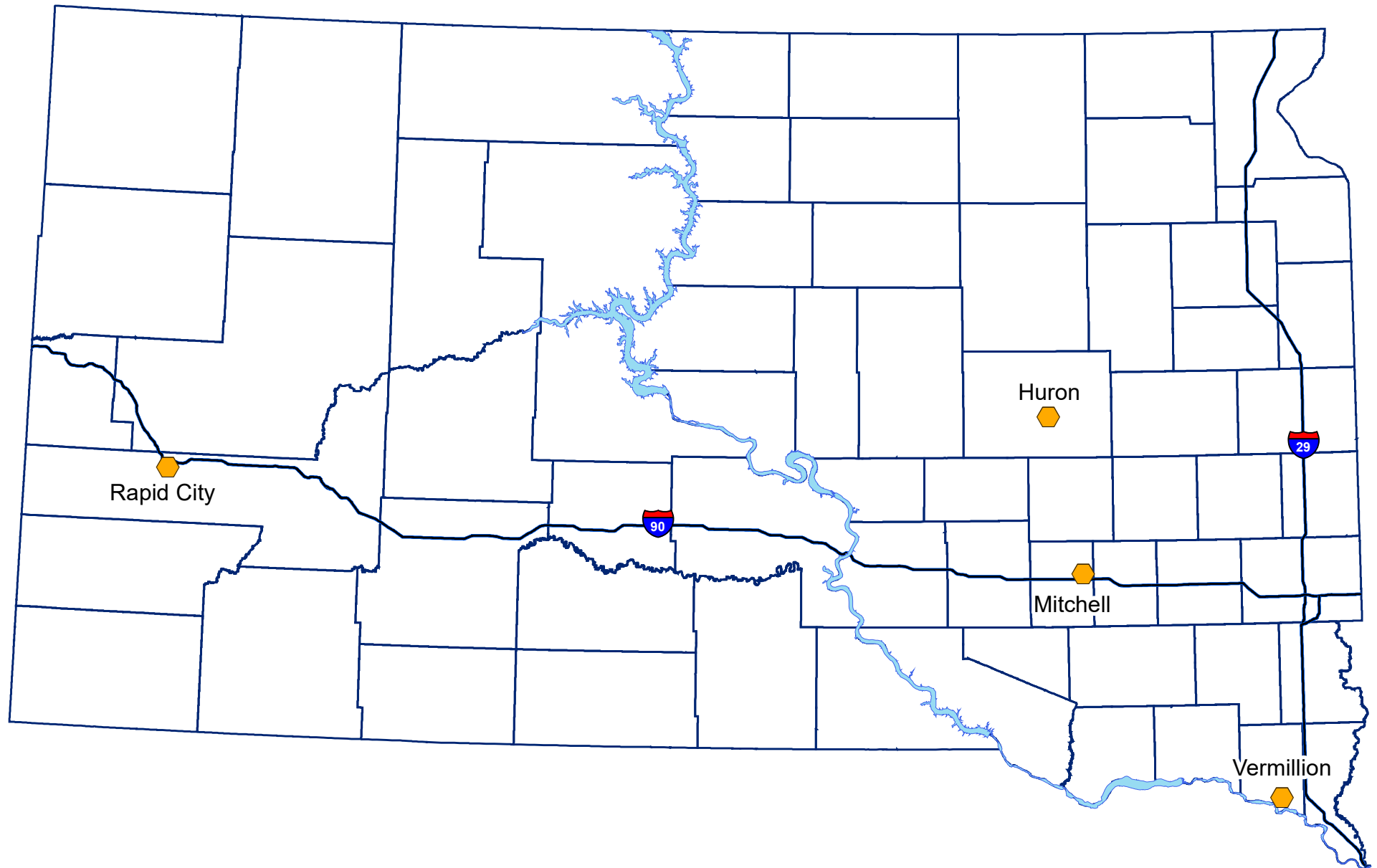
- 1) The city is seeking financial assistance for a new baler for their Recycling and Solid Waste Facility.
- 2) Loan funds were not requested and they will use local cash to fund the rest of the purchase.

Funding Recommendation: Award a Solid Waste Management Program grant at 30.2% of eligible costs not to exceed \$300,000.

Debt Service Coverage: N/A

Solid Waste Management Program Funding Applications

March 2023



**SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: Mitchell

Total Project Cost: \$2,680,000

BWNR Funding Assistance Requested: \$1,340,000

Rate/Term: N/A

Security Pledged For Repayment Of Loan: N/A

Staff Analysis

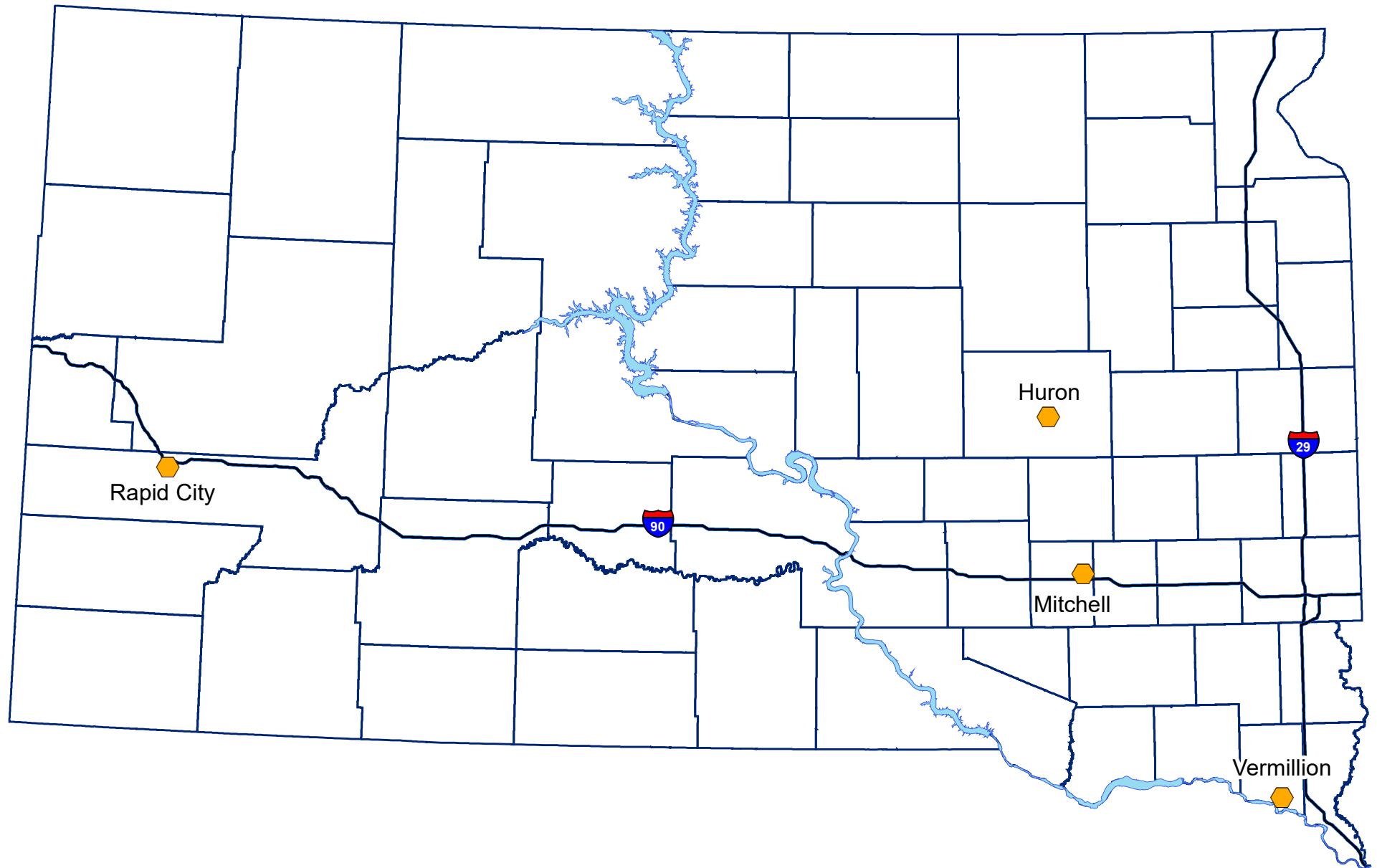
- 1) The city is seeking financial assistance for the construction of a 12,500 square foot building to be used for a recycling transfer station.
- 2) Loan funds were not requested and they will use local cash to fund the rest of the project.

Funding Recommendation: Award a Solid Waste Management Program grant at 37.4 percent of eligible costs not to exceed \$1,000,000

Debt Service Coverage: N/A

Solid Waste Management Program Funding Applications

March 2023



SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Rapid City

Total Project Cost: \$12,000,000

BWNR Funding Assistance Requested: \$11,900,000

Rate/Term: 3.00% / 20 Years

Security Pledged For Repayment Of Loan: Solid Waste Revenues

Staff Analysis

- 1) Current residential collection rates are \$23.83 per month for a 65-gallon container and \$23.68 per month for a 95-gallon container. Mixed waste disposal fees are \$63.00 per 1,000 tons.

Funding Recommendation: Award an \$11,300,000 Clean Water SRF loan at 3.00% for 20 years and award a Solid Waste Management program grant at 5% of eligible costs, not to exceed \$600,000.

Debt Service Coverage: 362% based on Solid Waste revenues.

Loan Contingencies:

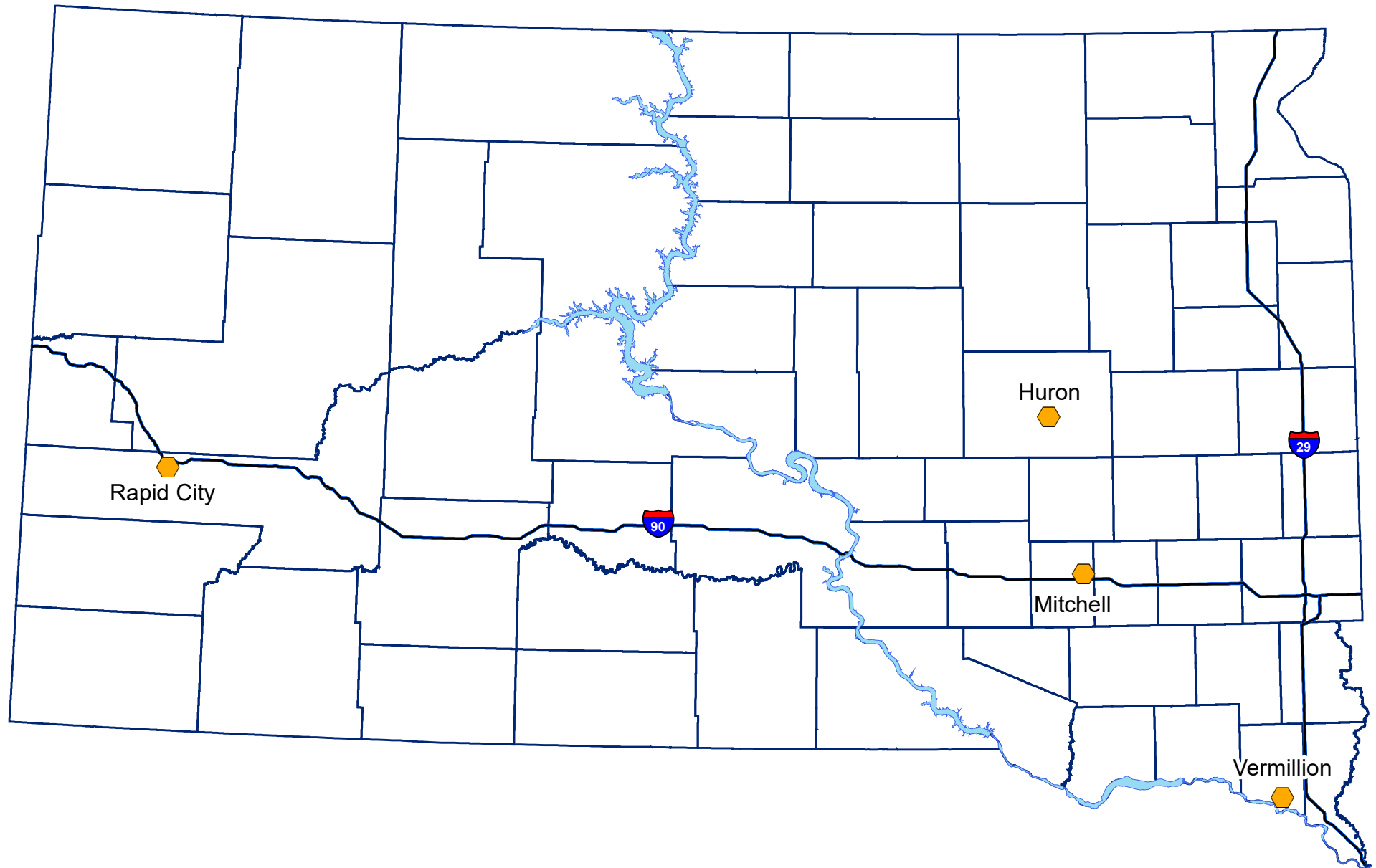
- 1) Contingent upon the Borrower adopting a bond resolution and the resolution becoming effective.

Grant Special Condition:

- 1) Grant funds for reimbursement of project costs must be drawn concurrently with the Clean Water SRF loan funds.

Solid Waste Management Program Funding Applications

March 2023



SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Vermillion

Total Project Cost: \$1,304,000

BWNR Funding Assistance Requested: \$260,800

Rate/Term: N/A

Security Pledged For Repayment Of Loan: N/A

Staff Analysis

- 1) The city is seeking additional financial assistance for the construction of a new leachate pond.
- 2) In January 2023, the city received a \$1,043,200 Clean Water SRF loan to fund a portion of the project.

Funding Recommendation: Award a Solid Waste Management Program grant for up to 20% of eligible costs not to exceed \$260,800.

Debt Service Coverage: N/A

March 2023

Dedicated Solid Waste Management Fees

Solid Waste Management Program (SWMP)

Available Prior Year Funds (5-Jan-2023):	\$	162,163
2023 Omnibus Appropriation:	\$	2,450,000
Reversions:	\$	17,498
Available for Award:	\$	2,629,661
Recommended:	\$	(2,160,800)
Balance:	\$	468,861

WESSINGTON SPRINGS COLLEGE AVENUE FUNDING AMENDMENT REQUESTS FINANCIAL ANALYSIS SUMMARY

APPLICANT: Wessington Springs

	Drinking Water	Wastewater
New Total Project Cost:	\$979,000	\$444,700
Additional Funding Requested:	\$300,000	\$122,000
Rate/Term:	1.625% / 30 years	2.125% / 30 years
Security Pledged For Repayment Of Loan:	Project Surcharge	Project Surcharge

Staff Analysis

- 1) The original drinking water portion of the project was awarded a \$341,075 DWSRF loan and a \$337,925 ARPA grant in April 2022. The amendment request is for an additional \$300,000 for drinking water work.
- 2) At the recommended level of loan funding for the new total DWSRF loan, the city will have to establish a surcharge of approximately \$5.35 per month. Along with the recommended surcharge for the amended request for the 2nd Avenue project, this would bring overall drinking water rates to \$55.40 per 5,000 gallon usage.
- 3) The original wastewater water portion of the project was awarded a \$43,974 Consolidated loan and a \$278,726 ARPA grant in April 2022. The amendment request is for an additional \$122,000 for wastewater work.
- 4) At the recommended level of loan funding for the new CWSRF loan, the city will have to establish a surcharge of approximately \$1.50 per month. Along with the recommended surcharge for the amended request for the 2nd Avenue project, this would bring overall wastewater rates to \$33.80 per 5,000 gallon usage.

Funding Recommendation: Rescind resolution number 2022-237 and award a \$641,075 Drinking Water SRF loan at 1.625% for 30 years.
Rescind resolution 2022-240 and award a \$165,974 Clean Water SRF loan at 2.125% for 30 years.

Debt Service Coverage: 110% based on a \$5.35 surcharge for the Drinking Water funding package.
110% based on a \$1.50 surcharge for the Clean Water funding package.

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.

WESSINGTON SPRINGS SECOND AVENUE AMENDED FUNDING REQUESTS FINANCIAL ANALYSIS SUMMARY

APPLICANT: Wessington Springs

	Drinking Water	Wastewater
New Total Project Cost:	\$924,238	\$683,000
Additional Funding Requested:	\$151,000	\$76,613
Rate/Term:	1.625% / 30 years	2.125% / 30 years
Security Pledged For Repayment Of Loan:	Project Surcharge	Project Surcharge

Staff Analysis

- 1) The original drinking water portion of the project was awarded no loan and a \$180,883 ARPA grant in April 2022. The amendment request is for an additional \$151,000 for drinking water work.
- 2) At the recommended level of loan funding for the new total DWSRF loan, the city will have to establish a surcharge of approximately \$1.30 per month. Along with the recommended surcharge for the amended request for the College Avenue project, this would bring overall drinking water rates to \$55.40 per 5,000 gallon usage.
- 3) The original wastewater water portion of the project was awarded a \$176,387 CWSRF loan in April 2022. The amendment request is for an additional \$76,613 for wastewater work.
- 4) At the recommended level of loan funding for the new CWSRF loan, the city will have to establish a surcharge of approximately \$2.30 per month. Along with the recommended surcharge for the amended request for the College Avenue project, this would bring overall wastewater rates to \$33.80 per 5,000 gallon usage.

Funding Recommendation: Award a \$151,000 Drinking Water SRF loan at 1.625% for 30 years.

Rescind resolution 2022-241 and award a \$253,000 Clean Water SRF loan at 2.125% for 30 years.

Debt Service Coverage: 110% based on a \$1.30 surcharge for the Drinking Water funding package.

110% based on a \$2.30 surcharge for the Clean Water funding package.

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.

SB 17 - An Act to make appropriations for water and environmental purposes and to declare an emergency.

SB 20 - An Act to authorize the awarding of deobligated grants in accordance with policies of the Board of Water and Natural Resources.

B 152 - An Act to provide increased funding for the water and environment fund.

SB 156 - An Act to make an appropriation of American Rescue Plan Act monies for preconstruction activities of water resources in western South Dakota and to declare an emergency.

SB 184 - An Act to make an appropriation of American Rescue Plan Act monies for preconstruction activities of regional water system projects and to declare an emergency.

HB 1058 - An Act to revise the water resources projects list.

SB 83 - An Act to revise provisions regarding water development districts.

SB 143 - An Act to raise the revenue threshold for a required audit of a water development district.

SB 195 - An Act to authorize the redistricting of water development district director areas by the district's board of directors.