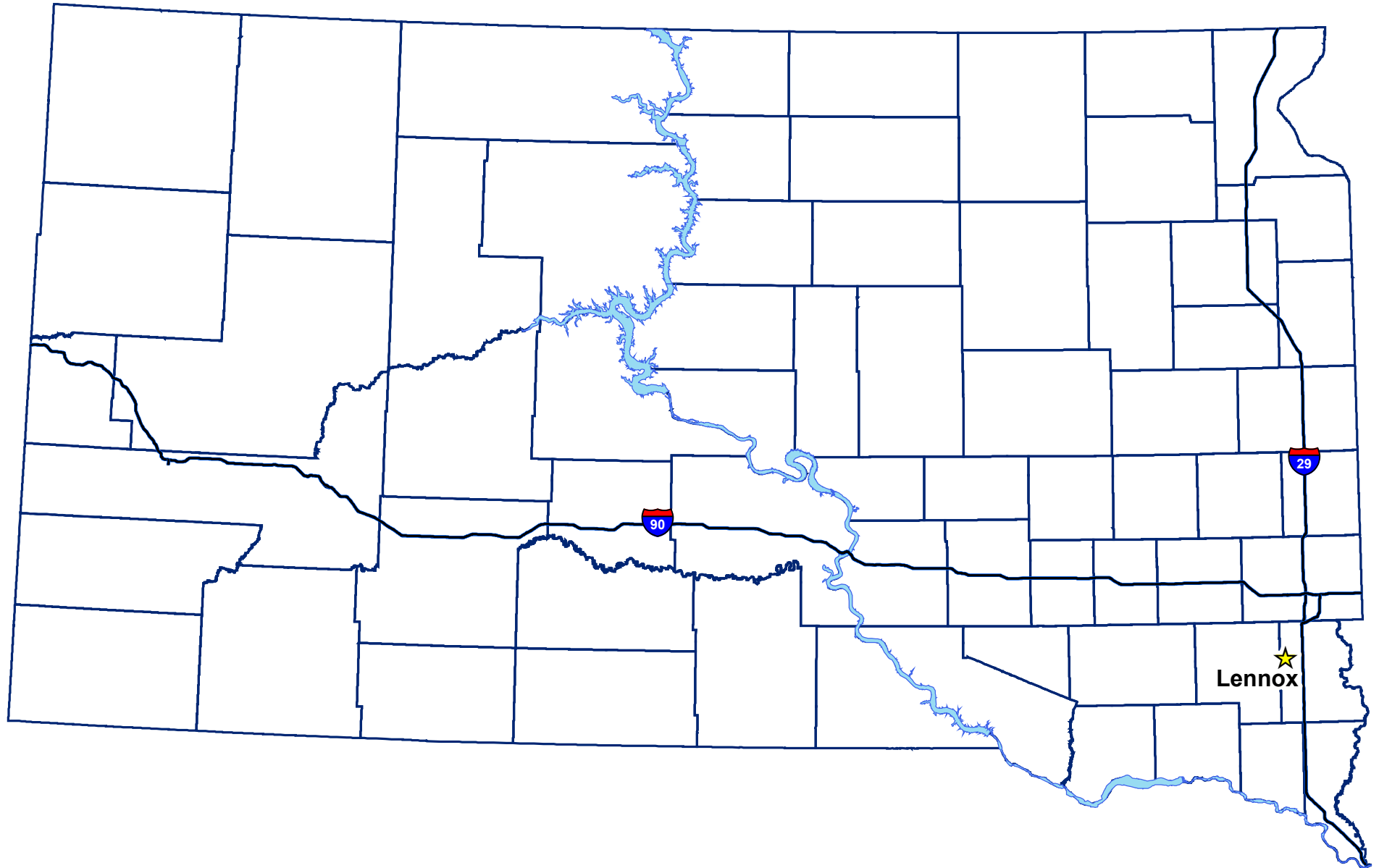


State Water Plan Applications September 2026



State Water Facilities Plan Applicants

Project Sponsor	Description	Projected State Funding (\$)	Recommendation
Lennox	Central Basin Phase 5 and Other Areas Sanitary and Storm Sewer Improvements	\$13,732,060	Place on Facilities Plan
Lennox	Central Basin Phase 5 and Other Areas Drinking Water Improvements	\$2,579,826	Place on Facilities Plan

Staff is recommending that the following projects be added to *Attachment I – Project Priority* list of the 2026 Clean Water SRF Intended Use Plan:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
11	Lennox	\$13,732,060	4.00%, 30 years

Staff is recommending that the following projects be added to *Attachment I – Project Priority* list of the 2026 Drinking Water SRF Intended Use Plan:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
80	Lennox	\$2,579,826	3.75%, 30 years
23	Aberdeen	\$2,500,000	3.75%, 20 years

September 2026

Available Funds Summary

AMERICAN RESCUE PLAN ACT (ARPA) GRANTS

2022 Appropriation:	\$	600,000,000
Reversions:	\$	42,487,112.86
Awarded to Date:	\$	(641,740,908.09)
Available for Award:	\$	<u>746,204.77</u>
2024 SB 53 Section 1 Appropriation:	\$	89,384,221
2024 SB 53 Section 2 Authority Transfer:	\$	7,659,645.05
Reversions:	\$	-
Awarded to Date:	\$	(95,129,729)
Available for Award:	\$	<u>1,914,137.00</u>

CONSOLIDATED WATER FACILITIES CONSTRUCTION PROGRAM

Available Prior Year Funds (8-Jan-2026):	\$	394,266
2026 Omnibus Appropriation:	\$	11,400,000
Reversions:	\$	588,149
Awarded to Date:	\$	(9,618,400)
Available for Award:	\$	<u>2,764,015</u>

2026 GENERAL FUND WATER, WASTEWATER, AND STORMWATER GRANTS

Available Funds 2026 SB 222, Section 2:	\$	2,000,000
Reversions:	\$	-
Awarded to Date:	\$	(2,000,000)
Available for Award:	\$	<u>-</u>

DRINKING WATER EMERGING CONTAMINANTS SMALL or DISADVANTAGED COMMUNITIES

Available Prior Year Funds (8-Jan-2026):	\$	22,352,000
Reversions:	\$	-
Available for Award:	\$	<u>22,352,000</u>

September 2026 Available Funds Summary

DRINKING WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Allocations:	\$	48,199,360
FFY-26 Required:	\$	537,880
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(48,680,980)
Available For Award:	\$	56,260
Princ. Forg. for Disadvantaged Communities Maximum:	\$	27,272,113
Princ. Forg. for Disadvantaged Communities Minimum:	\$	5,294,400
FFY-26 Maximum Allowed:	\$	1,344,700
FFY-26 Minimum Required:	\$	461,040
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(24,152,743)
Maximum Available For Award:	\$	4,464,070
Current Required Amount to be Awarded:	\$	-
BIL Supplemental PF for Disadvantaged Communities:	\$	42,595,700
FFY-26 Required Allocation:	\$	12,195,120
Reverted Principal Forgiveness:	\$	485,523
Awarded to Date:	\$	(38,662,202)
Available For Award:	\$	16,614,141
BIL Emerging Contaminants Principal Forgiveness:	\$	34,063,000
FFY-26 Maximum Allocation:	\$	7,640,000
Transfers from CWSRF Allocation:	\$	1,043,000
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(32,225,000)
Available For Award:	\$	10,521,000
BIL Lead Service Line PF for Disadvantaged Communities:	\$	490,000
FFY-26 Maximum Allocation:	\$	13,453,440
Reverted Principal Forgiveness:	\$	193,832
Awarded to Date:	\$	(490,000)
Available For Award:	\$	13,647,272

September 2026

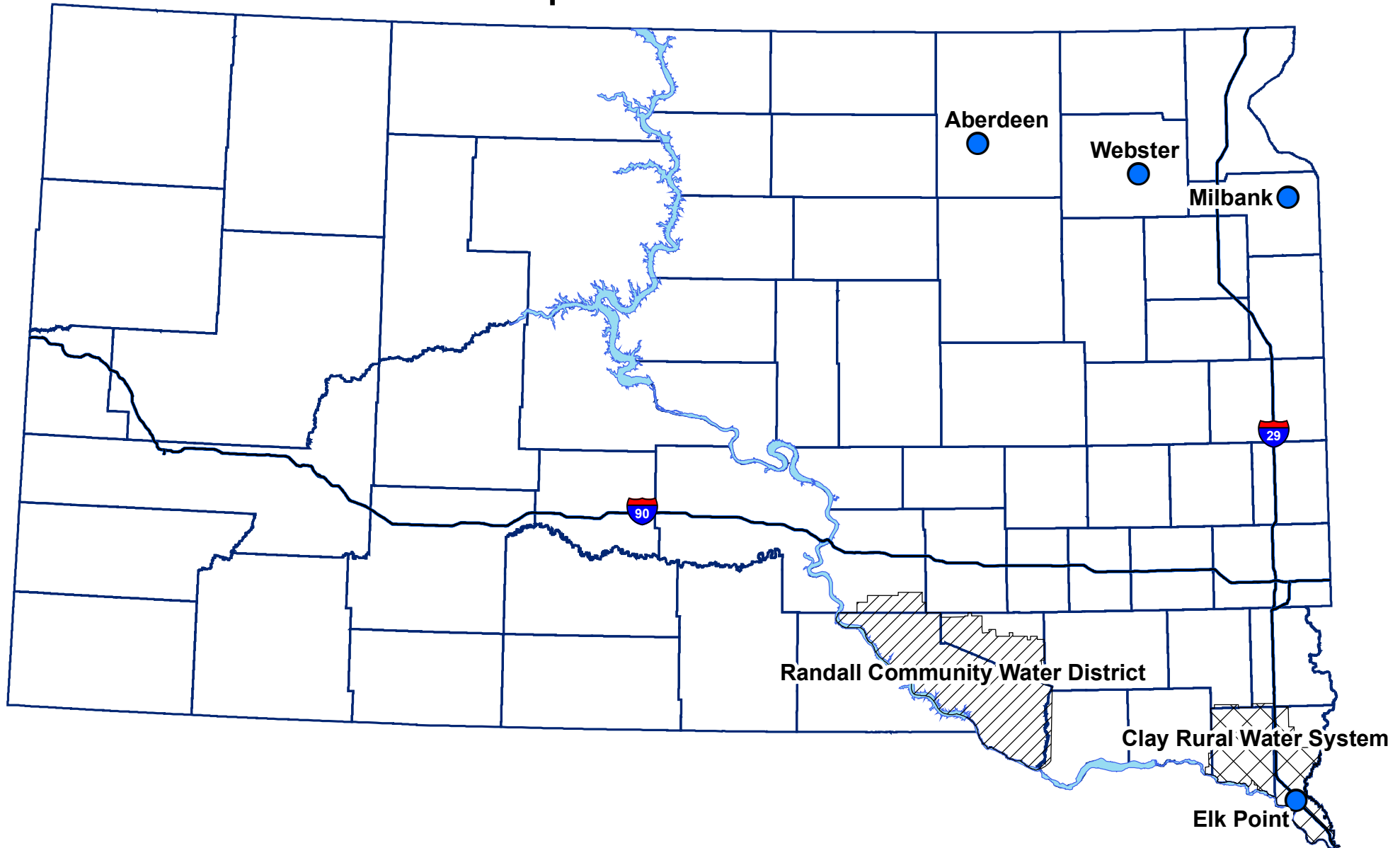
Available Funds Summary

CLEAN WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Maximum:	\$	35,446,409
Prior Year Principal Forgiveness Minimum:	\$	11,882,781
FFY-26 Maximum Allowed:	\$	1,402,800
FFY-26 Minimum Required:	\$	701,400
Reverted Principal Forgiveness:	\$	2,010,300
Awarded to Date:	\$	(36,997,439)
Maximum Available For Award:	\$	1,862,070
Current Required Amount to be Awarded:	\$	-
BIL Supplemental PF for Disadvantaged Communities:	\$	20,692,210
FFY-26 Maximum Allocation:	\$	5,926,060
Reverted Principal Forgiveness:		
Awarded to Date:	\$	(26,618,270)
Available For Award:	\$	-
BIL Emerging Contaminants Principal Forgiveness:	\$	3,588,000
FFY-26 Maximum Allocation:	\$	1,043,000
Transferred to DWSRF Allocation:	\$	(4,631,000)
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	-
Available For Award:	\$	-

Drinking Water Funding Applications

September 2026



DRINKING WATER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Clay Rural Water System

Total Project Cost: \$ 16,505,000

BWNR Funding Assistance Requested: \$ 16,505,000

Rate/Term: N/A

Security Pledged For Repayment Of Loan: N/A

Staff Analysis

- 1) Clay Rural Water System is proposing to connect its existing water system to the City of Elk Point. The wells in Elk Point exceed recommended levels for manganese. The existing wells and treatment facility are in need of replacement, with a capital cost that is more expensive than regionalization.
- 2) Manganese is considered an emerging contaminant and is eligible for funding through the Emerging Contaminants for Small or Disadvantaged Communities grant program. This is a federal grant that is separate from the SRF program but was also passed as part of the overall IJA funding programs. South Dakota has focused projects related to manganese on those completing regionalization projects.
- 3) These funds are to be provided as a 100 percent grant and must be directed to small or disadvantaged communities. The city of Elk Point qualifies as disadvantaged. EPA has approved the project as allowable and has confirmed that Clay Rural Water System is eligible to receive these grant funds.
- 4) Elk Point users will see some additional costs associated with connection to Clay RWS for purchase of water. Based on the rates Clay RWS will charge Elk Point, a 5,000 gallon user would see a \$23.25/month increase. There will be savings to the city of Elk Point for reduced operation and maintenance. In total Elk Point user rates are anticipated to be \$57.84, prior to other debt.

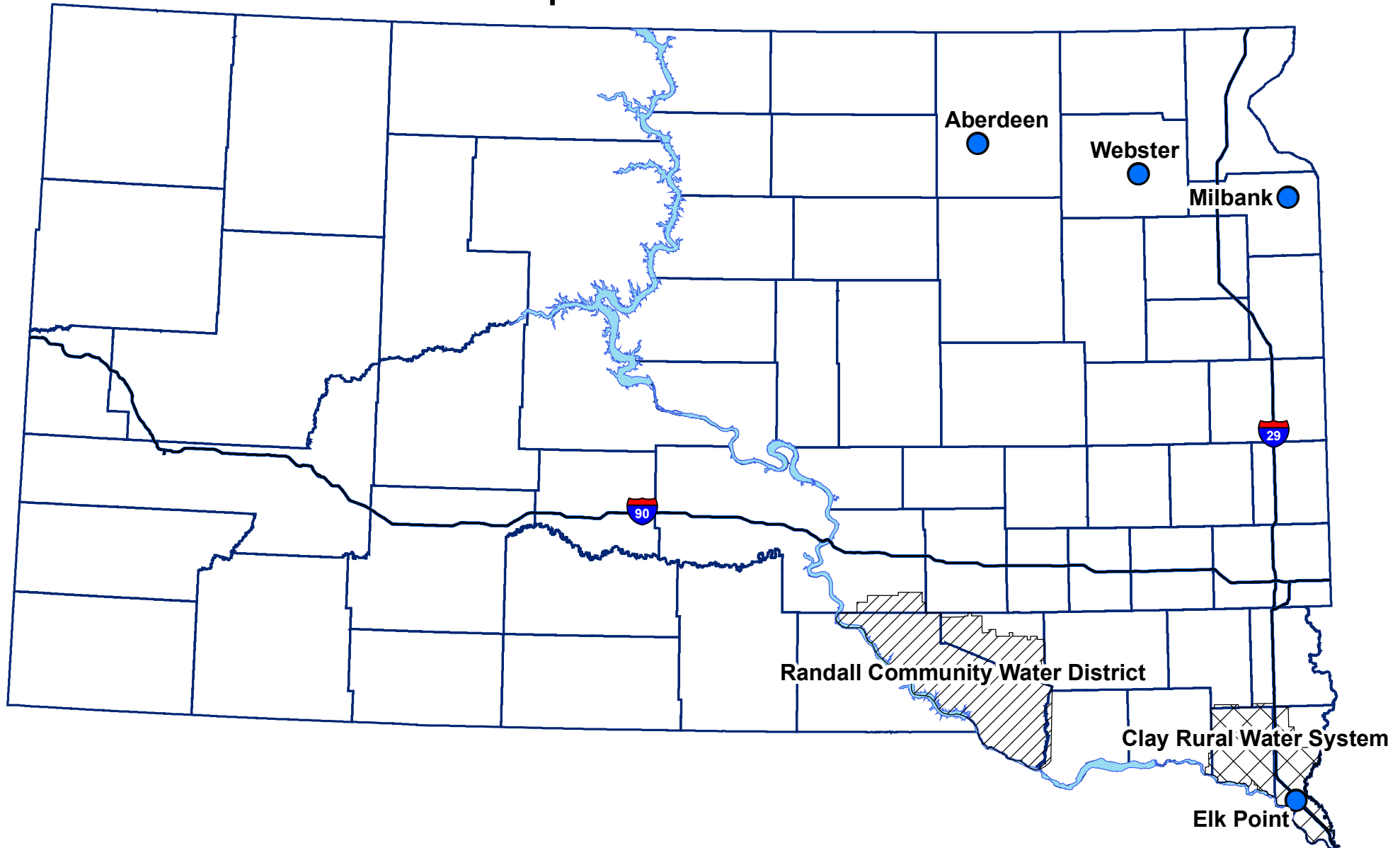
Funding Recommendation: Award a \$16,505,000 grant from Emerging Contaminants for Small or Disadvantaged Communities.

Grant Contingencies:

- 1) Contingent upon the receipt of the Drinking Water Emerging Contaminants for Small or Disadvantaged Communities grants from EPA.

Drinking Water Funding Applications

September 2026



DRINKING WATER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Milbank DW-03

Total Project Cost:	\$10,000,000
BWNR Funding Assistance Requested:	\$10,000,000
Rate/Term:	3.75% / 20 years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) Current rates are at \$42.58 per 5,000 gallons. The city charges a hybrid surcharge for the DW-01 and DW-02 loan which is a mixture of a flat rate and a volume-based charge per cubic-feet. ☐
- 2) DW-01 loan matures January 2028, and DW-02 loan balance is projected to be finalized at approximately \$4.5 million. DW-02 loan is expected to go into repayment starting February 2027.
- 3) At the recommended funding level, the city would need to raise their overall rates to approximately \$45.50 per 5,000 gallons.

Funding Recommendation: \$10,000,000 Drinking Water SRF loan at 3.75% for 20 years.

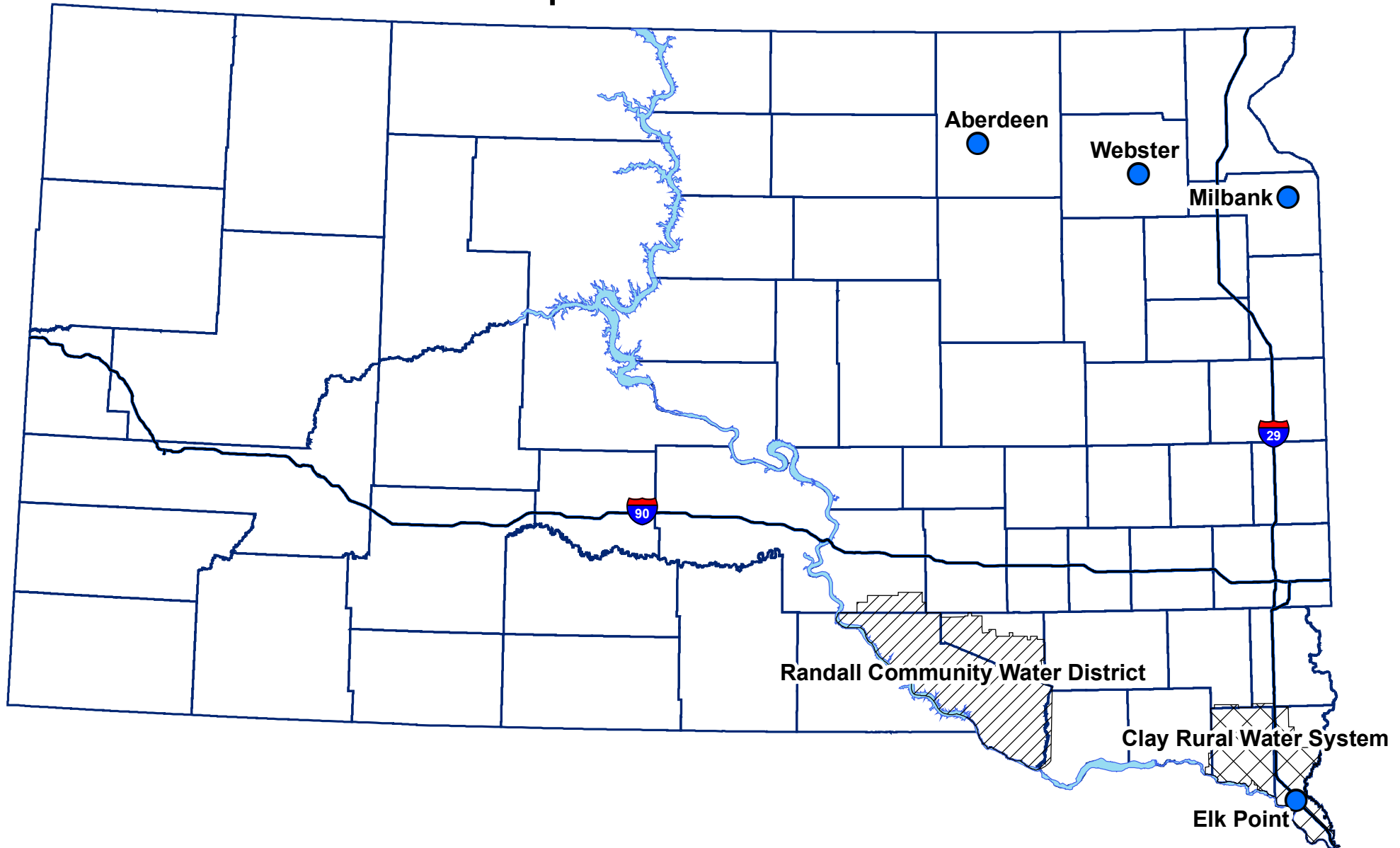
Debt Service Coverage: 110% based on a hybrid surcharge that annually generates \$784,257.

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

September 2026



DRINKING WATER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Elk Point DW-08

Total Project Cost:	\$	730,000
BWNR Funding Assistance Requested:	\$	730,000
Rate/Term:		3.75% / 30 Years
Security Pledged For Repayment Of Loan:		Project Surcharge

Staff Analysis

- 1) Current rates are at \$39.89 per 5,000 gallons. If funding is provided as all loan, a surcharge of \$3.95 would be needed to meet the required debt coverage.☐
- 2) With the prior award to Clay RWS to connect and provide bulk water to Elk Point there will be increased water user costs for that purchase. With the purchase of water from Clay RWS and reduced costs from no longer operating the wells and treatment facility, the estimated residential rate for 5,000 gallons, including the surcharge, will be \$61.80 per month.☐

Funding Recommendation: Award a \$730,000 Drinking Water SRF loan at 3.75% for 30 years.

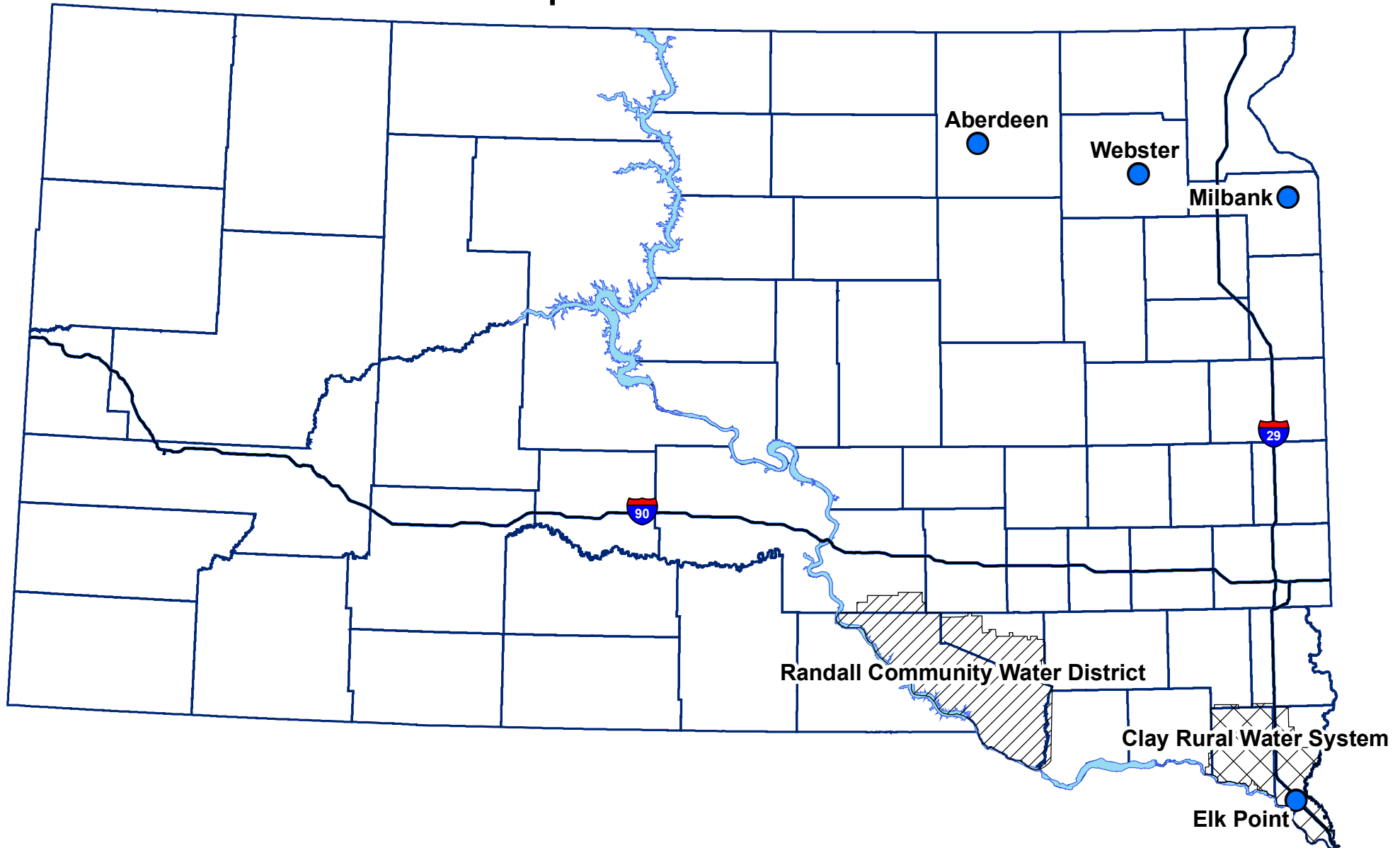
Debt Service Coverage: 110% based on a \$3.95 surcharge.

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

September 2026



DRINKING WATER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Randall Community Water District DW-07

Total Project Cost:	\$116,156,550
BWNR Funding Assistance Requested:	\$5,000,000
Rate/Term:	3.75% / 30 Years
Security Pledged For Repayment Of Loan:	System Revenue

Staff Analysis

- 1) Randall Community Water District requires additional funding to support the total project costs associated with its connection to Mitchell.
- 2) If all funding is provided as a loan, Randall Community Water District would have 128% coverage based on anticipated revenues from bulk users and proposed future rate increases to \$74.00 per month for rural household users at 7,000 gallons.

Funding Recommendation: Award a \$5,000,000 Drinking Water SRF loan at 3.75% for 30 years.

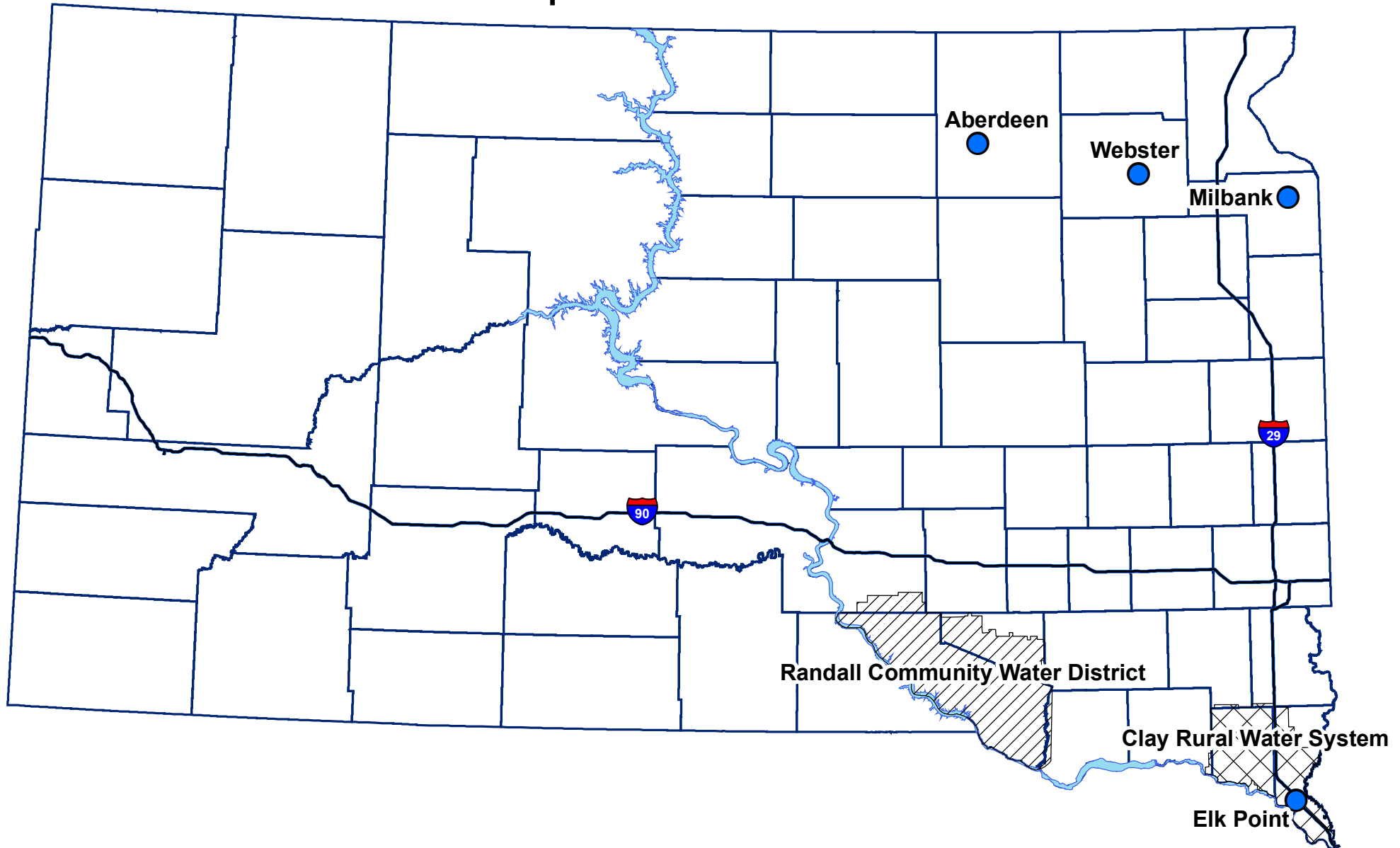
Debt Service Coverage: 128% coverage based on proposed increase in rates.

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.
- 3) Contingent upon an Intercreditor Agreement being approved and executed by Cobank, Randall Community Water District and the District.

Drinking Water Funding Applications

September 2026



DRINKING WATER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Webster DW-05

Total Project Cost:	\$908,000
BWNR Funding Assistance Requested:	\$908,000
Rate/Term:	2.50% / 10 years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) Current rates are \$77.30 per 5,000 gallons. If funding is provided as all loan, a surcharge of \$8.35 would be needed to meet the required debt coverage, which would bring overall rates to \$85.65.
- 2) At the recommended funding level a surcharge of \$1.70 would be required, which would bring overall rates to \$79.00.
- 3) Current drinking water revenues do not provide sufficient debt coverage for Drinking Water Loans DW-03 & DW-04. An increase of \$6.70 to current rates would be needed to meet the required debt coverage, which would bring overall rates to \$85.70.

Funding Recommendation: \$908,000 Drinking Water SRF loan at 2.50% for 10 years with 80% as principal forgiveness, not to exceed \$726,000.

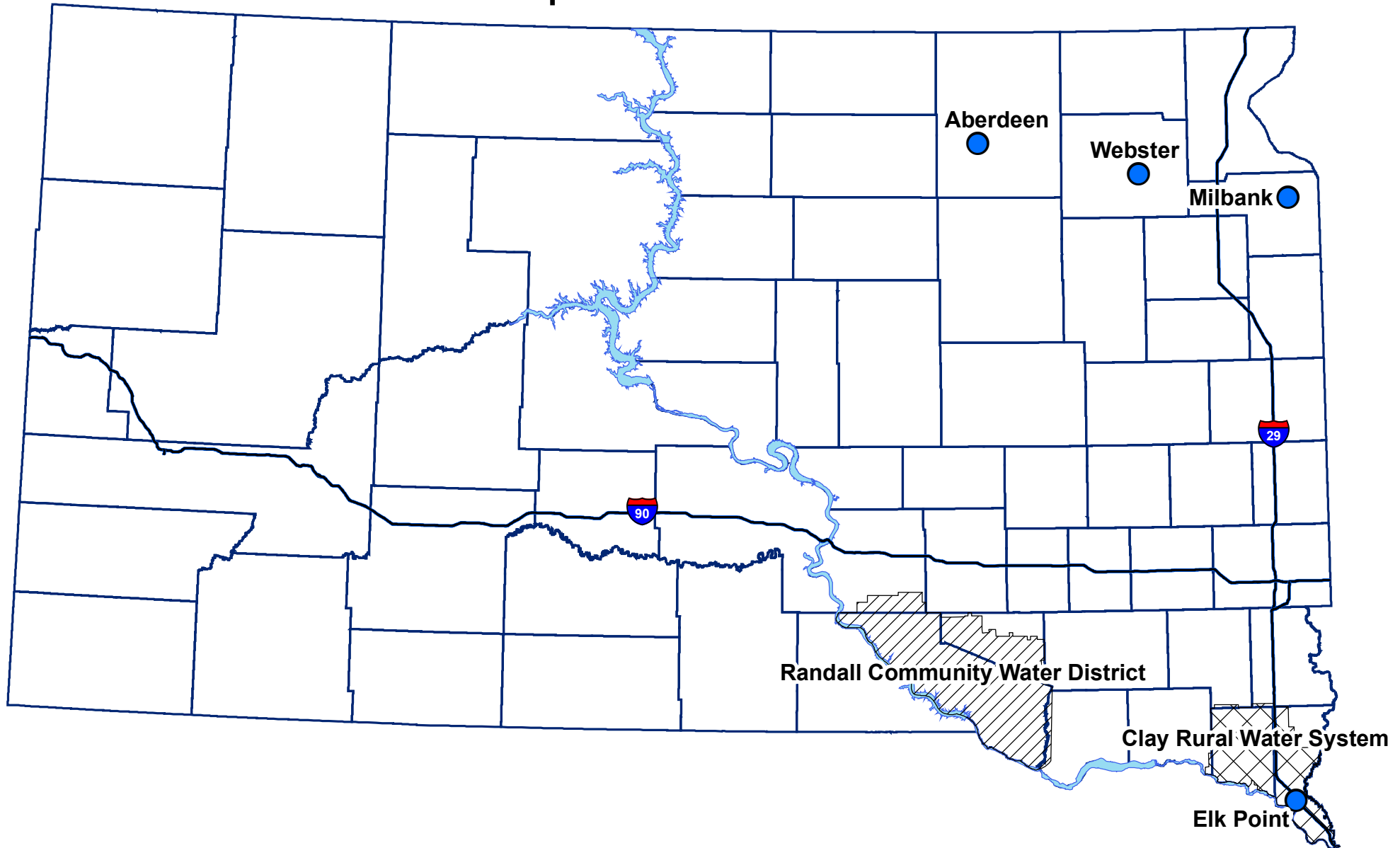
Debt Service Coverage: 110% based on a \$1.70 surcharge.

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.
- 3) Contingent upon the Borrower raising its rates sufficiently to provide the required debt coverage for Drinking Water Loans C462054-03 & C462054-04.

Drinking Water Funding Applications

September 2026



DRINKING WATER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Aberdeen DW-05

Total Project Cost:	\$14,500,000
BWNR Funding Assistance Requested:	\$2,500,000
Rate/Term:	3.75% / 20 years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) Current rates are \$48.25 per 5,000 gallons. If funding is provided as all loan, a surcharge of \$1.75 per month would be needed to meet the required debt coverage, which would bring overall rates to \$50.00.

Funding Recommendation: \$2,500,000 Drinking Water SRF loan at 3.75% for 20 years.

Debt Service Coverage: 110% based on a \$1.75 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.

September 2026

Remaining Available Funds Summary

AMERICAN RESCUE PLAN ACT (ARPA) GRANTS

2022 Appropriation:	\$ 600,000,000
Reversions:	\$ 42,487,112.86
Awarded to Date:	\$ (641,740,908.09)
Available for Award:	\$ 746,204.77
Recommended:	(\$746,204.77)
Balance:	<u>\$ (0.00)</u>
2024 SB 53 Section 1 Appropriation:	\$ 89,384,221
2024 SB 53 Section 2 Authority Transfer:	\$ 7,659,645
Reversions:	\$ -
Awarded to Date:	\$ (95,129,729)
Available for Award:	\$ 1,914,137.00
Recommended:	\$ (2,014,137.00)
Balance:	<u>\$ (100,000.00)</u>

CONSOLIDATED WATER FACILITIES CONSTRUCTION PROGRAM

Available Prior Year Funds (8-Jan-2026):	\$ 394,266
2026 Omnibus Appropriation:	\$ 11,400,000
Reversions:	\$ 588,149
Awarded to Date:	\$ (9,618,400)
Available for Award:	\$ 2,764,015
Recommended:	\$ -
Balance:	<u>\$ 2,764,015</u>

2026 GENERAL FUND WATER, WASTEWATER, AND STORMWATER GRANTS

Available Funds 2026 SB 222, Section 2:	\$ 2,000,000
Reversions:	\$ -
Available for Award:	\$ -
Recommended:	\$ -
Balance:	<u>\$ -</u>

DRINKING WATER EMERGING CONTAMINANTS - SMALL or DISADVANTAGED COMMUNITIES

Available Prior Year Funds (8-Jan-2026):	\$ 22,352,000
Reversions:	\$ -
Available for Award:	\$ 22,352,000
Recommended:	\$ (16,505,000)
Balance:	<u>\$ 5,847,000</u>

September 2026

Remaining Available Funds Summary

DRINKING WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Allocations:	\$ 48,199,360
FFY-26 Required:	\$ 537,880
Reverted Principal Forgiveness:	\$ -
Awarded to Date:	<u>\$ (48,680,980)</u>
Available For Award:	\$ 56,260
Recommended:	<u>\$ -</u>
Balance:	\$ 56,260
Princ. Forg. for Disadvantaged Communities Maximum:	\$ 27,272,113
Princ. Forg. for Disadvantaged Communities Minimum:	\$ 5,294,400
FFY-26 Maximum Allowed:	\$ 1,344,700
FFY-26 Minimum Required:	\$ 461,040
Reverted Principal Forgiveness:	\$ -
Awarded to Date:	<u>\$ (24,152,743)</u>
Maximum Available For Award:	\$ 4,464,070
Current Required Amount to be Awarded:	\$ -
Recommended:	<u>\$ -</u>
Maximum Balance:	\$ 4,464,070
Required Balance:	\$ -
BIL Supplemental PF for Disadvantaged Communities:	\$ 42,595,700
FFY-26 Required Allocation:	\$ 12,195,120
Reverted Principal Forgiveness:	\$ 485,523
Awarded to Date:	<u>\$ (38,662,202)</u>
Available For Award:	\$ 16,614,141
Recommended:	<u>\$ (726,000)</u>
Balance:	\$ 15,888,141
BIL Emerging Contaminants Principal Forgiveness:	\$ 34,063,000
FFY-26 Maximum Allocation:	\$ 7,640,000
Transfers from CWSRF Allocation:	\$ 1,043,000
Reverted Principal Forgiveness:	\$ -
Awarded to Date:	<u>\$ (32,225,000)</u>
Available For Award:	\$ 10,521,000
Recommended:	<u>\$ -</u>
Balance:	\$ 10,521,000
BIL Lead Service Line PF for Disadvantaged Communities:	\$ 490,000
FFY-26 Maximum Allocation:	\$ 13,453,440
Reverted Principal Forgiveness:	\$ 193,832
Awarded to Date:	<u>\$ (490,000)</u>
Available For Award:	\$ 13,647,272
Recommended:	<u>\$ -</u>
Balance:	\$ 13,647,272

September 2026

Remaining Available Funds Summary

CLEAN WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Maximum:	\$	35,446,409
Prior Year Principal Forgiveness Minimum:	\$	11,882,781
FFY-26 Maximum Allowed:	\$	1,402,800
FFY-26 Minimum Required:	\$	701,400
Reverted Principal Forgiveness:	\$	2,010,300
Awarded to Date:	\$	(36,997,439)
Maximum Available For Award:	\$	1,862,070
Current Required Amount to be Awarded:	\$	-
Recommended:	\$	71,750
Maximum Balance:	\$	1,933,820
Required Balance:	\$	71,750
BIL Supplemental PF for Disadvantaged Communities:	\$	20,692,210
FFY-26 Maximum Allocation:	\$	5,926,060
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(26,618,270)
Available For Award:	\$	-
Recommended:	\$	(71,750)
Balance:	\$	(71,750)
BIL Emerging Contaminants Principal Forgiveness:	\$	3,588,000
FFY-26 Maximum Allocation:	\$	1,043,000
Transferred to DWSRF Allocation:	\$	(4,631,000)
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	-
Available For Award:	\$	-
Recommended:	\$	-
Balance:	\$	-

September 2026

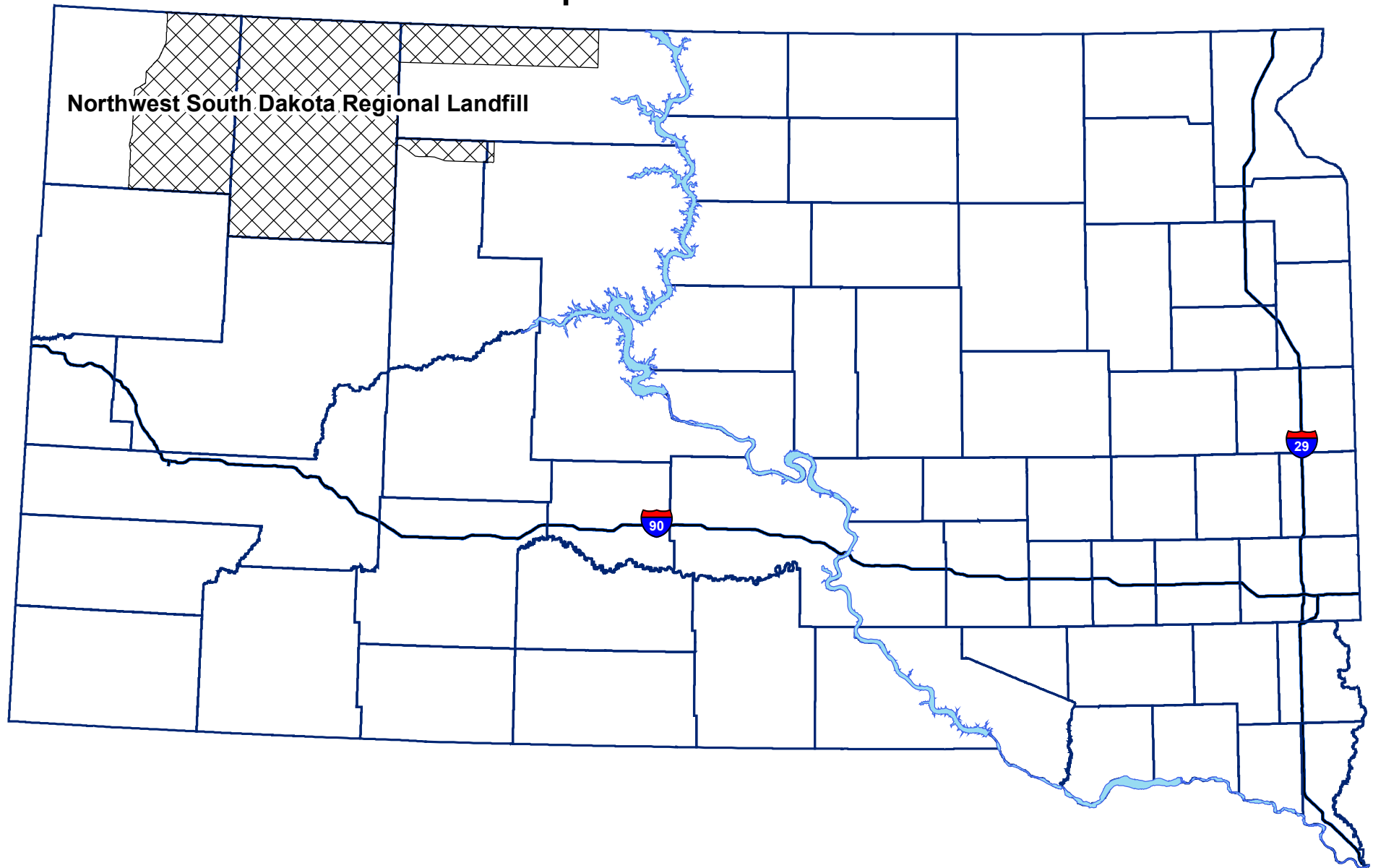
Dedicated Solid Waste Management Fees

Solid Waste Management Program (SWMP)

Available Prior Year Funds (8-Jan-2026):	\$	110,863
2026 Omnibus Appropriation:	\$	3,400,000
Reversions:	\$	193,298
Awarded to Date:	\$	(1,461,600)
Available for Award:	\$	<u>2,242,561</u>

Solid Waste Management Program Funding Applications

September 2026



SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Northwest South Dakota Regional Landfill Association, Inc.

Total Project Cost: \$631,000

BWNR Funding Assistance Requested: \$631,000

Rate/Term: 3.50% / 10 years

Security Pledged For Repayment Of Loan: Revenue

Staff Analysis

- 1) Northwest SD Regional Landfill Association proposes to acquire new equipment, including a Dozer, a roll-off trailer, and ten roll-off dumpsters, to replace existing units that are malfunctioning, nearing the end of their useful life, and incurring substantial repair costs.
- 2) Northwest SD Regional Landfill has 2 loans maturing in the next 2 years. 2015L-SW-400 matures in June and this will free up \$14,621.64 annually. 2017L SW-303 matures in December and this will free up \$35,375.10 annually.

Funding Recommendation: \$502,000 SWMP loan at 3.5% for 10 years and a SWMP grant at 20.5% not to exceed \$129,000.

Debt Service Coverage: Coverage would exceed 107% based on revenue projections.

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.

September 2026

Dedicated Solid Waste Management Fees

Solid Waste Management Program (SWMP)

Available Prior Year Funds (8-Jan-2026):	\$	110,863
2026 Omnibus Appropriation:	\$	3,400,000
Reversions:	\$	193,298
Awarded to Date:	\$	(1,461,600)
Available for Award:	\$	2,242,561
Recommended:	\$	(631,000)
Balance:	\$	1,611,561