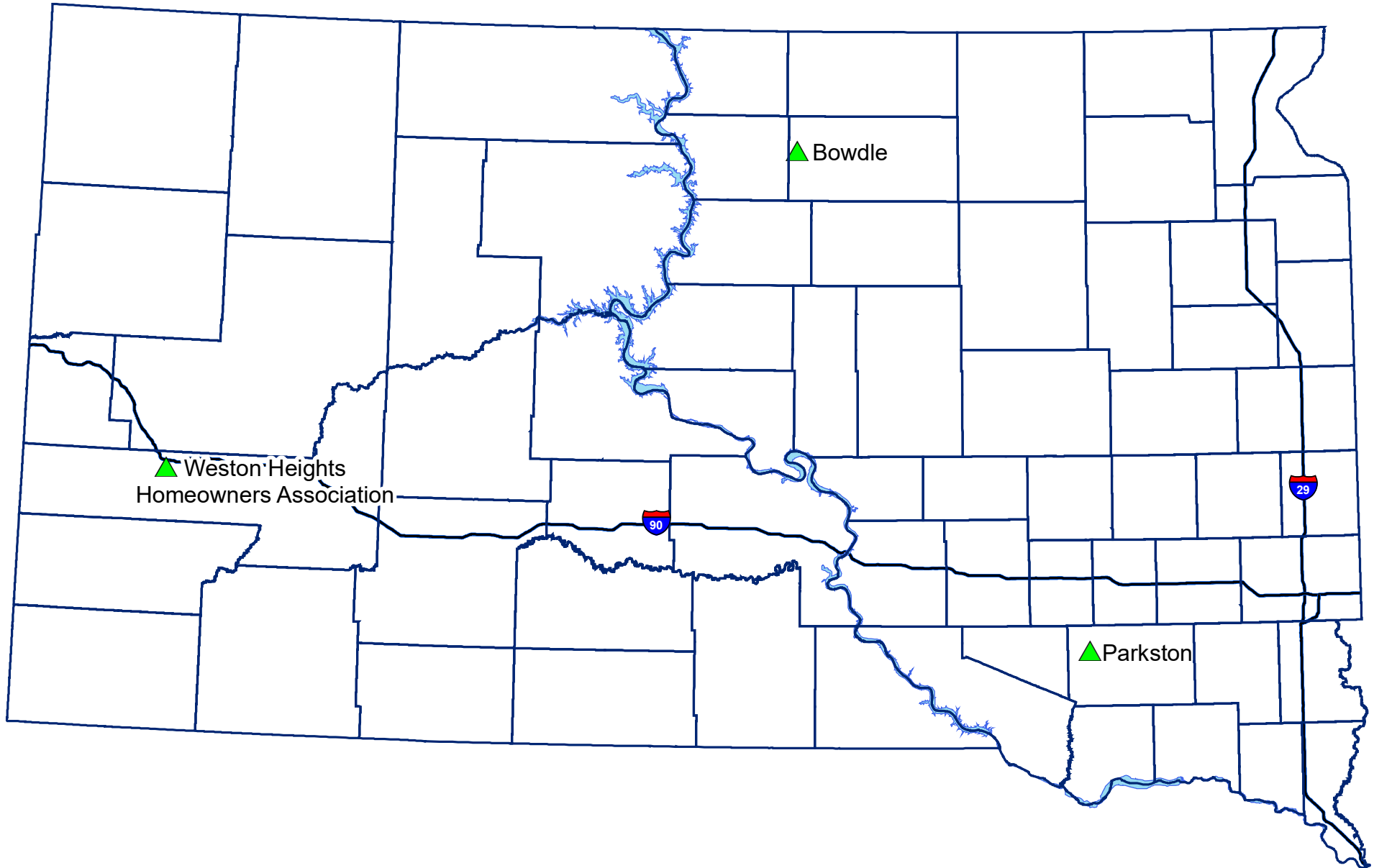


# State Water Plan Applications

## September 2023



## State Water Facilities Plan Applicants

<b>Project Sponsor</b>	<b>Description</b>	<b>Projected State Funding (\$)</b>	<b>Recommendation</b>
Bowdle	Rehabilitation and Repairs for Sewer System	\$405,000	Place on Facilities Plan
Parkston	Parkston First Street Utilities	\$2,963,362	Place on Facilities Plan
Weston Heights Homeowners Association	New Spheroid Water Storage Tank (Revised Project Scope)	\$4,834,650	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:

<b>Priority Points</b>	<b>Loan Recipient</b>	<b>Estimated Loan Amount</b>	<b>Expected Loan Rate &amp; Term</b>
9	Parkston	\$1,791,919	3.25%, 30 years
7	Bowdle	\$1,988,133	2.125%, 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:

<b>Priority Points</b>	<b>Loan Recipient</b>	<b>Estimated Loan Amount</b>	<b>Expected Loan Rate &amp; Term</b>
18	Weston Heights Homeowners Association	\$1,544,300	2.125%, 30 years
5	Parkston	\$563,357	3.25%, 30 years

## September 2023 Available Funds Summary

### AMERICAN RESCUE PLAN ACT (ARPA) GRANTS

2022 Appropriation:	\$	600,000,000
Reversions:	\$	28,910,052
Awarded to Date:	\$	(620,813,388)
Available for Award:	\$	<u>8,096,663.62</u>

### CONSOLIDATED WATER FACILITIES CONSTRUCTION PROGRAM

Available Funds:	\$	1,024,686
Reversions:	\$	93,000
Available for Award:	\$	<u>1,117,686</u>

### DRINKING WATER SRF WATER CONSTRUCTION GRANTS

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

### CLEAN WATER SRF WATER QUALITY GRANTS

Available Funds:	\$	4,311
2023 IUP Allocation:	\$	2,200,000
Reversions:	\$	-
Awarded to Date:	\$	(1,935,743)
Available for Award:	\$	<u>268,568</u>

## September 2023

### Available Funds Summary

#### DRINKING WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Allocations:	\$	45,328,660
FFY-23 Maximum Allocation:	\$	691,320
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(45,626,042)
Available For Award:	\$	<b>393,938</b>
Princ. Forg. for Disadvantaged Communities:	\$	22,375,700
FFY-23 Maximum Allocation:	\$	1,728,300
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(22,128,250)
Available For Award:	\$	<b>1,975,750</b>
BIL Supplemental PF for Disadvantaged Communities:	\$	8,816,080
FFY-23 Maximum Allocation:	\$	10,316,950
Reverted Principal Forgiveness:	\$	1,462,000
Awarded to Date:	\$	(14,197,636)
Available For Award:	\$	<b>6,397,394</b>
BIL Emerging Contaminants Principal Forgiveness:	\$	8,014,000
FFY-23 Maximum Allocation:	\$	7,640,000
FFY-23 Transfer from CWSRF Allocation:	\$	1,043,000
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(7,895,000)
Available For Award:	\$	<b>8,802,000</b>
BIL Lead Service Line PF for Disadvantaged Communities:	\$	490,000
FFY-23 Maximum Allocation:	\$	14,038,500
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(490,000)
Available For Award:	\$	<b>14,038,500</b>

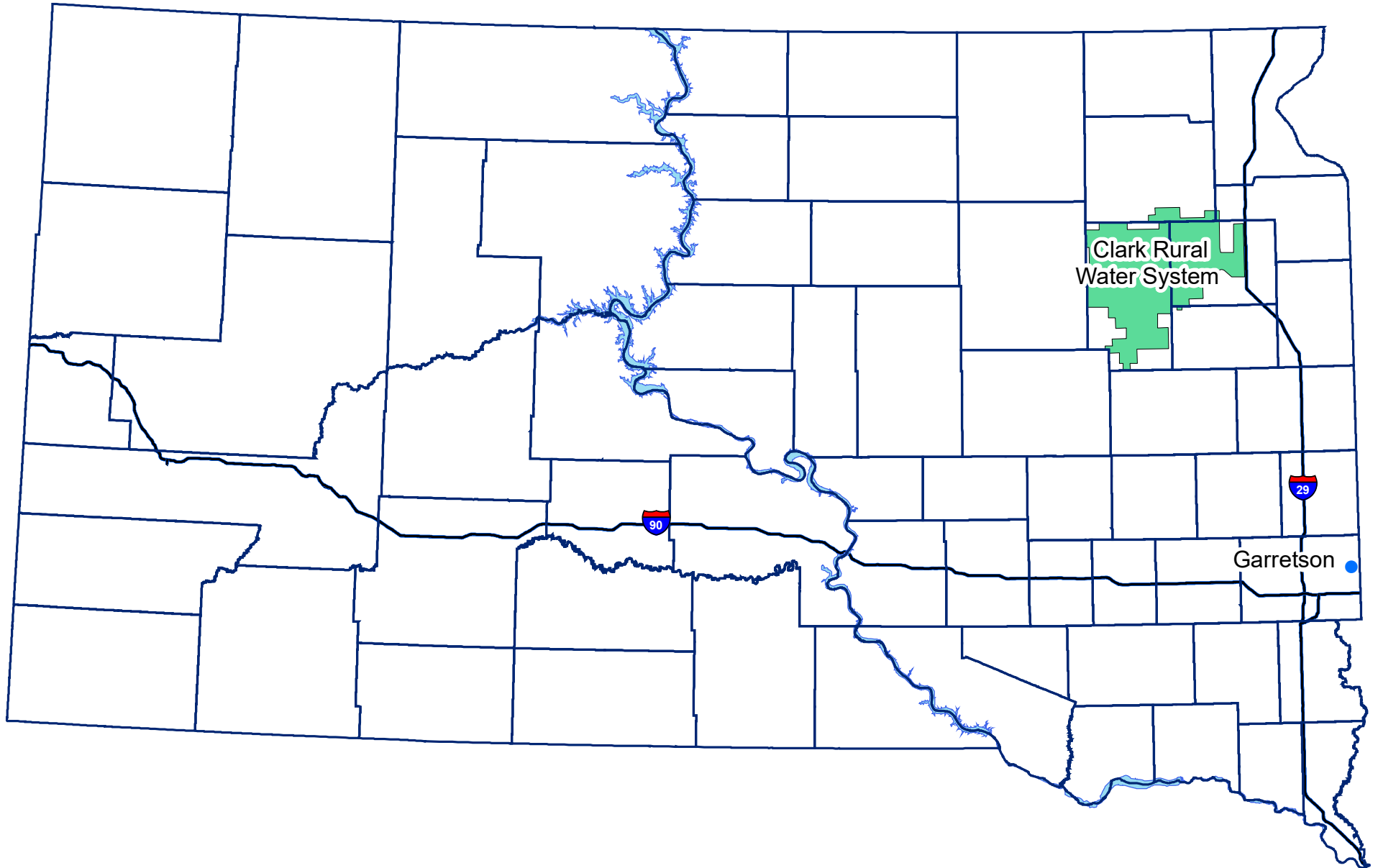
## September 2023

### Available Funds Summary

#### CLEAN WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Allocations:	\$	30,703,676
FFY-23 Maximum Allocation:	\$	1,473,200
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(30,703,676)
Available For Award:	\$	<b>1,473,200</b>
BIL Supplemental PF for Disadvantaged Communities:	\$	4,281,620
FFY-23 Maximum Allocation:	\$	5,014,170
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(7,151,900)
Available For Award:	\$	<b>2,143,890</b>
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 September 2023



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

**APPLICANT:** Clark Rural Water System DW-03

<b>Total Project Cost:</b>	\$ 610,000
<b>BWNR Funding Assistance Requested:</b>	\$ 610,000
<b>Rate/Term:</b>	2.75% / 30 Years
<b>Security Pledged For Repayment Of Loan:</b>	System Revenue

### **Staff Analysis**

- 1) If all funding is provided as loan, CRWS would have 214% coverage based on the current rate of \$64.50 for 7,000 gallons usage.
- 2) This project will only benefit Raymond and all debt associated will be repaid by those 38 customers. If funding was provided as all loan Raymond users would be charged \$77.00 for debt plus an additional \$60.00 per 5,000 gallons.
- 3) At the recommended funding level Raymond users will be assessed a charge of \$14.80 per month for debt, with \$60.00 per month for 5,000 gallons, bringing total rates to \$74.80.

**Funding Recommendation:** Award a \$610,000 Drinking Water SRF loan, at 2.75% for 30 years with 79.6% as principal forgiveness not to exceed \$485,000.

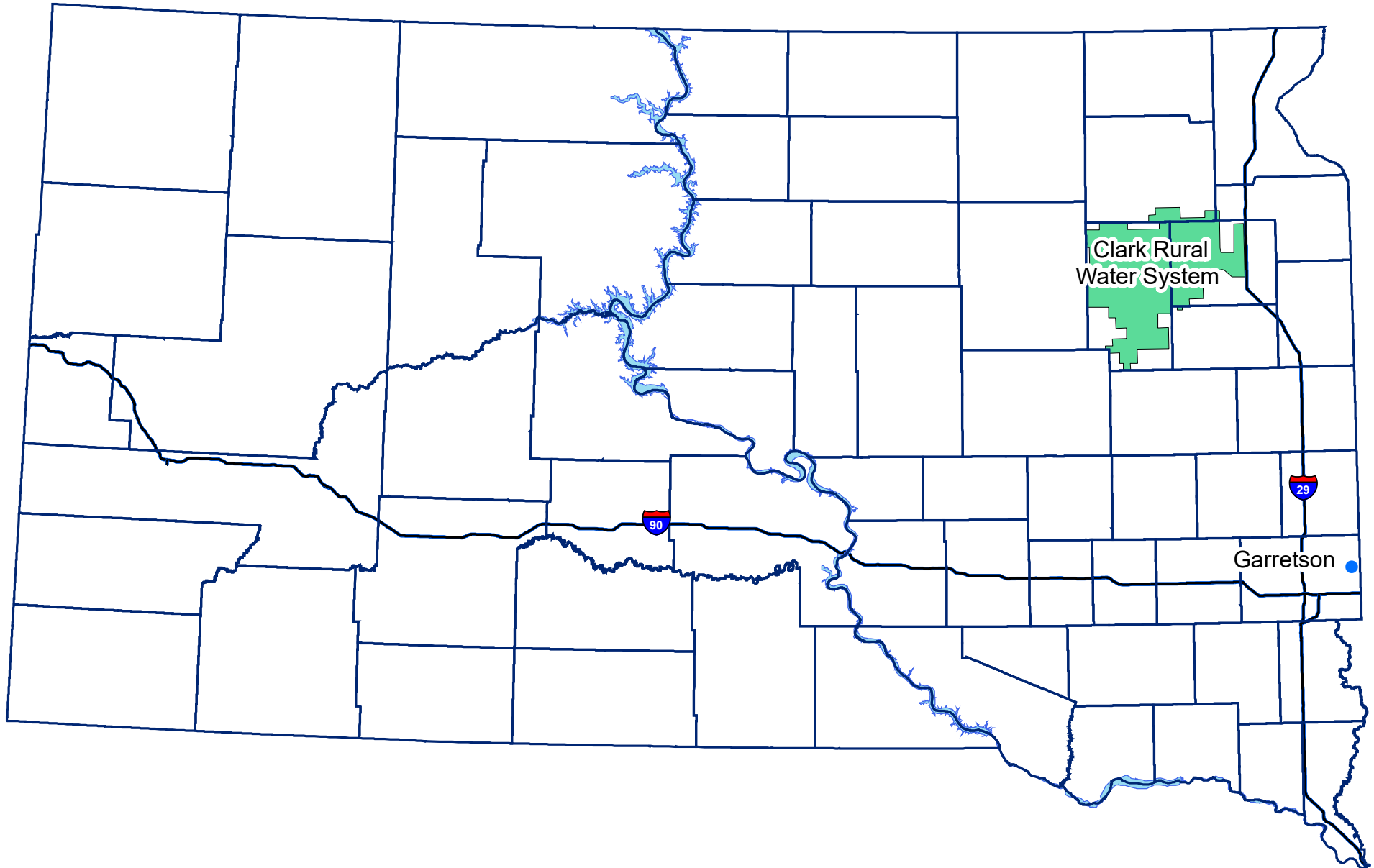
**Debt Service Coverage:** 214% based on current rates of \$64.50 per 7,000 gallons.

### **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 an Intercreditor Agreement being approved and executed by Cobank, Clark Rural Water System and the District.



# Drinking Water Funding Applications September 2023



## FINANCIAL ANALYSIS SUMMARY

**APPLICANT:** Garretson DW-04

<b>Total Project Cost:</b>	\$2,394,000
<b>BWNR Funding Assistance Requested:</b>	\$2,394,000
<b>Rate/Term:</b>	3.0% / 30 years
<b>Security Pledged For Repayment Of Loan:</b>	Project Surcharge

### Staff Analysis

- 1) Current rates in Garretson are \$64.60 per 5,000 gallons. If funding is provided as all loan, the city will have to establish a surcharge of approximately \$21.20 per month.
- 2) At the recommended level of loan funding, Garretson will need to establish a surcharge of approximately \$10.00 per month. Staff analysis indicates that Garretson can restructure rates to stay at current rates of \$64.60.

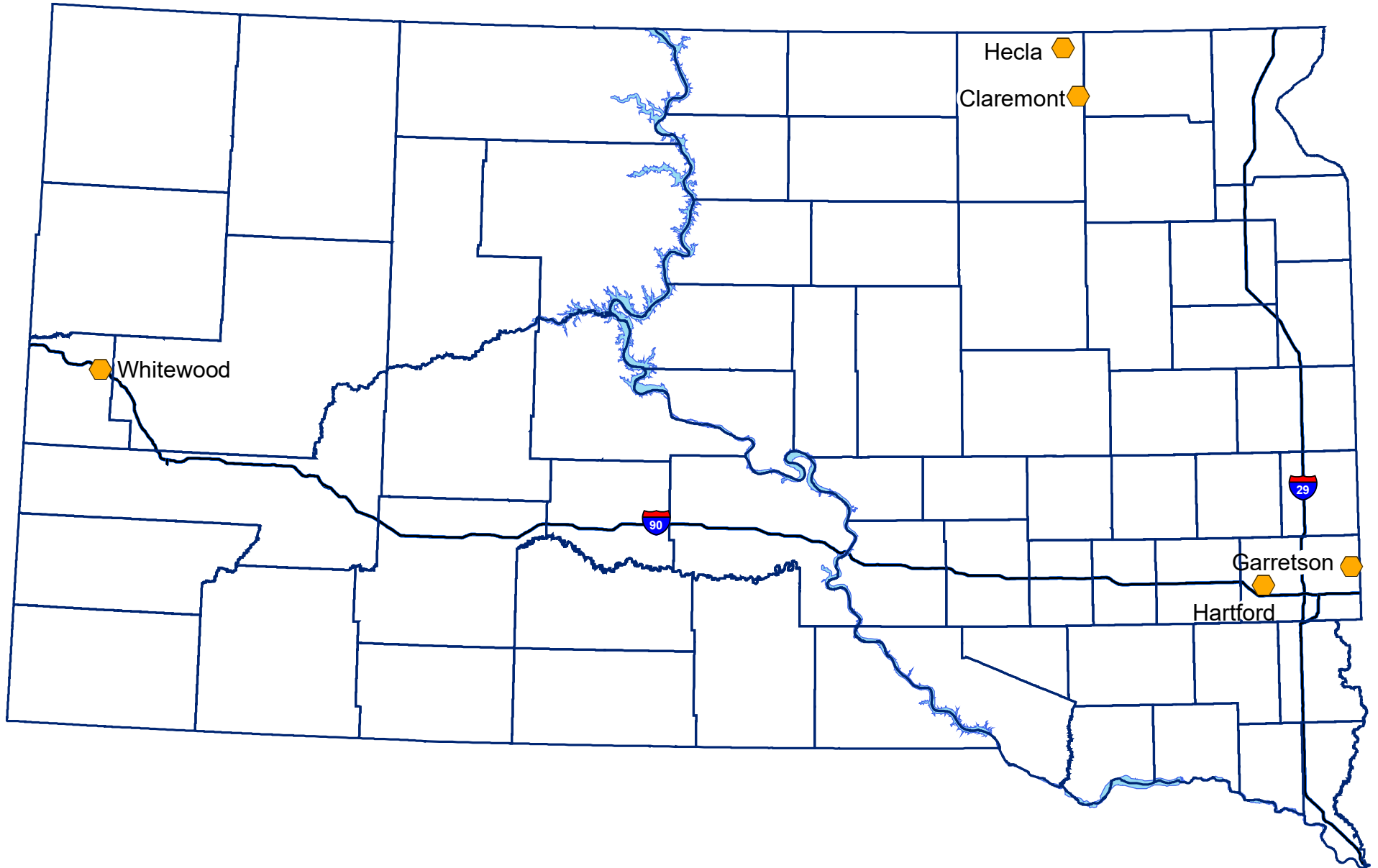
**Funding Recommendation:** Award a \$2,394,000 Drinking Water SRF loan at 3.0% for 30 years with 52.8% principal forgiveness not to exceed \$1,264,000.

**Debt Service Coverage:** 110% based on a \$10.00 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 September 2023



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

**APPLICANT:** Whitewood CW-03

<b>Total Project Cost:</b>	\$4,150,000
<b>BWNR Funding Assistance Requested:</b>	\$4,150,000
<b>Rate/Term:</b>	3.25%/30 Years
<b>Security Pledged For Repayment Of Loan:</b>	Project Surcharge

**Staff Analysis**

- 1) Current rates are \$30.00 per 5,000 gallons. If funding was provided as all loan, a surcharge of \$42.75 would be needed to meet the required debt coverage, which would bring overall rates to \$72.75/5,000 gallons.
- 2) At the recommended funding level a surcharge of \$30.00 will be required, which will bring overall rates to \$60.00 per 5,000 gallons.

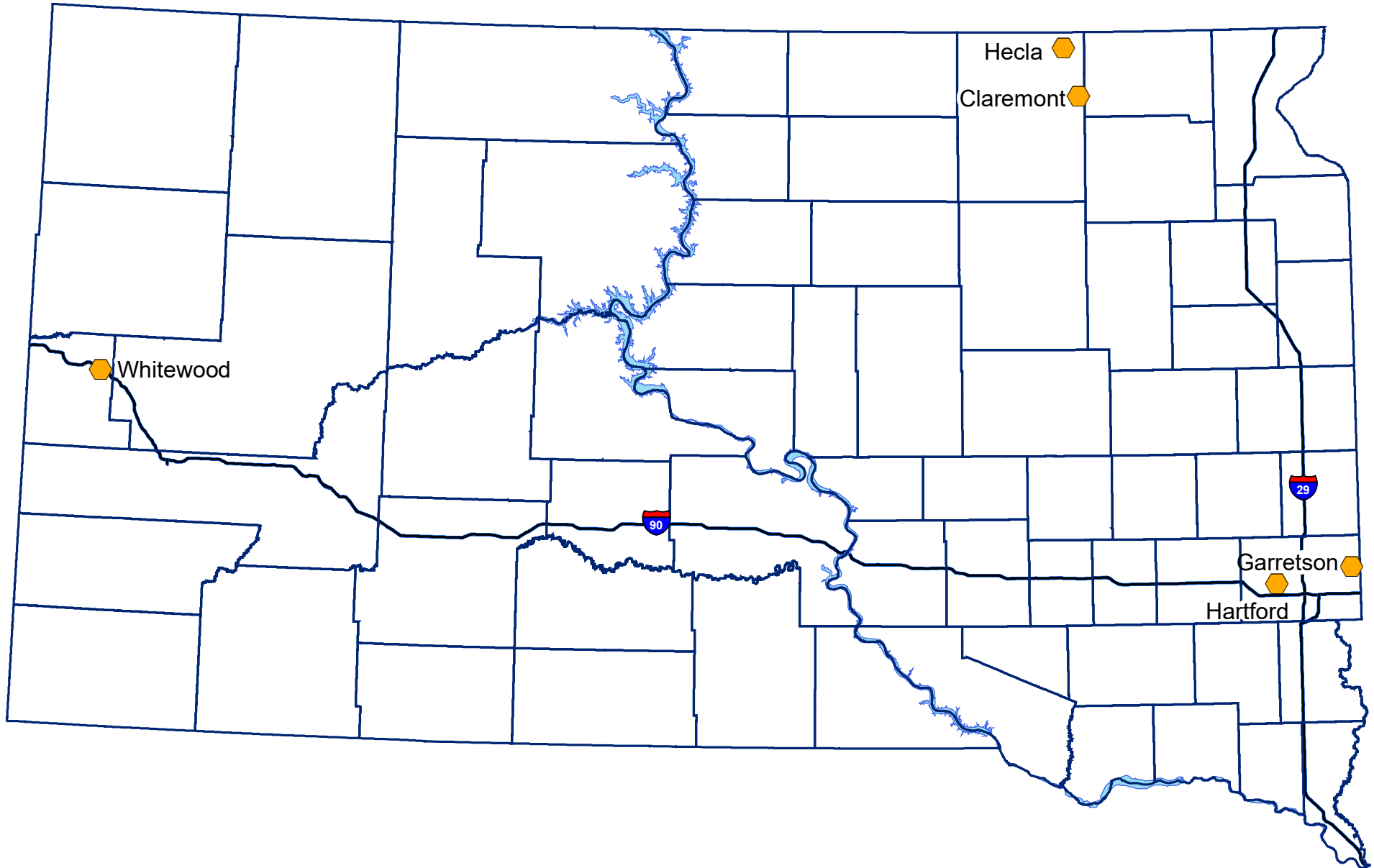
**Funding Recommendation:** Award a \$4,150,000 Clean Water SRF loan at 3.25% for 30 years with principal forgiveness of 29.8% not to exceed \$1,235,000.

**Debt Service Coverage:** 110% based on a surcharge of \$30.00

**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.

# Sanitary/Sewer Funding Applications September 2023



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

**APPLICANT:** Hartford CW-09

**Total Project Cost:** \$ 23,448,791

**BWNR Funding Assistance Requested:** \$ 5,750,000

**Rate/Term:** 3.25% / 30 years

**Security Pledged For Repayment Of Loan:** Project Surcharge

### **Staff Analysis**

- 1) Current rates are at \$73.09 per 5,000 gallons. If funding is provided as all loan, the city will have to establish a surcharge of approximately \$23.40 per month. If applied to the base rate this will increase total rates to \$96.49.

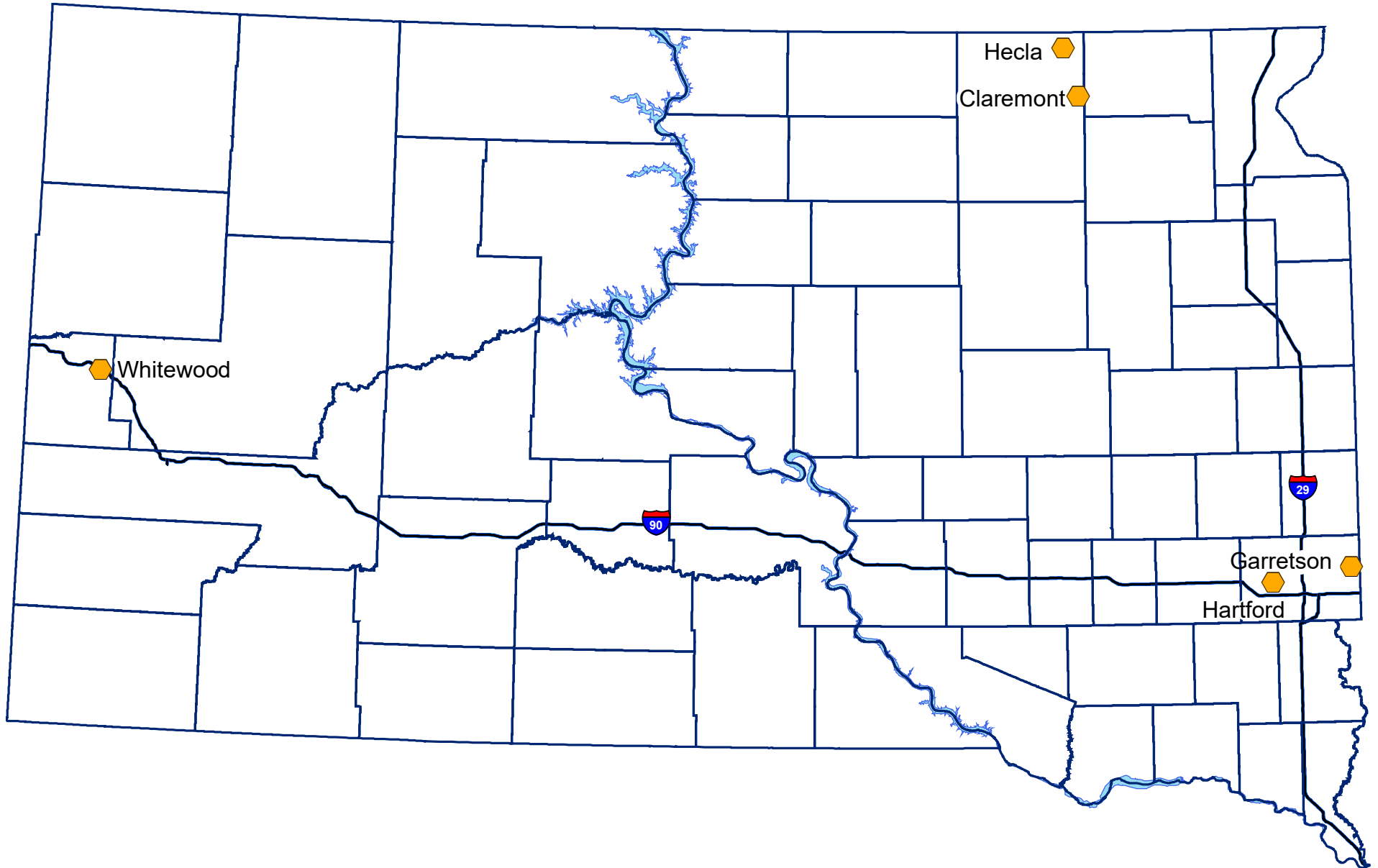
**Funding Recommendation:** Award a \$5,750,000 Clean Water SRF loan at 3.25% for 30 years.

**Debt Service Coverage:** 110% coverage based on a \$23.40 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 September 2023



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

**APPLICANT:** Hecla CW-02

<b>Total Project Cost:</b>	\$ 4,000,000
<b>BWNR Funding Assistance Requested:</b>	\$ 4,000,000
<b>Rate/Term:</b>	3.25% / 30 years
<b>Security Pledged For Repayment Of Loan:</b>	Project Surcharge

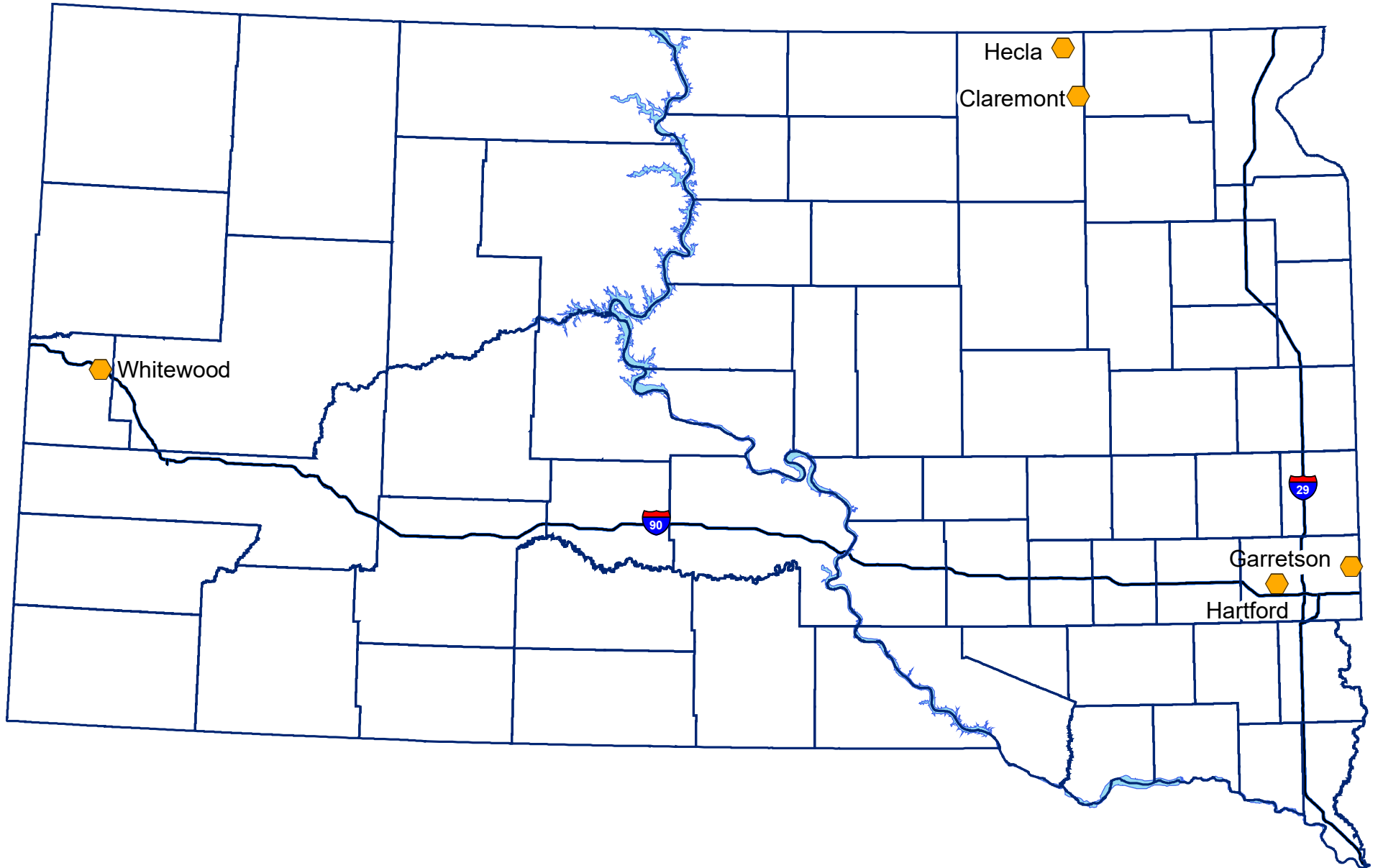
**Staff Analysis**

- 1) The City of Hecla proposes a Wastewater Collection System Improvements project. The city requested funding for \$4,000,000, staff's analysis indicates that if provided as all loan rates would have to increase to approximately \$150 per user.
- 2) Due to the project and limited ability for loan repayment staff has discussed with Hecla the need to reduce the scope of the project as proposed. Hecla will submit updated information for staff to present at the January 2024 meeting.

**Funding Recommendation:** DEFER



# Sanitary/Sewer Funding Applications September 2023



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

**APPLICANT:** Garretson CW-05

**Total Project Cost:** \$2,593,000

**BWNR Funding Assistance Requested:** \$2,593,000

**Rate/Term:** 3.25% / 30 Years

**Security Pledged For Repayment Of Loan:** Project Surcharge

### **Staff Analysis**

- 1) Current wastewater rates in Garretson are \$64.45 per 5,000 gallons. If funding is provided as all loan, the city will have to establish a surcharge of approximately \$25.00 per month.
- 2) Staff Analysis indicates that at the recommended funding level Garretson could restructure their rate and stay at the current rate of \$64.45.

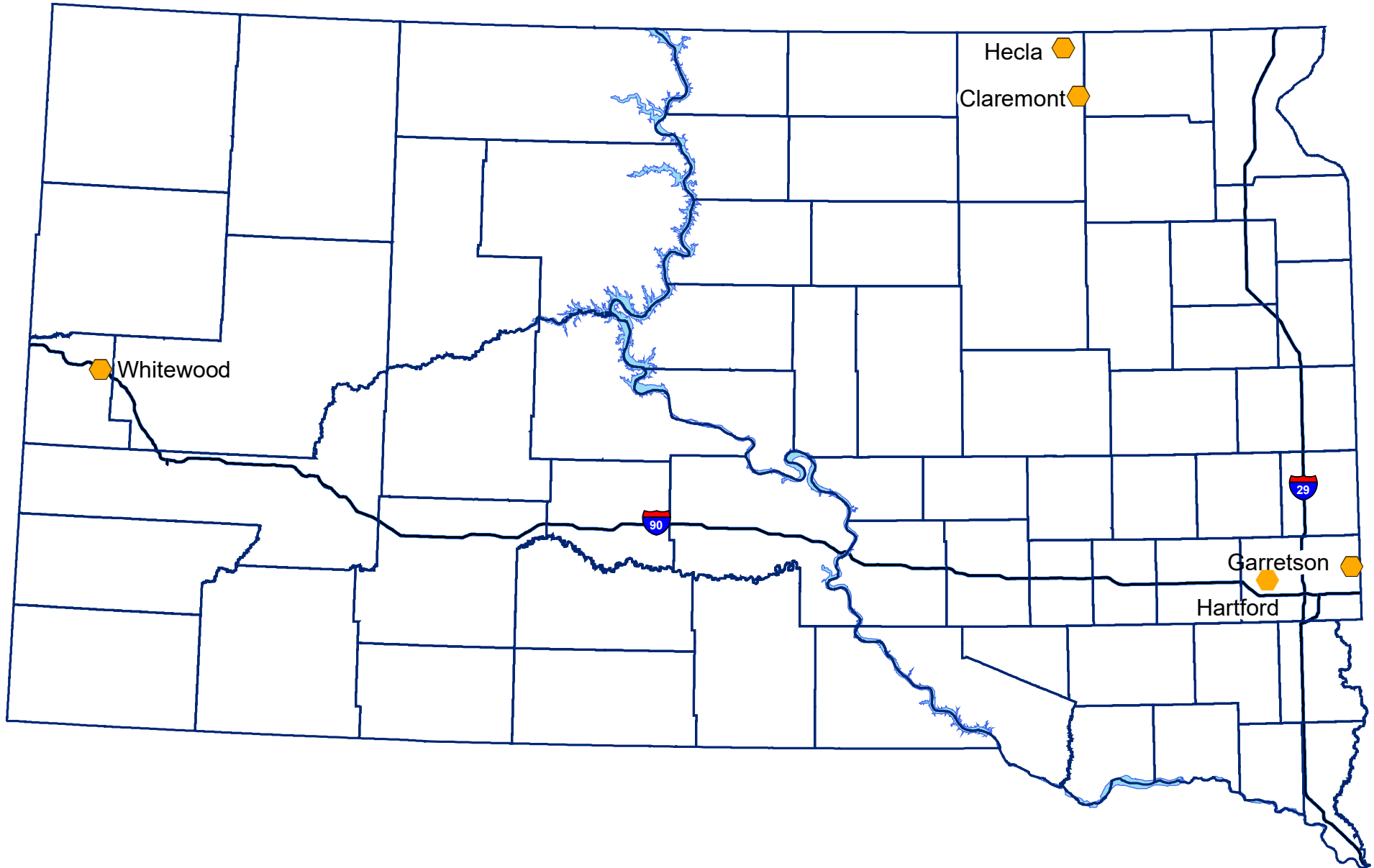
**Funding Recommendation:** Award a \$2,593,000 Clean Water SRF loan at 3.25% for 30 years.

**Debt Service Coverage:** 110% based on a \$25.00 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 September 2023



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

**APPLICANT:** Claremont CW-03

<b>Total Project Cost:</b>	\$505,000
<b>BWNR Funding Assistance Requested:</b>	\$505,000
<b>Rate/Term:</b>	3.25%/30 Years
<b>Security Pledged For Repayment Of Loan:</b>	Project Surcharge

**Staff Analysis**

- 1) Current rates are a flat \$51.70 per month. If funding was provided as all loan, a surcharge of \$39.75 would be needed to meet the required debt coverage, which would bring overall rates to \$91.45.
- 2) At the recommended funding level a surcharge of \$15.65 would be required, which would bring overall rates to \$67.35. Staff analysis indicates Claremont can restructure their current rates to keep rates at \$60.00 per month.

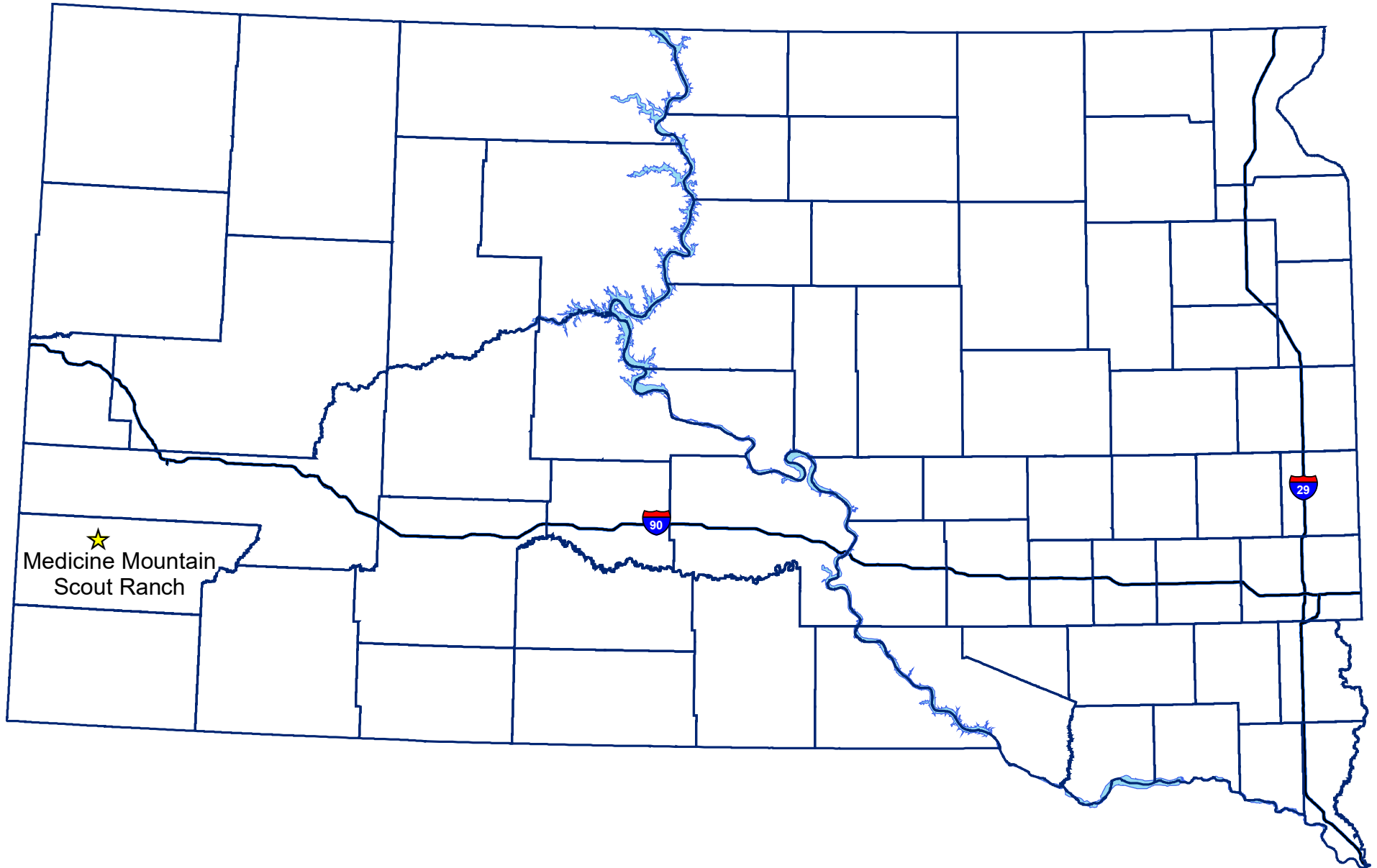
**Funding Recommendation:** Award a \$505,000 Clean Water SRF loan at 3.25% for 30 years with principal forgiveness of 60.6% not to exceed \$306,000.

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

**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.

# Small Water Facility Funding Applications September 2023



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

**APPLICANT:** Medicine Mountain Scout Ranch

<b>Total Project Cost:</b>	\$ 73,000
<b>BWNR Funding Assistance Requested:</b>	\$ 73,000
<b>Rate/Term:</b>	3.25% / 30 Years
<b>Security Pledged For Repayment Of Loan:</b>	System Revenue

### **Staff Analysis**

- 1) Medicine Mountain Scout Ranch is seeking funding for their Water Supply project. Staff's analysis indicates that the organization does not show adequate revenue currently to support a loan.

**Funding Recommendation:** Award a \$73,000 Consolidated loan at 3.25 percent for 30 years.

**Debt Service Coverage:** 100% based on required contingencies

### **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 providing financials that present adequate and consistent revenue.
- 4) Contingent upon being able to meet other contingencies within a 6-month timeframe. If the 6-month timeframe is not met, loan funds will be deobligated.

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

**APPLICANT:** Brookings Deuel Rural Water System DW-04

<b>Total Project Cost:</b>	\$ 9,910,800
<b>BWNR Funding Assistance Requested:</b>	\$ 9,910,800
<b>Rate/Term:</b>	2.125% / 30 Years
<b>Security Pledged For Repayment Of Loan:</b>	System Revenue

### **Staff Analysis**

- 1) In April of 2022, Brookings-Deuel Rural Water System was awarded a \$8,310,800 funding package that included a \$5,607,560 DWSRF loan and a \$2,703,240 ARPA Grant; however, additional funding is needed to complete the project.
- 2) If all funding is provided as loan, B-D RWS would have 110% coverage based on the current rate of \$60.50 for 7,000 gallons usage.

**Funding Recommendation:** Rescind Resolution 2022-47 and award a \$7,207,560 loan at 2.125% for 30 years.

**Debt Service Coverage:** 110% coverage at rates of \$60.50 per 7,000 gallons.

### **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 an Intercreditor Agreement being approved and executed by Rural Utilities, Cobank, Brookings-Deuel Rural Water System, and the District.

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

**APPLICANT:** Weston Heights Homeowners Association DW-01

<b>Total Project Cost:</b>	\$4,834,650
<b>BWNR Funding Assistance Requested:</b>	\$4,834,650
<b>Rate/Term:</b>	2.125%/30 yrs
<b>Security Pledged For Repayment Of Loan:</b>	System Revenue

### **Staff Analysis**

- 1) In June 2022, Weston Heights HOA was awarded a \$580,650 Drinking Water SRF loan and an ARPA grant of \$3,290,350. However, additional funding is needed to complete the new water storage tank project and for an expanded project scope.
- 2) Current rates are \$75.00 per month. At the recommended funding level, staff analysis indicates Weston Heights will not need to increase their rates.

**Funding Recommendation:** Rescind resolution 2022-408 and award a \$1,479,938 Drinking Water SRF loan at 2.125% for 30 years with 26.7% of principal forgiveness not to exceed \$393,938. In addition, award a \$64,362 Drinking Water Construction Program Grant.

**Debt Service Coverage:** 110% coverage at rates of \$75.00 per month.

### **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.



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

**APPLICANT:** Bowdle CW-01

<b>Total Project Cost:</b>	\$2,834,000
<b>BWNR Funding Assistance Requested:</b>	\$2,750,309
<b>Rate/Term:</b>	2.125% / 30 years
<b>Security Pledged For Repayment Of Loan:</b>	Surcharge

### **Staff Analysis**

- 1) In April 2022, the city was awarded a \$2,345,309 funding package that included a \$1,583,133 CWSRF loan and a \$762,176 ARPA Grant. The scope of the project has changed and additional funding is needed to complete the project.
- 2) Current rates in Bowdle are \$60.00 per month. If funding is provided as all loan, the city will have to establish a surcharge of approximately \$30 per month bringing overall rates to \$90 per month. Rates can be restructured and remain at \$60.

**Funding Recommendation:** Rescind resolution 2022-37 and award a \$1,988,133 Clean Water SRF Loan at 2.125% for 30 years, with a revised project scope. The scope of the ARPA grant 2022G-ARP-113 will also be amended for the additional scope to include a new forcemain and lift station to convey wastewater to the WWTF.

**Debt Service Coverage:** 110% based on a \$30 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.

**September 2023**  
**Remaining Available Funds Summary**

**AMERICAN RESCUE PLAN ACT (ARPA) GRANTS**

2022 Appropriation:	\$	600,000,000
Reversions:	\$	28,910,052
Awarded to Date:	\$	(620,813,388)
Available for Award:	\$	8,096,664
Recommended:	\$	-
Balance:	\$	<b>8,096,664</b>

**CONSOLIDATED WATER FACILITIES CONSTRUCTION PROGRAM**

Available Funds:	\$	1,024,686
Reversions:	\$	93,000
Available for Award:	\$	1,117,686
Recommended:	\$	(73,000)
Balance:	\$	<b>1,044,686</b>

**DRINKING WATER SRF WATER CONSTRUCTION GRANTS**

2023 IUP Allocation:	\$	2,000,000
Reversions:	\$	-
Available for Award:	\$	179,220
Recommended:	\$	(64,362)
Balance:	\$	<b>114,858</b>

**CLEAN WATER SRF WATER QUALITY GRANTS**

Available Funds:	\$	4,311
2023 IUP Allocation:	\$	2,200,000
Reversions:	\$	-
Awarded to Date:	\$	(1,935,743)
Available for Award:	\$	268,568
Recommended:	\$	-
Balance:	\$	<b>268,568</b>

## September 2023

### Remaining Available Funds Summary

#### DRINKING WATER SRF PRINCIPAL FORGIVENESS

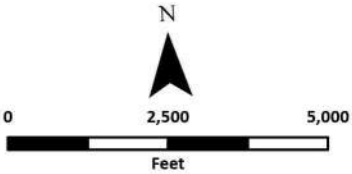
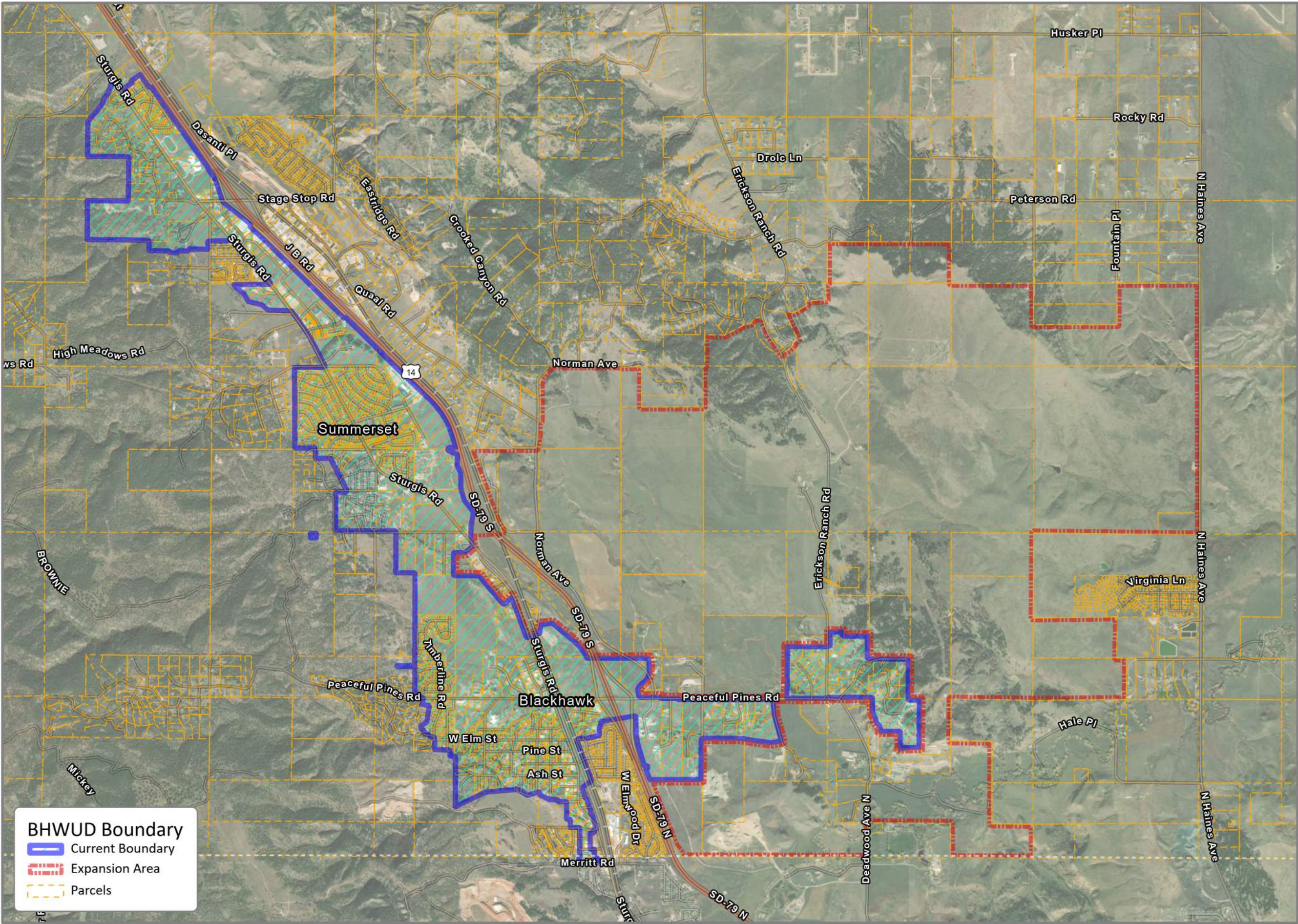
Prior Year Principal Forgiveness Allocations:	\$	45,328,660
FFY-23 Maximum Allocation:	\$	691,320
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(45,626,042)
Available For Award:	\$	393,938
Recommended:	\$	(393,938)
Balance:	\$	-
Princ. Forg. for Disadvantaged Communities:	\$	22,375,700
FFY-23 Maximum Allocation:	\$	1,728,300
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(22,128,250)
Available For Award:	\$	1,975,750
Recommended:	\$	-
Balance:	\$	1,975,750
BIL Supplemental PF for Disadvantaged Communities:	\$	8,816,080
FFY-23 Maximum Allocation:	\$	10,316,950
Reverted Principal Forgiveness:	\$	1,462,000
Awarded to Date:	\$	(14,197,636)
Available For Award:	\$	6,397,394
Recommended:	\$	(1,749,000)
Balance:	\$	4,648,394
BIL Emerging Contaminants Principal Forgiveness:	\$	8,014,000
FFY-23 Maximum Allocation:	\$	7,640,000
FFY-23 Transfer from CWSRF Allocation:	\$	1,043,000
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(7,895,000)
Available For Award:	\$	8,802,000
Recommended:	\$	-
Balance:	\$	8,802,000
BIL Lead Service Line PF for Disadvantaged Communities:	\$	490,000
FFY-23 Maximum Allocation:	\$	14,038,500
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(490,000)
Available For Award:	\$	14,038,500
Recommended:	\$	-
Balance:	\$	14,038,500

**September 2023**  
**Remaining Available Funds Summary**

**CLEAN WATER SRF PRINCIPAL FORGIVENESS**

Prior Year Principal Forgiveness Allocations:	\$	30,703,676
FFY-23 Maximum Allocation:	\$	1,473,200
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	<u>(30,703,676)</u>
Available For Award:	\$	1,473,200
Recommended:	\$	<u>(1,235,000)</u>
Balance:	\$	<b>238,200</b>
BIL Supplemental PF for Disadvantaged Communities:	\$	4,281,620
FFY-23 Maximum Allocation:	\$	5,014,170
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	<u>(7,151,900)</u>
Available For Award:	\$	2,143,890
Recommended:	\$	<u>(306,000)</u>
Balance:	\$	<b>1,837,890</b>
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:	\$	<u>-</u>
Available For Award:	\$	-
Recommended:	\$	<u>-</u>
Balance:	\$	-





1 inch equals 3,000 feet



Locator Map Not to Scale

Meade County, SD

## EXPANSION AREA

BLACK HAWK WATER  
USER DISTRICT

Date: 3/30/2023





## Exhibit F

### Map of additional lands to be included

