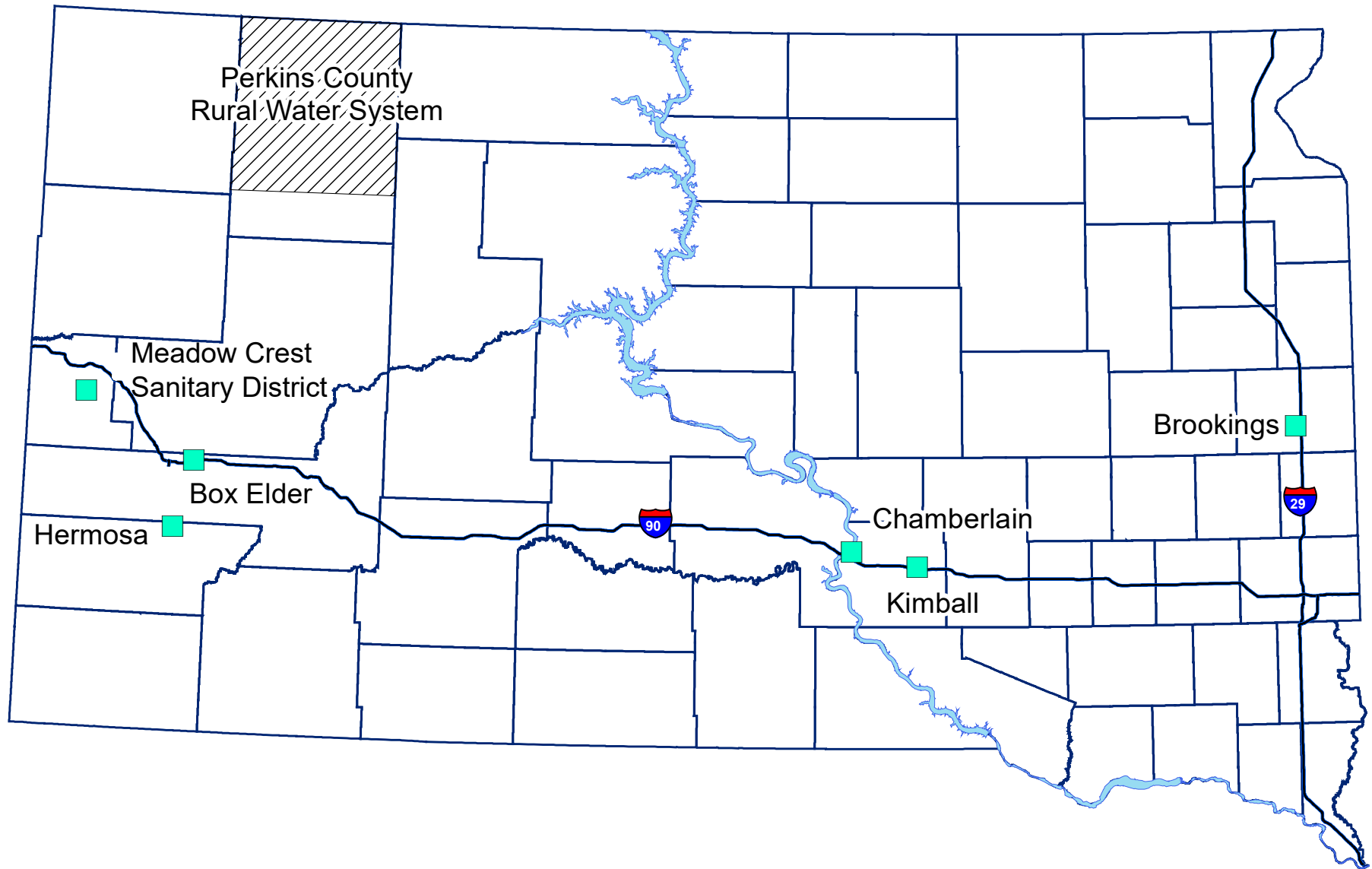


State Water Plan Funding Applications

June 2021



Staff is recommending that the following projects be placed on the State Water Facilities Plan:

- Box Elder
- Brookings
- Chamberlain
- Hermosa
- Kimball
- Meadow Crest Sanitary District
- Perkins County Rural Water System

Staff is recommending that the following projects be added to *Attachment I – Project Priority* list of the 2021 Clean Water SRF Intended Use Plan:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
10	Box Elder	\$5,800,000	2.125%, 30 years
9	Hermosa	\$3,531,727	2.125%, 30 years
8	Kimball	\$978,471	2.125%, 30 years

Staff is recommending that the following projects be added to *Attachment I – Project Priority* list of the 2021 Drinking Water SRF Intended Use Plan:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
96	Perkins County Rural Water System	\$4,106,500	1.625%, 30 years
58	Brookings	\$54,000,000	1.875%, 30 years
28	Chamberlain	\$670,000	1.875%, 30 years
17	Meadow Crest Sanitary District	\$514,000	1.875%, 30 years

June 2021

Available Funds Summary

CONSOLIDATED WATER FACILITIES CONSTRUCTION PROGRAM

Available Funds:	\$	1,437,093
Reversions:	\$	115,888
Available for Award:	\$	<u>1,552,981</u>

DRINKING WATER SRF LOANS

Available Prior Year Funds (30-Sept-2020):	\$	11,497,516
FFY-21 Cap Grant & Match:	\$	12,686,160
FFY-21 Repayments:	\$	11,200,000
Leveraged Bonds:	\$	-
Deobligations/Recissions:	\$	1,857,039
FFY-21 Awards to Date:	\$	<u>(31,478,000)</u>
Available for Award:	\$	<u>5,762,715</u>

DRINKING WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Allocations:	\$	42,793,540
FFY-21 Maximum Allocation:	\$	1,540,140
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	<u>(44,270,898)</u>
Available For Award:	\$	<u>62,782</u>
Princ. Forg. for Disadvantaged Communities:	\$	16,037,900
FFY-21 Maximum Allocation:	\$	3,850,350
Reverted Principal Forgiveness:	\$	85,371
Awarded to Date:	\$	<u>(19,530,900)</u>
Available For Award:	\$	<u>442,721</u>
Total Available for Award:	\$	<u>505,503</u>

June 2021

Available Funds Summary

CLEAN WATER SRF WATER QUALITY GRANTS

Available Funds:	\$	1,429,323
Reversions:	\$	-
2021 SCPG Allotment:	\$	(100,000)
Awarded to Date:	\$	(1,219,000)
Available for Award:	\$	110,323

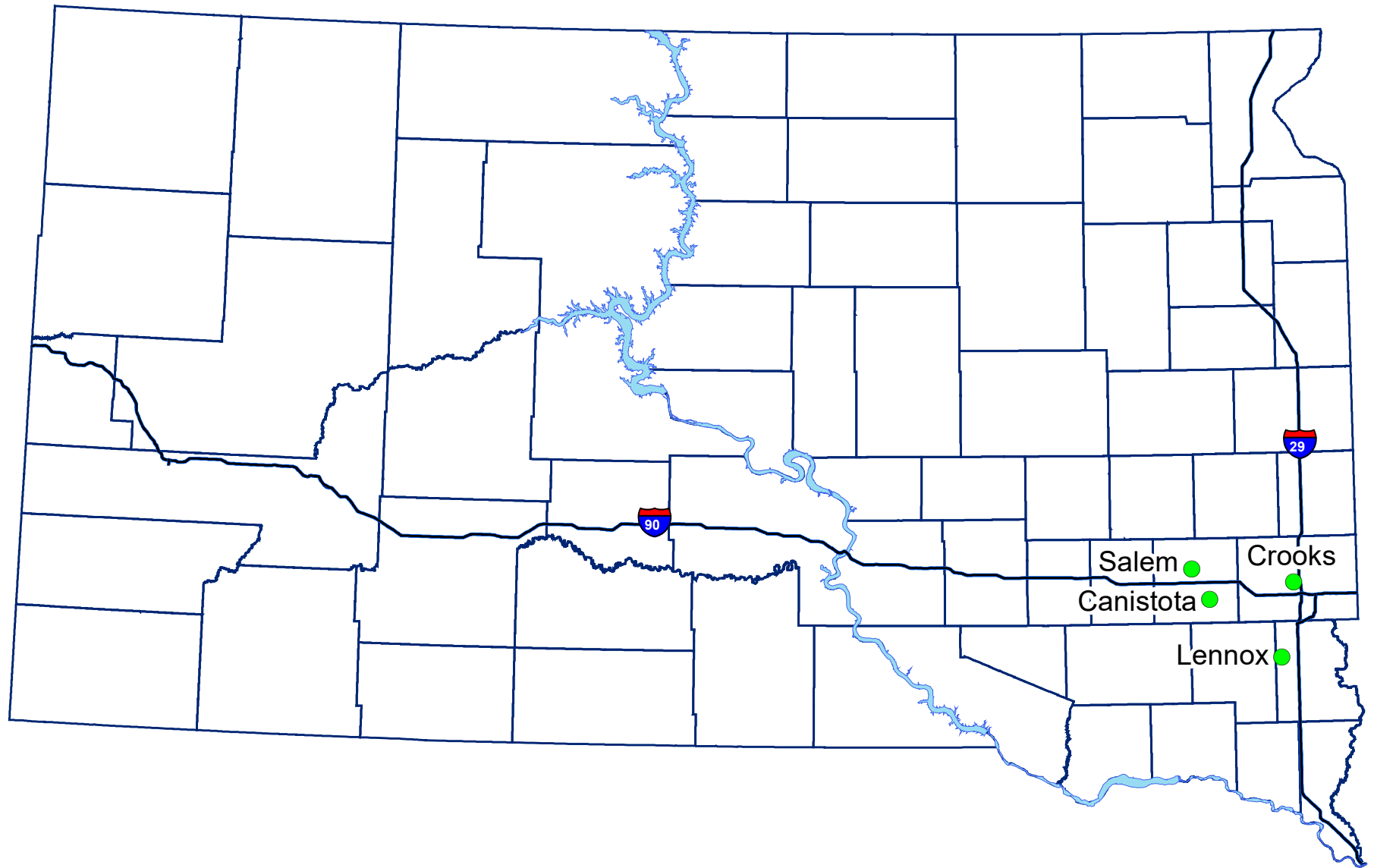
CLEAN WATER SRF LOANS

Available Prior Year Funds (30-Sept-2020):	\$	63,406,691
FFY-21 Cap Grant & Match:	\$	8,814,546
FFY-21 Repayments:	\$	6,900,000
Leveraged Bonds:	\$	-
Deobligations/Recissions:	\$	7,383,738
FFY-21 Awards to Date:	\$	(35,280,000)
Available For Award:	\$	51,224,975

CLEAN WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Allocations:	\$	25,431,899
FFY-21 Maximum Allocation:	\$	3,111,600
Reverted Principal Forgiveness:	\$	166,573
Awarded to Date:	\$	(28,575,419)
Available For Award:	\$	134,653

Sanitary/Storm Sewer Facilities Funding Applications June 2021



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

APPLICANT: Lennox CW-09

Total Project Cost:	\$2,809,000
BWNR Funding Assistance Requested:	\$2,809,000
Rate/Term:	2.125%/30 years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) If funding is provided as all loan, Lennox would have to establish a surcharge of \$11.30 per user. The current wastewater rate is \$58.92 per 5,000 gallons.
- 2) Based on the funding recommendation, Lennox will have to enact a surcharge of \$9.25 per user. Staff analysis is that Lennox can restructure its rates to cover the surcharge without raising current rates.

Funding Recommendation: Award a \$2,299,000 Clean Water State Revolving Fund loan at 2.125% for 30 years and award a \$510,000 Consolidated grant.

Debt Service Coverage: 110% with a \$9.25 per user surcharge

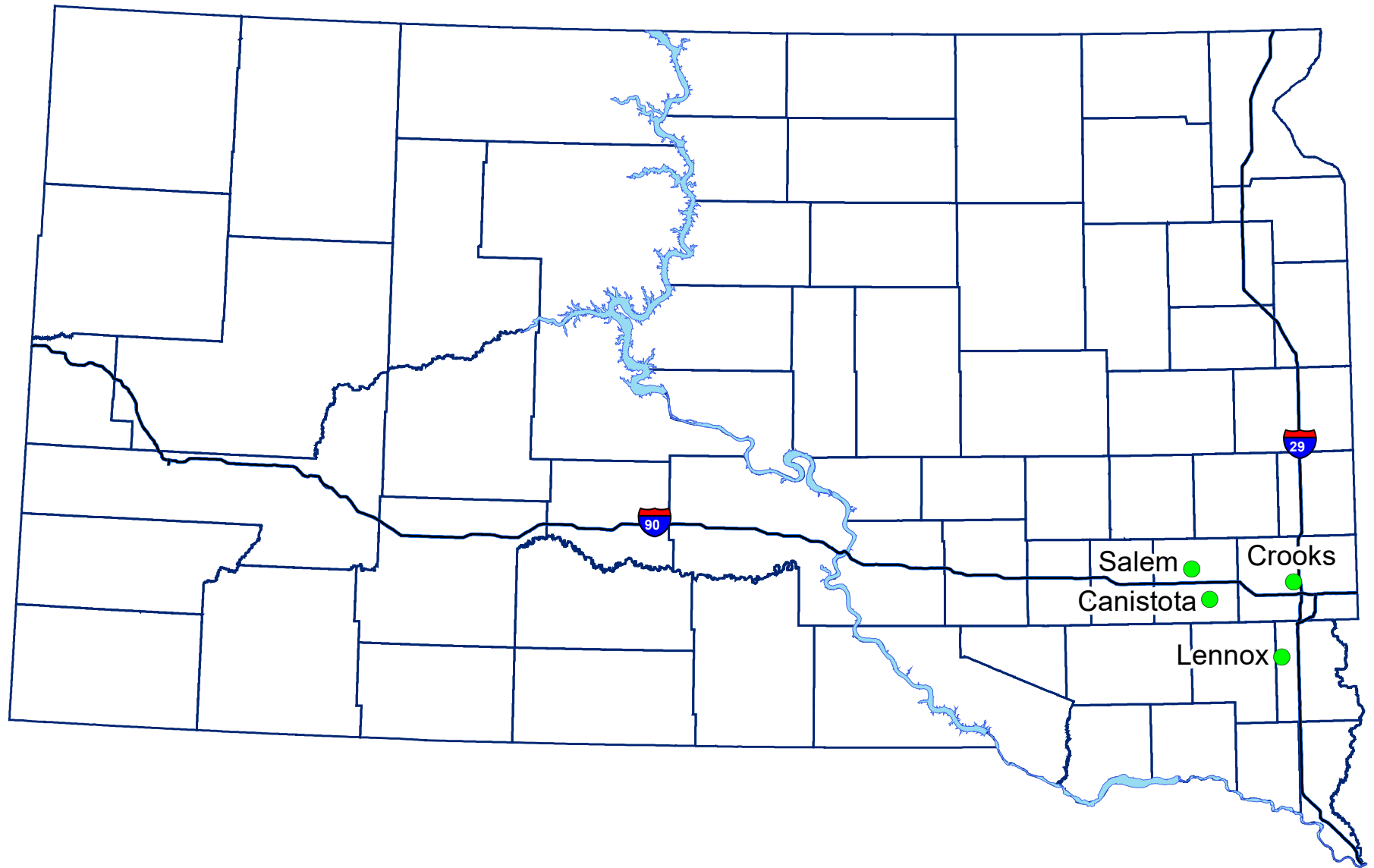
Loan Contingencies:

- 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/Storm Sewer Facilities Funding Applications June 2021



SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Canistota CW-05

Total Project Cost:	\$1,758,000
BWNR Funding Assistance Requested:	\$1,758,000
Rate/Term:	2.125%/30 years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) If funding is provided as all loan, Canistota would have to enact a surcharge of \$23.50. The current wastewater rate is \$36.75 per 5,000 gallons
- 2) Staff analysis indicates that Canistota can restructure its rates and establish the surcharge with rates of approximately \$51.00 per 5,000 gallons.

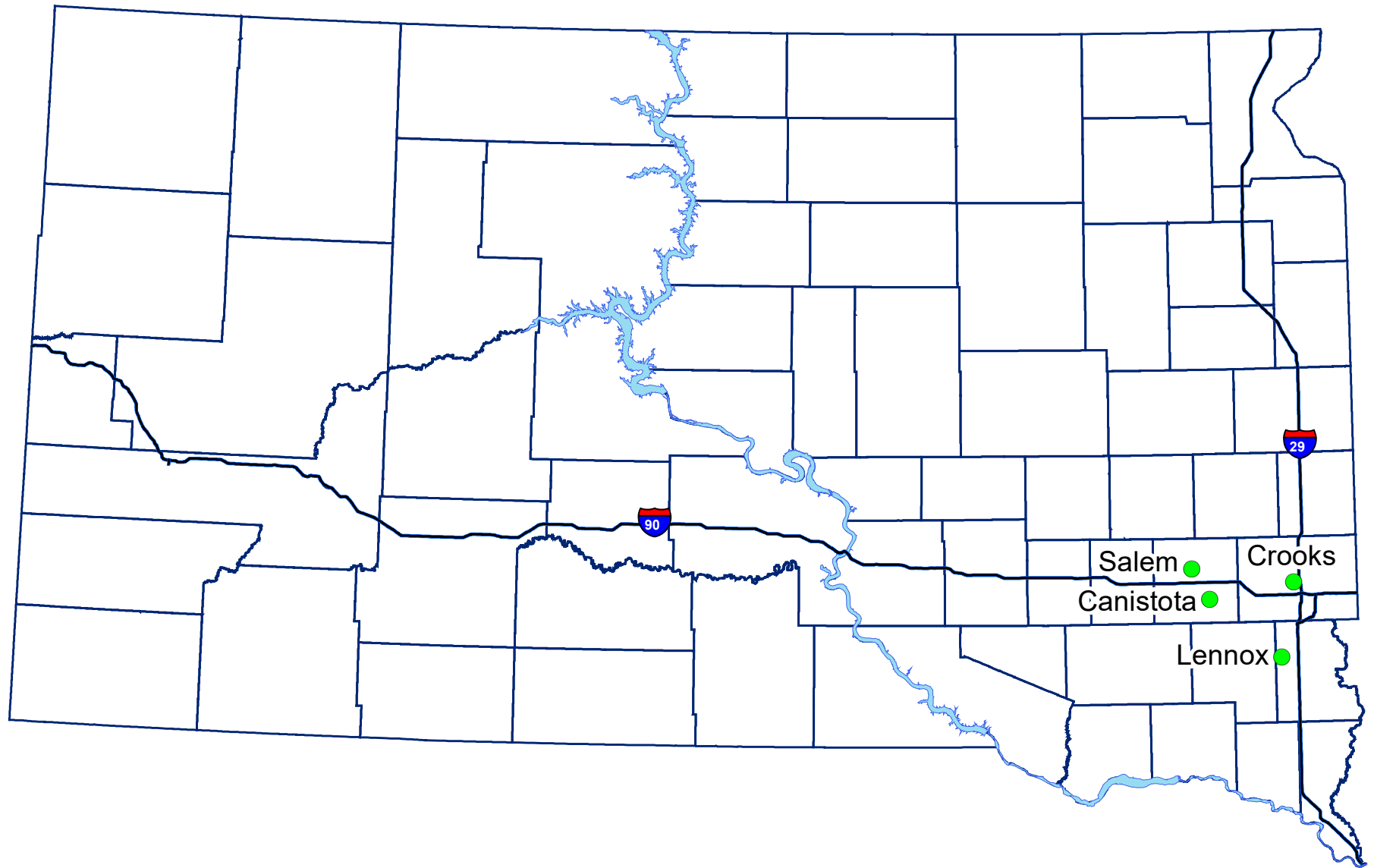
Funding Recommendation: Award a \$1,758,000 Clean Water State Revolving Fund loan at 2.125% for 30 years.

Debt Service Coverage: 110% with a \$23.50 per user 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/Storm Sewer Facilities Funding Applications June 2021



SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Crooks CW-04

Total Project Cost:	\$1,823,000
BWNR Funding Assistance Requested:	\$1,823,000
Rate/Term:	2.125%/ 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 \$14.30 per month. The current wastewater rate is \$56.25 per 5,000 gallons.
- 2) At the current funding recommendation, the city will have to establish a surcharge of \$9.20. Staff analysis indicates that Crooks can restructure current rates and keep rates at \$56.25 per 5,000 gallons.

Funding Recommendation: Award a \$1,173,000 Clean Water SRF loan at 2.125% for 30 years and award a \$650,000 Consolidated grant

Debt Service Coverage: 110% with a \$9.20 per user surcharge

Loan Contingencies:

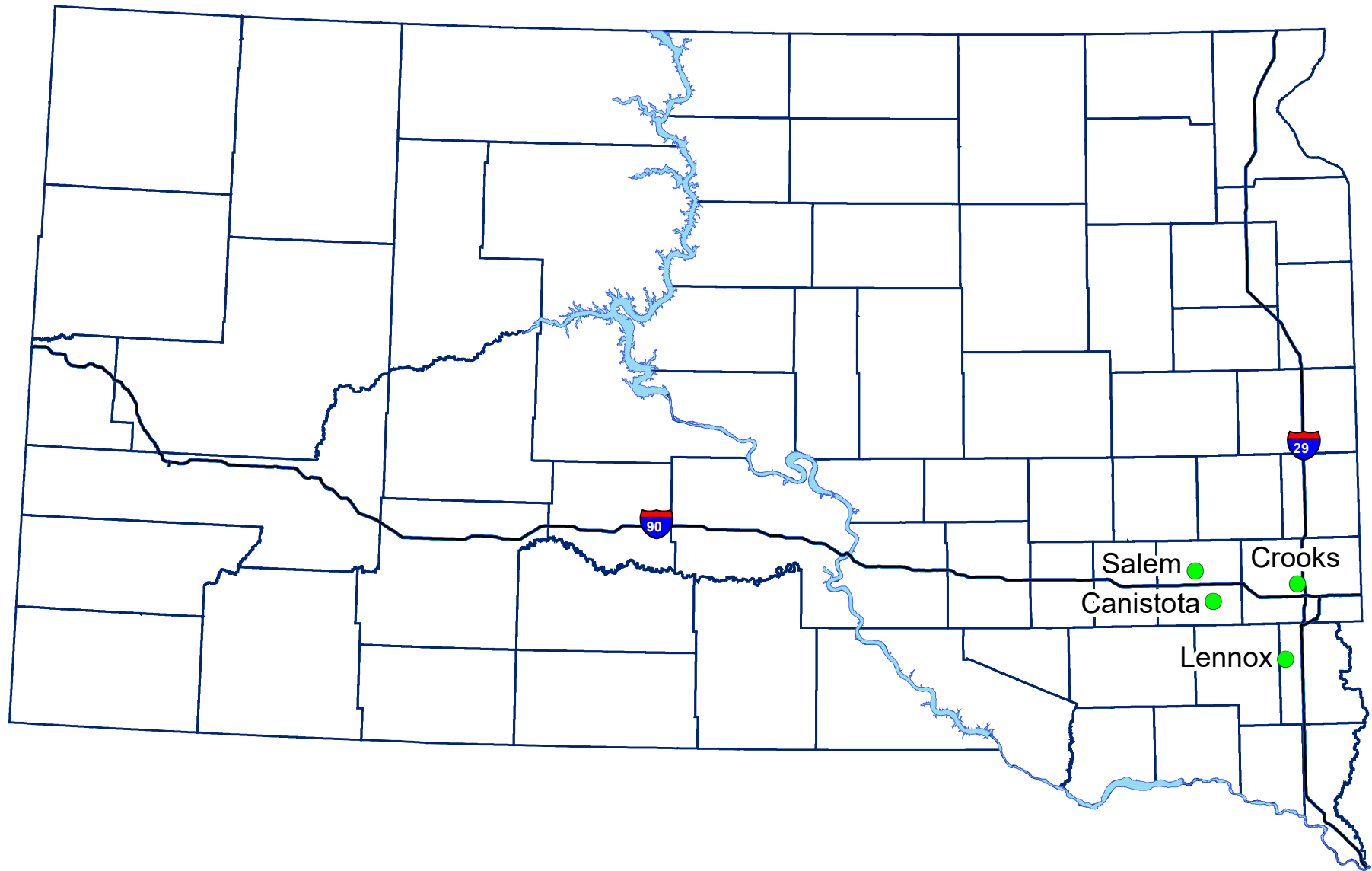
- 1) Contingent upon the Borrower adopting a bond resolution and the resolution becoming effective.
- 2) Contingent upon the Borrower establishing a surcharge at a level sufficient to provide the required debt coverage.

Grant Special Condition:

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

Sanitary/Storm Sewer Facilities Funding Applications

June 2021



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

APPLICANT: Salem CW-05

Total Project Cost: \$847,000

BWNR Funding Assistance Requested: \$847,000

Rate/Term: 2.125%/30 years

Security Pledged For Repayment Of Loan: Project Surcharge

Staff Analysis

- 1) If funding is provided as all loan, Salem would have to enact a surcharge of \$5.30 per user onto its storm water drainage fee. The current storm water drainage fee is \$5.00 per month.
- 2) Salem can raise its total stormwater fee to \$5.30 per month all as a project surcharge and provide required loan coverage.

Funding Recommendation: Award a \$847,000 Clean Water State Revolving Fund loan at 2.125% for 30 years.

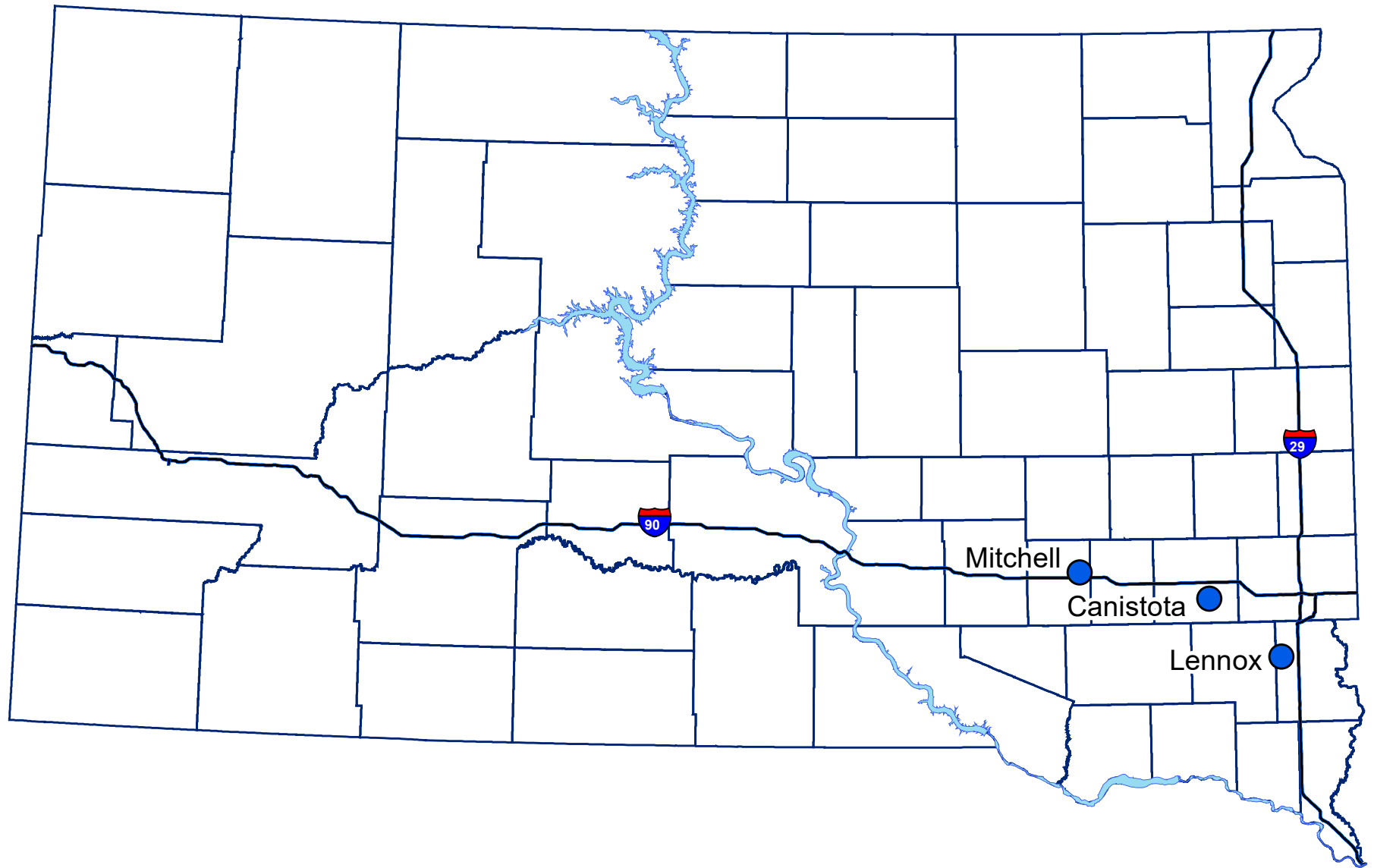
Debt Service Coverage: 110% with a \$5.30 per user surcharge

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 Facilities Funding Applications

June 2021



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

APPLICANT: Lennox DW-05

Total Project Cost: \$868,000

BWNR Funding Assistance Requested: \$868,000

Rate/Term: 1.875%/30 years

Security Pledged For Repayment Of Loan: Project Surcharge

Staff Analysis

- 1) If funding is provided as all loan, Lennox will have to enact a \$3.20 per user surcharge. Current rates are \$54.23 per 5,000 gallons.
- 2) Staff analysis is that Lennox can restructure its rates to establish the surcharge without raising the current rate for 5,000 gallons.

Funding Recommendation: Award a \$868,000 Drinking Water State Revolving Fund loan at 1.875% for 30 years.

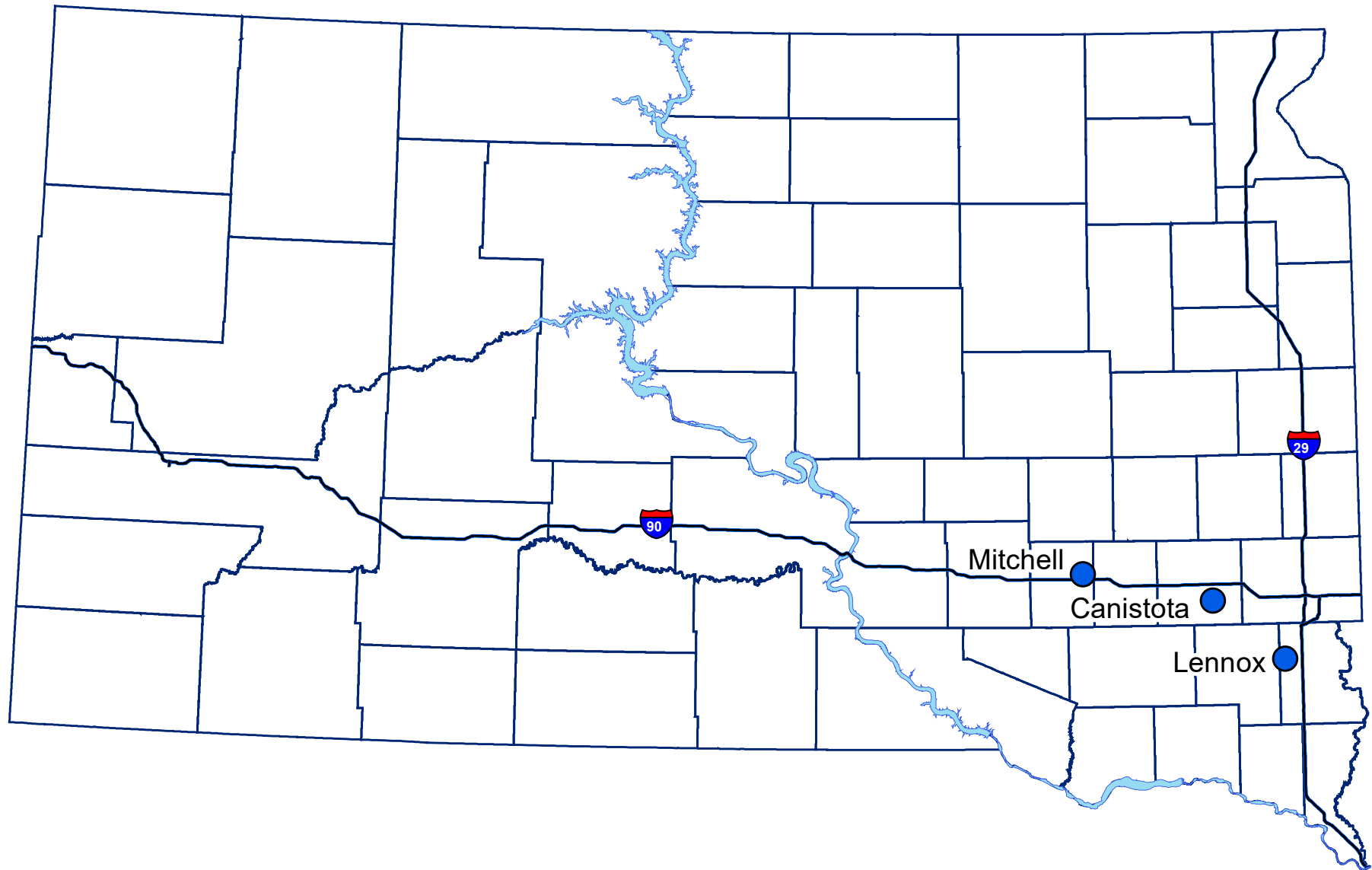
Debt Service Coverage: 110% with a \$3.20 per user surcharge

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 Facilities Funding Applications

June 2021



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

APPLICANT: Canistota DW-04

Total Project Cost: \$667,000

BWNR Funding Assistance Requested: \$667,000

Rate/Term: 1.875%/30 years

Security Pledged For Repayment Of Loan: Project Surcharge

Staff Analysis

- 1) If funding is provided as all loan, Canistota will have to enact a \$8.65 surcharge. Current rates are \$53.98 per 5,000 gallons.
- 2) Staff analysis indicates Canistota can restructure its rates to establish the surcharge without raising the overall rate.

Funding Recommendation: Award a \$667,000 Drinking Water State Revolving Fund loan at 1.875% for 30 years.

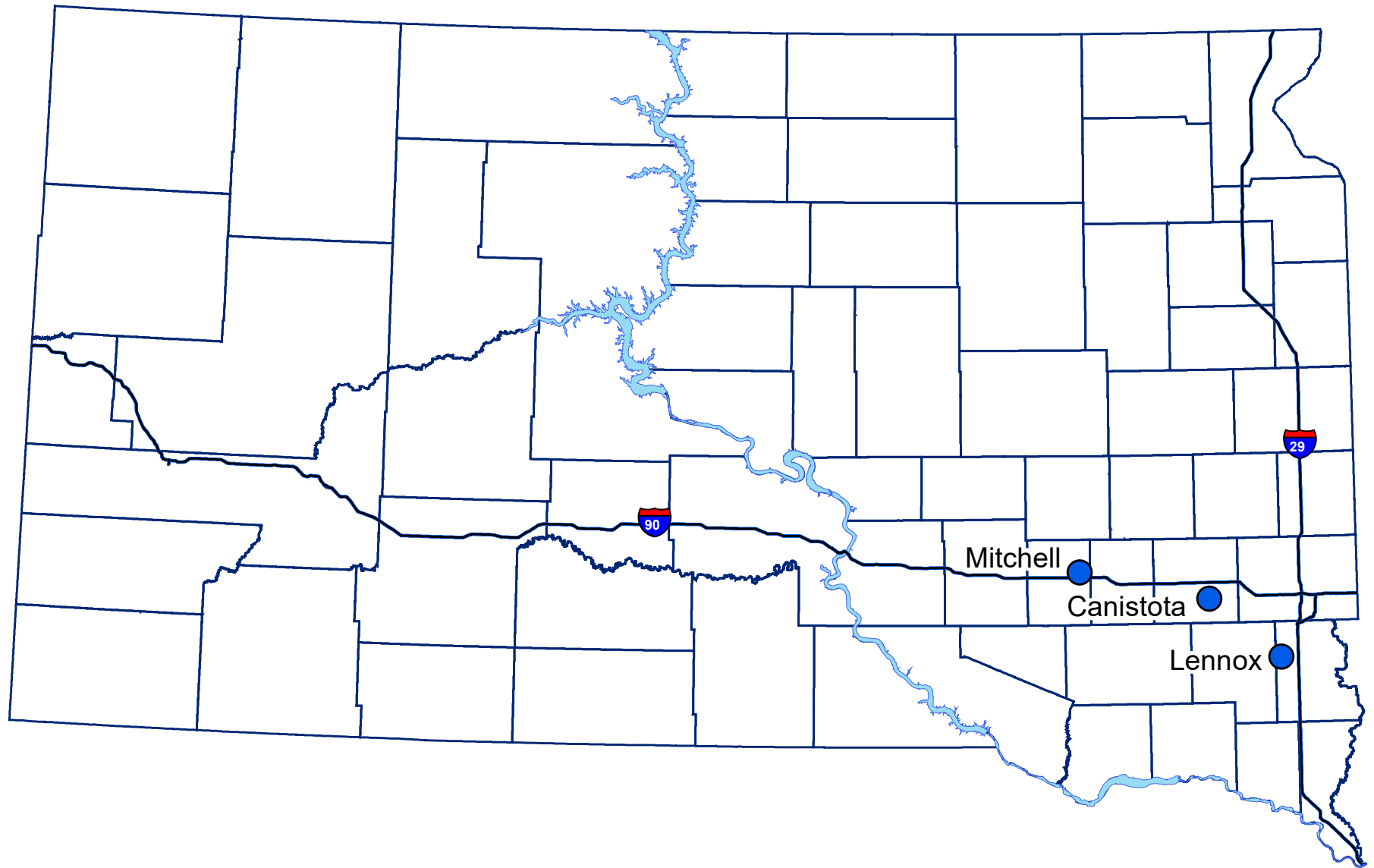
Debt Service Coverage: 110% with a \$8.65 per user surcharge

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 Facilities Funding Applications

June 2021



DRINKING WATER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Mitchell DW-05

Total Project Cost:	\$1,175,000
BWNR Funding Assistance Requested:	\$1,175,000
Rate/Term:	1.875%/30 years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) If funding is provided as all loan, Mitchell will have to enact a \$0.85 per user surcharge. Current rates are \$36.88 per 5,000 gallons.

Funding Recommendation: Award a \$1,175,000 Drinking Water State Revolving Fund loan at 1.875% for 30 years.

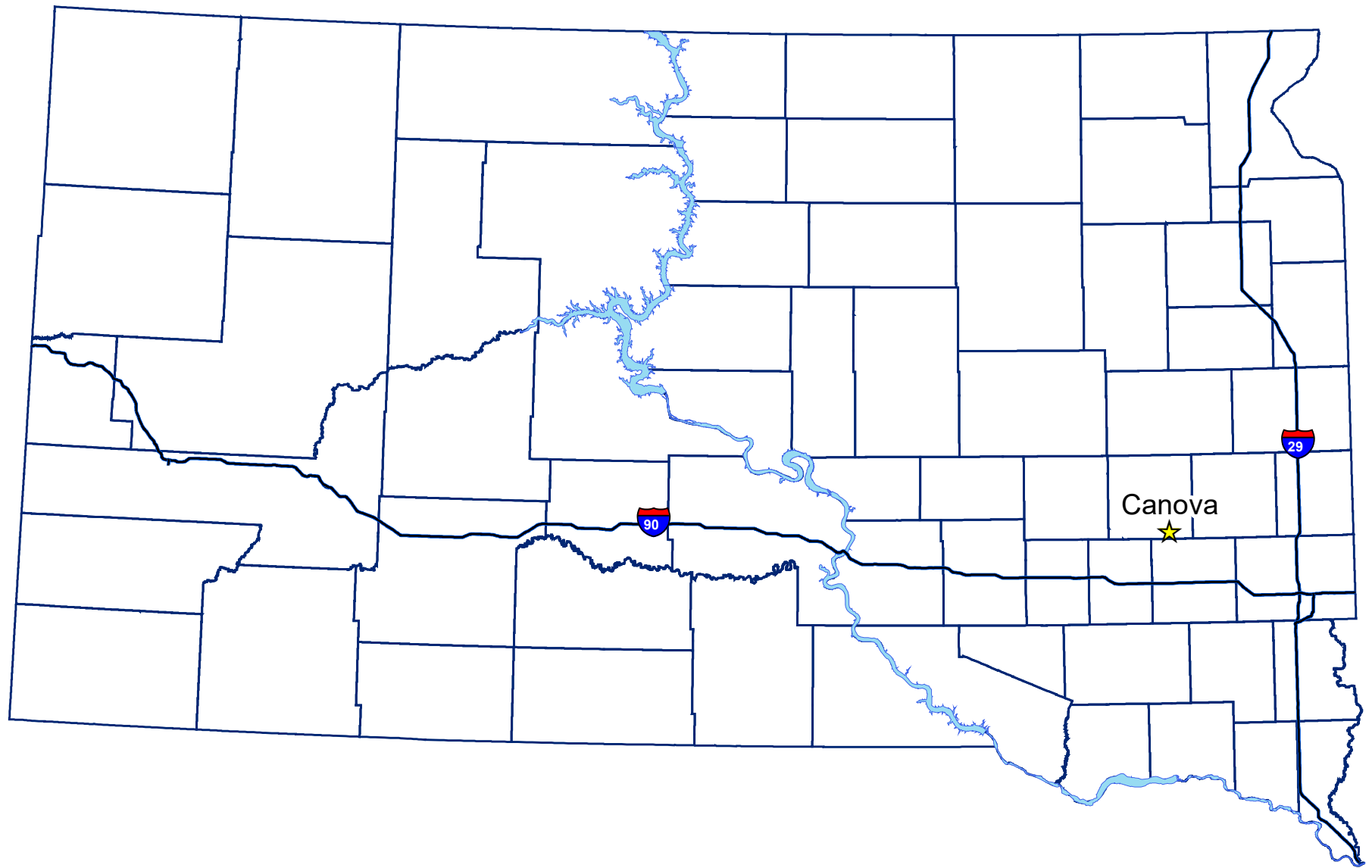
Debt Service Coverage: 110% with a \$0.85 per user surcharge

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.

Small Water Facilities Funding Application

June 2021



SMALL WATER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Canova

Total Project Cost: \$190,000

BWNR Funding Assistance Requested: \$190,000

Rate/Term: 2.125%/30 Years

Security Pledged For Repayment Of Loan: Project Surcharge

Staff Analysis

- 1) If all funding is provided as a loan, Canova would have to establish a surcharge of approximately \$13.30 per user. The current water rate is \$34.50 per 5,000 gallons.
- 2) At the current funding recommendation, Canova would have to establish a surcharge of \$9.80 per user. Which would bring overall rates to \$44.30 per 5,000 gallons.
- 3) Staff analysis shows the town has been operating the water utility at a loss for the past several years, and the application shows the town operating at a loss going forward. Staff believes that with the recommended funding package, overall rates of approximately \$55.00 per 5,000 gallons would be needed for debt service and to operate the system.

Funding Recommendation: Award a \$140,000 Consolidated loan at 2.125% for 30 years and award a \$50,000 Consolidated grant.

Debt Service Coverage: 100% based on a \$9.80 per user 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.

June 2021

Available Funds Summary

CONSOLIDATED WATER FACILITIES CONSTRUCTION PROGRAM

Available Funds:	\$ 1,437,093
Reversions:	\$ 115,888
Available for Award:	\$ 1,552,981
Recommended:	\$ (1,350,000)
Balance:	\$ 202,981

DRINKING WATER SRF LOANS

Available Prior Year Funds (30-Sept-2020):	\$ 11,497,516
FFY-21 Cap Grant & Match:	\$ 12,686,160
FFY-21 Repayments:	\$ 11,200,000
Leveraged Bonds:	\$ -
Deobligations/Recissions:	\$ 1,857,039
FFY-21 Awards to Date:	\$ (31,478,000)
Available for Award:	\$ 5,762,715
Recommended PF:	\$ -
Recommended Loan:	\$ (2,710,000)
Balance:	\$ 3,052,715

DRINKING WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Allocations:	\$ 42,793,540
FFY-21 Maximum Allocation:	\$ 1,540,140
Reverted Principal Forgiveness:	\$ -
Awarded to Date:	\$ (44,270,898)
Available For Award:	\$ 62,782
Recommended:	\$ -
Balance:	\$ 62,782
Princ. Forg. for Disadvantaged Communities:	\$ 16,037,900
FFY-21 Maximum Allocation:	\$ 3,850,350
Reverted Principal Forgiveness:	\$ 85,371
Awarded to Date:	\$ (19,530,900)
Available For Award:	\$ 442,721
Recommended:	\$ -
Balance:	\$ 442,721
Total Balance:	\$ 505,503

June 2021

Available Funds Summary

CLEAN WATER SRF WATER QUALITY GRANTS

Available Funds:	\$	1,429,323
Reversions:	\$	-
2021 SCPG Allotment:	\$	(100,000)
Awarded to Date:	\$	(1,219,000)
Available for Award:	\$	110,323
Recommended:	\$	-
Balance:	\$	110,323

CLEAN WATER SRF LOANS

Available Prior Year Funds (30-Sept-2020):	\$	63,406,691
FFY-21 Cap Grant & Match:	\$	8,814,546
FFY-21 Repayments:	\$	6,900,000
Leveraged Bonds:	\$	-
Deobligations/Recissions:	\$	7,383,738
FFY-21 Awards to Date:	\$	(35,280,000)
Available For Award:	\$	51,224,975
Recommended PF:	\$	-
Recommended Loan:	\$	(6,077,000)
Balance:	\$	45,147,975

CLEAN WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Allocations:	\$	25,431,899
FFY-21 Maximum Allocation:	\$	3,111,600
Reverted Principal Forgiveness:	\$	166,573
Awarded to Date:	\$	(28,575,419)
Available For Award:	\$	134,653
Recommended:	\$	-
Balance:	\$	134,653

June 2021

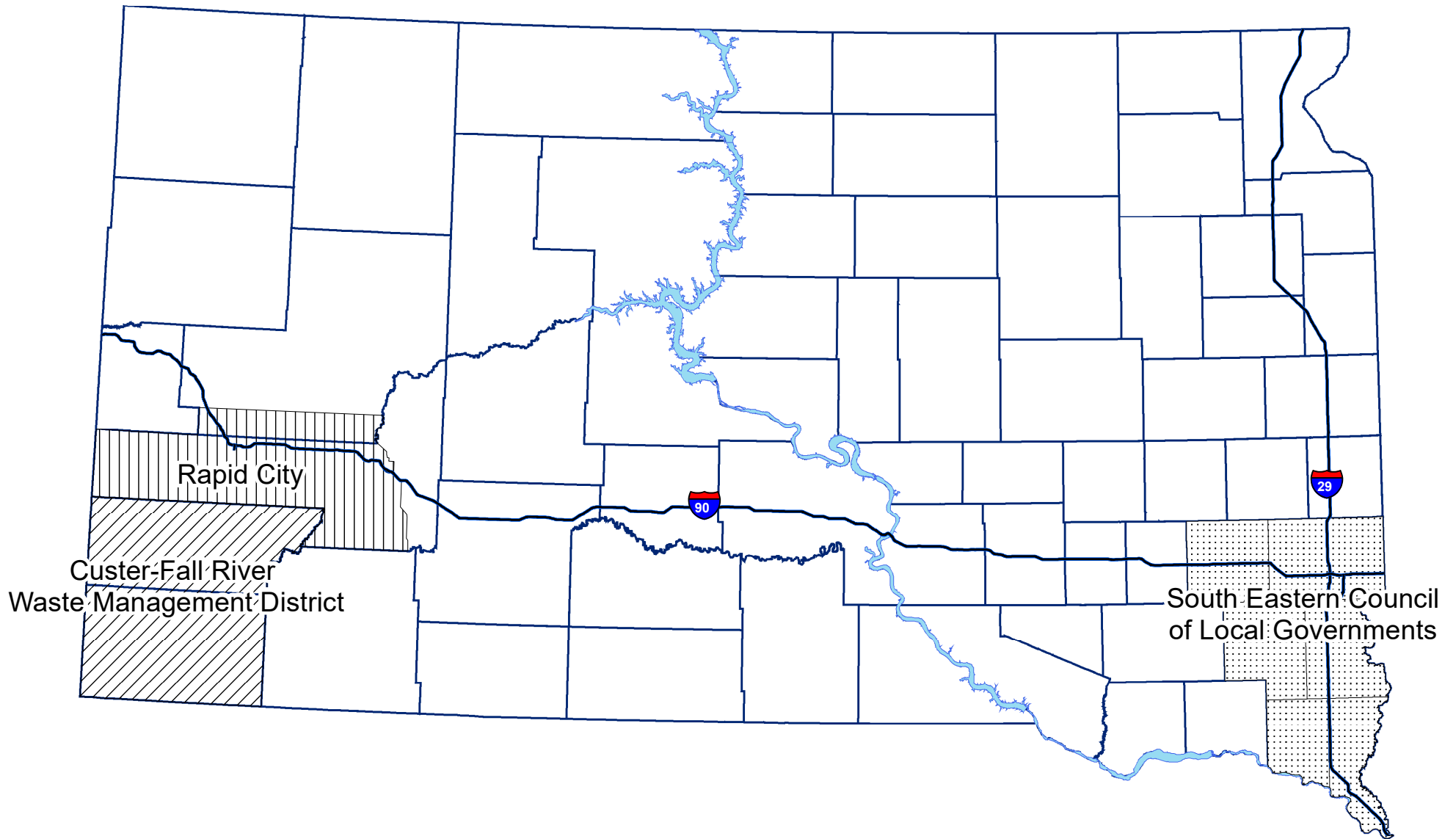
Dedicated Solid Waste Management Fees

Solid Waste Management Program (SWMP)

Available Funds:	\$	2,676,242
Reversions:	\$	-
Available for Award:	\$	<u>2,676,242</u>

Solid Waste Management Funding Applications

June 2021



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

APPLICANT: Custer Fall River Regional Waste Management District

Total Project Cost: \$393,500

BWNR Funding Assistance Requested: \$78,700

Rate/Term: NA

Security Pledged For Repayment Of Loan: NA

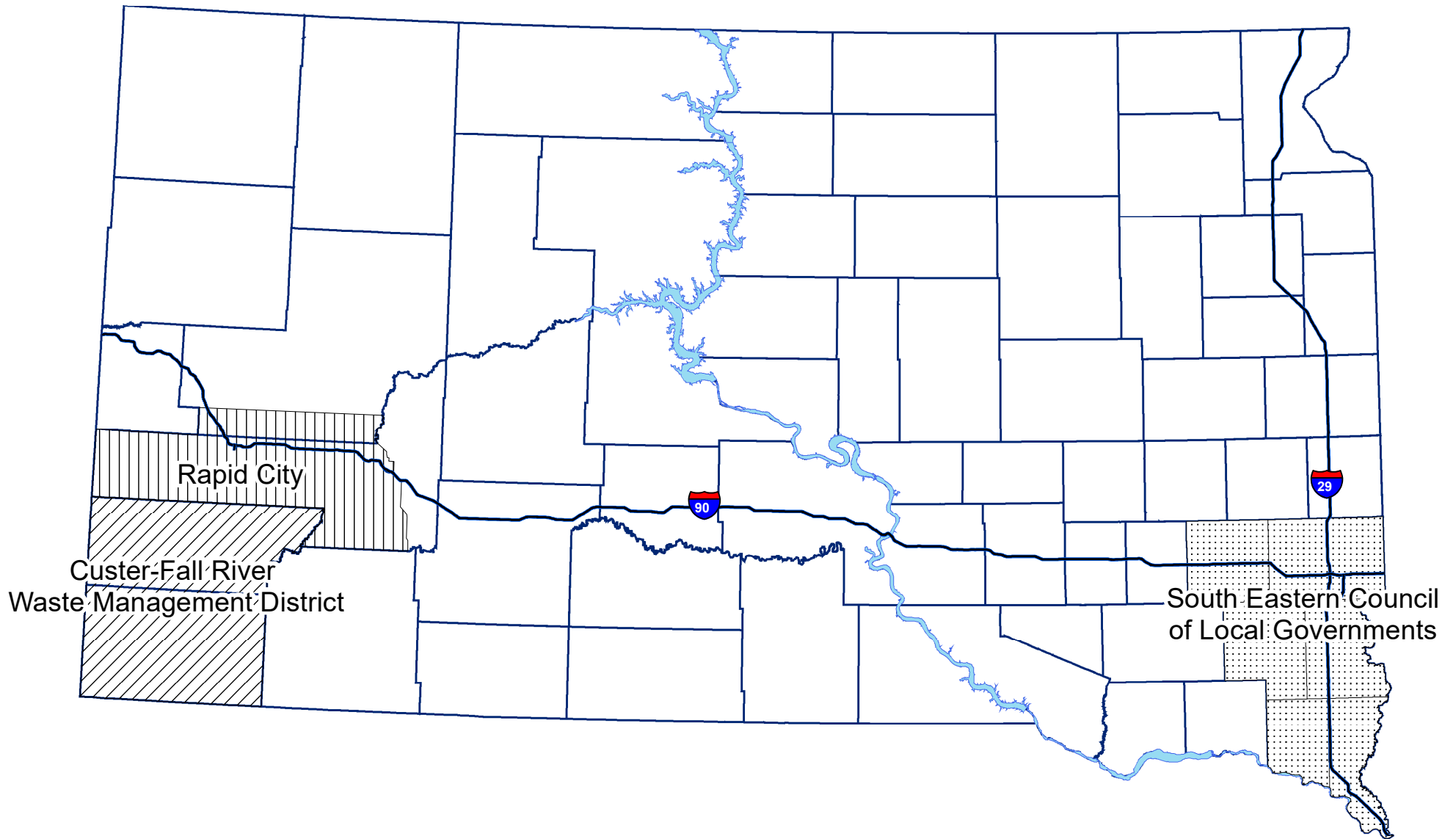
Staff Analysis

- 1) Custer Fall River Regional Waste Management District is proposing to construct a final cover over the Phase II municipal solid waste cell area, along with stormwater improvements in the area.

Funding Recommendation: Award a Solid Waste Management Program Grant for up to 17.8 percent of eligible project costs not to exceed \$70,000.

Solid Waste Management Funding Applications

June 2021



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

APPLICANT: Rapid City

Total Project Cost: \$1,378,700

BWNR Funding Assistance Requested: \$275,600

Rate/Term: NA

Security Pledged For Repayment Of Loan: NA

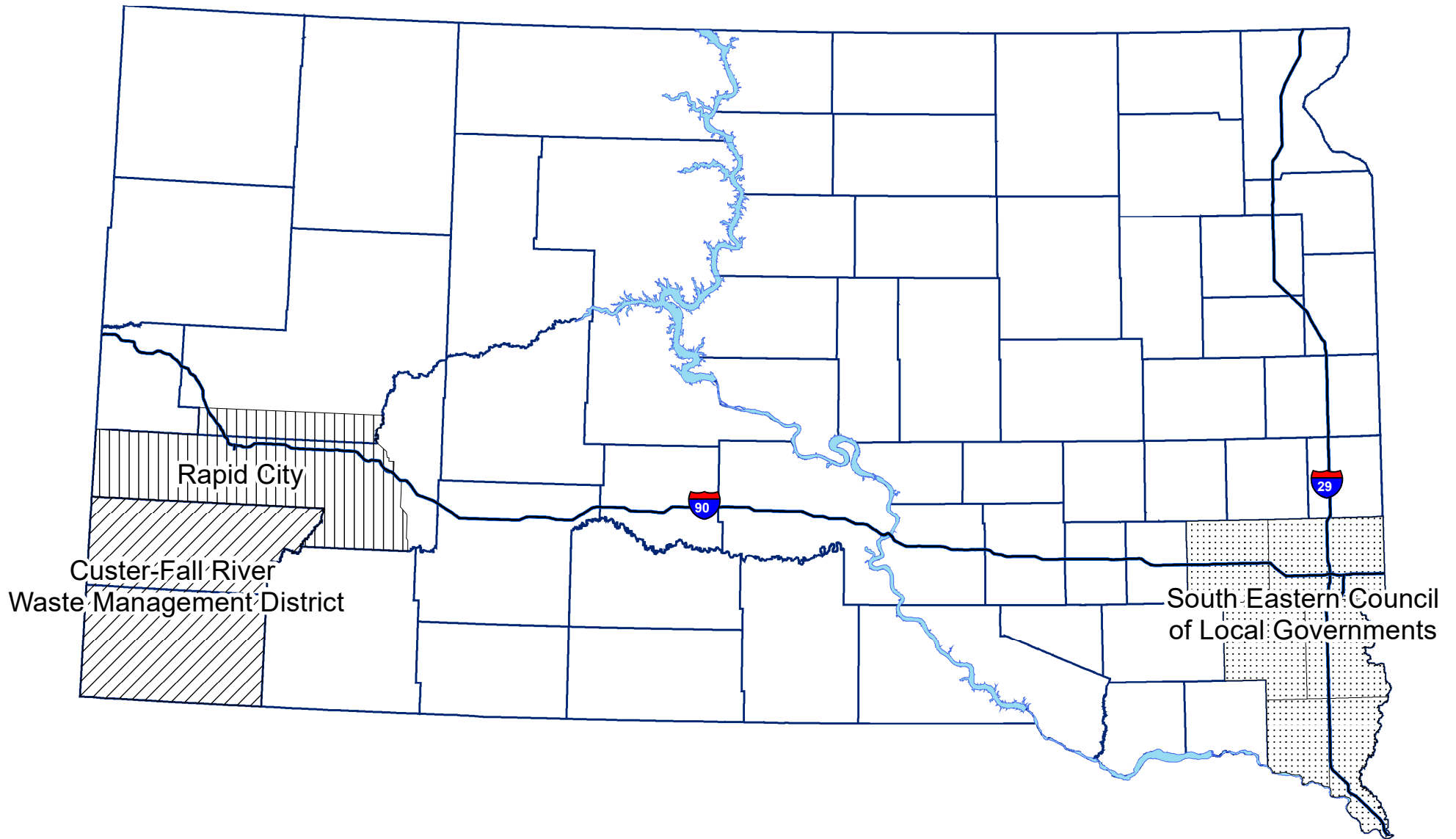
Staff Analysis

- 1) The city of Rapid City is proposing to construct an earthen perimeter berm along Cell 18 as well as installation of litter control fencing.

Funding Recommendation: Award a Solid Waste Program Management Grant for up to 20 percent of eligible project costs not to exceed \$275,600.

Solid Waste Management Funding Applications

June 2021



SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: South Eastern Council of Local Governments

Total Project Cost: \$625,000

BWNR Funding Assistance Requested: \$500,000

Rate/Term: NA

Security Pledged For Repayment Of Loan: NA

Staff Analysis

- 1) South Eastern Council of Governments is proposing to secure funding for their Solid Waste Management Regional Revolving Loan Fund. The funds will be used to make loans for eligible recycling and solid waste purposes in Clay, Lincoln, McCook, Minnehaha, Turner, and Union Counties.

Funding Recommendation: Award a Solid Waste Management Program Grant at 80.0 percent of eligible project costs not to exceed \$500,000.

June 2021

Dedicated Solid Waste Management Fees

Solid Waste Management Program (SWMP)

Available Funds:	\$	2,676,242
Reversions:	\$	-
Available for Award:	\$	2,676,242
Recommended:	\$	(845,600)
Balance:	\$	1,830,642