

SOUTH DAKOTA'S FEDERAL WATER FUNDING

February 2026

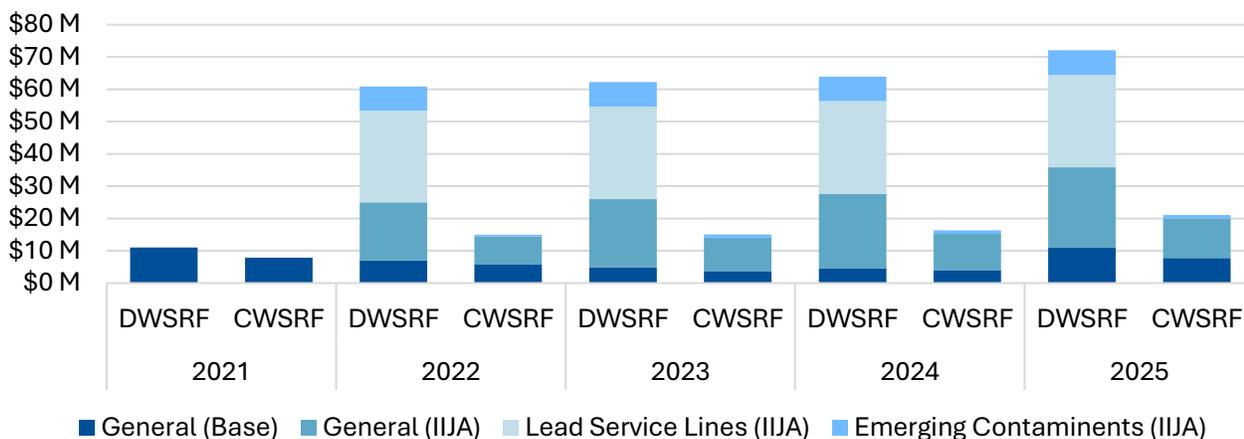


The EPA's Drinking Water and Clean Water State Revolving Funds (DWSRF and CWSRF) represent the nation's largest federal investment in drinking water and wastewater infrastructure, enabling states to better meet urgent water system needs in their communities. In recent years, \$327 million in SRF funds has helped South Dakota address a portion of its \$3.3 billion in infrastructure investment needs.

South Dakota has relied on \$327 million in SRF support since 2022

Since 2022, South Dakota has been allotted **\$259 million** for the state's DWSRF, including **\$114 million** to replace lead pipelines, and **\$67 million** for the state's CWSRF. These funds have supported local projects including upgrades to the Mid-Dakota Rural Water System like advanced filtration and modern metering technology, and the recently completed Sioux Falls' Phase III expansion of its Regional Water Reclamation Plant, which has boosted capacity by 50 percent ensuring long-term wastewater treatment efficiency through major system upgrades.

Federal support for the SRFs has increased since 2022



An additional \$43 billion was appropriated for the SRFs by the Infrastructure Investment and Jobs Act (IIJA) and is being distributed annually between 2022 and 2026.

Source: [Water Program Portal's](#) Outcome Dashboard and EPA's State DWSRF and CWSRF Allotments (2022-2025).

\$3.3 billion in future water infrastructure needs

Per the latest [Drinking Water Infrastructure Needs Survey and Assessment](#) and [Clean Watershed Needs Survey](#), South Dakota is anticipated to need **\$2.2 billion** in drinking water investments and **\$1.1 billion** in wastewater investments over the next two decades. The federal investments over the last four years help address **9.9 percent** of this gap, but further funding is required to maintain the state's water systems.