This Preliminary Official Statement and the information contained in this Preliminary Official Statement are subject to completion or amendment or other change without any notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 26, 2026

NEW ISSUE – BOOK ENTRY ONLY **RATINGS: See "RATINGS" herein**

Interest on the Series 2026C Bonds is not excluded from the gross income of the holders thereof for federal income tax purposes.

In the opinion of Ashurst Perkins Coie US LLP, Bond Counsel to the District, subject to compliance with certain covenants made by the District and certain other parties to satisfy pertinent requirements of the Internal Revenue Code of 1986, as amended (the "Code"), under present law, interest on the Series 2026D Bonds (as hereinafter defined) is excludible from gross income for federal income tax purposes of the owners thereof and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals. Interest on the Series 2026D Bonds may affect the corporate alternative minimum tax for certain corporations. See the caption "TAX MATTERS" herein regarding a description of other tax considerations.

$168,850,000*
SOUTH DAKOTA CONSERVANCY DISTRICT
State Revolving Fund Program Bonds
Series 2026

$25,165,000*
Taxable Revenue Bonds,
Series 2026C
(the "Series 2026C Bonds")

$143,685,000*
Revenue Bonds,
Series 2026D
(the "Series 2026D Bonds")

Dated: Date of delivery **Due: August 1, as shown on the Inside Front Cover**

The State Revolving Fund Program Bonds, Series 2026 (the "Series 2026 Bonds") offered hereby are being issued pursuant to Chapters 46A-1 and 46A-2, South Dakota Codified Laws, as amended (the "Act"), the Master Indenture (as defined herein) by and between the South Dakota Conservancy District (the "District") and U.S Bank Trust Company, National Association as successor trustee to The First National Bank in Sioux Falls (collectively, the "Trustee") and a Series Resolution adopted by the South Dakota Board of Water and Natural Resources (the "Board").

The Series 2026 Bonds shall be issued as fully registered Bonds in denominations of $5,000 or any integral multiple thereof and, when issued, will be registered in the name of Cede & Co. as registered owner and nominee for Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2026 Bonds. Purchases of beneficial interests in the Series 2026 Bonds will be made in book-entry form only. Purchasers of a beneficial interest in the Series 2026 Bonds ("Beneficial Owners") will not receive certificates representing their interests in the Series 2026 Bonds. Interest on the Series 2026 Bonds is payable on each February 1 and August 1 beginning August 1, 2027.

Interest on the Series 2026 Bonds, together with the principal of and premium, if any, will be paid by the Trustee directly to DTC, so long as DTC or its nominee is the registered owner of the Series 2026 Bonds. The final disbursements of such payments to the Beneficial Owners will be the responsibility of the DTC participants or the indirect participants. See "BOOK-ENTRY SYSTEM" for more information.

The Series 2026 Bonds are subject to optional, mandatory sinking fund and extraordinary mandatory redemption prior to maturity as described hereinafter.

Proceeds of the Series 2026 Bonds, together with other available funds, will be used by the District (a) to make new and fund existing loans (herein, "Loans") to certain Borrowers through the purchase of certain Loan Obligations issued by such Borrowers as described herein and (b) to pay costs of issuance.

The Series 2026 Bonds are special obligations of the District payable solely from specific revenues and funds pledged therefor under the Master Indenture and Series Resolution as described herein. The Series 2026 Bonds are not in any way a debt or liability of the State of South Dakota (the "State"), the District or any political subdivision of the State, except as described herein.

The Series 2026 Bonds are offered, when, as and if issued by the District subject to an opinion as to validity and tax exemption by Ashurst Perkins Coie US LLP, Chicago, Illinois, as Bond Counsel, and by the office of the South Dakota Attorney General, as counsel to the District, and certain other conditions. It is anticipated that the Series 2026 Bonds will be delivered to DTC in New York, New York on or about November 19, 2026.

TRUSTEE/REGISTRAR/PAYING AGENT:	U.S. Bank Trust Company, National Association
NOT BANK QUALIFIED:	The Series 2026 Bonds are not designated "Qualified Tax-Exempt Obligations."
LEGAL OPINION:	Ashurst Perkins Coie US LLP, Chicago IL
OFFICIAL TERMS AND CONDITIONS OF BOND SALES	Appendix
BIDS RECEIVED:	November 5, 2026, at 10:15 A.M. C.D.T. Via Parity ® at the offices of PFM Financial Advisors LLC Minneapolis, MN 55402
BIDS CONSIDERED:	By an Authorized Officer of the South Dakota Board of Water and Natural Resources on November 5, 2026, by 3:00 P.M. C.D.T.
DELIVERY:	Expected on or about November 19, 2026.

This Official Statement is dated November __, 2026

* Preliminary, subject to change.

MATURITIES, AMOUNTS, INTEREST RATES, PRICES AND CUSIP NUMBERS

$168,850,000*
State Revolving Fund Program Bonds, Series 2026

consisting of:

$25,165,000*
Taxable Revenue Bonds, Series 2026C

Maturity (August 1)	Par Amount	Coupon	Price	CUSIP* 837545
2030	$1,000,000			
2031	2,110,000			
2032	2,215,000			
2033	2,325,000			
2034	2,440,000			
2035	2,565,000			
2036	2,695,000			
2037	2,835,000			
2038	2,980,000			
2039	1,500,000			
2040	1,300,000			
2041	1,200,000			

$143,685,000*
Revenue Bonds, Series 2026D

Maturity (August 1)	Par Amount	Coupon	Price	CUSIP† (837545)	Maturity (August 1)	Par Amount	Coupon	Price	CUSIP* (837545)
2035	$5,000,000				2046	$6,385,000			
2036	5,000,000				2047	4,455,000			
2037	5,500,000				2048	5,025,000			
2038	9,435,000				2049	4,600,000			
2039	10,635,000				2050	3,680,000			
2040	11,160,000				2051	2,765,000			
2041	11,720,000				2052	1,855,000			
2042	12,310,000				2053	1,945,000			
2043	14,695,000				2054	2,045,000			
2044	13,755,000				2055	2,145,000			
2045	7,320,000				2056	2,255,000			

**Preliminary, subject to change.*

C Priced to par call

† Copyright 2012, American Bankers Association. CUSIP data provided herein is assigned by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc., an independent company not affiliated with the District, the State or the Underwriters. The District, the State and the Underwriters are not responsible for the selection or uses of the above CUSIP number, and no representation is made as to its correctness. The CUSIP number may be subject to change after the issuance of the Series 2026 Bonds.

Following the receipt of the bids, the District reserves the right to adjust the principal amount of the Series 2026 Bonds. If the issue size is adjusted, the purchase price will be adjusted to ensure that the percentage net compensation (i.e. the percentage resulting from dividing (i) the aggregate difference between the offering price of each series of Series 2026 Bonds to the public and the price to be paid to the District (excluding accrued interest), less any bond insurance premium to be paid by the bidder, by (ii) the principal amount of each such series of Series 2026 Bonds) remains constant.

No dealer, broker, salesperson or other person has been authorized by the South Dakota Conservancy District to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such information and representations must not be relied upon as having been authorized by the South Dakota Conservancy District.

This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any sale of the Series 2026 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made thereafter shall, under any circumstances, create any implication that there has been no change in the affairs of the South Dakota Conservancy District since the date thereof.

THIS OFFICIAL STATEMENT CONTAINS STATEMENTS WHICH SHOULD BE CONSIDERED "FORWARD-LOOKING STATEMENTS," MEANING THEY REFER TO POSSIBLE FUTURE EVENTS OR CONDITIONS. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE WORDS SUCH AS "PLAN," "EXPECT," "ESTIMATE," "BUDGET," "ANTICIPATE" OR SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT EXPECT OR INTEND TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED, OCCUR.

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THE SERIES 2026 BONDS ARE BEING OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE MERITS OF THESE SECURITIES HAVE NOT BEEN PASSED UPON BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER FEDERAL OR STATE REGULATORY BODY NOR HAS ANY SUCH BODY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT.

OFFICIAL STATEMENT

$168,850,000*
SOUTH DAKOTA CONSERVANCY DISTRICT
State Revolving Fund Program Bonds
Series 2026

$25,165,000*	**$143,685,000***
Taxable Revenue Bonds,	**Revenue Bonds,**
Series 2026C	**Series 2026D**

INTRODUCTORY STATEMENT

This Official Statement sets forth information concerning the issuance by the South Dakota Conservancy District (the "District") of its State Revolving Fund Program Bonds, Series 2026 (the "Series 2026 Bonds") consisting of **$25,165,000*** principal amount of Taxable Revenue Bonds, Series 2026C (the "Series 2026C Bonds") and **$143,685,000*** principal amount Revenue Bonds, Series 2026D (the "Series 2026D Bonds"). The Series 2026 Bonds mature on the dates and in the principal amounts as set forth on the inside cover of this Official Statement. See "**DESCRIPTION OF THE SERIES 2026 BONDS**" herein. The Series 2026 Bonds are issued pursuant to and secured by a Fifth Amended and Restated Master Trust Indenture dated as of September 1, 2010 (as now or hereafter amended or supplemented, the "Master Indenture" or the "Master Trust Indenture"), by and between the District and The First National Bank in Sioux Falls, as Trustee (the "Prior Trustee"). On April 24, 2017, U.S. Bank National Association ("U.S. Bank") succeeded the Prior Trustee as Trustee under the Master Indenture pursuant to that certain Tri-Party Agreement among the District, the Prior Trustee and U.S. Bank, and U.S. Bank Trust Company, National Association thereafter succeeded U.S. Bank as Trustee (herein, collectively, the "Trustee"). All capitalized terms used in this Official Statement and not otherwise defined herein have the meanings set forth in the Master Indenture.

The Master Indenture implements two programs (the "Clean Water Program" and the "Drinking Water Program" and together the "State Revolving Fund Programs" or "Programs") which provide for revolving loan funds (the "Clean Water SRF" and the "Drinking Water SRF") to make loans (herein, the "Loans") to certain political subdivisions of the State of South Dakota, owners of public water supply systems and other eligible borrowers (collectively herein, "Borrowers") for sewer, water and other authorized purposes. The Programs are funded by federal capitalization grants, Loan repayments, investment earnings and the proceeds of Bonds issued to provide funds to make Loans (including Bonds issued for the State Match necessary to draw down the federal funds).

The Series 2026 Bonds are issued under the Master Indenture and a Series Resolution adopted by the District for the purpose of providing funds sufficient (a) to finance the making of Loans to certain Borrowers through the purchase of certain Loan Obligations issued by such Borrowers as described herein, and (b) to pay costs of issuance.

The Master Indenture authorizes the District to issue Bonds and Notes (defined below) to finance loans and other Program costs. The Master Indenture also secures certain other Outstanding Bonds as described herein and such Bonds, together with any additional Bonds issued from time to time and outstanding under the Master Indenture, are collectively referred to herein as "Bonds." Bonds, including any additional Bonds issued and Outstanding under the Master Indenture from time to time, are secured by

**Preliminary, subject to change.*

a first lien on and pledge of the moneys and investments in the Revenue Fund, Bond Fund and, to the extent provided in the Master Indenture, the Loan Fund and Reserve Fund which the District has created and maintains under the Master Indenture, all as provided with more specificity therein. At present, no Outstanding Bonds are secured by a Reserve Fund. The Master Indenture provides that Revenues shall be deposited into the Revenue Fund and set aside periodically to provide for the payment of principal and interest with respect to Outstanding Bonds and certain obligations of the District with respect to providers of credit enhancement or liquidity. The Master Indenture also provides that Revenues from either Program shall be used to cross-collateralize Outstanding Bonds of the other Program pursuant to a subordinate loan if and as needed (provided, however, such subordinate loan would have priority over any lien securing any Outstanding Notes with respect to any Excess Revenues on deposit in the Revenue Fund or any account or subaccount therein for either Program).

Following the application of Revenues for such purposes, the remaining available Revenues (as defined with more specificity in the Master Indenture, "Excess Revenues") may be pledged to secure notes or other obligations of the District. Notes issued under the Master Indenture are not "Bonds" within the meaning of such term in the Master Indenture and are not secured on a parity with any Bonds. Rather, Notes are special obligations of the District payable solely from specific revenues and funds pledged therefor under the Master Indenture and Series Resolution, such revenues and funds consisting of (a) proceeds of additional Bonds or Notes if, as and when issued under the Master Indenture for the specific purpose of providing funds to pay specified Notes at maturity, (b) Excess Revenues (as defined in the Master Indenture) and (c) if necessary, proceeds as of the maturity date of specified Notes to the extent such proceeds have not been obligated for the purpose of funding Loans. There are no Notes Outstanding under this Indenture as of the date hereof. The lien on Excess Revenues securing any Notes is subordinate to the lien on Revenues which secures all Bonds, including additional Bonds, now or hereafter Outstanding under the Master Indenture and is also subordinate to the provisions of the Master Indenture which allow a loan of funds from one Program to provide for payments of principal and interest on Bonds secured by Revenues of the other Program.

As a result of certain federal restrictions on the use of particular funds in the State Revolving Funds, the Master Indenture in effect divides each payment of principal of and interest on Bonds and Notes into a "Clean Water Portion" and a "Drinking Water Portion". The Master Indenture further subdivides both the Clean Water Portion and the Drinking Water Portion into a State Match Portion and Leveraged Portion. Accordingly, each payment of principal and interest on each series of Bonds and any Notes may have a "Clean Water State Match Portion," a "Drinking Water State Match Portion," a "Clean Water Leveraged Portion" and a "Drinking Water Leveraged Portion," each of which may be payable from separate sources under the Master Indenture. For convenience only, the debt service obligations represented by the Clean Water State Match Portion and the Clean Water Leveraged Portion are sometimes referred to herein as the "Clean Water Bonds" and "Clean Water Notes" and the debt service obligations represented by the Drinking Water State Match Portion and the Drinking Water Leveraged Portion are sometimes referred to herein as the "Drinking Water Bonds" and "Drinking Water Notes".

Clean Water Bonds and Clean Water Notes are payable solely out of designated funds and accounts within the Clean Water SRF and Drinking Water Bonds and Drinking Water Notes are payable solely out of designated funds and accounts within the Drinking Water SRF; provided, however, in each case, certain Excess Revenues and other amounts on deposit in the other Program Subfund are available pursuant to a subordinated loan provision of the Master Indenture as is explained herein under the caption "**SOURCE OF PAYMENT AND SECURITY – Relationship Between Monies Held in Clean Water SRF and Drinking Water SRF; Limited Cross-Collateralization**". The Leveraged Portions and the State Match Portions of the debt service on the Bonds and Notes are each payable in accordance with their respective lien priorities (Bonds first, then Notes) solely from certain moneys deposited in specified accounts held by the Trustee under the Master Indenture within each of the Clean Water SRF and the Drinking Water SRF. Generally, interest payments on the Loan Obligations and interest earnings on funds invested under the

Master Indenture are available to pay both the State Match Portions and the Leveraged Portions, although in the event such amounts are insufficient, the State Match Portions are to be paid out of such interest payments and earnings prior to the Leveraged Portions. Moneys derived from principal repayments on the Loan Obligations may be used only to pay the Leveraged Portions of debt service on Bonds and Notes, and no principal repayments on Loan Obligations may be applied to pay the State Match Portions of debt service on Bonds or Notes.

The District estimates that the portions of payment of principal and interest on the Series 2026C Bonds will be allocated as follows: Drinking Water Leveraged Portion, 100%. The District estimates that the portions of payment of principal and interest on the Series 2026D Bonds will be divided approximately as follows: Clean Water Leveraged Portion, 80.65%*, and Drinking Water Leveraged Portion, 19.35%*. These percentages are subject to adjustment as provided in the Master Indenture if the proceeds of Series 2026 Bonds are transferred from one Loan Account under the Master Indenture to another Loan Account for the purpose of financing Loan Obligations. Such allocations are subject to further refinement to reflect rounding and the fact that Bonds may be issued in increments as small as $5,000.

The Series 2026 Bonds are issued under authority of Chapters 46A-1 and 46A-2, South Dakota Codified Laws, as amended (the "State Act"). The Series 2026 Bonds are payable solely from specific revenues and the funds and accounts hereinafter described and are not a debt or liability of the State, the Board, the District or any agency or political subdivision of the State, nor are the Bonds secured by the full faith and credit or taxing powers of the State. See "**SOURCE OF PAYMENT AND SECURITY**," "**APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE**" and "**THE DISTRICT**" herein.

The District and each Borrower obtaining a Loan under the State Revolving Fund Programs are required to enter into a loan agreement (the "Loan Agreement"). The Loan Agreements obligate the District to purchase certain Loan Obligations and obligate the Borrowers to pay certain costs, including an administration fee to the District, and to comply with certain covenants with respect to the Loan Obligations and other matters. See "**SOUTH DAKOTA REVOLVING FUNDS—Loan Agreements**" herein.

American Rescue Plan Act

In March 2021, the American Rescue Plan Act ("ARPA") provided funds to state and other local governments to be used for six eligible categories, one of which included water and sewer infrastructure. ARPA water and sewer infrastructure eligible project types closely mirror the Clean Water and Drinking Water State Revolving Fund program project eligibilities. During the 2022 and 2024 South Dakota Legislative Sessions, the Governor recommended, and the Legislature passed, legislation appropriating $697,043,866.05 of ARPA grant funds to the Board to finance eligible water and sewer infrastructure projects. These funds were used in combination with loans from the Clean Water and Drinking Water State Revolving Fund Programs which resulted in a significant increased demand in both loan programs. The full amount of loans obligated by the Board can be found in Appendix B.

The District has the right to enter into supplemental indentures to amend the Master Trust Indenture without the requirement of obtaining consent of Bondholders so long as the amendment, when effective, in the judgment of an Authorized Representative, the rating then in effect on any Outstanding Bonds and Notes from each Rating Agency immediately preceding the time such supplemental indenture becomes effective will be maintained or improved after such supplemental indenture becomes effective. For these purposes, the Master Trust Indenture requires the Authorized Representative to certify its judgment to the Trustee based upon the written ratings report or other written evidence provided by each Rating Agency

**Preliminary, subject to change.*

and each rating is defined by reference only to the major letter category and any plus (+) or minus (-) designation or similar numerical designation (and without any further designation within a rating category whether nor or hereafter used by a Rating Agency). See the information in Appendix A to this Official Statement under the caption "***SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE* - Supplemental Indentures.**"

THE DISTRICT

The District was created within the State by the State Act for the purpose of planning, developing and managing the use and conservation of the water resources of the State. The District is governed by the Board, which is also the body which sets certain policies for the State Department of Agriculture and Natural Resources. The members of the Board are appointed by the Governor of the State, and serve for four year terms. Employees of the State Department of Agriculture and Natural Resources serve as the staff of the District and perform the administrative functions of the District as described under "**SOUTH DAKOTA STATE REVOLVING FUNDS—General**" below. The boundaries of the District coincide in all particulars with the boundaries of the State. The District is a governmental agency and body politic and corporate with authority to exercise the powers specified in the State Act. Among other things, the District develops water resource policy for the State, recommends a State Water Plan and amendments thereto to the Governor and the Legislature and constructs and provides financing to other public and private entities for the construction of water, wastewater, stormwater and solid waste facilities.

The Department of Agriculture and Natural Resources provides environmental and natural resources assessment, financial assistance, and regulation in a customer service manner that protects the public health, conserves natural resources, preserves the environment, and promotes economic development. This is accomplished by providing ongoing investigation and assessment of the state's environment, ground water, and geology, and by administering state and federal laws that pertain to protecting public health and the environment. The Department consists of five divisions – the Division of Agriculture and Environmental Services, Office of Water, Resource Conservation and Forestry, State Fair and the Division of Financial and Technical Assistance. The Department is responsible for environmental monitoring and regulatory compliance in the areas of drinking water, ground water, minerals and mining, air quality, wastewater, solid waste, and water rights. The Division of Financial and Technical Assistance is responsible for assessing natural resources and administering financial assistance programs, including the Drinking Water and Clean Water SRF Programs.

Actions of the District concerning notes or bonds are authorized by resolution approved by a majority vote of the members of the Board. The current members of the Board are as follows:

Name	Position	Term Expires
Jerry Soholt	Chairman	June 30, 2028
Gene Jones, Jr.	Vice Chairman	June 30, 2029
Todd Bernhard	Secretary	June 30, 2030
Cameron Becker	Member	June 30, 2027
Gary Drewes	Member	June 30, 2027
Bruce Jennings	Member	June 30, 2030
Jacqueline Lanning	Member	June 30, 2027

All members of the Board continue to serve until their successors are appointed, notwithstanding expiration of their terms. If a successor is not appointed within 120 days after the expiration of the member's term, the board member is deemed reappointed for another term.

SOUTH DAKOTA STATE REVOLVING FUNDS

General

The State of South Dakota has established two revolving loan funds (the "Drinking Water State Revolving Fund" or "Drinking Water SRF" and the "Clean Water State Revolving Fund" or "Clean Water SRF") pursuant to Section 46A-1-60.1, South Dakota Codified Laws, to be maintained and operated by the South Dakota Conservancy District (the "District") to finance two related programs (the "State Revolving Fund Programs" or "Programs") to provide for Loans to political subdivisions and certain owners of public water supply systems ("Borrowers"). One Program (the "Drinking Water Program") establishes a Drinking Water State Revolving Fund and provides for Loans for various water system infrastructure improvements, including projects which facilitate compliance with national primary drinking water regulations and certain other activities authorized pursuant to Chapter 6A of the Public Health Service Act, 42 U.S.C. §§ 300f to 300j-26 (commonly known as the Safe Drinking Water Act), as amended, and the regulations thereunder and subsequent amendments and regulations (the "Safe Drinking Water Act"). The other Program (the "Clean Water Program") establishes a Clean Water State Revolving Fund and provides for Loans for various environmental or infrastructure purposes, including projects or purposes authorized by the Federal Water Pollution Control Act (commonly known as the Clean Water Act), as amended by the Water Quality Act of 1987, and the regulations thereunder and subsequent amendments and regulations (the "Clean Water Act") such as for the planning, design, construction and rehabilitation of wastewater treatment facilities and certain other activities in accordance with the Clean Water Act. The Safe Drinking Water Act and the Clean Water Act are referred to herein together as the "Federal Acts"

The Drinking Water Program was created by the State of South Dakota in 1995 to implement provisions of the Safe Drinking Water Act. The Safe Drinking Water Act authorizes the United States Environmental Protection Agency (the "EPA") to make federal capitalization grants ("Capitalization Grants") to states for the purpose of establishing a state revolving fund to be used, among other matters, in financing the construction of improvements to public water supply systems and certain other activities. The Drinking Water State Revolving Fund created under the Drinking Water Program satisfies the criteria of the Safe Drinking Water Act and entitles South Dakota to receive Capitalization Grants from the EPA for public water supply systems.

The Clean Water Program was created by the State in 1988 to implement provisions of the Clean Water Act. Title VI of the Clean Water Act authorizes the EPA to make Capitalization Grants to states for the purpose of establishing a state revolving fund to be used, among other matters, in financing the construction of wastewater treatment facilities and certain other activities. The Clean Water State Revolving Fund created under the Clean Water Program satisfies the criteria of the Clean Water Act and entitles South Dakota to receive Capitalization Grants from the EPA for wastewater treatment facility construction, certain nonpoint source and groundwater protection projects, including landfill construction and closure and certain other activities.

Under the Programs, federal capitalization grants (the "Capitalization Grants") received by the District under the Federal Acts are to be deposited in certain designated accounts under a Master Indenture and used, together with Bond proceeds, Note proceeds and other available funds as described herein, to make Loans to Borrowers or to secure Bonds or Notes. The Bonds to be issued from time to time under the Master Indenture are to provide for the State Match requirements described herein under the Federal Acts, to provide funds for additional Loans under the Programs above the amount which could be made solely from the Capitalization Grants, the State Match and Loan repayments and to provide for reserves, capitalized interest and costs of issuance. P.L. 111-88, the Department of the Interior, Environment, and Related Agencies Appropriations Act, 2010, (the "2010 Act") appropriated $10,002,000 for the Clean

Water Program and $13,573,000 for the Drinking Water State Revolving Program. For fiscal year 2013, the programs operated under a continuing resolution (the "2013 Continuing Resolution") which provides that the programs be funded at the same levels as the prior year, but which was further modified by the so-called "sequester" and certain other congressional directives. The Federal Consolidated Appropriations Act of 2014 appropriated funds for fiscal year 2014, the Federal Consolidated and Further Continuing Appropriations Act, 2015 appropriated funds for fiscal year 2015, the Federal Consolidated and Further Continuing Appropriations Act, 2016 appropriated funds for fiscal year 2016, the Federal Consolidated Appropriations Act, 2017 appropriated funds for fiscal year 2017, the Federal Consolidated Appropriations Act, 2018 appropriated funds for fiscal year 2018, the Federal Consolidated Appropriations Act, 2019 appropriated funds for fiscal year 2019, the Federal Consolidated Appropriations Act, 2020 appropriated funds for fiscal year 2020, the Federal Consolidated Appropriations Act, 2021 appropriated funds for fiscal year 2021, the Federal Consolidated Appropriations Act, 2022 appropriated funds for fiscal year 2022, the Infrastructure Investment and Jobs Act or Bipartisan Infrastructure Law of 2022, appropriated additional funding for both SRF programs for fiscal years 2022 through 2026, the Federal Consolidated Appropriations Act, 2023 appropriated funds for fiscal year 2023, the Further Consolidated Appropriations Act, 2024 appropriated funds for fiscal year 2024, the Further Consolidated Appropriations Act, 2025 appropriated funds for fiscal year 2025, and the Commerce, Justice, Science; Energy and Water Development; and Interior and Environment Appropriations Act, 2026 appropriated funds for fiscal year 2026. The Drinking Water Capitalization Grant and Clean Water Capitalization Grant tables below detail the appropriated amounts South Dakota received through federal fiscal year 2026.

In addition to the appropriations, the 2010 Act added several programmatic requirements to the Programs for FFY 2010. Similar requirements for both State Revolving Fund programs were included in the appropriations acts for federal fiscal years 2011 and 2012, the 2013 Continuing Resolution, and the appropriation act for federal fiscal year 2014. The Water Resources Reform and Development Act of 2014 reauthorized the Clean Water State Revolving Fund program and codified several programmatic requirements for that program. For the Drinking Water State Revolving Fund program, the programmatic requirements have been included in the appropriation acts for federal fiscal years 2015 through 2020. The 2010 Act, the 2011-2024 Appropriation Acts, the Water Resources Reform and Development Act of 2014, the America's Water Infrastructure Act of 2018, the Infrastructure Investment and Jobs Act of 2021, required that, in addition to existing subsidies under the Programs, minimum amounts must be provided as additional subsidization in the form of principal forgiveness, negative interest rates, or grants. The District has determined to apply a principal forgiveness approach to meet these requirements (i.e. forgiving principal payment on loan obligations of Borrowers). The principal of such loan obligations may be forgiven under certain circumstances as provided by the 2010 Act, the 2011-2026 Appropriation Acts, the Water Resources Reform and Development Act of 2014, America's Water Infrastructure Act of 2018, the Infrastructure Investment and Jobs Act of 2021, and related rules promulgated by the South Dakota Board of Water and Natural Resources. Potential Borrowers which meet minimum utility rate requirements are eligible to be considered for principal forgiveness. Some potential Borrowers may receive 100% principal forgiveness. All funds appropriated through these Acts are subject to State Match requirements. For a summary of the current status of principal forgiveness by the District in response to these requirements, see the table under the caption "2010-2026 Capitalization Grants, South Dakota State Revolving Fund Programs, Principal Forgiveness" herein.

In 2014, the passage of the Water Resources Reform and Development Act (WRRDA) reauthorized the State Water Pollution Control Revolving Fund, also known as the Clean Water State Revolving Fund (CWSRF). The act codified several of the programmatic requirements of the prior Appropriation Acts, such as Buy American Iron and Steel. The act also added several new requirements to the program. Some of the new requirements include changing the capitalization grant allowance for administration to the greater of 4% of the grant, $400,000 per year, or 0.20% per year of the current valuation of the fund; increased emphasis on the evaluation of cost effectiveness during planning with emphasis on water use and reuse, and water and energy conservation; and the need for borrowers to negotiate contracts for engineering and

architectural services, under certain conditions. The Act also mandated that additional subsidy can only be provided to borrowers that meet the affordability requirements established by the state or to projects that implement a process, material, technique, or technology with water efficiency, energy efficiency, mitigation of stormwater runoff or sustainability benefits.

The Water Infrastructure Improvements for the Nation Act of 2017 (WIIN) implemented changes to the Drinking Water State Revolving Fund Program. Many of the statutory changes that WIIN implemented reflect language that already appears in the existing regulations. There were two significant changes that affect the set-aside programs. One of the changes includes permitting the capitalization grant allowance for administration to be the greater of 4% of the grant, $400,000 per year, or 0.20% per year of the current valuation of the fund. The other significant change was eliminating the requirement that States must provide a 1:1 match when utilizing the State Program Management set-aside.

America's Water Infrastructure Act of 2018 (AWIA) implemented changes to the Drinking Water State Revolving Fund Program. Changes included maintaining Davis-Bacon prevailing wage requirements and extending American Iron and Steel requirements through 2023, allowing loan terms up to 30 years for all borrowers and beyond 30 years to the life of the project for disadvantaged borrowers, and establishing a floor of 6% and a cap of 35% for additional disadvantaged community subsidies. The District does not anticipate providing Borrowers the ability for financing beyond 30 years at this time.

The Infrastructure Investment and Jobs Act (IIJA), was signed into law on November 15, 2021. The IIJA provided for more than $50 billion over the next five years in EPA water infrastructure programs. The IIJA also added requirements for Build America, Buy America material procurement when utilizing federal funds and for the Drinking Water Program increased the minimum principal forgiveness to be provided as additional subsidy from 6% to 12%. Additional information on IIJA related requirements and funds may be found under "**The Capitalization Grants and Letters of Credit – Infrastructure Investment and Jobs Act – South Dakota State Revolving Programs**" below.

The Bonds and Notes to be issued from time to time under the Master Indenture are to provide for the State Match requirements described herein under the Federal Acts, to provide funds for additional Loans under the Programs above the amount which could be made solely from the Capitalization Grants, the State Match and Loan repayments and to provide for reserves, capitalized interest and costs of issuance. The Loans will be effected through the purchase of Loan Obligations to be issued by the eligible Borrowers described herein. A description of Loan Obligations previously acquired by the District under the Programs and certain other Program information is set forth in Appendix B hereto. This description includes loans that will be funded out of the proceeds of the Series 2026 Bonds and the Series 2026AB Bonds (as defined below) together with Loans funded with other available Program moneys to originate Loans to other Borrowers.

The District has previously issued under a Master Trust Indenture dated as of January 1, 1994 (the "Prior Clean Water Indenture") its South Dakota Conservancy District Revenue Bonds in the following principal amounts and with the following series designations: $10,220,000 principal amount of Series 1994 Bonds, $7,970,000 principal amount of Series 1995 Bonds, $2,725,000 principal amount of Series 1996 Bonds and $4,405,000 principal amount of Series 2001 Bonds (respectively referred to herein as the "Series 1994 Bonds", "Series 1995 Bonds", "Series 1996 Bonds" and the "Series 2001 Clean Water Bonds" and collectively as the "Prior Clean Water Bonds").

The District has previously issued under a Master Trust Indenture dated as of June 1, 1998 (the "Prior Drinking Water Indenture" and, together with the Prior Clean Water Indenture, the "Prior Indentures") its South Dakota Conservancy District Revenue Bonds in the following principal amounts and with the following series designations: $6,450,000 principal amount of Series 1998A Bonds and $5,270,000

principal amount of Series 2001 Bonds (respectively referred to herein as the "Series 1998A Bonds" and the "Series 2001 Drinking Water Bonds" and collectively as the "Prior Drinking Water Bonds").

In 2004, the District entered into a revised Master Trust Indenture (the "2004 Master Indenture") to amend and restate the Prior Indentures, to consolidate the two Programs under a single indenture, to create administrative flexibility and allow certain transfers of amounts between Programs and to provide a limited degree of "cross-collateralization" in the form of reciprocal subordinated lending arrangements between the Programs as described herein. See "**SOURCE OF PAYMENT AND SECURITY—Relationship Between Monies Held in Clean Water SRF and Drinking Water SRF; Limited Cross-Collateralization**". In 2004, the District also issued $38,460,000 principal amount of Series 2004 Bonds under the 2004 Master Indenture to, among other purposes, refund the District's then outstanding Series 1994 Bonds and Series 1995 Bonds and a portion of the Series 1996 Bonds. In 2005, the District issued $50,000,000 principal amount of Series 2005 Bonds to provide funds for the State Match and other new Loans under the Clean Water Program and the Drinking Water Program.

In 2008, the District and Trustee amended and restated the 2004 Master Indenture (the "2008 Master Indenture") and the District issued $40,000,000 principal amount of Series 2008 Bonds (the "Series 2008 Bonds") to provide funds for State Match and Leveraged Loans under the Clean Water Program and the Drinking Water Program. In 2009, the District issued $55,000,000 principal amount of State Revolving Fund Program Bond Anticipation Notes, Series 2009 (the "Series 2009 Notes") and in 2010 the District issued $54,330,000 principal amount of State Revolving Fund Program Bond Anticipation Notes, Series 2010 (the "Series 2010 Notes"). The Series 2010 Notes were issued to refund the Series 2009 Notes. In 2010, the District also issued $92,380,000 principal amount of State Revolving Fund Program Bonds (the "Series 2010 Bonds"), the proceeds of which, together with other available funds, were used by the District (a) to refund the District's outstanding (i) Series 2010 Notes and (ii) $42,260,000 principal amount of Series 1998 Bonds and Series 2008 Bonds and (b) to pay costs of issuance of the Series 2010 Bonds.

In connection with the issuance of the Series 2010 Notes, the District and the Trustee further amended and restated the 2008 Master Indenture pursuant to the Fifth Amended and Restated Master Trust Indenture dated as of September 1, 2010 (as hereafter amended or supplemented from time to time the "Master Indenture").

In 2012, the District issued $123,305,000 principal amount of State Revolving Fund Program Bonds (the "Series 2012 Bonds") the proceeds of which, together with other available funds, were used by the District (a) to provide funds for new Loans to Borrowers under the Clean Water Program and (b) to refund (i) $2,890,000 Outstanding principal amount of the 2001 Clean Water Bonds, (ii) $3,470,000 Outstanding principal amount of the 2001 Drinking Water Bonds, (iii) $22,380,000 Outstanding principal amount of the Series 2004 Bonds and (iv) $39,025,000 Outstanding principal amount of the Series 2005 Bonds.

In 2014, the District issued $59,815,000 principal amount of State Revolving Fund Program Bonds (the "Series 2014 Bonds") the proceeds of which, together with other available funds, were used by the District (a) to provide funds for new Loans to Borrowers under the Clean Water Program and Drinking Water Program and (b) to pay certain costs of issuance of the Series 2014 Bonds.

In 2017, the District issued $94,600,000 principal amount of State Revolving Fund Bonds (the "Series 2017 Bonds") the proceeds of which, together with other available funds, were used by the District (a) to provide funds for new Loans to Borrowers under the Programs, (b) to refund the District's outstanding $37,180,000 principal amount of Bonds previously issued by the District in 2010 and 2012 (as further defined herein, the "2017 Refunded Bonds") and (c) to pay costs of issuance of the Series 2017 Bonds. The 2017 Refunded Bonds were issued by the District (a) to finance the making of Loans to certain Borrowers through the purchase of certain Loan Obligations issued by such Borrowers, (b) to refund Bonds previously

issued by the District in 1998, 2001, 2008 and 2010 and (c) to pay costs of issuance of the 2017 Refunded Bonds.

In 2018, the District issued $96,355,000 principal amount of State Revolving Fund Program Bonds (the "Series 2018 Bonds") the proceeds of which, together with other available funds, were used by the District to (a) provide funds for new Loans to Borrowers under the Clean Water Program and Drinking Water Program and (b) to pay costs of issuance of the Series 2018 Bonds.

In 2020, the District issued $76,310,000 principal amount of State Revolving Fund Program Bonds (the "Series 2020 Bonds") the proceeds of which, together with other available funds, were used by the District to (a) to make new and fund existing loans to the city of Sioux Falls, South Dakota, through the purchase of certain Loan Obligations issued by the city of Sioux Falls, South Dakota, and (b) to pay costs of issuance of the Series 2020 Bonds.

In 2022, the District issued $156,720,000 principal amount of State Revolving Fund Program Bonds (the "Series 2022 Bonds") the proceeds of which, together with other available funds, were used by the District to (a) provide funds for new and existing Loans to Borrowers under the Clean Water Program and Drinking Water Program and (b) pay certain costs of issuance of the Series 2022 Bonds.

In 2024, the District issued $160,450,000 principal amount of State Revolving Fund Program Bonds (the "Series 2024 Bonds") the proceeds of which, together with other available funds, were used by the District to (a) provide funds for new and existing Loans to Borrowers under the Clean Water Program and Drinking Water Program and (b) pay certain costs of issuance of the Series 2024 Bonds.

In 2025, the District issued $197,205,000 principal amount of State Revolving Fund Program Bonds (the "Series 2025A Bonds") the proceeds of which, together with other available funds, were used by the District to (a) provide funds for new and existing Loans to Borrowers under the Clean Water Program and Drinking Water Program and (b) to refund the District's $30,980,000 principal amount of Series 2014B Bonds) and (c) to pay certain costs of issuance of the Series 2025A Bonds.

In March 2026, the District issued $8,720,000 principal amount of State Revolving Fund Program Bonds, Taxable Series 2026A (the "Series 2026A Bonds") and $186,585,000 principal amount of State Revolving Fund Program Bonds, Series 2026B (the "Series 2026A Bonds" and together with the Series 2026A Bonds, the "Series 2026AB Bonds") the proceeds of which, together with other available funds, were used by the District to (a) provide funds for new and existing Loans to Borrowers under the Clean Water Program and Drinking Water Program and (b) to pay certain costs of issuance of the Series 2026A Bonds.

Loan Obligations

The Loan Obligations held by the District under the Programs are described in Appendix B hereto.

To date, the District has not experienced any payment defaults on any of the Loan Obligations.

The Federal Acts mandate that Loans from the State Revolving Funds be made at or below market interest rates. The Clean Water Act mandates that Loans from the Clean Water SRF be fully amortized within thirty years of the date which is not more than one year following completion of the project financed and be repaid from a dedicated source of revenue. The Safe Drinking Water Act mandates that Loans from the Drinking Water SRF be fully amortized within thirty years of the date which is not more than one year following completion of the project financed (and beyond 30 years for certain disadvantaged borrowers) and be repaid from a dedicated source of revenue. In addition, the District charges an administrative fee computed on the outstanding principal amount of the Loan. The interest rate and annual administrative fee on new Loans is established by the Board and may be revised from time to time.

The Borrowers are required to evidence their obligations under the Loan Agreements by issuing Loan Obligations to the District. The Loan Obligations issued by Borrowers which are political subdivisions generally are expected to be utility revenue obligations issued under Chapter 9-40, South Dakota Codified Laws, or sales tax revenue obligations issued under Chapter 10-52, South Dakota Codified Laws. Certain of the Loan Obligations may be general obligations of the Borrowers. Loan Obligations of other public water system owners which are not political subdivisions are expected to consist of loan agreements secured by mortgages or security interests in all or portions of the assets of the water supply systems. Loan Obligations which are payable solely from the net revenues of a political subdivision's utility system or the specific portion of the utility facilities financed by the Loan Obligations, including specific project fees, will generally involve a covenant that such political subdivision maintain rates and charges for the system or portion of the system, or specific project fees, which produce annual net revenues after operating expenses equal to at least 110% of the annual principal and interest on the Loan Obligations (including the administrative fee) and any other utility debt ranking on a parity with the Loan Obligations. The Borrowers are required to provide evidence of compliance with such rate covenant annually, and District staff monitors compliance annually. Such rate covenant will not apply to a Loan Obligation which is a general obligation of a political subdivision. In the case of Loan Obligations payable from sales taxes, the sales tax collections for 12 consecutive months within the previous 15 months immediately preceding the issuance of the bonds must equal at least 120% of annual principal and interest on the Loan Obligations and any parity sales tax obligations of the political subdivision.

In the case of Loan Obligations of those Borrowers which are not political subdivisions ("Nonprofit Borrowers"), the form of required security will be based on various considerations, including the form of security required by other lenders on loans to such Nonprofit Borrowers, the nature of the Nonprofit Borrower's unencumbered assets and other factors. It is generally expected that the Loan Obligations will be secured by a mortgage or security interest in some portion of the Nonprofit Borrower's system. Existing loans described in Appendix B include 42 loans to 21 Nonprofit Borrowers with an aggregate outstanding balance of $120,353,823 as of June 30, 2026.

The Board periodically adjusts the interest rates for new Loan Obligations. The rates and other Loan Obligation terms under the Clean Water Program and Drinking Water Program may differ. The rates are monitored by the Board on an on-going basis to ensure that the SRF rates are set at or below market rates.

Drinking Water Terms

Current interest rates adopted as of September 25, 2025, for Public Entity Drinking Water Loan Obligations are 3.50% for new loans with a term of 10 years, 3.75% for new loans with a term of up to 20 years and 4.00% for new loans up to 30 years. Borrowers are allowed to choose the term of each loan, provided that the proposed repayment source produces sufficient coverage and the term does not exceed the useful life of the project. The Board also retained the rate for loans intended for interim financing at 2.0%. The maximum allowable term for interim financing loans is five years. Loan rates for disadvantaged communities are 3.75%, 3.50%, 3.25%, 2.75% or 2.50% depending on the recipient's median household income as described below.

On September 25, 2025, the Board established interest rates for Non-Profit Entity Drinking Water State Revolving Fund borrowers and the current interest rate for these Loan Obligations are 4.50% for new loans with a term of 10 years, 4.75% for new loans with a term of 20 years and 5.00% for new loans up to 30 years. These borrowers are not eligible for consideration of reduced interest rates for disadvantaged communities, they remain eligible if qualified for consideration of additional subsidy reserved for disadvantaged communities as described below. Borrowers are allowed to choose the term of each loan, provided that the proposed repayment source produces sufficient coverage and the term does not exceed

the useful life of the project. The Board also retained the rate for loans intended for interim financing at 2.0%. The maximum allowable term for interim financing loans is five years.

An administrative surcharge of up to 0.25% is included in the interest rates with the exception of loans for interim financing and loans to disadvantaged communities with a median household income less than 60% of the statewide amount, which have no administrative surcharge. This surcharge is used for staff salary, benefits, travel, and overhead and may also be used for bond, underwriting, trustee expenses and other activities allowable by the federal acts. The administrative surcharge is also available for other purposes, as determined eligible by EPA and at the discretion of the Board and Department.

The Safe Drinking Water Act permits the District to provide additional subsidies to benefit communities which meet the definition of "disadvantaged". IIJA requires these be provided for not less than 12% and not more than 35% of the Capitalization Grant for any year. Loans at rates as low as 0% are not considered subsidies for purposes of this limitation. Loans to disadvantaged communities may be for up to 30 years provided the term does not exceed the useful life of the project. The District has defined disadvantaged communities to include (a) municipalities and sanitary districts whose median household income is below the state-wide median household income and whose residential water rate is at least $45 for 5,000 gallons of usage and (b) all other applicants whose median household income is below the state-wide median and the residential water rate is at least $70 for 7,000 gallons of usage. The Safe Drinking Water Act permits principal forgiveness and negative interest rate loans to disadvantaged communities. The Board has rules in place to allow for loans with principal forgiveness. The Board has also chosen to provide subsidies in the form of 30-year loans and up to a 0.75 of a percentage point reduction in interest rate. Of the existing loans described in Appendix B, an aggregate of $230,771,916 (or approximately 48.5% of the principal amount of total outstanding Drinking Water Loan Obligations) involve loans to disadvantaged communities.

Clean Water Terms

Current interest rates adopted as of September 25, 2025, for Clean Water Loan Obligations are 3.50% for loans with a term of 10 years or less, 3.75% for loans with a term of up to 20 years and 4.00% for loans with a term of up to 30 years. Borrowers are allowed to choose the term of each loan provided that the proposed repayment source produces sufficient coverage and the term does not exceed the useful life of the project. The interest rate includes an administrative surcharge of 0.25%. The primary purpose of the surcharge is to provide a pool of funds to be used for administrative purposes if the state ceases to receive capitalization grants from the EPA in the future. The administrative surcharge is also available for other purposes, as determined eligible by EPA and at the discretion of the Board and Department. The Board retained the existing rate for loans intended for interim financing at 2.0%. The maximum allowable term for interim financing loans is five years. The administrative surcharge shall be waived for loans made for interim financing.

The Board has maintained an incentive rate to encourage funding of nonpoint source projects. Projects for traditional wastewater or stormwater projects that include a nonpoint component will continue to receive a 0.75% reduction in the otherwise applicable interest rate. Nonpoint source projects not associated with traditional wastewater or stormwater projects are not eligible to receive the incentive rate.

All applicants are awarded points to determine principal forgiveness eligibility as follows: five points are awarded if an applicant's median household income is less than or equal to 95% of the statewide median household income; three points are awarded if an applicant's median household income is less than or equal to 105% of the statewide median household income and greater than 95% of the statewide median household income; one point is awarded if the applicant's 2020 census population is less than the applicant's 2010 census population; and one point is awarded if an applicant's county unemployment rate is greater than the statewide unemployment rate. Applicants must receive a minimum of five points to be

eligible for principal forgiveness. Additionally, municipalities and sanitary districts must have a minimum rate of $45 per month based on 5,000 gallons usage or a flat rate to qualify for principal forgiveness. Other applicants must have a minimum rate of $70 per month based on 7,000 gallons usage or a flat rate to qualify for principal forgiveness.

Selection of Borrowers; Credit Standard

The District selects Borrowers for funding based on their assigned priority as set forth in a Project Priority List attached to the District's Intended Use Plan for each Program. Projects with the highest ranking are to be funded prior to any lower ranked project if the Borrower has submitted a loan application to the District and has demonstrated adequate financial, managerial and technical capacity. Projects on the Project Priority List may be bypassed if a potential Borrower has not demonstrated readiness to proceed by submitting a loan application. Projects eligible for financing under each Program are reviewed annually and the District prepares an updated Intended Use Plan and Project Priority List for each Program for the following fiscal year. Projects may be added by amending the Intended Use Plan and Project Priority List as needed throughout the year.

The District conducts an evaluation of the creditworthiness of applicants based on various considerations, but subject to a minimum requirement that each Borrower demonstrate, in the case of Loan Obligations which are revenue bonds, net revenue coverage equal to at least 110% of debt service or, in the case of Loan Obligations backed by sales tax revenues, sales tax coverage equal to at least 120% of debt service for any 12 consecutive months within the previous 15 months (the "Credit Standard"). The District reserves the right to waive the Credit Standard as applied to particular Borrowers applying for participation in either Program or to change it from time to time. In the event of such a waiver, the related Loan Obligations cannot be included in the computation of coverage required for the issuance of additional Bonds. To date, no such waivers have been granted, and the original Credit Standard has remained in place.

The Capitalization Grants and Letters of Credit

The EPA Capitalization Grants for each Program are made to the District in the form of a letter of credit or other funding mechanism utilized by the United States (the "Letters of Credit"). The Letters of Credit provide the District with the ability to draw moneys periodically for purposes permitted under the Federal Acts as eligible costs of projects funded under the Programs are incurred. For each dollar of eligible costs incurred under a Program, approximately 83 cents may be drawn under the Letter of Credit, subject to the limits of the Capitalization Grant for the Program. Proceeds of draws on the Letters of Credit are required under the Master Indenture to be deposited into the Federally Capitalized Loan Account of the Loan Fund of the respective SRF. Under the Programs, the District uses moneys received from the Capitalization Grants to pay a portion of allowable administrative expenses and the balance is expected to be used to make additional Loans to qualified Borrowers.

The Safe Drinking Water Act also permits additional set-asides of portions of the Drinking Water Capitalization Grant for specific purposes such as program management, technical assistance and other activities, up to an aggregate maximum of 31% of the annual Drinking Water Capitalization Grant. Such set-asides reduce the Capitalization Grant available for the Drinking Water Program.

IIJA (defined below) amendments to the Clean Water Act also permit additional set-asides of portions of the Clean Water Capitalization Grant for specific purposes such as technical assistance up to an aggregate maximum of 2% of the annual Clean Water Capitalization Grant. Such set-asides reduce the Capitalization Grant available for the Clean Water Program.

The Safe Drinking Water Act authorizes the Federal Government to provide annual funding of the Drinking Water Program with Capitalization Grants through federal fiscal year 2026. The Capitalization Grants (net of set-asides for purposes other than Program administration) awarded for the Drinking Water

Program for the years ended September 30, 1997 to September 30, 2026, and the amounts drawn as of June 30, 2026, are as follows:

Drinking Water Capitalization Grants
(Data as of June 30, 2026)

Year (Ended September 30)[1]	Grant Amount	Total Set-Asides[2]	Net	Amount Drawn	Balance
1997-2012[3] [4]	$159,551,500	$8,832,632	$150,718,868	$150,718,868	$-0-
2013	8,729,198[5]	523,750	8,205,448	8,205,448	-0-
2014	8,845,000	530,700	8,314,300	8,314,300	-0-
2015	8,787,000	527,220	8,259,780	8,259,780	-0-
2016	8,312,000	973,720	7,338,280	7,338,280	-0-
2017	8,241,000	1,039,820	7,201,180	7,201,180	-0-
2018	11,107,000	1,341,420	9,765,580	9,765,580	-0-
2019	11,103,000[6]	913,760	10,189,240	10,189,240	-0-
2020	11,011,000	1,335,660	9,675,340	9,675,340	-0-
2021	11,100,000[6]	565,040	10,534,960	10,534,9600	-0-
2022	7,008,000	-0-	7,008,000	7,008,000	-0-
2022[8]	27,006,000[7]	2,679,520	24,326,480	23,930,906	395,574
2023	4,938,000	-0-	4,938,000	4,938,000	-0-
2023[8]	29,738,000[7]	1,000,000	28,738,000	23,510,955	5,227,045
2024	4,661,000	-0-	4,661,000	4,661,000	-0-
2024[8]	31,668,000[7]	1,300,000	30,368,000	21,685,000	8,683,000
2025	10,906,000	-0-	10,906,000	10,906,000	-0-
2025[8]	33,581,000	700,000	30,786,000	24,198,000	6,588,000
2026	3,842,000	-0-	3,842,000	-0-	3,842,000
2026[8]	33,571,000	1,175,000	32,396,000	-0-	32,396,000

[1] As described above under **"SOUTH DAKOTA STATE REVOLVING FUNDS – General"**, the 2010 Act and subsequent legislation for 2011 through 2026 required that the District provide additional subsidies in the amount of at least $34,896,180 with respect to these funds and allows principal forgiveness of up to $79,634,390. The District intends to satisfy this requirement by forgiving principal repayments. See also, the table below under the caption "**2010-2026 Capitalization Grants - South Dakota State Revolving Fund Programs – Principal Forgiveness**."

[2] Includes set-asides for administrative purposes.

[3] Includes transfers from Clean Water SRF of $6,510,800 from the 2002 Clean Water Capitalization Grant and $6,467,800 from the 2003 Clean Water Capitalization Grant to the Drinking Water Program.

[4] The American Recovery and Reinvestment Act of 2009 (the "Recovery Act") required that at least 50 percent of these funds must be provided as additional subsidization in the form of principal forgiveness, negative interest rates, or grants. The District determined to apply a principal forgiveness approach when awarding the ARRA funds. The District awarded 75.3% of its Drinking Water ARRA funds as principal forgiveness. Funds appropriated through ARRA were not subject to State Match requirements.

[5] Includes one-time transfer of $308,198 of unspent EPA Expense Reimbursement Grant from prior years.

[6] Includes one-time reallocation of $99,000 from EPA for unutilized capitalization grants by other states.

[7] See the table below under the caption "**Infrastructure Investment and Jobs Act – South Dakota State Revolving Fund Programs**"

[8] This includes the transfer of CWSRF IIJA Emerging Contaminant funds to the DWSRF IIJA Emerging Contaminants funds for the year indicated.

Clean Water Capitalization Grants

The Clean Water Act authorizes the Federal Government to provide annual funding of the Clean Water Program with Capitalization Grants through federal fiscal year 2026. The Capitalization Grants (net of set asides for purposes other than Program administration) awarded for the Clean Water Program for the years ended September 30, 1997 to September 30, 2026, and the amounts drawn as of June 30, 2026, are as follows:

Clean Water Capitalization Grants
(Data as of June 30, 2026)

Year Ended September 30[1]	Grant Amount	Total Set-Asides[2]	Net	Amount Drawn	Balance
1997-2012[3,4]	$173,342.300	$6,414,526	$166,927,774	$166,927,774	$-0-
2013	6,520,000	217,330	6,302,670	6,302,670	-0-
2014	6,853,000	228,430	6,624,570	6,624,570	-0-
2015	6,817,000	400,000	6,417,000	6,417,000	-0-
2016	6,525,000	419,020	6,105,980	6,105,980	-0-
2017	6,474,000	436,164	6,037,836	6,037,836	-0-
2018	7,859,000	461,304	7,397,696	7,397,696	-0-
2019	7,779,000	485,850	7,293,150	7,293,150	-0-
2020	7,780,000	496,889	7,283,111	7,283,111	-0-
2021	7,779,000	520,254	7,258,746	7,258,746	-0-
2022	5,681,000	227,240	5,453,760	5,453,760	-0-
2022[5]	8,738,000	524,280	8,213,720	8,213,720	-0-
2023	3,683,000	147,320	3,535,680	3,535,680	-0-
2023[5]	10,233,000	409,320	9,823,680	9,823,680	-0-
2024	4,008,000	160,320	3,847,680	3,847,680	-0-
2024[5]	11,164,000	446,540	10,717,460	10,717,460	-0-
2025	7,788,000	166,240	7,621,760	5,883,182	1,738,578
2025[5]	12,094,000	683,760	11,410,240	11,410,240	-0-
2026	3,507,000	116,240	3,390,760	-0-	3,390,760
2026[5]	12,094,000	533,760	11,560,240	-0-	11,560,240

[1] As described above under **"SOUTH DAKOTA STATE REVOLVING FUNDS – General"**, the 2010 Act and subsequent legislation in 2011 through 2025 required that the District provide additional subsidies in the amount of at least $11,882,781 with respect to these funds and allows principal forgiveness of up to $37,007,499. The District intends to satisfy this requirement by forgiving principal repayments. See also, the table below under the caption "**2010-2025 Capitalization Grants - South Dakota State Revolving Fund Programs – Principal Forgiveness**."

[2] Set-asides were for administration and technical assistant purposes.

[3] The 2002 and 2003 Clean Water Capitalization Grants were transferred in their entirety to the Drinking Water Program in the amounts of $6,510,800 and $6,467,800 respectively.

[4] ARRA required that at least 50 percent of these funds must be provided as additional subsidization in the form of principal forgiveness, negative interest rates, or grants. The District determined to apply a principal forgiveness approach when awarding the ARRA funds. The District awarded 82.3% of its Clean Water ARRA funds as principal forgiveness. Funds appropriated through ARRA were not subject to State Match requirements.

[5] See the table below under the caption "**Infrastructure Investment and Jobs Act – South Dakota State Revolving Fund Programs**"

Set forth below is a summary table of funds received by the District under ARRA and the principal forgiveness approved by the District.

American Recovery & Reinvestment Act
South Dakota State Revolving Fund Programs

	Funds Obligated Via Assistance Agreement			
Program	**Principal Forgiveness**	**Loan**	**Set Aside Funds**	**Total Funds**
Clean Water State Revolving Fund	$14,851,019	$3,618,517	$769,564	$19,239,100
	80.4%	19.6%		
Drinking Water State Revolving Fund	$14,390,454	$4,719,546	$390,000	$19,500,00
	75.3%	24.7%		

The table below summarizes the total regular Capitalization Grants and the amount of principal forgiven for each Program for the fiscal years 2010 through 2026 (as of June 30, 2026), together with the minimum required amount, the maximum permitted amount and the remaining principal amount eligible for principal forgiveness as of June 30, 2026:

2010-2026 Capitalization Grants
South Dakota State Revolving Fund Programs
Principal Forgiveness

	Total Capitalization Grants 2010 through 2026	Minimum Required Principal to be Forgiven	Maximum Permitted Principal to be Forgiven	Principal Forgiveness Awarded as of June 30, 2026	Remaining Principal Amount Eligible to be Forgiven
Drinking Water Program	$150,556,198	$34,896,180	$79,634,390	$72,833,723	$4,520,330
Clean Water Program	$113,185,000	$12,584,181	$38,410,299	$34,987,139	$1,862,070

Infrastructure Investment and Jobs Act
South Dakota State Revolving Fund Programs

The Infrastructure Investment and Jobs Act, was signed into law on November 15, 2021. The IIJA invests more than $50 billion over the next five years in EPA water infrastructure programs including the State Revolving Funds. South Dakota's allotment for the Clean Water SRF program through June 30, 2026 totals approximately $45.8 million and for the Drinking Water SRF program totals approximately $147.1 million.

The IIJA funding will be issued through the Clean Water SRF in two categories: 1) CWSRF IIJA General Supplemental Funding and 2) CWSRF IIJA Emerging Contaminants Funding.

The IIJA funding will be issued through the Drinking Water SRF in three categories: 1) DWSRF IIJA General Supplemental Funding, 2) DWSRF IIJA Emerging Contaminants Funding, and 3) DWSRF IIJA Lead Service Line Funding.

The IIJA funding categories and amounts are described below

2022-2026 CWSRF IIJA Funds

	Total Appropriation	Subsidy Percentage	Subsidy Amount	State Match Percentage	State Match Required
General Supplemental	$54,323,000	49%*	$26,618,270	20%****	$8,967,500
Emerging Contaminants	$4,631,000**	100%***	$4,631,000	0%	$0

*The 49% additional subsidy must be provided to loan recipients meeting the disadvantaged community definition.

** The balance of the 2022 through 2026 CWSRF IIJA Emerging Contaminants funds will be transferred to the DWSRF IIJA Emerging Contaminants fund.

***At least 25% of these funds must be provided to loan recipients meeting the disadvantaged community definition or to public water systems serving fewer than 25,000 persons.

**** For 2022 and 2023 the state match requirement was 10%, beginning in 2024 through 2026 the state match requirement increased to 20%.

2022-2026 DWSRF IIJA Funds

	Total Appropriation	Subsidy Percentage	Subsidy Amount	State Match Percentage	State Match Required
General Supplemental	$111,818,000	49%*	$54,790,820	20%****	$18,458,900
Lead Service Lines	$28,456,000***	49%*	$13,943,440	0%	$0
Emerging Contaminants	$38,115,000	100%**	$38,115,000	0%	$0

*The 49% additional subsidy must be provided to loan recipients meeting the disadvantaged community definition.

**At least 25% of these funds must be provided to loan recipients meeting the disadvantaged community definition or to public water systems serving fewer than 25,000 persons.

***South Dakota did not have sufficient projects to utilize portions of the 2022 through 2026 appropriations for this allotment, the amount listed is the maximum currently available to be requested.

**** For 2022 and 2023 the state match requirement was 10%, beginning in 2024 through 2026 the state match requirement increased to 20%.

Availability of Future Capitalization Grants

The Series 2026AB Bonds were issued to provide State Match for the Clean Water Capitalization Grants and the Drinking Water Capitalization Grants for 2025 and 2026. The District has been awarded its 2026 Capitalization grants. There is a risk that future Capitalization Grants for the Drinking Water Program or Clean Water Program, or both, may be for a different amount, reduced or eliminated by reason of (a) legislation to change the anticipated federal appropriations, (b) transfer of funds at the direction of the Governor from one Program to the other Program and (c) determination to increase the set-asides above anticipated levels. Any such reductions may delay or reduce the anticipated interest earnings from Loan Obligations. No appropriation for the regular programs has been made for such purposes by the Federal Government for any period beyond September 30, 2026 and no assurance may be given that any such appropriation will be made. IIJA funding was appropriated for federal fiscal years 2022-2026. Any amounts allocated to the District beyond the federal year ending on September 30, 2026 are estimates only.

Transfer of Funds

The Safe Drinking Water Act allows up to 33% of a state's annual Capitalization Grant for drinking water to be transferred at the direction of the Governor to a state's clean water revolving fund, or an equivalent dollar amount of a state's annual Capitalization Grant for clean water to be transferred to a state's drinking water revolving fund. The District made transfers from the Clean Water SRF to the Drinking Water SRF pursuant to this authority for the years 2002 and 2003 in an aggregate amount of $15,574,320. This transferred amount included the entire 2002 and 2003 Clean Water Capitalization Grants and associated state match funds.

In 2006, the District transferred $7,500,000 of Drinking Water Leveraged Funds to the Clean Water Program. In 2011, the District transferred $10,000,000 of Excess Revenues derived from repayment of Drinking Water Loans to the Clean Water Program. In 2026, the District transferred $25,000,000 of Drinking Water Leveraged Funds to the Clean Water program and a corresponding transfer of $25,000,000 from the Clean Water program from Excess Revenues derived from the repayment of Clean Water loans

was made to the Drinking Water program and the purpose of these offsetting transfers was to provide taxable loan funds for disbursement to non-profit borrowers in the Drinking Water program. With the 2026 Drinking Water Capitalization Grant, the ability exists to transfer up to $130.5 million from the Clean Water SRF Program to the Drinking Water SRF Program. Up to $126.6 million could be transferred from the Drinking Water Program to the Clean Water SRF Program.

The IIJA appropriations allow transfer of funds as allowed through the Safe Drinking Water Act; however, the funds may only be transferred within similar types of additional IIJA funding categories.

New Loan Obligations

As of June 30, 2026, the District had $134,657,250 of the proceeds of outstanding Bonds on hand and available to fund Loans consisting of $56,148,410 to fund loans for the Clean Water Program and $78,508,840 to fund loans for the Drinking Water Program.

As of June 30, 2026, the District's outstanding Clean Water Loans in repayment totaled $666,378,281, outstanding closed Clean Water Loans not in repayment totaled $102,516,268 and approved but not closed Clean Water Loans totaled $224,478,750. As of June 30, 2026, outstanding Drinking Water Loans in repayment totaled $475,931,681, closed Drinking Water Loans not in repayment totaled $149,623,104 and approved but not closed Drinking Water Loans totaled $109,347,956.

The Master Indenture is an "open indenture" which authorizes the issuance of additional Bonds and Notes and the lending of Bond proceeds and other funds to Borrowers to be identified in the future. The District expects to make additional Loans from the Federally Capitalized Loan Accounts and the State Match Loan Accounts in amounts and at interest rates which have not yet been determined. Thus, the credit quality of the Loan Obligations which may in the future be pledged to the Bonds and Notes cannot be predicted. Although additional Bonds are authorized only if sufficient Loan Obligations meet the Credit Standard, the Credit Standard may be waived at the discretion of the District. In the event of such a waiver, the related Loan Obligations cannot be included in the computation of coverage required for the issuance of additional Bonds. To date the District has not waived the Credit Standard for any Borrower. It is the intention of the District to continue to subsidize the interest rates on the Loans. As long as the requirements for the issuance of additional Bonds are met, there is no minimum rate for Loans made by the District.

In addition, the District has adopted a policy under which it provides interim Loans to certain Borrowers. Such Borrowers are permitted to satisfy the coverage requirement of the Credit Standard based upon the expectation of the District that the Borrowers will repay the interim Loans out of funds provided by a "take-out" or permanent financing provided by Federal grant and loan programs.

Sources of Funds for Loans

The Master Indenture establishes three accounts within the Loan Fund of each State Revolving Fund for making Loans to Borrowers: the State Match Loan Account, the Federally Capitalized Loan Account and the Leveraged Loan Account. Under applicable EPA regulations, the State of South Dakota is required to provide a match equal to 20% of the amount of the Capitalization Grant. The Federally Capitalized Loan Account will be funded with proceeds of any draws under the Letter of Credit, together with any transfers from the Restricted Reserve Account of the Reserve Fund. The Leveraged Loan Account may be funded from the proceeds of any Bonds issued to provide additional funds for the Program beyond a level provided by the Capitalization Grants, Loan repayments and the State Match requirement.

Loans to Borrowers can be made from any available funds in the State Match Loan Account, the Federally Capitalized Loan Account or the Leveraged Loan Account in such proportions as the District may determine. In addition, Loans may be funded from amounts on deposit in the Unrestricted Cumulative

Excess Interest Repayments Subaccount and the Restricted Cumulative Excess Principal Repayments Subaccount of the Revenue Fund under the terms of the Master Indenture. For future Loans, the relative proportions in which Loans are made from Bond proceeds, Capitalization Grant proceeds and other sources will depend primarily on the availability of federal funds, the nature of the Borrowers and projects, the funding needs of the Program and the rate of interest at which the Loans are made.

Loan Agreements

Pursuant to each Loan Agreement, the District will agree to purchase specified Loan Obligations, and the Borrower will agree to pay certain amounts, including administrative fees, as long as the District is the owner of the Loan Obligations. The Loan Agreements set forth the terms and conditions under which Loan proceeds are to be disbursed to pay or reimburse eligible costs of the project being financed. The Loan Agreements include various representations and covenants as to the project to be financed and the authority of the Borrowers to issue the Loan Obligations. In the case of Borrowers which are political subdivisions, the Loan Agreements will include covenants pertaining to the tax exempt status of the Bonds and, in the case of Loan Obligations payable from utility revenues, a covenant to maintain either the net revenues of the utility, the net revenues of the facilities financed with Bond proceeds or specific project fees in each fiscal year at least equal to 110% of debt service on the Loan Obligations and any other parity lien debt. The coverage requirement for Loan Obligations payable from sales tax revenues is 120%. In the case of Nonprofit Borrowers, the coverage requirement is 110%. The District reserves the right to waive or modify the foregoing coverage requirements. The Master Indenture permits the District to waive Loan Obligation prepayment restrictions as long as the District provides the Trustee with a Coverage Certificate (as defined in the Master Indenture) demonstrating that Adjusted Projected Revenues (after giving effect to the prepayment) will be at least 105% of the Allocable Portion of debt service due each year on the State Match Portion and Leveraged Portion of all outstanding Bonds.

Account Balances

The unaudited fund balances for the Programs, the amount Loan Obligations held by the District and the principal amount of outstanding Bonds as of June 30, 2026 are as follows:

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Summary of Fund Balances, Loan Balances
and Outstanding Bonds
(as of June 30, 2026)

Fund Assets	Clean Water	Drinking Water
Loan Fund:		
Federally Capitalized Loan Account	$0	$0
State Match Loan Account	$1,310,316	$743,934
Leveraged Loan Account	$56,688,802	$78,508,842
Revenue Fund:		
Unrestricted Interest Repayments Account	$8,098,574	$7,108,165
Restricted Principal Repayments Account	$9,132,069	$3,098,886
Unrestricted Cumulative Excess	$11,264,340	$1,025,246
Restricted Cumulative Excess	$8,059,115	$48,211,212
Arbitrage/Yield Restriction Account	$323,093	$742,183
Administration Fund:		
SRF Administration Account	$0	$0
State Administration Account	$1,410,398	$1,277,772
Administration Discretionary Account	$4,660,303	$2,357,774
COI Administration Account	$51,934	$82,766
Bond Fund:		
State Match Bond Account	$2,184,868	$3,336,449
Leveraged Bond Account	$29,583,988	$15,270,923
Supplemental Fund	$1,864,744	$797,468
Outstanding Loan Balances*	$666,378,282	$475,931,681
Disbursed Portion of Other Closed Loans	$102,516,268	$149,623,104
Total Assets	**$903,527,093**	**$788,116,407**
Bonds Outstanding		
Leveraged	$493,510,441	$400,981,522
State Match	$9,488,544	$19,414,493
Total Outstanding Bonds	**$502,998,985**	**$420,396,015**

*Does not include Loans which have been closed, but which were not in repayment as of the date specified above.

Investment of Certain Funds

Amounts on deposit in the Funds and Accounts under the Master Indenture may be invested in various permitted investments (see the definition of "Investment Obligations" in **Appendix A** - "**SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE" (**herein). Included with these permitted investments are investment agreements which are permitted under South Dakota law if the agreement or issuer or guarantor of which is assigned the highest short-term rating or a long-term debt rating in the two highest categories by the rating agency or agencies rating the Bonds at the time the agreement is entered into.

There is currently no investment agreement in place with respect to any Bonds.

In August 2010, the District and the Trustee amended the Master Indenture to authorize investments of amounts on deposit in the Revenue Funds in the South Dakota Cash Flow Fund, provided; no more than 20% of the aggregate total of funds on deposit in the Revenue Fund, including all accounts and subaccounts therein, will be invested in the South Dakota Cash Flow Fund at any one time. See **Appendix A** - "**SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – Selected Definitions**" herein. The South Dakota Cash Flow Program has no rating assigned to it by any Rating Agency, but constitutes a permitted investment for the District because it limits the investment of funds to a subset of securities that the District is otherwise authorized to invest in as "Investment Obligations" under the Master Indenture. Currently, no funds of the District are invested in the South Dakota Cash Flow Fund.

The "South Dakota Cash Flow Fund" is a program operated by the South Dakota Investment Council, or its lawful successor, for the investment of state funds and other public moneys. Pursuant to existing statutory law and policy, the Investment Council is limited to investing funds in the South Dakota Cash Flow Fund to investments which are authorized by SDCL, Section 4-5-26 which permits investment in the following classes of securities and investments:

1. Direct and indirect obligations of the United States government;

2. Agencies and instrumentalities of the United States government;

3. Direct obligations of the State of South Dakota and any of its political subdivisions;

4. Obligations consisting of notes, bonds, debentures, and certificates which are direct obligations of a solvent corporation or trust existing under the laws of the United States or any state thereof, if such investments are rated in the four highest classifications established by at least two standard rating services; or

5. Savings accounts, share accounts, certificates of deposit of banks, savings and loan associations, building and loan associations, and bankers' acceptances;

6. In addition to the investments authorized by subdivisions (1) to (5) of this section, inclusive, the investment council may also allocate a sum certain of state public funds for investment in the accounts and certificates of South Dakota banks and associations. This sum shall initially be offered to South Dakota banks and associations, and if not initially fully subscribed, the investment officer shall immediately reoffer the unsubscribed sum to other qualified public depositories [as defined by statute].

In addition, in August 2010, the Board adopted a formal investment policy (as amended or revised from time to time, the "Investment Policy"). The Investment Policy was last amended on November 8, 2018. The Investment Policy provides that the District will invest amounts on deposit in the various Funds, Accounts and Subaccounts under the Indenture (the "Trust Funds") in a manner and for the stated purpose

of providing maximum security, sufficient liquidity, and a competitive investment return to meet the daily cash flow demands of the Programs. The current Investment Policy does not allocate any funds to the South Dakota Cash Flow Fund.

The Investment Policy supplements the provisions of the Indenture and relative documents, and in the event of a conflict between the Indenture or any tax-related documents on the one hand and the Investment Policy on the other, then the provisions of the Indenture or tax documents, as applicable, shall prevail. The Investment Policy also recognizes the contractual obligations of the District to invest designated amounts in various Investment Agreements, and provides that the balance of Trust Funds not invested in Investment Agreements (the "Remaining Balance") is subject to the following restrictions:

a. Subject to the exception of securities issued by the U.S. Treasury or guaranteed directly or indirectly by the U.S. Government, no more than 25% of the aggregate of the Remaining Balance will be invested in the deposits of a single financial institution, provided, however, this limitation shall not apply to any money market fund or other investment described in clause (d) of the definition of "Investment Obligations" if such investment directly or indirectly involves solely securities described in clauses (a) or (b) of the definition of "Investment Obligations" or is rated in one of the two-highest long or short-term rating categories by the Rating Agencies (herein, each a "Qualified Fund").

b. The District will limit its investment in securities issued by government sponsored entities (a/k/a "GSEs") or federally related institutions that are guaranteed directly or indirectly by, or backed by the full faith and credit of, the U.S. Government to no greater than 40% of the total Trust Funds.

c. Amounts credited to the Bond Fund, including any account or subaccount therein, shall only be invested in (i) Investment Agreements (if applicable), (ii) investments described in clauses (a) or (b) of the definition of "Investment Obligations", or (iii) Qualified Funds.

The Board reviews the Investment Policy periodically, and reserves the right to change the policy at any time and from time to time.

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FINANCE PLAN AND ESTIMATED SOURCES AND USE OF FUNDS

The following is a summary of the estimated sources and uses of Series 2026 Bonds:

Sources:	Series 2026C (Taxable)	Series 2026D (Tax-Exempt)	Totals
Bond Proceeds (Par)			$
Premium			
Total Sources of Funds	$	$	$
Uses:			
Deposit to Clean Water Leveraged Loan Fund	--		
Deposit to Drinking Water Leveraged Loan Fund			
Cost of Issuance & Underwriter's Discount			
Total Uses of Funds	$	$	$

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SOURCE OF PAYMENT AND SECURITY

The Series 2026 Bonds and other Bonds issued or to be issued by the District under the Master Indenture are payable from the limited sources described herein. They are not in any way a debt or liability of the State of South Dakota, the Board, or any political subdivision of the State, nor are the Bonds secured by the full faith and credit or taxing powers of the State. Subject to the limitations and qualifications below (see "*General Limitation*"), the Drinking Water Portions and the Clean Water Portions, respectively, of the Series 2026 Bonds and other Bonds now Outstanding or hereafter issued under the Master Indenture will be payable from and secured by:

1. A lien on and pledge of the moneys and investments in the Bond Fund and, to the extent hereinafter described under **"APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE"**, the Revenue Fund, the Reserve Fund (but only if and to the extent any Series or portion of a Series of Bonds is expressly identified herein and in the related Series Resolution as being so secured) and the Loan Fund covenanted to be created and maintained under the Master Indenture; and

2. A lien on and pledge of the District's interest in all Loan Agreements under the Program and all Loan Obligations acquired in connection therewith and all payments of principal and interest thereunder, except as hereinafter described, and all proceeds thereof;

provided, however, that Loan Obligations and other assets pledged under the Master Indenture may be released from the lien of the Master Indenture (or other Loan Obligations may be substituted) in the event, among other things, the District provides to the Trustee a certificate of the District showing estimated coverage from repayments of the remaining or substituted Loan Obligations and certain investment earnings to be at least 105% of average annual debt service requirements for the State Match Portion and Leveraged Portion of the Bonds. See "**APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Release of Assets**" herein.

To the extent such sources may be applied to particular portions of the debt service under the Master Indenture, the Master Indenture provides that moneys in any fund, account or subaccount therein relating to the Clean Water SRF shall be held separate and apart from moneys in any fund, account or subaccount therein relating to the Drinking Water SRF. To accomplish this, separate accounts and subaccounts in the various funds are maintained for Clean Water SRF moneys and Drinking Water SRF moneys. See the "*General Limitation*" paragraph set forth below and "**SOURCE OF PAYMENT AND SECURITY—Relationship Between Monies Held in Clean Water SRF and Drinking Water SRF; Limited Cross Collateralization**".

General Limitation. Notwithstanding any other provision of the Master Indenture, the following provisions shall govern the use and application of all funds and accounts under the Master Indenture, and if and to the extent these provisions conflict in any manner with any other express or implied provision of the Master Indenture, the following provisions shall prevail: (a) Drinking Water Bonds shall be secured solely by the Funds and Accounts within the Drinking Water SRF which are pledged pursuant to the granting clauses of the Master Indenture and no assets of the Clean Water Program may be used to secure Drinking Water Bonds and (b) Clean Water Bonds shall be secured solely by the Funds and Accounts within the Clean Water SRF which are pledged pursuant to the granting clauses of the Master Indenture and no assets of the Drinking Water Program may be used to secure Clean Water Bonds.

Sources of Payment for State Match Portion of Principal and Interest on Bonds. The sources of payment for the State Match Portions of any Outstanding Bonds consist solely of revenues to be derived from payments of interest on the Loan Obligations evidencing the Loans made under the Drinking Water

Program or Clean Water Program, as applicable, and amounts on deposit in certain funds and accounts established under the Master Indenture. See "Revenues and Other Available Money—Unrestricted Interest Repayments Account" below for a further description of such revenues and sources of payment of the State Match Portions of Outstanding Bonds.

Sources of Payment for Leveraged Portion of Principal and Interest on Bonds. The sources of payment for the Leveraged Portions of any Outstanding Bonds consist solely of revenues to be derived from payments of principal of the Loan Obligations evidencing the Loans made under the Drinking Water Program or Clean Water Program, as applicable, and, to the extent not applied to debt service on the State Match Portion of Bonds, interest on such Loan Obligations and amounts on deposit in certain funds and accounts established under the Master Indenture. See "Revenues and Other Available Moneys - Restricted Principal Repayments Account" below for a further description of such revenues and sources of payment of the Leveraged Portions of Outstanding Bonds.

Revenues and Other Available Moneys

Consistent with federal regulations applicable to the Programs, the Master Indenture has provisions which are designed to separate principal repayments on the Loan Obligations from the interest payments on the Loan Obligations and to separate repayments of Clean Water Loan Obligations from repayments of Drinking Water Loan Obligations.

The principal repayments on the Clean Water Loan Obligations are to be deposited in the Restricted Principal Repayments Account of the Clean Water Revenue Fund to secure the Leveraged Portion of the Clean Water Portion of debt service on the Bonds. Interest payments on the Clean Water Loan Obligations and investment income on other Clean Water funds and accounts not required to be otherwise applied are to be deposited in the Unrestricted Interest Repayments Account of the Clean Water Revenue Fund to secure first the State Match Portion of the Clean Water Portion of debt service on the Bonds.

The principal repayments on the Drinking Water Loan Obligations are to be deposited in the Restricted Principal Repayments Account of the Drinking Water Revenue Fund to secure the Leveraged Portion of the Drinking Water Portion of debt service on the Bonds. Interest payments on the Drinking Water Loan Obligations and investment income or other Drinking Water funds and accounts not required to be otherwise applied are to be deposited in the Unrestricted Interest Repayments Account of the Drinking Water Revenue Fund to secure first the State Match Portion of the Drinking Water Portion of debt service on the Bonds.

Any excess amounts in an Unrestricted Interest Repayments Account may then be applied on a current basis to pay the Leveraged Portion of the Clean Water Portion or Leveraged Portion of the Drinking Water Portion, as applicable, of debt service on the Bonds. Amounts in each Restricted Principal Repayments Account and the Unrestricted Interest Repayments Account for each SRF are permitted to be transferred and otherwise applied as follows:

Restricted Principal Repayments Account. Principal repayments on the Loan Obligations of each SRF secure payment of the Leveraged Portion of the portion of debt service portion allocable to the Drinking Water SRF or Clean Water SRF, as applicable, and are deposited in the Restricted Principal Repayments Account for such SRF. Such payments shall be transferred or otherwise applied on or prior to each Bond Payment Date as follows:

- to the Leveraged Bond Account of the Drinking Water Bond Fund or Clean Water Bond Fund, as applicable, to pay principal and interest on the Leveraged Portions of Bonds then due and, if such transfer is made on a February 1 Bond Payment Date, one half of the

principal amount of the applicable Leveraged Portion of the applicable Bonds due on or before the next August 1,

- to replenish the Restricted Reserve Account (or any specific subaccount thereof to the extent of any applicable reserve requirement) of such SRF if any required valuation thereof indicates a deficiency therein,

- to the Restricted Principal Repayments Account of the other SRF to the extent necessary to pay debt service on obligations of the other SRF,

- to an account of the other SRF to the extent of a reimbursement obligation not satisfied from another source; and

- to the applicable Restricted Cumulative Excess Principal Repayments Subaccount for such SRF until applied as above or, at the direction of the District to finance additional loans to Borrowers to be evidenced by new Loan Obligations.

Unrestricted Interest Repayments Account. Amounts on deposit in each Unrestricted Interest Repayment Account for each SRF shall be transferred or otherwise applied on or before each Bond Payment Date as follows:

- to the applicable State Match Bond Account for such SRF to pay principal and interest on the applicable State Match Portion of Bonds for such SRF,

- to the Leveraged Bond Account for such SRF to pay principal and interest on the applicable Leveraged Portion of Bonds for such SRF to the extent the amounts available from the Restricted Principal Repayments Account and transfers from the other SRF are insufficient therefor,

- if such transfer is made on a February 1 Bond Payment Date, one half of the principal amount of any State Match Portion of the applicable Bonds due on or before the next August 1 shall be transferred to the State Match Bond Account of the applicable Bond Fund,

- to the Unrestricted Reserve Account (or any specific subaccount thereof to the extent of any applicable reserve requirement) for such SRF to the extent of any deficiency therein,

- to the Unrestricted Interest Repayments Account of the other SRF to the extent necessary to satisfy the debt service on obligations of the other SRF,

- to an account of the other Fund to the extent necessary to satisfy a reimbursement obligation to such Fund, and

- to the applicable Unrestricted Cumulative Excess Interest Repayments Subaccount for such SRF until applied as above or, at the direction of the District, transferred to any other Fund or Account (except the State Match Reserve Account and State Administration Account), or to finance additional loans to Borrowers to be evidenced by new Loan Obligations.

Investment earnings on all funds and accounts under the Master Indenture which are not otherwise required to be maintained therein or otherwise transferred pursuant to the terms of the Master Indenture must be transferred to the Unrestricted Interest Repayments Account of the Revenue Fund.

Notwithstanding any other provision of the Master Trust Indenture, the District may direct the Trustee to transfer funds between Programs or within a Program and between Funds, Accounts or Subaccounts for any purpose, including, without limitation, for the purpose of establishing greater flexibility of use, freedom from or achieving compliance with federal or state tax, regulatory, contractual or other requirements, if, as a result of a series of such transfers, the net balance of funds in each affected Program, Fund, Account and/or Subaccount, as applicable, is not less than the balance in such Program, Fund, Account or Subaccount, as applicable, immediately prior to such series of transfers and expressly including the transfer of Excess Revenues between Programs or within a Program to make payments of debt service on Notes.

See "**APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – Funds and Accounts**" for additional information concerning the Funds and Accounts under the Master Indenture.

The following table sets forth the estimated revenues and debt service of the Programs as of the issuance of the Series 2026 Bonds. The table is based upon the assumptions set forth in the footnotes presented below the table. While the District believes that these assumptions are reasonable, there can be no assurance that actual amounts received or coverage will equal the amounts set forth in the table and the variations may be material. The table does not take into consideration prospective defaults on existing Loans, the issuance of Additional Bonds, the making of additional Loans (other than those expected to be made with the proceeds of Outstanding Bonds, loan repayments and Capitalization Grants awarded prior to June 30, 2026), a change in the creditworthiness of the Borrowers, a default in any investment, investment losses, changes in investment income available upon reinvestment, or other factors. The table does not include the principal amount of Loans forgiven by the District as of June 30, 2026.

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Combined Clean Water & Drinking Water State Revolving Fund
Projected Coverage

	State Match Bonds				Leveraged Bonds					Total Bonds			
Year Ending	Annualized Revenues Available for State Match Debt Service[1]	Annual State Match Debt Service	Surplus of Available Revenues After Debt Service	Coverage	Surplus of Unrestricted Revenues After State Match Debt Service	Annualized Loan Principal Repayments[2]	Annualized Revenues Available for Leveraged Bonds	Annual Leveraged Debt Service	Coverage	Annualized Total Revenue Available for Total Debt Service	Annual Total Debt Service	Annual Surplus of Available Revenues After Debt Service	Total Coverage
8/1/2026	30,395,081	5,511,019	24,884,063	5.52x	24,884,063	9,141,876	88,438,056	44,801,123	1.97x	93,949,075	50,312,141	43,636,933	1.87x
8/1/2027	33,098,280	7,585,534	25,512,746	4.36x	25,512,746	56,216,074	81,728,820	73,414,330	1.11x	89,314,354	80,999,864	8,314,491	1.10x
8/1/2028	34,472,319	7,552,858	26,919,461	4.56x	26,919,461	61,198,259	88,117,720	75,504,169	1.17x	95,670,579	83,057,027	12,613,552	1.15x
8/1/2029	31,752,619	7,530,055	24,222,564	4.22x	24,222,564	63,200,315	87,422,879	75,295,180	1.16x	94,952,934	82,825,235	12,127,699	1.15x
8/1/2030	33,617,592	2,191,848	31,425,744	15.34x	31,425,744	65,037,770	96,463,514	80,511,979	1.20x	98,655,362	82,703,827	15,951,535	1.19x
8/1/2031	33,738,741	2,016,000	31,722,741	16.74x	31,722,741	66,478,534	98,201,275	79,026,718	1.24x	100,217,275	81,042,718	19,174,557	1.24x
8/1/2032	32,597,437		32,597,437		32,597,437	66,654,801	99,252,238	77,878,431	1.27x	99,252,238	77,878,431	21,373,807	1.27x
8/1/2033	31,472,488		31,472,488		31,472,488	67,074,598	98,547,086	76,178,946	1.29x	98,547,086	76,178,946	22,368,141	1.29x
8/1/2034	30,337,580		30,337,580		30,337,580	67,689,954	98,027,534	76,176,178	1.29x	98,027,534	76,176,178	21,851,356	1.29x
8/1/2035	29,181,913		29,181,913		29,181,913	68,314,453	97,496,366	77,384,404	1.26x	97,496,366	77,384,404	20,111,962	1.26x
8/1/2036	27,996,032		27,996,032		27,996,032	69,129,410	97,125,442	77,139,645	1.26x	97,125,442	77,139,645	19,985,797	1.26x
8/1/2037	26,791,360		26,791,360		26,791,360	70,175,146	96,966,505	77,381,441	1.25x	96,966,505	77,381,441	19,585,064	1.25x
8/1/2038	25,562,748		25,562,748		25,562,748	70,909,457	96,472,205	77,460,763	1.25x	96,472,205	77,460,763	19,011,442	1.25x
8/1/2039	24,253,008		24,253,008		24,253,008	71,645,934	95,898,942	72,889,527	1.32x	95,898,942	72,889,527	23,009,415	1.32x
8/1/2040	23,025,481		23,025,481		23,025,481	72,274,641	95,300,123	72,601,403	1.31x	95,300,123	72,601,403	22,698,720	1.31x
8/1/2041	21,781,158		21,781,158		21,781,158	73,220,904	95,002,063	72,434,597	1.31x	95,002,063	72,434,597	22,567,466	1.31x
8/1/2042	20,513,181		20,513,181		20,513,181	72,080,793	92,593,974	71,178,378	1.30x	92,593,974	71,178,378	21,415,596	1.30x
8/1/2043	19,141,677		19,141,677		19,141,677	70,031,883	89,173,560	66,683,056	1.34x	89,173,560	66,683,056	22,490,505	1.34x
8/1/2044	17,902,441		17,902,441		17,902,441	66,146,161	84,048,601	65,002,920	1.29x	84,048,601	65,002,920	19,045,682	1.29x
8/1/2045	16,714,003		16,714,003		16,714,003	60,205,600	76,919,603	57,882,665	1.33x	76,919,603	57,882,665	19,036,938	1.33x
8/1/2046	15,592,724		15,592,724		15,592,724	57,369,653	72,962,377	55,933,000	1.30x	72,962,377	55,933,000	17,029,378	1.30x
8/1/2047	14,529,107		14,529,107		14,529,107	52,506,426	67,035,532	50,302,632	1.33x	67,035,532	50,302,632	16,732,900	1.33x
8/1/2048	13,542,731		13,542,731		13,542,731	51,283,730	64,826,461	44,540,500	1.46x	64,826,461	44,540,500	20,285,961	1.46x
8/1/2049	12,642,379		12,642,379		12,642,379	49,501,880	62,144,259	43,863,000	1.42x	62,144,259	43,863,000	18,281,259	1.42x
8/1/2050	11,754,385		11,754,385		11,754,385	47,251,608	59,005,993	42,706,500	1.38x	59,005,993	42,706,500	16,299,493	1.38x
8/1/2051	10,926,773		10,926,773		10,926,773	46,001,996	56,928,769	41,607,750	1.37x	56,928,769	41,607,750	15,321,019	1.37x
8/1/2052	10,099,216		10,099,216		10,099,216	44,949,311	55,048,527	39,582,750	1.39x	55,048,527	39,582,750	15,465,777	1.39x
8/1/2053	9,300,399		9,300,399		9,300,399	41,944,232	51,244,631	37,951,500	1.35x	51,244,631	37,951,500	13,293,131	1.35x
8/1/2054	8,514,317		8,514,317		8,514,317	40,508,963	49,023,280	37,165,250	1.32x	49,023,280	37,165,250	11,858,030	1.32x
8/1/2055	7,737,083		7,737,083		7,737,083	36,745,812	44,482,895	26,356,750	1.69x	44,482,895	26,356,750	18,126,145	1.69x
8/1/2056	7,117,009		7,117,009		7,117,009	27,577,741	34,694,750	16,905,000	2.05x	34,694,750	16,905,000	17,789,750	2.05x

[1] Includes loan interest repayments, funds on hand in deposit in the Bond Funds and interest earnings on funds at an assumed rate of 4.00% through 2028 and 1.00% thereafter (or, to the extent permitted by any Investment Agreement, the rates applicable thereunder). Does not include any Subsidy Payments which the District may receive with respect to the Series 2010A Bonds.

[2] Consists of principal repayments from loans in repayment, and the portion of the closed and approved loans as of June 30, 2026 which can reasonably expect to be funded from existing funds available to the District and bond proceeds and funds on hand in deposit in the Bond Funds. See Appendix B for a list of loans.

Reserve Funds

The Series 2026 Bonds are not secured by a pledge of or lien on amounts on deposit in any Reserve Fund. However, certain prior Series of Bonds (now all subsequently defeased or redeemed) were previously secured by amounts on deposit in the Reserve Fund and additional Bonds may be similarly secured at the option of the District.

As of the date hereof, there are no amounts on deposit in the Reserve Fund or any account therein. Any amounts on deposit in the Reserve Fund in the future will secure solely the debt service on Bonds specifically identified is the Series Resolution authorizing any such deposit, if any, and shall not secure debt service on any other Bonds including the Series 2026 Bonds. See "**APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE –Funds and Accounts –Reserve Fund**" herein. At present, the District has no intention of issuing Bonds which would be secured by funds in the Reserve Fund or any account therein.

Relationship Between Monies Held in Clean Water SRF and Drinking Water SRF; Limited Cross-Collateralization

The Master Indenture implements certain provisions of federal law relating to what is commonly referred to as "cross-collateralization" of Clean Water and Drinking Water SRFs. The Master Indenture provides for limited reciprocal relationships between the Clean Water SRF and Drinking Water SRF in the form of subordinated loans between the Clean Water SRF and the Drinking Water SRF, if necessary to cover certain deficiencies. In the event on any Bond Payment Date amounts available in the funds and accounts with respect to either the Clean Water SRF or the Drinking Water SRF are insufficient to pay their respective portion of principal of or interest on Bonds then due and payable, the Trustee shall transfer to the deficient Bond Fund an amount sufficient to remedy such deficiency from the following sources in the following order (and such application is expressly required to be made by the Master Indenture prior to application of any Excess Revenues of either Program to the payment of principal or interest on any Outstanding Notes):

a) First, from any funds on deposit in the Restricted Cumulative Excess Principal Repayments Subaccount of the Revenue Fund of the other SRF to the extent necessary, together with other funds available, to pay the deficient Leveraged Portion of principal and interest on Bonds then due.

b) Second, from the Unrestricted Cumulative Excess Interest Repayments Subaccount of the Revenue Fund of the other SRF to the extent necessary, together with other funds available, to pay the deficient State Match Portion of principal and interest on Bonds then due.

c) Third, from Excess Unrestricted Revenues of the other SRF.

The "Excess Unrestricted Revenues" of a State Revolving Fund are any amounts on deposit in the Unrestricted Cumulative Excess Interest Repayments Subaccount and any investment income earned on various Funds and Accounts which is not required to be maintained therein or otherwise transferred under the Master Indenture.

In the event funds are at any time transferred from one State Revolving Fund to the other, the State Revolving Fund from which the transfer was made shall reimburse to such State Revolving Fund the amounts so advanced (with or without interest thereon, as the District may determine in its discretion), on a basis subordinate to the payments of debt service obligations of the State Revolving Fund from which the transfer was made. Such reimbursement shall be made only from funds on deposit in the Restricted Cumulative Excess Principal Repayments Subaccount or the Unrestricted Cumulative Excess Interest

Repayments Subaccount, and from other Excess Unrestricted Revenues of the State Revolving Fund which received the transferred funds.

In addition to the foregoing, balances in the Restricted Cumulative Excess Principal Repayments Subaccount and the Unrestricted Cumulative Excess Interest Repayments Subaccount may be transferred from one State Revolving Fund to the other as the District may direct, subject to certain coverage requirements and EPA limits and approvals.

Additional Bonds or Notes

Pursuant to the provisions of the Master Indenture, additional Bonds or Notes may be issued thereunder if certain conditions are met including, but not limited to (except in the case of (A) refunding Bonds issued to pay principal of or interest on Bonds for the payment of which sufficient funds are not expected to be available and (B) Bonds issued to refund Notes) a Coverage Certificate with supporting schedules, estimating that, as of each Bond Year, Projected Revenues available for deposit (i) in the State Match Bond Accounts of the Bond Funds will, in the aggregate, equal an amount which will be no less than 105% of the amount necessary to pay the State Match Portion of principal and interest due on each Bond Payment Date on (x) all Bonds then Outstanding (except Bonds and Notes and interest thereon to be refunded from the proceeds of the Bonds or Notes to be issued), (y) the State Match Portion of Bonds to be issued, and (z) principal and interest estimated to be due and payable on Refunding Bonds to be issued as State Match Portion Refunding Bonds to refund Notes (such debt service to be estimated and calculated as described in the next paragraph), and (ii) in the Leveraged Bond Accounts of the Bond Funds (including, for such purposes, the amounts on deposit in the Unrestricted Interest Repayments Accounts of the Bond Funds and not otherwise required to pay the State Match Portion of principal and interest due on such Bond Payment Date) will, in the aggregate, equal an amount which will be no less than 105% of the amount necessary to pay the Leveraged Portion of principal and interest due on each Bond Payment Date on (x) all Bonds then Outstanding (except Bonds and Notes and interest thereon to be refunded from the proceeds of the Bonds or Notes to be issued), (y) the Leveraged Portion of Bonds to be issued and (z) principal and interest estimated to be due and payable on Refunding Bonds to be issued as Leveraged Portion Refunding Bonds to refund Notes (such debt service to be estimated and calculated as described in the next paragraph). For this purpose, interest payable on any future Bond Payment Date with respect to (x) any Bonds or proposed Bonds to which a Qualified Interest Rate Agreement applies is to be calculated as provided under "Hedging Transactions" below and the applicable Series Resolution and (y) any Variable Rate Bonds shall be calculated as provided under "Hedging Transactions" and "Variable Rate Bonds" below and the related Series Resolution.

The Master Indenture, as amended by the Second Amendment, provides that for purposes of calculating the State Match Portion and Leveraged Portion of debt service, any Coverage Certificate (A) shall disregard principal and interest due or to become due with respect to any Notes which will be Outstanding during any such period; (B) shall include estimated principal and interest amounts to become due as a result of the issuance of Refunding Bonds the proceeds of which are to be used to pay the Redemption Price of any such Notes; provided, if Notes are to be issued to refund Outstanding Notes, the interest on such refunding Notes shall be taken into account for the period such Notes are expected to remain Outstanding and (C) in the event that all or any portion of any Bonds have been issued as or are proposed to be issued as Balloon Bonds, then in order to compute the State Match Portion and Leveraged Portion of debt service on such Bonds for the purposes of determining (i) whether Bonds, regardless of whether they are to be Balloon Bonds, may be issued in compliance with the requirements of Section 2.11(b)(1) hereof when any Balloon Bonds are outstanding and (ii) whether Bonds that are Balloon Bonds may be issued in compliance with the requirements of Section 2.11(b)(1) hereof shall be determined: (a) by assuming that such Balloon Bonds are to be amortized on the basis of level debt service over the Assumed Amortization Period and that such Bonds bear interest at the Assumed Interest Rate; or, (b) if certified by

the Financial Advisor to be appropriate given the then current accepted custom and practice of the public finance industry, by assuming that such Balloon Bonds are to be amortized on a basis other than level debt service over the Assumed Amortization Period and that such Bonds bear interest at the Assumed Interest Rate. Further, for purposes of such estimates, the Coverage Certificate shall also assume such Refunding Bonds shall be issued on a date within three months of the stated maturity date of the Notes to be refunded, with substantially level annual debt service for a stated term of not to exceed twenty-five years, and bearing interest at a rate or rates which are 100 basis points (1.0% per annum) in excess of the then applicable rates for comparable maturities of municipal bonds of comparable credit rating as set forth in a nationally recognized municipal market publication, including, without limitation, interest rate scales published by Municipal Market Data, a divisions of Thomson Reuters, any successor or any other similar nationally recognized service.

The Master Indenture, as amended by the second Amendment, further provides that in connection with the determinations and calculations described in the preceding paragraph, any obligations entered into by the District in connection with qualified interest rate agreements, tender option bonds or notes and liquidity facilities described below shall be disregarded.

Qualified Interest Rate Agreements

The Master Indenture provides that obligations of the District with respect to a "Qualified Interest Rate Agreement" may be secured on a parity with debt service on the Outstanding Bonds. A "Qualified Interest Rate Agreement" means any interest rate exchange agreement; contract providing for payment or receipt of funds based on levels of or changes in interest rates; contract to exchange cash flows or series of payments; or contracts incorporating interest rate caps, collars, floors, or locks between the District and a Counterparty (i) which agreement is either approved by or, following review of such agreement, the rating upon all affected Bonds is confirmed by, each Rating Agency and (ii) under which the District agrees to pay the Counterparty an amount calculated at an agreed-upon rate or index based upon a notional amount and the Counterparty agrees to pay the District for a specific period of time an amount calculated at an agreed-upon rate or index based upon such notional amount, where the Counterparty, or the person who guarantees the obligation of the Counterparty to make its payments to the District, has unsecured obligations rated, as of the date the agreement is entered into, in one of the two highest applicable rating categories by each Rating Agency then rating such Counterparty or person who guarantees such obligation, but only if any such Rating Agency is then rating (1) bonds secured by such agreements of the Counterparty or (2) the Series of Bonds to which such agreement may be related. To date the District has not entered into any such agreements. The District does not currently have these financing structures or products outstanding.

Tender Option Bonds

The District may issue Bonds subject to tender at the option of the Holder if the payment of the purchase price of tendered Bonds is to be provided pursuant to a Liquidity Support Facility provided by a Liquidity Provider with obligations rated at the time of issuance of the Bonds in one of the three highest short-term rating categories assigned by any Rating Agency. Such Bonds may be made subject to the terms set forth in the Series Resolution authorizing the issuance of such Bonds. The District does not currently have these financing structures or products outstanding.

Hedging Transactions

If the District enters into a Qualified Interest Rate Agreement with a Counterparty requiring the District to pay either a fixed interest rate or a variable interest rate on a notional amount and the District has determined that the Qualified Interest Rate Agreement was entered into to provide substitute interest payments for Bonds in a principal amount equal to the notional amount of the Qualified Interest Rate

Agreement, then during the term of the Qualified Interest Rate Agreement and so long as the Counterparty is not in default:

(i) for purposes of any calculation of interest with respect to the Bonds, the interest rate on the Bonds shall be determined as if such Bonds bore interest at the fixed interest rate or the variable interest rate, as the case may be, payable by the District under the Qualified Interest Rate Agreement;

(ii) for purposes of any calculation of interest with respect to proposed Bonds, the interest rate shall be determined as if such proposed Bonds are proposed to bear interest upon issuance at the fixed interest rate or the variable interest rate, as the case may be, payable by the District under the Qualified Interest Rate Agreement;

(iii) any net payments (other than Termination Payments) required to be made by the District to the Counterparty may be made in the same manner as and secured on a parity with interest payments on the related Bonds as provided in the Indenture Documents and any related Series Resolution;

(iv) any payments designated as "amounts due in the ordinary course" shall be treated as interest on a Loan and deposited to the credit of the appropriate Account within the Revenue Fund;

(v) any upfront payments received by the District from the Counterparty at the time of execution and delivery of the Qualified Interest Rate Agreement shall be treated as interest on a Loan and deposited to the credit of the appropriate Account within the Revenue Fund;

(vi) any Termination Payments due from the District shall be payable solely from Excess Clean Water Revenues, Excess Drinking Water Revenues and such other source, as shall be provided for in the applicable Series Resolution; and

(vii) any Termination Payments due from the counterparty shall be treated as interest on a Loan and deposited to the credit of the appropriate Account within the Revenue Fund.

If the District enters into an Interest Rate Agreement that does not satisfy the requirements for a Qualified Interest Rate Agreement (a) the interest rate adjustments or assumptions referred in clause (i) above shall not be made; (ii) any payments required to be made by the District to the Counterparty (including Termination Payments) pursuant to such Interest Rate Agreement must be made only from Excess Clean Water Revenues or Excess Drinking Water Revenues; and (iii) any payments received by the District from the Counterparty pursuant to such hedge agreement shall be treated as interest on a Loan and deposited to the credit of the appropriate Account within the Revenue Fund. The District does not currently have these financing structures or products outstanding.

Variable Interest Rates

The District may issue Variable Rate Bonds under the Master Trust Indenture. Such Bonds may be made subject to the terms set forth in a Supplemental Indenture, related Series Resolution or Bond Order authorizing the issuance of such Bonds. The District does not currently have any Variable Rate Bonds Outstanding.

Liquidity Facilities

The District reserves the right to enter into Liquidity Support Facility arrangements with regard to Bond issues which give the owners of Bonds the right to require purchase thereof in order to secure payment of the purchase price of such Bonds. In connection with any such Liquidity Support Facility, the District may execute and deliver an agreement setting forth the conditions upon which drawings or advances may

be made and the method by which the District will reimburse the Liquidity Provider. Any and all amounts payable by the District to reimburse the Liquidity Provider, other than Bond Fees, together with interest thereon, shall be deemed to constitute the payment of principal of, premium, if any, and interest on such Bonds. Before entering into or obtaining the benefit of any Liquidity Support Facility with respect to any Bonds, the District shall notify each Rating Agency and the Trustee in writing of its intention to execute and deliver such Liquidity Support Facility at least 15 days before the execution and delivery thereof.

Notwithstanding anything in the Indenture Documents to the contrary, (a) any Series Resolution authorizing the execution by the District of a Liquidity Support Facility may include provisions with respect to the application and use of all amounts to be paid thereunder; and (b) no amounts paid under a Liquidity Support Facility shall be part of the pledge and lien granted under the Indenture Documents and no Person shall have any rights with respect to any such amounts so paid except as specifically provided in such Series Resolution. The District does not currently have these financing structures or products outstanding.

Absence of Acceleration Remedy

The remedies available to the holders of Bonds and Notes do not include a right of acceleration in the event of a default under the Master Indenture.

DESCRIPTION OF THE SERIES 2026 BONDS

Purpose and Authority

The Series 2026 Bonds are being issued pursuant to the Act, the Master Indenture and the Series Resolution adopted by the Board of Water and Natural Resources of the State of South Dakota.

Proceeds of the Series 2026 Bonds will be used by the District to make and fund Loans to certain Borrowers as described herein and to pay issuance and certain administrative costs. See "**ESTIMATED SOURCES AND USES OF FUNDS**" herein.

The Series 2026 Bonds will bear interest (computed on the basis of a 360-day year comprised of twelve 30-day months) at the rates and will mature on the dates in the principal amounts set forth on the inside cover page of this Official Statement.

Terms of the Bonds

The Series 2026 Bonds will be dated the date of delivery and will mature on August 1 in the years and amounts and will bear interest from their date payable at the rates set forth on the cover of this Official Statement. Interest will be paid semiannually on each February 1 and August 1, commencing February 1, 2027.

Optional Make-Whole Redemption – Series 2026C Bonds

At the option of the District, the Series 2026C Bonds are subject to redemption prior to their maturity in whole or in part at any time (the selection of maturities and the amount of Series 2026C Bonds of each maturity to be redeemed will be determined by the District in such manner as it may determine) at the Make-Whole Redemption Price. The "Make-Whole Redemption Price" is the greater of:

(i) 100% of the principal amount of the Series 2026C Bonds to be redeemed; or

(ii) the sum of the present values of the remaining scheduled payments of principal and interest to the maturity date of the Series 2026C Bonds, as applicable, to be redeemed (taking into account any mandatory sinking fund redemptions), not including any portion of those payments of interest accrued and

unpaid as of the date on which the Series 2026C Bonds, as applicable, are to be redeemed, discounted to the date on which those Series 2026C Bonds, as applicable, are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (defined below) plus 20 basis points, plus, in each case, accrued and unpaid interest on the Series 2026C Bonds to be redeemed on the redemption date.

"Treasury Rate" means, with respect to any redemption date for any particular Series 2026C Bond, the greater of:

(i) the yield to maturity as of such redemption date of the United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two business days, but not more than 45 calendar days, prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the remaining average life of the Series 2026C Bond to be redeemed (taking into account any mandatory sinking fund redemptions); provided, however, that if the period from the redemption date to maturity is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used; all as will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the District at the District's expense and such determination shall be conclusive and binding on the owners of the Series 2026C Bonds, or

(ii) the rate per annum, expressed as a percentage of the principal amount, equal to the semiannual equivalent yield to maturity or interpolated maturity of the Comparable Treasury Issue (defined below), assuming that the Comparable Treasury Issue is purchased on the redemption date for a price equal to the Comparable Treasury Price (defined below), as calculated by the Designated Investment Banker (defined below).

"Comparable Treasury Issue" means, with respect to any redemption date for a particular Series 2026C Bond, the United States Treasury security or securities selected by the Designated Investment Banker that has an actual maturity or interpolated maturity comparable to the remaining average life of the Series 2026C Bond to be redeemed. If interpolation is utilized, the straight-line method will be applied to such interpolation.

"Comparable Treasury Price" means, with respect to any redemption date for a particular Series 2026C Bond, (i) if the Designated Investment Banker receives at least four Reference Treasury Dealer Quotations (defined below), the average of such quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (ii) if the Designated Investment Banker obtains fewer than four Reference Treasury Dealer Quotations, the average of all such quotations.

"Designated Investment Banker" means one of the Reference Treasury Dealers appointed by the District.

"Reference Treasury Dealer" means each of the four firms, specified by the District from time to time, that are primary United States government securities dealers in the City of New York (each a "Primary Treasury Dealer"); provided, however, that if any of them ceases to be a Primary Treasury Dealer, the District will substitute another Primary Treasury Dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date for a particular Series 2026C Bond, the average, as determined by the Designated Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Designated Investment Banker by such

Reference Treasury Dealer at 3:30 P.M., New York City time, on the second Business Day preceding such redemption date.

Optional Redemption – Series 2026D Bonds

At the option of the District, the Series 2026D Bonds, or portions thereof, maturing on August 1, 2037 and thereafter may be called for redemption and payment prior to maturity on or after August 1, 2036, in whole or in part at any time (selection of maturities and the amount of Bonds of each maturity to be redeemed to be determined by the District in such manner as it may determine), at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the date of redemption.

Mandatory Sinking Fund Installments – Series 2026D Bonds

The Series 2026D Bonds maturing on August 1, 20__ and August 1, 20__, respectively, shall be redeemed prior to maturity at the par value thereof plus accrued interest to the date fixed for redemption (the Bonds to be redeemed to be selected by lot in authorized denominations in such manner as shall be determined by the Trustee), on the first day of August in 20__ and August in 20__, respectively, and on the first day of each August thereafter in the Sinking Fund Installment amounts and in the years set forth below:

Series 2026D Bonds Due August 1, _____

Year	**Amount**
	$
*	

* Final Maturity

Series 2026D Bonds Due August 1, _____

Year	**Amount**
	$
*	

* Final Maturity

Extraordinary Optional Redemption - Series 2026D Bonds

The Internal Revenue Code of 1986 (the "Code") contains certain requirements and conditions for the interest on bonds issued by state and local governments for pooled financing programs, such as the Series 2026D Bonds, to be and remain exempt from federal income taxation. Among those requirements are provisions requiring the redemption of bonds if certain amounts of the bond proceeds are not used for loans within one-year and three-year periods following the issuance of the bonds. In particular, the Code requires the following:

(a) with respect to the one-year period, (i) as of the date of issuance of an issue of bonds, the issuer must reasonably expect that within the one-year period beginning on the date of issuance, at least 30 percent of the net proceeds of the issue will be used directly or indirectly to make or finance loans to ultimate borrowers; and (ii) to the extent that less than 30 percent of the proceeds of the issue are actually used as described in clause (i) the issuer must use an amount of

proceeds equal to the excess of 30 percent of the proceeds over the amount actually used to make loans by the close of such one-year period to redeem outstanding bonds within 90 days after the end of such period.

(b) with respect to the three-year period, (i) as of the date of issuance of an issue of bonds, the issuer must reasonably expect that within the three-year period beginning on the date of issuance, at least 95 percent of the net proceeds of the issue will be used directly or indirectly to make or finance loans to ultimate borrowers; and (ii) to the extent that less than 95 percent of the proceeds of the issue are actually used as described in clause (i) the issuer must use an amount of proceeds equal to the excess of 95 percent of the proceeds over the amount actually used to make loans by the close of such three-year period to redeem outstanding bonds within 90 days after the end of such period.

As of June 30, 2026, the District has approved Clean Water Loans with expected remaining advances to be made in the aggregate amount of $626,650,608, and has approved Drinking Water Loans with expected remaining advances to be made in the aggregate amount of $441,936,243. See "**SOUTH DAKOTA STATE REVOLVING FUNDS – New Loans**" herein. The District anticipates (i) that at least $37,500,000 of the net proceeds of the Series 2026D Bonds issued to finance Clean Water Loans will be disbursed prior to the one-year anniversary date of the issuance of the Series 2026D Bonds (the "One Year Anniversary Date") and that at least $9,000,000 of the net proceeds of the Series 2026D Bonds issued to finance Drinking Water Loans will be disbursed prior to the One Year Anniversary Date, which together represent 30% of the net proceeds of the Series 2026D Bonds, thereby satisfying the one-year requirement, and (ii) that the remaining net proceeds of the Series 2026D Bonds will be disbursed for Clean Water Loan draws and Drinking Water Loan draws during the remainder of the three-year period as required by the Code. In the event either of these expectations is not met, the Series 2026D Bonds are subject to Extraordinary Mandatory Redemption as described below.

The Series 2026D Bonds shall be subject to redemption and payment prior to maturity on February 1, 2028 and February 1, 2030, in such amounts on each such date as are necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Series 2026D Bonds. The redemption price for any redemption shall be 102% of the amortized issue price, plus accrued interest on the principal amount redeemed to the date of redemption. The amortized issue prices and redemption prices for each redemption date are set forth in Appendix G and are expressed as percentages of the principal amount of each maturity of the Series 2026D Bonds.

Selection of Bonds To Be Redeemed

Series 2026 Bonds shall be redeemed only in the principal amount of $5,000 or integral multiples thereof. If less than all of the Series 2026 Bonds are to be redeemed, the particular maturities of Series 2026 Bonds to be redeemed at the option of the District will be determined by the District in its sole discretion.

Notice of Redemption

Thirty days prior to the redemption date, notice of any such redemption shall be given by mail to DTC, as the registered owner. In the event less than all of the Series 2026 Bonds of one maturity are called for redemption, the District shall notify DTC of the particular amount of such maturity to be called for redemption. DTC's practice is to determine the amount to be redeemed from each Participant, and each Participant (as defined under "Book-Entry Only System" below) will then select by lot the ownership interest in such maturity to be redeemed. See "Book-Entry Only System" herein.

Book-Entry Only System

The Depository Trust Company ("DTC"), New York, New York will act as securities depository for the Series 2026 Bonds (the "Bonds"). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered certificate will be issued for each annual maturity of each series of the Series 2026 Bonds, each in the aggregate principal amount of such annual maturity, and will be deposited with DTC. See APPENDIX F for additional information obtained from DTC with respect to DTC's book-entry only system.

TAX MATTERS

Potentially Adverse Tax Legislation

There are or may be pending in the Congress of the United State legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to below or affect the market value of the Series 2026 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Series 2026 Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

Taxable Series 2026C Bonds

Interest on the Series 2026C Bonds, (the "Taxable Series Bonds") is *not* excluded from the gross income of the holders thereof for federal income tax purposes.

The Internal Revenue Code of 1986, as amended (the "Code"), contains a number of provisions relating to the taxation of securities such as the Taxable Series Bonds that may affect the taxation of certain owners, depending on their particular tax situations, including original issue discount, market discount, bond premium, and withholding requirements (which topics are briefly discussed below), as well as determining taxable gain or loss from the sale, exchange, or other disposition of such securities. As regards taxable gain or loss, investors should note that the legal defeasance of any Taxable Series Bonds, if undertaken by the District, may result in a deemed sale or exchange of such Bonds under certain circumstances, and owners of Taxable Series Bonds should consult their tax advisors as to the federal tax consequence of such an event.

Federal Tax Exemption

The Internal Revenue Code of 1986, as amended (the "Code"), contains a number of requirements and restrictions that apply to the Series 2026D Bonds (the Tax-Exempt Series Bonds") from and after the date of issuance of the Tax-Exempt Series Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of Bond proceeds and the facilities financed or refinanced therewith, and certain other matters. The District has covenanted to comply with all requirements of the Code that must be satisfied in order for interest on the Tax-Exempt Series Bonds to be excluded from gross income. Failure to comply with certain of such requirements could cause interest on the Tax-Exempt Series Bonds to become includable in gross income, in some cases retroactively to the date of issuance of the Bonds.

Subject to the condition that the District comply with the above-referenced covenants, in the opinion of Ashurst Perkins Coie US LLP, Chicago, Illinois, bond counsel to the District ("Bond Counsel"), under present law, interest on the Tax-Exempt Series Bonds (as hereinafter defined) is excludible from gross income for federal income tax purposes of the owners thereof and is not includible as an item of tax

preference in computing the federal alternative minimum tax for individuals. Interest on the Tax-Exempt Series Bonds may affect the corporate alternative minimum tax for certain corporations. In rendering its opinion, Bond Counsel will rely upon certifications of the District and certain other parties with respect to certain matters solely within their knowledge relating to the facilities to be financed or refinanced with the Tax-Exempt Series Bonds, the application of the proceeds of the Tax-Exempt Series Bonds, and certain other matters pertinent to the tax exemption of the Tax-Exempt Series Bonds.

Bond Counsel's opinion with respect to the Tax-Exempt Series Bonds is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinion is not a guarantee of a particular result, and is not binding on the Internal Revenue Service or the courts; rather, such opinion represents Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

Ownership of the Tax-Exempt Series Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, (i) corporations subject to the branch profits tax, (ii) financial institutions, (iii) certain insurance companies, (iv) certain Subchapter S corporations, (v) individual recipients of Social Security or Railroad Retirement benefits, and (vi) taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Tax-Exempt Series Bonds should consult their tax advisors as to the applicability of any such collateral consequences.

From time to time, there are Presidential proposals and legislative proposals in Congress that, if enacted into law, could eliminate or reduce the exclusion of the interest on the Tax-Exempt Series Bonds from gross income for federal income tax purposes or that might otherwise adversely affect the benefit of such exclusion or the value or marketability of the Tax-Exempt Series Bonds. No prediction can be made as to whether any such provisions will be enacted as proposed or concerning other future legislation which, if passed, might affect the tax treatment of interest on the Tax-Exempt Series Bonds. Prospective purchasers should consult with their own tax advisors regarding pending or proposed federal income tax legislation.

Tax-Exempt Series Bonds Held by Financial Institutions

Section 265(b) of the Code disallows a portion of the interest deductions of financial institutions based on an institution's holding of tax-exempt obligations. "Qualified tax-exempt obligations" (also known as "bank qualified" bonds) are excluded from these disallowance rules under Section 265(b)(3) of the Code (although Section 291(e) of the Code may disallow 20 percent of such interest deductions).

The Tax-Exempt Series Bonds are not "bank qualified" bonds that are treated as "qualified tax exempt obligations" for purposes of Code Section 265(b)(3).

Market Discount

If a Series 2026 Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity, the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income (even in the case of obligations bearing interest that is excluded from gross income for federal income tax purpose is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. The applicability of the market discount rules may adversely affect the liquidity or secondary market price

of such Bond. Purchaser should consult their own tax advisors regarding the potential implications of market discount with respect to the Series 2026 Bonds.

Bond Premium

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and, in the case of Tax-Exempt Series Bonds, must be amortized by an investor on a constant yield basis over the remaining term of the Bonds, in a manner that takes into account potential call dates and call prices. The amortized bond premium is treated as a reduction in the tax-exempt interest received, and, as bond premium is amortized, it reduces the investor's tax basis in the Taxable Series Bond.

In the case of bond premium on a Taxable Series Bond, the purchaser may *elect* to amortize the bond period over the term of the Taxable Series Bond, in which case the annual amount amortized offsets interest on the Taxable Series Bond, and reduces the purchaser's basis. (An election to amortize bond premium applies to *all* bonds held by the holder on the first day of the taxable year to which the election applies, and to all bonds thereafter acquired by the holder.) If the election to amortize bond premium is not made, the premium is reflected in the holder's basis (without annual reduction) and is taken into account in determining gain or loss upon a subsequent disposition of the Taxable Series Bond.

The rules governing the amortization of bond premium are complex. Investors who purchase a Series 2026 Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

Reporting and Withholding Requirements

Payments of interest on, and proceeds of the sale, redemption or maturity of, obligations (including tax-exempt obligations such as the Tax-Exempt Series Bonds), are in certain cases required to be reported to the Internal Revenue Service. In addition, backup withholding may apply to any such payments to any Series 2026 Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Series 2026 Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest on the Tax-Exempt Series Bonds from gross income for federal tax purposes.

Prospective purchasers of the Series 2026 Bonds should consult their own tax advisors concerning the particular federal, state, local, and foreign tax consequences of their ownership of Series 2026 Bonds.

CONTINUING DISCLOSURE

Introduction

Pursuant to the Continuing Disclosure Agreement described in more detail below, the District will agree to provide to the Municipal Securities Rulemaking Board notice of certain events and certain annual financial information for the State Revolving Fund Program and each "obligated person" within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. In addition to the District, any Borrower for which the unpaid principal amount of Loan Obligations plus the principal amount of undisbursed funds exceeds 20% of the unpaid principal amount of all Loan Obligations under a Program is considered an "Obligated Person" for purposes of disclosure of annual financial and operating data. The District has entered into similar continuing disclosure agreements relating to outstanding Bonds and has complied, in all material respects, with such previous agreements except as described herein.

Previous Compliance

The timing requirements of the District's Continuing Disclosure Agreements for Outstanding Bonds, particularly as they relate to the filing of audited financial statements as well as the disruptions caused by the Covid-19 pandemic and the fact that various parties involved in the Program have different fiscal year periods, has posed some difficulties which have hindered full compliance.

Three Different Fiscal Year Periods Impact the Programs. The District, the federal government (which funds the Programs through Capitalization Grants) and Borrowers who are or may become Obligated Persons for purposes of the Continuing Disclosure Agreement all have different fiscal year periods. The District fiscal year end is currently June 30, the same as that of the State of South Dakota. The federal fiscal year end is September 30 and the fiscal year end of cities in the State of South Dakota (i.e., "Obligated Persons") is December 31.

The District keys its preparation of annual financial and operating data based on the federal government fiscal year end of September 30 in view of the substantial impact of the federal funding of the two Programs through Capitalization Grants and much of that disclosure is derived from and presented in annual reports the District files with the US Environmental Protection Agency (EPA), which reports also contain the District's financial statements. The District prepares such an annual report to EPA for each Program for each federal fiscal year ("Annual EPA Program Reports"). The timing of preparation of annual financial and operating data is further complicated by the fact that any potential Borrower which will be or become an "Obligated Person" under either Program (*e.g.*, cities in the State of South Dakota) will have a fiscal year end of December 31.

The District's prior Continuing Disclosure Agreements previously identified a single date on which all operating data and financial statements would be available for a coordinated filing date, that date being 210 days following the end of the federal Fiscal Year of September 30. While the District had been able to comply with this filing requirement in all material respects during the most recent five years, (a) the Annual Comprehensive Financial Report ("ACFR") and related financial and operating data for the City of Sioux Falls (an obligated person with respect to the Clean Water Program) and the City of Yankton (an obligated person with respect to the Drinking Water Program until 2022) were not filed within the 270 day period following December 31, 2020 and the 2021 and 2023 Annual Reports to the US Environmental Protection Agency for the South Dakota Drinking Water and Clean Water Programs were not timely filed with EMMA within the 210 day period following September 30, 2021 and September 30, 2023, respectively although (i) such reports were timely posted on the South Dakota Board of Water and Natural Resources website (South Dakota Water and Waste Funding (sd.gov)) and (ii) and all other required District financial and operating data, including the audited financial statements, were timely filed on EMMA in the past 5 years with the exception that the District's financial statements were filed two months late for the year ended June 30, 2021. The 2021 and 2023 Annual EPA Reports for the South Dakota Drinking Water and Clean Water Programs were posted to EMMA as of July 31, 2024, and the 2024 Annual EPA Program Report was posted to EMMA on October 27, 2025.

Obligated Person Continuing Disclosure Undertakings. In addition to the District's undertaking to file certain information and financial statements of "Obligated Persons" under either Program, the City of Sioux Falls (currently an Obligated Person with respect to the Clean Water Program) has issued municipal obligations directly without the involvement of the District and, in connection therewith, have independently agreed with underwriters as to certain continuing disclosure of financial statements and financial and operating information. To the District's knowledge, the City of Sioux Falls has timely filed its financial statements and financial and operating data required by its separate undertakings with underwriters entered into by the City.

Continuing Disclosure Agreement for the Series 2026 Bonds

The Continuing Disclosure Agreement for the Series 2026 Bonds will specify that any ACFR for Obligated Persons shall be filed within 270 days of the end of the fiscal year of such Obligated Person in order to better synchronize the required filing date with the regular preparation and publication of financial statements for any Obligated Person. Thus, in the case of the City of Sioux Falls, South Dakota (a current Obligated Person with respect to the Clean Water Program), their ACFRs are required to be filed with EMMA within 270 days of the related fiscal year ended December 31, or approximately on September 26 of the following year.

As noted above, the "Obligated Persons" under the Continuing Disclosure Agreement will be the District and each Borrower for which the unpaid principal amount of Loan Obligations plus the principal amount of undisbursed funds exceeds 20% of the unpaid principal amount of outstanding Loan Obligations under the Clean Water Program or Drinking Water Program. At present there are no Obligated Persons for the Clean Water Program other than the District and the City of Sioux Falls. Certain information relating to the City of Sioux Falls is set forth or referenced in Appendix C. At present there are no Obligated Persons for the Drinking Water Program other than the District.

The form of Continuing Disclosure Agreement is set forth in Appendix E. Reference is made to Appendix E for a description of the information to be provided, the rights of the beneficial owners of Series 2026 Bonds and the conditions for amendment of the Agreement.

RATINGS

Moody's Investors Service Inc. and S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, have assigned ratings of Aaa and AAA, respectively, to the Series 2026 Bonds. The ratings reflect only the views of such rating agencies, and an explanation of the significance of such ratings may be obtained only from such rating agencies. Generally, rating agencies base their ratings on the information and materials furnished to them and on investigation, studies and assumptions by the rating agencies. A security's rating is not a recommendation to buy, sell or hold securities. The rating of the Series 2026 Bonds represents a judgment as to the likelihood of a timely payment of the Series 2026 Bonds according to their terms, but does not address the likelihood of redemption or acceleration prior to maturity. There is no assurance that either rating will remain in effect for any given period of time or that it may not be lowered, suspended or withdrawn entirely if, in the judgment of the rating agency, circumstances to warrant. Any such downward change in or suspension or withdrawal of such rating may have an adverse effect on the market price and marketability of the Series 2026 Bonds.

ABSENCE OF LITIGATION

There is no controversy or litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Series 2026 Bonds, or prohibiting the District from making Loans to Borrowers or purchasing Loan Obligations with the proceeds of the Series 2026 Bonds, or in any way contesting or affecting the validity of any Series 2026 Bonds or any proceedings of the District taken with respect to the issuance or sale thereof, or the pledge or application of any moneys or security provided for the payment of the Series 2026 Bonds or the existence or necessary powers of the District.

LEGAL MATTERS

The Series 2026 Bonds offered hereby are subject to the approving legal opinion of Ashurst Perkins Coie US LLP, Chicago, Illinois, as Bond Counsel to the District. The opinion of Bond Counsel will be in substantially the form attached to this Official Statement as Appendix D. The District and the Board have

been represented in connection with the Series 2026 Bonds and the Programs by the office of the Attorney General of South Dakota.

FINANCIAL ADVISOR

The District has retained PFM Financial Advisors LLC of Minneapolis, Minnesota, as financial advisor (the "Financial Advisor") in connection with the issuance of the Series 2026 Bonds. The Financial Advisor is not a public accounting firm and has not been engaged by the District to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Financial Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Series 2026 Bonds.

UNDERWRITING

The Series 2026C Bonds offered hereby are being purchased from the District by _____, for itself and as representative of the underwriters (the "Series 2026C Underwriters") at a price of $_____, which purchase price reflects a net original premium of $_____ and an Underwriters' discount of $_____. The Series 2026D Bonds offered hereby are being purchased from the District by _____ for itself and as representative of the Underwriters (the "Series 2026D Underwriters") at a price of $_____, which purchase price reflects a net original issue premium of $_____ and an Underwriters' discount of $_____. The Bond Purchase Agreements provides that each of the Underwriters shall purchase all of the respective series of Series 2026 Bonds offered hereby if any are purchased, and that the obligation to make such purchase is subject to the approval of certain legal matters by Bond Counsel and certain other conditions. The initial public offering price may be changed from time to time by the Underwriters.

MISCELLANEOUS

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for purposes of, and as that term is defined in, SEC rule 15c2-12.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District or the purchasers or holders of any of the Series 2026 Bonds.

SOUTH DAKOTA CONSERVANCY DISTRICT

By: _____
Chairman

APPENDIX A

SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE

The following includes a brief summary of certain provisions of the Master Indenture and the Tri-Party Agreement, and is not to be considered as a full statement of the provisions of the Master Indenture or the Tri-Party Agreement. The summary is qualified by reference to and is subject to the complete Master Indenture, the Tri-Party Agreement, the Series Resolution authorizing the Series 2026 Bonds and all prior Series Resolutions with respect to any Bonds Outstanding, copies of which may be examined at the offices of the District.

Selected Definitions

The following words and terms as used in this Official Statement shall have the following meanings unless the context or use indicates another or different meaning or intent:

"Account" or "Accounts" means one or more of the special accounts or subaccounts created and established within any Fund hereunder pursuant to any Series Resolution or otherwise in accordance with the provisions of the Master Indenture.

"Act" means SDCL Chapters 46A-1 and 46A-2, as amended from time to time together with the administrative rules promulgated thereunder and then in effect.

"Adjusted Leveraged Portion" with respect to a series of Bonds or Notes means, on and after the Transfer Date for such series of Bonds or Notes, a fraction the numerator of which is the sum of (A) all proceeds of such series deposited to the Leveraged Loan Account plus (B) all proceeds of such series later transferred from the Bond Proceeds Account to the Leveraged Loan Account and the denominator of which is the sum of all proceeds of such series initially deposited to the Bond Proceeds Account, the Leveraged Loan Account and the State Match Loan Account.

"Adjusted State Match Portion" with respect to a series of Bonds or Notes means, on and after the Transfer Date for such series of Bonds or Notes, a fraction the numerator of which is the sum of (A) all proceeds of such series deposited to the State Match Loan Account plus (B) all proceeds of such series later transferred from the Bond Proceeds Account to the State Match Loan Account and the denominator of which is the sum of all proceeds of such series initially deposited to the Bond Proceeds Account, the Leveraged Loan Account and the State Match Loan Account.

"Adjusted Projected Revenues" means, as of the date of a Coverage Certificate submitted by the District to the Trustee in connection with a request under the Master Indenture (i) the scheduled principal and interest payments on all Loan Obligations for a Program held by the Trustee or required to be delivered to the Trustee pursuant to a Loan Agreement, except payments of principal and interest on Loan Obligations or other assets which (A) are then in default in the payment of principal or interest, (B) failed to meet the Credit Standard in effect at the time the Loan Obligations were acquired and, if a revenue obligation payable from net revenues of a utility, also failed to meet the coverage requirement of the applicable Credit Standard during both of the last two complete fiscal years or (C) are proposed as Released Obligations under the Master Indenture or proposed to be prepaid under Section 6.08(b) of the Master Indenture, and (ii) the principal and interest which the District reasonably estimates will be received on Loan Obligations and investments of all other amounts then held or expected to be deposited in any Fund or Account for such Program under the Master Indenture (unless and to the extent that such earnings would be derived from Released Obligations under of the Master Indenture), including amounts which are reasonably expected to be drawn under the Letter of Credit for such Program.

"Administration Funds" means the Clean Water Administration Fund and the Drinking Water Administration Fund.

"Administrative Expense Surcharge" means a surcharge on each Loan charged by the District to each Borrower, which may be payable by the Borrower on the same dates that payments of interest on its Loan are due but which will not constitute principal of or interest on the Loan, which surcharge shall be deposited and applied as provided in the Master Indenture.

"Allocable Portion" with respect to any Series of Bonds or Notes, means the respective percentages of the aggregate principal amount of such Series of Bonds or Notes issued to finance Clean Water Loans or Drinking Water Loans.

"Amortized Value" means, when used with respect to securities purchased at a premium above or a discount below par, the value as of any given date obtained by dividing the total amount of the premium or the discount at which such securities were purchased by the number of days remaining to the first call date (if purchased at a premium) or the maturity date (if purchased at a discount) of such securities at the time of such purchase and by multiplying the amount so calculated by the number of days having passed from the date of such purchase; and (i) in the case of securities purchased at a premium, by deducting the product thus obtained from the purchase price and (ii) in the case of securities purchased at a discount, by adding the product thus obtained to the purchase price.

"Annual Prepayment Amount" shall mean, for each Program, the greater of (a) $5,000,000 or (b) 5% of the unpaid principal amount of Loan Obligations as of the most recent August 1.

"Applicable EPA Agreement" means any and all capitalization grant agreements, operating agreements, and other agreements between the District or the Department and the EPA relating to a specific Program and the use of moneys governed by such agreements.

"ARRA" means the American Recovery and Reinvestment Act of 2009, as hereafter amended or supplemented.

"Assumed Amortization Period" means the period of time specified in paragraph (a) or paragraph (b) below, as selected by an Authorized Representative of the District in connection with a Coverage Certificate:

(a) Five (5) years; or

(b) The period of time, exceeding five (5) years, set forth in a written opinion of the Financial Advisor as being not longer than the maximum period of time over which indebtedness having comparable terms and security issued or incurred by similar issuers of comparable credit standing would, if then being offered, be marketable on reasonable and customary terms.

"Assumed Interest Rate" means the rate per annum (determined as of the last day of the calendar month next preceding the month in which the determination of Assumed Interest Rate is being made) set forth in a written opinion of the Financial Advisor as being not lower than the lowest rate of interest at which indebtedness having comparable terms, security and federal income tax status amortized on a level debt service basis over a period of time equal to the Assumed Amortization Period, and issued or incurred by similar issuers of comparable credit standing would, if being offered as of such last day of the calendar month, be marketable on reasonable and customary terms; provided that such rate shall be neither (a) lower than the rate specified as a nationally recognized index plus fifty basis points as in effect on the date of such opinion, and matched to each maturity allowed for under the Assumed Amortization Period, nor (b) higher than the highest rate permitted by law at which such Bonds could be sold on said day.

“Authorized Denominations” when used with respect to the Series 2026 Bonds, means $5,000 and any integral multiple of $5,000.

“Authorized Representative” means the Chairman of the District, the Secretary of the Department or any other officer expressly authorized by the Board of Water and Natural Resources to act on behalf of the District with respect to the Bonds, the Notes or the Master Indenture.

"Balloon Bonds" means any Bonds (other than capital appreciation bonds) (a) 25% or more of the principal payments of which are due in a single year, excluding any such principal payments that are subject to mandatory sinking fund requirements in a prior year, or (b) 25% or more of the principal of which may, at the option of the Holder or Holders thereof, be redeemed or tendered at one time.

“BIL” means the Infrastructure Investment and Jobs Act of 2021 more commonly referred to as the Bipartisan Infrastructure Law, as hereafter amended or supplemented.

“Board of Water and Natural Resources” means the Board of Water and Natural Resources created pursuant to SDCL §51-41-11 or any other board or public entity which succeeds to the powers, duties or functions of the Board of Water and Natural Resources with respect to the Program, the Bonds and the Notes.

“Bond” or “Bonds” means all Outstanding Bonds of the District issued pursuant to a Series Resolution, the Act and the Master Indenture.

“Bond Anticipation Notes” means any series of notes issued and Outstanding under the Master Indenture and which the Series Resolution identifies the principal thereof as being payable principally out of the proceeds of a future Series of Bonds.

“Bond Counsel” means any attorney or firm of attorneys of recognized standing in the field of municipal law, duly admitted to the practice of law before the highest court of any state of the United States of America, appointed from time to time by the Board of Water and Natural Resources with respect to the District.

“Bond Fees” means all fees and charges incurred by the District relating to the issuance, tender or remarketing of Variable Rate Bonds or the provision of liquidity in connection with Variable Rate Bonds, including, without limitation, the fees, costs, expenses, premiums and charges (but excluding costs of issuance) of any Rating Agency, remarketing agent, tender agent, liquidity provider or other party in connection with Variable Rate Bonds.

“Bond Funds” means the Clean Water Bond Fund and the Drinking Water Bond Fund.

“Bondholder” or “Holder” or “Holders of Bonds” or “Owner” or similar term when used with respect to a Bond or Bonds, means any person who shall be the registered owner of any Outstanding Bond.

“Bond Order” means either (a) a supplemental indenture or (b) a certificate authorized by a Series Resolution to be executed and delivered by two Authorized Representatives of the District for the purposes of determining final terms, conditions or other details with respect to a Series of Bonds or Notes and related matters. An executed counterpart of any Bond Order shall be filed in the official records of the District.

“Bond Payment Date” means any date on which principal or interest or Redemption Price is due and payable on any Bonds or Notes.

"Bond Proceeds Accounts" means the Bond Proceeds Accounts established within the Loan Funds with respect to the proceeds of a specific series of Bonds or Notes.

"Bond Year" means the period beginning on August 2 of any year through August 1, of the succeeding year, provided that the first Bond Year for any Series of Bonds or Notes shall commence on the date of original issuance of a Series of Bonds or Notes and extend through the next August 1.

"Borrower" means a Political Subdivision, any other owner of a public water supply system, state agency, instrumentality, or other person who is eligible to receive loan assistance from the District under a Program.

"Clean Water Act" means the Federal Clean Water Act, more commonly known as the Clean Water Act (PL 92-500), as amended by the Water Quality Act of 1987 (PL 100-4), 33 U.S.C. 1251, et seq., any subsequent amendments thereto and any other applicable statutes governing any Program funded under the Master Indenture, and includes the State Revolving Fund Program Implementation Regulations, any amendments thereof issued pursuant thereto and any other applicable regulations.

"Clean Water Administration Fund" means the Clean Water Administration Fund established under the Master Indenture and described in Section 5.03 of the Master Indenture.

"Clean Water Bond Fund" means the Clean Water Bond Fund established under the Master Indenture.

"Clean Water Letter of Credit" means the Letter of Credit or any other funding arrangement for capitalization grants by the United States of America pursuant to the Clean Water Act for the benefit of the State of South Dakota.

"Clean Water Loan" means any loan made by the District to a Borrower as part of the Clean Water Program and evidenced by a Loan Agreement.

"Clean Water Loan Fund" means the Clean Water Loan Fund established under the Master Indenture.

"Clean Water Portion" means all of the principal and interest on the Outstanding Reserve Fund Secured Bonds issued under the Original Clean Water Indenture and the Allocable Portion of the principal and interest on other Bonds or Notes of a Series equal to a portion of the proceeds deposited into the Clean Water Fund in accordance with Section 4.01 of the Master Indenture, including, without limitation, any amounts required to be paid with respect to Qualified Interest Rate Agreements.

"Clean Water Program" means the District's Clean Water State Revolving Fund Program under the Clean Water Act and the Act.

"Clean Water Program Subfund" means the State Revolving Fund established under the Master Indenture in accordance with the Clean Water Act and the Act.

"Clean Water Reimbursement Obligation" means the obligation of the District under Section 5.13 of the Master Indenture to reimburse the Clean Water Program Subfund for any amounts transferred to the Drinking Water Bond Fund pursuant to Section 5.04(d)(1)(iii) or (e)(1)(v) of the Master Indenture, as applicable, to pay the Drinking Water Portion of principal and interest on Bonds when due.

"Clean Water Reserve Fund" means the Clean Water Reserve Fund established under the Master Indenture.

"Clean Water Revenue Fund" means the Clean Water Revenue Fund established under the Master Indenture.

"Clean Water State Match Portion" means, with respect to the Clean Water Portion of any principal or interest on any Bonds or Notes, the portion of such principal or interest of a Series of Bonds or Notes equal to a portion of the proceeds deposited into the Clean Water Fund in accordance with Section 4.01 of the Master Indenture.

"Clean Water State Match Reserve Requirement" shall have the meaning assigned in any Series Resolution, except that for Reserve Fund Secured Bonds it shall mean the largest amount of the State Match Portion of the Clean Water Portion of principal (including Sinking Fund Installments) and interest in the then current or any succeeding calendar year on all Reserve Fund Secured Bonds (or the relevant portion of debt service on all Reserve Fund Secured Bonds) which are secured by a lien on or pledge of amounts on deposit in the State Match Reserve Account or the Unrestricted Reserve Account of the Clean Water Reserve Fund and are Outstanding under the Master Indenture.

"Clean Water Total Reserve Requirement" shall have the meaning assigned in any Series Resolution, except that for Reserve Fund Secured Bonds it shall mean the largest amount of the Clean Water Portion of principal (including Sinking Fund Installments) and interest in the then current or any succeeding calendar year on all Reserve Fund Secured Bonds (or the relevant portion of debt service on Bonds) which are secured by a lien on or pledge of amounts on deposit in the Clean Water Reserve Fund and are Outstanding under the Master Indenture.

"Code" means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder or officially proposed to be promulgated thereunder.

"Costs of Issuance" means any and all items of expense payable or reimbursable directly or indirectly by the District and related to the authorization, sale and issuance of Bonds or Notes, which items of expense shall include but not be limited to printing costs, costs of reproducing documents, filing and recording fees, initial fees and charges of the Trustee, initial letter of credit fees, surety obligation fees or other similar fees, municipal bond insurance premiums or the costs of providing any Credit Enhancement, and initial costs or payments with respect to the entering into of any Interest Rate Agreement, legal fees and charges, professional consultants' fees, costs of credit ratings, fees and charges for execution, transportation and safekeeping of Bonds or Notes, underwriter discount or placement fees, and other costs, charges and fees in connection with the original issuance of Bonds or Notes.

"Counterparty" means any counterparty with which the District enters into an Interest Rate Agreement.

"Counterparty Payment" means a payment due to a Counterparty from the District pursuant to an Interest Rate Agreement (including, but not limited to, Termination Payments).

"Coverage Certificate" means a projection prepared by or on behalf of the District showing schedules of the Projected Revenue and of the principal and interest payments on the Bonds at the time Outstanding and to be issued. Such Coverage Certificate may be prepared by or on behalf of the District, signed by an Authorized Representative and filed with the Trustee.

"Credit Enhancement" means any municipal bond insurance, letter of credit, surety obligation or bond purchase agreement (or any combination thereof) issued to secure the prompt payment of the principal of and interest on any Series of Bonds or Notes.

"Credit Enhancement Provider" means any issuer or other obligor with respect to any Credit Enhancement.

"Credit Standard" means the credit criteria established from time to time by the Board of Water and Natural Resources for the making of Loans by the District from the Leveraged Loan Account, the State Match Loan Account or the Federally Capitalized Loan Account of either Loan Fund.

"Default" means any failure to perform any term or condition of the Master Indenture which, after notice or the passage of time, may become an Event of Default.

"Defeasance Obligations" means direct obligations of the United States of America or, if permitted by the Act, any other Investment Obligation described in clause (a) of the definition of "Investment Obligations" in the Master Indenture.

"Department" means the Department of Agriculture and Natural Resources of the State of South Dakota or such other agency or department which succeeds to the powers, duties or functions of the Department of Agriculture and Natural Resources with respect to a Program.

"Depository" means the Prior Trustee and any other bank, trust company, national banking association or savings institution selected by the District and approved by the Trustee and qualified under all applicable laws as a depository of moneys and securities held under the provisions of the Master Indenture, and its successor or successors.

"District" means the South Dakota Conservancy District, a governmental agency, body politic and corporate constituted as an instrumentality of the State of South Dakota exercising public and essential governmental functions and created by the Act, or any body, agency or instrumentality of the State of South Dakota which shall hereafter succeed to the powers, duties or functions of the District.

"District Request" means the written request of the District signed by an Authorized Representative.

"Drinking Water Act" means Chapter 6A of the Public Health Service Act, 42 U.S.C. §§300f through 300j-26, more commonly known as the Safe Drinking Water Act, any subsequent amendments thereto and any other applicable statutes governing any Program funded under the Master Indenture, any amendments thereof and all applicable regulations.

"Drinking Water Administration Fund" means the Drinking Water Administration Fund established under the Master Indenture.

"Drinking Water Bond Fund" means the Drinking Water Bond Fund established under the Master Indenture.

"Drinking Water Letter of Credit" means the Letter of Credit or any other funding arrangement for capitalization grants by the United States of America pursuant to the Drinking Water Act for the benefit of the State of South Dakota.

"Drinking Water Loan" means any loan made by the District to a Borrower as part of the Drinking Water Program and evidenced by a Loan Agreement.

"Drinking Water Loan Fund" means the Drinking Water Loan Fund established under the Master Indenture.

"Drinking Water Portion" means all of the principal and interest on the Outstanding Reserve Fund Secured Bonds under the Original Drinking Water Indenture and the Allocable Portion of principal and interest on Bonds or Notes of a Series equal to a portion of the proceeds deposited into the Drinking Water Fund in accordance with Section 4.01 of the Master Indenture, including, without limitation, any amounts required to be paid with respect to Qualified Interest Rule Agreements.

"Drinking Water Program" means the District's Drinking Water State Revolving Fund Program under the Drinking Water Act and the Act.

"Drinking Water Program Subfund" means the State Revolving Fund established under Article V of the Master Indenture in accordance with the Drinking Water Act and the Act.

"Drinking Water Reimbursement Obligation" means the obligation of the District under Section 5.16 of the Master Indenture to reimburse the Drinking Water Program Subfund for any amounts transferred to the Clean Water Bond Fund pursuant to Section 5.04(h)(1)(iii) or (i)(1)(v) of the Master Indenture, as applicable, to pay the Clean Water Portion of principal and interest on Bonds or Notes when due.

"Drinking Water Reserve Fund" means the Drinking Water Reserve Fund established under the Master Indenture.

"Drinking Water Revenue Fund" means the Drinking Water Revenue Fund established under the Master Indenture.

"Drinking Water State Match Portion" means, with respect to the Drinking Water Portion of any principal or interest on any Bonds or Notes, the portion of such principal or interest of a Series of Bonds or Notes equal to a portion of the proceeds deposited into the Drinking Water Fund in accordance with Section 4.01 of the Master Indenture.

"Drinking Water State Match Reserve Requirement" shall have the meaning assigned in any Series Resolution, except that for all Reserve Fund Secured Bonds it shall mean the largest amount of the Drinking Water State Match Portion of principal (including Sinking Fund Installments) and interest in the then current or any succeeding calendar year on all Reserve Fund Secured Bonds (or the relevant portion of debt service on all Reserve Fund Secured Bonds) which are secured by a lien on or pledge of amounts on deposit in the State Match Reserve Account or the Unrestricted Reserve Account of the Drinking Water Reserve Fund and are Outstanding under the Master Indenture.

"Drinking Water Total Reserve Requirement" shall have the meaning assigned in any Series Resolution, except that for all Reserve Fund Secured Bonds it shall mean the largest amount of the Drinking Water Portion of Principal (including Sinking Fund Installments) and interest in the then current or any succeeding calendar year on all Reserve Fund Secured Bonds (or the relevant portion of debt service on all Reserve Fund Secured Bonds) which are secured by a lien on or pledge of amounts on deposit in the Drinking Water Reserve Fund and are Outstanding under the Master Indenture.

"EPA" means the Environmental Protection Agency, an agency of the United States of America, and any successor to its functions under the Drinking Water Act or Clean Water Act, or any other agency of the United States of America having jurisdiction with respect to the funding of Loans for the Programs.

"Event of Default" means any of those events defined as Events of Default in the Master Indenture.

"Excess Clean Water Revenues" means Excess Clean Water Restricted Revenues and Excess Clean Water Unrestricted Revenues.

"Excess Clean Water Restricted Revenues" means any amount from time to time on deposit in the Restricted Cumulative Excess Principal Repayments Subaccount of the Restricted Principal Repayments Account of the Clean Water Revenue Fund.

"Excess Clean Water Unrestricted Revenues" means any amount from time to time on deposit in the Unrestricted Cumulative Excess Interest Repayments Subaccount of the Unrestricted Interest Repayments Account of the Clean Water Revenue Fund, together with any investment income earned on amounts on deposit in the various Clean Water Funds and Accounts under the Master Indenture which are not required to be maintained therein or otherwise transferred pursuant to the terms of the Master Indenture.

"Excess Drinking Water Revenues" means Excess Drinking Water Restricted Revenues and Excess Drinking Water Unrestricted Revenues.

"Excess Drinking Water Restricted Revenues" means any amount from time to time on deposit in the Restricted Cumulative Excess Principal Repayments Subaccount of the Restricted Principal Repayments Account.

"Excess Drinking Water Unrestricted Revenues" means any amount from time to time on deposit in the Unrestricted Cumulative Excess Interest Repayments Subaccount of the Unrestricted Interest Repayments Account of the Drinking Water Revenue Fund, together with any investment income earned on amounts on deposit in the various Drinking Water Funds and Accounts under the Master Indenture which are not required to be maintained therein or otherwise transferred pursuant to the terms of the Master Indenture.

"Excess Revenues" means Excess Clean Water Revenues and Excess Drinking Water Revenues.

"Federally Capitalized Loan Accounts" means the Account of the Loan Funds so designated in the Master Indenture.

"Financial Advisor" means PFM Financial Advisors LLC or any other firm or person (other than an employee or member of the District) with demonstrated expertise in matters of public finance, designated or engaged by the District to serve as its financial advisor with regard to (among other things) the structuring and sale of the District's debt obligations.

"Fund" or "Funds" means one or more of the special trust funds created and established under the Master Indenture.

"General Limitation" means the limitation described in Section 5.11 of the Master Indenture, as now or hereafter revised or clarified.

"Initial Leveraged Portion" means, with respect to any principal or interest on any series of Bonds or Notes, the initial portion of such principal or interest determined in accordance with Section 4.01 of the Master Trust Indenture as the Leveraged Portion with respect to such series of Bonds or Notes.

"Initial State Match Portion" means, with respect to any principal or interest on any Series of Bonds or Notes, the initial portion of such principal or interest determined in accordance with Section 4.01 of the Master Trust Indenture as the State Match Portion with respect to such Series of Bonds or Notes.

"Interest Rate Agreements" means any contract that the District determines necessary or appropriate to manage payment or interest rate risk for bonds issued under the Act, the investment of proceeds, or other funds of the District, including interest rate exchange agreements; contracts providing

for payment or receipt of funds based on levels of or changes in interest rates; contracts to exchange cash flows or series of payments; or contracts incorporating interest rate caps, collars, floors, or locks.

"Investment Obligations" means and includes any of the following, if and to the extent the same are authorized as permitted investments for the District's moneys in the Funds and Accounts created and maintained under the Master Indenture:

(a) Direct obligations of, or obligations the prompt payment of principal and interest on which are fully guaranteed by, the United States of America; or

(b) Bonds, debentures, notes or other evidences of indebtedness issued or fully insured or guaranteed by any agency or instrumentality of the United States of America which is backed by the full faith and credit of the United States of America; or

(c) Interest-bearing time or demand deposits, certificates of deposit or other similar banking arrangements with any Depository (including the Trustee), provided that such deposits, certificates and other arrangements are fully insured by the Federal Deposit Insurance Corporation or secured by obligations described in clauses (a) or (b) of this definition, or a combination thereof; or

(d) Money market funds or similar funds which invest exclusively in obligations described in clauses (a), (b), (e) or (f) of this definition, or a combination thereof; or

(e) Bonds, debentures, notes or other evidences of indebtedness issued by any state of the United States of America or any political subdivision thereof or any public authority or body or instrumentality therein which constitute obligations described in Section 103(a) of the Code and which are assigned a long-term rating by the Rating Agency which is no lower than the long-term rating assigned by the Rating Agency to the Outstanding Bonds (without taking into account any higher rating assigned to the Bonds by virtue of Credit Enhancement); or

(f) Any repurchase agreement or similar financial transaction with a national banking association or a bank or trust company organized under the laws of any state (including the Trustee), or with a government bond dealer reporting to, trading with and recognized as a primary dealer by the Federal Reserve Bank of New York, which agreement satisfies the following requirements: (1) it is secured, in the opinion of counsel, by a perfected security interest in any one or more of the securities described in clause (a) or (b); (2) provides that the collateral must be valued at least weekly and must be maintained at a value of at least 103% of the amount invested plus accrued interest (with a no more than one-week cure period, if the value of collateral falls below this amount); (3) is entered into with a primary reporting dealer that reports to the Federal Reserve Bank of New York or one of the 100 largest United States commercial banks, as measured by domestic deposits; and (4) the securities which are the subject of the repurchase agreement must be held by the Trustee or by an agent or custodian on its behalf, provided that the requirements of clauses (3) and (4) shall apply only if and to the extent that South Dakota law so requires; or

(g) Any investment agreement, guaranteed investment contract or similar debt obligation which in the opinion of counsel is permitted by South Dakota law and the issuer or guarantor of such obligation is assigned, or such agreement, contract or obligation is assigned, the highest short-term debt rating by the Rating Agency or which is assigned a long-term rating by the Rating Agency which is no lower than the two highest long-term rating categories (without regard to numeric or other modifiers) at the time such investment

is acquired or which agreement is approved by each Rating Agency then rating Outstanding Bonds as of the date the agreement is entered into by the District; or

(h) the South Dakota Cash Flow Fund provided the District determines that such fund invests solely in investments authorized by SDCL 4-5-26 or other investments which the District is authorized to acquire and hold.

"Letter of Credit" means the instrument or procedure by which the United States of America or any agency thereof provides for payment of moneys authorized under or pursuant to applicable law for capitalization grants for the Programs and shall include draws under the letter of credit or such other instrument or procedure known as the EPA Automated Clearing House (EPA-ACH) payment system.

"Leveraged Bond Accounts" means the Accounts of the Bond Funds so designated as described in the Master Indenture.

"Leveraged Loan Accounts" means the Accounts of the Loan Funds so designated as described in the Master Indenture.

"Leveraged Note Accounts" means the Accounts of the Bond Funds so designated in the Master Indenture.

"Leveraged Portion" means, with respect to any principal or interest on any Bonds or Notes, the portion of such principal or interest determined in accordance with Section 4.01 of the Master Indenture, including, if applicable, the Adjusted Leveraged Portion.

"Liquidity Facility" means the obligation of a Liquidity Provider to provide funds for the purpose of purchasing tendered Bonds or Notes, which Liquidity Facility may be in the form of a line of credit, bond purchase agreement or letter of credit.

"Liquidity Provider" means one or more commercial banks, trust companies or financial institutions obligated with respect to a Liquidity Facility.

"Loan" means a loan of funds to a Borrower in accordance with Section 4.03 together with any Supplemental Loan designated under Section 4.04 of the Master Indenture.

"Loan Agreement" means any loan agreement between the District and a Borrower relating to a loan of moneys from a Loan Fund or Revenue Fund under the Master Indenture, a Supplemental Loan designated under Section 4.04 or otherwise described and pledged in a Series Resolution; provided, such term shall not include any loan agreements which relate to any Released Obligations.

"Loan Funds" means the Clean Water Loan Fund and the Drinking Water Loan Fund.

"Loan Obligation" or "Loan Obligations" means any evidence of indebtedness or other obligation to repay a Loan pursuant to a Loan Agreement, which is issued by a Borrower and payable from taxes, non-ad valorem sales taxes, or from rates, revenues, charges or assessments, or distributions of revenue pursuant to a state appropriation or statutory or constitutional provision, or payable from a pledge of property or other amounts; provided, however, the terms "Loan Obligation" and "Loan Obligations" shall not include any Released Obligations or any portion of a Supplemental Loan which is canceled or forgiven pursuant to the Master Indenture.

"Mandatory Transfer", with respect to a series of Bonds or Notes, shall have the meaning given thereto by Section 4.01(b) of the Master Indenture.

"Note" or "Notes" means any Outstanding Notes of the District issued pursuant to a Series Resolution, the Act and the Master Indenture.

"Noteholder" or "Holder of Notes" or "Owner of Notes" or similar term when used with respect to a Note or Notes, means any person who shall be the registered owner of any Outstanding Note.

"Optional Transfer Conditions" means the conditions precedent to transfer of the proceeds of a series of Bonds or Notes as established pursuant to Section 4.01(b) of the Master Indenture.

"Original Amended and Restated Indenture" shall have the meaning given to such term in the preamble clauses of the Master Indenture.

"Original Clean Water Indenture" shall have the meaning given to such term in the preamble clauses of the Master Indenture.

"Original Drinking Water Indenture" shall have the meaning given to such term in the preamble clauses of the Master Indenture.

"Original Master Trust Indenture" shall have the meaning given to such term in the preamble clauses of the Master Indenture.

"Outstanding" means, when used with respect to Bonds or Notes, as of any date, all Bonds or Notes theretofore authenticated and delivered under the Master Indenture except:

(a) any Bond or Note cancelled or delivered to the Trustee for cancellation on or before such date;

(b) any Bond or Note (or any portion of any Bond or Note) (i) for the payment or redemption of which there shall be held in trust under the Master Indenture and set aside for such payment or redemption, moneys and/or Defeasance Obligations maturing or redeemable at the option of the holder thereof not later than such maturity or redemption date, which, together with income to be earned on such Defeasance Obligations prior to such maturity or redemption date, will be sufficient to pay the principal or Redemption Price thereof, as the case may be, together with interest thereon to the date of maturity or redemption, and (ii) in the case of any Bond or Note (or any portion of any Bonds or Notes) to be redeemed prior to maturity, notice of the redemption of which shall have been given in accordance with Article III of the Master Indenture or provided for in a manner satisfactory to the Trustee;

(c) any Bond or Note in lieu of or exchange for which another Bond or Note shall have been authenticated and delivered pursuant to Article II of the Master Indenture.

"Political Subdivision" means any "public entity" as defined in §46A-2-4, SDCL, or any successor statutory provision, including without limitation, a county, township, municipality, political or administrative subdivision of State government, irrigation district, water user district, sanitary district, water project district, watershed district, water development district, or any other public body recognized by State law.

"Program" means any program now or hereafter described in the Act pursuant to which the Board of Water and Natural Resources makes loans to Political Subdivisions or other Borrowers for various environmental or infrastructure purposes, including projects or purposes authorized by the Clean Water Act or Drinking Water Act.

"Prior Trustee" means The First National Bank in Sioux Falls.

"Projected Clean Water Revenue" as of the date of a Coverage Certificate means (i) the scheduled principal and interest payments on all Clean Water Loans held by the Trustee or required to be delivered to the Trustee pursuant to a Loan Agreement, except payments of principal and interest on Clean Water Loans which either (A) are then in default in the payment of principal or interest, or (B) failed to meet the Credit Standard in effect at the time the Clean Water Loans were acquired and, if a revenue obligation payable from net revenues of a Borrower, also failed to meet the coverage requirement of the applicable Credit Standard during both of the last two complete fiscal years, and (ii) all other amounts (excluding the required balances in the Reserve Funds) which an Authorized Representative of the District estimates will be received on Loan Obligations and investments of amounts then held or expected to be deposited in any Clean Water Fund or Account under the Master Indenture, including amounts which are reasonably expected to be drawn under the Clean Water Letter of Credit.

"Projected Drinking Water Revenue" as of the date of a Coverage Certificate means (i) the scheduled principal and interest payments on all Drinking Water Loans held by the Trustee or required to be delivered to the Trustee pursuant to a Loan Agreement, except payments of principal and interest on Drinking Water Loans which either (A) are then in default in the payment of principal or interest, or (B) failed to meet the Credit Standard in effect at the time the Drinking Water Loans were acquired and, if a revenue obligation payable from net revenues of a Borrower, also failed to meet the coverage requirement of the applicable Credit Standard during both of the last two complete fiscal years, and (ii) all other amounts (excluding the required balances in the Reserve Funds) which an Authorized Representative of the District estimates will be received on Loan Obligations and investments of amounts then held or expected to be deposited in any Drinking Water Fund or Account under the Master Indenture, including amounts which are reasonably expected to be drawn under the Drinking Water Letter of Credit.

"Projected Revenue" means, as the context may require, Projected Clean Water Revenue or Projected Drinking Water Revenue.

"Public Water System" means any public water system as defined in SDCL §34A 3A 1 or any successor statutory provision, including, without limitation, a system for the provision to the public of piped water for human consumption, if such system has at least fifteen service connections or regularly serves an average of at least twenty-five individuals daily at least sixty days out of the year.

"Qualified Interest Rate Agreement" shall mean any Interest Rate Agreement between the District and a Swap Provider (i) which agreement is either approved by, or following review of such agreement, the rating upon all affected Bonds is confirmed by each Rating Agency and (ii) under which the District agrees to pay the Swap Provider an amount calculated at an agreed-upon rate or index based upon a notional amount and the Swap Provider agrees to pay the District for a specific period of time an amount calculated at an agreed-upon rate or index based upon such notional amount, where the Swap Provider, or the person who guarantees the obligation of the Swap Provider to make its payments to the District, has unsecured obligations rated, as of the date the swap agreement is entered into, in one of the two highest applicable rating categories by each Rating Agency then rating such Swap Provider or such other person who guarantees such obligation, but only if any such Rating Agency is then rating (1) bonds secured by such agreements of the Swap Provider or (2) the Series of Bonds to which such agreement may be related.

"Rating Agency" means Moody's Investors Service, Inc., Standard & Poor's, a Division of The McGraw-Hill Companies, Inc. or any other nationally recognized rating agency, but only to the extent such entity has been requested in writing to issue a rating on the most recently issued series of Outstanding Bonds.

"Redemption Price" means, when used with respect to a Bond or Note or portion thereof to be redeemed, the principal amount of such Bond or Note or such portion thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to the applicable Series Resolution.

"Refunding Bonds" means any Bonds or Notes the proceeds of which are to be used to pay the principal of or interest on any Outstanding Bonds or Notes.

"Regular Record Date" means the record date for the payment of interest on any Series of Bonds or Notes established by a Series Resolution.

"Released Obligations" means all Loan Obligations, Loan Agreements, cash or investments and any other assets or related rights of payments relating to Loan Obligations, Loan Agreements or other assets heretofore released or presently proposed to be released from the lien of the Master Indenture pursuant to Section 5.10 of the Master Indenture.

"Relevant Federal Act" means, as the context shall indicate, the Clean Water Act or the Drinking Water Act.

"Reserve Fund" means the Clean Water Reserve Fund and the Drinking Water Reserve Fund.

"Reserve Fund Secured Bond" means any Bond secured by the Reserve Fund, there being no Reserve Fund Secured Bonds as of the date of this Official Statement.

"Restricted Cumulative Excess Principal Repayments Subaccounts" means the Subaccounts so designated within the Restricted Principal Repayments Accounts of the Revenue Funds as described in the Master Indenture.

"Restricted Reserve Accounts" means the Accounts of the Reserve Funds so designated in the Master Indenture.

"Restricted Principal Repayments Accounts" means the Accounts of the Revenue Funds so designated as described in Section 5.04 of the Master Indenture.

"Revenue Funds" means the Clean Water Revenue Fund and the Drinking Water Revenue Fund.

"Second Amendment" means that certain Second Amendment to Master Trust Indenture dated as of September 1, 2024 by and between the District and the Trustee.

"Serial Bonds" means the Bonds of any Series so designated in the Series Resolution.

"Series of Bonds" or "Bonds of a Series" means a series of Bonds issued under the Master Indenture designated as a "Series" and authorized by a separate Series Resolution.

"Series of Notes" or "Notes of a Series" means a series of Notes issued under the Master Indenture designated as a "Series" and authorized by a separate Series Resolution.

"Series Resolution" means a resolution adopted by the Board of Water and Natural Resources pursuant to the Act and the Master Indenture authorizing the issuance of a Series of Bonds or Notes, and any Bond Order related thereto.

"SIFMA Municipal Index" means the SIFMA Municipal Swap Index"™ (such index previously known as the "BMA Municipal Swap Index"™) announced by Municipal Market Data and based upon the weekly interest rate resets of tax-exempt variable rate issues included in a database maintained by Municipal

Market Data which meet specified criteria established by the Securities Industry and Financial Markets Association. The SIFMA Municipal Swap Index shall be based upon current yields of high-quality weekly adjustable variable rate demand bonds which are subject to tender upon seven days' notice, the interest on which under the Code, is excludable from gross income for federal income tax purposes. The SIFMA Municipal Swap Index shall not include any bonds the interest on which is subject to any personal "alternative minimum tax" or similar tax unless all tax exempt bonds are subject to such tax; provided, however, that if such index is no longer produced by Municipal Market Data, Inc. or its successor, then "SIFMA Municipal Index" means such other reasonably comparable index selected by the District.

"Sinking Fund Installment" means when used with respect to any Series of Bonds issued pursuant to a Series Resolution, the amount so designated for any particular due date in the Series Resolution pursuant to the Master Indenture.

"South Dakota Cash Flow Fund" means the program operated by the South Dakota Investment Council, or its lawful successor, for the investment of state funds and other public moneys.

"SRF Administration Accounts" means the Accounts of the Administration Funds so designated as described in the Master Indenture.

"State" means the State of South Dakota.

"State Administration Accounts" means the Accounts of the Administration Funds so designated in the Master Indenture.

"State Match Bond Accounts" means the Accounts of the Bond Funds so designated in the Master Indenture.

"State Match Loan Accounts" means the Accounts of the Loan Funds so designated as described in the Master Indenture.

"State Match Note Accounts" means the Accounts of the Bond Funds so designated in the Master Indenture.

"State Match Portion" means, with respect to any principal or interest on any Bonds or Notes, the portion of such principal or interest determined in accordance with Section 4.01 of the Master Indenture, including, if applicable, the Adjusted State Match Portion.

"State Match Reserve Accounts" means the Accounts of the Reserve Funds so designated in the Master Indenture.

"State Match Reserve Requirement" shall have the meaning assigned in any Series Resolution, except that for all Reserve Fund Secured Bonds it shall mean the largest amount of the State Match Portion of principal (including Sinking Fund Installments) and interest in the then current or any succeeding calendar year on the Allocable Portion of all Reserve Fund Secured Bonds Outstanding under the Master Indenture which (or the relevant portion of which) are secured by a lien on or pledge of amounts on deposit in the Special Reserve Account and Unrestricted Reserve Account.

"Successor Trustee" means U.S. Bank Trust Company, National Association, as Trustee under the Master Indenture.

"Supplemental Indenture" means an indenture supplemental to the Master Trust Indenture for the purpose of establishing terms, conditions or other details with respect to a specific series of Bonds or Notes and related matters.

"Swap Provider" shall mean the counterparty with whom the District enters into a Qualified Interest Rate Agreement.

"Term Bonds" means the Bonds of any Series so designated in the Series Resolution.

"Termination Payment" means any payment payable by the District or a Counterparty under an Interest Rate Agreement as a result of a termination thereof prior to the scheduled expiration thereof.

"Total Reserve Requirement" shall have the meaning assigned in any Series Resolution, except that for all Reserve Fund Secured Bonds it shall mean the largest amount of principal (including Sinking Fund Installments) and interest scheduled to be due and payable in the then current or any succeeding calendar year with respect to the Allocable Portion of all Reserve Fund Secured Bonds Outstanding under the Master Indenture which (or the relevant portion of which) are secured by a lien on or pledge of amounts on deposit in one or more accounts in the Reserve Fund.

"Transfer Date" means, with respect to a Series of Bonds or Notes, the date established pursuant to Section 4.01(b) of the Master Indenture or Section 5.19(a) of the Master Indenture.

"Tri-Party Agreement" means that certain Tri-Party Agreement dated as of April 14, 2017, among the Prior Trustee, the Successor Trustee and the District.

"Trustee" U.S. Bank Trust Company, National Association, as Successor Trustee to U.S. Bank National Association and The First National Bank in Sioux Falls, and any successor or successors at any time substituted in its place as Trustee pursuant to the Master Indenture.

"Unrestricted Cumulative Excess Interest Repayments Subaccounts" means the Subaccounts so designated within the Unrestricted Interest Repayments Accounts of the Revenue Funds as described in the Master Indenture.

"Unrestricted Interest Repayments Accounts" means the Accounts of the Revenue Funds so designated in the Master Indenture.

"Unrestricted Reserve Accounts" means the Accounts of the Reserve Funds so designated in the Master Indenture.

"Variable Rate Bond" means any Bond the interest rate on which is not fixed but varies on a periodic basis as specified in the Series Resolution providing for the issuance thereof.

"Valuation Date" means each date on which the balances in the Restricted Reserve Account, the State Match Reserve Account and the Unrestricted Reserve Account of each Reserve Fund are determined by the Trustee as required by the Master Indenture.

Master Indenture

Funds and Accounts

Creation of Funds and Accounts. There are created in the Master Indenture the following Funds for each of the State Revolving Fund Programs:

(a) Loan Fund;

(b) Administration Fund;

(c) Revenue Fund;

(d) Bond Fund; and

(e) Reserve Fund

The Master Indenture creates the separate accounts described below in each Fund, and permits the creation of separate accounts and subaccounts in each Fund for each Series of Bonds or for other purposes.

Loan Fund. Each Loan Fund consists of four accounts, a State Match Loan Account, a Leveraged Loan Account, a Federally Capitalized Loan Account, and a Bond Proceeds Account. In addition to moneys that may be deposited therein at the discretion of the District, the State Match Portion of the proceeds of each Series of Bonds or Notes is to be deposited in the State Match Loan Account, and the Leveraged Portion of the proceeds of each Series is to be deposited in the Leveraged Loan Account. Proceeds of a series of Bonds or Notes may also be deposited in the Bond Proceeds Account for later mandatory or optional transfer to the State Match Loan Account or Leveraged Loan Account. The Federally Capitalized Loan Account will be funded with proceeds of draws on the Letter of Credit and moneys transferred from the Restricted Reserve Account of the Reserve Fund. The Loan Fund is to be used to make loans to Borrowers through the purchase of Loan Obligations as provided in the Indenture.

Administration Fund. Each Administration Fund consists of an SRF Administration Account and a State Administration Account. From the proceeds of each Series of Bonds, an amount sufficient to pay Costs of Issuance may be deposited in the State Administration Account and used to pay Costs of Issuance. In addition, fees paid by Borrowers pursuant to their Loan Agreements are to be paid into the State Administration Account and used to pay administrative costs of the Program and other uses authorized under the Federal Acts. The SRF Administration Account will be funded from that portion of each draw on the Letter of Credit and that portion, if any, of the proceeds of the State Match Portion of a Series of Bonds which have been designated by the District for payment of administrative costs of the Program and which are permitted to be applied for that purpose under the Federal Acts.

Revenue Fund. The Revenue Fund for each State Revolving Fund consists of a Restricted Principal Repayments Account and an Unrestricted Interest Repayments Account. All payments of principal of, premium (if any) on and interest on Loan Obligations shall be deposited in Revenue Fund for each Program as follows:

(a) Amounts received as principal of a Loan Obligation for such Program shall be deposited in the related Restricted Principal Repayments Account; and

(b) Amounts received as interest on a Loan Obligation for such Program shall be deposited in the related Unrestricted Interest Repayments Account.

For each Program the Trustee will also deposit in the related Unrestricted Interest Repayments Account investment earnings on the accounts in the Loan Fund and investment earnings not required to be applied to other purposes. Moneys on deposit in the Restricted Principal Repayments Account for each Program are to be transferred to the related Leveraged Bond Account of the Bond Fund on or before each Bond Payment Date, to be used to pay the Leveraged Portion of principal and interest on the Bonds allocable to such Program. Moneys on deposit in the Unrestricted Interest Repayments Account of each Revenue Fund are to be transferred to the related State Match Bond Account of the Bond Fund on or before each Bond

Payment Date, to be used to pay the State Match Portion of principal of and interest on the Bonds allocable to such Program. In addition, any amounts remaining on deposit in the Unrestricted Interest Repayments Account after transfer of an amount sufficient to pay the State Match Portion of the principal of and interest on the Bonds shall be applied in the following order: (i) to pay any unpaid portion of the Leveraged Portion of principal of and interest on the Bonds allocable to such Program; (ii) if a transfer is made on a February 1 Bond Payment Date, an amount equal to one-half of the principal amount of the any State Match Portion of Bonds due on or before the next August 1 shall be transferred to the related State Match Bond Account of the Bond Fund; (iii) to replenish the amount in the related Reserve Fund (and any account or subaccount thereof on a pro rata basis to the extent of any applicable reserve requirements) to satisfy the Total Reserve Requirement or the State Match Reserve Requirement, by transfer to the Unrestricted Reserve Account of the Reserve Fund (and a corresponding account or subaccount for such purpose); and (iv) to the extent needed to meet an interest payment obligation of the other Program, to the Unrestricted Interest Repayments Account of the Revenue Fund for the other Program, (v) to a fund or account of the other Program to the extent necessary to satisfy a Reimbursement Obligation to such Program, and (vi) to the Unrestricted Cumulative Excess Interest Repayments Subaccount of the Revenue Fund for such Program for subsequent transfer if the District so directs to any other Fund or Account, other than the State Administration Account of the Administration Fund and the State Match Reserve Account of the Reserve Fund. Moneys remaining on deposit in the Restricted Principal Repayments Account of the Revenue Fund after transfer to the Leveraged Bond Account of an amount sufficient to pay the Leveraged Portion of the principal of and interest on the Bonds, and, if such transfer is made on a February 1 Bond Payment Date, one half of the principal amount of any Leveraged Portion of the Bonds due on or before the next August 1 must be applied in the following order: (i) to restore any deficiency in the Total Reserve Requirement by transfer to the Restricted Reserve Account of the Reserve Fund (and any account or subaccount thereof on a pro rata basis to the extent of any applicable reserve requirements), (ii) to the extent necessary to meet a principal payment obligation of the other Program, to the Restricted Principal Repayments Account of the Revenue Fund for the other Program, (iii) to a fund or account of the other Program to the extent necessary to satisfy a Reimbursement Obligation to such Program, and (iv) to be retained in a Restricted Cumulative Excess Principal Repayments Subaccount of the Restricted Principal Repayments Account until the District directs that the amounts be deposited in either the Restricted Reserve Account of the Reserve Fund or used to fund additional Loans.

Funds on deposit from time to time in the Restricted Cumulative Excess Principal Repayments Subaccount and the Unrestricted Cumulative Excess Interest Repayments Subaccounts for each Program and not required to be applied to provide for payment of principal or interest with respect to the Outstanding Bonds of either Program are defined in the Master Indenture as "Excess Revenues". The Master Indenture provides that any Excess Revenues shall be transferred to the related principal or interest accounts in the Note Payment Fund to pay principal or interest on Notes as and when due, but subject to the same restrictions as to State Match Portion and Leveraged Portion of debt service on Notes as are applicable with respect to Bonds as described above.

Bond Fund. The Bond Fund for each State Revolving Fund consists of a State Match Bond Account, a Leveraged Bond Account, a State Match Note Account, a Leveraged Note Account and, if provided for in a Series Resolution, a Capitalized Interest Account. On each Bond Payment Date, moneys in the Leveraged Bond Account of the Bond Fund shall be used to pay the Leveraged Portion of principal of and interest on the Bonds allocable to such Program then due and payable, and moneys in the State Match Bond Account of the Bond Fund shall be used to pay the State Match Portion of principal of and interest on the Bonds allocable to such Program then due and payable. In the event moneys available to be transferred to the Leveraged Bond Account from the Restricted Principal Repayments Account are insufficient to pay the Leveraged Portion of principal of and interest on the Bonds then due and payable, the Trustee shall transfer funds to the Leveraged Bond Account to make up such deficiency from the following sources in the following order:

(a) First, from the Unrestricted Cumulative Excess Interest Repayments Subaccount of the Unrestricted Interest Repayments Account of the Revenue Fund for such Program;

(b) Second, from Excess Revenues of the other Program available to cure the deficiency;

(c) Third, from the Restricted Reserve Account of the Reserve Fund for such Program (but only if and to the extent such Bonds are secured by the Reserve Fund and in such event, only from the corresponding Reserve Account or Subaccount allocable to Bonds secured thereby);

(d) Fourth, from the Unrestricted Reserve Account of the Reserve Fund for such Program (but only if and to the extent such Bonds are secured by the Reserve Fund and in such event, only from the corresponding Reserve Account or Subaccount allocable to Bonds secured thereby);

(e) Fifth, from any other available Fund or Account within such Program established under the Indenture (other than the State Match Reserve Account and the State Administration Account); and

(f) Sixth, from any available account of the other Program.

In the event of a deficiency in the amounts transferred from the Unrestricted Interest Repayments Account of the Revenue Fund to the State Match Bond Account of the Bond Fund (and following other allowed transfers described herein), the Trustee shall withdraw an amount equal to the deficiency from the State Match Reserve Account of the Reserve Fund to pay the State Match Portion of the principal and interest on the Bonds due on such Bond Payment Date and apply the same directly to the payment of such State Match Portion (but only if and to the extent such Bonds are secured by the Reserve Fund and in such event, only from the corresponding Reserve Account or Subaccount allocable to Bonds secured thereby). In the event sufficient funds in the State Match Reserve Account are not available for this purpose, the Trustee shall transfer funds to the State Match Bond Account to make up the remainder of such deficiency from the Unrestricted Reserve Account of the Reserve Fund (but only if and to the extent such Bonds are secured by the Reserve Fund and in such event, only from the corresponding Reserve Account or Subaccount allocable to Bonds secured thereby). In the event such other transfers are insufficient to make up such deficiency, the Trustee shall withdraw an amount equal to the remaining deficiency from the State Administration Account of the Administration Fund and apply the same directly to the payment of the State Match Portion of the principal and interest on the Bonds due on such Bond Payment Date.

Following all of the transfers and applications described above with respect to provision for payment of debt service on the Bonds of either Program, on each Bond Payment Date, the Master Indenture provides that the Trustee shall also make any certain transfers of Excess Clean Water Revenues and/or Excess Drinking Water Revenues to the applicable Note Payment Accounts to provide for the payment of the Leveraged Portion and the State Match Portion of the principal and interest with respect to Notes due on such Bond Payment Date, provided, however, in all cases the Trustee shall first apply any proceeds of Refunding Bonds for such purposes to the extent available on such Bond Payment Date as provided in any applicable Series Resolution.

Under no circumstances shall any amounts be transferred directly to the State Match Bond Account or State Match Note Account from the Leveraged Loan Account or Federally Capitalized Loan Account of either Loan Fund, the Restricted Principal Repayments Account of either Revenue Fund, the Leveraged Bond Account of either Bond Fund or the Restricted Reserve Account of either Reserve Fund or the SRF Administration Account of either Administration Fund.

Reserve Fund. The Reserve Fund for each State Revolving Fund consists of a Restricted Reserve Account, an Unrestricted Reserve Account and a State Match Reserve Account. Any amounts eligible to be drawn on the Letter of Credit with respect to any Loan pledged under the Master Indenture (to the extent such amounts are not otherwise required to be disbursed to a Borrower) shall be deemed to be part of the Restricted Reserve Account of the Reserve Fund but shall not be used to determine the amount on deposit therein for purposes of the definition of Total Reserve Requirement.

If any Series of Bonds or portion thereof is to be secured by amounts on deposit in the Reserve Fund or any Account or Subaccount thereof, then Bond proceeds or other amounts may be deposited in the Restricted Reserve Account and the State Match Reserve Account as provided in a Series Resolution and revenues may be applied to replenish amounts required to be deposited therein up to the applicable reserve requirements established by the Series Resolution. Initial deposits of Bond proceeds into the Reserve Fund shall be made to a specific Subaccount within the State Match Reserve Account or the Restricted Reserve Account, and such Subaccount shall be designated so as to designate the specific series of Bonds or portion thereof so secured. Each Subaccount so established shall secure solely the Series of Bonds or portion thereof which is entitled to the security of such reserve as shall be expressly provided in the applicable Series Resolution. Moneys deposited in the Reserve Fund, other than Bond proceeds, proceeds of a draw on the Letter of Credit and other moneys required to be deposited in the Restricted Reserve Account or the State Match Reserve Account under the Master Indenture or a Series Resolution, shall be deposited in a Subaccount to be established in the Unrestricted Reserve Account, such Subaccount to have a designation which identifies the specific series of Bonds or portion thereof so secured. The District may also transfer funds from the Unrestricted Cumulative Excess Interest Repayments Subaccount or any other account to satisfy any reserve requirement and thereupon transfer excess amounts on deposit in the Reserve Fund to any account within the Loan Fund. Moneys on deposit in the Reserve Fund shall be used to make up any deficiencies in the Bond Fund; provided, that under no circumstances shall the Trustee transfer any amounts on deposit in the Restricted Reserve Account of the Reserve Fund to the State Match Bond Account of the Bond Fund.

As described elsewhere herein, the District may determine on a case by case basis whether any Series of Bonds, or the Leveraged Portion or State Match Portion thereof, shall be entitled to the benefit of the security of the Reserve Fund or any account or subaccount therein. Neither the Series 2026 Bonds nor any Outstanding Bonds are secured by a pledge of or lien on amounts on deposit in either Reserve Fund. If and to the extent that any Series of Bonds or any Leverage Portion of State Match Portion of debt service on any Series of Bonds is entitled to the benefit of the security of amounts on deposit in any specific account or subaccount of the Reserve Fund, the following provisions apply. When amounts in the applicable account or subaccount of the Reserve Fund exceed the applicable Total Reserve Requirement, amounts in the applicable account or subaccount of the Restricted Reserve Account may, to the extent of such excess, be transferred at the direction of the District to the Federally Capitalized Loan Account of the Loan Fund, but not to any other Fund or Account. When the sum of the amounts on deposit in the applicable accounts or subaccounts of the Unrestricted Reserve Account and the State Match Reserve Account exceeds the applicable State Match Reserve Requirement, amounts in the applicable subaccount of the State Match Reserve Account may be transferred at the direction of the District to the State Match Loan Account of the Loan Fund and amounts in the applicable subaccount of the Unrestricted Reserve Account may be transferred at the direction of the District to any fund or Account other than the State Match Reserve Account of the Reserve Fund and the State Administration Account of the Administration Fund; provided, that the aggregate amount of such transfers shall be limited to the excess over the applicable State Match Reserve Requirement and shall be made only if and to the extent that the applicable Total Reserve Requirement is satisfied both before and after such transfers.

In the event either (a) the sum of the amounts on deposit in the applicable subaccounts of the Restricted Reserve Account, the Unrestricted Reserve Account and the State Match Reserve Account is at

any time less than the applicable Total Reserve Requirement, if any, or (b) the sum of the amounts on deposit in the applicable subaccounts of the Unrestricted Reserve Account and the State Match Reserve Account is at any time less than the applicable State Match Reserve Requirement, if any, the Trustee shall forthwith give written notice to the District.

Investment of Funds. Moneys on deposit to the credit of the Funds and Accounts under the Master Indenture shall be invested by the Trustee at the direction of the District in Investment Obligations (as defined below) permitted under the Master Indenture and the Act; however, no Investment Obligation shall have a maturity date beyond the date upon which the moneys in the respective Fund or Account are required or are likely to be needed for the purposes of the respective Fund or Account to which such Investment Obligation is credited. Investment Obligations so purchased shall be deemed at all times to be a part of the respective Fund or Account, but may from time to time be sold or otherwise converted into cash, whereupon the proceeds derived from such sale or conversion shall be credited to such Fund or Account.

The District may direct that all interest earnings on the Funds and Accounts be deposited in the Unrestricted Interest Repayments Account of the Revenue Fund. Otherwise, any interest accruing or any profit realized from such investment shall be credited to the specific Fund or Account. Investment Obligations, as defined in the Master Indenture, include any of the following, if and to the extent the same are at the time not prohibited for investment of the District's moneys: (a) direct obligations of, bonds, debentures, notes or other evidences of indebtedness issued or fully insured or guaranteed by any agency or instrumentality of the United States of America which is backed by the full faith and credit of the United States of America; (b) interest-bearing time or demand deposits, certificates of deposit or similar banking arrangements with any depository, provided that such deposits, certificates and other arrangements are fully insured by the Federal Deposit Insurance Corporation; (c) money market funds or similar funds investing exclusively in obligations described in clauses (a), (d) or (e); (d) bonds, debentures, notes or other evidences of indebtedness issued by any state of the United States of America or any political subdivision thereof or any public authority or body or instrumentality therein which constitute obligations described in Section 103(a) of the Code and which are rated by Moody's Investors Service, Inc. at least as high as the rating on outstanding Bonds (disregarding any credit enhancement); (e) certain repurchase agreements or similar financial transaction with one of the 100 largest United States commercial banks or a primary dealer that report to the Federal Reserve Bank of New York; (f) guaranteed investment contracts or similar obligations issued, secured or guaranteed by a corporation or national banking association which has a long-term debt rating in the two highest rating categories by Moody's Investors Service Inc. (or other agency rating the most recent series of Bonds) or (g) the South Dakota Cash Flow Fund provided the District determines that such fund invests solely in investments authorized by SDCL 4-5-26 or other investments which the District is authorized to acquire and hold.

Release of Assets. The District may release any Loan Obligations and Loan Agreements and other assets from the Trust Estate to the extent such Loans are not necessary to maintain Projected Revenue above a specified 105% coverage requirement. To cause one or more Loan Obligations and Loan Agreements to be released from the lien of the Master Indenture, the District must prepare and file with the Trustee (1) a list of Loan Obligations, Loan Agreements and other assets together with any related instruments to be released and (2) a Coverage Certificate which, with supporting schedules, must demonstrate that (a) for the recently completed Bond Year (August 2 of one year through August 1 of the next year) the Adjusted Projected Revenues (which, for such purposes shall not include any amounts received with respect to the proposed Released Obligations or any earnings received thereon) equaled or exceeded 105% of (x) the principal and interest due in such year on the State Match Portion and the Leveraged Portion on all then Outstanding Bonds (but expressly excluding Outstanding Notes and interest thereon which are intended to be refunded from the proceeds of Refunding Bonds to be issued) and (y) the principal and interest estimated to be due and payable in each such year on the State Match Portion and the Leveraged Portion of all Refunding Bonds to be issued as to refund Outstanding Notes (calculated as described below under the

subcaption "**Additional Series of Bonds or Notes**") and (b) during each year that the Bonds are scheduled to be Outstanding, the Adjusted Projected Revenues (which, for such purposes, shall not include any amounts receivable with respect to the proposed Released Obligations) will be at least 105% of (x) the principal and interest due in such year on the State Match Portion and the Leveraged Portion on all then Outstanding Bonds (but expressly excluding Outstanding Notes and interest thereon which are intended to be refunded from the proceeds of Refunding Bonds to be issued) and (y) the principal and interest estimated to be due and payable in each such year on the State Match Portion and the Leveraged Portion of all Refunding Bonds to be issued as to refund Outstanding Notes (calculated as described below under the subcaption "**Additional Series of Bonds or Notes**").

Upon satisfaction of the foregoing, the Trustee shall then execute a release and such other instruments as Bond Counsel for the District shall advise in writing as necessary in order to effect a release from the lien of the Master Indenture. The Master Indenture includes similar provisions, including the requirement for a Coverage Certificate demonstrating Projected Revenues of 105% of the principal and interest due in future years, for the substitution of Loan Obligations.

Additional Series of Bonds or Notes

The District anticipates the issuance of additional Series of Bonds and Notes from time to time under the Master Indenture. The Master Indenture permits the issuance of additional Series of Bonds and Notes pursuant to the Master Indenture, in order to purchase Loan Obligations authorized for purchase under the Act and the Master Indenture, upon compliance with the requirements of the Master Indenture, including deposit of sufficient amounts in the applicable accounts and subaccounts of the Reserve Funds to satisfy the Total Reserve Requirements and the State Match Reserve Requirements (if any) with respect to the Series of Bonds, to be issued and all other Series of Bonds outstanding under the Master Indenture such additional Bonds shall be secured on a parity with the then Outstanding Bonds, except that the District may elect, on a case by case basis, whether or not such additional Bonds shall be secured by amounts on deposit in the related Reserve Fund and the amount of any such reserve requirement applicable thereto.

Pursuant to the provisions of the Master Indenture, additional Bonds may be issued if certain conditions are met including, but not limited to (except in the case of (A) Refunding Bonds issued to pay principal of or interest on Bonds for the payment of which sufficient funds are not expected to be available and (B) Bonds issued to refund Notes) a Coverage Certificate, with supporting schedules, estimating that, as of each Bond Year, Projected Revenues available for deposit (i) in the State Match Bond Accounts of the Bond Funds will, in the aggregate, equal an amount which will be no less than 105% of the amount necessary to pay the State Match Portion of principal and interest due on each Bond Payment Date on (x) all Bonds then Outstanding (except Bonds and Notes and interest thereon to be refunded from the proceeds of the Bonds or Notes to be issued), (y) the State Match Portion of Bonds to be issued, and (z) principal and interest estimated to be due and payable on Refunding Bonds to be issued as State Match Portion Refunding Bonds to refund Notes calculated as described in the immediately succeeding paragraph, and (ii) in the Leveraged Bond Accounts of the Bond Funds (including, for such purposes, the amounts on deposit in the Unrestricted Interest Repayments Accounts of the Bond Funds and not otherwise required to pay the State Match Portion of principal and interest due on such Bond Payment Date) will, in the aggregate, equal an amount which will be no less than 105% of the amount necessary to pay the Leveraged Portion of principal and interest due on each Bond Payment Date on (x) all Bonds then Outstanding (except Bonds and Notes and interest thereon to be refunded from the proceeds of the Bonds or Notes to be issued), (y) the Leveraged Portion of Bonds to be issued and (z) principal and interest estimated to be due and payable on Refunding Bonds to be issued as Leveraged Portion Refunding Bonds to refund Notes calculated as described in the immediately succeeding paragraph. For purposes of the foregoing, interest payable on any future Bond Payment Date with respect to (i) any Bonds or proposed Bonds with respect to which a Qualified Interest Rate Agreement applies shall be calculated as provided in the Master Indenture and any

related Series Resolution and (ii) any Variable Rate Bonds shall be calculated as provided in the Master Indenture and any related Series Resolution.

In addition, the Master Indenture, as amended by the Second Amendment, provides that for purposes of calculating the State Match Portion and Leveraged Portion of debt service, any Coverage Certificate (A) shall disregard principal and interest due or to become due with respect to any Notes which will be Outstanding during any such period; (B) shall include estimated principal and interest amounts to become due as a result of the issuance of Refunding Bonds the proceeds of which are to be used to pay the Redemption Price of any such Notes; provided, if Notes are to be issued to refund Outstanding Notes, the interest on such refunding Notes shall be taken into account for the period such Notes are expected to remain Outstanding and (C) in the event that all or any portion of any Bonds have been issued as or are proposed to be issued as Balloon Bonds, then in order to compute the State Match Portion and Leveraged Portion of debt service on such Bonds for the purposes of determining (i) whether Bonds, regardless of whether they are to be Balloon Bonds, may be issued in compliance with the requirements of Section 2.11(b)(1) hereof when any Balloon Bonds are outstanding and (ii) whether Bonds that are Balloon Bonds may be issued in compliance with the requirements of Section 2.11(b)(1) hereof shall be determined: (a) by assuming that such Balloon Bonds are to be amortized on the basis of level debt service over the Assumed Amortization Period and that such Bonds bear interest at the Assumed Interest Rate; or, (b) if certified by the Financial Advisor to be appropriate given the then current accepted custom and practice of the public finance industry, by assuming that such Balloon Bonds are to be amortized on a basis other than level debt service over the Assumed Amortization Period and that such Bonds bear interest at the Assumed Interest Rate. Further, for purposes of such estimates, the Coverage Certificate shall also assume such Refunding Bonds shall be issued on a date within three months of the stated maturity date of the Notes to be refunded, with substantially level annual debt service for a stated term of not to exceed twenty-five years, and bearing interest at a rate or rates which are 100 basis points (1.0% per annum) in excess of the then applicable rates for comparable maturities of municipal bonds of comparable credit rating as set forth in a nationally recognized municipal market publication, including, without limitation, interest rate scales published by Municipal Market Data, a divisions of Thomson Reuters, any successor or any other similar nationally recognized service.

The Master Indenture, as amended by the Second Amendment, further provides that in connection with the determinations and calculations described in the preceding paragraph, any obligations entered into by the District in connection with qualified interest rate agreements, tender option bonds or notes and liquidity facilities described below shall be disregarded.

Default and Remedies

The following are Events of Default under the Master Indenture:

(a) Failure of the District to pay principal or the redemption price of any Bond or Note when due;

(b) Failure of the District to pay interest on any Bond when due;

(c) If as a result of a withdrawal of funds from either Reserve Fund either (i) the amounts on deposit in such Reserve Fund are at any time less than any applicable Total Reserve Requirement or (ii) the sum of the amounts on deposit in the State Match Reserve Account and the Unrestricted Reserve Account of either Reserve Fund are at any time less than any applicable State Match Reserve Requirement and such deficiency in either the Restricted Reserve Account or the Unrestricted Reserve Account of such Reserve Fund shall have

existed for a period of six consecutive months during which the deficiency shall not have been replenished from any source;

(d) If as a result of a decline in market value either (i) the amounts on deposit in either Reserve Fund are at any time less than 90% of any applicable Total Reserve Requirement or (ii) the sum of the amounts on deposit in the State Match Reserve Account and the Unrestricted Reserve Account of either Reserve Fund are at any time less than 90% of any applicable State Match Reserve Requirement and such deficiency in either the Restricted Reserve Account or the Unrestricted Reserve Account of either Reserve Fund shall have existed for a period of six consecutive months during which the deficiency shall not have been replenished or otherwise eliminated from any source;

(e) The District shall fail to perform or observe any other covenant, agreement or condition on its part contained in the Master Indenture or any Series Resolution or in the Bonds or Notes, and such failure shall continue for a period of thirty days after written notice thereof to the District by the Trustee or to the District and to the Trustee by the Holders of not less than twenty-five percent (25%) in the aggregate of the principal amount of the Bonds

(f) Filing by the District of a petition seeking a composition of indebtedness under the federal bankruptcy law or other applicable federal or state law.

Upon the occurrence and continuance of any Event of Default, the Trustee may, and upon the written request of the Holders of not less than 25% in the aggregate of the principal amount of the Bonds and Notes outstanding and with any necessary consent of a credit enhancement provider, together with indemnification of the Trustee to its satisfaction therefor, the Trustee shall, proceed forthwith to protect and enforce its rights and the rights of the Holders of Bonds or Notes under the Bonds, the Notes and the Master Indenture by such suits, action or proceedings as the Trustee, being advised by counsel, shall deem expedient, including but not limited to:

(i) Enforcement of the right of the Holders of the Bonds and Notes to require the District to collect and enforce the payment of principal of and interest due or becoming due on the Loan Obligations and to collect and enforce any rights in respect to the Loan Obligations as may be set forth in any resolutions therefor or the Loan Agreements and, to require the District to carry out its duties, obligations and agreements under the terms of the Master Indenture and any Series Resolution authorizing the issuance of Bonds or Notes of any Series then outstanding, and to require the District to perform its duties under the Act;

(ii) Suit upon all or any part of the Bonds or Notes;

(iii) Civil action to require the District to account as if it were the trustee of an express trust for the Holders of the Bonds and Notes;

(iv) Civil action to enjoin any acts or things that may be unlawful or in violation of the rights of the Holders of the Bonds or Notes; and

(v) Enforcement of any other right of the Holders of Bonds or Notes conferred by law or by the Master Indenture.

Regardless of the happening of an Event of Default, the Trustee, if requested in writing by the Holders of not less than 25% in the aggregate of the principal amount of the Bonds and Notes then outstanding and with any consent of a credit enhancement provider, shall, upon being indemnified to its satisfaction therefor institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to

prevent any impairment of the security under the Master Indenture by any acts that may be unlawful or in violation of the Master Indenture, or (ii) to preserve or protect the interests of the Holders of Bonds or Notes, provided that such request is in accordance with the law and the provisions of the Master Indenture and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of the Holders of Bonds or Notes not making such request.

Actions taken by the Trustee are subject to the rights of the Holders of a majority in principal amount of the outstanding Bonds and Notes to direct the method and place of conducting all proceedings under the Master Indenture or to waive any Default (other than Default in the payment of the principal of any Bond at the date of maturity), upon compliance with the terms and conditions of the Master Indenture. The Master Indenture provides that a Series Resolution may confer certain rights to providers of credit enhancement in connection with the exercise of remedies, including the power and authority to provide consents and waivers on behalf of the Holders of the Bonds or Notes secured by the credit enhancement provided by such credit enhancement provider.

Certain Conditions Relating to Acceptance of Prepayment of Loan Obligations

The District has generally required the Loan Agreements to contain a prohibition against prepayment of Loan Obligations in advance of their scheduled maturity dates, but has allowed certain Borrowers to prepay Loan Obligations. The Master Indenture provides that the District may waive such prepayment restrictions allocable to each Program in an annual cumulative amount not exceeding the greater of $5,000,000 or 5% the unpaid principal amount of Loan Obligations as of the most recent August 1 (the "Annual Prepayment Amount"). In the event that the District determines it is necessary or appropriate to waive such prepayment restrictions in an amount which will exceed the Annual Prepayment Amount for a Program in a Bond Year (defined as the period beginning on August 2 of any year through August 1, of the succeeding year), then prior to waiving such prepayment restrictions and accepting prepayments which are not otherwise permitted by the terms of the Loan Obligations, the District shall first cause to be prepared and shall file with the Trustee (1) a list of Loan Obligations to be so prepaid in an amount in excess of the Annual Prepayment Amount as described in this paragraph, and (2) a Coverage Certificate which, with supporting schedules, shall demonstrate that the adjusted Projected Revenues (which, for such purposes shall reflect such Loan Obligations as prepaid and applied as the District shall reasonably project) will be at least 105% of the Allocable Portion of principal and interest due in such year on the State Match Portion and the Leveraged Portion on all then Outstanding Bonds for such Program plus any Refunding Bonds expected to be issued to provide for the payment of the redemption price of any Outstanding Notes. Within 30 days of receipt of any such prepayment in excess of the Annual Prepayment Amount, the District shall provide a copy of the items described in clauses (1) and (2) above in this paragraph to any Rating Agency then maintaining a rating with respect to any Outstanding Bonds or Notes.

Payment and Discharge of Indenture

If the District shall

(a) pay or cause to be paid the principal of and premium, if any, and interest on the Bonds or Notes at the time and in the manner stipulated therein and in the Indenture, or

(b) provide for the payment of principal and premium, if any, of the Bonds or Notes and interest thereon by depositing with the Trustee at or at any time before maturity funds sufficient either in cash or in direct obligations of (or, if permitted by the Act, obligations the principal of and interest on which is fully guaranteed by) the United States of America the principal and interest on which when due and payable (or redeemable at the option of the holder thereof) and without consideration of any reinvestment thereof shall be sufficient

to pay the entire amount due or to become due thereon for principal and premium, if any, and interest to maturity of all said Bonds or Notes outstanding, or

(c) deliver to the Trustee (1) proof satisfactory to the Trustee that notice of redemption of all of the Outstanding callable Bonds and Notes not surrendered or to be surrendered to it for cancellation has been given or waived as provided in the Indenture, or that arrangements satisfactory to the Trustee have been made insuring that such notice will be given or waived, or (2) a written instrument executed by the District under its official seal and expressed to be irrevocable, authorizing the Trustee to give such notice for and on behalf of the District, or (3) file with the Trustee a waiver of such notice of redemption signed by the Holders of all of such outstanding Bonds and Notes, and in any such case, deposit with the Trustee funds before the date on which such Bonds and Notes are to be redeemed, as provided in the Indenture, constituting the entire amount of the redemption price, including accrued interest, and premium, if any, either in cash or direct obligations of or obligations the principal of and interest on which is fully guaranteed by the United States of America (which do not permit the redemption thereof at the option of the issuer) in such aggregate face amount, bearing interest at such rates and maturing at such dates as shall be sufficient to provide for the payment of such redemption price on the date such Bonds and Notes are to be redeemed, and on such prior dates when principal of and interest on the outstanding Bonds and Notes is due and payable, or

(d) surrender to the Trustee for cancellation all Bonds and Notes, for which payment is not so provided, and shall also pay all other sums due and payable hereunder by the District,

then and in that case, all the Trust Estate shall revert to the District, and the entire estate, right, title and interest of the Trustee and of the owners of the Bonds and Notes shall thereupon cease, determine and become void.

When there shall have been deposited at any time with the Trustee in trust for the purpose of payment or redemption of Bonds and Notes, cash or direct obligations of or obligations fully guaranteed by the United States of America the principal and interest on which shall be sufficient to pay the principal of any Bonds and Notes (and premium, if any) when the same become due, either at maturity or otherwise, or at the date fixed for the redemption thereof and to pay all interest with respect thereto at the due dates for such interest or to the date fixed for redemption, for the use and benefit of the Holders thereof, then upon such deposit all such Bonds and Notes shall cease to be entitled to any lien, benefit or security of this Indenture except the right to receive the funds so deposited, and such Bonds and Notes shall be deemed not to be Outstanding.

Any moneys deposited with the Trustee pursuant to the terms of the Indenture, for the payment or redemption of Bonds and Notes and remaining unclaimed by the Holders of the Bonds or Notes on the date fixed for redemption of the same, as the case may be, for a period of five years after the due date, shall, upon the written request of the District, be paid to the District, and such Holders of the Bonds and Notes shall thereafter look only to the District for payment and then only to the extent of the amounts so received without interest thereon.

Supplemental Indentures

Purposes for Which Supplemental Indentures May be Executed. The District and the Trustee from time to time and at any time, subject to the conditions and restrictions in the Indenture, may enter into supplemental indentures as may or shall by them be deemed necessary or desirable without the consent of any Holder for any one or more of the following purposes:

(a) To correct the description of any property hereby pledged or intended so to be, or to assign, convey, pledge or transfer and set over unto the Trustee, subject to such liens or other encumbrances as shall be therein specifically described, additional property or properties of the District for the equal and proportional benefit and security of the owners of all Bonds and Notes in the priority herein provided at any time issued and outstanding under the Indenture, subject, however, to the provisions hereinabove set forth with respect to extended Bonds or Notes;

(b) To add to the covenants and agreements of the District in the Indenture or to surrender any right or power reserved to or conferred upon the District or to or upon any successor;

(c) To evidence the succession or successive successions of any other department, agency, body or corporation to the District and the assumption by such successor of the covenants, agreements and obligations of the District in the Bonds or Notes secured and in the Indenture and in any and every supplemental indenture contained or the succession, removal or appointment of any trustee thereunder;

(d) To cure any ambiguity or to correct or supplement any provision contained in the Indenture which may be defective or inconsistent with any other provision contained therein, or to make such other provisions in regard to matters or questions arising under the Indenture as the District may deem necessary or desirable and which shall not be inconsistent with the provisions of the Indenture and which shall not impair the security of the same;

(e) To modify, eliminate and/or add to the provisions of the Indenture to such extent as shall be necessary to effect the qualification of the Indenture under the Trust Indenture Act of 1939, as then amended, or under any similar Federal statute hereafter enacted, and to add to the Indenture such other provisions as may be expressly permitted by said Trust Indenture Act of 1939, excluding, however, the provisions referred to in Section 316(a)(2) of said Trust Indenture Act of 1939;

(f) To provide for the enforcement, modification, sale or other disposition of any Loan Obligations held or to be acquired by the District or any investments of moneys of the District which the Board of Water and Natural Resources expressly finds is necessary or desirable in the best interests of the Holders of Bonds or Notes;

(g) To provide for the issuance of additional Bonds or Notes of the District;

(h) To enter into one or more supplemental indentures that, when effective, would amend or modify any provisions of the Indenture if, in the judgment of an Authorized Representative, the rating then in effect on any Outstanding Bonds and Notes from each Rating Agency immediately preceding the time such supplemental indenture becomes effective will be maintained or improved after such supplemental indenture becomes effective. For the purposes of this subsection, the Authorized Representative must certify its judgment to the Trustee, and such judgment will be based upon the written ratings report or other written evidence provided by each Rating Agency. In addition, each rating will be defined by reference only to the major letter category and any plus (+) or minus (-) designation or similar numerical designation (and without any further designation within a rating category whether nor or hereafter used by a Rating Agency);

(i) Except for supplemental indentures requiring the consent of Holders the Trustee and the District may, without the consent of any of the Holders, enter into any other supplemental indenture or indentures amending, restating or supplementing the Indenture;

(j) To provide new or additional accounting requirements or provisions for operation of the District which do not substantially affect the rights of Holders of the District;

(k) To comply with any provision of the Code or regulations thereunder, now or hereafter in effect, relating to arbitrage bonds or, in general, imposing conditions on the exemption of interest received, by the holders thereof, on bonds issued by a state or political subdivision or agency thereof;

(l) To amend the terms hereof in a manner applicable only to Bonds or Notes issued subsequent to such amendment and not affecting Bonds and Notes previously issued and outstanding; and

(m) To make such other modifications or amendments which are determined by the Trustee not to be of material prejudice to the rights of the Trustee or the Holders of the Bonds and Notes.

In each and every case described above (other than a supplemental indenture approved by the Holders of a majority in aggregate principal amount of the Bonds described immediately below), the Trustee shall be entitled to exercise its unrestricted discretion in determining whether or not any proposed supplemental indenture or any term or provisions therein contained is necessary or desirable, having in view the needs of the District and the respective rights and interests of the Holders of Bonds theretofore issued hereunder; and the Trustee shall be under no responsibility or liability to the District or to any Holder of any Bond or Note, or to anyone whatever, for any act or thing which it may do or decline to do in good faith subject to the applicable provisions of the Indenture, in the exercise of such discretion.

Modification of Indenture with Consent of Holders. Subject to the terms and provisions summarized below, the Holders of not less than a majority in aggregate principal amount of the Bonds or Notes then outstanding and affected thereby shall have the right, from time to time, to consent to and approve the execution by the District and the Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary or desirable by the District for the purpose of modifying, altering, amending, adding to or rescinding in any particular, any of the terms or provisions contained in the Indenture; PROVIDED, HOWEVER, that nothing herein contained shall permit or be construed as permitting, without the consent of the Holders of all outstanding Bonds and Notes affected thereby, (a) an extension of the maturity of any Bond or Note issued hereunder or any installment of interest thereon, or (b) a reduction in the principal amount of any Bond or Note or the redemption premium or the rate of interest thereon, or (c) the creation of a lien upon or a pledge of revenues ranking prior to the liens or pledges created by this Indenture, or (d) a preference or priority of any Bond or Bonds over any other Bond or Bonds or a preference or priority of any Note or Notes over other Note or Notes, or (e) a reduction in the aggregate principal amount of the Bonds or Notes required to consent to supplemental indentures or (f) a reduction in the aggregate principal amount of the Bonds or Notes required to waive an Event of Default. Whenever the District shall deliver to the Trustee a resolution of Holders adopted at a Holders' meeting approved by, or an instrument or instruments purporting to be executed by, the Holders of not less than a majority in aggregate principal amount of the Bonds or Notes then outstanding, which resolution or instrument or instruments shall refer to the proposed supplemental indenture and shall specifically consent to and approve the execution thereof, thereupon, the District and the Trustee may execute such supplemental indenture without liability or responsibility to any Holder, whether or not such Holder shall have consented thereto.

If the Holders of not less than a majority in aggregate principal amount of the Bonds or Notes Outstanding at the time of the execution of such supplemental indenture and affected thereby shall have consented to and approved the execution thereof as herein provided, no Holder of any Bond or Note shall have any right to object to the execution of such supplemental indenture, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the

execution thereof, or to enjoin or restrain the Trustee or the District from executing the same or from taking any action pursuant to the provisions thereof. For the purposes of the prior two paragraphs, if any Series of Bonds or Notes is secured by Credit Enhancement, the consent otherwise required under this Section of Holders may be satisfied by the written consent of the issuer of such Credit Enhancement if so provided in the Series Resolution with respect to such Series and no consents shall be required from the Holders of Bonds or Notes of such Series.

For purposes of the foregoing, Bonds or Notes shall be deemed "affected" by any amendment or modification which adversely affects or diminishes the right of the Holders thereof against the District or the Funds and Accounts established hereunder. The Trustee shall, based on such certificates and opinions of counsel as it deems appropriate, determine the Holders affected by any amendment or modification.

Supplemental Indentures to be Part of Indenture. Any supplemental indenture executed in accordance with any of the foregoing provisions shall thereafter form a part of the Indenture; and all the terms and conditions contained in any such supplemental indenture as to any provisions authorized to be contained therein shall be and be deemed to be part of the terms and conditions of the Indenture for any and all purposes, and the respective rights, duties and obligations under this Indenture of the District, the Trustee and all Holders of Bonds and Notes then outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments. If deemed necessary or desirable by the Trustee, reference to any such supplemental indenture or any of such terms or conditions thereof may be set forth in reasonable and customary manner in the text of the Bonds or Notes or in a legend stamped on the Bonds or Notes.

Covenants and Miscellaneous

The District covenants and agrees, so long as the Bonds or Notes of any Series shall be outstanding, and subject to the limitations on its obligations established in the Master Indenture, to the following requirements:

Payment of Bonds and Notes. The District will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Master Indenture and each Series Resolution and in each and every Bond and Note executed, authenticated and delivered and will pay or cause to be paid, but solely from the sources specified in the Master Indenture and any Series Resolution, the principal of and interest on every Bond issued on the dates, at the places and in the manner prescribed in the Bonds or Notes, as applicable.

Authority of the District. The District is duly authorized under the constitution and laws of the State to execute and deliver the Master Indenture and to make the covenants as provided therein.

Accounts and Reports. The District shall keep or cause to be kept properly, books of accounts and records, in which full, true and correct entries will be made of all dealings and transactions relating to the operation of the Program. A copy of an annual report, which the District is required to provide for each year ended September 30 by the following December 31, will be mailed to any Holder who makes a written request with the Trustee. The report is required to include a schedule of outstanding Bonds and Notes, a schedule of Loan Obligations and the status of the Reserve Fund and other Funds, Accounts and Subaccounts.

Compliance with Federal Acts. The District will not cause or permit any funds received under a Letter of Credit or held in any Fund or Account established under the Master Indenture to be applied in a manner which is in violation of any provision of the either Federal Act.

APPENDIX B

EXISTING LOAN OBLIGATIONS

Drinking Water Loans in Repayment
(as of June 30, 2026)

Loan	Outstanding Balance	Interest Rate*	Term	Final Payment Date	Security
Aberdeen	558,276	3.00%	20	8/15/2035	Project Fee
Aurora-Brule Rural Water System (N)	3,387,313	1.88%	30	5/15/2055	Water Revenue
Avon (D)	143,912	2.50%	20	2/15/2042	Project Fee
Baltic	193,420	3.00%	20	1/15/2034	Water Revenue
Baltic	411,692	2.13%	30	4/15/2055	Project Fee
BDM Rural Water System (N) (D)	6,697,876	1.88%	30	7/15/2055	Water Revenue
Bear Butte Valley Water, Inc (N)	1,081,797	2.13%	30	2/15/2055	Water Revenue
Belle Fourche (D)	179,247	2.25%	20	11/15/2038	Water Revenue
Beresford (D)	325,239	3.00%	30	8/15/2044	Project Fee
Beresford (D)	266,149	3.00%	30	2/15/2047	Project Fee
Beresford	326,298	1.88%	30	11/15/2055	Project Fee
Big Sioux Community Water System (N)	319,213	3.00%	15	8/1/2031	Water Revenue
Big Sioux Community Water System (N)	660,266	3.00%	20	2/1/2038	Water Revenue
Black Hawk Water User District	271,812	3.25%	20	4/15/2030	Water Revenue
Black Hawk Water User District	3,151,183	2.50%	20	1/15/2042	Water Revenue
Black Hawk Water User District	1,130,918	2.13%	30	4/15/2056	Water Revenue
Blunt	338,809	2.25%	20	2/15/2043	Project Fee
Bonesteel (D)	339,166	2.25%	30	8/15/2045	Project Fee
Box Elder (D)	1,528,500	2.25%	20	10/15/2042	Project Fee
Brandon	5,240,671	2.13%	30	1/15/2053	Water Revenue
Bridgewater	93,668	2.25%	30	8/15/2047	Water Revenue
Bridgewater (D)	81,358	1.00%	10	2/15/2030	Water Revenue
Brookings	49,496,873	1.88%	30	1/15/2055	Project Fee
Brookings-Deuel Rural Water System (N) (D)	483,333	3.25%	30	4/15/2037	Water Revenue
Brookings-Deuel Rural Water System (N) (D)	894,658	3.25%	30	1/15/2038	Water Revenue
Brookings-Deuel Rural Water System (N)	27,599	2.25%	10	5/15/2027	Water Revenue
Brookings-Deuel Rural Water System (N)	7,019,223	2.13%	30	2/15/2056	Water Revenue
Buffalo (D)	703,541	2.25%	30	5/15/2044	Project Fee
Buffalo Gap (D)	293,839	0.00%	30	8/15/2055	Project Fee
Burke (D)	51,600	2.50%	30	1/15/2037	Water Revenue
Burke (D)	478,511	1.63%	30	2/15/2052	Water Revenue
Butte-Meade Sanitary Water District	300,223	2.25%	20	4/15/2040	Water Revenue
Butte-Meade Sanitary Water District	1,393,128	1.88%	30	5/15/2056	Water Revenue
B-Y Water District	3,536,172	2.50%	30	1/15/2050	Water Revenue
Canistota (D)	68,652	3.00%	30	4/15/2041	Water Revenue
Canistota (D)	360,695	3.00%	30	1/15/2046	Project Fee
Canistota (D)	79,380	3.00%	30	11/15/2048	Project Fee
Canistota (D)	641,007	1.88%	30	5/15/2054	Project Fee
Canton (D)	1,327,788	3.00%	30	11/15/2049	Project Fee
Canton (D)	628,422	3.00%	30	11/15/2048	Project Fee
Canton (D)	1,733,236	1.88%	30	5/15/2056	Project Fee
Centerville (D)	345,474	3.25%	30	1/1/2035	Water Revenue
Chamberlain	57,933	3.25%	20	7/15/2029	Sales Tax
Chamberlain	206,037	3.00%	20	10/15/2031	Sales Tax
Chamberlain (D)	519,696	1.88%	30	11/15/2055	Project Fee
Chancellor (D)	101,168	3.25%	30	7/15/2037	Water Revenue
Chancellor (D)	218,182	1.88%	30	2/15/2053	Project Fee

Loan	Outstanding Balance	Interest Rate*	Term	Final Payment Date	Security
Chancellor (D)	183,864	1.88%	30	1/15/2055	Project Fee
Chancellor (D)	134,490	3.00%	30	2/15/2054	Project Fee
Clark (D)	1,693,670	1.88%	30	5/15/2055	Project Fee
Clark Rural Water System (N) (D)	1,362,355	2.00%	30	6/1/2051	Water Revenue
Clay Rural Water System (N) (D)	2,127,556	3.25%	30	7/15/2037	Water Revenue
Clay Rural Water System (N)	1,677,075	2.13%	30	2/15/2052	Water Revenue
Clay Rural Water System (N)	5,824,784	2.13%	30	2/15/2054	Project Fee
Clear Lake (D)	114,724	3.00%	30	10/1/2030	Water Revenue
Colman (D)	28,314	1.88%	30	5/15/2056	Project Fee
Colman (D)	314,867	3.00%	30	2/15/2045	Project Fee
Colman (D)	476,909	3.00%	30	2/15/2046	Project Fee
Colman (D)	382,314	3.00%	30	11/15/2048	Project Fee
Colonial Pine Hills Sanitary District	221,667	3.00%	20	4/1/2031	Water Revenue
Colonial Pine Hills Sanitary District	349,975	3.00%	20	6/1/2034	GO
Colonial Pine Hills Sanitary District	219,741	3.00%	20	1/1/2036	Project Fee
Colton (D)	243,244	3.50%	30	7/1/2034	Water Revenue
Colton	42,284	3.00%	20	10/15/2033	Water Revenue
Colton	669,397	2.50%	30	5/15/2050	Project Fee
Conde (D)	367,532	2.25%	30	2/15/2049	Project Fee
Corsica	269,685	2.13%	30	4/15/2054	Project Fee
Corson Village Sanitary District	17,935	3.00%	20	4/15/2031	Project Fee
Crooks	979,771	2.50%	30	5/15/2051	Water Revenue
Crooks	1,567,660	3.25%	30	2/15/2056	Project Fee
Dakota Dunes CID	854,526	3.00%	20	2/15/2036	Water Revenue
Dakota Dunes CID	393,660	2.00%	20	4/15/2044	Project Fee
Deer Mountain Sanitary District	2,066,231	2.13%	30	7/15/2053	GO
Deer Mountain Sanitary District	2,526,653	3.50%	30	7/15/2055	GO
Deer Mountain Sanitary District	450,000	3.50%	30	10/15/2057	Project Fee
Dell Rapids	319,670	3.00%	20	1/15/2035	Project Fee
Dell Rapids	589,043	3.25%	30	7/15/2048	Water Revenue
Dell Rapids	1,969,280	2.50%	30	7/15/2051	Project Fee
Dell Rapids	685,749	2.13%	30	7/15/2053	Project Fee
Dell Rapids	1,523,989	2.13%	30	7/15/2055	Project Fee
DeSmet (D)	32,618	2.25%	30	7/15/2029	Water Revenue
DeSmet (D)	339,600	1.88%	30	1/15/2053	Project Fee
Doland (D)	255,902	3.00%	30	7/15/2044	Project Fee
Dupree (D)	43,553	2.25%	30	8/15/2044	Project Fee
Eagle Butte (D)	159,406	0.00%	30	11/15/2044	Project Fee
Eagle Butte (D)	258,667	0.00%	30	11/15/2051	Project Fee
Eagle Butte (D)	258,475	0.00%	30	11/15/2046	Project Fee
Edgemont (D)	496,750	0.00%	30	2/15/2048	Project Fee
Edgemont (D)	310,637	0.00%	30	5/15/2052	Project Fee
Elk Point	9,653	3.25%	20	7/15/2026	Water Revenue
Elk Point	153,428	3.25%	20	10/15/2030	Water Revenue
Elk Point	103,097	3.00%	20	1/15/2031	Project Fee
Elk Point	490,317	3.25%	30	2/15/2051	Water Revenue
Elk Point	436,646	2.50%	30	5/15/2053	Water Revenue
Elkton	683,930	2.75%	30	10/15/2052	Project Fee
Elkton	720,854	2.13%	30	1/15/2054	Project Fee
Emery (D)	383,604	3.00%	30	8/15/2048	Project Fee
Faith (D)	935,919	1.88%	30	5/15/2055	DW Revenue
Fall River Water User District (D)	194,334	3.00%	30	10/1/2031	Water Revenue
Fall River Water User District (D)	79,341	2.50%	30	4/1/2033	Water Revenue

Loan	Outstanding Balance	Interest Rate*	Term	Final Payment Date	Security
Fall River Water User District	1,134,545	2.13%	30	6/23/2056	Water Revenue
Faulkton (D)	73,307	3.00%	30	7/15/2042	Water Revenue
Flandreau	671,722	1.88%	30	8/15/2055	Project Fee
Florence	559,648	3.25%	30	2/15/2048	Sales Tax
Florence	457,554	3.25%	30	5/15/2047	Project Fee
Garretson (D)	423,977	3.50%	30	7/1/2034	Water Revenue
Garretson	542,741	2.50%	30	2/15/2050	Project Fee
Garretson	403,849	2.13%	30	8/15/2051	Project Fee
Garretson (D)	986,104	3.00%	30	5/15/2056	Project Fee
Gayville (D)	279,390	3.00%	30	1/15/2043	Project Fee
Grant-Roberts Rural Water System (N) (D)	1,476,529	3.00%	30	10/15/2035	Water Revenue
Grant-Roberts Rural Water System (N)	882,136	2.13%	30	4/13/2052	Water Revenue
Gregory (D)	102,256	2.50%	30	1/1/2033	Water Revenue
Gregory (D)	257,192	2.25%	30	1/15/2043	Water Revenue
Gregory (D)	807,381	0.00%	30	8/15/2055	Project Fee
Grenville (D)	60,577	2.00%	30	5/15/2051	Project Fee
Groton	1,598,673	2.75%	30	2/15/2052	Project Fee
Groton	567,363	2.13%	30	5/15/2054	Project Fee
Hanson Rural Water System (N)	75,238	3.00%	20	11/15/2031	Water Revenue
Harrisburg	210,994	3.25%	20	10/15/2028	Project Fee
Harrisburg	524,921	3.25%	20	1/15/2031	Project Fee
Harrisburg	2,395,291	2.13%	30	10/15/2054	Project Fee
Hartford	56,553	3.25%	20	4/15/2027	Water Revenue
Hartford	293,785	3.25%	30	10/15/2056	Water Revenue
Henry (D)	382,554	0.00%	30	11/15/2056	Project Fee
Hermosa (D)	111,772	2.00%	30	11/15/2049	Project Fee
High Meadows Water Association, Inc. (N)	452,141	2.13%	30	9/29/2054	Water Revenue
Hot Springs	664,264	3.00%	20	1/15/2033	Water Revenue
Hudson (D)	815,408	1.63%	30	8/15/2055	Project Fee
Humboldt	415,438	2.13%	30	5/15/2055	Project Fee
Humboldt	270,000	3.25%	30	2/15/2057	Project Fee
Huron	118,365	3.00%	20	4/15/2031	Water Revenue
Huron (D)	407,292	3.00%	30	10/15/2043	Water Revenue
Ipswich (D)	195,219	3.00%	30	10/15/2041	Project Fee
Irene (D)	229,689	3.00%	30	5/15/2046	Project Fee
Irene (D)	349,669	2.25%	30	2/15/2051	Project Fee
Irene (D)	297,671	1.63%	30	8/15/2055	Project Fee
Joint Well Field, Inc. (N)	4,190,676	2.13%	30	11/15/2053	Water Revenue
Joint Well Field, Inc. (N)	6,537,992	2.13%	30	11/15/2055	Water Revenue
Kadoka (D)	444,898	1.88%	30	11/15/2055	Project Fee
Kingbrook Rural Water System (N) (D)	95,127	0.00%	30	4/1/2032	Water Revenue
Kingbrook Rural Water System (N) (D)	901,116	3.25%	30	10/1/2035	Water Revenue
Kingbrook Rural Water System (N)	318,741	3.00%	20	7/1/2036	Water Revenue
Kingbrook Rural Water System (N) (D)	354,743	2.25%	30	1/1/2052	Water Revenue
Kingbrook Rural Water System (N) (D)	81,159	1.63%	30	10/1/2052	Water Revenue
Kingbrook Rural Water System (N) (D)	236,520	1.63%	30	7/1/2056	Water Revenue
Kingbrook Rural Water System (N)	16,678,773	2.13%	30	7/15/2055	Water Revenue
Lake Norden (D)	1,110,861	2.00%	20	8/15/2040	Project Fee
Lake Norden (D)	582,195	1.63%	20	8/15/2041	Project Fee
Lake Norden (D)	1,955,667	1.63%	30	2/15/2053	Project Fee
Lake Preston (D)	1,501,691	1.88%	30	11/15/2053	Project Fee
Lake Preston (D)	277,354	1.88%	30	4/15/2055	Project Fee
Lake Preston (D)	297,364	3.00%	30	11/15/2055	Project Fee

Loan	Outstanding Balance	Interest Rate*	Term	Final Payment Date	Security
Langford (D)	307,952	0.00%	30	11/15/2049	Project Fee
Langford (D)	67,310	0.00%	30	2/15/2051	Project Fee
Lead (D)	528,100	3.00%	20	7/1/2036	Water Revenue
Lennox (D)	804,945	3.25%	30	4/15/2035	Project Fee
Lennox (D)	153,025	3.00%	20	7/15/2034	Water Revenue
Lennox (D)	787,268	2.25%	30	10/15/2050	Project Fee
Lennox	327,191	2.75%	30	1/15/2052	Project Fee
Lennox (D)	385,373	1.88%	30	1/15/2054	Project Fee
Lennox (D)	1,185,980	1.88%	30	10/15/2054	Project Fee
Leola (D)	238,344	2.00%	30	11/15/2050	Project Fee
Lincoln County Rural Water System (N)	654,336	2.75%	30	11/15/2050	Water Revenue
Lincoln County Rural Water System (N)	1,356,783	2.13%	30	4/15/2056	Project Fee
Madison (D)	6,382,160	1.63%	30	11/15/2054	Project Fee
Marion (D)	840,218	1.88%	30	5/15/2053	Project Fee
Marion (D)	128,702	1.88%	30	2/15/2055	Project Fee
Martin (D)	322,333	2.50%	30	10/15/2035	Water Revenue
Martin (D)	339,804	2.00%	30	7/15/2050	Project Fee
McLaughlin (D)	146,635	2.50%	30	4/15/2036	Water Revenue
McLaughlin (D)	610,048	2.25%	30	7/15/2044	Project Fee
Mellette (D)	17,248	3.00%	30	1/15/2042	Water Revenue
Mid-Dakota Rural Water System (N) (D)	1,585,899	3.00%	30	4/15/2043	Water Revenue
Mid-Dakota Rural Water System (N) (D)	12,142,338	1.88%	30	9/15/2053	Water Revenue
Midland (D)	163,450	2.25%	30	5/15/2048	Project Fee
Milbank (D)	360,506	2.50%	30	1/15/2028	Project Fee
Miller (D)	1,157,713	3.00%	30	1/15/2048	Project Fee
Miller (D)	930,687	2.25%	30	11/15/2049	Project Fee
Miller (D)	362,061	2.25%	30	2/15/2052	Project Fee
Miller (D)	1,460,755	1.88%	30	11/15/2056	Project Fee
Mina Lake Sanitary District (D)	134,309	1.88%	10	5/15/2035	Project Fee
Minnehaha Community Water Corp. (N)	6,405,794	2.13%	30	1/15/2053	Water Revenue
Mitchell	583,883	3.00%	20	1/1/2032	Project Fee
Mitchell (D)	803,247	2.25%	20	8/15/2041	Water Revenue
Mitchell (D)	537,690	2.25%	20	2/15/2041	Water Revenue
Mitchell (D)	1,040,741	1.88%	30	5/15/2054	Project Fee
Mitchell (D)	14,578,036	1.88%	30	11/15/2055	Project Fee
Mitchell (D)	2,804,547	1.88%	30	8/15/2056	Project Fee
Mobridge (D)	850,733	2.25%	30	1/15/2045	Project Fee
Mobridge (D)	267,756	2.25%	30	4/15/2045	Project Fee
Montrose (D)	194,481	3.00%	30	4/15/2043	Water Revenue
Montrose (D)	165,101	2.25%	30	8/15/2051	Project Fee
New Underwood	31,337	3.00%	20	4/15/2031	Water Revenue
Newell (D)	238,332	2.25%	30	1/15/2042	Project Fee
Newell (D)	628,178	1.63%	30	5/15/2056	Project Fee
Niche Sanitary District (D)	59,640	2.25%	30	12/1/2043	GO
Nisland (D)	90,416	0.00%	30	1/1/2034	Project Fee
North Sioux City	5,413,973	2.13%	30	5/15/2056	Project Fee
Northville	13,137	3.00%	20	1/15/2032	Project Fee
Northville	146,871	2.13%	30	2/15/2056	Project Fee
Oelrichs (D)	78,358	2.25%	30	5/15/2051	Project Fee
Onida	403,953	3.00%	20	2/15/2037	Project Fee
Onida	481,663	2.25%	20	11/15/2039	Project Fee
Onida	370,163	2.75%	30	5/15/2052	Project Fee
Parker	36,757	3.25%	20	1/15/2027	Water Revenue

Loan	Outstanding Balance	Interest Rate*	Term	Final Payment Date	Security
Parker	34,515	3.25%	20	10/15/2028	Project Fee
Parker	28,556	3.00%	20	10/15/2030	Project Fee
Parker (D)	591,363	2.25%	30	7/15/2050	Project Fee
Parker (D)	1,629,612	1.88%	30	5/15/2055	Project Fee
Piedmont	267,776	3.00%	20	10/15/2033	GO
Pierpont (D)	73,606	3.00%	30	7/15/2040	Project Fee
Pierre	31,822,859	2.50%	30	5/15/2052	Project Fee
Pine Cliff Park Water & Mtce Inc. (N)	206,953	2.25%	20	11/15/2039	Water Revenue
Plankinton (D)	438,281	3.00%	30	7/15/2044	Project Fee
Randall Community Water District (D)	2,167,556	2.25%	30	4/15/2053	Water Revenue
Randall Community Water District (D)	4,734,194	1.88%	30	1/15/2055	Water Revenue
Randall Community Water District (D)	38,734,175	3.50%	30	1/15/2057	Water Revenue
Randall Community Water District (D)	487,139	1.88%	30	4/15/2055	Water Revenue
Rapid City	2,141,040	3.00%	20	10/15/2031	Water Revenue
Rapid City	729,090	3.00%	20	11/1/2033	Water Revenue
Rapid Valley Sanitary District	211,917	3.00%	20	2/15/2035	Water Revenue
Rapid Valley Sanitary District	1,344,478	1.63%	30	7/15/2055	Project Fee
Redfield (D)	122,539	2.50%	30	10/1/2039	Water Revenue
Roscoe (D)	583,437	2.50%	30	8/15/2051	Project Fee
Rosholt	975,771	2.13%	30	4/15/2055	Project Fee
Saint Lawrence	110,797	2.13%	30	11/15/2052	Project Fee
Saint Lawrence (D)	127,106	3.00%	30	2/15/2056	Project Fee
Salem	21,985	3.25%	20	4/15/2027	Water Revenue
Salem (D)	743,535	3.25%	30	4/15/2039	Project Fee
Salem (D)	250,577	2.25%	30	8/15/2049	Project Fee
Salem (D)	625,682	1.88%	30	4/13/2052	Project Fee
Salem (D)	1,400,000	1.88%	30	11/15/2056	Project Fee
Scotland (D)	87,512	2.50%	30	4/15/2035	Sales Tax
Sioux Falls (D)	0	1.88%	10	9/29/2034	Water Revenue
Sioux Rural Water System (N)	1,666,967	3.00%	20	3/15/2038	Water Revenue
Sioux Rural Water System (N)	5,130,162	2.25%	20	11/15/2040	Water Revenue
Sioux Rural Water System (N)	1,775,775	2.13%	30	4/13/2052	Water Revenue
South Lincoln Rural Water System (N) (D)	156,157	3.00%	30	6/15/2043	Water Revenue
South Lincoln Rural Water System (N)	10,091,695	2.13%	30	4/15/2055	Water Revenue
South Lincoln Rural Water System (N)	10,866,218	2.13%	30	10/15/2055	Water Revenue
Southern Black Hills Water System (N)	533,526	2.13%	30	11/15/2055	Water Revenue
Spearfish (D)	6,882,327	1.63%	30	5/15/2056	Water Revenue
Spring/Cow Creek Sanitary District	438,677	2.13%	30	11/15/2055	Project Fee
Sturgis	935,523	3.00%	20	1/15/2034	Project Fee
Sturgis (D)	3,606,448	1.63%	30	5/15/2056	Project Fee
Tabor (D)	601,807	3.00%	30	11/15/2045	Project Fee
TC&G Water Association (N) (D)	1,233,224	2.25%	30	8/15/2049	Water Revenue
Tea	261,581	3.25%	20	1/15/2028	Water Revenue
Tea	1,855,516	2.13%	30	2/15/2053	Water Revenue
Tea	701,031	2.13%	30	11/15/2051	Water Revenue
Terry Trojan Water Project District	577,920	2.25%	20	4/15/2039	Water Revenue
Terry Trojan Water Project District	378,584	1.88%	10	4/15/2036	Project Fee
TM Rural Water District (D)	631,650	3.00%	30	1/15/2044	Water Revenue
TM Rural Water District (D)	4,201,349	1.63%	30	1/1/2056	Water Revenue
Trail West Sanitary District	184,605	3.00%	20	10/15/2030	Project Fee
Tripp County Water User District (D)	1,263,458	2.50%	30	10/15/2034	Water Revenue
Tripp County Water User District (D)	37,249	0.00%	30	10/15/2034	Water Revenue
Tripp County Water User District (D)	8,867,797	2.25%	30	10/15/2046	Water Revenue

Loan	Outstanding Balance	Interest Rate*	Term	Final Payment Date	Security
Tripp County Water User District (D)	2,202,919	0.00%	30	1/15/2056	Water Revenue
Tyndall (D)	342,712	2.50%	30	10/1/2035	Water Revenue
Tyndall (D)	983,760	2.25%	30	2/15/2048	Project Fee
Valley Springs	1,456,303	2.13%	30	10/15/2052	Project Fee
Valley Springs	508,605	2.13%	30	5/15/2055	Project Fee
Vermillion (D)	345,897	2.50%	20	1/1/2028	Project Fee
Vermillion (D)	560,675	2.25%	20	1/1/2034	Water Revenue
Viborg (D)	76,932	3.00%	30	10/15/2042	Water Revenue
Viborg (D)	376,053	0.00%	30	8/15/2048	Project Fee
Volga	3,272,746	2.13%	30	11/15/2053	Project Fee
Volga	459,945	2.13%	30	5/15/2055	Project Fee
Wagner (D)	312,500	0.00%	30	10/15/2038	Water Revenue
Wagner (D)	68,542	0.00%	30	1/15/2038	Water Revenue
Wakonda (D)	317,608	3.00%	30	2/15/2048	Project Fee
Watertown	663,786	1.88%	20	12/15/2045	Project Fee
Watertown	1,211,363	1.88%	30	1/15/2055	Project Fee
Waubay (D)	381,279	2.50%	30	10/15/2038	Project Fee
Webster (D)	3,354,077	1.63%	30	11/15/2052	Project Fee
Webster (D)	1,629,773	1.63%	30	11/15/2055	Project Fee
Wessington Springs (D)	120,586	2.25%	30	8/15/2048	Water Revenue
Wessington Springs (D)	613,901	1.63%	30	8/15/2055	Project Fee
Wessington Springs (D)	101,728	1.63%	30	8/15/2055	Project Fee
West River/Lyman-Jones Rural Water Sys (N)	1,817,031	2.13%	30	5/15/2055	Water Revenue
Westberry Trails Water Users Association (N)	887,026	2.13%	30	4/15/2056	Water Revenue
White Lake (D)	196,390	2.25%	30	5/15/2045	Project Fee
Winner (D)	183,455	2.25%	30	10/15/2038	Project Fee
Wolsey	19,005	3.25%	20	7/15/2027	Sales Tax
Wolsey	43,835	3.25%	20	7/15/2030	Sales Tax
Wolsey (D)	261,973	1.63%	30	7/15/2052	Project Fee
Woodland Hills Sanitary District	157,381	3.00%	20	5/15/2035	Project Fee
Woodland Hills Sanitary District	58,750	3.00%	20	2/15/2037	Project Fee
Woonsocket (D)	192,519	3.00%	30	1/15/2042	Water Revenue
Worthing	44,008	3.00%	20	4/15/2034	Project Fee
Yankton (D)	9,201,449	3.00%	30	10/15/2046	Project Fee
Yankton (D)	30,025,033	2.25%	30	4/15/2048	Project Fee
Total	**$475,931,681**				

*Rounded to one-hundredth
(N) designates a nonprofit Borrower
(D) designates a Disadvantaged Borrower

Clean Water Loans in Repayment
(as of June 30, 2026)

Loan	Outstanding Balance	Interest*	Term	Final Payment Date	Security
Alcester	1,023,120	2.13%	30	5/15/2054	Project Fee
Alcester	188,674	2.13%	30	2/15/2056	Project Fee
Alexandria	558,681	2.13%	30	8/15/2055	Project Fee
Alpena	486,080	3.00%	20	8/15/2035	Project Fee
Andover	142,059	3.25%	30	2/15/2045	Project Fee
Andover	95,831	2.13%	30	8/15/2054	Project Fee
Arlington	416,425	2.13%	30	11/15/2055	Project Fee
Astoria	203,991	3.25%	30	5/15/2043	Project Fee
Aurora	145,792	3.25%	30	10/15/2041	Project Fee
Aurora	1,858,042	2.13%	30	8/15/2053	Project Fee
Aurora	1,277,537	2.13%	30	2/15/2056	Project Fee
Avon	114,137	2.50%	20	2/15/2042	Project Fee
Baltic	47,952	3.00%	20	7/15/2031	Wastewater Revenue
Baltic	495,911	3.25%	30	1/15/2044	Wastewater Revenue
Baltic	672,160	2.13%	30	4/15/2055	Project Fee
Belle Fourche	1,437,357	2.25%	20	11/15/2038	Project Fee
Belle Fourche	1,438,807	2.50%	20	2/15/2041	Wastewater Revenue
Beresford	567,030	3.25%	30	8/15/2044	Project Fee
Beresford	434,563	3.25%	30	8/15/2046	Project Fee
Beresford	6,594,773	2.13%	30	11/15/2055	Project Fee
Bison	164,922	3.00%	20	4/1/2032	Sales Tax
Bison	1,493,086	2.13%	30	1/15/2056	Project Fee
Blunt	609,453	2.50%	30	2/15/2050	Project Fee
Bonesteel	276,488	3.25%	30	8/15/2045	Project Fee
Bowdle	1,576,437	2.13%	30	2/15/2056	Project Fee
Box Elder	1,540,000	2.13%	30	8/15/2056	Project Fee
Brandon	1,709,910	3.00%	20	1/15/2038	Project Fee
Brant Lake Sanitary District	1,211,190	3.25%	30	4/15/2044	Wastewater Revenue
Brentford	96,828	3.25%	30	8/15/2040	Project Fee
Bridgewater	16,185	3.25%	20	1/15/2027	Wastewater Revenue
Bridgewater	174,558	3.25%	30	4/15/2043	Wastewater Revenue
Bridgewater	1,354,721	2.75%	30	2/15/2052	Project Fee
Bridgewater	650,061	2.13%	30	5/15/2055	Project Fee
Bristol	698,029	3.25%	30	11/15/2046	Project Fee
Britton	243,811	3.00%	20	10/15/2030	Project Fee
Britton	966,143	3.25%	30	10/15/2037	Project Fee
Britton	895,541	2.13%	30	8/15/2055	Project Fee
Brookings	137,042	3.00%	20	1/15/2032	Storm Sewer Revenue
Brookings	140,682	3.00%	20	4/15/2033	Storm Sewer Revenue
Brookings	91,812	3.00%	20	1/15/2033	Storm Sewer Revenue
Brookings	906,493	3.00%	20	1/15/2034	Storm Sewer Revenue
Brookings	257,308	3.00%	20	4/15/2036	Storm Sewer Revenue

Loan	Outstanding Balance	Interest*	Term	Final Payment Date	Security
Brookings	702,136	2.25%	20	1/15/2042	Storm Sewer Revenue
Burke	17,911	3.25%	20	1/15/2028	Wastewater Revenue
Canistota	120,154	3.25%	30	1/15/2041	Wastewater Revenue
Canistota	121,131	3.25%	30	4/15/2042	Wastewater Revenue
Canistota	289,637	3.25%	30	1/15/2046	Project Fee
Canistota	307,481	3.25%	30	2/15/2048	Project Fee
Canistota	1,688,745	2.13%	30	5/15/2054	Project Fee
Canova	55,962	3.25%	30	10/15/2042	Project Fee
Canton	476,950	3.00%	20	3/1/2031	Wastewater Revenue
Canton	530,396	3.25%	30	7/15/2044	Wastewater Revenue
Canton	1,360,095	3.25%	30	5/15/2049	Wastewater Revenue
Canton	2,021,378	2.13%	30	5/15/2056	Project Fee
Cavour	61,898	3.25%	30	2/15/2049	Project Fee
Cavour	163,517	2.50%	30	5/15/2051	Project Fee
Centerville	296,198	3.25%	30	5/15/2045	Project Fee
Centerville	195,644	2.50%	30	11/15/2048	Wastewater Revenue
Chamberlain	127,224	2.00%	10	5/15/2030	Sales Tax
Chamberlain	566,286	2.13%	30	6/23/2054	Project Fee
Chancellor	455,501	3.25%	30	11/15/2046	Project Fee
Chancellor	432,282	2.13%	30	2/15/2053	Project Fee
Chancellor	198,457	2.13%	30	1/15/2055	Project Fee
Chancellor	214,842	3.25%	30	11/15/2055	Project Fee
Claremont	402,145	2.75%	30	2/15/2052	Project Fee
Claremont	45,679	2.13%	30	5/15/2054	Project Fee
Clark	1,469,228	3.25%	30	8/15/2046	Project Fee
Clear Lake	11,622	3.25%	20	7/15/2026	Wastewater Revenue
Colman	883,033	3.25%	30	11/15/2044	Project Fee
Colman	218,800	3.25%	30	2/15/2046	Project Fee
Colman	170,582	2.13%	30	5/15/2056	Project Fee
Colton	62,850	3.00%	20	10/15/2033	Wastewater Revenue
Colton	1,643,256	2.50%	30	5/15/2050	Wastewater Revenue
Colton	382,069	2.13%	30	5/15/2055	Project Fee
Corsica	528,832	2.13%	30	4/15/2055	Project Fee
Cresbard	202,306	2.13%	30	11/15/2053	Project Fee
Crooks	1,942,217	2.50%	30	5/15/2051	Wastewater Revenue
Crooks	918,893	2.13%	30	11/15/2053	Project Fee
Crooks	234,522	2.13%	30	11/15/2054	Project Fee
Custer	450,957	3.00%	20	7/15/2034	Project Fee
Custer	1,436,180	2.13%	30	8/15/2053	Project Fee
Custer	4,656,393	2.13%	30	1/15/2055	Project Fee
Custer	2,478,169	3.25%	30	7/15/2056	Project Fee
Dakota Dunes CID	407,510	2.00%	20	10/15/2046	Project Fee
Dakota Dunes CID	238,428	2.00%	20	7/15/2045	Project Fee
Dell Rapids	496,118	3.00%	20	4/15/2033	Sales Tax
Dell Rapids	1,669,213	3.25%	30	4/15/2049	Project Fee
Dell Rapids	1,996,736	1.50%	30	7/15/2051	Project Fee
Dell Rapids	300,241	1.50%	30	7/15/2051	Project Fee
Dell Rapids	1,488,710	1.38%	30	7/15/2053	Project Fee
Dell Rapids	207,525	1.38%	30	4/15/2054	Project Fee
Dell Rapids	1,427,544	1.38%	30	7/15/2055	Project Fee
Dell Rapids	259,388	1.38%	30	7/15/2055	Project Fee
Dimock	361,097	3.25%	30	2/15/2049	Project Fee

Loan	Outstanding Balance	Interest*	Term	Final Payment Date	Security
Doland	6,070	2.00%	10	4/15/2029	Project Fee
Dupree	340,238	3.25%	30	10/15/2045	Project Fee
Dupree	152,354	3.25%	30	1/15/2047	Project Fee
Eagle Butte	1,156,471	3.25%	30	2/15/2047	Project Fee
Elk Point	108,993	3.00%	20	7/15/2029	Project Fee
Elk Point	116,724	3.25%	30	11/15/2050	Wastewater Revenue
Elk Point	465,713	2.50%	30	5/15/2053	Wastewater Revenue
Elkton	131,759	3.00%	20	1/15/2032	Project Fee
Elkton	1,038,920	2.75%	30	10/15/2052	Project Fee
Elkton	333,505	2.13%	30	1/15/2054	Project Fee
Emery	815,411	3.25%	30	8/15/2048	Project Fee
Emery	358,946	2.13%	30	4/13/2052	Project Fee
Ethan	365,223	3.25%	30	8/15/2045	Project Fee
Eureka	669,469	3.25%	30	4/15/2037	Project Fee
Faulkton	590,270	3.25%	30	7/15/2045	Wastewater Revenue
Flandreau	243,321	2.13%	30	8/15/2055	Project Fee
Fort Pierre	160,654	3.00%	20	7/1/2031	Sales Tax
Fort Pierre	155,262	3.25%	30	7/15/2044	Project Fee
Fort Pierre	3,354,090	2.13%	30	8/15/2053	Project Fee
Freeman	561,807	3.00%	20	1/15/2036	Project Fee
Garretson	143,192	3.25%	20	10/15/2030	Wastewater Revenue
Garretson	976,566	2.50%	30	11/15/2049	Project Fee
Garretson	795,539	2.13%	30	2/15/2051	Project Fee
Garretson	2,042,481	3.25%	30	5/15/2056	Project Fee
Gayville	1,713,104	2.13%	30	8/15/2055	Project Fee
Gettysburg	165,279	3.00%	20	4/15/2031	Wastewater Revenue
Gregory	74,524	3.00%	20	4/15/2031	Wastewater Revenue
Gregory	181,925	2.25%	20	4/15/2039	Project Fee
Gregory	811,172	2.13%	30	8/15/2055	Project Fee
Harrisburg	1,635,326	3.25%	30	1/1/2042	Project Fee
Harrisburg	340,199	3.00%	20	10/15/2034	Project Fee
Harrisburg	651,770	3.00%	20	10/15/2033	Storm Sewer Revenue
Harrisburg	20,970,606	2.50%	30	10/15/2051	Project Fee
Harrisburg	5,070,742	2.13%	30	10/15/2054	Project Fee
Hartford	77,175	3.25%	20	10/15/2028	Wastewater Revenue
Hartford	1,208,104	2.50%	30	1/15/2049	Wastewater Revenue
Hartford	1,259,828	2.75%	30	11/15/2053	Wastewater Revenue
Hartford	7,095,331	2.13%	30	11/15/2055	Project Fee
Hartford	5,721,526	3.25%	30	2/15/2057	Project Fee
Hecla	32,828	3.00%	20	1/15/2032	Wastewater Revenue
Hermosa	698,600	2.13%	30	2/15/2057	Project Fee
Herreid	483,263	3.25%	30	10/15/2043	Project Fee
Hot Springs	514,928	3.00%	20	4/15/2033	Wastewater Revenue
Hoven	376,494	3.25%	30	8/15/2047	Project Fee
Howard	1,141,963	2.13%	30	5/15/2055	Project Fee
Hudson	638,008	2.13%	30	5/15/2053	Project Fee
Hudson	644,348	2.13%	30	8/15/2055	Project Fee
Humboldt	274,682	3.25%	30	11/15/2047	Project Fee
Humboldt	1,652,128	2.50%	30	5/15/2051	Project Fee
Humboldt	59,566	2.00%	10	5/15/2031	Project Fee
Humboldt	413,736	2.13%	30	5/15/2055	Project Fee
Hurley	588,021	3.25%	30	1/15/2044	Project Fee

Loan	Outstanding Balance	Interest*	Term	Final Payment Date	Security
Hurley	174,111	2.13%	30	4/15/2053	Project Fee
Huron	9,829,391	2.13%	30	1/15/2053	Project Fee
Interior	169,897	3.25%	30	7/15/2043	Project Fee
Ipswich	794,487	2.13%	30	5/15/2055	Project Fee
Irene	473,026	3.25%	30	5/15/2046	Project Fee
Irene	757,146	2.75%	30	11/15/2051	Project Fee
Irene	83,875	2.13%	30	5/15/2055	Project Fee
Isabel	325,262	2.13%	30	5/15/2055	Project Fee
Java	211,334	3.25%	30	1/15/2044	Project Fee
Kadoka	1,809,633	2.13%	30	11/15/2055	Project Fee
Kadoka	796,366	3.75%	30	2/15/2057	Project Fee
Kennebec	530,499	3.25%	30	8/15/2048	Wastewater Revenue
Kennebec	315,012	3.25%	30	11/15/2047	Project Fee
Kennebec	639,209	2.13%	30	8/15/2054	Project Fee
Keystone	316,774	3.00%	20	11/15/2039	Wastewater Revenue
Lake Madison San Dist	336,944	3.25%	30	2/15/2047	Project Fee
Lake Norden	783,557	2.50%	30	2/15/2050	Project Fee
Lake Norden	436,650	2.13%	30	11/15/2052	Project Fee
Lake Norden	876,829	2.13%	30	11/15/2054	Project Fee
Lake Norden	147,288	3.25%	30	4/15/2056	Project Fee
Lake Poinsett Sanitary District	624,560	3.50%	30	7/15/2039	Wastewater Revenue
Lake Poinsett Sanitary District	792,402	3.25%	30	4/15/2043	Wastewater Revenue
Lake Poinsett Sanitary District	1,519,928	3.25%	30	7/15/2048	Wastewater Revenue
Lake Poinsett Sanitary District	1,534,278	2.13%	30	4/15/2055	Wastewater Revenue
Lake Preston	715,454	2.13%	30	11/15/2053	Project Fee
Lake Preston	491,404	2.13%	30	4/15/2055	Project Fee
Lead	50,530	3.25%	20	7/1/2029	Wastewater Revenue
Lead	52,687	3.00%	20	4/1/2032	Wastewater Revenue
Lead	489,250	3.00%	20	7/1/2036	Wastewater Revenue
Lennox	1,173,008	3.25%	30	1/15/2042	Project Fee
Lennox	980,662	3.25%	30	2/15/2046	Project Fee
Lennox	1,566,429	3.25%	30	4/15/2049	Storm Sewer Revenue
Lennox	1,307,952	2.50%	30	1/15/2051	Project Fee
Lennox	740,596	2.75%	30	1/15/2052	Project Fee
Lennox	1,092,958	2.13%	30	1/15/2054	Project Fee
Lennox	2,654,513	2.13%	30	10/15/2054	Project Fee
Lesterville	546,700	2.13%	30	5/15/2056	Project Fee
Letcher	368,931	3.25%	30	5/15/2046	Project Fee
Madison	1,121,076	3.25%	20	10/15/2029	Wastewater Revenue
Madison	2,991,092	2.13%	30	11/15/2054	Project Fee
Marion	1,061,579	3.50%	30	1/15/2041	Wastewater Revenue
Marion	388,971	2.13%	30	5/15/2053	Project Fee
Marion	128,929	2.13%	30	2/15/2055	Project Fee
McLaughlin	660,646	3.25%	30	7/15/2044	Project Fee
Mellette	253,791	2.13%	30	11/15/2051	Project Fee
Menno	69,870	3.00%	20	4/15/2032	Wastewater Revenue
Menno	865,136	3.25%	30	12/15/2044	GO
Miller	1,599,103	2.50%	30	11/15/2049	Project Fee
Miller	1,712,501	2.50%	30	2/15/2052	Project Fee
Mina Lake Sanitary District	370,176	3.25%	30	1/15/2050	Project Fee
Mission Hill	552,966	2.13%	30	5/15/2057	Project Fee
Mitchell	421,602	2.00%	20	1/15/2031	Wastewater Revenue

Loan	Outstanding Balance	Interest*	Term	Final Payment Date	Security
Mitchell	45,667	2.00%	20	7/15/2031	Wastewater Revenue
Mitchell	263,932	3.00%	20	8/15/2034	Wastewater Revenue
Mitchell	5,930,140	1.25%	20	8/15/2041	Project Fee
Mitchell	631,452	1.25%	20	8/15/2041	Project Fee
Mitchell	2,761,041	1.25%	20	8/15/2041	Project Fee
Mitchell	335,091	1.25%	20	5/15/2044	Project Fee
Mitchell	876,846	1.25%	20	8/15/2043	Project Fee
Mitchell	70,937	1.25%	20	8/15/2043	Project Fee
Mitchell	1,387,590	1.38%	30	8/15/2053	Wastewater Revenue
Mitchell	158,579	1.38%	30	8/15/2053	Wastewater Revenue
Mitchell	15,347,293	1.38%	30	11/15/2054	Project Fee
Mitchell	641,710	1.38%	30	11/15/2054	Project Fee
Mitchell	4,674,168	2.13%	30	8/15/2056	Project Fee
Mitchell	982,834	2.13%	30	11/15/2054	Project Fee
Mobridge	932,105	3.00%	20	4/15/2037	Project Fee
Montrose	395,285	3.25%	30	1/15/2042	Project Fee
Montrose	334,982	2.13%	30	2/15/2053	Project Fee
Mount Vernon	841,996	3.25%	30	1/15/2043	Project Fee
Newell	275,788	2.13%	30	5/15/2056	Wastewater Revenue
Nisland	10,538	3.25%	20	1/1/2027	Project Fee
North Sioux City	5,075,541	2.00%	20	1/15/2046	Wastewater Revenue
Northville	78,363	3.25%	30	1/15/2044	Project Fee
Onida	1,988,662	2.50%	30	5/15/2049	Project Fee
Onida	1,306,946	2.75%	30	5/15/2052	Project Fee
Parker	78813.06	3.25%	20	10/15/2028	Project Fee
Parker	139,753	3.25%	30	7/15/2041	Project Fee
Parker	109,109	3.25%	20	7/15/2035	Project Fee
Parker	530,943	2.50%	30	7/15/2050	Project Fee
Parker	2,035,835	2.13%	30	5/15/2055	Project Fee
Parkston	152,466	3.25%	20	1/15/2030	Wastewater Revenue
Parkston	2,998,627	2.13%	30	8/15/2055	Project Fee
Philip	621,818	3.25%	30	7/15/2044	GO
Philip	434,010	3.25%	30	7/15/2044	Project Fee
Philip	354,212	2.50%	30	5/15/2050	Sales Tax
Philip	415,358	2.50%	30	5/15/2050	Project Fee
Philip	306,374	3.25%	30	5/15/2054	Project Fee
Philip	605,627	3.25%	30	5/15/2056	Sales Tax
Pickerel Lake Sanitary District	1,898,401	2.13%	30	11/15/2055	Project Fee
Pickstown	539,474	2.13%	30	8/15/2055	Project Fee
Pierre	196,509	3.25%	20	4/15/2031	Sales Tax
Pierre	1,907,309	3.00%	20	2/15/2039	Project Fee
Pierre	247,582	2.25%	10	11/15/2028	Sales Tax
Pierre	13,629,213	2.00%	20	8/15/2043	Project Fee
Plankinton	601,935	3.25%	30	1/15/2044	Project Fee
Plankinton	95,653	2.00%	10	11/15/2030	Project Fee
Plankinton	2,235,368	2.13%	30	11/15/2054	Project Fee
Platte	1,495,158	2.50%	30	8/15/2050	Project Fee
Powder House Pass CID	2,020,731	3.25%	30	7/15/2045	Special Assessment
Powder House Pass CID	1,455,644	2.50%	30	7/15/2049	Special Assessment
Powder House Pass CID	7,163,500	2.13%	30	7/15/2055	Special Assessment
Presho	2,338,531	2.50%	30	5/15/2051	Project Fee
Rapid City	1,709,533	3.00%	20	10/15/2031	Wastewater Revenue
Rapid City	44,900,313	2.00%	20	1/15/2045	Wastewater Revenue

Loan	Outstanding Balance	Interest*	Term	Final Payment Date	Security
Redfield	599,632	3.25%	30	7/15/2045	Wastewater Revenue
Renner Sanitary District	971,481	2.13%	30	4/15/2050	Wastewater Revenue
Roscoe	1,446,459	2.75%	30	8/15/2051	Project Fee
Saint Lawrence	113,695	3.25%	30	4/15/2046	Project Fee
Saint Lawrence	379,623	2.13%	30	8/15/2054	Project Fee
Saint Lawrence	97,530	3.25%	30	2/15/2056	Project Fee
Salem	2,048,426	2.50%	30	2/15/2050	Project Fee
Salem	374,238	2.13%	30	11/15/2053	Project Fee
Salem	1,858,669	2.13%	30	4/13/2052	Project Fee
Salem	1,400,000	3.25%	30	11/15/2056	Project Fee
Scotland	535,951	3.25%	30	1/15/2043	Project Fee
Seneca	177,718	2.13%	30	5/15/2055	Project Fee
Sinai	233,118	3.25%	30	5/15/2047	Project Fee
Sioux Falls	767,047	2.25%	20	4/15/2027	Wastewater Revenue
Sioux Falls	1,242,999	2.25%	20	4/15/2027	Wastewater Revenue
Sioux Falls	221,099	2.25%	20	4/15/2027	Wastewater Revenue
Sioux Falls	2,058,742	1.25%	10	10/15/2027	Project Fee
Sioux Falls	91,595	1.25%	10	10/15/2027	Project Fee
Sioux Falls	4,128,616	1.25%	10	10/15/2028	Project Fee
Sioux Falls	211,395	1.25%	10	10/15/2028	Project Fee
Sioux Falls	1,821,440	1.25%	10	10/15/2028	Wastewater Revenue
Sioux Falls	140,631	1.25%	10	4/15/2029	Wastewater Revenue
Sioux Falls	3,036,463	1.00%	10	7/15/2029	Wastewater Revenue
Sioux Falls	196,827	1.00%	10	7/15/2029	Wastewater Revenue
Sioux Falls	3,035,889	1.00%	10	1/15/2030	Storm Sewer Revenue
Sioux Falls	209,762	1.00%	10	10/15/2030	Storm Sewer Revenue
Sioux Falls	19,348,399	1.50%	20	7/15/2041	Wastewater Revenue
Sioux Falls	1,803,512	1.50%	20	7/15/2041	Wastewater Revenue
Sioux Falls	36,286,220	2.50%	20	7/15/2042	Wastewater Revenue
Sioux Falls	2,469,085	1.00%	10	10/15/2032	Storm Sewer Revenue
Sioux Falls	0	1.00%	10	10/15/2032	Storm Sewer Revenue
Sioux Falls	16,767,838	2.00%	20	1/15/2044	Wastewater Revenue
Sioux Falls	85,301,012	2.00%	20	1/15/2044	Wastewater Revenue
Sioux Falls	10,549,566	1.25%	20	1/15/2046	Project Fee
Sioux Falls	0	1.25%	20	1/15/2046	Wastewater Revenue
Sioux Falls	42,882,420	3.00%	20	4/15/2046	Wastewater Revenue
Spencer	83,666	3.25%	30	1/15/2042	Project Fee
Spring/Cow Creek Sanitary District	847,440	2.13%	30	7/15/2055	Project Fee
Springfield	1,761,139	2.75%	30	2/15/2052	Project Fee
Sturgis	12,774,503	2.50%	30	8/15/2050	Project Fee
Summerset	121,915	3.00%	20	5/15/2034	Project Fee
Summerset	1,466,419	2.50%	30	11/15/2049	Project Fee
Summerset	5,269,915	2.00%	14	8/15/2038	GO
Tabor	2,145,161	2.13%	30	5/15/2054	Project Fee
Tea	140,672	3.25%	20	1/15/2029	Wastewater Revenue
Tea	248,549	3.00%	20	1/15/2031	Wastewater Revenue
Tea	4,022,986	2.13%	30	7/15/2052	Project Fee
Tea	8,063,129	2.13%	30	11/15/2054	Project Fee
Tea	1,253,281	2.13%	30	2/15/2052	Wastewater Revenue

Loan	Outstanding Balance	Interest*	Term	Final Payment Date	Security
Timber Lake	1,531,380	2.13%	30	5/15/2055	Project Fee
Tulare	739,482	2.13%	30	5/15/2056	Project Fee
Turton	167,193	3.25%	30	2/15/2047	Project Fee
Tyndall	142,070	3.25%	20	1/15/2029	Project Fee
Tyndall	200,625	2.25%	20	4/15/2039	Wastewater Revenue
Valley Springs	1,611,887	2.13%	30	10/15/2052	Project Fee
Vermillion	1,087,434	3.25%	20	7/1/2030	Project Fee
Vermillion	838,225	3.00%	20	2/15/2035	Solid Waste Revenue
Vermillion	529,507	3.00%	20	2/15/2039	Wastewater Revenue
Vermillion	930,028	1.88%	10	7/1/2033	Solid Waste Revenue
Vermillion	404,220	2.00%	20	1/1/2042	Storm Sewer Revenue
Vermillion	989,478	2.00%	20	1/15/2045	Solid Waste Revenue
Viborg	269,439	3.25%	30	1/15/2043	Project Fee
Viborg	85,837	3.25%	30	11/15/2048	Project Fee
Viborg	733,352	2.50%	30	11/15/2053	Project Fee
Volga	1,801,689	2.25%	20	11/15/2040	Project Fee
Volga	1,198,622	2.00%	20	11/15/2043	Project Fee
Wagner	24,720	3.25%	20	1/15/2029	Wastewater Revenue
Wakonda	163,793	3.00%	20	2/15/2035	Project Fee
Wall Lake San Dist	96,942	3.25%	30	7/15/2044	Wastewater Revenue
Warner	386,296	3.25%	30	7/15/2038	Project Fee
Watertown	209,330	2.25%	20	4/1/2029	Sales Tax
Watertown	15,520	2.25%	20	7/1/2028	Sales Tax
Watertown	133,942	2.25%	20	1/1/2029	Project Fee
Watertown	13,439	2.25%	20	1/1/2029	Project Fee
Watertown	86,891	2.25%	20	1/1/2029	Sales Tax
Watertown	9,723	2.25%	20	1/1/2029	Sales Tax
Watertown	828,564	3.00%	20	4/1/2031	Sales Tax
Watertown	70,159	3.00%	20	4/1/2032	Sales Tax
Watertown	3,634,865	2.25%	20	7/15/2042	Project Fee
Watertown	1,800,117	2.00%	20	7/15/2043	Project Fee
Watertown	19,752,138	3.25%	30	10/15/2055	Project Fee
Watertown	1,248,377	2.00%	20	1/15/2045	Solid Waste Revenue
Waubay	98,164	3.25%	30	2/15/2045	Project Fee
Waubay	781,090	3.25%	30	5/15/2050	Project Fee
Webster	727,383	2.13%	30	11/15/2052	Project Fee
Webster	828,246	2.13%	30	11/15/2055	Project Fee
Webster	88,715	2.13%	30	11/15/2055	Project Fee
Wessington Springs	164,876	3.00%	20	8/15/2038	Wastewater Revenue
Wessington Springs	249,462	2.13%	30	8/15/2055	Project Fee
Wessington Springs	71,787	2.13%	30	8/15/2055	Project Fee
Weston Heights Sanitary District	79,303	3.25%	20	4/15/2028	Wastewater Revenue
Weston Heights Sanitary District	1,045,841	3.75%	30	2/15/2057	Wastewater Revenue
White	1,832,810	2.13%	30	7/15/2056	Project Fee
White Lake	227,741	3.25%	30	5/15/2045	Project Fee
Wilmot	1,916,544	2.13%	30	5/15/2055	Project Fee
Winner	166,635	3.25%	20	10/15/2028	Wastewater Revenue
Winner	151,664	3.00%	20	1/15/2033	Wastewater Revenue
Wolsey	41,358	3.25%	20	4/15/2030	Wastewater Revenue
Wolsey	226,073	3.00%	20	1/15/2033	Sales Tax
Wolsey	131,313	3.25%	30	8/15/2056	Project Fee
Worthing	334,451	3.50%	30	4/15/2040	Project Fee

Loan	Outstanding Balance	Interest*	Term	Final Payment Date	Security
Worthing	203,792	3.00%	20	7/15/2034	Project Fee
Worthing	1,023,125	2.13%	30	8/15/2056	Project Fee
Worthing	982,955	3.75%	30	8/15/2056	Project Fee
Yale	197,638	3.25%	30	11/15/2044	Project Fee
Yankton	2,245,772	3.00%	20	1/15/2037	Wastewater Revenue
Yankton	4,166,284	2.00%	20	10/15/2043	Wastewater Revenue
Total	**$666,378,282**				

*Rounded to one-hundredth

Other Drinking Water Loans Closed
(Not in Repayment)
(As of June 30, 2026)

Borrower	Loan Amount	Principial Forgiveness	Rate*	Term	First Payment Date	Security
Aberdeen	10,000,000		3.50%	20	11/15/2027	Project Fee
Alcester	2,230,000	1,259,950	3.25%	30	8/15/2027	Project Fee
Alexandria	350,000		1.88%	30	5/15/2026	Project Fee
Aurora	1,751,000		3.75%	30	11/15/2026	Project Fee
Bear Butte Valley Water, Inc	1,500,000	300,000	3.25%	30	8/15/2026	Water Revenue
Belle Fourche	1,760,000		1.63%	30	2/15/2027	Water Revenue
Box Elder	4,333,350		1.63%	30	8/15/2026	Project Fee
Box Elder	6,630,000		1.63%	30	8/15/2026	Project Fee
Brookings	40,700,000		1.88%	30	10/15/2026	Project Fee
Bryant	1,575,000	1,036,350	3.25%	30	8/15/2028	Project Fee
Buffalo Gap	1,314,000	978,930	3.00%	30	8/15/2027	Project Fee
Centerville	1,412,000		2.75%	30	2/15/2027	Project Fee
Chamberlain	500,000		3.75%	30	8/15/2027	Sales Tax
Clark Rural Water System	610,000	485,560	2.75%	30	1/15/2027	Water Revenue
Clay Rural Water System	21,843,000		2.13%	30	5/15/2028	Project Fee
Clear Lake	3,694,000		3.75%	30	5/15/2027	Project Fee
Colton	766,000		3.75%	30	11/15/2027	Project Fee
Corona	159,800		3.25%	30	8/15/2027	Project Fee
Cresbard	2,000,000	2,000,000	0.00%	0		
Cresbard	1,912,410	1,625,549	2.75%	30	11/15/2027	Project Fee
Davison Rural Water System	1,810,385		2.13%	30	2/15/2027	Water Revenue
DeSmet	2,272,500		1.88%	30	11/15/2026	Project Fee
Elkton	778,000		3.75%	30	2/15/2027	Project Fee
Faith	1,250,000	620,000	3.25%	30	11/15/2026	Project Fee
Grant-Roberts Rural Water System	1,687,000	619,129	3.75%	30	5/15/2028	Water Revenue
Hanson Rural Water System	6,056,165		1.63%	30	12/15/2026	Water Revenue
Henry	4,075,000	3,467,825	2.75%	30	5/15/2028	Project Fee
Hill City	3,520,000		3.75%	30	11/15/2027	Project Fee
Hudson	1,107,000	782,649	3.50%	30	11/15/2026	Project Fee
Joint Well Field, Inc.	4,059,541		3.75%	30	5/15/2027	Water Revenue
Kimball	325,000		3.00%	30	11/15/2027	Project Fee
Kingbrook Rural Water System	14,500,000		3.50%	30	10/1/2027	Water Revenue
Lake Preston	2,492,100	2,118,285	3.50%	30	5/15/2027	Project Fee
Lead	841,425		2.75%	20	4/1/2027	Water Revenue
Lincoln County Rural Water System	3,078,000		3.75%	30	11/15/2027	Water Revenue
Madison	2,645,916		3.50%	30	11/15/2027	Project Fee
McLaughlin	962,396	558,190	0.00%	30	5/15/2026	Project Fee
Meadow Crest Sanitary District	650,000		3.75%	30	5/15/2027	Special Assessment
Mid-Dakota Rural Water System	14,730,000	14,730,000				
Milbank	12,500,000		3.25%	30	2/15/2027	Project Fee
Miller	1,100,000	720,500	3.25%	30	5/15/2027	Project Fee
Minnehaha Community Water Corp.	44,349,000		2.13%	30	1/15/2028	Water Revenue
Minnehaha Community Water Corp.	4,670,000		3.25%	30	7/15/2026	Water Revenue
Mitchell	1,325,000		3.25%	30	8/15/2027	Project Fee
Mobridge	7,123,072		1.88%	30	8/15/2026	Project Fee
New Underwood	4,010,000	2,462,140	3.00%	30	11/15/2026	Project Fee

Borrower	Loan Amount	Principial Forgiveness	Rate*	Term	First Payment Date	Security
Parker	1,215,000		3.75%	30	2/15/2027	Project Fee
Pierre	5,075,823		3.75%	30	11/15/2027	Project Fee
Platte	139,547		1.88%	30	11/15/2027	Project Fee
Randall Community Water District	45,000,000		1.88%	30	7/15/2027	Water Revenue
Rapid City	3,932,000		3.50%	30	11/15/2027	Project Fee
Seneca	440,800	322,225	3.25%	30	11/15/2026	Project Fee
Shared Resources	69,983,400		2.13%	30	7/15/2026	Water Revenue
Sioux Rural Water System	8,281,000	604,513	3.75%	30	10/15/2027	Water Revenue
South Shore	449,000		1.88%	30	11/15/2026	Project Fee
Southern Black Hills Water System	1,584,000		3.75%	30	11/15/2026	Water Revenue
Spring/Cow Creek Sanitary District	300,000		3.25%	30	8/15/2026	Project Fee
Stratford	1,846,000	1,846,000				
Terry Trojan Water Project District	757,400		2.13%	30	7/15/2026	Water Revenue
Timber Lake	551,000		1.88%	30	11/15/2026	Project Fee
Toronto	770,000	425,040	3.50%	30	5/15/2028	Project Fee
Tyndall	1,192,856		1.88%	30	7/15/2026	Project Fee
Valley Springs	452,000		3.25%	30	11/15/2026	Project Fee
Vermillion	7,000,000		2.75%	30	10/15/2026	Project Fee
Wagner	1,400,000	515,200	3.25%	30	11/15/2027	Project Fee
Watertown	3,403,610		1.88%	30	7/15/2027	Project Fee
Wessington	673,000	538,400	0.00%	30	11/15/2026	Project Fee
Wessington Springs	1,660,000		3.25%	30	8/15/2027	Project Fee
Wessington Springs	1,565,000	1,256,695	3.00%	30	11/15/2027	Project Fee
Weston Heights Homeowners Association	1,479,938	395,143	2.13%	30	7/15/2026	Water Revenue
White	1,786,189		1.63%	30	7/15/2026	Project Fee
White	1,452,000	701,316	3.50%	30	4/15/2028	Project Fee
Yankton	8,202,000		1.88%	20	8/15/2026	Project Fee
TOTALS	**417,549,623**	**40,369,588**				

*Rounded to one-hundredth

Drinking Water Loans Approved, But Not Closed
(As of June 30, 2026)

Borrower	Loan Amount	Principal Forgiveness	Rate*	Term
Belle Fourche	623,000		3.75%	30
Belle Fourche	5,123,000		3.25%	30
Big Sioux Community Water System	17,788,000		2.13%	30
Big Sioux Community Water System	2,200,000		3.25%	30
Brookings-Deuel Rural Water System	1,300,000	1,300,000		
Brookings-Deuel Rural Water System	4,700,000		4.75%	30
Bryant	2,643,000	2,117,043	3.50%	30
B-Y Water District	6,075,000		3.25%	10
B-Y Water District	5,300,000		3.75%	30
Canistota	3,640,000	2,912,000	3.75%	30
Clear Lake	2,496,000	1,362,816	4.00%	30
Crooks	2,090,000		3.75%	30
Dell Rapids	1,158,000		3.75%	30
Elkton	512,000		4.00%	30
Fall River Water User District	3,240,000	1,393,200	3.50%	30
Grant-Roberts Rural Water System	8,300,000	8,300,000		
Gregory	975,000		3.50%	30
Hermosa	2,861,956		1.63%	30
Northville	125,000		3.75%	30
Perkins County Rural Water System	5,800,000	4,640,000	4.50%	30
Randall Community Water District	5,000,000		3.50%	30
Rapid City	14,512,000		3.75%	30
Salem	2,100,000	1,001,700	3.75%	30
Springfield	505,000		3.25%	30
Valley Springs	1,261,000		3.75%	30
Vermillion	1,015,000		4.00%	30
Viborg	2,226,000	1,095,192	3.50%	30
Viborg	479,000		3.50%	30
West River/Lyman-Jones Rural Water Sys	5,300,000		3.75%	30
Total	**109,347,956**	**24,121,951**		

*Rounded to one-hundredth

Other Clean Water Loans Closed
(Not in Repayment)
(As of June 30, 2026)

Borrower	Loan Amount	Principial Forgiveness	Rate*	Term	First Payment Date	Security
Aberdeen	32,426,100		2.13%	30	2/15/2027	Project Fee
Aberdeen	30,000,000		3.75%	30	8/15/2028	Project Fee
Alcester	1,530,000	766,530	3.75%	30	11/15/2026	Project Fee
Aurora	240,000		3.25%	30	11/15/2026	Project Fee
Box Elder	6,261,000	3,287,025	2.13%	30	8/15/2026	Project Fee
Box Elder	2,000,000		3.75%	30	8/15/2027	Project Fee
Britton	733,000		3.75%	30	11/15/2026	Project Fee
Bryant	1,240,000		3.75%	30	8/15/2028	Project Fee
Claremont	505,000	306,030	3.25%	30	2/15/2027	Project Fee
Clear Lake	3,500,000		3.75%	30	5/15/2027	Project Fee
Colton	323,748		3.75%	30	11/15/2027	Wastewater Revenue
Columbia	3,714,000	2,863,494	3.75%	30	8/15/2028	Project Fee
Corona	540,000		3.25%	30	11/15/2027	Project Fee
Delmont	1,210,000	1,210,000	0.00%	0		
DeSmet	1,196,650		2.13%	30	11/15/2026	Project Fee
Elkton	936,000		3.75%	30	2/15/2027	Project Fee
Gary	2,015,822	816,408	3.75%	30	5/15/2027	Project Fee
Green Valley San District	2,763,000	2,763,000	0.00%	0	5/15/2027	
Hecla	2,500,000	1,682,500	3.25%	30	8/15/2027	Project Fee
Hill City	5,439,000		3.75%	30	5/15/2028	Project Fee
Hudson	648,000		3.75%	30	11/15/2026	Project Fee
Humboldt	330,000		3.25%	30	2/15/2027	Project Fee
Ipswich	390,100	100,256	3.75%	30	2/15/2027	Project Fee
Iroquois	1,900,000	1,138,100	3.75%	30	5/15/2027	Project Fee
Keystone	3,959,000	352,351	3.50%	30	5/15/2028	Project Fee
Kimball	1,095,000		3.25%	30	11/15/2027	Project Fee
Lake Preston	2,653,600	1,064,094	3.75%	30	5/15/2027	Project Fee
Lemmon	4,700,000		4.00%	30	8/15/2028	Project Fee
Madison	2,692,547		3.75%	30	11/15/2027	Project Fee
Miller	683,579		2.13%	30	11/15/2026	Project Fee
Mitchell	12,899,436		2.13%	30	2/15/2027	Project Fee
Mitchell	5,000,000		3.75%	30	11/15/2027	Project Fee
Mitchell	2,350,000		3.50%	20	8/15/2027	Project Fee
Mitchell	3,930,000		4.00%	30	8/15/2028	Project Fee
Mitchell	1,560,000		4.00%	30	8/15/2028	Project Fee
Mobridge	7,350,000		3.75%	30	8/15/2028	Project Fee

Borrower	Loan Amount	Principial Forgiveness	Rate*	Term	First Payment Date	Security
Niche Sanitary District	220,000		3.75%	30	10/15/2027	Project Fee
Oacoma	1,657,000		3.75%	30	11/15/2027	Sales Tax
Parker	1,669,000		3.75%	30	2/15/2027	Project Fee
Parkston	1,500,000		3.75%	30	11/15/2027	Project Fee
Peever	706,000		2.13%	30	5/15/2027	Project Fee
Pierre	1,819,200		3.25%	10	11/15/2027	Sales Tax
Powder House Pass CID	2,075,000		3.75%	30	7/15/2027	Special Assessment
Rapid City	11,300,000		3.00%	20	7/15/2026	Solid Waste Revenue
Sioux Falls	23,130,000		3.25%	20	10/15/2026	Wastewater Revenue
Sioux Falls	11,000,000		3.50%	20	10/15/2026	Wastewater Revenue
Sioux Falls	32,761,000		3.50%	20	1/15/2028	Wastewater Revenue
Sioux Falls	17,746,000		3.50%	20	4/15/2028	Wastewater Revenue
Southern Missouri Recyc/Waste Mgmt Dist	719,100		3.75%	30	1/15/2028	Wastewater Revenue
Spearfish	5,964,700		2.13%	30	8/15/2026	Project Fee
Spring/Cow Creek Sanitary District	3,627,880		3.75%	30	7/15/2027	Project Fee
Sturgis	10,339,000		2.13%	30	11/15/2026	Project Fee
Tabor	250,000		3.25%	30	5/15/2027	Project Fee
Tyndall	690,240		2.13%	30	7/15/2026	Project Fee
Vermillion	23,100,000		3.25%	30	1/15/2028	Project Fee
Viborg	512,000		3.75%	30	5/15/2027	Wastewater Revenue
Wagner	425,000		3.75%	30	11/15/2027	Project Fee
Watertown	25,000,000		3.25%	30	10/15/2026	Project Fee
Wessington Springs	1,245,000		3.75%	30	11/15/2027	Project Fee
White	1,105,000		3.50%	30	4/15/2028	Project Fee
Whitewood	4,150,000	1,236,700	3.25%	30	5/15/2027	Project Fee
Wolsey	177,000		3.75%	30	5/15/2027	Project Fee
Yankton	23,318,450		2.00%	20	8/15/2026	Project Fee
Yankton	7,200,000		2.00%	20	8/15/2026	Project Fee
Total	**$364,621,152**	**$17,586,487**				

*Rounded to one-hundredth

Clean Water Loans Approved, But Not Closed
(As of June 30, 2026)

Borrower	Loan Amount	Principal Forgiveness	Rate*	Term
Aberdeen	16,198,000		3.75%	30
Belle Fourche	2,552,400		3.25%	20
Bison	370,000		3.50%	30
Box Elder	12,344,000		3.25%	30
Bryant	2,259,000	1,298,925	3.75%	30
Canistota	3,612,000	2,513,952	3.75%	30
Clear Lake	2,130,000		3.75%	30
Crooks	2,334,000		3.50%	30
Custer	2,650,000	2,125,300	3.75%	30
Dell Rapids	2,992,000		3.50%	30
Dell Rapids	2,782,000		3.50%	30
Elkton	632,000		3.75%	30
Garden City	488,000	187,392	3.50%	30
Gregory	1,750,000		3.75%	30
Groton	4,587,000		3.50%	30
Hecla	2,500,000	2,000,000	3.75%	30
Hill City	1,659,000		3.75%	30
Hot Springs	9,166,000		3.75%	30
Howard	2,816,000		3.75%	30
Java	2,600,000	2,002,000	3.50%	30
Lake Poinsett Sanitary District	6,299,000		3.75%	30
Milbank	15,500,000		3.75%	30
Mitchell	16,815,900		3.25%	20
North Brookings Sanitary and Water Dist	1,597,450		3.50%	30
Northdale San Dist	1,181,000		3.75%	30
Prairiewood Sanitary District	1,249,000	425,909	3.75%	30
Rapid City	35,000,000		3.25%	20
Roberts County	1,600,000		3.50%	30
Roscoe	2,260,000	1,459,960	3.75%	30
Salem	1,620,000		3.75%	30
Sioux Falls	51,900,000		3.50%	20
Springfield	565,000		3.50%	30
Valley Springs	2,087,000		3.75%	30
Veblen	1,300,000		3.50%	30
Vermillion	2,132,000		3.25%	10
Viborg	1,946,000		3.75%	30
Viborg	249,000		3.75%	30
Webster	1,964,000		3.50%	30
Whitewood	1,942,000	708,830	3.75%	30
Wilmot	850,000		3.75%	30

Borrower	Loan Amount	Principal Forgiveness	Rate*	Term
Total	**$224,478,750**	**$12,722,268**		

*Rounded to one-hundredth

APPENDIX C

OBLIGATED PERSON

SOUTH DAKOTA CONSERVANCY DISTRICT
State Revolving Fund Program Bonds

Sioux Falls, with 206,410 residents, is the largest city in South Dakota, accounting for more than 22% of the State's population (based on 2023 census data estimates).

The City of Sioux Falls has entered into 50 separate Loan Obligations with the District to finance improvements to its storm drainage and sanitary sewer systems and nonpoint source pollution projects. The outstanding unpaid principal amount of such Loan Obligations as of August 31, 2026, was $257,331,099 and the amount of undisbursed funds authorized to be drawn under such Loan Obligations was an additional $119,987,016. These amounts exclude any portion subject to principal forgiveness. There are no other Borrowers for which the sum of its outstanding Loan Obligations under the Clean Water Program and the undisbursed amount of such Loan obligations exceed 20% of the principal amount of all outstanding Loan Obligations under the Clean Water Program.

The City's 17 presently outstanding Clean Water Loan Obligations are revenue bonds payable from sanitary sewer and storm sewer revenues. The purposes of these Loan Obligations include construction of a flow equalization basin, new interceptor lines and lift stations, rehabilitation of the existing sanitary sewer system and treatment facility, purchase of sludge handling equipment, improvements to the storm water drainage system and closure activities at the solid waste landfill. Of these 17 loans, 15 of the loans with an outstanding balance of $251,933,148 and $114,219,685 of undisbursed loan funds are payable from net revenues of wastewater facilities and two loans with an outstanding balance of $5,397,951 and $5,767,331 of undisbursed loan funds are payable from storm drainage fee revenue.

Sewer revenues, operating expenses and debt service coverage for obligations payable from the City's Water Reclamation Fund for the past ten fiscal years were as follows:

					Debt Service Requirements				
					Principal				
Fiscal Year	Operating Revenue	Other Qualifying Revenue*	Direct Operating Expenses**	Net Revenue Available for Debt Service	Revenue Bonds	State Revolving Fund	Interest	Total	Coverage
2016	23,926,310	1,887,529	9,249,831	16,564,008	--	9,351,715	1,267,454	10,619,170	1.56x
2017	24,559,960	2,054,034	9,721,395	16,892,599	--	9,252,159	1,265,966	10,518,125	1.61x
2018	26,607,934	2,173,639	10,500,011	18,281,562	--	9,137,643	1,023,389	10,161,032	1.80x
2019	28,590,693	2,678,939	11,056,234	20,213,398	--	10,806,527	906,073	11,712,600	1.73x
2020	30,453,984	8,008,185	11,594,661	26,867,508	--	8,501,779	931,626	9,433,405	2.85x
2021	31,673,156	4,301,302	11,786,413	24,188,045	--	8,930,900	1,021,871	9,952,771	2.43x
2022	33,722,856	2,291,566	13,070,452	22,943,970	--	10,023,408	1,291,611	11,315,018	2.03x

2023	35,499,565	3,505,231	14,058,773	24,946,023	--	8,751,759	1,383,457	10,135,217	2.46x
2024	40,330,813	2,742,369	14,602,642	28,470,540	--	9,122,807	2,996,081	12,118,888	2.35x
2025	43,467,470	2,316,363	16,840,432	28,943,401	--	10,470,924	4,707,484	15,178,408	1.91x

* Interest, Misc., and other Revenue – As of 2024, Interest is no longer part of this calculation
**Less Depreciation

Anticipating the need for additional wastewater infrastructure, the City adopted a five-year schedule of rate adjustments, the first effective on January 1, 2023. The current January 1, 2026 basic sewer rates are as follows:

Sewer Rates: As of January 1, 2026

Monthly Residential Customers

Basic Charge	$6.63
Volume Charge	$6.24 per 100 cubic foot

Volume charge shall be based on actual water use for the months of December, January, February, and March. All other months shall be based on the average of actual water usage in the months of December, January, February, and March. The City may adjust the months used for calculating sewer use charges if unusual weather conditions promote outdoor water use.

Monthly Commercial Customers

Basic Charge	$27.60
Volume Charge	$7.16 per 100 cubic foot

Volume charge shall be based on actual water usage for all months.

Monthly Industrial Customers

Basic Charge	$24.23
Flow per 1,000 gallons	$2.47
BOD, per pound	$0.34
TSS, per pound	$0.33
TKN, per pound	$1.26
Grease, per pound (exceeding 100 mg/1)	$1.26

For industries discharging only non-processed domestic strength wastewater, the rate is 9.59 per 1,000 gallons.

Storm sewer revenues are derived primarily from a frontage tax imposed on varying rates according to the nature of the property.

Storm sewer revenues, operating expenses and debt service coverage for obligations payable from the City's Storm Drainage Fund for the past ten fiscal years were as follows:

					Debt Service Requirements			
Fiscal Year	Operating Revenue	Other Qualifying Revenue*	Direct Operating Expenses**	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
2016	8,536,236	54,774	2,683,830	5,907,180	307,183	29,871	337,054	17.53x
2017	9,510,704	66,886	3,165,111	6,412,479	279,182	22,605	301,787	21.25x
2018	10,280,808	120,280	3,191,910	7,209,178	286,227	15,560	301,787	23.89x
2019	11,122,896	218,229	3,058,542	8,282,583	293,450	89,408	382,858	21.63x
2020	12,214,239	92,666	3,138,989	9,167,916	952,243	82,666	1,034,909	8.86x
2021	11,376,491	(12,467)	3,092,839	8,271,185	829,505	76,462	905,968	9.13x
2022	12,050,967	(155,666)	3,774,454	8,120,847	862,738	92,570	955,308	8.50x
2023	12,830,852	609,672	3,885,576	9,554,948	1,185,311	95,513	1,280,824	7.46x
2024	14,067,997	--	4,408,061	9,659,936	1,239,832	83,686	1,323,518	7.30x
2025	15,130.289	--	4,548,055	10,582,234	1,252,990	71,300	1,324,290	7.99x

*Interest, Misc., and other Revenue – As of 2024, Interest is no longer part of this calculation

**Less Depreciation

Additional information relating to the financial condition of the City of Sioux Falls is set forth in the City's Comprehensive Annual Financial Report which can be found on the City's official website at www.siouxfalls.org

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APPENDIX D

FORM OF BOND COUNSEL OPINION

[To be dated the date of original issuance of the Series 2026 Bonds]

South Dakota Conservancy District
Joe Foss Building
Pierre, South Dakota 57501

SOUTH DAKOTA CONSERVANCY DISTRICT
State Revolving Fund Program Bonds
Series 2026

$[ ]	$[ ]
Taxable Revenue Bonds,	Revenue Bonds,
Series 2026C	Series 2026D

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance and sale by the South Dakota Conservancy District (the "District"), a governmental agency and body politic and corporate organized and existing under the constitution and laws of the State of South Dakota, of $_____ aggregate principal amount of its State Revolving Fund Program Bonds, Series 2026 (the "Series 2026 Bonds") consisting of $[Par-C Principal Amount] principal amount of Taxable Revenue Bonds, Series 2026C (the "Series 2026C Bonds") and $_____ principal amount Revenue Bonds, Series 2026D (the "Series 2026D Bonds"). The Series 2026C Bonds are authorized by a Series Resolution of the District adopted on September 24, 2026 (the "Series Resolution") and are issued under and pursuant to the provisions of that certain Fifth Amended and Restated Master Trust Indenture dated as of September 1, 2010 as heretofore amended and supplemented through and including that certain Second Amendment to Fifth Amended and Restated Master Trust Indenture dated as of September 1, 2024 (the "Master Indenture") by and between the District and The First National Bank in Sioux Falls, South Dakota, as trustee (the "Original Trustee"). Pursuant to that certain Tri-Party Agreement dated as of April 14, 2017, among the District, the Original Trustee and U.S. Bank National Association (the "Initial Successor Trustee"), the Initial Successor Trustee became the Trustee under the Master Indenture. Presently, U.S. Bank Trust Company, National Association, has become the successor trustee (the "Trustee"). The Master Indenture provides for the financing and administration of the District's Clean Water State Revolving Fund Program (the "Clean Water Program") and the District's Drinking Water State Revolving Fund Program (the "Drinking Water Program" and, together with the Clean Water Program, the "Programs"). The capitalized terms used herein which are not otherwise defined herein shall have the meanings assigned to them in the Master Indenture, as supplemented by the Series Resolution and the Bond Order of the District ("*Bond Order*") dated this date (collectively, the "*Indenture*").

The Series 2026 Bonds are issuable as fully registered bonds in the denomination of $5,000 or any integral multiple of $5,000. The Series 2026 Bonds mature on the dates and are subject to redemption prior to maturity as specified in the Bond Order.

As a result of certain federal restrictions on the use of particular funds in the Programs, the Indenture in effect divides each payment of principal of and interest on the Bonds of each series into a "Clean Water Portion" and a "Drinking Water Portion" in proportion to the amount of proceeds of the series of Bonds deposited in the Clean Water Program and the Drinking Water Program, respectively, and then

subdivides both the Clean Water Portion and the Drinking Water Portion into a State Match Portion and Leveraged Portion either in proportion to the amounts of Bond proceeds allocated to such Program which are deposited directly (or indirectly to refinance Bonds the proceeds of which were deposited) in the State Match Loan Account and Leveraged Loan Account, respectively, of such Program or by assigning different percentages of debt service as between Programs for one or more maturities of Bonds of a series. Accordingly, each payment of principal and interest on each series of Bonds may have a "Clean Water State Match Portion," a "Drinking Water State Match Portion," a "Clean Water Leveraged Portion" and a "Drinking Water Leveraged Portion," each of which may be payable from separate sources under the Master Indenture. For convenience only, the debt service obligations represented by the Clean Water State Match Portion and the Clean Water Leveraged Portion are sometimes referred to herein as the "Clean Water Bonds" and the debt service obligations represented by the Drinking Water State Match Portion and the Drinking Water Leveraged Portion are sometimes referred to herein as the "Drinking Water Bonds."

The Series 2026 Bonds are special obligations of the District, payable solely from specific revenues and funds pledged therefor under the Master Indenture and Series Resolution. The Series 2026 Bonds are limited obligations of the District, payable only in accordance with their terms and the terms of the Indenture and are not obligations general, special or otherwise, or a debt, legal or moral, of the State of South Dakota. Notwithstanding any other provision of the Indenture, the Indenture contains a "General Limitation" which specifies that the following provisions shall govern the use and application of all funds and accounts under the Indenture, and if and to the extent these provisions conflict in any manner with any other express or implied provision of the Indenture, the following provisions shall prevail: (a) Drinking Water Bonds and Notes shall be secured solely by the Funds and Accounts within the Drinking Water Program which are pledged pursuant to the granting clauses of the Indenture and no assets of the Clean Water Program may be used to secure Drinking Water Bonds and Notes and (b) Clean Water Bonds and Notes shall be secured solely by the Funds and Accounts within the Clean Water Program which are pledged pursuant to the granting clauses of the Indenture and no assets of the Drinking Water Program may be used to secure Clean Water Bonds and Notes.

The Series 2026 Bonds are being issued by the District to finance Loans to various Borrowers under the Master Indenture and to pay certain issuance costs in connection therewith.

As to questions of fact material to our opinion, we have relied upon representations of the District and other parties contained in the documents described herein and other certifications of public officials and others without undertaking to verify the same by independent investigation and, as to certain matters relating to South Dakota law, the opinion dated of even date herewith of the Office of the Attorney General for the State of South Dakota, and legal advisor to the District, a copy of which is being delivered concurrently with this opinion.

In connection with the issuance of the Series 2026 Bonds, we have examined the following:

(a) A certified copy of the Series Resolution in connection with the issuance by the District of the Series 2026 Bonds pursuant to and under the provisions of Chapters 46A-1 and 46A-2 of the Codified Laws of South Dakota, as amended (the "Act");

(b) An executed counterpart of the Master Indenture, as amended and supplemented;

(c) An executed copy of the Tax Regulatory Agreement dated as of this date between the District and the Trustee relating to the Series 2026D Bonds (the "Series 2026D Tax Regulatory Agreement");

(d) A specimen Series 2026C Bond and a specimen Series 2026D Bond; and

(e) Such other documents as we deemed relevant and necessary in rendering this opinion.

From such examination, we are of the opinion that,

1. The District is a governmental agency and body politic and corporate of the State of South Dakota. Pursuant to the Act, the District is empowered to issue the Series 2026 Bonds and to assign and pledge to the Trustee the Trust Estate, as defined in the Master Indenture, to secure payment of the Series 2026 Bonds as provided in the Indenture. The Master Indenture provides that additional Bonds (which may be designated as State Match Portion, Leveraged Portion or some combination thereof) may be hereafter issued under the Indenture and secured on a parity with the Series 2026 Bonds.

2. The Series 2026 Bonds have been validly authorized, executed and issued in accordance with the laws of the State of South Dakota now in force and represent valid and binding limited obligations of the District.

3. The Series Resolution has been duly adopted by the District. The Master Indenture has been duly authorized, executed and delivered by the District and is the valid and binding agreement of the District enforceable in accordance with its terms.

4. Interest on the Series 2026C Bonds (the "Taxable Series Bonds") is *not* excluded from the gross income of the holders thereof for federal income tax purposes.

5. Subject to the condition that the District and the Political Subdivisions comply with their respective covenants set forth in the Indenture and in the Series 2026D Tax Regulatory Agreement (with respect to the District) and in the Loan Agreements (with respect to the Political Subdivisions), under present law, interest on the Series 2026D Bonds (as hereinafter defined) is excludible from gross income for federal income tax purposes of the owners thereof and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended. Interest on the Series 2026D Bonds may affect the corporate alternative minimum tax for certain corporations. Further, a failure to comply with certain of the above-referenced covenants could cause interest on the Series 2026D Bonds to be includible in gross income, in some cases retroactively to the date of issuance of the Series 2026D Bonds. Ownership of the Series 2026D Bonds may result in other federal tax consequences to certain taxpayers. We express no opinion regarding any such collateral consequences arising with respect to the Series 2026 Bonds. In rendering our opinion on tax exemption, we have relied upon certifications of the District, the Political Subdivisions and certain other parties with respect to certain material facts solely within their knowledge relating to the facilities to be financed or refinanced with the Series 2026D Bonds, the application of the proceeds of the Series 2026D Bonds and certain other matters pertinent to the tax-exempt status of the Series 2026D Bonds.

The obligations of the District and the security provided therefor, as contained in the Series 2026 Bonds and the Master Indenture, may be subject to general principles of equity which permit the exercise of judicial discretion and are subject to the provisions of applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect.

With respect to the Taxable Series Bonds, we advise you that this opinion is not intended or written to be used, and cannot be used by any purchaser of the Taxable Series Bonds, for the purpose of avoiding penalties that may be imposed on such purchaser under the federal income tax laws. This opinion is being delivered to support the promotion or marketing of the Taxable Series Bonds. Prospective purchasers of the Taxable Series Bonds should consult their own tax advisors concerning the particular federal, state, local, and foreign tax consequences of their ownership of Taxable Series Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Series 2026 Bonds nor do we express any opinion with respect to the Loans heretofore made or to be made in the future to Political Subdivisions, whose obligations with respect to such Loans have been or are to be made subject to the receipt of approving legal opinions from various other counsel at the times such Loans were heretofore made or are to be made.

For the purposes of this opinion, our services as Bond Counsel have not extended beyond the examinations and expressions of the conclusions referred to above. The opinions expressed herein are based upon existing law as of the date hereof, and we express no opinion herein as of any subsequent date or with respect to any pending legislation.

Very truly yours,

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT FOR THE PURPOSE OF PROVIDING CONTINUING DISCLOSURE INFORMATION UNDER SECTION (B)(5) OF RULE 15C2-12

This Continuing Disclosure Agreement (the "Agreement") is executed and delivered by the South Dakota Conservancy District (the "District") in connection with the issuance of $_____ aggregate principal amount of its State Revolving Fund Program Bonds, Series 2026 (the "Series 2026 Bonds") consisting of $[Par-C Principal Amount] principal amount of Taxable Revenue Bonds, Series 2026C (the "Series 2026C Bonds") and $[Par-D Principal Amount] principal amount Revenue Bonds, Series 2026D (the "Series 2026D Bonds"). The Series 2026 Bonds are being executed and delivered pursuant to a Fifth Amended and Restated Master Trust Indenture dated as of September 1, 2010 (as now or hereafter amended or supplemented, the "Master Indenture") between the District and U.S. Bank Trust Company, National Association, as successor trustee to the First National Bank in Sioux Falls and U.S. Bank National Association (the "Trustee"), and a Series Resolution (as now or hereafter amended or supplemented, the "Series Resolution") adopted by the South Dakota Board of Water and Natural Resources (the "Board"). The Master Indenture and Series Resolution are collectively referred to as the "Indenture."

In consideration of the issuance of the Series 2026 Bonds by the District and the purchase of such Series 2026 Bonds by the beneficial owners thereof, the District covenants and agrees as follows:

Section 1. PURPOSE OF THIS AGREEMENT. This Agreement is executed and delivered by the District as of the date set forth below, for the benefit of the beneficial owners of the Series 2026 Bonds and to assist the Underwriter in complying with the requirements of the Rule (as defined below).

Section 2. DEFINITIONS. The terms set forth below shall have the following meanings in the Agreement, unless the context clearly otherwise requires. Terms not defined herein shall have the meanings given thereto in the Master Indenture, the Series Resolution which authorized the Series 2026 Bonds or any notification of sale or bond order relating thereto.

Annual Financial Information Disclosure means the dissemination of disclosure concerning District Annual Financial Information and Obligated Person Annual Financial Information, and the dissemination of the District Audited Financial Statements and Obligated Person Audited Financial Statements as set forth in Section 4.

District Annual Financial Information means the financial information and operating data described in Exhibit I.

District Audited Financial Statements means the audited financial statements of the District prepared pursuant to the standards and as described in Exhibit I.

EMMA means the MSRB's Electronic Municipal Market System.

Material Event means the occurrence of any of the events with respect to the Series 2026 Bonds set forth in Exhibit II.

Material Events Disclosure means dissemination of a notice of a Material Event as set forth in Section 5.

MSRB means the Municipal Securities Rulemaking Board.

1934 Act means the Securities Exchange Act of 1934, as amended.

Obligated Person means for each District fiscal year, each Borrower (as defined in the Final Official Statement) which, as of the most recent calendar year for which such information is available to the District: (i) has executed and delivered one or more Loan Agreements (as defined in the Final Official Statement); and (ii) is obligated to the District for repayment of a sum which exceeds 20% of the principal amount of the unpaid principal of the outstanding Loan Obligations under the Clean Water Program or the Drinking Water Program (as such terms are defined in the Official Statement). The amount that a Borrower is obligated to repay to the District as described in clause (ii) of the preceding sentence shall be calculated as the sum of (A) the unpaid principal amount of all outstanding Loan Obligations of such Borrower (as defined in the Official Statement) issued under any Loan Agreements or in connection therewith, plus (B) the principal amount of funds authorized but not yet disbursed to such Borrower under any such Loan Agreement.

Obligated Person Annual Financial Information means the financial information and operating data described in Exhibit I.

Obligated Person Financial Statements means the financial statements of any Obligated Person prepared pursuant to the standards and as described in Exhibit I.

Official Statement means the Official Statement dated _____, 2026 relating to the Series 2026 Bonds.

Prescribed Form means, with regard to the filing of Annual Financial Information Disclosure, District Audited Financial Statements, Obligated Person Audited Financial Statements and notices of Material Events with the MSRB at www.emma.msrb.org (or such other address or addresses as the MSRB may from time to time specify), such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

Rule means Rule 15c2-12 adopted by the SEC under the 1934 Act, as the same may be amended from time to time.

SEC means the Securities and Exchange Commission.

State means the state of South Dakota.

Undertaking means the obligations of the District pursuant to Sections 4 and 5.

Underwriter means each broker, dealer or municipal securities dealer acting as an Underwriter in the primary offering of the Series 2026 Bonds.

Section 3. CUSIP NUMBER. The CUSIP Numbers of the Series 2026 Bonds are as set forth on Exhibit III.

Section 4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 9 of this Agreement, the District hereby covenants that it will disseminate: (i) the District Annual Financial Information and District Audited Financial Statements (in the form and by the dates set forth in Exhibit I) to the MSRB and (ii) that it will use its best efforts to cause any Obligated Person to provide the District with the Obligated Person Annual Financial Information and Obligated Person Financial Statements for dissemination together with the District Annual Financial Information and the District Audited Financial Statements in accordance with this Section 4 (i). The District is required to deliver such information in

Prescribed Form and by such time so that the MSRB receives the information by the dates specified. The District assumes no responsibility for the accuracy or completeness of the Obligated Person Annual Financial Information and Obligated Person Financial Statements.

The District covenants that, if necessary to comply with this Section 4, it will enforce the provisions of the Loan Agreements that require an Obligated Person to provide the District with certain financial and operational information in connection with the issuance of any District bonds.

If any part of the District Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the District shall disseminate a statement to such effect as part of the District Annual Financial Information for the year in which such event first occurs. For any fiscal year in which there is no Obligated Person, the District shall disseminate a statement to such effect as part of the District Annual Financial Information.

If any amendment is made to this Agreement, the District Annual Financial Information for the year in which such amendment is made shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

Section 5. EVENTS NOTIFICATION; MATERIAL EVENTS DISCLOSURE. Subject to Section 9 of this Agreement, the District hereby covenants that it will disseminate in a timely manner, not in excess of 10 business days after the occurrence of the event, Material Events Disclosure to the MSRB in Prescribed Form. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Series 2026 Bonds or defeasance of any Series 2026 Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the registered owners pursuant to the Master Indenture.

Section 6. DUTY TO UPDATE. The District shall determine, in the manner it deems appropriate, whether there has been a change in the MSRB's email address or filing procedures under EMMA each time it is required to file information with the MSRB.

Section 7. CONSEQUENCES OF FAILURE OF DISTRICT TO PROVIDE INFORMATION. The District shall give notice in a timely manner, not in excess of 10 business days after the due date, to MSRB in Prescribed Form, of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the District to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the District to comply with its obligations under this Agreement. Any court action to enforce this Agreement must be commenced in the Circuit Court, Sixth Judicial Circuit, Hughes County, South Dakota. A default under this Agreement shall not be deemed a default under the Indenture, and the sole remedy under this Agreement in the event of any failure of the District to comply with this Agreement shall be an action to compel performance.

Section 8. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the Chairman of the District, pursuant to authorization granted in the Series Resolution and the Indenture, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the District or type of business conducted;

(ii) this Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) the amendment or waiver does not materially impair the interests of the beneficial owners of the Series 2026 Bonds, as determined by a party unaffiliated with the District (such as Bond Counsel) at the time of the amendment; or

(b) the amendment or waiver is otherwise permitted by the rule.

Section 9. TERMINATION OF UNDERTAKING. The Undertaking of the District shall be terminated hereunder if the District shall no longer have any legal liability for any obligation on or relating to repayment of the Series 2026 Bonds under the Indenture. If this Section is applicable, the District shall give notice in a timely manner and in Prescribed Form to MSRB.

Section 10. DISSEMINATION AGENT. The District may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 11. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Material Event, in addition to that which is required by this Agreement. If the District chooses to include any other information in any Annual Financial Information Disclosure or Material Event Disclosure in addition to that which is specifically required by this Agreement, the District shall have no obligation under this Agreement to update such information or include it in any future Annual Financial Information Disclosure or Material Event Disclosure.

Section 12. BENEFICIARIES. This Agreement has been executed to assist the Underwriter in complying with the Rule; however, this Agreement shall inure solely to the benefit of the District and the beneficial owners of the Series 2026 Bonds, and shall create no rights in any other person or entity.

Section 13. ASSIGNMENT. The District shall not transfer its obligations under the Indenture unless the transferee agrees to assume all obligations of the District under this Agreement or to execute an Undertaking under the Rule.

Section 14. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

SOUTH DAKOTA CONSERVANCY DISTRICT

By: _____
Its: Chairman
South Dakota Conservancy District
c/o South Dakota Department of Agriculture
and Natural Resources —SRF Programs
Joe Foss Building
523 East Capitol
Pierre, South Dakota 57501
Attention: SRF Section
Telephone: (605) 773-4216
Telecopy: (605) 773-5286

Attest:

_____
Secretary

Date: _____, 2026

EXHIBIT I
ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED
FINANCIAL STATEMENTS

District Annual Financial Information and Obligated Person Annual Financial Information means the financial information and operating data as set forth below. All or a portion of the District Annual Financial Information and Obligated Person Annual Financial Information, and the District Audited Financial Statements and Obligated Person Financial Statements as set forth below may be included by reference to other documents, including other official statements (subject to the following sentence), which have been submitted to the MSRB or filed with the SEC. If the information included by reference is contained in a final official statement, the final official statement shall have been submitted by the District to the MSRB. The District shall clearly identify each such item of information included by reference.

Part I. Annual Financial Information:

(a) District Annual Financial Information and Operating Data:

(i) Financial information and operating data (exclusive of the District Audited Financial Statements) means information generally consistent with that contained in the Official Statement under the following captions:

The tables and Capitalization Grant data under the caption "SOUTH DAKOTA STATE REVOLVING FUNDS – The Capitalization Grants and Letters of Credit" and

The table under the caption "SOUTH DAKOTA STATE REVOLVING FUNDS – Account Balances,"

(ii) District Annual Financial Information (currently compiled consistent with the state fiscal year end of June 30 and presented as part of the District's annual report to the United States Environmental Protection Agency which is compiled consistent with the federal year which currently ends on September 30) exclusive of District Audited Financial Statement will be provided to the MSRB not more than 210 days after the last day of the federal government's fiscal year, which is currently September 30.

(iii) District Audited Financial Statements as described in Part II should be filed at the same time as the District Annual Financial Information described in this Part I. If the District Audited Financial Statements are not available when the District Annual Financial Information is filed, unaudited District financial statements shall be included, and Audited Financial Statements will be filed when available.

(b) Obligated Person Annual Financial Information

(i) Financial information and operating data (exclusive of Obligated Person Financial Statements) means information generally consistent with that presented in Appendix A to the Official Statement, but with respect to Loans actually originated to Borrowers. Such information will be provided to the MSRB not more than 270 days after the last day of the Obligated Person's fiscal year, which, if the Obligated Person is a South Dakota City, is currently December 31. This information and data is currently expected to be included in the annual report described in Part I(a)(i) of this Exhibit I.

(ii) Obligated Person Financial Statements as described in Part II should be filed within 270 days after the last day of the fiscal year of the related Obligated Person. If Obligated Person Financial Statements are not available as of such date, Obligated Person Financial Statements will be filed when available.

Part II. Audited Financial Statements:

District Audited Financial Statements will be prepared in accordance with generally accepted accounting principles applicable to governmental units (GAAP) as in effect from time to time. The District does not covenant that Obligated Person Financial Statements will be audited or prepared in accordance with GAAP. Obligated Person Financial Statements will be audited or prepared in accordance with GAAP only if an Obligated Person otherwise prepares its financial statements in such manner.

EXHIBIT II

EVENTS WITH RESPECT TO THE BONDS FOR WHICH
MATERIAL EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax exempt status of the security;

7. Modifications to rights of security holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the District (when such event is considered to have occurred under the Rule);

13. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

15. Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material, and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

EXHIBIT III

CUSIP NUMBERS

$_____ State Revolving Fund Program Bonds

Taxable Revenue Bonds, Series 2026C

YEAR OF MATURITY	CUSIP NUMBER 837545
2030	
2031	
2032	
2033	
2034	
2035	
2036	
2037	
2038	
2039	
2040	
2041	

$_____ State Revolving Fund Program Bonds,

Revenue Bonds, Series 2026D

YEAR OF MATURITY	CUSIP NUMBER 837545
2035	
2036	
2037	
2038	
2039	
2040	

YEAR OF MATURITY	CUSIP NUMBER 837545
2041	
2042	
2043	
2044	
2045	
2048	
2050	
2051	
2052	
2053	
2054	
2055	
2056	

APPENDIX F

GLOBAL BOOK-ENTRY FORM OF OWNERSHIP

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2026 Bonds (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which

may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, District or Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of District or Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the District or Trustee. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that District believes to be reliable, but District takes no responsibility for the accuracy thereof.

APPENDIX G

EXTRAORDINARY OPTIONAL REDEMPTION OF SERIES 2026D BONDS

AMORTIZED ISSUE PRICES AND REDEMPTION PRICES

Redemption Prices
South Dakota Conservancy District
Series 2026D Amortized Price – February 1, 2028 Redemption Date

Maturity Date	Coupon	Amortized Price	Call Premium	Redemption Price	Per $5,000 Bond
8/1/2028					
8/1/2029					
8/1/2030					
8/1/2031					
8/1/2032					
8/1/2033					
8/1/2034					
8/1/2035					
8/1/2036					
8/1/2037					
8/1/2038					
8/1/2039					
8/1/2040					
8/1/2041					
8/1/2042					
8/1/2043					
8/1/2044					
8/1/2045					
8/1/2048					
8/1/2050					
8/1/2051					
8/1/2052					
8/1/2053					
8/1/2054					
8/1/2055					
8/1/2056					

EXTRAORDINARY OPTIONAL REDEMPTION OF SERIES 2026D BONDS

AMORTIZED ISSUE PRICES AND REDEMPTION PRICES

Redemption Prices
South Dakota Conservancy District
Series 2026D Amortized Price – February 1, 2030 Redemption Date

Maturity Date	Coupon	Amortized Price	Call Premium	Redemption Price	Per $5,000 Bond
8/1/2030					
8/1/2031					
8/1/2032					
8/1/2033					
8/1/2034					
8/1/2035					
8/1/2036					
8/1/2037					
8/1/2038					
8/1/2039					
8/1/2040					
8/1/2041					
8/1/2042					
8/1/2043					
8/1/2044					
8/1/2045					
8/1/2048					
8/1/2050					
8/1/2051					
8/1/2052					
8/1/2053					
8/1/2054					
8/1/2055					
8/1/2056					

APPENDIX H

OFFICIAL TERMS AND CONDITIONS OF BOND SALES

$25,165,000*
SOUTH DAKOTA CONSERVANCY DISTRICT
State Revolving Fund Program Taxable Revenue Bonds,
Series 2026C (the "Series 2026C Bonds")

NOTICE IS HEREBY GIVEN THAT $25,165,000* State Revolving Fund Program Taxable Revenue Bonds, Series 2026C (the "Series 2026C Bonds") of the South Dakota Conservancy District (the "District") will be offered for sale according to the following terms:

TIME AND PLACE: Electronic bids will be received at the offices of PFM Financial Advisors LLC, 45 South 7th Street, Suite 2950, Minneapolis, Minnesota 55402 on November 5, 2026 until 10:15 A.M., Central Time. All proposals must be submitted electronically through PARITY® (the "Approved Provider") as further described below. An Authorized Officer of the Board of Water and Natural Resources will consider the bids and award the sale by 3:00 P.M. on the same day.

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

Prior to the sale date and times, the District reserves the right to change the aggregate or annual principal amounts of the Series 2026C Bonds or the terms of the Series 2026C Bonds, and to postpone the sale to a later date or time or to cancel the sale. Notice of a change, postponement or cancellation will be announced at any time prior to the time established for acceptance of bids via PARITY® electronic bidding system. In the event of a postponement, any new date and times of sale and the expected date of delivery of the Series 2026C Bonds, will be announced via PARITY® at least 1 hour prior to the time proposals are to be submitted for the Series 2026C Bonds.

PURPOSE: Proceeds of the Series 2026C Bonds will be used (a) to finance the making of Loans to certain Borrowers through the purchase of certain Loan Obligations issued by such Borrowers as described herein and (b) to pay costs of issuance.

DATE OF BONDS: Date of delivery.

INTEREST PAYMENTS: August 1, 2027 and semiannually thereafter on February 1 and August 1.

* Preliminary, subject to change.

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

$25,165,000*
Taxable Revenue Bonds, Series 2026C

Year	Amount*
2030	$1,000,000
2031	2,110,000
2032	2,215,000
2033	2,325,000
2034	2,440,000
2035	2,565,000
2036	2,695,000
2037	2,835,000
2038	2,980,000
2039	1,500,000
2040	1,300,000
2041	1,200,000

* Preliminary, subject to change.

Bidders may specify that Series 2026C Bonds of any maturities shall be consolidated into one or more term bonds having a stated maturity date on the last maturity so consolidated, and that such term bonds shall be redeemed by the District on the dates and in the amounts shown above for the maturities so consolidated; but any maturities not so consolidated will mature on the dates and in the amounts set forth above.

SENSITIVITY: Following the receipt of the bids, the District reserves the right to adjust the principal amount. If the issue size is adjusted, the purchase price will be adjusted to ensure that the percentage net compensation (i.e. the percentage resulting from dividing (i) the aggregate difference between the offering price of the Series 2026C Bonds to the public and the price to be paid to the District (excluding accrued interest), less any bond insurance premium to be paid by the bidder, by (ii) the principal amount of the Series 2026C Bonds) remains constant.

OPTIONAL REDEMPTION: At the option of the District, the Series 2026C Bonds, or portions thereof, maturing on August 1, 2037 and thereafter may be called for redemption and payment prior to maturity on or after August 1, 2036, in whole or in part at any time (selection of maturities and the amount of Series 2026C Bonds of each maturity to be redeemed to be determined by the District in such manner as it may determine), at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the date of redemption

TERM BOND OPTION: Bids for the Series 2026C Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above.

CUSIP NUMBERS: The District will assume no obligation for the assignment of CUSIP numbers for the Series 2026C Bonds or for the correctness of any such numbers printed thereon, but the District will permit such printing to be done at the expense of the purchaser, if the purchaser waives any extension of the time of the delivery of the Series 2026C Bonds caused thereby.

DELIVERY: Within 30 days following the date of their award, the District will deliver to the Bond Registrar the printed and executed bonds subject to the approving legal opinion of Ashurst Perkins Coie

US LLP, Chicago, Illinois, as Bond Counsel to the District, and customary closing certificates, including a certificate that the Official Statement did not at the date of delivery of the Series 2026C Bonds contain any untrue statement of a material fact or fail to state a material fact necessary in order to make the statements contained therein not misleading and a certificate as to absence of material litigation. Series 2026C Bonds will be delivered against payment in immediately available funds at the District's designated depository on the date of delivery. Delivery is expected on or about November 19, 2026.

BOOK ENTRY SYSTEM: The Series 2026C Bonds will be issued by means of a book entry system with no physical distribution of Series 2026C Bonds made to the public. The Series 2026C Bonds will be issued in fully registered form and one Series 2026 Bond, representing the aggregate principal amount of the Series 2026C Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository of the Series 2026C Bonds. Individual purchases of the Series 2026C Bonds may be made in the principal amount of $5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the District to DTC or its nominee as registered owner of the Series 2026C Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The purchaser, as a condition of delivery of the Series 2026C Bonds, will be required to deposit the Series 2026C Bonds with DTC.

TYPE OF BID: Bids for not less than $25,039,175 (99.5%) plus accrued interest from the date of the Series 2026C Bonds to the date of delivery must be submitted through PARITY® and received prior to the time specified above. All bids shall be deemed to incorporate the provisions of this Official Terms of Sale.

GOOD FAITH DEPOSIT: No good faith deposit is required.

TERMS OF BIDS: All rates must be in integral multiples of 1/20th or 1/100th of one percent. All Series 2026C Bonds of the same maturity shall bear a single uniform rate from date of issue to maturity. Each bid must be for the entire principal amount of the Series 2026C Bonds. The purchase price will be adjusted proportionately with any adjustment in the size of the issue as described above.

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

AWARD: The bid offering the lowest true interest cost will be deemed most favorable. The true interest cost is computed as the discount rate which, when used with semiannual compounding to determine the present worth of the principal and interest payments as of the date of the Series 2026C Bonds, produces an amount equal to the purchase price. If two or more bids provide the same lowest true interest cost, the District shall determine which bid shall be accepted, and such determination shall be final.

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

ESTABLISHMENT OF ISSUE PRICE AT TIME OF AWARD: In order to establish the issue price of the Series 2026C Bonds for federal income tax purposes, the District requires proposers to agree to the following, and by submitting a proposal, each proposer agrees to the following.

If a proposal is submitted by a potential underwriter, the proposer confirms that (i) the underwriters have offered or reasonably expect to offer the Series 2026C Bonds to the public on or before the date of the award at the offering price (the "initial offering price") for each maturity as set forth in the proposal and (ii) the proposer, if it is the winning proposer (the "Purchaser"), shall require any agreement among underwriters, selling group agreement, retail distribution agreement or other agreement relating to the initial sale of the Series 2026C Bonds to the public to which it is a party to include provisions requiring compliance by all parties to such agreements with the provisions contained herein. For purposes hereof, Series 2026C Bonds with a separate CUSIP number constitute a separate "maturity," and the public does not include underwriters (including members of a selling group or retail distribution group) or persons related to underwriters.

If, however, a proposal is submitted for the proposer's own account in a capacity other than as an underwriter of the Series 2026C Bonds, and the proposer has no current intention to sell, reoffer, or otherwise dispose of the Series 2026C Bonds, the proposer shall notify the District to that effect at the time it submits its proposal and shall provide a certificate to that effect in place of the certificate otherwise required below.

If the Purchaser intends to act as an underwriter, the District shall advise the Purchaser at or prior to the time of award whether (i) the competitive sale rule or (ii) the "hold-the-offering price" rule applies.

If the District advises the Purchaser that the requirements for a competitive sale have been satisfied and that the competitive sale rule applies, the Purchaser will be required to deliver to the District at or prior to closing a certification, substantially in the form attached hereto as Exhibit A-1, as to the reasonably expected initial offering price as of the award date.

If the District advises the Purchaser that the requirements for a competitive sale have not been satisfied and that the "hold-the-offering price" rule applies, the Purchaser shall (1) upon the request of the District confirm that the underwriters did not offer or sell any maturity of the Series 2026C Bonds to any person at a price higher than the initial offering price of that maturity during the period starting on the award date and ending on the earlier of (a) the close of the fifth business day after the sale date or (b) the date on which the underwriters have sold at least 10% of that maturity to the public at or below the initial offering price; and (2) at or prior to closing, deliver to the District a certification substantially in the form attached hereto as Exhibit A-2, together with a copy of the pricing wire.

Any action to be taken or documentation to be received by the District pursuant hereto may be taken or received on behalf of the District by PFM Financial Advisors LLC, the District's municipal advisor.

Proposers should prepare their proposals on the assumption that the Series 2026C Bonds will be subject to the "hold-the-offering-price" rule. Any proposal submitted pursuant to the Official Terms of Bond Sale shall be considered a firm offer for the purchase of the Series 2026C Bonds, and proposals submitted will not be subject to cancellation or withdrawal.

OFFICIAL STATEMENTS: The District has prepared the Preliminary Official Statement dated October__, 2026 in a form deemed final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") but is subject to update and completion in a Final Official Statement in accordance with the Rule. The Preliminary Official Statement is available to prospective bidders and to others who request copies from the District or its financial advisor, PFM Financial Advisors LLC and may also be obtained at www.munios.com.

Not later than seven business days following the award of the Series 2026C Bonds, the District shall provide copies of the Final Official Statement, as that term is used in the Rule, to the successful purchaser of the Series 2026C Bonds.

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

CONTINUING DISCLOSURE: In accordance with the Rule, the District will undertake, pursuant to a Continuing Disclosure Agreement, to provide annual reports and notices of certain events. A description of this agreement is set forth in the Official Statement. The purchaser's obligation to purchase the Series 2026C Bonds will be conditioned upon it receiving the Continuing Disclosure Agreement at or prior to delivery of the Series 2026C Bonds.

Dated: November __, 2026

Further information may be obtained from:
PFM Financial Advisors LLC
45 South 7th Street, Suite 2950
Minneapolis, MN 55402
(612) 338-3535

OFFICIAL TERMS AND CONDITIONS OF BOND SALES

$143,685,000*
SOUTH DAKOTA CONSERVANCY DISTRICT
State Revolving Fund Program Revenue Bonds,
Series 2026D (the "Series 2026D Bonds")

NOTICE IS HEREBY GIVEN THAT $143,685,000* State Revolving Fund Program Revenue Bonds, Series 2026D (the "Series 2026D Bonds") of the South Dakota Conservancy District (the "District") will be offered for sale according to the following terms:

TIME AND PLACE: Electronic bids will be received at the offices of PFM Financial Advisors LLC, 45 South 7th Street, Suite 2950, Minneapolis, Minnesota 55402 on November 5, 2026 until 10:15 A.M., Central Time. All proposals must be submitted electronically through PARITY® (the "Approved Provider") as further described below. An Authorized Officer of the Board of Water and Natural Resources will consider the bids and award the sale by 3:00 P.M. on the same day.

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

Prior to the sale date and times, the District reserves the right to change the aggregate or annual principal amounts of the Series 2026D Bonds or the terms of the Series 2026D Bonds, and to postpone the sale to a later date or time or to cancel the sale. Notice of a change, postponement or cancellation will be announced at any time prior to the time established for acceptance of bids via PARITY® electronic bidding system. In the event of a postponement, any new date and times of sale and the expected date of delivery of the Series 2026D Bonds, will be announced via PARITY® at least 1 hour prior to the time proposals are to be submitted for the Series 2026D Bonds.

PURPOSE: Proceeds of the Series 2026D Bonds will be used (a) to finance the making of Loans to certain Borrowers through the purchase of certain Loan Obligations issued by such Borrowers as described herein and (b) to pay costs of issuance.

DATE OF BONDS: Date of delivery.

INTEREST PAYMENTS: August 1, 2027 and semiannually thereafter on February 1 and August 1.

* Preliminary, subject to change.

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

$143,685,000
Revenue Bonds, Series 2026D

Year	Amount*	Year	Amount*
2035	$ 5,000,000	2046	$ 6,385,000
2036	5,000,000	2047	4,455,000
2037	5,500,000	2048	5,025,000
2038	9,435,000	2049	4,600,000
2039	10,635,000	2050	3,680,000
2040	11,160,000	2051	2,765,000
2041	11,720,000	2052	1,855,000
2042	12,310,000	2053	1,945,000
2043	14,695,000	2054	2,045,000
2044	13,755,000	2055	2,145,000
2045	7,320,000	2056	2,255,000

* Preliminary, subject to change.

Bidders may specify that Series 2026D Bonds of any maturities shall be consolidated into one or more term bonds having a stated maturity date on the last maturity so consolidated, and that such term bonds shall be redeemed by the District on the dates and in the amounts shown above for the maturities so consolidated; but any maturities not so consolidated will mature on the dates and in the amounts set forth above.

SENSITIVITY: Following the receipt of the bids, the District reserves the right to adjust the principal amount. If the issue size is adjusted, the purchase price will be adjusted to ensure that the percentage net compensation (i.e. the percentage resulting from dividing (i) the aggregate difference between the offering price of the Series 2026D Bonds to the public and the price to be paid to the District (excluding accrued interest), less any bond insurance premium to be paid by the bidder, by (ii) the principal amount of the Series 2026D Bonds) remains constant.

OPTIONAL REDEMPTION: At the option of the District, the Series 2026D Bonds, or portions thereof, maturing on August 1, 2037 and thereafter may be called for redemption and payment prior to maturity on or after August 1, 2036, in whole or in part at any time (selection of maturities and the amount of Series 2026D Bonds of each maturity to be redeemed to be determined by the District in such manner as it may determine), at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the date of redemption

EXTRAORDINARY OPTIONAL REDEMPTION: The Series 2026D Bonds shall be subject to redemption and payment prior to maturity on February 1, 2028 and February 1, 2030, in such amounts on each such date as are necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Series 2026D Bonds. The redemption price for any redemption shall be 102% of the amortized issue price, plus accrued interest on the principal amount redeemed to the date of redemption.

TERM BOND OPTION: Bids for the Series 2026D Bonds maturing August 1, 2037 and thereafter may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to

mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above.

CUSIP NUMBERS: The District will assume no obligation for the assignment of CUSIP numbers for the Series 2026D Bonds or for the correctness of any such numbers printed thereon, but the District will permit such printing to be done at the expense of the purchaser, if the purchaser waives any extension of the time of the delivery of the Series 2026D Bonds caused thereby.

DELIVERY: Within 30 days following the date of their award, the District will deliver to the Bond Registrar the printed and executed bonds subject to the approving legal opinion of Ashurst Perkins Coie US LLP, Chicago, Illinois, as Bond Counsel to the District, and customary closing certificates, including a certificate that the Official Statement did not at the date of delivery of the Series 2026D Bonds contain any untrue statement of a material fact or fail to state a material fact necessary in order to make the statements contained therein not misleading and a certificate as to absence of material litigation. Series 2026D Bonds will be delivered against payment in immediately available funds at the District's designated depository on the date of delivery. Delivery is expected on or about November 19, 2026.

BOOK ENTRY SYSTEM: The Series 2026D Bonds will be issued by means of a book entry system with no physical distribution of Series 2026D Bonds made to the public. The Series 2026D Bonds will be issued in fully registered form and one Series 2026 Bond, representing the aggregate principal amount of the Series 2026D Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository of the Series 2026D Bonds. Individual purchases of the Series 2026D Bonds may be made in the principal amount of $5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the District to DTC or its nominee as registered owner of the Series 2026D Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The purchaser, as a condition of delivery of the Series 2026D Bonds, will be required to deposit the Series 2026D Bonds with DTC.

TYPE OF BID: Bids for not less than $142,966,575 (99.5%) plus accrued interest from the date of the Series 2026D Bonds to the date of delivery must be submitted through PARITY® and received prior to the time specified above. All bids shall be deemed to incorporate the provisions of this Official Terms of Sale.

GOOD FAITH DEPOSIT: No good faith deposit is required.

TERMS OF BIDS: All rates must be in integral multiples of 1/20th or 1/8th of one percent. In addition, no Series 2026D Bonds maturing on or after August 1, 2037 may bear an interest rate less than 5.00%. All Series 2026D Bonds of the same maturity shall bear a single uniform rate from date of issue to maturity. Each bid must be for the entire principal amount of the Series 2026D Bonds. The purchase price will be adjusted proportionately with any adjustment in the size of the issue as described above.

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

AWARD: The bid offering the lowest true interest cost will be deemed most favorable. The true interest cost is computed as the discount rate which, when used with semiannual compounding to determine the present worth of the principal and interest payments as of the date of the Series 2026D Bonds, produces an amount equal to the purchase price. If two or more bids provide the same lowest true interest cost, the District shall determine which bid shall be accepted, and such determination shall be final.

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

ESTABLISHMENT OF ISSUE PRICE AT TIME OF AWARD: In order to establish the issue price of the Series 2026D Bonds for federal income tax purposes, the District requires proposers to agree to the following, and by submitting a proposal, each proposer agrees to the following.

If a proposal is submitted by a potential underwriter, the proposer confirms that (i) the underwriters have offered or reasonably expect to offer the Series 2026D Bonds to the public on or before the date of the award at the offering price (the "initial offering price") for each maturity as set forth in the proposal and (ii) the proposer, if it is the winning proposer (the "Purchaser"), shall require any agreement among underwriters, selling group agreement, retail distribution agreement or other agreement relating to the initial sale of the Series 2026D Bonds to the public to which it is a party to include provisions requiring compliance by all parties to such agreements with the provisions contained herein. For purposes hereof, Series 2026D Bonds with a separate CUSIP number constitute a separate "maturity," and the public does not include underwriters (including members of a selling group or retail distribution group) or persons related to underwriters.

If, however, a proposal is submitted for the proposer's own account in a capacity other than as an underwriter of the Series 2026D Bonds, and the proposer has no current intention to sell, reoffer, or otherwise dispose of the Series 2026D Bonds, the proposer shall notify the District to that effect at the time it submits its proposal and shall provide a certificate to that effect in place of the certificate otherwise required below.

If the Purchaser intends to act as an underwriter, the District shall advise the Purchaser at or prior to the time of award whether (i) the competitive sale rule or (ii) the "hold-the-offering price" rule applies.

If the District advises the Purchaser that the requirements for a competitive sale have been satisfied and that the competitive sale rule applies, the Purchaser will be required to deliver to the District at or prior to closing a certification, substantially in the form attached hereto as Exhibit A-1, as to the reasonably expected initial offering price as of the award date.

If the District advises the Purchaser that the requirements for a competitive sale have not been satisfied and that the "hold-the-offering price" rule applies, the Purchaser shall (1) upon the request of the District confirm that the underwriters did not offer or sell any maturity of the Series 2026D Bonds to any person at a price higher than the initial offering price of that maturity during the period starting on the award date and ending on the earlier of (a) the close of the fifth business day after the sale date or (b) the date on which the underwriters have sold at least 10% of that maturity to the public at or below the initial offering price; and (2) at or prior to closing, deliver to the District a certification substantially in the form attached hereto as Exhibit A-2, together with a copy of the pricing wire.

Any action to be taken or documentation to be received by the District pursuant hereto may be taken or received on behalf of the District by PFM Financial Advisors LLC, the District's municipal advisor.

Proposers should prepare their proposals on the assumption that the Series 2026D Bonds will be subject to the "hold-the-offering-price" rule. Any proposal submitted pursuant to the Official

Terms of Bond Sale shall be considered a firm offer for the purchase of the Series 2026D Bonds, and proposals submitted will not be subject to cancellation or withdrawal.

OFFICIAL STATEMENTS: The District has prepared the Preliminary Official Statement dated October __, 2026 in a form deemed final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") but is subject to update and completion in a Final Official Statement in accordance with the Rule. The Preliminary Official Statement is available to prospective bidders and to others who request copies from the District or its financial advisor, PFM Financial Advisors LLC and may also be obtained at www.munios.com.

Not later than seven business days following the award of the Series 2026D Bonds, the District shall provide copies of the Final Official Statement, as that term is used in the Rule, to the successful purchaser of the Series 2026D Bonds.

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

CONTINUING DISCLOSURE: In accordance with the Rule, the District will undertake, pursuant to a Continuing Disclosure Agreement, to provide annual reports and notices of certain events. A description of this agreement is set forth in the Official Statement. The purchaser's obligation to purchase the Series 2026D Bonds will be conditioned upon it receiving the Continuing Disclosure Agreement at or prior to delivery of the Series 2026D Bonds.

Dated: November __, 2026

Further information may be obtained from:
PFM Financial Advisors LLC
45 South 7th Street, Suite 2950
Minneapolis, MN 55402
(612) 338-3535

EXHIBIT H-1

ISSUE PRICE CERTIFICATE FOR COMPETITIVE SALES WITH AT LEAST THREE BIDS FROM ESTABLISHED UNDERWRITERS

$[PRINCIPAL AMOUNT]

SOUTH DAKOTA CONSERVANCY DISTRICT
State Revolving Fund Program Bonds
Revenue Bonds
Series 2026D

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] ("[SHORT NAME OF UNDERWRITER]"), hereby certifies as set forth below with respect to the sale of the obligations named above (the "Bonds").

1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

2. ***Defined Terms.***

(a) Maturity means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) Public means any person (i.e., an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. Persons generally are "related parties" for purposes of this certificate if they have more than 50 percent common ownership or control, directly or indirectly.

(c) Sale Date means the first day on which there is a binding contract in writing for the sale of the respective Maturity of the Bonds. The Sale Date of each Maturity of the Bonds is [DATE].

(d) Underwriter means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public

(including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Regulatory Agreement and with respect to compliance with the federal income tax rules affecting the Bonds, and by Ashurst Perkins Coie US LLP, bond counsel to the District in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By:_____

Name:_____

Dated: [ISSUE DATE]

SCHEDULE A

EXPECTED OFFERING PRICES

(Attached)

SCHEDULE B

COPY OF UNDERWRITER'S BID

(Attached)

EXHIBIT H-2

ISSUE PRICE CERTIFICATE –COMPETITIVE SALES WITH FEWER THAN THREE BIDS FROM ESTABLISHED UNDERWRITERS – HOLD OFFERING PRICE

$[PRINCIPAL AMOUNT]

SOUTH DAKOTA CONSERVANCY DISTRICT
State Revolving Fund Program Bonds
Revenue Bonds
Series 2026D

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] (["[SHORT NAME OF UNDERWRITER]")][the "Representative")][, on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the "Underwriting Group"),] hereby certifies as set forth below with respect to the sale of the obligations named above (the "Bonds").

Sale of the General Rule Maturities. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities***.

(e) [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the specified initial offering prices listed in Schedule B (the "Initial Offering Prices") on or before the Sale Date. If there is a Hold-the-Offering-Price Maturity, a copy of the pricing wire for the Bonds is attached to this certificate as Schedule C.

(f) As set forth in the [Bond Purchase Agreement][Notice of Sale and bid award], [SHORT NAME OF UNDERWRITER][each member of the Underwriting Group] has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "Hold-the-Offering-Price Rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the Hold-the-Offering-Price Rule. Based on its own knowledge and, in the case of sales by other Underwriters, representations obtained from the other Underwriters, no Underwriter has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

Defined Terms.

(g) General Rule Maturities means those Maturities of the Bonds, if any, listed in Schedule A hereto as the "General Rule Maturities."

(h) Hold-the-Offering-Price Maturities means those Maturities of the Bonds, if any, listed in Schedule B hereto as the "Hold-the-Offering-Price Maturities."

(i) Holding Period means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which [SHORT NAME OF UNDERWRITER][the Underwriters] [has][have] sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at one or more prices, each of which is no higher than the Initial Offering Price for such Maturity.

(j) Issuer means South Dakota Conservancy District.

(k) Maturity means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(l) Public means any person (i.e., an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. Persons generally are "related parties" for purposes of this certificate if they have more than 50 percent common ownership or control, directly or indirectly.

(m) Sale Date means the first day on which there is a binding contract in writing for the sale of the respective Maturity of the Bonds. The Sale Date of each Maturity of the Bonds is [DATE].

(n) Underwriter means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDERWRITING FIRM][the Representative's] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Regulatory Agreement and with respect to compliance with the federal income tax rules affecting the Bonds, and by Ashurst Perkins Coie US LLP, bond counsel to the District in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER][REPRESENTATIVE]

By:_____

Name:_____

Dated: [ISSUE DATE]

SCHEDULE A

SALE PRICES OF THE GENERAL RULE MATURITIES

(Attached)

SCHEDULE B

INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

(Attached)

SCHEDULE C

PRICING WIRE

(Attached)

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SOUTH DAKOTA CONSERVANCY DISTRICT • STATE REVOLVING FUND PROGRAM BONDS, SERIES 2026

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