

\$58,945,000*
South Dakota Conservancy District
State Revolving Fund Program Taxable Revenue Bonds, Series 2022A

NOTICE IS HEREBY GIVEN THAT \$58,945,000* State Revolving Fund Program Taxable Revenue Bonds, Series 2022A (the “Series 2022A Bonds”), of the South Dakota Conservancy District (the “District”) will be offered for sale according to the following terms:

TIME AND PLACE: Electronic bids will be received at the offices of PFM Financial Advisors LLC, 50 South 6th Street, Suite 2250, Minneapolis, Minnesota 55402 on Wednesday, October 12, 2022 until 10:15 A.M., Central Time. All proposals must be submitted electronically through PARITY® (the “Approved Provider”) as further described below. An Authorized Officer of the Board of Water and Natural Resources will consider the bids and award the sale by 3:00 P.M. on the same day.

If any provisions in this Official Terms of Sale conflict with information provided by the Approved Provider, the Official Terms of Sale shall control. Further information about the Approved Provider, including any fee charged, may be obtained from PARITY®, 395 Hudson Street, New York, New York 10014, (212) 849-5021. The District assumes no responsibility or liability for proposals submitted through the Approved Provider.

PURPOSE: Proceeds of the Series 2022A Bonds will be used (a) to make new and fund existing loans (herein, “Loans”) to certain political subdivisions of the State of South Dakota, owners of public water supply systems and other eligible borrowers (collectively herein, “Borrowers”) through the purchase of certain Loan Obligations issued by such Borrowers as described herein, and (b) to pay costs of issuance

DATE OF BONDS: Date of delivery.

INTEREST PAYMENTS: February 1, 2023 and semiannually thereafter on February 1 and August 1.

MATURITY: August 1 in the years and amounts as follows:

Year	Amount*	Year	Amount*
2025	\$4,770,000	2037	\$1,645,000
2026	4,965,000	2038	1,725,000
2027	5,175,000	2039	1,810,000
2028	5,400,000	2040	1,900,000
2029	5,635,000	2041	1,995,000
2030	1,200,000	2042	2,095,000
2031	1,250,000	2043	2,200,000
2032	1,310,000	2044	2,315,000
2033	1,370,000	2045	2,435,000
2034	1,430,000	2046	2,560,000
2035	1,495,000	2047	2,695,000
2036	1,570,000		

Bidders may specify that Series 2022A Bonds of any maturities shall be consolidated into one or more term bonds having a stated maturity date on the last maturity so consolidated, and that such term bonds shall be redeemed by the District on the dates and in the amounts shown above for the maturities so consolidated; but any maturities not so consolidated will mature on the dates and in the amounts set forth above.

SENSITIVITY: Following the receipt of the bids, the District reserves the right to adjust the principal amount. If the issue size is adjusted, the purchase price will be adjusted to ensure that the percentage net compensation (i.e. the percentage resulting from dividing (i) the aggregate difference between the offering price of the Series 2022A Bonds to the public and the price to be paid to the District (excluding accrued interest), less any bond insurance premium to be paid by the bidder, by (ii) the principal amount of the Series 2022A Bonds) remains constant.

* Preliminary, subject to adjustment.

OPTIONAL REDEMPTION: At the option of the District, the Series 2022A Bonds, or portions thereof, maturing on August 1, 2033 and thereafter may be called for redemption and payment prior to maturity on or after August 1, 2032, in whole or in part at any time (selection of maturities and the amount of Series 2022A Bonds of each maturity to be redeemed to be determined by the District in such manner as it may determine), at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the date of redemption

TERM BOND OPTION: Bids for the Series 2022A Bonds maturing August 1, 2033 and thereafter may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above.

CUSIP NUMBERS: The District will assume no obligation for the assignment of CUSIP numbers for the Series 2022A Bonds or for the correctness of any such numbers printed thereon, but the District will permit such printing to be done at the expense of the purchaser, if the purchaser waives any extension of the time of the delivery of the Series 2022A Bonds caused thereby.

DELIVERY: Within 30 days following the date of their award, the District will deliver to the Bond Registrar the printed and executed bonds subject to the approving legal opinion of Perkins Coie LLP, Chicago, Illinois, as Bond Counsel to the District, and customary closing certificates, including a certificate that the Official Statement did not at the date of delivery of the Series 2022A Bonds contain any untrue statement of a material fact or fail to state a material fact necessary in order to make the statements contained therein not misleading and a certificate as to absence of material litigation. Series 2022A Bonds will be delivered against payment in immediately available funds at the District's designated depository on the date of delivery. Delivery is expected on or about October 27, 2022.

BOOK ENTRY SYSTEM: The Series 2022A Bonds will be issued by means of a book entry system with no physical distribution of Series 2022A Bonds made to the public. The Series 2022A Bonds will be issued in fully registered form and one Series 2022A Bond, representing the aggregate principal amount of the Series 2022A Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository of the Series 2022A Bonds. Individual purchases of the Series 2022A Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the District to DTC or its nominee as registered owner of the Series 2022A Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The purchaser, as a condition of delivery of the Series 2022A Bonds, will be required to deposit the Series 2022A Bonds with DTC.

TYPE OF BID: Bids for not less than \$58,355,550 (99.0%) plus accrued interest from the date of the Series 2022A Bonds to the date of delivery must be submitted through PARITY® and received prior to the time specified above. All bids shall be deemed to incorporate the provisions of this Official Terms of Sale.

GOOD FAITH DEPOSIT: No good faith deposit is required.

TERMS OF BIDS: All rates must be in integral multiples of 1/100th or 1/8th of one percent. All Series 2022A Bonds of the same maturity shall bear a single uniform rate from date of issue to maturity. Each bid must be for the entire principal amount of the Series 2022A Bonds. The purchase price will be adjusted proportionately with any adjustment in the size of the issue as described above.

ELECTRONIC BIDDING ONLY: All proposals must be submitted electronically through PARITY® and no other proposals will be considered. The District is using electronic bidding as a communications medium and PARITY® is not an agent of the District. The District assumes no responsibility or liability for proposals submitted electronically. If any provision in this Official Terms of Bond Sale conflict with information provided by an electronic bidding service, this Official Terms of Bond Sale shall control. Proposers must be contracted customers of PARITY®. Prospective proposers should contact PARITY® directly at (212) 849-5021 for information about PARITY®, including its rates and fees, and becoming a contracted customer.

AWARD: The bid offering the lowest true interest cost will be deemed most favorable. The true interest cost is computed as the discount rate which, when used with semiannual compounding to determine the present worth of the principal and interest payments as of the date of the Series 2022A Bonds, produces an amount equal to the purchase price. If two or more bids provide the same lowest true interest cost, the District shall determine which bid shall be accepted, and such determination shall be final.

The District reserves the right to reject any and all bids, to waive any informality in any bid and to adjourn the sale.

OFFICIAL STATEMENTS: The District has prepared the Preliminary Official Statement dated _____, 2022 in a form deemed final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), but is subject to update and completion in a Final Official Statement in accordance with the Rule. The Preliminary Official Statement is available to prospective bidders and to others who request copies from the District or its financial advisor, PFM Financial Advisors LLC and may also be obtained at www.pfm.com.

Not later than seven business days following the award of the Series 2022A Bonds, the District shall provide copies of the Final Official Statement, as that term is used in the Rule, to the successful purchaser of the Series 2022A Bonds.

The Purchaser will be supplied with Final Official Statements in a quantity sufficient to meet their request. Up to 50 copies of the Final Official Statement will be furnished without cost.

CONTINUING DISCLOSURE: In accordance with the Rule, the District will undertake, pursuant to a Continuing Disclosure Agreement, to provide annual reports and notices of certain events. A description of this agreement is set forth in the Official Statement. The purchaser’s obligation to purchase the Series 2022A Bonds will be conditioned upon it receiving the Continuing Disclosure Agreement at or prior to delivery of the Series 2022A Bonds.

Dated: _____, 2022

Further information may be obtained from:
PFM Financial Advisors LLC
50 South 6th Street, Suite 2250
Minneapolis, MN 55402
(612) 338-3535