SOUTH DAKOTA
DRINKING WATER STATE REVOLVING FUND
FEDERAL FISCAL YEAR 2023 INTENDED USE PLAN

INTRODUCTION

The Safe Drinking Water Act Amendments of 1996 and South Dakota Codified Law 46A-1-60.1 to 46A-1-60.3, inclusive, authorize the South Dakota Drinking Water State Revolving Fund (SRF) program. Program rules are established in Administrative Rules of South Dakota chapter 74:05:11.

The state of South Dakota proposes to adopt the following Intended Use Plan (IUP) for the federal fiscal year (FFY) 2021 as required under Section 1452(b) of the Safe Drinking Water Act and ARSD 74:05:11:03. The IUP describes how the state intends to use the Drinking Water SRF to meet the objectives of the Safe Drinking Water Act and further the goal of protecting public health. A public hearing was held on November 4, 2021, to review the FFY 2023 Intended Use Plan and receive comments. The IUP reflects the results of this review.

The IUP includes the following:

- Priority list of projects;
- Short- and long-term goals;
- Criteria and method of fund distribution;
- Funds transferred between the Drinking Water SRF and the Clean Water SRF;
- Financial status;
- Description and amount of non-Drinking Water SRF (set-aside) activities;
- Disadvantaged community subsidies; and
- Bipartisan Infrastructure Law (BIL) Addendum for specific BIL fund uses and activities.

PRIORITY LIST OF PROJECTS

A project must be on the project priority list, Attachment I, to be eligible for a loan. This list was developed from the State Water Plan and includes projects that did not designate Drinking Water SRF loans as a funding source.

Projects may be added to the project priority list at any meeting of the Board of Water and Natural Resources if the action is included on the agenda at the time it is posted.

Priority ratings are based on the project priority system established in ARSD 74:05:11:06. The general objective of the priority system is to assure projects that address compliance or health concerns, meet certain affordability criteria, or regionalize facilities receive priority for funding.

GOALS, OBJECTIVES, AND ENVIRONMENTAL RESULTS

The long-term goals of the Drinking Water SRF are to fully capitalize the fund, ensure that the state's drinking water supplies remain safe and affordable, ensure that systems are operated and maintained, and promote economic well-being.

The specific long-term objectives of the program are:

1. To maintain a permanent, self-sustaining SRF program that will serve in perpetuity as a financing source for drinking water projects and source water quality protection measures. This will necessitate that the amount of capitalization grant funds for non-Drinking Water SRF activities are reviewed annually to assure adequate cash flow to maintain the fund.

2. To fulfill the requirements of pertinent federal, state, and local laws and regulations governing safe drinking water activities, while providing the state and local project sponsors with maximum flexibility and decision making authority regarding such activities.

The short-term goal of the SRF is to fully capitalize the fund.

The specific short-term objectives of the program are:

1. To assist systems in replacing aging infrastructure.

2. To assist systems in maintaining and upgrading its water treatment capabilities to ensure compliance with the Safe Drinking Water Act.

3. To promote regionalization and consolidations of water systems, where mutually beneficial, as a practical means of addressing financial, managerial, and technical capacity.

4. To ensure the technical integrity of Drinking Water SRF projects through the review of planning, design plans and specifications, and construction activities.

5. To ensure the financial integrity of the Drinking Water SRF program through the review of the financial impacts of the set-asides and disadvantaged subsidies and individual loan applications and the ability for repayment.

6. To obtain maximum capitalization of the funds for the state in the shortest time possible while taking advantage of the provisions for disadvantaged communities and supporting the non-Drinking Water SRF activities.

Environmental Results

States are required to establish program activity measures (outcomes) in its Intended Use Plan to receive the federal capitalization grant. Progress related to the measures is to be reported in the following annual report.

For FFY 2023, the specific measures are:

1. In FFY 2022, the fund utilization rate, as measured by the percentage of executed loans to funds available, was 92.7 percent, which exceeded the target goal of 90 percent. For FFY 2023, the goal of the Drinking Water SRF program is to maintain the fund utilization rate at or above 90 percent.

2. In FFY 2022, the rate at which projects progressed as measured by disbursements as a percent of assistance provided was 90.1 percent, which met the goal of 80 percent. For FFY 2023, the goal is to maintain the construction pace at 80 percent or higher.

3. For FFY 2023, the goal of the Drinking Water SRF program is to fund 23 loans, totaling nearly $267.9 million.

4. For FFY 2023, it is estimated that 24 projects will initiate operations.

5. For FFY 2023, it is estimated that 10 Small Community Planning Grants will be awarded to small systems to evaluate the system’s infrastructure needs.

6. For FFY 2023, it is estimated that the South Dakota Association of Rural Water Systems will provide 1,400 hours of technical assistance to small systems.

To ensure measures are accurate and up-to-date, project data will be entered into the EPA SRF Data System on a quarterly basis.

CRITERIA AND METHOD OF FUND DISTRIBUTION

Projects will be funded based on their assigned priority as set forth on the Project Priority list. Projects with the highest ranking that have submitted a complete State Revolving Fund loan application and demonstrated adequate financial, managerial, and technical capacity to receive the loan shall be funded before any lower ranked projects. Projects on the priority list may be bypassed if they have not demonstrated readiness to proceed by submitting a loan application. "Readiness to Proceed" is defined by EPA as the applicant being prepared to begin construction and is immediately ready, or poised to be ready, to enter into assistance agreements. The next highest priority project that has submitted an application will be funded. The state shall exert reasonable effort to assure that the higher priority projects on the priority list are funded.

Interest rates are reviewed periodically in comparison to established bond rating indexes to assure rates are at or below market rates as required. The SRF rates are then set to be competitive with other funding agencies.

The current interest rates for FFY 2023 are summarized in Table 1. Information regarding disadvantaged eligibility and subsidy level criteria can be found in the disadvantaged community subsidies section. The interest rates were adjusted in November 2022.

Table 1 – Drinking Water SRF Interest Rates

	Up to 5 Yrs	Up to 10 Yrs	Up to 20 Yrs	Up to 30 Yrs*
Interim Rate				
Interest Rate	0.00%			
Admin. Surcharge	2.50%			
Total	2.50%			
Base Rate				
Interest Rate		2.50%	2.75%	3.00%
Admin. Surcharge		0.25%	0.25%	0.25%
Total		2.75%	3.00%	3.25%
Disadvantaged Rate – 80% to100% of MHI				
Interest Rate				2.75%
Admin. Surcharge				0.25%
Total				3.00%
Disadvantaged Rate – 60% to 80% of MHI				
Interest Rate		1.75%		2.50%
Admin. Surcharge		0.25%		0.25%
Total		2.00%		2.75%
Disadvantaged Rate – Less than 60% of MHI				
Interest Rate				0.00%
Admin. Surcharge				0.00%
Total				0.00%

* Term cannot exceed useful life of the project

ADMINISTRATIVE SURCHARGE FEES

The interest rate includes an administrative surcharge as identified in Table 1. The primary purpose of the surcharge is to provide a pool of funds to be used for administrative purposes after the state ceases to receive capitalization grants. The administrative surcharge is also available for other purposes, as determined eligible by EPA and at the discretion of the Board of Water and Natural Resources and the department.

As of September 30, 2022, nearly $6.5 million of administrative surcharge funds are available.

Beginning in FFY 2005, administrative surcharge funds were provided to the planning districts to defray expenses resulting

from SRF application preparation and project administration. Reimbursement is $10,500 per approved loan with payments made in $3,500 increments as certain milestones are met.

The American Recovery and Reinvestment Act (ARRA) of 2009 and subsequent capitalization grants have mandated implementation of Davis-Bacon prevailing wage rules. Under joint powers agreements between the planning districts and the department, the planning districts are to be reimbursed $1,600 per project to oversee compliance with the Davis-Bacon wage rate verification and certification.

Administrative surcharge funds will again be provided to the planning districts to defray the cost of SRF application preparation and project administration, which includes Davis-Bacon wage rate verification and certification. The FFY 2023 allocation for these activities will be $500,000.

In FFY 2023, $75,000 of administrative surcharge funds will be allocated for operator certification training.

In FFY 2019, $200,000 of administrative surcharge funds were allocated to provide grants to assist very small systems in violation of the Safe Drinking Water Act. These funds are limited to community systems with 50 or less connections and not-for-profit, non-transient non-community water systems. Funds will be provided for infrastructure projects as 100 percent grants up to a maximum of $50,000 and for total project costs less than $100,000. No additional funds will be allocated for these activities in federal fiscal year 2023.

In federal fiscal year 2023, $2,000,000 of administrative surcharge funds will be allocated. These funds will be used to supplement the Consolidated program with grants for the construction of drinking water facilities.

SMALL SYSTEM FUNDING

A requirement of the program is that a minimum of 15 percent of all dollars credited to the fund be used to provide loan assistance to small systems that serve fewer than 10,000 persons. Since the inception of the program, loans totaling nearly $501.9 million have been made to systems meeting this population threshold, or 41.7 percent of the $1.2 billion of total funds available for loan. Attachment II – List of Projects to be funded in FFY 2023 identifies nearly $267.9 million in projects, of which nearly $98 million is for systems serving less than 10,000; therefore, the state expects to continue to exceed the 15 percent threshold.

Water systems must demonstrate the technical, managerial, and financial capability to operate a water utility before it can receive a loan.

The distribution methods and criteria are designed to provide affordable assistance to the borrower with maximum flexibility while providing for the long-term viability of the fund.

AMOUNT OF FUNDS TRANSFERRED BETWEEN THE DRINKING WATER SRF AND THE CLEAN WATER SRF

The Safe Drinking Water Act Amendments of 1996 and subsequent Congressional action allows states to transfer an amount equal to 33 percent of its Drinking Water SRF capitalization grant to the Clean Water SRF or an equivalent amount from the Clean Water SRF to the Drinking Water SRF. States can also transfer state match, investment earnings, or principal and interest repayments between SRF programs and may transfer a previous year's allocation at any time.

South Dakota transferred $15,574,320 from the Clean Water SRF to the Drinking Water SRF program in past years. In FFY 2006 and 2011, $7.5 million of leveraged bond

proceeds and $10 million of repayments, respectively were transferred from the Drinking Water SRF program to the Clean Water SRF program. With the expected FFY 2023 capitalization grant, the ability exists to transfer more than $63.9 million from the Clean Water SRF program to the Drinking Water SRF program. More than $61.9 million could be transferred from the Drinking Water SRF Program to the Clean Water SRF program. Table 2 (pages 10 and 11) itemizes the amount of funds transferred between the programs and the amount of funds available to be transferred.

No base program transfers are expected in FFY 2023.

FINANCIAL STATUS

Loan funds are derived from various sources and include federal capitalization grants, state match, leveraged bonds, borrowers' principal repayments, and interest earnings.

Capitalization Grants/State Match: Federal capitalization grants are provided to the state annually. These funds must be matched by the state at a ratio of 5 to 1. The anticipated FFY 2023 capitalization grant is expected to be $7,008,000 which requires $1,401,600 in state match. Bond proceeds will be used to match FFY 2023 capitalization grant funds.

For purposes of meeting FFY 2023 proportionality requirements, the South Dakota Drinking Water SRF program will document the expenditure of repayments and bond proceeds in an amount equivalent to the entire required state match.

Leveraged Bonds: The South Dakota Conservancy District has the ability to issue additional bonds above that required for state match, known as leveraged bonds. As of September 30, 2022, $123.7 million in leveraged bonds have been issued for the Drinking Water SRF program. It is anticipated that up to $200 million of additional leveraged bonds will be required in FFY 2023.

Borrowers' Principal Repayments: The principal repaid by the loan borrowers is used to make semi-annual leveraged bond payments. Any excess principal is available for loans. It is estimated that $5.0 million in principal repayments will become available for loans in FFY 2023.

Interest Earnings: The interest repaid by the loan borrowers, as well as interest earned on investments, is dedicated to make semi-annual state match bond payments. Any excess interest is available for loans. It is estimated that $4.0 million in interest earnings will become available for loans in FFY 2023.

As of September 30, 2022, 476 loans totaling $1,202,160,224 have been made.

At the beginning of FFY 2023, $46,184,046 is available to loan. With the expected FFY 2023 capitalization grant, state match, leveraged bonds, excess interest earnings, and repayments, nearly $285,294,396 million will be available to loan. This information is provided in Attachment III, Drinking Water SRF Funding Status.

Funds will be allocated to the set-aside activities in the amounts indicated below. All remaining funds will be used to fund projects on the project priority list. A more detailed description of the activities can be found in the section pertaining to set-asides and the attachments.

Administration	$0
Technical Assistance	$0
PWSS Program Management	$0
Local Assistance	$0
Total for set-asides	**$0**

With the adoption of the amended and restated Master Indenture in 2004, the Clean Water and Drinking Water SRF programs are

cross-collateralized. This allows the board to pledge excess revenues on deposit in the Drinking Water SRF program to act as additional security for bonds secured by excess revenues on deposit in the Clean Water SRF program, and vice versa.

The Safe Drinking Water Act included three provisions that call for a withholding of Drinking Water SRF grant funds where states fail to implement three necessary programmatic requirements. These provisions were assuring the technical, financial and managerial capacity of new water systems, developing a strategy to address the capacity of existing systems, and developing an operator certification program that complies with EPA guidelines. The State of South Dakota continues to meet the requirements of these provisions and will not be subject to withholding of funds.

Additional Subsidy – Principal Forgiveness

The 2010 and 2011 Drinking Water SRF appropriations mandated that not less than 30 percent of the funds made available for Drinking Water SRF capitalization grants shall be used by the state to provide additional subsidy to eligible recipients. The 2012 through 2015 capitalization grants mandated additional subsidy be provided in an amount not less than 20 percent, but not more than 30 percent, of the capitalization grants. The 2016 through 2019 capitalization grant mandated additional subsidy of exactly 20 percent of the total grant be provided to recipients. The FFY 2020 through 2022 capitalization grants included the ability to award principal forgiveness for any borrower of exactly 14 percent of the total grant award. Additional subsidy may be in the form of forgiveness of principal, negative interest loans, or grants (or any combination of these).

Additional subsidy will be provided in the form of principal forgiveness. Municipalities and sanitary districts must have a minimum rate of $30 per month based on 5,000 gallons usage or to qualify for principal forgiveness. Other applicants must have a minimum rate of $55 per month based on 7,000 gallons usage to qualify for principal forgiveness.

When determining the amount of principal forgiveness, the Board of Water and Natural Resources may consider the following decision-making factors, which are set forth in alphabetical order:

(1) Annual utility operating budgets;
(2) Available local cash and in-kind contributions;
(3) Available program funds;
(4) Compliance with permits and regulations;
(5) Debt service capability;
(6) Economic impact;
(7) Other funding sources;
(8) Readiness to proceed;
(9) Regionalization or consolidation of facilities;
(10) Technical feasibility;
(11) Utility rates; and
(12) Water quality benefits.

Table 3 on pages 12 and 13 summarizes the amounts of principal forgiveness provided to date.

It is anticipated the FFY 2023 capitalization grant will include the ability to award principal forgiveness for any borrower equal to 14 percent of the total grant award.

Additional principal forgiveness can also be provided to disadvantaged communities. Further discussion can be found in the Disadvantaged Community Subsidy section beginning on page 9.

Attachment II – List of Projects to be Funded in FFY 2023 identifies $1,283,738 in principal forgiveness for communities not eligible for the additional disadvantaged community principal forgiveness.

DESCRIPTION AND AMOUNT OF NON-PROJECT ACTIVITIES (SET-ASIDES)

The Safe Drinking Water Act authorizes states to provide funding for certain non-project activities provided that the amount of that funding does not exceed certain ceilings. Unused funds in the non-Drinking Water SRF will be banked for future use, where allowable, or transferred to the project loan account at the discretion of the state and with concurrence from the EPA Regional Administrator.

The following sections identify what portions of the capitalization grant will be used for non-Drinking Water SRF activities and describe how the funds will be used.

Administration. The Water Infrastructure Improvements for the Nation (WIIN) Act of 2017 provides three options to states to calculate the administrative set-aside available from each year's capitalization grant. States may use the greatest of 1) $400,000 per year, 2) 1/5 of a percent of the current valuation of the Drinking Water SRF fund based on the most recent previous year's audited financial statements, or 3) an amount equal to four percent of the annual capitalization grant allotment. The Bipartisan Infrastructure Law (BIL) also provides these same options for determining the administrative set-aside.

Four percent of the estimated FFY 2023 base capitalization grant is $280,320, four percent of the estimated FFY 2023 BIL Supplemental capitalization grant is up to $832,000, and 1/5 of a percent of the current fund valuation of $225,279,640 results in $450,559 available for administrative fees. **As a result, no administrative set-aside will be allocated from the base capitalization grant, and BIL Supplemental grant funds will be utilized.**

Specific activities to be funded are: staff salary, benefits, travel, and overhead; retaining of bond counsel, bond underwriter, financial advisor, and trustee; and other costs to administer the program.

Unused administrative funds will be banked to assure a source of funds not dependent on state general funds.

Small system technical assistance. **Two percent of the estimated capitalization grant is $140,160; whereas, two percent of the estimated BIL Supplemental capitalization grant is up to $416,000. As a result, no small system technical assistance set-aside will be allocated from the base capitalization grant, and BIL Supplemental grant funds will be utilized.**

The objective of this set-aside is to bring non-complying systems into compliance and improve operations of water systems. States may use up to two percent of its allotment to assist in funding these activities.

Since fiscal year 1997, the board has contracted with the South Dakota Association of Rural Water Systems to help communities evaluate the technical, managerial, and financial capability of its water utilities. These contracts have been renewed periodically to allow the continuation of assistance activities. The South Dakota Rural Water Association provides such on-site assistance as leak detection, consumer confidence reports, water audits, board oversight and review, treatment plant operations, operator certification, and rate analysis.

To promote proactive planning within small communities, the Small Community Planning Grant program was initiated in fiscal year 2001. Communities are reimbursed 80 percent of the cost of an engineering study, with the maximum grant amount for any study being $8,000.

No funds from the base capitalization grant are proposed to be utilized to continue these

activities, the BIL supplemental funding set-aside will be utilized for these activities in 2023. Unused funds from previous years' set-aside for small system technical assistance are banked for use in future years. As of September 30, 2022, $209,927 remains from previous years' base program and BIL supplemental allocations to be used for the purposes described above.

State program management. **No funds will be allocated from the base program State Program Management set-aside for the administration of the state's Public Water System Supervision (PWSS) program in FFY 2023. Set-aside funds from the BIL Supplemental grant funds will be utilized.**

The state may use up to 10 percent of its allotment to (1) administer the state PWSS program; (2) administer or provide technical assistance through water protection programs, including the Class V portion of the Underground Injection Control program; (3) develop and implement a capacity development strategy; and (4) develop and implement an operator certification program. The WIIN Act of 2017 removed the requirements for an additional dollar-for-dollar match of capitalization funds for these activities.

The Performance Partnership Grant for South Dakota's PWSS program does not provide sufficient funds to complete all tasks and activities identified in the workplan. A total of $300,000 from the BIL Supplemental grant will be set-aside for these activities in FFY 2023. Additional PWSS fees will be used to fully fund all activities identified in the workplan.

Local assistance and other state programs. **No funds will be allocated from the base program Local Assistance set-aside. Set-aside funds from the BIL Supplemental capitalization grant ($100,000) will be used for the capacity development activities described below.**

The state can fund other activities to assist development and implementation of local drinking water protection activities. Up to 15 percent of the capitalization grant may be used for the activities specified below, but not more than 10 percent can be used for any one activity. The allowable activities for this set-aside are: (1) assistance to a public water system to acquire land or a conservation easement for source water protection; (2) assistance to a community water system to implement voluntary, incentive-based source water quality protection measures; (3) to provide funding to delineate and assess source water protection areas; (4) to support the establishment and implementation of a wellhead protection program; and (5) to provide funding to a community water system to implement a project under the capacity development strategy.

Since 2008, Midwest Assistance Program (MAP) has been assisting communities that received an SRF loan and recommendations were made in the capacity assessment to improve the technical, financial, or managerial capacity of the system. In addition, the MAP has assisted in the review of capacity assessments required as part of the Drinking Water SRF loan applications.

There remains $55,321 from prior years' allocations. In FFY 2018, the board issued a request for proposals to select the most qualified assistance provider firm for contracting of these services. A three-year contract was signed with Midwest Assistance Program to continue their efforts with borrowers to improve the technical, financial, or managerial capacity of the system. In 2021

a three-year extension was executed to extend these services through December 2024.

DISADVANTAGED COMMUNITY SUBSIDIES

Communities that meet the disadvantaged eligibility criteria described below may receive additional subsidies. This includes communities that will meet the disadvantaged criteria as a result of the project.

Definition. To be eligible for loan subsidies a community must meet the following criteria:

(2) for municipalities and sanitary districts:

(a) the median household income is below the state-wide median household income; and
(b) the monthly residential water bill is $30 or more for 5,000 gallons usage; or

(2) for other community water systems:

(a) the median household income is below the state-wide median household income; and
(b) the monthly water bill for rural households is $55 or more for 7,000 gallons usage.

The source of median household income statistics will be the American Community Survey or other statistically valid income data supplied by the applicant and acceptable to the board.

Affordability criteria used to determine subsidy amount. Disadvantaged communities below 80 percent of the statewide median household income, but at or greater than 60 percent may receive up to a one percentage point reduction in interest rates. Disadvantaged communities with a median household income less than 60 percent of the statewide median household income may receive a zero percent loan. See Table 1 for the disadvantaged interest rates for FFY 2023.

Amount of capitalization grant to be made available for providing additional subsidies to disadvantaged communities. Disadvantaged communities are eligible for additional subsidy in the form of principal forgiveness. South Dakota utilized the option to provide additional subsidy in the form of principal forgiveness to disadvantaged communities in federal fiscal years 2016 through 2018, in an amount equal to 30 percent of the annual capitalization grant.

The American Water Infrastructure Act (AWIA) of 2018 added new requirements to provide additional subsidy to disadvantaged communities. The FFY 2019 through 2021 capitalization grants mandated states must provide a minimum of 6 percent and may provide up to 35 percent of the capitalization grant amount as additional subsidy to disadvantaged communities.

The 2021 BIL amendments increased the minimum to 12 percent and maximum of 35 percent of the capitalization grant amount must be provided as additional subsidy to disadvantaged communities. This applies to 2022 and subsequent base program capitalization grants unless amended by Congress.

Table 3 on page 12 summarizes the amounts of disadvantaged principal forgiveness provided to date.

Attachment II – List of Projects to be Funded in FFY 2023 identifies $19,223,284 in principal forgiveness.

Identification of systems to receive subsidies and the amount. Systems that are eligible to receive disadvantaged community rates and terms are identified in Attachment I and Attachment II.

Table 2 – Amounts Available to Transfer between State Revolving Fund Programs

				Base Program Transfers				
Year	DWSRF Capitalization Grant	Amount Available for Transfer	Banked Transfer Ceiling	Amount Transferred from CWSRF to DWSRF	Amount Transferred from DWSRF to CWSRF	Transfer Description	CWSRF Funds Available to Transfer	DWSRF Funds Available to Transfer
1997 - 2001	$42,690,000	$14,087,700	$14,087,700				$14,087,700	$14,087,700
2002	$8,052,500	$2,657,325	$16,745,025	$7,812,960		CW Cap Grant/Match	$8,932,065	$16,745,025
2003	$8,004,100	$2,641,353	$19,386,378	$7,761,360		CW Cap Grant/Match	$3,812,058	$19,386,378
2004	$8,303,100	$2,740,023	$22,126,401				$6,552,081	$22,126,401
2005	$8,285,500	$2,734,215	$24,860,616				$9,286,296	$24,860,616
2006	$8,229,300	$2,715,669	$27,576,285		$7,500,000	Leveraged Bonds	$12,001,965	$20,076,285
2007 - 2010	$38,094,000	$12,571,020	$40,147,305				$24,572,985	$32,647,305
2011	$9,418,000	$3,107,940	$43,255,245		$10,000,000	Repayments	$27,680,925	$25,755,245
2012	$8,975,000	$2,961,750	$46,216,995				$30,642,675	$28,716,995
2013	$8,421,000	$2,788,930	$48,995,925				$33,421,605	$31,495,925
2014	$8,845,000	$2,918,850	$51,914,775				$36,340,455	$34,414,775
2015	$8,787,000	$2,899,710	$54,814,485				$39,240,165	$37,314,485
2016	$8,312,000	$2,742,960	$57,557,445				$41,983,125	$40,057,445
2017	$8,241,000	$2,719,530	$60,276,975				$44,702,655	$42,776,975
2018	$11,107,000	$3,665,310	$63,942,285				$48,367,965	$46,442,285
2019	$11,103,000	$3,663,990	$67,606,275				$52,031,955	$50,106,275
2020	$11,011,000	$3,633,630	$71,239,905				$55,665,585	$53,739,905
2021	$11,001,000	$3,630,330	$74,870,235				$59,295,915	$57,370,235
2022	$7,008,000	$2,312,640	$77,182,875				$61,608,555	$59,682,875
2023 (est)	$7,008,000	$2,312,640	$79,495,515				$63,921,195	$61,995,515

BIL General Supplemental Transfers

Year	DWSRF Capitalization Grant	Amount Available for Transfer	Banked Transfer Ceiling	Amount Transferred from CWSRF to DWSRF	Amount Transferred from DWSRF to CWSRF	Transfer Description	CWSRF Funds Available to Transfer	DWSRF Funds Available to Transfer
2022	$17,992,000	$5,937,360	$5,937,360				$5,937,360	$5,937,360
2023 (est)	$20,800,000	$6,864,000	$12,801,360				$12,801,360	$12,801,360

BIL Emerging Contaminants Transfers

Year	DWSRF Capitalization Grant	Amount Available for Transfer	Banked Transfer Ceiling	Amount Transferred from CWSRF to DWSRF	Amount Transferred from DWSRF to CWSRF	Transfer Description	CWSRF Funds Available to Transfer	DWSRF Funds Available to Transfer
2022	$7,555,000	$2,493,150	$2,493,150	$459,000		CWSRF EC Grant	$2,034,150	$2,493,150
2023 (est)	$7,555,000	$2,493,150	$4,986,300	$1,032,000		CWSRF EC Grant	$3,954,300	$4,986,300

Table 3 – Principal Forgiveness Allowed and Awarded

	Principal Forgiveness for all Borrowers			Disadvantaged-only Principal Forgiveness*		
Year	Minimum	Maximum	Awarded from FY Grant	Minimum	Maximum	Awarded from FY Grant
2010	$4,071,900	$13,573,000	$13,573,000			
2011	$2,825,400	$9,418,000	$9,418,000			
2012	$1,795,000	$2,692,500	$2,692,500			
2013	$1,684,200	$2,526,300	$2,526,300			
2014	$1,769,000	$2,653,500	$2,653,500			
2015	$1,757,400	$2,636,100	$2,636,100			
2016	$1,662,400	$1,662,400	$1,662,400	$0	$2,493,600	$2,493,600
2017	$1,648,200	$1,648,200	$1,648,200	$0	$2,472,300	$2,472,300
2018	$2,221,400	$2,221,400	$2,221,400	$0	$3,332,100	$3,332,100
2019	$2,220,600	$2,220,600	$2,220,600	$666,180	$3,886,050	$3,886,050
2020	$1,541,540	$1,541,540	$1,541,540	$660,660	$3,853,850	$3,853,850
2021	$1,541,540	$1,541,540	$1,541,540	$660,660	$3,853,850	$3,407,629
2022	$981,120	$981,120	$678,502	$840,960	$2,452,800	$0
2023 Est.	$981,120	$981,120	$0	$840,960	$2,452,800	$0
Totals	$26,699,420	$46,295,920	$45,012,182	$3,668,820	$24,793,850	$19,888,250

	BIL General Supplemental Principal Forgiveness*		BIL Lead Service Line Replacement Principal Forgiveness*		BIL Emerging Contaminants Principal Forgiveness**	
Year	Required Amount	Awarded from FY Grant	Required Amount	Awarded from FY Grant	Required Amount	Awarded from FY Grant
2022	$8,816,080	$4,690,396	$13,891,500	$0	$8,014,000***	$7,895,000
2023 Est.	$10,192,000	$0	$13,891,500	$0	$8,587,000***	$0
Totals	$19,008,080	$4,690,396	$27,783,000	$0	$16,601,000	$7,895,000

* Principal Forgiveness will only be provided to eligible entities that meet the Disadvantaged Community definition in ARSD 74:05:11(11) and described on page 9 of the IUP.

** At least 25% of these funds must be provided to entities that qualify as a Disadvantaged Community or systems with service populations less than 25,000.

*** Combined total of DWSRF Emerging Contaminant allocation and CWSRF Emerging Contaminant allocation which was transferred to the DWSRF for eligible emerging contaminants projects.

ATTACHMENT I

PROJECT PRIORITY LIST

Attachment I is a comprehensive list of projects that are eligible for Drinking Water SRF loans. This list was developed from State Water Plan applications. Inclusion on the list carries no obligations to the Drinking Water SRF program. Attachment II lists those projects expected to be funded in FFY 2023.

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
208	South Dakota Ellsworth Development Authority	C462467-01	Problem: an existing housing development located near Ellsworth Air Force Base has been determined to have PFAS contamination. The potential exists for other wells in the surrounding region including the city of Box Elder to experience PFAS contamination as the chemical continues to migrate in the groundwater. An upsized well and transmission line would allow the system to provide additional water to Box Elder and the surrounding area to meet current and future water capacity needs and alleviate the PFAS contamination concern. Project: installation of a new well and approximately 15 miles of 4- to 16-inch transmission and distribution main, two water storage tanks totaling 700,000-gallons, and related appurtenances.	$12,191,552	2.75%, 30 years	15,000	Yes
143	Hermosa	C462278-04	Problem: one of the city's supply wells was found to have radiologic contaminants and iron scale, and the other supply well is inadequate to supply daily demand. Project: The city will either construct a new well and transmission main to connect to the distribution system or connect to a nearby rural water system to purchase bulk water for use in its distribution system.	$6,436,028	2.75%, 30 years	398	Yes (Pending rate increase)

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
138	Vermillion	C462022-05	*Problem:* some of the existing equipment at the water treatment plant and well field is beyond its useful life, portions of the distribution system pipe are beyond their useful life. *Project:* replace existing equipment at the water treatment facility and well field to include the filters, SCADA system, aerator, and installations of variable frequency drives on high lift and well pumps and replace 5,120 feet of existing cast iron pipe in various locations throughout the community.	$6,637,142	2.75%, 30 years	10,571	Yes
125	Tripp	C462238-02	Problem: the existing storage does not equalize properly resulting in poor turnover of water, the existing wells do not have capacity to meet peak day demands with any one well out of service, the existing wells have high concentrations of chloride, sulfate, and total dissolved solids impacting water quality, and existing unused wells have not been properly abandoned. Project: install 7,750 feet of watermain to connect to the B-Y Water District for bulk service, raise one water storage tank to match overflow elevations and install a mixer to improve quality, and properly abandon unused wells.	$1,700,000	0%, 30 years	647	Yes
123	Terry Trojan Water Project District	C462455-03	*Problem:* the existing distribution mains are poor quality PVC and experiencing excessive breaks and includes dead end lines, the existing storage tank is in poor condition, the system only has one existing well which would leave the system without water if it were to fail for even limited time, and the existing electrical and SCADA systems for the well and treatment plant need to be upgraded *Project:* install 3,400-feet of new PVC water mains and loop the system, install 31 water meters, construct a 150,000-gallon water storage tank, make improvements to the electrical and SCADA systems, and install a new well.	$700,000	3.25%, 30 years	475	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
122	Buffalo Gap	C462317-02	Problem: the existing water distribution system is old and experiencing excessive breaks and high-water loss. Project: replace 12,500 feet of water main with PVC pipe allowing the community to become a bulk user of Fall River Water Users District.	$3,176,000	0.00%, 30 years	126	Yes
122	TM Rural Water District	C462429-04	Problem: the existing wells are beyond their useful life and are not able to provide sufficient source water, current storage volume does not meet peak demands, and several areas withing the distribution system are unable to meet demands which causes insufficient pressures. Project: install new wells, construct a new 500,000-gallon storage reservoir, construct a new booster station to supply needed pressures, and install 25.5 miles of parallel and looping pipe to increase pressure and capacity throughout the system.	$11,571,000	2.75%, 30 years	6,462	Yes
122	Tripp County Water User District	C462434-06	Problem: the existing wells are not able to provide sufficient source water, current storage volume does not meet peak demands, existing tanks suffer from reduced water quality during low flow periods, and several areas withing the distribution system are unable to meet demands causing insufficient pressures. Project: install new wells to provide needed source water capacity, construct five new storage reservoirs totaling 760,000gallons of additional storage volume throughout the distribution system to increase capacity and pressure, construct a new booster station to supply needed pressures, install 12 tank mixers to improve quality, and install 62.1 miles of parallel and looping pipe to increase pressure and capacity throughout the system.	$14,400,000	0.00%, 30 years	8,350	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
120	Springfield	C462071-02	Problem: several locations within the distribution system are cast iron or asbestos cement watermain that is beyond its useful life, the system includes several dead-end mainlines, portions of the system have pipe that is undersized and causes reduced pressures, and the existing water meters are beyond their useful life. Project: install 64,470 feet of new PVC watermain to replace the existing pipe, loop the system, and remove undersized mains. The project will also replace 380 water meters with remote read meters.	$12,702,570	2.75%, 30 years	1,989	Yes
115	BDM Rural Water System, Inc.	C462444-03	Problem: the existing water treatment plant is no longer able to meet current demand and various process equipment is in need of replacement, the existing wells are not able to provide sufficient source water, current storage volume does not meet peak demands, several areas withing the distribution system are unable to meet demands causing insufficient pressures, and nearly 15 percent of water meters are in need of replacement. Project: construct a new 1.5 MGD treatment plant and make improvements to the existing treatment plant equipment, install five new wells to provide needed source water capacity, construct a 450,000-gallon reservoir, install 17.5 miles of parallel and looping pipe to increase pressure and redundancy, and replace 390 water meters.	$11,536,860	3.00%, 30 years	5,673	Yes
114	Bear Butte Valley Water, Inc.	C462486-03	Problem: existing homes along Elk Creek Road, eastern Tilford Road, and Elk Vale Road are on private or small community systems with poor water quality and desire to be connected to the larger system. Project: installation of 27 miles of distribution mains to provide service to residents in this area of the system.	$8,947,000	3.25%, 30 years	680	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
113	South Shore	C462294-02	Problem: the system is served by only one well, the distribution system is glued joint PVC which is beyond its useful life and is undersized leading to poor system pressure, and there is no water storage tank within the system. Project: install a second well to provide a redundant source, install 18,800 feet of PVC watermain to replace the old pipe and increase pressures, and construct a new 50,000-gallon ground storage tank and booster station to supply needed storage and pressure.	$6,090,920	3.00%, 30 years	225	Yes (Pending rate increase)
112	Westberry Trails Water Users Association	C462503-02	Problem: the existing distribution system is undersized and beyond its useful life, users are not currently metered for water usage, the system lacks sufficient storage for average day demand, and the system has only one well which provides no redundancy for water source. Project: replace approximately 11,750 feet of water main with PVC pipe, install water meter pits, and construct a 50,000-gallon storage standpipe, drill a new well to provide additional source water, and install chemical feed for treatment.	$3,380,418	3.25%, 30 years	152	
111	Hot Springs	C462040-02	Problem: the city's raw water pumping system does not have capacity to provide adequate water in the event one of the two pumping stations is out of commission, the storage capacity is less than the peak day demand, and the system does not have adequate well supply. Project: install a new well and pump house, construct a new 1.5-million-gallon water tower, and develop a new Madison well.	$4,250,000	0%, 30 years	3,711	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
110	Wagner	C462209-04	Problem: several locations of the distribution system are cast iron or asbestos cement watermain that is beyond its useful life, the system includes several dead-end lines, and portions of the system have pipe that is undersized and causes reduced pressures. Project: install 31,000 feet of new PVC watermain to replace the existing pipe, loop the system, and replace undersized mains.	$9,400,000	2.75%, 30 years	1,566	Yes
106	Grant-Roberts Rural Water System	C462475-03	Problem: areas of the existing distribution system are undersized to provide needed pressure and capacity to current and proposed users. Residents and communities adjacent to the current service area boundaries have expressed a desire to be served by the system to replace water sources that have issues with quality and capacity. Project: install 30 miles of transmission line to increase pressures and capacity in areas of the system not able to adequately convey water to users. Serving users outside of the existing system boundaries would require installing 225 miles of transmission lines, constructing elevated storage tank, installing additional wells and making upgrades to the water treatment facility to provide the needed capacity for the region.	$62,138,000	3.25%, 30 years	4,857	Yes
104	Bear Butte Valley Water, Inc.	C462486-04	Problem: the system is currently served only by one well leaving it without a redundant source of supply and households within the district's planned Tilford Road service area use private wells or haul water and wish to connect to Bear Butte Valley Water. Project: install a new well to provide redundant water supply for the system, construct related pumping and treatment systems and install 11 miles of distribution main to connect existing homes and loop the system.	$4,998,000	3.25%, 30 years	680	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
104	McLaughlin	C462233-04	Problem: several locations of the distribution system are cast iron or asbestos cement watermain that is beyond its useful life, the system includes several dead-end lines, portions of the system have pipe that is undersized and causes reduced pressures, and the existing water meters are beyond their useful life. Project: install 6,730 feet of new PVC watermain to replace the existing pipe, loop the system, and replace undersized mains, and replace water meters.	$1,356,000	0%, 30 years	663	Yes
101	Hanson Rural Water System	C462458-03	Problem: areas of the existing distribution system are undersized to provide needed pressure and capacity to current and proposed users and current meters are beyond their useful life. Project: install 38.5 miles of transmission line to increase pressures and capacity in areas of the system not able to adequately convey water to users and install new meters with remote read technology.	$3,600,000	2.75%, 30 years	3,431	Yes
100	Shared Resources, Inc.	C462498-02	Problem: the Big Sioux CWS and Minnehaha Community Water Corp. are adjacent water systems that both lack adequate water sources and treatment capacity to meet the demands of current users or existing residents in the service area that have requested connection. Project: construct a new jointly owned 8 MGD water treatment plant and well field to provide increased capacity for both systems to serve current and future users, install 2.5 miles of raw water transmission line and 12 miles of treated water transmission line, and construct two elevated storage towers to meet system storage needs and provide pressure.	$102,884,000	3.25%, 30 years	35,227	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
100	Webster	C462054-05	Problem: several locations of the distribution system are cast iron watermain that is beyond its useful life, the system includes several dead-end mainlines, and portions of the system have pipe that is undersized and causes reduced pressures. Project: install 16,000 feet of new PVC watermain to replace the existing pipe, loop the system, and replace undersized mains.	$4,433,000	2.75%, 30 years	1,866	Yes
99	Newell	C462109-04	Problem: several locations of the distribution system are transite watermain that is beyond its useful life, the system includes several dead-end lines, portions of the system have pipe that is undersized and causes reduced pressures, and an area of the community is not served by the system. Project: install 6,050 feet of new PVC watermain to replace the existing pipe, loop the system, replace undersized mains, and connect unserved users.	$1,141,238	2.75%, 30 years	603	Yes
95	Gregory	C462126-04	Problem: the existing cast iron and asbestos cement distribution system pipe is beyond its useful life and areas within the system experience low pressure due to undersized pipe. Project: replace approximately 35,000 feet of water main with PVC pipe and increase pipe size where needed.	$7,205,000	0.00%, 30 years	1,295	Yes
94	Bear Butte Valley Water, Inc.	C462486-05	Problem: the system in the Blucksberg service area lacks adequate storage to meet peak demands during high use periods. Project: construct a new 150,000-gallon ground storage reservoir and booster station to provide necessary storage capacity and pressure in this area of the system.	$1,048,500	3.25%, 30 years	680	
93	Irene	C462255-05	Problem: the current storage tower is beyond its useful life and does not meet peak demand needs. Project: construct a new 100,000-gallon elevated storage tower. .	$1,835,000	2.75%, 30 years	420	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
93	Kingbrook Rural Water System	C462432-11	Problem: the existing water treatment plants are no longer able to provide needed capacity for current use and various process equipment i needs replacement, the existing wells are not able to provide sufficient raw water, current storage volume does not meet peak demands, and several areas withing the distribution system are unable to meet current demands resulting in insufficient pressures. Project: upgrade equipment and add additional treatment capacity at both treatment plants, install additional wells to provide needed source water capacity, construct a new storage reservoir, construct or upgrade four booster stations to supply needed pressures, relocate 12.5 miles of pipe to increase capacity and move out of the highway right-of-way.	$29,850,000	3.25%, 30 years	13,528	
92	Morristown	C462366-01	Problem: the existing water system has inadequate disinfection capabilities and the existing water storage facilities do not meet the existing demand or provide sufficient pressure. Project: install chlorination equipment prior to the ground storage reservoir, construct a new storage reservoir, and install flush hydrants on the distribution system to improve water quality on low flow mains.	$214,760	2.75%, 30 years	67	Yes
90	Rapid City	C462014-05	Problem: one of the existing water treatment plants is past itself useful life and rehabilitation is not feasible. Project: construct a new 20 MGD treatment facility located on the eastern side of the distribution system to better provide water in an area of high current growth and maintain the ability to serve the Ellsworth Air Force Base.	$135,000,000	3.00%, 30 years	67,956	Yes
88	Murdo	C462108-01	Problem: the system's meters are obsolete and unserviceable and require manual reading. Project: replace approximately 375 water meters and install an automatic meter reading system.	$429,276	2.00%, 10 years	488	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
86	Hot Springs	C462040-03	Problem: the existing water distribution pipe under North River Street/SD Hwy 385/18 is old and the highway will be reconstructed. Project: replace the existing watermain pipe with new PVC pipe prior to the SD DOT reconstruction of the roadway.	$1,054,025	0%, 30 years	3,711	Yes
84	Southern Black Hills Water System	C462492-02	Problem: two service areas of the distribution system lack redundant supply, have inadequate ground storage to meet demands or pressurize the systems, neither source of water is chlorinated, and control systems are outdated. Project: construct five miles of pipeline to connect the two service areas to provide redundancy in the system, construct an additional well to serve current and future users, construct an elevated storage tank to meet user demands and pressurize the system, and install chlorination and SCADA system equipment at new and existing facilities.	$1,800,000	3.25%, 30 years	925	
82	Clay Rural Water System	C462437-07	Problem: one of the existing water treatment plants is past itself useful life and is no longer able to demands of current users, additional wells are needed to provide capacity and redundancy based on recent demands, storage within the system is insufficient to meet average day demands, and several distribution lines are beyond their useful life and undersized to meet demands. Project: construct a new 2 MGD treatment facility, install two additional wells, construct two new storage reservoirs, and install 18 miles of transmission line to increase capacity in areas of the system not able to adequately convey water to users.	$26,016,000	3.25%, 30 years	5,800	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
78	Terry Trojan Water Project District	C462455-04	Problem: the system's existing water storage tank has structural and joint issues leading to large water loss and rehabilitation attempts have been unsuccessful in correcting the problem. Project: construct a new 125,000-gallon storage tank to replace the existing tank and provide necessary system storage to meet demands.	$215,000	3.25%, 30 years	475	
77	Brandon	C462032-04	Problem: the existing water source for the city has water quality issues that the treatment plant was not designed to address, the treatment plant lacks capacity for current users, an existing well has equipment that is beyond its useful life, pipes in several areas of the distribution system are beyond their useful life, and two areas within the system are fed by one long distribution line with no looping. Project: upgrade the existing treatment plant to address the water quality issues and provide necessary capacity for current and future users, and replace 18,250 feet of watermain with new PVC, and install 3,000 feet of new PVC watermain to loop two areas of the system and assure redundant supply to users.	$18,530,000	3.25%, 30 years	8,785	
77	Wessington	C462302-01	*Problem:* the existing water storage tank coatings are in poor condition and the tank is in need of repair, the distribution system lacks valves to isolate portions in the event of a break. *Project:* recoat the water storage tank and make necessary repairs to extend the life of the tank, install gate valves throughout the distribution system and replace hydrants where necessary.	$673,000	0%, 30 years	170	Yes
73	Joint Well Field, Inc.	C462454-03	Problem: the existing treatment plant lacks the capacity and source water access to meet the demands of current users in the Kingbrook RWS and Brookings-Deuel RWS systems which it serves. Project: construct a new 3.5 MGD water treatment plant and two new wells to provide increased capacity for both systems to serve current and future users.	$9,460,000	3.25%, 30 years	22,028	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
72	High Meadows Water Association, Inc.	C462499-02	Problem: the existing distribution system is undersized and beyond its useful life, users are not currently metered for water usage, and the systems wells are not able to supply needed capacity. Project: replace approximately 8,200 feet of water main with PVC pipe, install water meter pits for each user, and either connect to the Black Hawk Water Users District or drill a new well to provide additional source water.	$2,558,000	3.25%, 30 years	140	
70	Chamberlain	C462044-04	Problem: the water treatment plant recarbonation system is beyond its useful life and in need of replacement, two blocks of Mott Street watermain are beyond their useful life and experiencing breaks, a section of Byron Boulevard consists of a long dead-end that serves users in the area. Project: replace the recarbonation equipment, replace two blocks of watermain on Mott Street with new PVC, and install 2,300 feet of new PVC watermain to loop Byron Boulevard.	$300,000	3.00%, 30 years	2,387	Yes
70	Mid-Dakota Rural Water System	C460430-07	Problem: the existing water treatment backwash process equipment is in need of replacement, the existing treatment plant is not able to meet demands when receiving cooler source water, several areas withing the distribution system are unable to meet demands resulting in insufficient pressures, and the existing meter reading system is in need of replacement. Project: construct a new backwash treatment process facility, make improvements to the existing treatment plant equipment to increase treatment capacity, install 143.4 miles of parallel and looping pipe to increase pressure and redundancy, and install new meter reading system equipment.	$29,036,545	3.00%, 30 years	32,102	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
70	Salem	C462057-07	Problem: areas throughout the distribution system are cast iron watermain and asbestos cement pipe that is beyond its useful life, the system includes several dead-end mainlines, and portions of the system have pipe that is undersized and causes reduced pressures, and the water treatment facility has equipment in need of replacement and high iron and manganese levels are fouling the treatment membranes. Project: install 9,250 feet of new PVC watermain to replace existing pipe, loop the system, and replace undersized mains, replace membrane equipment at the treatment facility, and install an iron and manganese removal system.	$9,281,000	3.00%, 30 years	1,347	Yes
69	Fall River Water Users District	C462435-06	*Problem:* one of the existing wells is past itself useful life and is no longer able to demands of current users, additional source water is needed to provide capacity and redundancy based on recent demands, storage within the system is insufficient to meet average day demands, and several distribution lines are beyond their useful life and undersized to meet demands. *Project*: install a new well to replace the current well and increase capacity, construct two new storage reservoirs, install 22 miles of transmission line and two new booster stations to increase capacity in areas of the system.	$12,088,000	3.25%, 30 years	927	
67	Raymond	C462385-01	Problem: the existing distribution system is undersized and beyond its useful life, users are not currently metered for water usage, and the system lacks sufficient storage for average day demand. Project: replace approximately 1,700 feet of water main with PVC pipe, install water meters, and construct a 20,000-gallon ground storage tank and booster station.	$2,444,200	2.75%, 30 years	50	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
61	Mobridge	C462016-09	*Problem:* the existing water treatment facility is in need of significant repairs, the raw water intake system is beyond its useful life and in need of repair, the North water tower height does not provide full system storage or adequate pressure, and the areas of the distribution system are beyond their useful life. *Project:* upgrades at the water treatment facility to include controls, high service pumps, lime slaker, and HVAC system, repair or replace the existing raw water intake system, increase the height of the North water tower, and replace approximately 1,800 feet of water main with PVC pipe.	$11,300,000	3.00%, 30 years	3,465	Yes (Pending rate increase)
58	Brookings	C462019-02	Problem: the northern water treatment facility has exceeded its useful life and needs replacement. Project: construction of a new 6 MGD lime softening water treatment facility and installation of 28,500 feet of raw water line and 20,000 feet of water main.	$54,000,000	3.00%, 30 years	22,588	Yes
57	Rapid Valley Sanitary District	C462013-03	Problem: the city of Box Elder and some nearby housing developments lacks sufficient water quantity and quality water to meet current user needs. The Rapid Valley Sanitary District lacks sufficient source water capacity to meet the needs of their own district and assist in supplying the needs of Box Elder and other existing users in the area. Project: install of 5,220 feet of 12-inch watermain along Cheyenne Boulevard near Box Elder to connect the two distribution systems, the project will also construct a new 2-million-gallon storage tank to allow Rapid Valley to have sufficient storage to serve Box Elder and continued service to Valley View Heights Estates by Box Elder. The project includes the drilling of a new Madison aquifer well to provide additional needed capacity for current and future users and 3,500 feet of 6-inch line to connect the new well to Rapid Valley's treatment plant.	$6,679,000	2.75%, 30 years	10,000	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
56	North Sioux City	C462009-03	Problem: one of the existing water treatment plants has equipment that is past its useful life and is no longer able meet demands from current users. Project: construct a 1.8 MGD expansion to the Streeter Drive treatment facility and upgrade equipment for the existing treatment processes.	$5,328,125	3.25%, 30 years	2,530	
55	Fort Pierre	C462049-02	Problem: The city currently contracts for water supply through the local regional water system and has been informed the agreement will not be continued after 2032. Project: construction of an approximately 2 million gallon per day water treatment plant, to include a Missouri River intake and connection to the existing distribution system.	$19,651,000	3.25%, 30 years	2,078	
55	Volga	C462046-03	Problem: the city's existing chemical feed and treatment equipment is aging and undersized to manage the volumes being used. Project: improvements to and expansion of the treatment and chemical feed equipment at the existing water treatment plant to provide additional water capacity.	$290,882	3.25%, 30 years	1,768	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
53	Mitchell	C462129-08	Problem: the distribution system lacks sufficient storage for certain pressure zones, the current bulk service connection only connects at the former water treatment plant which does not provide redundant feeds and additional bulk transmission line capacity is needed, the bulk water flows through portions of the unused water treatment plant before entering the distribution system, piping size and locations serving areas south of Interstate 90 limit capacity and pressures, and the existing treatment plant is no longer used and should be properly abandoned. Project: construct a new 2.5-million-gallon storage tank, install a secondary direct bulk service connection to the distribution system and construct 13.5 miles of bulk service transmission line, install piping to bypass the treatment plant, make piping modifications and booster pump upgrades to increase capacity and pressures in the southern part of the distribution system and properly abandon the unused treatment plant.	$22,000,000	3.00%, 30 years	15,524	Yes
50	Butte-Meade Sanitary Water District	C462190-04	Problem: one of the system's existing wells is not useable due to high radionuclide levels and without this well the system does not have capacity to supply peak use, existing storage facilities are unable to meet peak demand capacity, and a portion of the existing distribution system is beyond its useful life. Project: construct a new well to supply needed capacity and provide improved water quality, construct a new 220,000-gallon storage tank, install two miles of new PVC main to connect the well and storage tank to the distribution system, and replace one mile of existing aged pipe with new PVC.	$2,502,949	3.00%, 30 years	2,000	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
48	Henry	C462277-01	Problem: the existing distribution system is undersized and beyond its useful life, many lines have dead ends contributing to poor water quality and pressure, and the system lacks sufficient storage for average day demand. Project: replace and install loops for approximately 18,500 feet of water main with PVC pipe and construct a 60,000-gallon ground storage tank and booster station.	$6,120,000	3.00%, 30 years	267	Yes (pending rate increase)
48	Hudson	C462280-02	Problem: the existing cast iron distribution system pipe is beyond its useful life and the current water storage ground level tanks do not supply adequate pressure or storage for the average day demand and are beyond their useful life. Project: replace and install approximately 22,000 feet of water main with PVC pipe, loop the system, and increase pipe size where needed, and construct a new 50,000-gallon water storage tank and booster station.	$8,120,000	2.75%, 30 years	296	Yes
47	Stratford	C462394-02	Problem: the existing distribution system is undersized and beyond its useful life, water meters are beyond their useful life, and the system lacks sufficient storage for average day demand. Project: replace approximately 10,100 feet of water main with PVC pipe, install new water meters, and construct a 20,000-gallon storage tank and booster station.	$3,498,800	3.00%, 30 years	72	Yes
46	Aurora-Brule Rural Water System	C462425-03	Problem: The Aurora-Brule Rural Water System is facing issues with its system including low pressures, lack of adequate storage, and unreliable transmission. Project: install 10 miles of new parallel water main, construct a new storage reservoir, loop multiple portions of the system, construct a booster station, and demolish a water tower and booster station that are beyond their useful life.	$4,170,000	3.00%, 30 years	3,000	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
45	Clark	C462124-02	Problem: several locations of the distribution system are cast iron or asbestos cement watermain that is beyond its useful life, the system includes several dead-end lines, portions of the system have pipe that is undersized and causes reduced pressures, the current storage tower needs major improvements to remain functional, and the existing water meters are beyond their useful life. Project: install 37,875 feet of new PVC watermain to replace the existing pipe, loop the system, and replace undersized mains, rehabilitate the elevated storage tower, and replace water meters.	$11,618,000	3.00%, 30 years	1,139	Yes
43	Keystone	C462074-02	*Problem:* additional source water is needed to provide capacity and redundancy based on recent demands, storage within the system is insufficient to meet peak day demands, and areas of the distribution system lack adequate pressure. *Project*: install a new well to increase capacity, construct a new storage reservoir, and a new booster station to increase capacity in areas of the system.	$781,258	2.75%, 30 years	337	Yes
38	Spearfish	C462030-03	*Problem:* an area of the water system near exit 17 on I-90 has experienced significant growth in recent years, the source water capacity and storage of the water system are having difficulty supplying the current users may lead to overall system issues. *Project:* the city will install a new well to increase the overall system capacity and install a new 750,000-gallon storage tank to provide storage and pressure for this area of the system.	$4,620,000	2.75%, 30 years	10,494	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
37	Box Elder	C462003-05	*Problem:* portions of the existing distribution system pipe are made of asbestos cement pipe and experiencing leaks, an existing well requires treatment and new pump equipment to be usable, and two ground storage tanks have liners in need of replacement. *Project:* install 12,555 feet of new PVC watermain in various locations, install a treatment equipment and replace the existing well #7 pump equipment, install two new ground storage tank liners.	$4,392,150	2.75%, 30 years	7,800	Yes
37	Pleasant Valley Homeowners Association	C462502-02	Problem: the existing distribution system is undersized and beyond its useful life, water meters are beyond their useful life, and the system lacks sufficient storage for average day demand. Project: replace approximately 1,800 feet of water main with PVC pipe, install new water meters, and construct a 25,000-gallon storage tank and booster station.	$2,873,250	3.25%, 30 years	100	
37	Sturgis	C462068-06	Problem: the existing wells in the system are unable to supply adequate capacity to meet peak demands and there is inadequate storage in the system's higher elevation pressure zone to provide needed capacity and pressure. Project: install a new well to provide additional source water capacity and construct a new 1.0-million-gallon storage tank to provide needed storage and pressure.	$6,126,125	2.75%, 30 years	6,627	Yes
35	Tyndall	C462131-05	Problem: several locations of the distribution system are asbestos cement watermain that is beyond its useful life, the system includes several dead-end mainlines, portions of the system have pipe that is undersized and causes reduced pressures, and the booster station does not have a back-up power source. Project: install 18,730 feet of new PVC watermain to replace the existing pipe, loop the system, replace undersized mains, and purchase a generator for the booster station s.	$3,460,000	3.00%, 30 years	1,067	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
35	Volga	C462046-04	Problem: the existing wells are not able to provide sufficient source water and several areas within the distribution system are unable to meet demands resulting in insufficient pressures. Project: install new wells and 3,300 feet of raw water transmission line to provide needed source water capacity, install 7,300 feet of new PVC watermain to replace the existing pipe, loop the system, and replace undersized mains	$2,525,000	3.25%, 30 years	1,768	
35	WEB Water Association	C462426-05	Problem: this is a collaborative effort between WEB, Aberdeen, and BDM water systems to regionalize and meet the current and future demands for treated water capacity in the northeast region of the state. the WEB Water Association currently has many area of its system with moratoriums in place preventing connections to existing homes and businesses, additional areas of the system are in need of significant upgrades to ensure capacity for current and future connections. The city of Aberdeen lacks sufficient water capacity to meet peak demands of existing users and the water quality during summer months has aesthetic issues making users concerned. BDM is in need of additional water capacity for future users and during the construction period of this project those capacity needs will become required to meet the demands of the system. Project: The project will provide at least 42.1 million gallons of water per day to users. To accomplish this goal new raw water intakes, and increased water treatment capacity along with three new water storage tanks, five pumping stations, pressure stations, and 148 miles of 20- to 54-inch watermain need to be constructed to fully complete the needed expansion.	$755,860,000	3.00%, 30 years	61,091	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
34	New Underwood	C462257-02	*Problem:* one of the systems existing wells is beyond its useful life and in need of replacement, the system lacks sufficient source water redundancy without this well, the storage tank that pressurizes the community has only a single connection to the community lacking redundancy if a break occurs, much of the existing distribution system is asbestos cement pipe that is beyond its useful life, and the system lacks sufficient storage for peak day demand. *Project:* installation of a new well and transmission loop to the storage tank to provide redundant supply, replacement of 14,500 feet of water main with PVC pipe, construction of a new elevated storage tank to meet peak day demand, and demolition of an existing storage tank no longer in use.	$7,580,000	3.00%, 30 years	660	Yes
33	Randall Community Water District	C462436-05	Problem: the city of Mitchell lacks necessary source water to meet peak demands and provide for new customers. Project: installation of 32.5 miles of 20-inch watermain and related appurtenances to allow the system to provide service to Mitchell as a second source of water for the city.	$35,413,000	3.00%, 30 years	11,028	Yes
33	Yankton	C462038-07	Problem: portions of the existing main are beyond its useful life contributing to line breaks and water loss, one of the existing storage tanks has both internal and external coating issues some water meters are beyond their useful life. Project: install approximately 50 blocks of new PVC watermain, replace all meters older than 5 years with new automatic read meters, and recoat the water tower.	$8,441,639	3.00%, 30 years	14,454	Yes
33	Brookings	C462019-03	Problem: the city has identified 48 lead water service lines which are a known drinking water issue. Project: full replacement of all known lead service lines within the community.	$1,000,000	3.00%, 30 years	22,056	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
33	Timber Lake	C462260-02	Problem: the distribution system is cast iron watermain that is beyond its useful life, includes several dead-end mainlines, and portions of the system have pipe that is undersized and causes reduced pressures, and the current storage tower is beyond its useful life and rehabilitation is not feasible. Project: install 15,770 feet of new PVC watermain to replace the existing pipe, loop the system, and replace undersized mains, and construct a new 50,000-gallon elevated storage tower will be constructed to replace the existing tank.	$3,264,725	3.00%, 30 years	443	Yes
32	Brookings-Deuel Rural Water System	C462453-05	Problem: the existing distribution system is segmented in north and south halves without redundancy to supply each zone from either water treatment plant, watermain existing in the project area is beyond its useful life, and areas of the distribution system lack sufficient pipe capacity to provide water during peak demands. Project: construct 28 miles of new and parallel transmission lines to interconnect the system's treatment plants, increase capacity, and alleviate low pressure issues.	$8,300,000	3.25%, 30 years	8,500	
32	Sioux Rural Water System	C462433-04	Problem: current storage volume does not meet peak demands, and several areas withing the distribution system are unable to meet demands resulting in insufficient pressures. Project: construct two new storage reservoirs, install 42.8 miles of transmission line to increase capacity in areas of the system not able to adequately convey water, and make improvements to booster stations where necessary.	$11,112,000	3.25%, 30 years	8,885	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
28	Spring/Cow Creek Sanitary Water District	C462493-02	Problem: portions of the distribution system have dead-end lines resulting in low pressures and poor water quality, the existing water storage tank is not able to meet peak demands or provide adequate system pressure, and pressure from the bulk service provider may not be adequate to fill an elevated tank or provide system pressure. Project: install 1,800 feet of PVC watermain to loop the system and construct a 500,000-gallon elevated storage tank and booster station to supply needed storage and pressure.	$3,528,568	3.25%, 30 years	460	
27	Northville	C462371-03	Problem: the system's meters are obsolete and unserviceable and require manual reading, portions of the distribution system have dead-end lines resulting in low pressures and poor water quality, and the existing water storage tank is in poor condition and rehabilitation is not feasible. Project: replace approximately 68 water meters and install an automatic meter reading system, install 2,200 feet of PVC watermain to loop the system, and construct a new 40,000-gallon ground storage tank and booster station to supply needed storage and pressure.	$1,705,000	3.25%, 30 years	143	
26	Davison Rural Water System	C462490-02	Problem: areas of the existing distribution system are undersized to provide needed pressure and capacity to current and proposed users and current meters are beyond their useful life. Project: install 7.5 miles of transmission line to increase pressures and capacity in areas of the system not able to adequately convey water and install new meters with remote read technology.	$1,240,000	3.25%, 30 years	4,975	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
26	Lead-Deadwood Sanitary District	C462002-03	*Problem:* the existing raw water transmission lines are over 100 years old and are experiencing excessive leakage, the tunnels that the transmission mains go through have become unsafe, one of the intake structures is in need of repair, the system does not have the ability to provide back-up power to pumping facilities if mainline power is out. *Project:* Replace and install approximately 1,200 feet of raw water line, rehabilitate the existing pipe tunnels, make improvements to the intake structure, repair leaking sections of lines, and purchase a portable back-up generator.	$3,720,000	3.00%, 30 years	4,556	Yes (Pending rate increase)
25	Lewis & Clark Regional Water System	C462491-01	Problem: Lewis & Clark RWS is a bulk water provider to 20 different public water systems in South Dakota, Minnesota and Iowa and each member system has a contracted maximum allocation of water they are eligible to receive. Several members are exceeding their maximum contracted allocation prior to full system completion and connection to all members. The system does not have the capacity to provide water above contracted amounts to members without expanding capacity throughout the source, treatment, and distribution systems. Project: the first phase involves improvements at the water treatment facility to include constructing solids drying beds and stockpile areas installing a sixth solids contact basin and second gravity thickener, and making upgrades to the high service pump station and clear well.	$43,782,006	3.25%, 30 years	275,000	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
25	Sioux Falls	C462232-13	Problem: the city of Sioux Falls has one area of its mainline distribution system that is not looped limiting the ability to meet capacity needs should an outage occur on one of the city's source water connections, the city has a well that is beyond its useful life and in need of replacement to assure needed water capacity can be provided. The city lost capacity from 21 wells in recent years due to PFAS contamination and the proposed well will provide some of the lost capacity to users in the service area. Project: installation of 1.5 miles of 24-inch watermain to provide a loop of the city's distribution system between 6th and 26th Streets. Replacement of city's existing well 25 with a new horizontal collector well and alleviate the need for some PFAS contaminated well capacity.	$10,000,000	3.00%, 10 years	153,888	Yes
25	West River/Lyman Jones Rural Water System	C462446-04	Problem: current storage volume does not meet peak demands and several areas within the distribution system are unable to meet demands resulting in insufficient pressures. Project: construct three additional storage reservoirs totaling 1.7-million gallons and install 14 miles of parallel and looped line along with two booster stations to increase pressure and redundancy.	$12,000,000	2.75%, 30 years	18,000	Yes
23	Minnehaha Community Water Corp.	C462440-05	Problem: areas of the existing distribution system lack necessary capacity to provide water to current and proposed users. Project: install 38.3 miles of transmission line to increase capacity in areas of the system not able to adequately convey waters.	$48,678,000	3.25%, 30 years	28,893	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
23	Mitchell	C462129-07	Problem: areas throughout the distribution system are cast iron watermain and asbestos cement pipe that is beyond its useful life, the system includes several dead-end lines, and portions of the system have pipe that is undersized and causes reduced pressures. Project: install 49.8 miles of new PVC watermain to replace the existing pipe, loop the system, and replace undersized mains.	$78,000,000	3.00%, 30 years	15,254	Yes
22	Box Elder	C462003-06	Problem: the existing water tower is 50 years old, subject to minor leaking, and undersized for current demands. Project: Replace the old water tower with a new 1.5 MG water tower.	$1,700,000	2.75%, 30 years	7,800	Yes
22	Belle Fourche	C462012-03	Problem: the water system is served from wells within the same well field, which would cause a portion of the system having no access to water if a line serving the area would break. Project: install a new well in a different location to provide system redundancy in all areas of the system.	$1,050,000	2.75%, 30 years	5,594	Yes (Pending rate increase)
22	Big Sioux Community Water System	C462439-04	Problem: areas of the existing distribution system lack necessary capacity to provide water to current and proposed users. Project: install 16 miles of transmission line to increase capacity in areas of the system not able to adequately convey water.	$22,084,000	3.25%, 30 years	9,500	
22	Harrisburg	C462065-05	Problem: several locations of the distribution system are cast iron watermain that is beyond its useful life, the system includes several dead-end lines, and portions of the system have pipe that is undersized and causes reduced pressures. Project: install 26,200 feet of new PVC watermain to replace the existing pipe, loop the system, and replace undersized mains.	$6,239,000	3.25%, 30 years	5,698	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
22	Lincoln County Rural Water System	C462445-04	Problem: areas of the existing distribution system are undersized to provide needed pressure and capacity to current and proposed users. Project: install 16.1 miles of transmission line to increase pressures and capacity in areas of the system not able to adequately convey water.	$8,809,000	3.25%, 30 years	6,000	
22	Madison	C462024-03	Problem: several locations of the distribution system are cast iron watermain that is beyond its useful, the system includes several dead-end lines, and portions of the system have pipe that is undersized and causes reduced pressures. Project: install 23,000 feet of new PVC watermain to replace the existing pipe, loop the system, and replace undersized mains.	$12,308,500	2.75%, 30 years	6,474	Yes
21	Dell Rapids	C462064-10	Problem: several locations of the distribution system are cast iron or asbestos cement watermain that is beyond its useful life, the system includes several dead-end lines, and portions of the system have pipe that is undersized and causes reduced pressures. Project: install 16,300 feet of new PVC watermain to replace the existing pipe, loop the system, and replace undersized mains.	$9,451,000	3.25%, 30 years	3,633	
20	DeSmet	C462193-03	*Problem:* the existing water distribution system in the in several areas in the community is old and experiencing excessive breaks and high-water loss and has several dead-end lines, the existing water tower coatings are in need of repair. *Project:* replace and install approximately 11,300 feet of water main with PVC pipe and loop the system, recoat the interior and exterior of the water tower.	$5,050,000	3.00%, 30 years	1,089	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
20	Salem	C462057-08	*Problem:* the existing water distribution system in the in western area of the community is old and experiencing excessive breaks and there are dead-end lines causing reduced pressures and water quality. *Project:* replace and install for looping approximately 8,460 feet of water main with PVC pipe.	$3,521,000	3.00%, 30 years	1,347	Yes
20	Salem	C462057-09	Problem: the distribution system in the southeastern part of the city is beyond its useful life and has several dead-end lines impacting water quality and pressure. Project: replace and install approximately 3,000 feet of water main with PVC pipe and loop the system.	$1,097,000	3.00%, 30 years	1,347	Yes
20	Baltic	C462223-05	Problem: several locations of the distribution system are cast iron watermain that is beyond its useful life, the system includes several dead-end lines, portions of the system have pipe that is undersized and causes reduced pressures, and the current storage tower does not peak demand needs. Project: install 6,960 feet of new PVC watermain to replace the existing cast iron pipe, loop the system, and replace undersized mains and construct a new 250,000-gallon elevated storage tower to meet peak day demands.	$5,693,000	3.25%, 30 years	1,089	
20	Crooks	C462227-03	Problem: several locations of the distribution system are glued-joint PVC watermain that is beyond its useful life, the system includes several dead-end lines, portions of the system have pipe that is undersized and causes reduced pressures, and the current storage tower does not peak demand needs. Project: install 4,630 feet of new PVC watermain to replace the existing pipe, loop the system, and replace undersized mains and construct a new 250,000-gallon elevated storage tower to meet peak day demands.	$5,683,000	3.25%, 30 years	1,269	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
20	Garretson	C462063-04	Problem: several locations of the distribution system are cast iron or asbestos cement watermain that is beyond its useful life, the system includes several dead-end lines, and portions of the system have pipe that is undersized and causes reduced pressures. Project: replace 19 blocks of the existing pipe with new PVC watermain.	$3,578,662	3.25%, 30 years	1,166	
20	Lennox	C462105-07	Problem: several locations of the distribution system are cast iron watermain that is beyond its useful, the system includes several dead-end lines, and portions of the system have pipe that is undersized and causes reduced pressures. Project: install 6,700 feet of new PVC watermain to replace the existing pipe, loop the system, and replace undersized mains.	$2,942,000	3.00%, 30 years	2,111	Yes
20	Miller	C462128-06	Problem: several locations of the distribution system are cast iron or asbestos cement watermain that is beyond its useful, the system includes several dead-end mainlines, the current storage reservoir is in need of repair to remain functional, and there are several unused wells that have not been properly abandoned. Project: install 19,000 feet of new PVC watermain to replace the existing pipe and loop the system, rehabilitate the storage tank, and properly abandon the unused wells.	$4,229,871	3.00%, 30 years	1,489	Yes
19	Colman	C462144-06	*Problem:* the existing cast iron water distribution system for one block on Loban Avenue is beyond its useful life, several locations in the city are served by long dead-end lines. *Project:* replace approximately 400 feet of water main with PVC pipe on Loban Avenue and install 2,000 feet of new PVC watermain to loop several areas.	$480,000	3.00%, 30 years	594	Yes
19	Howard	C462127-01	*Problem:* portions of the existing distribution system pipe are made of asbestos cement pipe and experiencing leaks. *Project:* install 7,500 feet of new PVC watermain in various locations.	$3,652,600	3.00%, 30 years	858	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
19	Valley Springs	C462239-03	Problem: the existing water distribution system is old and experiencing excessive breaks and high-water loss and has several dead-end lines. Project: replace and install approximately 15,000 feet of water main with PVC pipe and loop the system.	$5,412,000	3.25%, 30 years	759	
19	Valley Springs	C462239-04	*Problem:* the city's two existing well houses are beyond their useful life and the buildings along with equipment are in need of repair. *Project:* construct two new well houses to include chemical feed equipment in compliance with recommended standards for chemical feed systems.	$2,703,000	3.25%, 30 years	759	
19	Hill City	C462231-02	Problem: One well serving the water system is in poor condition and produces poor quality water and if that source is unavailable current user demands could not be met. Project: install a new well to provide system redundancy and assure all users will have access to potable water.	$637,500	3.00%, 30 years	948	Yes
19	Lake Preston	C462011-03	Problem: several locations of the distribution system are cast iron watermain that is beyond its useful, the system includes several dead-end lines, and portions of the system have pipe that is undersized and causes reduced pressures. Project: install 25,200 feet of new PVC watermain to replace the existing pipe, loop the system, and replace undersized mains.	$7,027,000	3.00%, 30 years	599	Yes
19	Wall	C462033-01	Problem: several locations of the distribution system are asbestos cement watermain that is beyond its useful life, the system includes several dead-end lines, and portions of the system have pipe that is undersized and causes reduced pressures. Project: install 2,000 feet of new PVC watermain to replace the existing pipe, loop the system, and replace undersized mains.	$1,378,750	3.00%, 30 years	766	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
19	Worthing	C462047-03	Problem: several locations of the distribution system are asbestos cement watermain that is beyond its useful life, the system includes several dead-end lines, and portions of the system have pipe that is undersized and causes reduced pressures. Project: install 6,150 feet of new PVC watermain to replace the existing pipe, loop the system, and replace undersized mains.	$3,866,000	3.25%, 30 years	877	
18	Chancellor	C462122-04	Problem: the distribution system throughout the city is beyond its useful life and has several dead-end lines impacting water quality. Project: replace and install approximately 6,550 feet of water main with PVC pipe.	$3,300,000	3.00%, 30 years	264	Yes
18	Chester Sanitary District	C462073-01	Problem: the existing distribution system is undersized and beyond its useful life and the system lacks sufficient storage for average day demand and the existing storage is beyond its useful life. Project: replace and install approximately 12,000 feet of water main with PVC pipe and loop the system and installation of a new elevated storage tower.	$6,500,000	3.00%, 30 years	261	Yes
18	Pine Grove Community Water Association	C462501-01	Problem: the existing distribution system is undersized and beyond its useful life, the SCADA system is beyond its useful life, and the system has only one well which provides no redundancy for water source. Project: replace approximately 12,900 feet of water main with PVC pipe, drill a new well to provide additional source water, replace the existing SCADA system, and purchase a generator in case of a power outage.	$1,434,700	3.25%, 30 years	450	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
18	White	C462118-02	Problem: the distribution system in much of the city is beyond its useful life and has several dead-end lines impacting water quality, the existing interior and exterior coating on the water tower are in poor condition and need repair. Project: replace approximately 17,000 feet of water main with PVC pipe and loop the system and recoat the water tower interior and exterior.	$6,000,000	2.75%, 30 years	485	Yes
18	Bryant	C462121-02	Problem: several locations of the distribution system are cast iron watermain that is beyond its useful life, the system includes several dead-end lines, portions of the system have pipe that is undersized and causes reduced pressures, and the current storage tower is beyond its useful life and rehabilitation is not feasible. Project: install 7,900 feet of new PVC watermain to replace the existing cast iron pipe, loop the system, and replace undersized mains and construct a new 100,000-gallon elevated storage tower.	$5,056,000	2.75%, 30 years	456	Yes
18	Randall Community Water District	C462436-06	Problem: several areas withing the distribution system are unable to supply demands leading to insufficient pressures and capacity for current and potential new users. Project: install 103.3 miles of parallel and looping pipe to increase pressure and capacity throughout the system.	$137,874,000	3.00%, 30 years	11,028	Yes (Pending rate increase)
18	Weston Heights Homeowners Association	C462495-02	Problem: the existing water storage tank does not provide adequate storage capacity or pressure to meet demands due to the location and elevation of the tank and the system is served by only one well that does not have backup power. Project: construct a new storage tank in a different location or rehabilitate the existing tank and provide a booster station to allow full use of the available storage volume and pressurize the system and purchase a generator to allow the well to remain in service if power fails.	$2,629,550	3.25%, 30 years	447	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
17	Box Elder	C462003-08	Problem: Parts of the northeastern portion of the distribution system are experiencing over pressurization due to limited looping in the system. Project: Install approximately 3,200 feet of water main to equalize pressures and provide looping.	$670,400	2.75%, 30 years	7,800	Yes
17	Corona	C462088-02	Problem: the distribution system is beyond its useful life, the includes several dead-end lines, portions of the system have pipe that is undersized and cause reduced pressures. Project: install 10,000 feet of new PVC watermain to replace the existing pipe, loop the system, and replace undersized mains.	$3,389,000	3.25%, 30 years	109	
15	Platte	C462130-03	Problem: the city is not providing water service to existing facilities along SD Highway 44 on the east and west edges of the city limits and existing water meters are not remote read slowing the ability to locate leaks in a timely manner. Project: install 2,650 feet of PVC pipe to extend service to existing facilities and install automatic meter reading equipment.	$650,675	3.00%. 30 years	1,230	Yes
15	Beresford	C462187-04	Problem: the water main on 7th Street between 298th and Maple Streets is not looped. Project: install 2,000 feet of PVC water main to loop the system eliminating two dead-ends.	$227,000	3.00%, 30 years	2,005	Yes
15	Fort Pierre	C462049-03	Problem: the existing storage reservoirs are not sufficient to meet peak day demands. Project: construct a new 700,000-gallon water storage tank and install 19,300 feet of PVC watermain to connect the storage tank to the distribution system and provide redundant looped lines to assure the tanks will not be stranded if a break occurs.	$5,028,078	3.25%, 30 years	2,078	
14	Mina Lake Sanitary District	C462287-04	Problem: the district's meters are obsolete and unserviceable or require manual reading. Project: replace approximately 440 water meters and install an automatic meter reading system.	$352,000	2.75%, 10 years	791	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
13	Emery	C462248-02	*Problem:* the existing water meters are beyond their useful life. *Project:* replace the existing water meters for all users with new remote read meters and software	$68,000	1.0%, 10 years	447	Yes
13	Presho	C462236-01	Problem: the system's meters are obsolete and unserviceable and require manual reading. Project: replace approximately 350 water meters and install an automatic meter reading system.	$667,930	2.75%, 10 years	497	
12	Belle Fourche	C462012-04	*Problem:* the asbestos cement and cast-iron transmission pipe from the city's main well to the community, as well as the transmission main between a booster station and storage tank are beyond their useful life. *Project:* replace 28,700 feet of water main with PVC pipe.	$5,328,000	2.75%, 30 years	5,594	Yes (Pending rate increase)
12	Copper Oaks 1	C462457-01	*Problem:* the existing storage reservoir needs to be recoated and have repairs made, water meters are beyond their useful life, and well house building is in need of repair, and chlorination equipment is beyond its useful life. *Project*: recoat the reservoir interior and make repairs, replace existing water meters, repair the well house building, and replace chlorinator equipment.	$91,652	3.25%, 30 years	64	
11	Canton	C462039-05	Problem: the watermains on First and Broadway Streets are beyond their useful life. Project: replace 3,000 feet of water main with PVC pipe.	$1,926,000	3.00%, 30 years	3,057	Yes
10	Britton	C462188-04	*Problem:* the existing water distribution system in the industrial park area is old and experiencing excessive breaks and high-water loss and has several dead-end lines. *Project:* replace and install approximately 6,510 feet of water main with PVC pipe and loop the system.	$1,043,000	3.00%, 30 years	1,215	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
10	Flandreau	C462125-02	*Problem:* the existing water distribution system in the in several areas in the community is old and experiencing excessive breaks and high-water loss and has several dead-end lines. *Project:* replace and install approximately 11,500 feet of water main with PVC pipe and loop the system.	$4,440,000	3.00%, 30 years	2,341	Yes
10	Freeman	C462017-01	Problem: the distribution system on Main and Railway Streets is beyond its useful life. Project: replace 2,874 feet of water main with PVC pipe.	$1,586,846	2.75%, 30 years	1,306	Yes
10	Parker	C462026-06	Problem: areas throughout the distribution system are cast iron watermain and asbestos cement pipe that is beyond its useful life, the system includes several dead-end lines, and portions of the system have pipe that is undersized and causes reduced pressures. Project: install 11,300 feet of new PVC watermain to replace the existing pipe, loop the system, and replace undersized mains.	$3,666,000	3.00%, 30 years	1,022	Yes
10	WEB Water Development Association	C462426-06	*Problem:* the existing treated water pipeline from the water treatment plant to the intersection of Hwy 83 and 12 does not have capacity to convey water to meet demands. *Project:* install 10 miles of new 48-inch pipe to parallel the existing line to assure adequate capacity to meet current and future system demands.	$21,665,000	3.00%, 30 years	35,000	Yes
9	Corsica	C462107-02	Problem: the distribution system on Corse Avenue is beyond its useful life. Project: replace 1,500 feet of water main with PVC pipe.	$340,635	3.25%, 30 years	592	
9	Wessington Springs	C462210-04	Problem: the distribution system on College Avenue is beyond its useful life. Project: replace 2,700 feet of water main with PVC pipe.	$674,000	2.75%, 30 years	956	Yes
9	Kadoka	C462061-02	Problem: the distribution system on Poplar Street is beyond its useful life. Project: replace 2,300 feet of water main with PVC pipe.	$658,000	3.00%, 30 years	654	Yes
9	Kimball	C462415-02	*Problem:* portions of the existing distribution system pipe on Main Street are beyond their useful life and experiencing leaks. *Project:* install 1,100 feet of new PVC watermain.	$270,000	3.00%, 30 years	703	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
8	Keystone	C462074-03	*Problem:* the watermain on Bullion Street is beyond its useful life and not looped with other parts of the distribution system. *Project:* replace and install 1,300 feet of water main with PVC pipe.	$593,803	2.75%, 30 years	337	Yes
6	Black Hawk Water Users District	C462393-05	*Problem:* the existing interstate crossing at exit 52 and transmission main along Sturgis Road do not have adequate capacity to serve current users. *Project:* install a new interstate crossing increasing size from a 6-inch to a 12-inch watermain and install a new 10-inch main along Sturgis Road parallel to the existing line.	$6,675,500	3.25%, 30 years	4,000	
4	Humboldt	C462254-03	*Problem:* storage within the system is insufficient to meet peak day demands. *Project*: construct a new 100,000-gallon storage reservoir or purchase an existing reservoir from a nearby rural water system.	$2,085,638	3.25%, 30 years	589	
4	Humboldt	C462254-04	Problem: several locations in the distribution system pipe are beyond their useful life and lack sufficient bury depth. Project: replace 4,150 feet of water main with PVC pipe.	$1,355,000	3.25%, 30 years	589	
4	Lake Preston	C462011-04	*Problem:* storage within the system is insufficient to meet peak day demands. *Project*: construct a new 100,000-gallon storage reservoir	$2,000,000	3.00%, 30 years	599	Yes
4	Wessington Springs	C462210-05	Problem: the distribution system on Second Street is beyond its useful life. Project: replace 4.5 blocks of water main with PVC pipe.	$100,000	2.75%, 30 years	956	Yes
3	Rosholt	C462258-02	*Problem:* the city's existing elevated storage tank is beyond its useful life and in need of major improvements or replacement. *Project:* construct a new 75,000-gallon elevated storage tank.	$2,300,000	3.25%, 30 years	423	

ATTACHMENT II – LIST OF PROJECTS TO BE FUNDED IN FFY 2023

Priority Points	Loan Recipient	Project Number	Assistance Amount	Principal Forgiveness [1]	Funding Date	Expected Funding Source[2]	Fund/Project Eligibility [3,4,5]
Loans Expected							
208	South Dakota Ellsworth Development Authority	C462467-01	$12,192,000	$12,192,000	Jan. 2023	2022/2023 BIL EC/Repay/Lev. Bonds	3, 5
123	Terry Trojan Water Project District	C462455-03	$700,000	$70,000	Jan. 2023	Repay/Lev. Bonds	
82	Clay Rural Water System	C462437-07	$21,843,000	$878,238	Jan. 2023	Repay/Lev. Bonds	
58	Brookings	C462019-02	$40,700,000	$4,070,000	Jan. 2023	2022/2023 Base/BIL GS /Lev. Bonds	3
33	Brookings	C462019-03	$1,000,000	$590,000	Jan. 2023	2022 BIL LSLR	3, 4
138	Vermillion	C462022-05	$6,637,142	$663,714	March 2023	Repay/Lev. Bonds	3
88	Murdo	C462108-01	$429,276	$42,928	March 2023	Repay/Lev. Bonds	3
77	Wessington	C462302-01	$673,000	$67,300	March 2023	Repay/Lev. Bonds	3
48	Henry	C462277-01	$6,120,000	$612,000	March 2023	Repay/Lev. Bonds	3
34	New Underwood	C462257-02	$7,580,000	$758,000	March 2023	Repay/Lev. Bonds	3
20	Salem	C462057-08	$3,521,000	$352,100	March 2023	Repay/Lev. Bonds	3
19	Wall	C462033-01	$1,378,750	$137,875	March 2023	Repay/Lev. Bonds	3
18	Chancellor	C462122-04	$3,300,000	$330,000	March 2023	Repay/Lev. Bonds	3
18	Chester Sanitary District	C462073-01	$6,500,000	$650,000	March 2023	Repay/Lev. Bonds	3
9	Kimball	C462415-02	$270,000	$27,000	March 2023	Repay/Lev. Bonds	3
4	Humboldt	C462254-03	$1,355,000	$135,500	March 2023	Repay/Lev. Bonds	
4	Lake Preston	C462011-04	$2,000,000	$200,000	March 2023	Repay/Lev. Bonds	
90	Rapid City	C462014-05	$135,000,000	$4,940,955	June 2023	Repay/Lev. Bonds	3
86	Hot Springs	C462040-03	$1,054,025	$105,403	June 2023	Repay/Lev. Bonds	3
67	Raymond	C462385-01	$2,444,2000	$2,444,200	June 2023	Repay/Lev. Bonds	3
19	Howard	C462127-01	$3,652,600	$365,260	June 2023	Repay/Lev. Bonds	3
19	Hill City	C462231-02	$637,500	$63,750	June 2023	Repay/Lev. Bonds	3
13	Emery	C462248-02	$68,000	$6,800	June 2023	Repay/Lev. Bonds	3

1. Principal forgiveness amounts shown for loans expected are estimates for planning purposes only.
2. Projects identified using capitalization grant funds are for equivalency requirements planning purposes only, actual projects used for capitalization grant equivalency will be identified on the FFY 2023 annual report.
3. Projects are anticipated to be funded in part utilizing capitalization grant principal forgiveness reserved for disadvantaged communities, this may be from funds within the base capitalization grant, BIL general supplemental, BIL lead service line replacement, or BIL emerging contaminants grant allotments depending on project eligibility.
4. Projects identified are anticipated to be funded in part utilizing BIL lead service line replacement allotments.
5. Projects identified are anticipated to be funded in part utilizing BIL emerging contaminants allotment.

ATTACHMENT III
BASE PROGRAM FUNDING STATUS

Federal Fiscal Years 1997 - 2022		
Capitalization Grants	$234,195,698	
BIL Supplemental Grants	$17,992,000	
State Match (Base and BIL)	$48,638,340	
ARRA Grant	$19,500,000	
Set-Asides (Base and BIL)	($17,763,242)	
Transfer of FY 2002 & 2003 Clean Water Capitalization Grant and State Match	$15,574,320	
Leveraged Bonds	$123,742,076	
Excess Interest as of September 30, 2022	$61,098,460	
Excess Principal as of September 30, 2022	$127,375,335	
Total Funds Dedicated to Loan		$630,352,987
Closed Loans made through September 30, 2022		($584,168,941)
Unclosed loans and available funds as of September 30, 2022		$46,184,046
Federal Fiscal Year 2023 Projections		
Base Capitalization Grant	$7,008,000	
BIL General Supplemental Grant	$20,800,000	
State Match (combined total)	$3,481,600	
Set-Asides (combined total)	($1,179,250)	
Projected Excess Principal Repayments	$5,000,000	
Projected Unrestricted Interest Earnings	$4,000,000	
Leveraged Bonds	$200,000,000	
Projected FFY 2023 Loan Sub-total		$239,110,350
Unclosed loans and funds Available for Loans		$285,294,396
Loans Awarded and Unclosed as of September 30, 2022		($605,360,908)
Total Funds Available for Loans		($320,066,512)
Loan Amount Identified on Attachment II - List of Projects to be Funded in FFY 2023		$267,861,293

Administrative Surcharge Funds Available as of September 30, 2022	
Program Income	$1,044,233
Non-Program Income	$5,451,927
Total	$6,496,160

BIL EMERGING CONTAMINANTS
PROGRAM FUNDING STATUS
Federal Fiscal Year 2022

DWSRF BIL Emerging Contaminants Grants	$7,555,000	
State Match	$0	
Set-Asides	($0)	
Transfer FFY 2022 Grant from CWSRF Emerging Contaminants	$459,000	
Total Funds Dedicated to Loan		$8,014,000
Closed Loans made through September 30, 2022		($0)
Unclosed loans and available funds as of September 30, 2022		$8,014,000

Federal Fiscal Year 2023 Projections

DWSRF BIL Emerging Contaminants Grant	$7,555,000	
Transfer of FY 2023 Clean Water Emerging Contaminants Grant	$1,032,000	
State Match	$0	
Set-Asides	$0	
Projected FFY 2023 Loan Sub-total		$8,587,000
Unclosed loans and funds Available for Loans		$16,601,000
Loans Awarded and Unclosed as of September 30, 2022		($7,895,000)
Total Funds Available for Loans		$8,706,000
Loan Amount Identified on Attachment II - List of Projects to be Funded in FFY 2023		$12,192,000

BIL LEAD SERVICE LINE REPLACEMENT
PROGRAM FUNDING STATUS
Federal Fiscal Year 2022

DWSRF BIL Lead Service Line Replacement Grants	$2,701,000	
State Match	$0	
Set-Asides	($1,701,000)	
Total Funds Dedicated to Loan		$1,000,000
Closed Loans made through September 30, 2022		($0)
Unclosed loans and available funds as of September 30, 2022		$1,000,000

Federal Fiscal Year 2023 Projections

BIL Lead Service Line Replacement Grant	$28,350,000	
State Match	$0	
Set-Asides	($0)	
Projected FFY 2023 Loan Sub-total		$28,350,000
Unclosed loans and funds Available for Loans		$29,350,000
Loans Awarded and Unclosed as of September 30, 2022		$0
Total Funds Available for Loans		$29,350,000
Loan Amount Identified on Attachment II - List of Projects to be Funded in FFY 2023		$1,000,000

Addendum to the 2023 DWSRF Intended Use Plan:

Bipartisan Infrastructure Law

The Bipartisan Infrastructure Law (BIL), previously referred to as the Infrastructure Investment and Jobs Act, was signed into law on November 15, 2021. The BIL invests more than $50 billion over the next five years in EPA water infrastructure programs including the State Revolving Funds. South Dakota's estimated 2023 allotment for the DWSRF program totals approximately $56.7 million.

This addendum is for the distribution of BIL funds in 2023.

The BIL funding will be issued through the DWSRF in three categories: 1) DWSRF BIL General Supplemental Funding, 2) DWSRF BIL Emerging Contaminants Funding, and 3) DWSRF BIL Lead Service Line Funding. The IUP amendments and the BIL funding categories are described below.

BIL Funding Categories and Use of Funds

DWSRF BIL General Supplemental Funding

The BIL includes an estimated general supplemental funding allotment to South Dakota of $20,800,000 in 2023 for the DWSRF program. The existing DWSRF program as described in this IUP applies to this funding category and includes the following:

Eligibility

- Eligible entities and projects for this funding must be eligible under the existing DWSRF program.
- All eligible projects for this allotment must be listed on the existing Attachment I – 2023 Project Priority List.

Requirements

- Application, prioritization, and approval for funding will be the same as the existing DWSRF program.
- State match is 10% of the total amount of the capitalization grant in fiscal year 2023. Bond proceeds will be used to provide the matching funds.
- Loan interest rate and terms will be the same as the existing program.
- Forty-nine percent of the capitalization grant amount must be issued as additional subsidization in the form of principal forgiveness. Additional subsidization must be provided to eligible entities that meet the Disadvantaged Community definition in ARSD 74:05:11:01(11) and described on page 9 of the base program IUP.

Set-Aside Activities for DWSRF BIL General Supplemental Funding

Similar to the DWSRF base program, South Dakota may set-aside a portion of the capitalization grant for non-project, or set-aside activities, that are necessary to accomplish the requirements of the Safe Drinking Water Act.

The estimated 2023 BIL DWRF appropriation is $20,800,000. A description of each set-aside and the

funding available from the 2023 BIL general supplemental capitalization grant for each activity is detailed below.

Administration Set-Aside
2023 BIL Federal Year One - Requested Amount $400,000
The BIL provides three options to states to calculate the administrative set-aside available from each year's capitalization grant. States may use up to the greatest of 1) $400,000 per year, 2) 1/5 of a percent of the current valuation of the Drinking Water SRF fund based on the most recent previous year's audited financial statements, or 3) an amount equal to four percent of all grant awards to the DWSRF.

Four percent of the estimated FFY 2023 base capitalization grant is $280,320, four percent of the FFY 2023 BIL Supplemental capitalization grant is $832,000, and 1/5 of a percent of the current fund valuation of $225,279,640 results in $450,559 available for administrative fees. The department is choosing to utilize only the $400,000 allowable from the BIL for administrative purposes**.**

Use of funds and expected accomplishments
Specific activities to be funded are: staff salary, benefits, travel, and overhead; retaining of bond counsel, bond underwriter, financial advisor, and trustee; and other costs to administer the program.

Small System Training and Technical Assistance
2023 BIL Federal Year One - Requested Amount $200,000
These monies support ongoing training and technical assistance to small systems serving less than 10,000 people to bring non-complying systems into compliance and improve operations of water systems as described on page 7 of the DWSRF base program IUP.

State's may utilize up to two percent of the BIL general supplemental allocation in this set-aside, which is $416,000. Funds available from prior year grants as of September 30, 2022, are $209,927. South Dakota intends to allocate $200,000, from the BIL general supplemental set-aside allotment to fund these activities.

Use of funds and expected accomplishments
Funds are used to provide technical assistance, training, and completion of engineering studies for small systems.

State Program Management (10%)
2023 BIL Federal Year One - Requested Amount $300,000
Funds under this set-aside are available for use to assist in management of state program management to include administration of the state's Public Water System Supervision (PWSS) program and other state program related activities as described on page 8 of the DWSRF base program IUP.

States may utilize up to ten percent of the BIL general supplemental allocation in this set-aside, which is $2,080,000. South Dakota intends to allocate $300,000, from the BIL general supplemental set-aside allotment to fund these activities.

Use of funds and expected accomplishments
Funds are used for South Dakota's PWSS program to complete all tasks and activities identified in the Performance Partnership Grant workplan.

Local Assistance and Other State Programs (15%)
2023 BIL Federal Year One - Requested Amount $100,000
This set-aside can fund other activities to assist development and implementation of local drinking water protection activities. These activities are described on page 8 of the base program IUP.

South Dakota intends to take $100,000 to assist new and existing systems to achieve and maintain technical, managerial, and financial capacity from this set-aside.

Use of funds and expected accomplishments
Midwest Assistance Program (MAP) will continue its efforts with borrowers to improve the technical, financial, or managerial capacity of the systems and assist in the review of capacity assessments required as part of the Drinking Water SRF loan applications.

DWSRF BIL Emerging Contaminants Funding
The BIL includes an estimated funding allocation of $7,555,000 to South Dakota in 2023 to be applied to drinking water emerging contaminant projects. Additionally, the department proposes to transfer the estimated $1,032,000 CWSRF Emerging Contaminant allotment to the DWSRF Emerging Contaminant fund. This makes $8,587,000 available for DWSRF Emerging Contaminant activities.

Eligibility
- Entities and projects eligible for this funding must be eligible under the existing DWSRF program and the primary purpose must be to address emerging contaminants in drinking water.
- All eligible projects for this allotment must be listed on the existing Attachment I - Project Priority List. Projects eligible for this source of funds are identified on Attachment II – List of Projects to be Funded in 2023.
- Eligible emerging contaminants include perfluoroalkyl and polyfluoroalkyl substances (PFAS) and contaminants on EPA's Contaminant Candidate Lists. Additional eligibility details and requirements for this category are defined in the EPA BIL SRF Implementation Memo dated March 8, 2022.

Requirements
- Application, prioritization, and approval for funding will be the same as the existing DWSRF program.
- State match is not required.
- 100% of the capitalization grant amount, less set-asides, must be issued as additional subsidization in the form of principal forgiveness.
- Distribution of funding
    - Twenty-five percent of funds from this category must go to communities that qualify as a disadvantaged community or communities with populations less than 25,000. Applicants with project costs exceeding available funds or with project components unrelated to addressing emerging contaminants, may receive funds for the remaining project costs through the DWSRF supplemental or base programs. Additional principal forgiveness may be available from the

DWSRF supplemental or base programs for applicants that qualify as a disadvantaged community.

Set-Aside Activities for DWSRF BIL Emerging Contaminants Funding

South Dakota may set-aside a portion of the capitalization grant for non-project, or set-aside activities, that are necessary for implementing Emerging Contaminants activities.

No set-aside funds are proposed to be allocated from the BIL emerging contaminants funding in 2023. South Dakota reserves the ability to request set-aside funding in future years, if necessary, from the 2023 BIL emerging contaminants funding.

DWSRF BIL Lead Service Line Funding

The BIL includes an estimated funding allotment of $28,350,000 to South Dakota in 2023 to be applied to the lead service line replacement projects.

Eligibility

- Entities and projects eligible for this funding must be eligible under the existing DWSRF program and be a lead service line replacement project or associated activity directly connected to the identification, planning, design, and replacement of lead service lines.
- All eligible projects for this allotment must be listed on the existing Attachment I - Project Priority List. Projects eligible for this source of funds are identified on Attachment II – List of Projects to be Funded in 2023.
- Additional eligibility requirements for this category of funding are defined in the EPA BIL SRF Implementation Memo dated March 8, 2022.

Requirements

- Application, prioritization, and approval will be the same as the existing DWSRF program.
- State match is not required
- 49 percent of the capitalization grant amount must be issued as additional subsidization in the form of principal forgiveness. Additional subsidization must be provided to eligible entities that that qualify as a disadvantaged community.
- Distribution of funding
    - Applicants with project costs exceeding available funds, or with project components unrelated to lead service line identification and replacement, may receive funds for the remaining project costs through the DWSRF supplemental or base programs. Additional principal forgiveness may be available from the DWSRF supplemental or base programs for applicants meeting DWSRF BIL Principal Forgiveness Eligibility Criteria or base program principal forgiveness criteria.

Set-Aside Activities for DWSRF BIL Lead Service Line Replacement fFnding

South Dakota may set-aside a portion of the capitalization grant for non-project, or set-aside activities, that are necessary for implementing lead service line replacement.

No set-aside funds are proposed to be allocated from the BIL lead service line replacement funding in 2023. South Dakota reserves the ability to request set-aside funding in future years, if necessary,

from the 2023 BIL lead service line replacement funding.

DWSRF BIL Principal Forgiveness Eligibility Criteria

An eligible applicant may receive principal forgiveness in the DWSRF BIL Supplemental General Supplemental Funding, DWSRF BIL Emerging Contaminants Funding, and DWSRF BIL Lead Service Line Funding if it meets the Disadvantaged Community definition in ARSD 74:05:11:01(11) and described on page 9 of the base program IUP

Project Priority List and List of Projects Expected to be Funded

All projects identified on Attachment I - Project Priority List and Attachment II - List of Projects Expected to be Funded in FFY 2023 are eligible to receive BIL supplemental funding. Projects eligible to receive DWSRF BIL Emerging Contaminants Funding and DWSRF BIL Lead Service Line Funding are specifically annotated on Attachment II – List of Projects Expected to be Funded in FFY 2023. Projects may be funded by a combination of BIL supplemental funds and base program funds.

BIL Funding Applicable Provisions and Additional Requirements

All provisions promulgated through statute, guidance, or regulations issued by EPA for the implementation of the CWSRF and DWSRF programs will remain in effect (e.g. American Iron and Steel and Davis-Bacon related prevailing wage requirements) unless they are inconsistent with the BIL, capitalization grant conditions, or the requirements contained in the EPA BIL SRF Implementation Memo dated March 8, 2022. The BIL supplemental appropriations are federal funds and therefore all equivalency requirements apply to projects funded by BIL.

The EPA BIL SRF Implementation Memo includes the following other provisions summarized below:

1. Build America, Buy America Act: BIL creates the Build America, Buy America (BABA) Act domestic sourcing requirements for Federal financial assistance programs for infrastructure, including the SRF programs. For more specific information on BABA implementation, please refer to the Office of Management and Budget's Build America, Buy America Act Implementation Guidance. EPA will issue a separate memorandum for BABA after the United States Office of Management and Budget (OMB) publishes its guidance. The American Iron and Steel provisions of both the CWSRF and DWSRF continue to apply.

   BABA applies to both the existing DWSRF program equivalency projects and BIL funded projects. BIL funded projects will be required to comply with BABA requirements, unless exempted by an approved national or project specific waiver. The OMB guidance and EPA memorandums mentioned above will determine the specific requirements for implementing and meeting the BABA requirement.

2. Reporting: States must use EPA's SRF Data System to report key BIL project characteristics and milestone information no less than quarterly. Additional reporting will be required through the

terms and conditions of the grant award. Federal Funding Accountability and Transparency Act (FFATA) of 2010 requires SRF programs to report on recipients that received federal dollars in the FFATA Subaward Reporting System (www.fsrs.gov).

3. Blending Funds and Cash Draws: States have the flexibility to craft single assistance agreements (e.g., loans) that contain multiple types of construction components and activities. These assistance agreements may commit funds from multiple BIL capitalization grants and base program funds. Upon disbursement of funds, these assistance agreements may draw from both BIL and base SRF capitalization grants for eligible project components.

4. Green Project Reserve: If provided for in the annual appropriation, the green project reserve (GPR) is applicable to the BIL capitalization grants for the corresponding fiscal year.

5. Inter-SRF Transfers: Per SRF statute and regulation, states have the flexibility to transfer funds between the CWSRF and DWSRF. Given BIL's requirements, authorities, and narrower SRF eligibilities, states may only transfer funds between the specific BIL appropriations in the equivalent CWSRF or DWSRF program. In other words, transfer of funds may occur between the CWSRF and DWSRF General BIL capitalization grants and between the CWSRF and DWSRF BIL Emerging Contaminants capitalization grants. Because there is no similar CWSRF appropriation to the DWSRF BIL LSLR appropriation, no funds may be transferred from or to the DWSRF BIL LSLR appropriation. States may not transfer BIL appropriations to or from base appropriations.

6. Recycled Funds: To the extent assistance recipients repay BIL funds or provide interest payments to the state SRF program, those repaid funds and interest have the flexibility to be used for any SRF-eligible purpose. For example, repaid DWSRF BIL LSLR funds are not limited to future LSLR projects and activities.

7. Federal Civil Rights Responsibilities, Including Title VI of the Civil Rights Act of 1964 is reviewed by the state to ensure requirements are met and applies to DWSRF and CWSRF programs for both base and BIL funding.

Public Review and Comment

On November 3, 2022, a public hearing was held seeking comments on the BIL addendum to the DWSRF 2023 Intended Use Plan. The notice was published at least 20 days prior in four newspapers of general circulation in different parts of the state. The department maintains a public notice page on its website https://danr.sd.gov/public/default.aspx, and interested parties are able to submit comments through the website. The addendum was made available during the public notice period for review and comment. The department sends out weekly updates to a list of interested parties who have subscribed for updates to the website. Upon posting the public notice on the department's website, the addendum was e-mailed to a list of interested parties that regular receive notice of Board of Water and Natural Resources activities. As part of the required board meeting notice the addendum was also available on the Boards and Commissions portal website https://boardsandcommissions.sd.gov/Meetings.aspx?BoardID=108.