

South Dakota runs on shared water. Your capital plan has to keep the whole network moving.

Long-haul regional systems, fast-growing metros in Sioux Falls and the Black Hills, a wave of SRF and federal dollars, and rates set in public by councils and boards. Every one of those forces reshuffles the projects on your list. Invizion helps South Dakota utilities re-sequence a capital portfolio in a click — and defend every decision.

\$3.18B¹ Total cost of the 353 water & wastewater projects on South Dakota's 2026 State Water Plan — the pipeline your capital plan sits inside.	350K² People across South Dakota, Iowa & Minnesota served by the Lewis & Clark Regional Water System at full build-out.	\$216M³ Water & wastewater loan and grant assistance awarded by the Board of Water & Natural Resources in 2025 alone.	645⁴ Public water systems in South Dakota — most of them small, rural, and reliant on shared regional supply.
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THE SOUTH DAKOTA LANDSCAPE

Four forces are moving your project list at once

None of these waits for your next budget cycle. Together they can make the capital plan you approved last year the wrong plan today.

SUPPLY — REGIONAL SYSTEMS

A state built on shared, long-haul water

South Dakota's water future runs through a handful of large regional pipelines. The Lewis & Clark Regional Water System — a 20-member system spanning South Dakota, Iowa and Minnesota — will serve an estimated 350,000 people and connected its final member in October 2024.² Its base system carries a roughly \$825 million price tag and is expected to be complete in 2028.⁵

In the north, WEB Water has delivered Missouri River water across north-central South Dakota for more than 30 years,⁶ and the Water Investment in Northern South Dakota program still needs an estimated \$108 million to extend service toward Aberdeen.⁷ When one wholesale source or trunk line drives dozens of communities, sequencing that capital correctly is not optional.

DEMAND — GROWTH

Sioux Falls and Rapid City are pulling the state forward

Sioux Falls reached 213,748 residents in 2025, up 10.9% since 2020,⁷ and Rapid City reached 80,589, up 7.8%.⁸ The state's two metros are absorbing most of South Dakota's growth — and every new connection is a permanent capacity and treatment commitment.

Growth capital competes directly with renewal and compliance for the same dollars and the same crews. Which projects accelerate and which wait is exactly the trade-off boards wrestle with each cycle.

COMPLIANCE — AGING & QUALITY

Renewal, lead, and PFAS on the same clock

The nation faces \$625 billion in 20-year drinking-water infrastructure needs,⁹ and South Dakota's small systems carry their share of aging mains, storage and treatment. On top of renewal, lead service line replacement and PFAS are now funded mandates: the state's 2026 Drinking Water SRF plan dedicates \$27.5 million to lead line replacement and \$7.6 million to emerging contaminants.¹⁰

New obligations don't clear the existing backlog — they stack on top of it. Something on the list has to move.

SUPPLY — DROUGHT & RELIABILITY

Drought exposure never fully lifts

South Dakota's water resources face "periodic drought" alongside growing municipal and agricultural demand — a pressure the state's own water plan calls out directly.¹¹ Rapid City has operated its water system under a conservation Alert Status.¹¹

For utilities that lean on wells, creeks and long regional pipelines, a dry year turns supply resilience — storage, interconnects, backup sources — from a nice-to-have into a capital priority that can jump the queue.

WHO RUNS SOUTH DAKOTA'S WATER

Municipal systems and large rural regionals — not investor-owned

South Dakota's water is delivered almost entirely by city utilities and member-owned rural water systems. There is no state water-rate regulator; rates are set by city councils and elected district boards. The result is hundreds of systems that lean on a few shared regional pipelines.

Municipal utilities

Rates set by city council · capital approved locally

City of Sioux Falls ~214,000 residents · fastest-growing metro⁷

Rapid City ~80,600 residents · Black Hills / West River hubs⁸

Aberdeen, Brookings, Watertown Regional population centers

Pierre & Fort Pierre Missouri River capital-area systems

Yankton, Mitchell, Huron Established municipal providers

Rural & regional water systems

Member-owned · rates set by elected boards

Lewis & Clark Regional Water System 20 members, 3 states · ~350,000 served²

WEB Water Development Assn. North-central SD · Missouri River source, 30+ yrs⁶

Mid-Dakota Rural Water System Central SD · Missouri River supply

Lincoln County / Lincoln-Pipestone RWS Fast-growing southeast South Dakota

Kingbrook, B-Y & other rural systems Where funding gaps hit hardest

Large regional systems are wholesale backbones: one supply decision cascades across dozens of member towns.

No state water regulator — the accountability is local

South Dakota is unusual: rates and capital are decided close to the ratepayer, while funding eligibility is decided by one state board. Both still demand a defensible plan.

South Dakota PUC regulates electric, natural gas and telecommunications utilities — but *not* water. There is no statewide water-rate case to win.¹²

City councils & rural water boards set water and sewer rates directly, in public, in front of the customers who pay them.

Board of Water & Natural Resources holds the statutory authority to award SRF and Consolidated Water Facilities funding, and coordinates state and federal packages with USDA Rural Development.¹³

DANR holds Safe Drinking Water Act primacy — lead service line inventories, PFAS monitoring, and the compliance capital that follows.⁴

More capital than usual — if your projects are ready

South Dakota routes most infrastructure dollars through the Board of Water & Natural Resources. The constraint is rarely just money; it's readiness and timing across a crowded project list.

\$216M+ awarded in 2025 by the Board — 28 Clean Water SRF loans (over \$141M), 18 Drinking Water SRF loans (~\$48.9M), plus \$13.4M in Consolidated Water Facilities grants and loans³

Drinking Water SRF, FFY 2026 — \$24.9M IJJA general supplemental, \$27.5M for lead service line replacement, and \$7.6M for emerging contaminants such as PFAS¹⁰

Clean Water SRF, FFY 2026 — \$12.1M IJJA general supplemental plus \$1.0M for emerging contaminants, backed by up to \$200M in leveraged bonding capacity¹⁴

USDA Rural Development water & environmental loans and grants are packaged alongside state SRF funds for small and rural systems.¹³

SOUTH DAKOTA WATER, IN BRIEF

Questions South Dakota utility leaders are asking

Short, sourced answers — the same facts we'll dig into on a call, in the context of your system.

Which South Dakota water systems serve the most people?

Sioux Falls (~214,000) and Rapid City (~80,600) are the largest municipal utilities⁷ while regional pipelines like the Lewis & Clark Regional Water System (an estimated 350,000 people across three states)² and WEB Water in the north⁶ supply dozens of smaller communities wholesale.

Who regulates water rates in South Dakota?

No one at the state level. The South Dakota PUC oversees electric, gas and telecom — not water¹² Municipal rates are set by city councils and rural-system rates by elected member boards, so every capital decision is justified locally rather than in a state rate case.

How much water infrastructure funding does South Dakota award each year?

In 2025 the Board of Water & Natural Resources awarded more than \$216 million — over \$141 million in Clean Water SRF loans, about \$48.9 million in Drinking Water SRF loans, and \$13.4 million in Consolidated Water Facilities grants and loans³

What federal money is flowing to South Dakota water systems?

The Bipartisan Infrastructure Law shows up in the state's 2026 SRF plans: about \$24.9 million in Drinking Water general supplemental, \$27.5 million for lead lines and \$7.6 million for emerging contaminants¹⁰ plus \$12.1 million in Clean Water general supplemental¹⁴

How big is South Dakota's water infrastructure need?

The state's 2026 Water Plan lists 353 drinking-water and wastewater projects totaling about \$3.18 billion¹ against a national 20-year drinking-water need of \$625 billion.⁹ Much of that pressure lands on the state's 645 mostly small public water systems⁴

How does Invizion help South Dakota water utilities plan capital?

Invizion is scenario-based capital portfolio optimization for water utilities. It lets you model how a shifting regional supply source, a delayed SRF loan, a growth surge in Sioux Falls or the Black Hills, or a lead or PFAS deadline reshuffles your whole project list — then re-sequence the portfolio automatically and keep a defensible record for your council or board. The best next step is a short first meeting to look at it against your own program.

REFERENCES

Sources

Every figure in this briefing is tied to a primary or authoritative source.

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ABOUT INVIZION

Capital program optimization for utilities

Invizion is a purpose-built capital lifecycle management platform for water and wastewater utilities. It integrates budgeting, CIP, scenario analysis, and funding-source tracking in one system — so utilities can re-sequence a capital portfolio in a click and demonstrate audit-ready, defensible decisions to regulators, boards, and rating agencies.

See what a defensible South Dakota capital plan looks like — book a 20-minute first meeting.

Book your first meeting →