

State Water Plan Applications



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

- Bryant – Wastewater and Storm Sewer
- Bryant - Water
- Mitchell – Sanborn Boulevard
- Mitchell – East Central
- Salem

Staff is recommending that the following projects be added to *Attachment I – Project Priority* list of the 2018 Clean Water SRF Intended Use Plan:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
10	Mitchell - Sanborn	\$6,077,000	2.50%, 30 years
10	Mitchell – East Central	\$2,223,000	2.50%, 30 years
5	Bryant	\$4,612,000	2.50%, 30 years

Staff is recommending that the following projects be added to *Attachment I – Project Priority* list of the 2018 Drinking Water SRF Intended Use Plan:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
150	Rapid City	\$950,000	2.00%, 20 years
55	Salem	\$1,144,000	2.25%, 30 years
33	Mitchell - Sanborn	\$1,705,000	2.25%, 30 years
33	Mitchell – East Central	\$475,000	2.25%, 30 years
8	Bryant	\$1,051,000	2.00%, 30 years

Items 5 and 6:

Staff is recommending that the following projects be added to *Attachment I – Project Priority* lists of both the 2016 and 2017 Clean Water SRF Intended Use Plans:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
7	Presho	\$3,787,000	2.50%, 30 years
6	Marion	\$512,000	2.00%, 10 years

Item 7:

Staff is recommending that the following projects be added to *Attachment I – Project Priority* list of the 2017 Drinking Water SRF Intended Use Plan:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
150	Rapid City	\$950,000	2.00%, 20 years
33	Leola	\$2,642,000	2.00%, 30 years
12	Grenville	\$351,415	2.00%, 30 years

June 2018 Available Funds Summary

CONSOLIDATED WATER FACILITIES CONSTRUCTION PROGRAM

Available Funds:	\$	3,022,381
Reversions:	\$	297,124
Available for Award:	\$	3,319,505

DRINKING WATER SRF WATER CONSTRUCTION GRANTS

2018 Omnibus Appropriation:	\$	1,500,000
Reversions:	\$	-
Awarded to Date:	\$	(1,100,000)
Available for Award:	\$	400,000

DRINKING WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Allocations:	\$	36,810,000
FFY-18 Maximum Allocation:	\$	2,221,400
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(36,376,607)
Available For Award:	\$	2,654,793
Princ. Forg. for Disadvantaged Communities:	\$	4,965,900
FFY-18 Maximum Allocation:	\$	3,332,100
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(3,763,600)
Available For Award:	\$	4,534,400
Total Available for Award:	\$	7,189,193

DRINKING WATER SRF LOANS

Available Prior Year Funds (30-Sept-2017):	\$	12,974,812
FFY-18 Cap Grant & Match:	\$	11,986,980
FFY-18 Repayments:	\$	7,000,000
Leveraged Bonds:	\$	-
Deobligations/Recissions:	\$	322,522
FFY-18 Awards to Date:	\$	(19,647,000)
Available for Award:	\$	12,637,314

June 2018 Available Funds Summary

CLEAN WATER SRF WATER QUALITY GRANTS

Available Prior Year Funds (4-Jan-2018):	\$	54,908
2018 IUP Allocation:	\$	1,000,000
Reversions:	\$	197,022
2018 SCPG Allotment:	\$	(100,000)
Awarded to Date:	\$	(150,000)
Available for Award:	<u>\$</u>	<u>1,001,930</u>

CLEAN WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Allocations:	\$	16,112,119
FFY-18 Maximum Allocation:	\$	3,143,600
Reverted Principal Forgiveness:	\$	29,740
Awarded to Date:	\$	(13,468,390)
Available For Award:	<u>\$</u>	<u>5,817,069</u>

CLEAN WATER SRF LOANS

Available Prior Year Funds (30-Sept-2017):	\$	62,029,470
FFY-18 Cap Grant & Match:	\$	8,969,496
FFY-18 Repayments:	\$	8,500,000
Leveraged Bonds:	\$	-
Deobligations/Recissions:	\$	3,205,560
FFY-18 Awards to Date:	\$	(21,896,700)
Available For Award:	<u>\$</u>	<u>60,807,826</u>

Sanitary/Storm Sewer Facilities Funding Applications



SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION

FINANCIAL ANALYSIS SUMMARY

APPLICANT: Presho CW-01

Total Project Cost: \$3,600,000
BWNR Funding Assistance Requested: \$3,600,000
Rate/Term: 2.50% / 30 years
Security Pledged For Repayment Of Loan: Project Surcharge

Staff Analysis

- 1) If all funding is provided as loan Presho would have to establish a surcharge of approximately \$52.23 when added to the current rate of \$30.00 residents would be paying \$82.53.
- 2) Presho was awarded a \$1,198,000 Clean Water SRF loan in March 2018. The construction from the previous awarded funding and the current application will be bid together and will be easier for project management and administration for all if the loans are combined into one.
- 3) Presho has been awarded a Community Development Block Grant with \$750,000 available for construction costs. This reduces the total amount necessary to complete the project to \$4,048,000.
- 4) At the recommended level of loan funding, Presho will need to establish a surcharge of \$38.42, however with restructuring rates staff believes Presho can establish the surcharge and keep rates at \$46.85.

Funding Recommendation: Rescind Resolution #2018-25 and award a new \$4,048,000 Clean Water SRF loan at 2.50% for 30 years with 34.6% principal forgiveness not to exceed \$1,400,000.

Debt Service Coverage: 110% based on a surcharge of \$38.42

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: Cavour CW-02

Total Project Cost:	\$956,000
BWNR Funding Assistance Requested:	\$956,000
Rate/Term:	2.50% / 30 years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) Current rates in Cavour are \$31.00 per 5,000 gallons.
- 2) At the recommended level of loan funding, Cavour will need to establish a surcharge of \$15.20 bringing total rates in Cavour to \$46.20.

Funding Recommendation: \$192,000 Clean Water SRF loan at 2.50% for 30 years and a \$764,000 Consolidated grant.

Debt Service Coverage: 110% based on a surcharge of \$15.20

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 Applications



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

APPLICANT: Rapid City DW-04

Total Project Cost: \$8,076,000

BWNR Funding Assistance Requested: \$950,000

Rate/Term: 2.0% / 20 years

Security Pledged For Repayment Of Loan: System Revenue

Staff Analysis

- 1) The city of Rapid City is nearing completion of the East Rapid City Water System Expansion project. In June 2014 the project was awarded a \$1,000,000 Consolidated grant and a \$4,626,000 Drinking Water SRF loan with up to \$3,000,000 in principal forgiveness.
- 2) A review of the actual costs to date and projected costs of the final two construction contracts were used to determine that there will be a funding shortfall. Since the application was submitted the expected shortfall has decreased to \$500,000.

Funding Recommendation: \$500,000 Drinking Water SRF loan at 2.0% for 20 years with 75% principal forgiveness not to exceed \$375,000.

Debt Service Coverage: Exceeds the required 110% debt coverage.

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: Leola DW-01

Total Project Cost:	\$2,641,000
BWNR Funding Assistance Requested:	\$2,641,000
Rate/Term:	2.00% / 30 years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) If all funding is provided as loan Leola would have to establish a surcharge of approximately \$43.35. When added to the current rate of \$46.00 for 5,000 gallons residents would be paying \$89.35 per 5,000 gallons.
- 2) Leola has been awarded a Community Development Block Grant with \$750,000 available for construction costs. This reduces the total amount necessary to complete the project to \$1,891,000.
- 3) At the recommended level of loan funding, Leola will need to establish a surcharge of \$4.55 bringing total rates at \$50.55 per 5,000 gallons.

Funding Recommendation: \$1,891,000 Drinking Water SRF loan at 2.00% for 30 years with 85.5% principal forgiveness not to exceed \$1,615,000.

Debt Service Coverage: 110% based on a surcharge of \$4.55

Loan Contingencies:

- 1) Contingent upon the Borrower adopting a bond resolution and the resolution becoming effective.
- 2) Contingent upon the Borrower establishing a surcharge at a level sufficient to provide the required debt coverage.
- 3) Contingent upon receipt of the 2018 Drinking Water State Revolving Fund capitalization grant from EPA.

DRINKING WATER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Sheridan Lake Highlands Homeowners Association

Total Project Cost: \$301,700

BWNR Funding Assistance Requested: \$301,700

Rate/Term: 2.5% / 30 years

Security Pledged For Repayment Of Loan: System Revenue

Staff Analysis

- 1) If all funding is provided as loan, Sheridan Lake Highlands Homeowners Association would have 25% coverage based on the current rate of \$110.00 for 10,000 gallons usage. Sheridan Lake Highlands Homeowners Association users pay \$110 for the first 10,000 gallons and \$25 for each 1,000 gallons after.
- 2) At the recommended level of loan funding, Sheridan Lake Highlands Homeowners Association will need to establish a base charge of \$34.90. Staff analysis indicates the rates can be restructured to \$133.00 to cover debt service and O&M.

Funding Recommendation: Award a \$211,700 Consolidated loan at 2.5% for 30 years and a \$90,000 Consolidated grant.

Debt Service Coverage: 100% debt coverage with rates at \$133.

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 establishing rates at a level sufficient to provide the required debt coverage.
- 3) Contingent upon the Borrower approving a security agreement and mortgage.

DRINKING WATER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Marion CW-02

Total Project Cost: \$522,000
BWNR Funding Assistance Requested: \$522,000
Rate/Term: 2.00% / 10 years
Security Pledged For Repayment Of Loan: Project Surcharge

Staff Analysis

- 1) If all funding is provided as loan Marion would have to establish a surcharge of approximately \$13.67. When added to current rate of \$40.00 for 5,000 gallons, residents would be paying \$53.67 for 5,000 gallons.
- 2) At the recommended level of loan funding, Marion will need to establish a surcharge of \$11.10. Staff believes if Marion restructures its rates the city can keep rates at \$45.80.

Funding Recommendation: \$522,000 **Clean** Water SRF loan at 2.00% for 10 years with 19.0% principal forgiveness not to exceed \$99,000.

Debt Service Coverage: 110% based on a surcharge of \$11.10

Loan Contingencies:

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

DRINKING WATER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Grenville DW-01

Total Project Cost:	\$352,000
BWNR Funding Assistance Requested:	\$352,000
Rate/Term:	2.00% / 30 years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) If all funding is provided as loan Grenville would have to establish a surcharge of approximately \$28.70. When added to the current rate of \$42.00 for 5,000 gallons residents would be paying \$70.70 for 5,000 gallons.
- 2) At the recommended loan amount Grenville with need to establish a surcharge of approximately \$5.75, bringing total rates to \$47.75 for 5,000 gallons.

Funding Recommendation: \$352,000 Drinking Water SRF loan at 2.00% for 30 years with 80.2% principal forgiveness not to exceed \$282,000 .

Debt Service Coverage: 110% based on a surcharge of \$5.75

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.

Loan Special Condition:

- 1) It shall be a condition of the Loan that the Borrower complete a required board training as outlined on the Department's capacity letter prior to drawing over 50% of the Loan.

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

APPLICANT: Butte Meade Sanitary Water District DW-02

Total Project Cost: \$413,000

BWNR Funding Assistance Requested: \$413,000

Rate/Term: 2.25% / 20 years

Security Pledged For Repayment Of Loan: System Revenue

Staff Analysis

- 1) The current rate is \$53 for 5,000 gallons.
- 2) Butte-Meade has discussed raising rates to fund the project but staff analysis indicates that current rates will provide coverage of 177%.

Funding Recommendation: Award a \$413,000 DWSRF loan at 2.25% for 20 years.

Debt Service Coverage: 177% based on rates of \$53 for 5,000 gallons

Loan Contingencies:

- 1) Contingent upon the Borrower adopting a bond resolution and the resolution becoming effective.
- 2) Contingent upon an Intercreditor Agreement being approved and executed by First National Bank of Newell and the District.

June 2018
Dedicated Solid Waste Management Fees

Solid Waste Management Program (SWMP)

Available Funds:	\$	3,990,210
Reversions:	\$	476,508
Available for Award:	\$	<u>4,466,718</u>

Solid Waste Management Program Funding Applications



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

APPLICANT: Rapid City

Total Project Cost: \$4,556,944

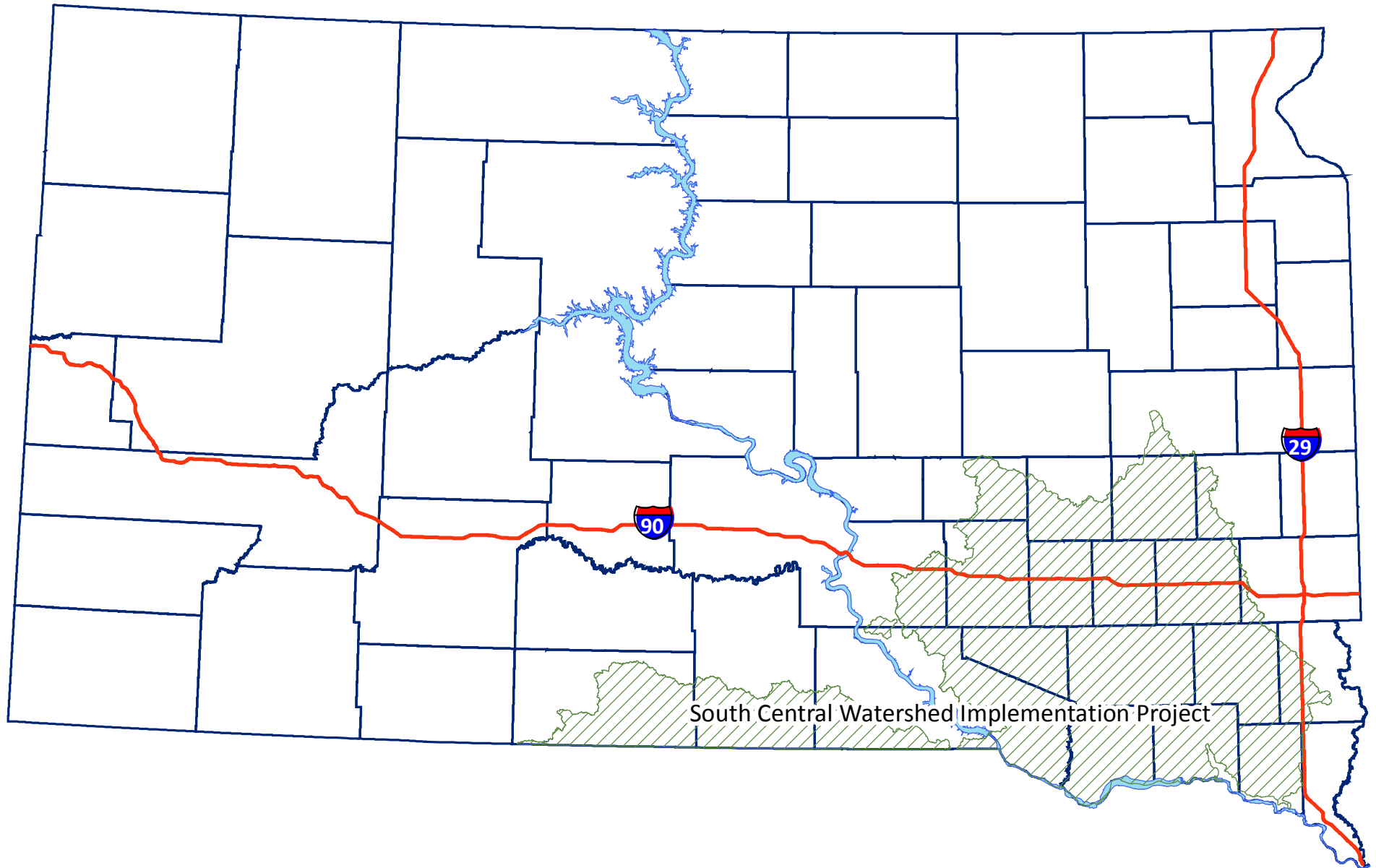
BWNR Funding Assistance Requested: \$1,000,000

Staff Analysis

- 1) Rapid City is currently constructing a new landfill cell as part of the continuing operation of the facility. This new cell will be constructed with an synthetic liner, leachate collection system and leachate pond with a discharge line into the municipal sanitary sewer.

Funding Recommendation: Award a Solid Waste Management Program grant at 22% of eligible project costs, not to exceed \$1,000,000.

Watershed Restoration Project Application



**WATERSHED RESTORATION PROJECT FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: James River Water Development District

Total Project Cost: \$15,797,092
BWNR Funding Assistance Requested: \$500,000

Staff Analysis

- 1) This project is the first segment of a locally planned 10 to 15 year effort to implement Best Management Practices (BMPs) in the Lewis and Clark Lake watershed, Lake Andes, Geddes, Academy and Platte Lake Watersheds, impaired reaches of the lower James River watershed and Vermillion River watershed. This effort is aimed at restoring water quality to meet designated beneficial uses and address TMDLs established, and to be established, for water bodies in these watersheds.
- 2) The grant funding will provide up to 15 percent cost share for up to 12 animal waste management systems.

Funding Recommendation: Award a \$500,000 Clean Water SRF Water Quality grant.

June 2018 Available Funds Summary

CONSOLIDATED WATER FACILITIES CONSTRUCTION PROGRAM

Available Funds:	\$	3,022,381
Reversions:	\$	297,124
Available for Award:	\$	3,319,505
Recommended:	\$	(1,065,700)
Balance:	\$	2,253,805

DRINKING WATER SRF WATER CONSTRUCTION GRANTS

2018 Omnibus Appropriation:	\$	1,500,000
Reversions:	\$	-
Available for Award:	\$	400,000
Recommended:	\$	-
Balance:	\$	400,000

DRINKING WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Allocations:	\$	36,810,000
FFY-18 Maximum Allocation:	\$	2,221,400
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(36,376,607)
Available For Award:	\$	2,654,793
Recommended:	\$	-
Balance:	\$	2,654,793
Princ. Forg. for Disadvantaged Communities:	\$	4,965,900
FFY-18 Maximum Allocation:	\$	3,332,100
Reverted Principal Forgiveness:	\$	-
Awarded to Date:	\$	(3,763,600)
Available For Award:	\$	4,534,400
Recommended:	\$	(2,272,000)
Balance:	\$	2,262,400
Total Balance:	\$	4,917,193

DRINKING WATER SRF LOANS

Available Prior Year Funds (30-Sept-2017):	\$	12,974,812
FFY-18 Cap Grant & Match:	\$	11,986,980
FFY-18 Repayments:	\$	7,000,000
Leveraged Bonds:	\$	-
Deobligations/Recissions:	\$	322,522
FFY-18 Awards to Date:	\$	(19,647,000)
Available for Award:	\$	12,637,314
Recommended PF:	\$	(2,272,000)
Recommended Loan:	\$	(884,000)
Balance:	\$	9,481,314

June 2018
Available Funds Summary

CLEAN WATER SRF WATER QUALITY GRANTS

Available Prior Year Funds (4-Jan-2018):	\$	54,908
2018 IUP Allocation:	\$	1,000,000
Reversions:	\$	197,022
2018 SCPG Allotment:	\$	(100,000)
Awarded to Date:	\$	<u>(150,000)</u>
Available for Award:	\$	1,001,930
Recommended:	\$	<u>(500,000)</u>
Balance:	\$	501,930

CLEAN WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Allocations:	\$	16,112,119
FFY-18 Maximum Allocation:	\$	3,143,600
Reverted Principal Forgiveness:	\$	29,740
Awarded to Date:	\$	<u>(13,468,390)</u>
Available For Award:	\$	5,817,069
Recommended:	\$	<u>(1,499,000)</u>
Balance:	\$	4,318,069

CLEAN WATER SRF LOANS

Available Prior Year Funds (30-Sept-2017):	\$	62,029,470
FFY-18 Cap Grant & Match:	\$	8,969,496
FFY-18 Repayments:	\$	8,500,000
Leveraged Bonds:	\$	-
Deobligations/Recissions:	\$	3,205,560
FFY-18 Awards to Date:	\$	<u>(21,896,700)</u>
Available For Award:	\$	60,807,826
Recommended PF:	\$	(1,499,000)
Recommended Loan:	\$	<u>(3,263,000)</u>
Balance:	\$	56,045,826

June 2018
Dedicated Solid Waste Management Fees

Solid Waste Management Program (SWMP)

Available Funds:	\$	3,990,210
Reversions:	\$	476,508
Available for Award:	\$	<u>4,466,718</u>
Recommended:	\$	<u>(1,000,000)</u>
Balance:	\$	3,466,718