

APRIL 2020

Available Funds Summary

CONSOLIDATED WATER FACILITIES CONSTRUCTION PROGRAM

Available Prior Year Funds (3-Jan-2020):	\$	1,148,951
2020 Omnibus Appropriation:	\$	11,300,000
Reversions:	\$	2,000,000
Available for Award:	\$	14,448,951

DRINKING WATER FACILITY GRANTS

BUILD AMERICA BONDS (BABs) FEDERAL SUBSIDY PAYMENTS

2020 Omnibus Appropriation:	\$	1,000,000
Reversions:	\$	-
Awarded to Date:	\$	-
Available for Award:	\$	1,000,000

DRINKING WATER SRF LOANS

Available Prior Year Funds (30-Sept-2019):	\$	17,918,640
FFY-20 Cap Grant & Match:	\$	11,877,540
FFY-20 Repayments:	\$	6,614,972
Leveraged Bonds:	\$	-
Deobligations/Recissions:	\$	12,805,291
FFY-20 Awards to Date:	\$	(1,722,000)
Available for Award:	\$	47,494,443

DRINKING WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Allocations:	\$	41,232,200
FFY-20 Maximum Allocation:	\$	-
Reverted Principal Forgiveness:	\$	83,301
Awarded to Date:	\$	(39,564,499)
Available For Award:	\$	1,751,002
Princ. Forg. for Disadvantaged Communities:	\$	12,149,400
FFY-20 Maximum Allocation:	\$	-
Reverted Principal Forgiveness:	\$	500,000
Awarded to Date:	\$	(10,591,600)
Available For Award:	\$	2,057,800
Total Available for Award:	\$	3,808,802

APRIL 2020
Available Funds Summary

CLEAN WATER SRF WATER QUALITY GRANTS

Available Prior Year Funds (3-Jan-2020):	\$	49
2020 IUP Allocation:	\$	1,250,000
Reversions:	\$	-
2020 SCPG Allotment:	\$	(200,000)
Awarded to Date:	\$	(200,000)
Available for Award:	<u>\$</u>	<u>850,049</u>

WASTEWATER FACILITY GRANTS

BUILD AMERICA BONDS (BABs) FEDERAL SUBSIDY PAYMENTS

2020 Omnibus Appropriation:	\$	2,000,000
Reversions:	\$	-
Awarded to Date:	\$	-
Available for Award:	<u>\$</u>	<u>2,000,000</u>

CLEAN WATER SRF LOANS

Available Prior Year Funds (30-Sept-2019):	\$	21,585,261
FFY-20 Cap Grant & Match:	\$	8,839,111
FFY-20 Repayments:	\$	15,667,992
Leveraged Bonds:	\$	-
Deobligations/Recissions:	\$	14,618,004
FFY-20 Awards to Date:	\$	(18,001,400)
Available For Award:	<u>\$</u>	<u>42,708,968</u>

CLEAN WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Allocations:	\$	22,319,899
FFY-20 Maximum Allocation:	\$	-
Reverted Principal Forgiveness:	\$	364,943
Awarded to Date:	\$	(20,023,362)
Available For Award:	<u>\$</u>	<u>2,661,480</u>

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

APPLICANT: Dell Rapids CW-10

Total Project Cost: \$3,292,285
BWNR Funding Assistance Requested: \$3,108,400
Rate/Term: 1.375%/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 \$8.15, resulting in total rates of \$69.75.
- 2) The loan will consist of two bonds - a \$1,964,000 bond for the sanitary and storm sewer portion of the work and a \$213,500 bond for the Nonpoint Source project.
- 3) A surcharge \$5.85 per user is required at the recommended funding level; when added to the current rates of \$61.60 for 5,000 gallons total rates would be \$67.45.

Funding Recommendation: Award a \$750,000 Consolidated grant and a \$2,177,500 Clean Water SRF loan at 1.375% for 30 years.

Debt Service Coverage: 110% based on a surcharge of \$5.85

Loan Contingencies:

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

Loan Special Condition:

- 1) It shall be a condition of the Loan that the Borrower may not draw funds from the proceeds of the Series NPS Borrower Bond until EPA approves the revised budget for the Project Implementation Plan.

Grant Special Condition:

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

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

APPLICANT: Dell Rapids DW-08

Total Project Cost:	\$1,008,615
BWNR Funding Assistance Requested:	\$926,000
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 \$2.70 per user.
- 2) The current rate is \$42.20 which will bring rates to \$44.90 per 5,000 gallons.

Funding Recommendation: Award a \$926,000 Drinking Water SRF loan at 2.125% for 30 years.

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

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 APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: Garretson CW-04

Total Project Cost: \$1,142,000

BWNR Funding Assistance Requested: \$1,142,000

Rate/Term: 2.125%/30 years

Security Pledged For Repayment Of Loan: Project Surcharge

Staff Analysis

- 1) Current rates in Garretson are \$45.00 for 5,000 gallons. If funding is provided as all loan, the city would have to establish a surcharge of approximately \$9.75.
- 2) At the recommended funding level, a surcharge of \$7.85 would need to be established.
- 3) While the city established the required surcharge before the closing of their C461063-03 loan, the city is only charging customers \$8.00 of the required \$10.50 surcharge and paying the remaining \$2.50 from reserves.
- 4) Staff analysis indicates that Garretson can restructure its rates and cover the required surcharges and operating expenses with rates of \$48.00 for 5,000 gallons.

Funding Recommendation: Award a \$917,000 Clean Water SRF loan at 2.125% for 30 years and Award a \$225,000 Clean Water SRF BAB grant.

Debt Service Coverage: 110% based on a surcharge of \$7.85 per user.

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

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

APPLICANT: Garretson DW-03

Total Project Cost:	\$917,000
BWNR Funding Assistance Requested:	\$917,000
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 approximately \$7.81 per month. When added to the current rate of \$46.05, residents would be paying a rate of \$53.86 for 5,000 gallons.
- 2) At the recommended level of funding, Garretson will need to establish a surcharge of \$3.95 bringing total rates to \$50.00 for 5,000 gallons.

Funding Recommendation: Award a \$458,500 Drinking Water SRF loan at 2.125% for 30 years and a \$458,500 Consolidated Grant.

Debt Service Coverage: 110% with a surcharge of \$3.95 per user

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.

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

APPLICANT: Lake Preston CW-01

Total Project Cost: \$2,992,000

BWNR Funding Assistance Requested: \$2,992,000

Rate/Term: 2.125% / 30 years

Security Pledged For Repayment Of Loan: Project Surcharge

Staff Analysis

- 1) If funding is provided as all loan, Lake Preston will have to establish a surcharge of approximately \$43.50 per month. Current rates are \$52.50 per 5,000 gallons which would result in rates of \$96.00 per 5,000 gallons.
- 2) A surcharge of \$10.65 is need at the recommended level of loan funding. Lake Preston can restructure its current rates to include the surcharge to service the debt and cover O&M with no rate increase.

Funding Recommendation: Award a \$758,000 Clean Water SRF loan at 2.125% for 30 years, a \$2,000,000 Consolidated grant and a \$234,000 Clean Water SRF Water Quality grant.

Debt Service Coverage: 110% based on a surcharge of \$10.65 per user.

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.

DRINKING WATER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Lake Preston DW-01

Total Project Cost:	\$5,610,000
BWNR Funding Assistance Requested:	\$5,610,000
Rate/Term:	1.875% / 30 years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) If funding is provided as all loan, Lake Preston will have to establish a surcharge of approximately \$78.65 per month. Current rates are \$68.75 per 5,000 gallons which would result in rates of \$147.40 per 5,000 gallons.
- 2) A surcharge of \$21.80 is required at the recommended level of loan funding. Lake Preston can restructure its current rates to include the surcharge to service the debt and cover O&M with no increase in rates.

Funding Recommendation: Award a \$2,610,000 Drinking Water SRF loan at 1.875% for 30 years with 38.4 percent as principal forgiveness not to exceed \$1,000,000, a \$1,000,000 Drinking Water BABs grant, and a \$2,000,000 Consolidated grant.

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

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.

SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Marion CW-03

Total Project Cost: \$1,968,500

BWNR Funding Assistance Requested: \$1,285,000

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 approximately \$13.75 per month.
- 2) At the recommended funding level, Marion would have to establish a surcharge of \$4.50, bringing overall rates to \$46.00. However, staff analysis indicates that Marion could restructure its rates and cover the required surcharge and O&M expenses with rates of \$43.00 for 5,000 gallons.

Funding Recommendation: Award a \$420,000 Clean Water SRF loan at 2.125% for 30 years and award a \$865,000 Consolidated Grant.

Debt Service Coverage: 110% based on a surcharge of \$4.50 per user.

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.

DRINKING WATER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Marion DW-01

Total Project Cost:	\$1,918,500
BWNR Funding Assistance Requested:	\$1,235,000
Rate/Term:	1.875%/30 Years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) Current Water rates in Marion are \$52.60 for 5,000 gallons. If funding is provided as all loan, the city would have to establish a surcharge of \$12.77.
- 2) At the recommended funding level, Marion would have to establish a surcharge of \$9.45, staff analysis indicates the city could restructure its current rates and cover the required surcharge and O&M costs.

Funding Recommendation: Award a \$1,235,000 Drinking Water SRF loan at 1.875% for 30 years with 26.4% principal forgiveness not to exceed \$325,000.

Debt Service Coverage: 110% based on a surcharge of \$9.45 per user.

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
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: Saint Lawrence

Total Project Cost:	\$71,000
BWNR Funding Assistance Requested:	\$71,000
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 approximately \$3.64 per month. When added to the current rate of \$41.00, residents would be paying \$44.64 for 5,000 gallons.
- 2) A line rehabilitation project is anticipated in the near future which will require a significant increase in rates.

Funding Recommendation: Award a Clean Water SRF Water Quality Grant at 100% of project costs not to exceed \$71,000

DRINKING WATER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Saint Lawrence DW-01

Total Project Cost:	\$1,148,000
BWNR Funding Assistance Requested:	\$1,148,000
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 town will have to establish a surcharge of approximately \$46.14 per month.
- 2) The town increased their rates in January 2019 to cover increased water costs, but it appears the increase is not been sufficient to fully cover normal operation and maintenance of the system.
- 3) At the recommended funding level, Saint Lawrence will need to establish a surcharge of \$4.75. Staff believes a \$5.00 increase to the base rate is also needed to cover operating and maintenance expenses. This results in overall rates of \$59.75 for 5,000 gallons when added to the current rates of \$50.00 for 5,000 gallons.

Funding Recommendation: Award a \$1,148,000 Drinking Water SRF loan at 2.125% for 30 years, with 89.8% principal forgiveness not to exceed \$1,030,000.

Debt Service Coverage: 110% based on a surcharge of \$4.75 per user.

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 APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: Webster CW-04

Total Project Cost:	\$1,184,000
BWNR Funding Assistance Requested:	\$1,184,000
Rate/Term:	2.125% / 30 years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) If funding is provided as recommended, Webster will have to establish a surcharge of approximately \$4.35 per user. Current rates are \$37.20 per 5,000 gallons which would result in rates of \$41.55 per 5,000 gallons.
- 2) Webster's Clean Water 01 loan matures in July of 2023 which will free up \$56,300 dollars of loan capacity. At the recommended level of loan funding, Webster can restructure its current rates and include the required \$4.35 surcharge to service the required debt and cover O&M once the Clean Water 01 loan is paid-in-full.

Funding Recommendation: Award a \$1,184,000 Clean Water SRF loan at 2.125% for 30 years.

Debt Service Coverage: 110% based on a surcharge of \$4.35 per user.

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 APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Webster DW-03

Total Project Cost: \$6,631,000

BWNR Funding Assistance Requested: \$6,631,000

Rate/Term: 1.625% / 30 years

Security Pledged For Repayment Of Loan: Project Surcharge

Staff Analysis

- 1) If funding is provided as all loan, Webster will have to establish a surcharge of approximately \$23.25 per month.
- 2) At the recommended level of loan funding, Webster will need a surcharge of \$12.45 to service the required debt. Staff analysis indicates that Webster will need to increase rates from \$51.00 per 5,000 gallons to approximately \$55.40 to service the required debt and cover O&M.

Funding Recommendation: Award a \$5,031,000 Drinking Water SRF loan at 1.625% for 30 years with, 27.9 percent as principal forgiveness not to exceed \$1,400,000 and award a \$1,600,000 Consolidated grant.

Debt Service Coverage: 110% based on a surcharge of \$12.45 per user.

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.

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

APPLICANT: Valley Springs CW-03

Total Project Cost: \$1,779,000
BWNR Funding Assistance Requested: \$1,779,000
Rate/Term: 2.125%/30 years
Security Pledged For Repayment Of Loan: Project Surcharge

Staff Analysis

- 1) If funded at the recommended level, the city will have to establish a surcharge of approximately \$20.60 per month. Current rates are a \$30/month flat fee. Staff analysis indicates the city can restructure its rates to cover the surcharge with no increase in current rates.

Funding Recommendation: Award a \$1,779,000 Clean Water SRF loan at 2.125% for 30 years.

Debt Service Coverage: 110% with a surcharge of \$20.60 per user.

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 APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Valley Springs DW-01

Total Project Cost:	\$1,603,000
BWNR Funding Assistance Requested:	\$1,603,000
Rate/Term:	2.125%/30 years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) Based on staff recommendation, the city will have to establish a surcharge of approximately \$18.45 per user.
- 2) Current rates are \$22.92 for 5,000 gallons. Staff analysis indicated city can restructure rates to keep rates at approximately \$30 for 5,000 gallons.

Funding Recommendation: Award a \$1,603,000 Drinking Water SRF loan at 2.125% for 30 years.

Debt Service Coverage: 110% based on a surcharge of \$18.45 per user.

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 APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Volga CW-02

Total Project Cost: \$2,405,000
BWNR Funding Assistance Requested: \$2,405,000
Rate/Term: 2.0%/20 years
Security Pledged For Repayment Of Loan: Project Surcharge

Staff Analysis

- 1) At the recommended funding level, the city will have to establish a surcharge of approximately \$15.10 per user. Current rates are \$22.56 for 5,000 gallons which will bring total rates to \$37.66.

Funding Recommendation: Award a \$2,405,000 CWSRF loan at 2.0% for 20 years.

Debt Service Coverage: 110% based on a surcharge of \$15.10 per user.

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 APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: Volga DW-01

Total Project Cost:	\$2,790,000
BWNR Funding Assistance Requested:	\$2,790,000
Rate/Term:	2.0%/20 years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) At the recommended funding, Volga will have to establish a surcharge of approximately \$15.60 per user.
- 2) Volga's current rate is \$19.47 for 5,000 gallons, adding the surcharge would bring rates to \$35.07.

Funding Recommendation: Award a \$2,790,000 Drinking Water SRF loan at 2.0% for 20 years.

Debt Service Coverage: 110% based on a \$15.60 surcharge per user.

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 APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: Eureka CW-02

Total Project Cost:	\$4,959,448
BWNR Funding Assistance Requested:	\$4,959,448
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 approximately \$35.00 per month. Current rates are \$27.00 per month which would bring rates to approximately \$62.00 per month.
- 2) The city has also applied to the Community Development Block Grant program and Rural Development for funding assistance. The decision of funding amounts from CDBG and RD will not be known until after the Board's meeting. The recommended funding level cannot be determined until the amount of CDBG and RD funding, if any, is approved.

Funding Recommendation: Defer funding decision until June 2020.

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

APPLICANT: Green Valley Sanitary District CW-01

Total Project Cost: \$9,722,000
BWNR Funding Assistance Requested: \$9,722,000
Rate/Term: 2.125%/30 years
Security Pledged For Repayment Of Loan: Special Assessment

Staff Analysis

- 1) If funding is provided as all loan, The special assessment on each user would be approximately \$1,450 annually for an average monthly cost of \$120.
- 2) The project will connect the District to the Rapid City wastewater system, the city has agreed to charge each user as city residential customers and to provide O&M for the system as part of the charge.. In addition to the loan repayment, residents will have to pay a monthly sewer charge of \$34.00 for 5,000 gallons which would bring the average monthly rate to over \$150.
- 3) The Department is working with Rural Development to co-fund the project. Rural Development's loan rates and 40-year term allow for more reasonable rates for users. Based on conversations with Rural Development, staff believes with the recommended funding rates can be kept to less than \$100 per user.

Funding Recommendation: Award a \$2,000,000 Consolidated grant and a \$370,000 Clean Water SRF Water Quality grant.

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

APPLICANT: Hudson CW-01

Total Project Cost:	\$898,000
BWNR Funding Assistance Requested:	\$898,000
Rate/Term:	2.125%/30 years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) A surcharge of \$21.75 per user would be required at the recommended funding.
- 2) City raised its rates from a flat \$9.00 to \$45.00 in March 2020 in anticipation of this project. Staff analysis indicates that Hudson can restructure rate and remain at \$45.00.

Funding Recommendation: Award a \$898,000 Clean Water SRF loan at 2.125% for 30 years.

Debt Service Coverage: 110% based on a surcharge of \$21.75 per user.

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 APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: Hurley CW-02

Total Project Cost: \$2,089,000
BWNR Funding Assistance Requested: \$900,000
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 approximately \$19.60 per user.
- 2) If funded at the recommended level, the city will have to establish a surcharge of approximately \$3.90 per user. Staff analysis indicates the city can restructure its rates to cover the surcharge with no increase in current rates.

Funding Recommendation: Award a \$188,000 Clean Water SRF loan at 2.125% for 30 years and award a \$712,000 Clean Water BABs grant.

Debt Service Coverage: 110% based on a surcharge of \$3.90 per user.

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 APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: Madison CW-03

Total Project Cost:	\$3,287,000
BWNR Funding Assistance Requested:	\$3,287,000
Rate/Term:	2.125%/30 Years
Security Pledged For Repayment Of Loan:	Sales Tax Revenue

Staff Analysis

- 1) If all funding is provided as loan, Madison will have 2,454% coverage based on current sales tax revenues.

Funding Recommendation: Award a \$3,287,000 Clean Water SRF loan at 2.125% for 30 Years.

Debt Service Coverage: 2,454% based on the last 12 months of Sales Tax Revenue.

Loan Contingencies:

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

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

APPLICANT: Madison CW-04

Total Project Cost:	\$3,073,000
BWNR Funding Assistance Requested:	\$3,073,000
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 approximately \$4.95 per month, staff analysis indicates that the existing rates of \$49.32 per 5,000 gallons can be restructured to provide coverage for debt service and O&M.

Funding Recommendation: Award a \$3,073,000 Clean Water SRF loan at 2.125% for 30 years.

Debt Service Coverage: 110% based on a surcharge of \$4.95 per user.

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 APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: Mellette CW-01

Total Project Cost:	\$286,000
BWNR Funding Assistance Requested:	\$286,000
Rate/Term:	2.125% / 30 years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) If funding is provided as all loan, Mellette will have to establish a surcharge of approximately \$10.50 per month.
- 2) At the recommended level of loan funding, Mellette can restructure its current rates and remain below \$40.00 per 5,000 gallons to service the required debt and cover O&M.

Funding Recommendation: Award a \$286,000 Clean Water SRF loan at 2.125% for 30 years.

Debt Service Coverage: 110% based on a surcharge of \$10.50 per user.

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 APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Mitchell CW-07

Total Project Cost:	\$4,618,000
BWNR Funding Assistance Requested:	\$4,618,000
Rate/Term:	1.25%/20 years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) The loan will consist of two bonds - a \$4,200,000 bond for the sanitary and storm sewer portion of the work and a \$311,700 bond for the Nonpoint Source project.
- 2) At the recommended funding level the city will have to establish a surcharge of \$4.20 per month, when added to the current rates of \$31.52 for 5,000 gallons the total rates will be \$35.72.

Funding Recommendation: Award a \$4,511,700 Clean Water SRF loan at 1.25% for 20 years.

Debt Service Coverage: 110% based on a surcharge of \$4.20 per user.

Loan Contingencies:

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

Loan Special Condition:

- 1) It shall be a condition of the Loan that the Borrower may not draw funds from the proceeds of the Series NPS Borrower Bond until EPA approves the revised budget for the Project Implementation Plan.

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

APPLICANT: Montrose CW-04

Total Project Cost: \$1,008,000
BWNR Funding Assistance Requested: \$1,008,000
Rate/Term: 2.125% /30 Years
Security Pledged For Repayment Of Loan: Surcharge

Staff Analysis

- 1) If funding is provided as all loan, Montrose would have to establish a surcharge of \$18.30.
- 2) At the recommended funding level, Montrose would have to establish a surcharge of \$14.70. When added to the current flat rate of \$29.50, total rates will be \$44.20.

Funding Recommendation: Award a \$1,008,000 Clean Water SRF loan at 2.125% for 30 years, with 19.9% principal forgiveness not to exceed \$200,000.

Debt Service Coverage: 110% with a surcharge of \$14.70 per user.

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 APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: Tea CW-08

Total Project Cost:	\$5,539,000
BWNR Funding Assistance Requested:	\$5,539,000
Rate/Term:	2.125% / 30 years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) If funding is provided as all loan, Tea will have to establish a surcharge of approximately \$11.25 per month. Current rates are \$42.00 per 5,000 gallons which would result in rates of \$53.25 per 5,000 gallons.
- 2) At the recommended loan amount, a surcharge of \$8.60 is required. Current rates are \$42.00 per 5,000 gallons which is sufficient to cover the surcharge.
- 3) The city of Tea is connecting to the city of Sioux Falls and there is a development charge to buy into the regional system and an ongoing per 1,000 gallon charge for treatment of the wastewater once connected. The second phase of the project is a lift station and force main to Sioux Fall, and the estimated cost is approximately \$6.9 million. Assuming no subsidy on the pumping station/force main project and the increased costs for Sioux Falls treatment charges, it is estimated that monthly residential rates in Tea will be approximately \$75-80 based on 5,000 gallons usage after completion of the projects.

Funding Recommendation: Award a \$4,431,000 Clean Water SRF loan at 2.125% for 30 years and a \$1,108,000 Consolidated grant.

Debt Service Coverage: 110% based on a surcharge of \$8.60 per user.

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.

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

APPLICANT: Clay Rural Water System DW-05

Total Project Cost: \$2,185,000
BWNR Funding Assistance Requested: \$2,185,000
Rate/Term: 2.125%/30 years
Security Pledged For Repayment Of Loan: Revenues

Staff Analysis

- 1) Clay RWS increased their rates in 2020 by \$5.00/7,000 gallons.
- 2) If all funding is provided as loan, Clay RWS would have approximately 355% coverage based on the current rate of \$75.10 for 7,000 gallons usage.

Funding Recommendation: Award a \$2,185,000 Drinking Water SRF Loan at 2.125% for 30 Years.

Debt Service Coverage: 355% based on a rate of \$75.10 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 an Intercreditor Agreement being approved and executed by Cobank, Rural Utilities Service, Clay Rural Water System and the District.
- 3) Contingent upon the Borrower approving a security agreement and mortgage.

DRINKING WATER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: DeSmet DW-02

Total Project Cost:	\$565,000
BWNR Funding Assistance Requested:	\$565,000
Rate/Term:	1.875%/30 years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) If funding is provided as all loan, DeSmet will have to establish a surcharge of \$4.35 per user.
- 2) Current rates are \$34.15 which would bring rate to \$38.50 for 5,000 gallons.

Funding Recommendation: Award a \$565,000 Drinking Water SRF loan at 1.875% for 30 years.

Debt Service Coverage: 110% based on a surcharge of \$4.35 per user.

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 APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Lake Norden DW-02

Total Project Cost:	\$1,345,000
BWNR Funding Assistance Requested:	\$1,345,000
Rate/Term:	1.625% / 20 years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) A Tax Increment Financing District has been established between the Hamlin County and the Developer, Agopur Inc. Agopur has assigned all rights to the positive tax increments from the Tax Increment Financing District in the event that Agopur is delinquent for three consecutive months in paying utility charges to the city of Lake Norden.
- 2) Lake Norden established a monthly surcharge of \$8,233.33 on Agropur for the required surcharge for the DW-01 loan. It is currently estimated that Agropur uses approximately 95 percent of the towns water usage.
- 3) Lake Norden will need to establish a surcharge that generates \$86,815 at the recommended loan amount.

Funding Recommendation: Award a \$1,345,000 Drinking Water SRF loan at 1.625% for 20 years.

Debt Service Coverage: 110% based on a surcharge that generates \$86,815 annually.

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 APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: North Sioux City DW-01

Total Project Cost:	\$2,700,000
BWNR Funding Assistance Requested:	\$2,700,000
Rate/Term:	2.125%/30 years
Security Pledged For Repayment Of Loan:	System Revenue

Staff Analysis

- 1) If funding is provided as all loan, estimated 2022 revenues available for debt service provide 423% coverage.

Funding Recommendation: Award a \$2,700,000 Drinking Water SRF loan at 2.125% for 30 years.

Debt Service Coverage: 423% based on 2022 estimated revenue.

Loan Contingencies:

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

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

APPLICANT: Wolsey DW-03

Total Project Cost:	\$326,000
BWNR Funding Assistance Requested:	\$326,000
Rate/Term:	1.625% / 30 years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) If funding is provided as all loan, Wolsey will have to establish a surcharge of approximately \$6.25 per month.
- 2) Current rates are \$42.00 per 5,000 gallons. Staff analysis indicated that Wolsey can restructure its current rates to include the required \$6.25 surcharge to service the required debt and cover O&M with no increase.

Funding Recommendation: Award a \$326,000 Drinking Water SRF loan at 1.625% for 30 years.

Debt Service Coverage: 110% based on a surcharge of \$6.25 per user.

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.

April 2020 Available Funds Summary

CONSOLIDATED WATER FACILITIES CONSTRUCTION PROGRAM

Available Prior Year Funds (3-Jan-2020):	\$	1,148,951
2020 Omnibus Appropriation:	\$	11,300,000
Reversions:	\$	2,000,000
Available for Award:	\$	14,448,951
Recommended:	\$	(10,781,500)
Balance:	\$	3,667,451

DRINKING WATER FACILITY GRANTS

BUILD AMERICA BONDS (BABs) FEDERAL SUBSIDY PAYMENTS

2020 Omnibus Appropriation:	\$	1,000,000
Reversions:	\$	-
Available for Award:	\$	1,000,000
Recommended:	\$	(1,000,000)
Balance:	\$	-

DRINKING WATER SRF LOANS

Available Prior Year Funds (30-Sept-2019):	\$	17,918,640
FFY-20 Cap Grant & Match:	\$	11,877,540
FFY-20 Repayments:	\$	6,614,972
Leveraged Bonds:	\$	-
Deobligations/Recissions:	\$	12,805,291
FFY-20 Awards to Date:	\$	(1,722,000)
Available for Award:	\$	47,494,443
Recommended PF:	\$	(3,755,000)
Recommended Loan:	\$	(19,167,500)
Balance:	\$	24,571,943

DRINKING WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Allocations:	\$	41,232,200
FFY-20 Maximum Allocation:	\$	-
Reverted Principal Forgiveness:	\$	83,301
Awarded to Date:	\$	(39,564,499)
Available For Award:	\$	1,751,002
Recommended:	\$	(1,705,000)
Balance:	\$	46,002
Princ. Forg. for Disadvantaged Communities:	\$	12,149,400
FFY-20 Maximum Allocation:	\$	-
Reverted Principal Forgiveness:	\$	500,000
Awarded to Date:	\$	(10,591,600)
Available For Award:	\$	2,057,800
Recommended:	\$	(2,050,000)
Balance:	\$	7,800
Total Balance:	\$	53,802

April 2020 Available Funds Summary

CLEAN WATER SRF WATER QUALITY GRANTS

Available Prior Year Funds (3-Jan-2020):	\$	49
2020 IUP Allocation:	\$	1,250,000
Reversions:	\$	-
2020 SCPG Allotment:	\$	(200,000)
Awarded to Date:	\$	(200,000)
Available for Award:	\$	850,049
Recommended:	\$	(675,000)
Balance:	\$	175,049

WASTEWATER FACILITY GRANTS

BUILD AMERICA BONDS (BABs) FEDERAL SUBSIDY PAYMENTS

2020 Omnibus Appropriation:	\$	2,000,000
Reversions:	\$	-
Available for Award:	\$	2,000,000
Recommended:	\$	(937,000)
Balance:	\$	1,063,000

CLEAN WATER SRF LOANS

Available Prior Year Funds (30-Sept-2019):	\$	21,585,261
FFY-20 Cap Grant & Match:	\$	8,839,111
FFY-20 Repayments:	\$	15,667,992
Leveraged Bonds:	\$	-
Deobligations/Recissions:	\$	14,618,004
FFY-20 Awards to Date:	\$	(18,001,400)
Available For Award:	\$	42,708,968
Recommended PF:	\$	(200,000)
Recommended Loan:	\$	(27,123,200)
Balance:	\$	15,385,768

CLEAN WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Allocations:	\$	22,319,899
FFY-20 Maximum Allocation:	\$	-
Reverted Principal Forgiveness:	\$	364,943
Awarded to Date:	\$	(20,023,362)
Available For Award:	\$	2,661,480
Recommended:	\$	(200,000)
Balance:	\$	2,461,480

April 2020
Dedicated Solid Waste Management Fees

Solid Waste Management Program (SWMP)

Available Prior Year Funds (3-Jan-2020):	\$	684,469
2020 Omnibus Appropriation:	\$	2,225,000
Reversions:	\$	4,413
Available for Award:	\$	<u>2,913,882</u>

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

APPLICANT: Day County Conservation District

Total Project Cost:	\$13,500
BWNR Funding Assistance Requested:	\$7,000
Rate/Term:	NA
Security Pledged For Repayment Of Loan:	NA

Staff Analysis

- 1) Day County Conservation District requested grant funds to assist in the purchase of a Recycling Trailer for plastics. There are currently no collection sites for plastic recycling in Day County. The district will be responsible for maintaining the trailer and hauling to a recycling center when full to empty.

Funding Recommendation: Award a Solid Waste Program Management Grant at 50.0 percent of eligible project costs not to exceed \$6,750.

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

APPLICANT: City of Huron

Total Project Cost: \$300,000

BWNR Funding Assistance Requested: \$150,000

Rate/Term: NA

Security Pledged For Repayment Of Loan: NA

Staff Analysis

- 1) The city of Huron requested grant funds to assist in the purchase of a new recycling collection truck. The current truck is over seven years old and beyond its useful life. The new truck will have a compactor body and automated collection arm as well as software to log collection data.

Funding Recommendation: Award a Solid Waste Program Management Grant at 50.0 percent of eligible project costs not to exceed \$150,000.

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

APPLICANT: Vermillion

Total Project Cost:	\$686,650
BWNR Funding Assistance Requested:	\$343,325
Rate/Term:	NA
Security Pledged For Repayment Of Loan:	NA

Staff Analysis

- 1) The city of Vermillion requested grant funds to assist in the Missouri Valley Recycling Center Renovation. The warehouse was built in 1972, and needs renovations to meet current building codes, provide a safe environment for employees and the public, and to continue operation for acceptance and processing of recycleable materials.

Funding Recommendation: Award a Solid Waste Management Program Grant at 50.0 percent of eligible project costs not to exceed \$343,000.

April 2020

Dedicated Solid Waste Management Fees

Solid Waste Management Program (SWMP)

Available Prior Year Funds (3-Jan-2020):	\$	684,469
2020 Omnibus Appropriation:	\$	2,225,000
Reversions:	\$	4,413
Available for Award:	\$	<u>2,913,882</u>
Recommended:	\$	<u>(499,750)</u>
Balance:	\$	2,414,132

April 2020 Available Funds Summary

CLEAN WATER SRF WATER QUALITY GRANTS

Available Prior Year Funds (3-Jan-2020):	\$	49
2020 IUP Allocation:	\$	1,250,000
Reversions:	\$	-
2020 SCPG Allotment:	\$	(200,000)
Awarded to Date:	\$	(200,000)
Available for Award:	\$	850,049
Recommended:	\$	(675,000)
Balance:	\$	175,049

WASTEWATER FACILITY GRANTS

BUILD AMERICA BONDS (BABs) FEDERAL SUBSIDY PAYMENTS

2020 Omnibus Appropriation:	\$	2,000,000
Reversions:	\$	-
Available for Award:	\$	2,000,000
Recommended:	\$	(937,000)
Balance:	\$	1,063,000

CLEAN WATER SRF LOANS

Available Prior Year Funds (30-Sept-2019):	\$	21,585,261
FFY-20 Cap Grant & Match:	\$	8,839,111
FFY-20 Repayments:	\$	15,667,992
Leveraged Bonds:	\$	-
Deobligations/Recissions:	\$	14,618,004
FFY-20 Awards to Date:	\$	(18,001,400)
Available For Award:	\$	42,708,968
Recommended PF:	\$	(200,000)
Recommended Loan:	\$	(27,123,200)
Balance:	\$	15,385,768

CLEAN WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Allocations:	\$	22,319,899
FFY-20 Maximum Allocation:	\$	-
Reverted Principal Forgiveness:	\$	364,943
Awarded to Date:	\$	(20,023,362)
Available For Award:	\$	2,661,480
Recommended:	\$	(200,000)
Balance:	\$	2,461,480

SIoux FALLS CURRENT AND ANTICIPATED LOANS

Current Sioux Falls projects:

Loan 40 – Main Pump Station Replacement; \$24,400,000 with approx. \$17.6 million remaining

Loan 41 - Water Rec. Facility Expansion; \$41,625,000 with approx. \$40.3 million remaining

Loan 42 – Stormwater Improvements; \$9,000,000 with none spent to date

Shifting these projects to a Sioux Falls only bond frees up \$67 million (less April – June draws)

Anticipated Sioux Falls projects:

\$18,500,000 for Water Reclamation Facility Expansion (2020)

\$8,790,000 for Storm Water Management (2020)

\$42,850,000 for Pump Station 240 Parallel Forcemain (2021)

\$87,500,000 for Water Reclamation Facility Expansion (2021)

\$10,119,000 for Basin 15 Sanitary Sewer Line Extension (2021)

\$11,375,000 for Water Reclamation Facility Expansion (2022)

TOTAL = \$179,134,000