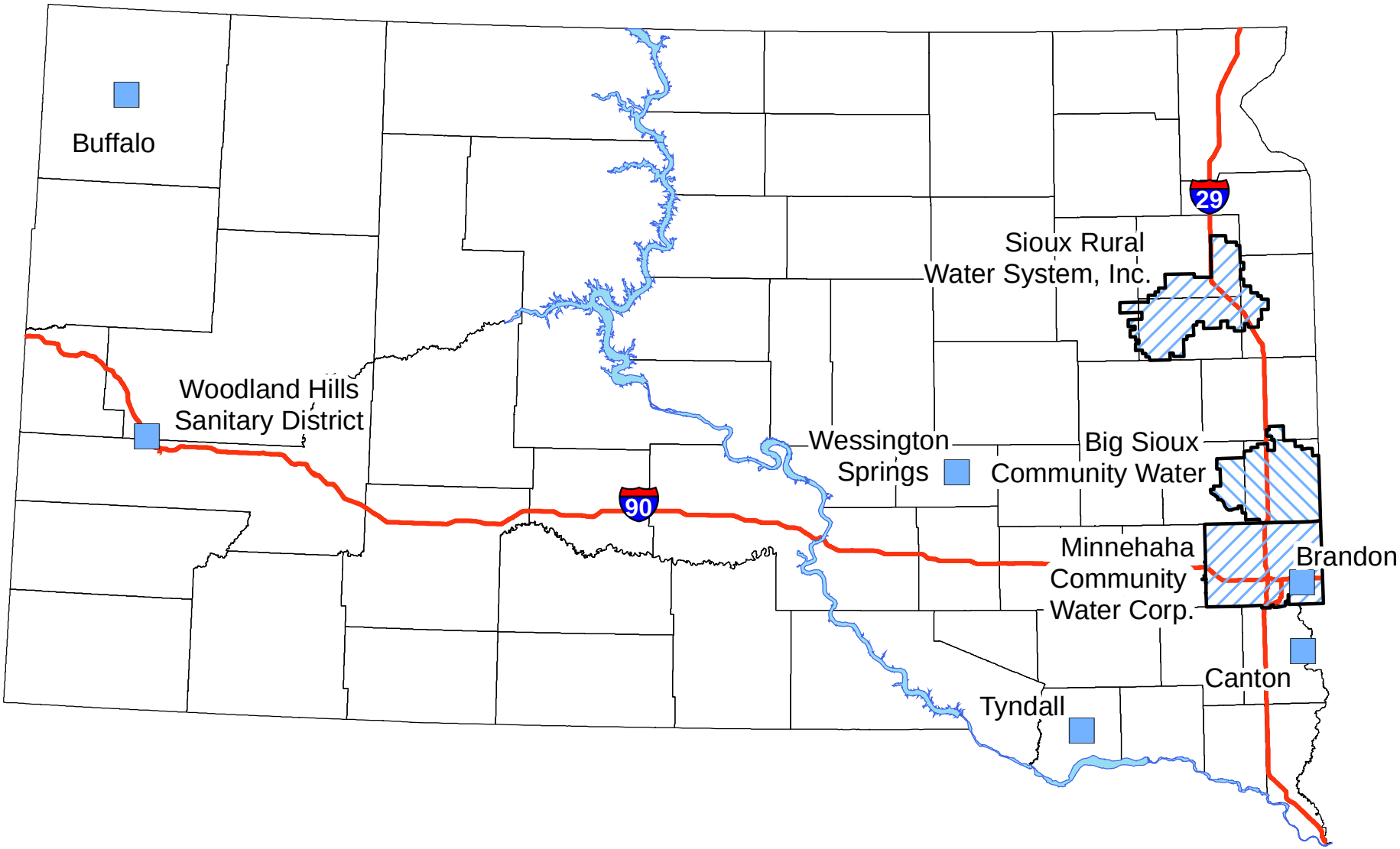
Drinking Water Facilities Funding Applications
March 2015



TITLE: Drinking Water Facilities Funding Applications

EXPLANATION: The following applications have been received by DENR for funding consideration at this meeting. The projects' priority points are shown in parentheses.

a. Sioux RWS (161)
b. Big Sioux CWS (148)
c. Woodland Hills San. Dist. (128)
d. Tyndall (90)
e. Buffalo (83)
f. Brandon (47)
g. Minnehaha CWC (32)
h. Canton (21)
i. Wessington Springs (4)

COMPLETE APPLICATIONS: The application cover sheets and WRAP summary sheets with financial analysis have been provided as part of the board packet. The complete applications are available online and can be accessed by typing the following address in your internet browser:

http://denr.sd.gov/bwnrapps/BWNRappsdwf0315.pdf

If you would like a hard copy of the applications, please contact Dave Ruhnke at (605) 773-4216.

WRAP Review Sheet
Drinking Water Facilities Funding Application
Applicant: Sioux Rural Water System, Inc.

Project Title:	2015 Water System Improvements
Funding Requested:	$4,515,900
Other Proposed Funding:	$48,700 Local Cash
Total Project Cost:	$4,564,600
Project Description:	This project will construct 31 miles of new water distribution line, connect the city Kranzburg as individual users, replace the existing SCADA system, and develop two additional wells at the Castlewood well field.
Alternatives Evaluated:	"No Action Alternative" would not address the need for additional hydraulic capacity and pressure for existing and new water demands. "Distribution System Improvements Alternative" includes the construction of 31 miles of new three-inch to eight-inch line in order to address low system pressures and improve transmission capabilities. "Kranzburg Distribution Improvements Alternative" will replace the entire distribution system inside Kranzburg city limits and consists of one mile of 6-inch water main through the middle of town with 3-inch branch lines. The City is currently served by a bulk meter from Sioux Rural Water System and the City owns and maintains their system. At the completion of this project, Sioux RWS will own and operate the distribution system and individual meter pits would be provided at each customer location. "SCADA System Replacement Alternative" will replace all existing, out dated SCADA controls at thirteen stations in the Sioux Rural Water System. "Well Field Improvements Alternative" includes constructing two additional wells at the Castlewood well field to address the need for higher quality water delivered at a greater capacity. "Water Treatment Plant Improvements Alternative One"

would expand both the Castlewood and Sioux treatment plants and add two additional wells at the Castlewood well field. The plant expansion would include new detention tanks and filters. This alternative is not recommended at this time.

"Water Treatment Plant Improvements Alternative Two" would discontinue treatment at the Sioux plant and build all new capacity at the Castlewood plant. The new capacity at Castlewood would be built as a completely new, stand-alone plant on the same site as the existing plant. The existing plant would continue to be utilized. This alternative is not recommended at this time.

Implementation Schedule:	Sioux RWS anticipates bidding the project in February 2016 with a project completion date of November 2016
Service Population:	4,224
Current Domestic Rate:	$62.20 per 7,000 gallons usage
Proposed Domestic Rate at Project Completion:	$62.20 per 7,000 gallons usage

Interest Rate: 3.00% Term: 20 years Security: System Revenue

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan, Sioux RWS would have 27.5% debt coverage based on system revenue generated with the current rate of $62.20 for 7,000 gallons usage.

25% Funding Subsidy:	$1,128,975 subsidy with a loan of $3,386,925
Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of $3,386,925, Sioux RWS would need to increase their rate to $68.08 for 7,000 gallons usage for 110% debt coverage.

50% Funding Subsidy:	$2,257,950 subsidy with a loan of $2,257,950
Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of $2,257,950, Sioux RWS would need to increase their rate to $65.70 for 7,000 gallons usage for 110% debt coverage.

75% Funding Subsidy:	$3,386,925 subsidy with a loan of $1,128,975
Coverage at 75% Subsidy:	Based on a 75% subsidy and a loan of $1,128,975, Sioux RWS would need to increase their rate to $63.39 for 7,000 gallons usage for 110% debt coverage.

ENGINEERING REVIEW COMPLETED BY: CLAIRE PESCHONG

FINANCIAL REVIEW COMPLETED BY: JON PESCHONG

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Division of Financial & Technical Assistance

SD EForm - 2126LD V2

Drinking Water Facilities Funding Application

Consolidated Water Facilities Construction Program (CWFCP)
Drinking Water State Revolving Fund Program (DWSRF)

Applicant	Sioux Rural Water System, Inc.
Address	45703 176th Street Watertown, SD 57201
Subapplicant	
DUNS Number	180958134

Proposed Funding Package

CWFCP / DWSRF	$4,515,900
Local Cash	$48,700
Other	
Other	
Other	
TOTAL	$4,564,600

Project Title: Sioux Rural Water 2015 Water System Improvements

Description:

Construction of approximately 31 miles of new distribution system pipeline and apputenances, size 3 inch through 8 inch, will correct identified distribution system hydraulic deficiencies and to provide capacity for individual meter services in Kranzburg. One existing booster pumping station will be replaced due to equipment being made obsolete by distribution system changes.

The City of Kranzburg distribution system will be improved with 14,950 feet of pipeline and apputenances size 3 inch through 6 inch, and with new service pipelines and meter pits. Existing customers of the City of Kranzburg water utility will be customers of Sioux Rural Water, and the City will no longer operate a water utility.

Two new wells and accessories will be constructed at the Castlewood well field, to replace declining capacity in existing wells. The obsolete water system SCADA control system will be replaced.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Heath Thompson General Manager — 12-31-2014

Name & Title of Authorized Signatory (Typed) — Signature — Date

Professional Consultants

Application Prepared By: Sioux Rural Water System, Inc.

Contact Person: Heath Thompson

Mailing Address: 45703 176th Street

City, State, and Zip: Watertown, SD 57201

Telephone Number: 605-882-1321 Fax: 605-882-4990

Email address: manager@siouxruralwater.com

Consulting Engineering Firm: DeWild, Grant, Reckert, and Associates

Contact Person: Darin Schriever

Mailing Address: 1302 S. Union St., PO Box 511

City, State, and Zip: Rock Rapids, IA 51246

Telephone Number: 1-712-472-2531 Fax: 1-712-472-2710

Email address: darin.schriever@dgr.com

Legal Counsel's Firm: Gunderson, Evenson, Boyd, Knight, and Stoltenburg

Legal Counsel: Todd Boyd

Mailing Address: PO Box 977

City, State, and Zip: Clear Lake, SD 57226

Telephone Number: 605-874-2111 Fax:

Email address: geb@itctel.com

This section applies only to political subdivisions

Bond Counsel's Firm:

Bond Counsel:

Mailing Address:

City, State, and Zip:

Telephone Number: Fax:

Email address:

BUDGET SHEET

Cost Classification	A CWFCP / DWSRF	B Local	C	D	E	Total Funds
1. Administrative Expenses						
A. Personal Services	$9,200.00					$9,200.00
B. Travel	$2,000.00					$2,000.00
C. Legal including Bond Counsel						
D. Other						
2. Land, Structure, Right-of-Way		$48,700.00				$48,700.00
3. Engineering						
A. Bidding and Design Fees	$336,100.00					$336,100.00
B. Project Inspection Fees	$105,000.00					$105,000.00
C. Other						
4. Construction and Project Improvement	$3,734,200.00					$3,734,200.00
5. Equipment						
6. Contractual Services						
7. Other						
8. Other						
9. Subtotal (Lines 1-8)	$4,186,500.00	$48,700.00				$4,235,200.00
10. Contingencies	$329,400.00					$329,400.00
11. Total (Lines 9 and 10)	$4,515,900.00	$48,700.00				$4,564,600.00
12. Total %	98.93%	1.07%	0.00%	0.00%	0.00%	100.00%

Columns A - E: Identify each funding source and enter the amounts budgeted by cost category.

Comments:

Method of Financing

Source Header		Secured Funds	Unsecured Funds (Date Anticipated)
Local Cash (Identify Source)	Cash in Bank	$48,700.00	
Other (Explain)	Consolidated Grant		$500,000.00 March 20, 2015
Other (Explain)	DWSRF Loan		$4,015,900.00 March 20, 2015
Other (Explain)			
Other (Explain)			
Other (Explain)			
	TOTAL	$48,700.00	$4,515,900.00

Comments:

7.3.1 Repayment Information

Interest rate and term you are applying for: 3 %, 20 years.

What security is being pledged toward the repayment of this loan?
(Political Subdivisions Only)

- ☐ 1. General Obligation bond (requires bond election)
- ☐ 2. Water Revenue bond
- ☐ 3. Project Surcharge Revenue bond
- ☐ 4. Sales Tax Revenue bond

7.3.2 Documents That Must Be Submitted With The Application

Financial Documents

1. Most recent audit or unaudited financial statement to include specific accounting of pledged funds.
2. Current year's budget.

Planning and Legal Documents

1. Governing user charge ordinance or resolution and its effective date.
2. Resolution of authorized signatory for submission of the Drinking Water SRF application and signing of payment requests. This resolution must also include the maximum loan amount requested, interest rate and term being applied for, description of proposed project, and security pledged towards repayment of the loan.
3. Facilities Plan (8.3.18).
4. Capacity Assessment Worksheets (section 8.3.16).

Items 5-7 apply to Nonprofit Entities only

5. By-laws
6. Articles of Incorporation
7. Certificate of Good Standing from Secretary of State

7.3.3 General Information

The month and day your fiscal year begins: 1/1/15

Population Served

Current 4,224 2000 3,661 1990 3,109

Top Five Employers Within 30 Miles	Number of Employees	Type of Business
Watertown School District	887	Public Schools
Prairie Lakes Healthcare	533	Hospital
Terex Utilities	525	Factory
Worthington Industries Inc.	475	Factory
Premier Bankcard	354	Credit Card Business

Please indicate employers within boundary of issuing entity with an asterisk (*).

7.3.4 Drinking Water Utility Information

Current Water Utility Debt

Year	1997	2000	2011	2011	2009	2006	2008
Purpose	Construction	Construction	Refinance	Refinance	Construction	Construction	Construction
Security Pledged	Revenue, Assets	Revenue, Assets	Revenue, Assets	Revenue, Assets	Revenue, Assets	Revenue, Assets	Revenue, Assets
Amount	$440,000.00	$1,336,000.00	$1,045,000.00	$965,000.00	140,000	223,000	$310,000.00
Maturity Date (mo/yr)	2037	2040	2020	2028	2049	2046	2048
Debt Holder	USDA	USDA	CoBank	CoBank	USDA	USDA	USDA
Debt Coverage Requirement	Reserve Acct	Reserve Acct	1.15	1.15	Reserve	Reserve	Reserve
Avg. Annual Required Payment	$25,248.00	$78,084.00	$227,000.00	$101,000.00	$7,632.00	$11,724.00	$16,896.00
Outstanding Balance	$348,816.91	$1,150,936.99	$617,974.53	$864,200.61	134,592.99	205,741.65	$297,113.22

Use additional sheets if more room is required to list all current water utility debt.

Drinking Water Utility Cash Flow

	Prior Year	Prior Year	Current Year	Future Year #
Fiscal Year	2012	2013	2014	2017
OPERATING CASH FLOW				
Water Sales		$1,550,691.0	$1,540,825.00	$1,640,000.00
Surcharge Fee				
Other (Explain) Other Revenue		$18,283.00		
Membership/Hookup/Reconnect, Late Fees		$25,010.00	$28,412.00	$20,000.00
OPERATING PAYMENTS				
Personal Services		($397,577.00)	($489,661.00)	($562,000.00)
Chemical, Material & Supplies		($267,043.00)	($303,036.00)	($267,000.00)
Electric & Other Utilities		($138,160.00)	($138,025.00)	($155,000.00)
Other (Explain) Transportation		($67,292.00)	($67,150.00)	($70,000.00)
Insurance and prof services		($181,771.00)	($61,543.00)	($45,000.00)
NET CASH FROM OPERATIONS		$542,141.00	$509,822.00	$561,000.00
NONOPERATING CASH FLOW				
Interest Income		$4,250.00	$3,040.00	$4,500.00
Other Revenue (Explain) Insurance			$500,000.00	
CRP, Patronage, other		$53,794.00	$70,076.00	$65,000.00
Transfers In (Explain)				
Fixed Asset Sale (Explain)				
investment write-off		($42,864.00)		
Transfers Out (Explain)				
Fixed Asset Purchases (Explain)				
Vehicles, equipment, pipelines		($165,908.00)	($285,000.00)	($285,000.00)
Debt Payment (Principal Only)		($240,858.00)	($251,287.00)	($152,512.00)
Debt Payment (Interest Only)		($179,573.00)	($170,687.00)	($231,635.00)
Other Expenses (Explain)				
NET CASH FROM NONOPERATING		($571,159.00)	($133,858.00)	($599,647.00)
Net Increase (Decrease) in Cash		($29,018.00)	$375,964.00	($38,647.00)
Beginning Cash Balance		$771,206.00	$767,731.00	$921,509.00
Ending Cash Balance		$742,188.00	$1,143,695.00	$882,862.00
RESTRICTED BALANCE		$289,505.00	$974,505.00	$689,505.00
UNRESTRICTED BALANCE		$452,683.00	$161,190.00	$193,357.00

Future Year: First full year after project completion.

Restricted Funds Breakdown:

Amount	Anticipated Expense	Method Used to Encumber
$139,505.00	USDA Debt Service Reserve	Reserve Account
$150,000.00	CoBank Required Reserve	Reserve Account
$625,000.00	System Impr, Plant and Well Imp	Reserve Accounts
$60,000.00	USDA replacement reserve	Reserve Account

Water Fees:

Attach current and proposed rate ordinances or resolutions and rate schedules.

Municipal or Sanitary District - monthly rates at 5,000 gallons (670 cubic feet)

Other Community Water System - monthly rates at 7,000 gallons (935 cubic feet)

Check one: ____ Incorporated Municipality or Sanitary District

or

✓ Other Community Water System

Monthly:	Current Rate	Proposed Rate	# of Accounts	Average use gallons/cubic feet
Domestic	$62.20	$62.20	1,310	16,500
Business				
Other: Small Town	$54.20	$54.20	80	4,500

Are fees based on usage or flat rate? Usage-cost per 1000 gals will be $3.60/1000

When is proposed fee scheduled to take effect? _____

When did the current fee take effect? August 2012

What was the fee prior to the current rate? Usage-cost per 1000 gals was $3.35/1000

Attach current and proposed rate ordinances or resolutions and rate schedules.

Five Largest Customers	Type of Business	% of System Revenues
Sunrise Dairy	Dairy operation	3%
Claremont Colony	Colony	2%
Poinsett Colony	Colony	1%
Columbia Ridge Dairy	Dairy operation	1%
Tekrony Dairy	Dairy operation	1%

7.3.5 Property Tax Information

(Complete only if General Obligation bond is pledged to repay your loan.)

Three year valuation trend:

Year	_____	_____	_____
Assessed Valuation	_____	_____	_____
Full & True Valuation	_____	_____	_____

Three year levies and collection trend:

Year	_____	_____	_____
Amount Levied	_____	_____	_____
Collected	_____	_____	_____
Penalties/Interest	_____	_____	_____
Late Payments	_____	_____	_____

Five Largest Taxpayers	Description	Assessed Valuation
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Comments:

List all current debt secured by General Obligation bond:

Year					
Purpose					
Security Pledged					
Amount					
Maturity Date (mo/yr)					
Debt Holder					
Debt Coverage Requirement					
Avg. Annual Required Payment					
Outstanding Balance					

Use additional sheets if more room is required to list all current G.O. debt.

Comments:

7.3.6 Sales Tax Information

(Complete only if sales tax is pledged to repay your loan.)

Sales tax revenue history for the most current fifteen months:

Month/Year	Amount Collected

Comments:

List all current debt secured by sales tax:

Year Issued					
Purpose					
Amount					
Maturity Date (mo/yr)					
Debt Holder					
Debt Coverage Requirement					
Avg. Annual Required Payment					
Outstanding Balance					

Use additional sheets if more room is required to list all current sales tax debt.

Comments:

7.3.7 Facilities Plan Checklist.

Before submitting the application, please take a few moments to complete the following checklist. Addressing these items prior to submitting the application will expedite the review process

Checklist of SRF Facilities Plan Requirements Have the following items been addressed?	
♦ Submission of a Facilities Plan to the department that addresses those items found in section 8.3.18.	×
♦ A public hearing held discussing the project and the use of an SRF loan to finance the project. (See section 8.3.15)	Scheduled Jan. 19, 2015
♦ Minutes of the public hearing prepared and submitted to the department for inclusion into the final Facilities Plan.	
♦ The affidavit of publication of the public hearing received and submitted to the department for inclusion into the final Facilities Plan. (See section 8.3.15)	
♦ The four review agencies contacted and responses received for inclusion into the final Facilities Plan. (See section 8.3.18)	×
♦ The Cultural Resources Effects Assessment Summary and supporting documentation, such as an archaeological survey or Historic Register database search. (See section 8.3.20)	×

7.3.8 Certification of Drinking Water Needs Categories

Identify the loan amount associated with the needs category or categories described below. If the loan addresses needs in more than one category, please break down the total amount into estimated amounts for each category.

Definition	Loan Amount
Transmission/Distribution	$3,715,200.00
Treatment	$250,000.00
Storage	$200,000.00
Source	$399,400.00
System Purchase	
Restructuring	
1452(k) Loan Activities	
1. To acquire land or a conservation easement for source water protection.	
2. To implement voluntary, incentive-based source water quality protection measures.	
TOTAL	$4,564,600.00

Sioux Rural Water System, Inc.

Name of Applicant

Signature of Authorized Representative

12-31-2014

Date

7.3.9 Preaward Compliance Review

FORM Approved By OMB: No. 2030-0020 Expires 12-31-2011

United States Environmental Protection Agency
Washington, DC 20460

Preaward Compliance Review Report for All Applicants and Recipients Requesting EPA Financial Assistance

Note : Read instructions on other side before completing form.

I. Applicant/Recipient (Name, Address, State, Zip Code).	DUNS No.
Sioux Rural Water System, Inc., 45703 176th St., Watertown, SD 57201	180958134

II. Is the applicant currently receiving EPA assistance? No

III. List all civil rights lawsuits and administrative complaints pending against the applicant/recipient that allege discrimination based on race, color, national origin, sex, age, or disability. (Do not include employment complaints not covered by 40 C.F.R. Parts 5 and 7. See instructions on reverse side.) None

IV. List all civil rights lawsuits and administrative complaints decided against the applicant/recipient within the last year that allege discrimination based on race, color, national origin, sex, age, or disability and enclose a copy of all decisions. Please describe all corrective action taken. (Do not include employment complaints not covered by 40 C.F.R. Parts 5 and 7. See instructions on reverse side.) None

V. List all civil rights compliance reviews of the applicant/recipient conducted by any agency within the last two years and enclose a copy of the review and any decisions, orders, or agreements based on the review. Please describe any corrective action taken. (40 C.F.R. § 7.80(c)(3)). None

VI. Is the applicant requesting EPA assistance for new construction? If no, proceed to VII: if yes, answer (a) and/or (b) below. Yes

a. If the grant is for new construction, will all new facilities or alterations to existing facilities be designed and constructed to be readily accessible to and usable by persons with disabilities? If yes, proceed to VII; if no, proceed to VI(b).b. If the grant is for new construction and the new facilities or alterations to existing facilities will not be readily accessible to and usable bypersons with disabilities, explain how a regulatory exception (40 C.F.R. § 7.70) applies. Buried Pipelines are a facility not intended for public access and maintained by staff required to be mobile.

VII.* Does the applicant/recipient provide initial and continuing notice that it does not discriminate on the basis of race, color, national origin, sex,age, or disability in its programs or activities? (40 C.F.R. § 5.140 and § 7.95) Yes

a. Do the methods of notice accommodate those with impaired vision or hearing? No b. Is the notice posted in a prominent place in the applicant's offices or facilities or, for education programs and activities, in appropriate periodicals and other written communication? Yes c. Does the notice identify a designated civil rights coordinator? Yes

VIII.* Does the applicant/recipient maintain demographic data on the race, color, national origin, sex, age, or handicap of the population it serves? (40 C.F.R. § 7.85(a)) Yes

IX.* Does the applicant/recipient have a policy/procedure for providing access to services for persons with limited English proficiency? (40 C.F.R. Part 7, E.O. 13166) No

X.* If the applicant/recipient is an education program or activity, or has 15 or more employees, has it designated an employee to coordinate its compliance with 40 C.F.R. Parts 5 and 7? Provide the name, title, position, mailing address, e-mail address, fax number, and telephone number of the designated coordinator. N/A

XI* If the applicant/recipient is an education program or activity, or has 15 or more employees, has it adopted grievance procedures that assure the prompt and fair resolution of complaints that allege a violation of 40 C.F.R. Parts 5 and 7? Provide a legal citation or Internet address for, or a copy of, the procedures. N/A

For the Applicant/Recipient I certify that the statements I have made on this form and all attachments thereto are true, accurate and complete. I acknowledge that any knowingly false or misleading statement may be punishable by fine or imprisonment or both under applicable law. I assure that I will fully comply with all applicable civil rights statutes and EPA regulations.

A. Signature of Authorized Official	B. Title of Authorized Official	C. Date
	General Manager	12-31-2014

For the U.S. Environmental Protection Agency I have reviewed the information provided by the applicant/recipient and hereby certify that the applicant/recipient has submitted all preawardcompliance information required by 40 C.F.R. Parts 5 and 7; that based on the information submitted, this application satisfies the preaward provisionsof 40 C.F.R. Parts 5 and 7; and that the applicant has given assurance that it will fully comply with all applicable civil rights statutes and EPA regulations.

A. Signature of Authorized EPA Official See ** note on reverse side.	B. Title of Authorized EPA Official	C. Date

EPA Form 4700-4 (Rev. 03/2008). Previous editions are obsolete.

Instructions for EPA FORM 4700-4 (Rev. 03/2008) General

Recipients of Federal financial assistance from the U.S Environmental Protection Agency must comply with the following statutes and regulations.

Title VI of the Civil Rights Acts of 1964 provides that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. The Act goes on to explain that the statute shall not be construed to authorize action with respect to any employment practice of any employer, employment agency, or labor organization (except where the primary objective of the Federal financial assistance is to provide employment).

Section 13 of the 1972 Amendments to the Federal Water Pollution Control Act provides that no person in the United States shall on the ground of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under the Federal Water Pollution Control Act, as amended. Employment discrimination on the basis of sex is prohibited in all such programs or activities.

Section 504 of the Rehabilitation Act of 1973 provides that no otherwise qualified individual with a disability in the United States shall solely by reason of disability be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. Employment discrimination on the basis of disability is prohibited in all such programs or activities.

The Age Discrimination Act of 1975 provides that no person on the basis of age shall be excluded from participation under any program or activity receiving Federal financial assistance. Employment discrimination is not covered. Age discrimination in employment is prohibited by the Age Discrimination in Employment Act administered by the Equal Employment Opportunity Commission.

Title IX of the Education Amendments of 1972 provides that no person in the United States on the basis of sex shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance. Employment discrimination on the basis of sex is prohibited in all such education programs or activities. Note: an education program or activity is not limited to only those conducted by a formal institution.

40 C.F.R. Part 5 implements Title IX of the Education Amendments of 1972.

40 C.F.R. Part 7 implements Title VI of the Civil Rights Act of 1964, Section 13 of the 1972 Amendments to the Federal Water Pollution Control Act, and Section 504 of The Rehabilitation Act of 1973.

The Executive Order 13166 (E.O. 13166) entitled; "Improving Access to Services for Persons with Limited English Proficiency" requires Federal agencies work to ensure that recipients of Federal financial assistance provide meaningful access to their LEP applicants and beneficiaries.

Items

"Applicant" means any entity that files an application or unsolicited proposal or otherwise requests EPA assistance. 40 C.F.R. §§ 5.105, 7.25.

"Recipient" means any entity, other than applicant, which will actually receive EPA assistance. 40 C.F.R. §§ 5.105, 7.25.

"Civil rights lawsuits and administrative complaints" means any lawsuit or administrative complaint alleging discrimination on the basis of race, color, national origin, sex, age, or disability pending or decided against the applicant and/or entity which actually benefits from the grant, but excluding employment complaints not covered by40 C.F.R. Parts 5 and 7. For example, if a city is the named applicant but the grant will actually benefit the Department of Sewage, civil rights lawsuits involving both the city and the Department of Sewage should be listed.

"Civil rights compliance review" means any review assessing the applicant's and/or recipient's compliance with laws prohibiting discrimination on the basis of race, color, national origin, sex, age, or disability.

Submit this form with the original and required copies of applications, requests for extensions, requests for increase of funds, etc. Updates of information are all that are required after the initial application submission.

If any item is not relevant to the project for which assistance is requested, write "NA" for "Not Applicable."

In the event applicant is uncertain about how to answer any questions, EPA program officials should be contacted for clarification.

* Questions VII – XI are for informational use only and will not affect an applicant's grant status. However, applicants should answer all questions on this form. (40 C.F.R. Parts 5 and 7).

** Note: Signature appears in the Approval Section of the EPA Comprehensive Administrative Review For Grants/Cooperative Agreements & Continuation/Supplemental Awards form.

Approval indicates, in the reviewer's opinion, questions I – VI of Form 4700-4 comply with the preaward administrative requirements for EPA assistance.

"Burden Disclosure Statement"

EPA estimates public reporting burden for the preparation of this form to average 30 minutes per response. This estimate includes the time for reviewing instructions, gathering and maintaining the data needed and completing and reviewing the form. Send comments regarding the burden estimate, including suggestions for reducing this burden, to
U.S. EPA, Attn: Collection Strategies Division (MC 2822T), Office of Information Collection, 1200 Pennsylvania Ave., NW, Washington, D.C. 20460; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

The information on this form is required to enable the U.S.Environmental Protection Agency to determine whether applicants and prospective recipients are developing projects, programs and activities on a nondiscriminatory basis as required by the above statutes and regulations.

7.3.10 Certification Regarding Debarment, Suspension, and Other Responsibility Matters

The prospective participant certifies to the best of its knowledge and belief that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within a three year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and

(d) Have not within a three year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

I understand that a false statement on this certification may be grounds for rejection of this proposal or termination of the award. In addition, under 18 U.S.C. §1001, a false statement may result in a fine of up to $10,000 or imprisonment for up to 5 years, or both.

Heath Thompson, General Manager

Name & Title of Authorized Representative

12-31-2014

Signature of Authorized Representative Date

____ I am unable to certify to the above statements. Attached is my explanation

8.3.16 Capacity Assessment Worksheets for Public Water Systems

Department of Environment and Natural Resources

Revised January 2007

Introduction

Because you are in the process of applying for a Drinking Water State Revolving Fund (DWSRF) loan, it is necessary for you to complete the following worksheets. The Safe Drinking Water Act requires that a system applying for a DWSRF loan must demonstrate that it has financial, managerial, and technical capacity. What exactly does that mean?

- ***Technical capacity*** - the physical infrastructure of the water system, including but not limited to the source water adequacy, infrastructure adequacy, and technical knowledge. In other words, does your treatment system work the way it is supposed to? Are you providing the safest and cleanest water possible and required by law to your customers right now, and will you be able to in the future?

- ***Managerial capacity*** - the management structure of the water system, including but not limited to ownership accountability, staffing and organization, and effective linkages. In simpler terms, do you have a capable and trained staff? Do you have an effective management structure?

- ***Financial capacity*** - the financial resources of the water system, including but not limited to the revenue sufficiency, credit worthiness, and fiscal controls. Basically, does your system have a budget and enough revenue coming in to cover costs, repairs, and replacements?

If it is determined that your system does NOT have the required capacity, you may still qualify for a DWSRF loan if it is going to be used to ensure that your system will have the necessary capacity. If you have questions while completing the following worksheets, please call our office at **(605) 773-3754** , and we will be happy to help.

After DENR receives these worksheets, we will study them and other information located in our files to make a determination whether or not your public water system has the technical, financial, and managerial capacity to be eligible to apply for a DWSRF loan. A final report will be available upon completion of the analysis.

Applicant: Sioux Rural Water System, Inc.

Prepared by: Heath Thompson-General Manager

Phone #: 605-882-1321

Date: 12-31-2014

Glossary of Terms

Contaminant: Any physical, chemical, biological, or radiological substance or matter in water;

Disinfectant: Any oxidant, including chlorine, chlorine dioxide, chloramine, and ozone, that is added to water in any part of the treatment or distribution process and that is intended to kill or inactivate pathogenic microorganisms;

Disinfectant contact time: The time in minutes that it takes for water to move from the point of disinfectant application or the previous point of disinfectant residual measurement to a point before or at the point where residual disinfectant concentration is measured;

Filtration: A process for removing particulate matter from the water by passing the water through porous media;

Ground Water: The supply of fresh water found beneath the surface of the ground, usually in aquifers, which is often used for supplying wells and springs;

Ground Water Under the Direct Influence of Surface Water: Any water beneath the surface of the ground with a significant occurrence of insects, macroorganisms, algae, or large-diameter pathogens such a *Giardia lamblia* ; or any water with significant and relatively rapid shifts in water quality characteristics such as turbidity, temperature, conductivity, or pH which closely correlate to climatological or surface water conditions;

Maximum Contaminant Level (MCLs): The maximum permissible level of a contaminant in water delivered to any user of a public water system. MCLs are enforceable standards;

mg/L: milligrams per liter - equivalent to parts per million;

µg/L: micrograms per liter - equivalent to parts per billion;

NTU: nephelometric turbidity unit;

psi: pounds per square inch

Surface Water: All water that is open to the atmosphere and subject to surface runoff;

Turbidity: A cloudy condition in water due to suspended silt or organic matter; and

Waiver: A process used by the Department of Environment and Natural Resources that allows a public water system to reduce or eliminate monitoring for a particular chemical.

The Technical Portion of your System

Your Water Supply

Please check the appropriate box: *Yes*, *No*, or *Unknown* for each section. Please try to determine the answer to every question. ***If a section or question does not apply to your system, please check NA for not applicable.***

Water Supply and Existing Demands	**Yes**	**No**	**Unknown**	**NA**
Do you know how much water you pump on an average day? ***Amount:*** 1,100,000	☑	☐	☐	☐
Do you know how much water you pump on a peak day? ***Amount:*** 1,697,000 gallons per day	☑	☐	☐	☐
Do you know the maximum amount of water you can pump from your source? ***Amount:*** 1,728,000 gallons per day	☑	☐	☐	☐
Is your source capacity higher than your peak day demand? ***Percentage higher or lower:*** 32 %	☑	☐	☐	☐
Can you meet peak demand without pumping at peak capacity for extended periods? ***Longest time pumping at peak demand:*** 22 hours per day	☑	☐	☐	☐
Have you been able to provide adequate volumes of water during drought cycles?	☑	☐	☐	☐
Have you had to restrict usage at any time for any reason? ***Please specify:***	☐	☑	☐	☐
Does your system have an emergency or supplemental water supply? ***Please specify:***	☐	☑	☐	☐
Do you have an Emergency Response Plan that will allow you to meet system demand during a drought or shortage, such as the loss of the largest source? ***If yes, please attach.***	☐	☑	☐	☐
Water Demand	**Yes**	**No**	**Unknown**	**NA**
Do you know whether your system demands will be growing, declining, or remain stable over the next ten years? ***Please check:*** ☑ ***growing,*** ☐ ***declining, or*** ☐ ***stable.***	☑	☐	☐	☐
Does your source have additional water available for appropriation?	☑	☐	☐	☐
Do you have a water right? ***Water right permit number(s):*** 7852-3	☑	☐	☐	☐
If you have large commercial, industrial, or irrigation users, do you know their long-term plans and understand their needs?	☐	☑	☐	☐
Purchased Water	**Yes**	**No**	**Unknown**	**NA**
If you purchase water from another system or a wholesaler, do you know their long-term plans?	☐	☐	☐	☑
Do you have a contract to purchase water? ***If yes, with whom?***	☐	☑	☐	☐
Are you currently staying within your contract?	☐	☐	☐	☑
Are you knowledgeable about other demands being placed on the same water source that you are using?	☐	☐	☑	☐

Alternative Sources	Yes	No	Unknown	NA
Are alternative water sources possibly available to you?	☐	☐	☑	☐
Are you knowledgeable of the characteristics and costs of using alternative sources?	☐	☐	☑	☐
Water Source	**Yes**	**No**	**Unknown**	**NA**
Do you know the depth of your well? ***Depth*** 27', 35'	☑	☐	☐	☐
Do you know the geologic name of the aquifer system from which your water is drawn? ***If yes, geologic name:*** Big Sioux North	☐	☐	☐	☐
Are all abandoned water sources properly managed and disconnected to prevent accidental contamination or problems with current water system facilities?	☑	☐	☐	☐

Treatment - Microbiological Contamination

Is your system using surface water or ground water under the influence of surface water? ☐ **yes** ☑ **no**

(If you checked "no", skip to the next section - Ground Water Systems – unless your water system requires treatment other than just disinfection.)

Surface Water Systems

Filtration Plant Condition	Yes	No	Unknown	NA
Is your filter plant in good physical condition (free from spalling concrete, peeling paint)?	☐	☐	☐	☐
If constructed more than 20 years ago, have treatment processes been upgraded to meet current standards?	☐	☐	☐	☐
Are repair parts available?	☐	☐	☐	☐
Do you have redundancy (back-ups/automatic switch-overs) for all major mechanical units? ***If no, list units you do NOT have redundancy for:***	☐	☐	☐	☐
Can your plant achieve a filtered water turbidity of 0.3 NTU?	☐	☐	☐	☐
Do you have on-line continuous turbidimeters on each filter?	☐	☐	☐	☐
Have you adopted a turbidity goal lower than the standard? ***If yes, list goal:*** daily	☐	☐	☐	☐
Do you have the capability to add coagulant before the filter?	☐	☐	☐	☐

Ground Water Systems

Ground Water Under the Influence of Surface Water	Yes	No	Unknown	NA
Is your water free from variations in turbidity and temperature after storm events?	☑	☐	☐	☐
Well Construction and Protection				

Do you know when your well was constructed? ***List year:*** Varies, post '91	☑	☐	☐	☐
Is your well(s) constructed according to current South Dakota regulations?	☑	☐	☐	☐
Do you have a source water protection plan?	☑	☐	☐	☐
Is your wellhead finished with a pitless adapter that will prevent contamination from surface water?	☑	☐	☐	☐

Disinfection

Do you disinfect? ☑ **yes** ☐ **no** ***(If "no", skip to the Infrastructure - Pumping section)***

Disinfection	**Yes**	**No**	**Unknown**	**NA**
Do you regularly inspect and maintain your disinfection / chlorination equipment? ***Type of Equipment:*** Regal gas chlorinators and injectors ***How often?*** daily ***Disinfectant used:*** Gas chlorine	☑	☐	☐	☐
Do you have back-up equipment? ***Type:*** _____	☐	☑	☐	☐
Do you have adequate contact time following disinfection and before the first user in the distribution system (30 minutes for ground water systems)? ***Contact time:*** _____	☑	☐	☐	☐
Can you detect a chlorine residual at taps at the ends of the distribution system? ***Free Chlorine Residual:*** greater than 0.3 mg/l ***Total Chlorine Residual:*** _____ (if using chloramines)	☑	☐	☐	☐

Disinfection By-Products

Treatment for the Control of Disinfection By-Products	**Yes**	**No**	**Unknown**	**NA**
If you treat surface water, are you already practicing or could you adopt "enhanced coagulation" in your current plant?	☐	☐	☐	☑
If you treat surface water, could you still meet current contact-time requirements if disinfection were not allowed before sedimentation?	☐	☐	☐	☑

Treatment - Security

Treatment Security	**Yes**	**No**	**Unknown**	**NA**
Has the system implemented procedures to improve security of its facilities? (i.e. limiting access to sensitive sites, protecting computer and control equipment etc.)	☑	☐	☐	☐
Are chemicals used for treatment properly stored and secure?	☑	☐	☐	☐
Does the water system track chemical usage? (i.e. a sudden	☑	☐	☐	☐

increase in usage may signal potential contamination or tampering.

Infrastructure - Pumping

Condition of Pumping Equipment	**Yes**	**No**	**Unknown**	**NA**
Do you routinely inspect for signs of pump or pump motor problems? ***How often:*** daily and weekly	☑	☐	☐	☐
Once diagnosed, are problems corrected in a timely enough manner to avoid crisis financing, costly repairs, and unscheduled downtime?	☑	☐	☐	☐
Do you hire a qualified pump contractor to perform an inspection of all pumping equipment, identify potential problems, and perform maintenance, on an annual basis?	☐	☑	☐	☐
Standby/Emergency Power Equipment	**Yes**	**No**	**Unknown**	**NA**
Is there sufficient standby/emergency power capacity to supply 100% of the average daily demand of the system (excluding fire demand)?	☑	☐	☐	☐
Are any existing standby/emergency power equipment, controls and switches tested or exercised routinely under load conditions, for at least 30 minutes at a time?	☐	☑	☐	☐
Has the local electric utility been made aware of the standby/emergency power provisions made by the water system, so that they can reinforce and safeguard the electrical facilities serving the water operations?	☑	☐	☐	☐

Infrastructure - Storage

Storage Capacity	**Yes**	**No**	**Unknown**	**NA**
Does the system have sufficient gravity-flow (non-pumped) or emergency generator-supported pumping capability to ensure adequate distribution storage to provide safe and adequate service for up to 24 hours without power? ***If no, how long:*** _____	☑	☐	☐	☐
Is there reserve capacity in the tank for fire protection support? ***Amount:*** _____	☐	☑	☐	☐
Security Measures	**Yes**	**No**	**Unknown**	**NA**
Are any openings, such as vent pipes, screened to protect against the entrance of small animals, birds, and small insects?	☑	☐	☐	☐
Are access hatches locked?	☑	☐	☐	☐
Is the tank and the immediate surrounding area fenced?	☐	☑	☐	☐
Control Systems				
Is there a high and low water level signal system to control the pumps?	☑	☐	☐	☐

Is there a drain valve or hydrant to allow for draining of the tank?	☑	☐	☐	☐
Tank Maintenance				
Is the tank inspected at least every three years by a qualified tank contractor for evidence of corrosion or pitting, leakage, and structural weakness?	☑	☐	☐	☐
Is the tank contractor capable of analyzing the coating of paint on the interior and exterior surfaces of the tank to determine if it contains lead or other hazardous materials?	☑	☐	☐	☐

Infrastructure - Distribution

System Maintenance	**Yes**	**No**	**Unknown**	**NA**
Do you have an accurate map of your distribution system that indicates main sizes and valve locations?	☑	☐	☐	☐
Does the operator routinely flush, test, and maintain the hydrants in the system? ***How often:***	☑	☐	☐	☐
Are the locations of valves in the mains and curb stops on the service lines precisely known?	☐	☑	☐	☐
Does the system keep a log of distribution system breaks to identify weak areas in the system?	☑	☐	☐	☐
Are histories, locations, size, and type of mains and service lines detailed on records in a secure area?	☑	☐	☐	☐
Are all valves exercised and lubricated periodically?	☐	☑	☐	☐
Is the system free of severe "water hammer" problems?	☑	☐	☐	☐
Are meter pits, pressure regulating valves, altitude valves, blow-offs, and other appurtenances maintained on a regular basis?	☑	☐	☐	☐
Unaccounted-for Water	**Yes**	**No**	**Unknown**	**NA**
Is unaccounted-for water in the water system monitored and analyzed each month?	☑	☐	☐	☐
Is the unaccounted-for water less than 15 percent of the total water delivered to the mains? ***List percentage of unaccounted for water:*** 20 %	☐	☑	☐	☐
	Yes	**No**	**Unknown**	**NA**
Are the normal operating pressures in the distribution system between 25 psi and 125 psi? ***Normal operating pressure:*** varies psi	☑	☐	☐	☐
Do you have a routine leak detection and repair program?	☑	☐	☐	☐
Are all sources of supply and customers metered?	☑	☐	☐	☐
Are the meters calibrated and tested routinely to ensure their accuracy and reliability?	☐	☑	☐	☐
Water Quality in Distribution System	**Yes**	**No**	**Unknown**	**NA**
Does your system have an active cross-connection control program?	☑	☐	☐	☐

Are any inspections for cross-connections performed?	☑	☐	☐	☐
Is there a program for installing and testing backflow prevention devices where potential contamination is present?	☐	☑	☐	☐
Is there a program to eliminate "dead-ends" in the mains, where feasible?	☐	☑	☐	☐
Construction Standards	**Yes**	**No**	**Unknown**	**NA**
Are the majority of your mains 6 inches in diameter or larger? ***List percentage:*** 14%	☐	☑	☐	☐
Is there a program to gradually replace sub-standard sized mains?	☐	☑	☐	☐
Are there suitable rights-of-way and easements provided to the water system for expansion, maintenance, and replacement of mains and services?	☑	☐	☐	☐
Is there sufficient earth cover (six feet) to protect the mains from frost damage or heavy loads, if driven over?	☑	☐	☐	☐
Are materials of mains designed and selected to resist corrosion, electrolysis, and deterioration?	☑	☐	☐	☐
Distribution System Problems	**Yes**	**No**	**Unknown**	**NA**
Do you receive any complaints regarding water quality (taste, odor, color, etc.)? ***List number of complaints/year:*** 12 ***Most common complaint:*** Dirty colored water	☑	☐	☐	☐
Can you maintain adequate pressure in the distribution system under all conditions of flow?	☑	☐	☐	☐

The Management Portion of your System

Please mark the appropriate box: *Yes*, *No*, or *Unknown* for each section. Please try to determine the answer to every question. ***If a section does not apply to your system, please write NA for not applicable.***

Operation & Maintenance

Operations Staff	**Yes**	**No**	**Unknown**	**NA**
Does the person operating your system have current water treatment plant and water distribution operator certification credentials from DENR? ***If yes, list classification(s):*** Dirty colored water class 1 & 2 distribution, class 1 & 2 treatment	☑	☐	☐	☐
Does your operator receive additional training on an ongoing basis to keep current on new developments in the field?	☑	☐	☐	☐
Future Operational Demands	**Yes**	**No**	**Unknown**	**NA**
Does your water system obtain any regular or occasional technical assistance from outside sources, such as DENR, your engineer, other utilities or organizations specifically dedicated to providing technical assistance? ***If yes, who*** Engineer, SD Rural Water, Vendors, DENR	☑	☐	☐	☐

Management & Administration

Who's in Charge?	**Yes**	**No**	**Unknown**	**NA**
Is there a clear plan of organization and control among the people responsible for management and operation of the system?	☑	☐	☐	☐
Does your system have written personnel policies and job descriptions signed by the employees?	☑	☐	☐	☐
Are the limits of the operator's authority clearly known?	☑	☐	☐	☐
Does everyone involved in operations know who is responsible for each area?	☑	☐	☐	☐
Is someone responsible for scheduling work?	☑	☐	☐	☐
Security	**Yes**	**No**	**Unknown**	**NA**
Does the system have procedures for handling new and terminated employees (i.e. collecting keys, changing locks and computer passwords)?	☑	☐	☐	☐
Rules and Standards	**Yes**	**No**	**Unknown**	**NA**
Do you have explicit rules and standards for system modifications?	☑	☐	☐	☐
Do you have rules governing new hook-ups?	☑	☐	☐	☐
Do you have a water main extension policy?	☑	☐	☐	☐
Do you have standard construction specifications to be followed?	☑	☐	☐	☐

	Yes	No	Unknown	NA
Do you have measures to assure cross-connection control and backflow prevention?	☑	☐	☐	☐
Do you have policies or rules describing customer rights and responsibilities?	☑	☐	☐	☐
Regulatory Compliance Program	**Yes**	**No**	**Unknown**	**NA**
Do you fully understand monitoring requirements and have a scheduling mechanism to assure compliance?	☑	☐	☐	☐
Do you know how to obtain clarification or explanation of requirements?	☑	☐	☐	☐
Do you have a mechanism to obtain the most recent information on regulatory requirements?	☑	☐	☐	☐
Do you maintain adequate records to document compliance? ***If yes, for how long?*** Permanent	☑	☐	☐	☐
Did your system have any violations of the primary drinking water standards in the last year?	☐	☑	☐	☐
Did your system have any monitoring or reporting violations in the last year?	☐	☑	☐	☐
Do you know what to do in the event of a violation?	☑	☐	☐	☐
Emergencies	**Yes**	**No**	**Unknown**	**NA**
Do you have an Emergency Response Plan?	☑	☐	☐	☐
Is there a contingency for making emergency interconnections to neighboring systems, and do you know they will work if needed?	☐	☑	☐	☐
Does everyone involved in operations know what they are to do in the event of contamination from a toxic hazardous waste spill in your source water or a main break or a tank failure?	☐	☑	☐	☐
Do you have a clear chain-of-command protocol for emergency action?	☑	☐	☐	☐
Is someone responsible for emergency operations, for communications with state regulators, for customer relations, for media relations? ***If yes, who (title):*** Heath Thompson General Manager	☑	☐	☐	☐
Safety	**Yes**	**No**	**Unknown**	**NA**
Do you have a safety program defining measures to be taken if someone is injured?	☑	☐	☐	☐
Has the entire staff been properly trained in the location and use of safety equipment?	☑	☐	☐	☐
Does everyone understand the risks and safety measures involved in handling water treatment chemicals?	☑	☐	☐	☐
Do you have written operating procedures for both routine and emergency system operations?	☑	☐	☐	☐
Are you fully aware of Occupational Safety and Health Administration (OSHA) confined space (such as trenches/manholes) regulations?	☑	☐	☐	☐
Does the system work with customers to promote their awareness of security?	☑	☐	☐	☐
Does the system have a communication plan to alert customers of a natural or intentional threat to public health?	☑	☐	☐	☐

Maintenance	Yes	No	Unknown	NA
Do you have a planned maintenance management system -- a system for scheduling routine preventive maintenance (line flushing, pumps, meters, storage tanks, etc.)?	☑	☐	☐	☐
Do you have a system for assuring adequate inventory of essential spare parts and back-up equipment?	☑	☐	☐	☐
Do you have relationships with contractors and equipment vendors to assure prompt priority service?	☑	☐	☐	☐
Do you have records and data management systems for system operating and maintenance data, for regulatory compliance data, and for system management and administration?	☑	☐	☐	☐
Management Capability	**Yes**	**No**	**Unknown**	**NA**
Are you getting the outside services and technical assistance you need? Do you have adequate legal counsel, insurance, engineering advice, technical/operations assistance, rate case preparation, and financial advice?	☑	☐	☐	☐

The Financial Portion of your System

Please mark the appropriate box: *Yes*, *No*, or *Unknown* for each section. Please try to determine the answer to every question. ***If a section does not apply to your system, please write NA for not applicable.***

Financial Planning Mechanisms	**Yes**	**No**	**Unknown**	**NA**
Does your system develop and follow an annual budget that is approved by the governing body?	☑	☐	☐	☐
Does the governing body review a monthly summary of revenues and expenses of the utility system?	☑	☐	☐	☐
Do you have within the annual budget separate reserve accounts for equipment replacement, capital improvement, depreciation or security upgrades? ***If so, list accounts:*** Short-lived assets, Operating, Plant/System Improv	☑	☐	☐	☐
Does the system have reserve funds available in the event of an emergency?	☑	☐	☐	☐
Do you have a capital budget or capital improvement plan that projects future capital investment needs some distance (at least five years) into the future?	☐	☑	☐	☐
Do you have a process for scheduling and committing to capital projects?	☐	☑	☐	☐
Does your planning process take account of all the potential capital needs suggested by your answers to the technical questions in these worksheets?	☐	☑	☐	☐
Does your long-term planning incorporate analysis of alternative strategies that might offer cost saving to customers, such as consolidation with other nearby systems or sharing of operations and management expenses with other nearby systems?	☐	☑	☐	☐
Rates/Billing - Are they Adequate?	**Yes**	**No**	**Unknown**	**NA**
Do you regularly review your rates? ***How often?*** annually	☑	☐	☐	☐
Do you have a plan in place for periodic increases in rates?	☐	☑	☐	☐
Is the rate structure based on metered watered use? ***List rates per 1000 gallons:*** $37 Farm min/$29 Smalltown$3.60/1000 (i.e. $22 minimum plus $2.50/1000 gallons)	☑	☐	☐	☐
Does the rate per 1000 gallons change as consumption increases? ***If so, please describe***: Declining Rate after 65,000 gal it is $2.60 per 1000 gallons	☑	☐	☐	☐
Does the rate structure assure proportionality among users?	☑	☐	☐	☐
Do you have procedures for billing and collection?	☑	☐	☐	☐
Is your billing collection rate greater than 95%?	☑	☐	☐	☐
Do you have collection procedures specifically for delinquent accounts?	☑	☐	☐	☐

Financial Planning Mechanisms - Are they Adequate?	Yes	No	Unknown	NA
Does your system have audited financial statements prepared by a certified public accountant (CPA)?	☑	☐	☐	☐
Does your water system income exceed operating expenses (including debt service)?	☑	☐	☐	☐
Does your water utility support other enterprise funds or the general fund?	☐	☑	☐	☐
Does your system require revenues from other enterprise funds or the general fund for normal operations?	☐	☑	☐	☐
Do you employ standardized accounting and tracking systems?	☑	☐	☐	☐
Do you track budget performance?	☑	☐	☐	☐
Do you keep records to substantiate depreciation of fixed assets and accounting for reserve funds?	☑	☐	☐	☐
Are financial management recordkeeping systems organized?	☑	☐	☐	☐
Are controls exercised over expenditures?	☑	☐	☐	☐
Are controls exercised to keep from exceeding your budget?	☑	☐	☐	☐
Are there purchasing procedures?	☑	☐	☐	☐
Did your system's governing body review this assessment before returning it to the South Dakota Department of Environment and Natural Resources?	☐	☑	☐	☐

8.3.16.1 Financial Spreadsheet

Complete the financial spreadsheet on the following page using the guidance presented on the reverse side of the form.

GUIDELINES:

This cash flow projection form provides a systematic method of estimating cash receipts, disbursements and balances. The entries listed on the form will not necessarily apply to every PWS, and some entries may not be included which would be pertinent to each PWS. It is suggested, therefore, that the form be adapted to each particular PWS, with appropriate changes in the entries as may be required.

Procedure: Most of the entries on the form are self-explanatory; however, the following suggestions are offered to simplify the procedure:

(1) First gather the audited financial statements, internally prepared statements or budgets and other information for the current year and the two prior years. Include the most recent audited financial statement with your self-assessment report.

(2) Complete the columns for the prior two years using actual data from your audited financial statements, if available, or your internally prepared financial statements. Keep in mind, for purposes of this analysis, it is important to use **cash** receipts and disbursements. ***Suggestion: Round amounts to the nearest dollar.***

(3) Complete the current year's column using the most recent budget information. Include all expenditures incurred by the utility.

(4) Complete the form using the suggestions in the partial form below for each entry. Be sure to include any expenditures resulting from planned plant improvement and estimate the impact of inflation on all expenditures.

(5) Item #1 (Beginning Cash on Hand) plus Item #3 (Total Cash Receipts) minus Item #6 (Total Cash Paid Out) should equal Item #7 (Ending Cash Position).

(6) Item #13 (Total Added to Reserves) plus Item #14 (Operating Cash) should equal Item #7 (Ending Cash Position).

(7) Item #1 (Beginning Cash on Hand) should equal Item #14 (Ending Cash Position) from the prior financial period.

(8) Items #8 & 9 are used together to determine the impact of the rate structure on the equivalent residential user. If industrial or business customers contribute a significant portion of the revenues, these amounts should be looked at separately. Consideration should be given to design a rate structure so that each

category of user pays its proportional share of the costs of operating and maintaining the PWS.

(9) Item #10 is used to determine to what extent a PWS's net operating income is able to cover its debt service requirements.

(10) Item #11 is used to determine to what extent a PWS's rate structure produces revenues sufficient to cover operating expenses.

(11) Item #14 is the operating cash balance at year end. The operating cash balance at the end of any financial period should be adequate to meet the cash requirements for a minimum of one month. If there is too little cash, additional cash may have to be injected or expenditures may have to be reduced. If there is excessive cash on hand, the money should be invested or otherwise deposited into interest bearing accounts (e.g., set up reserves for replacement or capital improvements, etc.)

Financial Spreadsheet

Applicant: Sioux Rural Water System, Inc.
Completed by: Heath Thompson
Date:

4 Year Projections	Last Year Actual	Current Year Budget Year 1 Projected	Year 2 Projected	Year 3 Projected	Year 4 Projected
Enter Year:	2013	2014	2015	2016	2017
1. Beginning Cash on Hand	$771,206	$767,731	$1,143,696	$1,011,002	$921,509
2. Cash Receipts:					
a. Unmetered Water Revenue					
b. Metered Water Revenue	$1,550,691	$1,540,825	$1,570,000	$1,610,000	$1,640,000
c. Other Water Revenue	$18,283				
d. Total Water Revenues (2a through 2c)	$1,568,974	$1,540,825	$1,570,000	$1,610,000	$1,640,000
e. Connection Fees	$25,010	$28,412	$23,000	$30,000	$20,000
f. Interest and Dividend Income	$4,250	$3,040	$3,000	$4,500	$4,500
g. Other Income	$10,930	$70,076	$62,601	$65,000	$65,000
h. Total Cash Revenues (2d through 2g)	$1,609,163	$1,642,354	$1,658,601	$1,709,500	$1,729,500
i. Transfers in/Additional Rev Needed					
j. Loans, Grants or other Cash					
Please specify Insurance		$500,000			
2015 Improvements Project			$3,000,000	$1,515,900	
3. Total Cash Receipts (2h through 2j)	$1,609,163	$2,142,354	$4,658,601	$3,225,400	$1,729,500
4. Total Cash Available (1+3)	$2,380,370	$2,910,084	$5,802,297	$4,236,402	$2,651,009
5. Operating Expenses					
a. Salaries and wages	$309,239	$354,711	$373,000	$385,000	$395,000
b. Employee Pensions and Benefits	$88,338	$134,950	$159,450	$162,000	$167,000
c. Purchased Water					
d. Purchased Power	$138,160	$138,025	$150,400	$152,000	$155,000
e. Fuel for Power Production					
f. Chemicals	$39,030	$32,915	$33,600	$35,000	$37,000
g. Materials and Supplies	$228,013	$270,121	$240,300	$235,000	$230,000
h. Engineering Services	$3,000	$13,000	$10,000	$5,000	$10,000
i. Contractual Services – Other	$154,348	$30,043	$22,500	$15,000	$15,000
j. Equip. Rent/Real Property					
k. Transportation Expenses	$67,292	$67,150	$76,500	$70,000	$70,000
l. Laboratory					
m. Insurance	$24,423	$18,500	$20,000	$20,000	$20,000
n. Regulatory Commission Expenses					
o. Advertising					
p. Miscellaneous					
q. Total Cash O&M Expenses (5a through 5p)	$1,051,842	$1,059,414	$1,085,750	$1,079,000	$1,099,000
r. Replacement Expenditures					
s. Total OM&R Expenditures (5q+5r)	$1,051,842	$1,059,414	$1,085,750	$1,079,000	$1,099,000
t. Loan Principal/Capital Lease Payments	$240,858	$251,287	$262,395	$353,674	$152,512
u. Loan Interest Payments	$179,573	$170,687	$158,149	$143,219	$231,635
v. Transfers Out					
w. Capital Purchases (specify):					
Vehicles, equipment, pipelines	$165,908	$285,000	$285,000	$285,000	$285,000
2015 Improvements Project			$3,000,000	$1,564,000	
x. Other					
6. Total Cash Paid Out (5s through 5x)	$1,638,181	$1,766,388	$4,791,295	$3,424,893	$1,768,147
7. Ending Cash Position (4 - 6)	$742,188	$1,143,696	$1,011,002	$811,509	$882,862

Financial Spreadsheet

Applicant: _____

Completed by: _____

Date: _____

4 Year Projections	Last Year Actual	Current Year Budget Year 1 Projected	Year 2 Projected	Year 3 Projected	Year 4 Projected
8. Number of Customer Accounts	1,420	1,420	1,420	1,420	1,485
9. Avg Annual User Charge Account (2d/8)	$1,105	$1,085	$1,106	$1,134	$1,104
10. Coverage Ratio (2h-5s)/(5t+5u)	1.3	1.4	1.4	1.3	1.6
11. Operating Ratio (2d/5s)	1.5	1.5	1.4	1.5	1.5
12. Additions to Reserve Funds for the Year:					
a. Debt Service Reserve			$16,000	$16,000	$16,000
b. Bond Retirement Reserve					
c. Capital Improvement Reserve					
d. Replacement Reserve	$60,000	$500,000	($100,000)	($100,000)	($100,000)
e. Other					
13. Total Reserves (12a through 12e)	$60,000	$500,000	($84,000)	($84,000)	($84,000)
14. Year End Operating Cash (7 – 13)	$682,188	$643,696	$1,095,002	$895,509	$966,862

4 Year Projections	Last Year Actual	Current Year Budget	Year 2 Projected	Year 3 Projected	Year 4 Projected
1. Beginning Cash on Hand	For the prior period and the current year budget, use the actual cash balance. For all other years, cash on hand should equal item #14 from previous period.				
2. Cash Receipts:					
a. Unmetered Water Revenue	All cash received/estimated for water supplied to residential, commercial, industrial and public customers where the customer charge is not based on quantity, i.e., its based on diameter of service pipe, room, foot of frontage or other type units.				
b. Metered Water Revenue	all cash received/estimated for water supplied to residential, commercial, industrial and public customers where the charge is based on quantity of water delivered.				
c. Other Water Revenue	Other cash received/estimated from sale of water, e.g., sales for irrigation, sales for resale, inter- municipal sales, advalorem taxes (OM&R portion) etc.				
d. Total Water Revenues (2a through 2c)	**Self-explanatory**				
e. Connection Fees	All cash received/estimated for connection of customer service during the year.				
f. Interest and Dividend Income	All cash received/estimated on interest income from securities, loans, notes, etc., whether the securities are carried as investments or included in sinking or reserve accounts.				
g. Other Income	Other revenues collected/estimated during the period (e.g., disconnection or change in service fees, Profit on materials billed to customers, servicing of customer lines, late payment fees, rents, sales of assets, advalorem taxes (infrastructure portion) etc.).				
h. Total Cash Revenues (2d through 2g)	**Self-explanatory**				
i. Transfers in/Additional Rev Needed	Includes transfers from other funds w/i the municipality or can be used as a "plug" figure when determining the additional cash needed to cover cash needs.				
j. Loans, Grants or other Cash Injection	Includes loans or grants from financial institutions, inter-municipal loans, state or federal sources.				
3. Total Cash Receipts (2h through 2j)	**Self-explanatory**				
4. Total Cash Available (1+3)	**Self-explanatory**				
5. Operating Expenses	Use actual amounts paid when completing the prior year. Estimate the amounts for projected years based on prior year amounts, trends and other known variables (including those related to needs identified in the self-assessment.				
a. Salaries and wages	Cash expenditures made/estimated for salaries, bonuses and other consideration for work related to the O&M of the facility, including administration, and compensation for officers, directors, etc.				
b. Employee Pensions and Benefits	Paid vacations, paid sick leave, health insurance, unemployment insurance, pension plan, etc.				
c. Purchased Water	Amounts paid/estimated for cost of water purchased for resale.				
d. Purchased Power	Amounts paid/estimated for all electrical power for the utility.				
e. Fuel for Power Production	Amounts paid/estimated for fuel purchased for the production of power to operate pumps, etc.				
f. Chemicals	Amounts paid/estimated for chemicals used in the treatment and distribution.				
g. Materials and Supplies	Amounts paid/estimated for materials and supplies used for O&M of the PWS other than those under contractual services.				
h. Contractual Services – Engineering	Amounts paid/estimated to outside engineers to perform ongoing engineering work for the facility.				
i. Contractual Services - Other	Amounts paid/estimated for costs of outside accounting, legal, managerial, and other services.				
j. Rental of Equipment/Real Property	Amounts paid/estimated for costs associated w/the rental of equipment, buildings and real property.				
k. Transportation Expenses	Amounts paid/estimated for automobile, truck, equipment, and other vehicle use and maintenance.				
l. Laboratory	Self-explanatory				
m. Insurance	Amounts paid/estimated for vehicle, liability, workers' compensation and other insurance.				
n. Regulatory Commission Expenses	Amounts paid/estimated for rate cases and other activities with a regulatory commission				
o. Advertising	Amounts paid/estimated for informational, instructional and other advertising.				
p. Miscellaneous	Amounts paid/estimated for all expenses not included elsewhere (e.g. permit fees, training, etc.).				
q. Total Cash O&M Expenses (5a through 5p)	**Total of lines 5a through 5p.**				
r. Replacement Expenditures	Amounts paid/estimated for replacement of equipment to maintain system integrity.				
s. Total OM&R Expenditures (5q+r)					
t. Loan Principal/Capital Lease Payments	Include cash payments made/estimated for principal on all loans, including vehicle and equipment purchases on time payments and capital lease payments.				
u. Loan Interest Payments	Self-explanatory				

v. Transfers Out	Include cash transfers made/estimated to funds or entities outside the PWS.
w. Capital Purchases (specify):	Amount of cash outlays/estimates for items such as equipment, building, vehicle purchases, and leasehold improvements that were not a part of the initial design of the PWS infrastructure.
6. Total Cash Paid Out (5s through 5x)	Self-explanatory
7. Ending Cash Position (4 – 6)	Self-explanatory
8. Number of Customer Accounts	Use most recent system data or expected increases.
9. Ave User Charge per Customer (2d/8)	Self-explanatory
10. Coverage Ratio (2h-5s)/(5t+5u)	Measure of the sufficiency of net operating profit to cover the debt service requirements of the system. A bond covenant might require this to meet or exceed certain limits (e.g. 1.25)
11. Operating Ratio (2d/5s)	Measure of whether operating revenues are sufficient to cover OM&R expenses. An operating ratio of 1.0 is the bare Minimum for a self-supporting facility. With debt service requirements, the operating ratio would have to be higher.
12. Additions to Reserve Funds for the Year:	Do not include depreciation as a reserve unless there is actually a "depreciation' reserve that has cash set-aside for future expansion. **Include only amounts that are added to the reserve funds for the year (i.e., do not include accrued interest on CDs).**
a. Debt Service Reserve	Funds specifically set-aside to meet debt service requirements or requirements set forth in a loan Convenant/bond indenture.
b. Bond Retirement Reserve	Funds specifically set aside to retire debt as it is scheduled.
c. Capital Improvement Reserve	Funds specifically set aside to meet long-term objectives for major facility expansion, improvement and/or the construction of a new facility.
d. Replacement Reserve	Funds specifically set aside for the future replacement of equipment needed to maintain the integrity of the facility over its useful life.
e. Other	Other cash set-aside for reserve.
13. Total Added to Reserves (12a through 12e)	**Total of lines 12a through 12e.**
14. Year End Operating Cash (7-13)	**All non-reserved cash.**

8.3.17 Capacity Requirements for New Drinking Water System

Certificate of Approval: Obtaining a certificate of approval for a new drinking water system is required by law. More importantly, a certificate of approval shows that the drinking water system has gone through the planning process. Planning is critical for all new, as well as existing, water systems. A system that lacks technical, managerial, or financial capacity will have problems complying with all of the requirements of the 1996 Safe Drinking Water Act amendments. Since new water systems are required to complete the planning process, this will help ensure that these systems have adequate capacity and that the public will be provided with safe drinking water.

Who needs a certificate of approval?

All new community and nontransient noncommunity water systems that begin operation after October 1, 1999, are required to obtain a certificate of approval from the Department of Environment and Natural Resources (DENR) before beginning operation.

This includes water systems that do not meet the definition of community or nontransient noncommunity water system (NTNC) at start-up, but are designed to one day meet that definition. For example, a developer plats out 30 lots for homes in the development, but when the water system begins operation, there are only four homes connected to the system. Obviously, the intent is for this water system to one day be large enough to qualify as a public water system; therefore, the developer must meet all the new water system requirements.

Any system that has infrastructure in place before October 1, 1999, and then becomes a new community or NTNC water system only by the addition of new users is not required to obtain a certificate of approval.

What is the process for obtaining a certificate of approval?

DENR recommends that you apply as soon as possible to receive approval of the required documents in a timely manner. Approval may be delayed if more information is needed by the department during the review process. The following are minimum guidelines for certificate approval.

- Submit the New Water System Application and business plan no later than *90 days* before you anticipate beginning operation.
- Submit plans and specifications no later than *30 days* before the anticipated bid-letting and contract award date.
- Submit the operations and maintenance manual as soon as practicable before system start-up

RESOLUTION NO. 2014-01

RESOLUTION APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE, AUTHORIZING THE EXECUTION AND SUBMITTAL OF THE APPLICATION, AND DESIGNATING AN AUTHORIZED REPRESENTATIVE TO CERTIFY AND SIGN PAYMENT REQUESTS.

WHEREAS, the Sioux Rural Water System a nonprofit corporation organized and existing under the laws of the State of South Dakota (the "Corporation"), has determined it is necessary to proceed with improvements to its water distribution and water management systems, including but not limited to 2015 water System Improvements previously 2012 Water System Improvements (the "Project"); and

WHEREAS, the Corporation has determined that financial assistance will be necessary to undertake the Project and an application for financial assistance to the South Dakota Board of Water and Natural Resources (the "Board") has been prepared; and

WHEREAS, it is necessary to designate an authorized representative to execute and submit the Application on behalf of the Corporation and to certify and sign payment requests in the event financial assistance is awarded for the Project,

NOW THEREFORE BE IT RESOLVED by the Corporation as follows:

1. The Corporation hereby approves an Application for financial assistance to the South Dakota Board of Water and Natural Resources for the Project as set forth with particularity in the Application attached hereto, which Application is hereby approved.

2. The Manager is hereby authorized to execute the Application and submit it to the South Dakota Board of Water and Natural Resources, and to execute and deliver such other documents and perform all acts necessary to effectuate the Application for financial assistance submitted to the Board in accordance with all terms herein set forth.

3. The Sioux Rural Water System General Manager is hereby designated as the authorized representative of the Corporation to do all things on its behalf to certify and sign payment requests in the event financial assistance is awarded for the Project.

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State of South Dakota

OFFICE OF THE SECRETARY OF STATE

Certificate of Good Standing
Non-profit Corporation

ORGANIZATIONAL ID #: NS005096

I, Chris Nelson, Secretary of State of the State of South Dakota, do hereby certify that **SIOUX RURAL WATER SYSTEM, INC.** was duly incorporated under the laws of this state on **May 10, 1972**.

I, further certify that said corporation has complied with the laws of this State relative to the formation of corporations of its kind and is now a regularly and properly organized and existing corporation under the laws of this State and is in good standing, as shown by the records of this office. This certificate is not to be construed as an endorsement, recommendation or notice of approval of the corporation's financial condition or business activities and practices. Such information is not available from this office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of South Dakota, at Pierre, the Capital, this February 25, 2008.

Chris Nelson

Chris Nelson
Secretary of State

Litho in U.S.A.

ARTICLES OF INCORPORATION
OF
SIOUX RURAL WATER SYSTEM, INC.

KNOW ALL MEN BY THESE PRESENTS: That we, Leo R. Heyn, DuWayne A. Krause and Donald J. Ries, residents of the State of South Dakota and over twenty-one years of age have associated ourselves together for the purpose of forming a non profit corporation in accordance with the provisions of Chapter 47-22 South Dakota Compiled Laws, 1967, and do hereby make, execute, and acknowledge in triplicate, these Articles of Incorporation in writing.

ARTICLE I

The name of the corporation shall be Sioux Rural Water System, Inc.

ARTICLE II

This Corporation shall have perpetual existence.

ARTICLE III

The objects and purposes of this Corporation are:

A. To acquire, construct, maintain, and operate a system for the diversion, supply, storage, and distribution of water to the members of this Corporation for domestic purpose within the area served by the Corporation in the Counties of Hamlin, Codington, and Deuel and Clark, South Dakota.

B. To acquire by appropriation or otherwise, and to lease, sell or dispose of water and water rights for domestic purposes.

C. To borrow money for the use of said corporation and to issue securities therefore and to pledge, mortgage, hypothecate, and otherwise dispose of the real, personal and intangible property of the Corporation as security therefore

D. To have power to establish schedules of rates for the delivery of water, and to levy assessments upon its members, irrespective of whether or not payment in full has been made for their memberships, and to collect such water charges and assessments from its members. In the event of delinquency in the payment of such water charges and assessments, the Corporation shall have the power to enforce the collection therefore by either or by any combination of the following remedies, upon giving notice to the delinquent member in the manner provided in the By-Laws as the same are in force and effect at the time such delinquency occurs.

(1) By personal action of debt brought against the delinquent member in a court of competent jurisdiction.

(2) By forfeiture of the delinquent membership or termination of the delinquent membership, in the method provided by the By-Laws.

(3) By withholding the delivery of water from the service connection of the delinquent member.

E. To exercise any and all powers incidental to or conductive to the aforesaid objects or any of them.

ARTICLE IV

The principal place of business of the Association shall be located at Watertown, Codington County, South Dakota.

ARTICLE V

The address of the initial registered office shall be Route #4, Watertown, South Dakota, and the name of the initial registered agent at the said address for the service of process is Donald J. Ries.

ARTICLE VI

The affairs of the Association shall be under the control of three (3) Directors and those who shall as Directors manage the affairs of the Association for the first year and until their successors are duly elected and qualified are:

NAME	ADDRESS
Leo R. Heyn	Watertown, SD
DuWayne Krause	Castlewood, SD
Donald J. Ries	Watertown, SD

At the first annual meeting following the expiration of the one-year period for which the Directors herein designated will serve, and at each annual meeting thereafter, a new Board of Directors will be elected in accordance with the provisions of the By-Laws of the Association and the laws of the State of South Dakota, in such cases made and provided.

ARTICLE VIII

The names and addresses of each incorporator are listed as follows:

Name	Address
Leo R. Heyn	Watertown, SD
DuWayne Krause	Castlewood, SD
Donald J. Ries	Watertown, SD

ARTICLE VIII

The Board of Directors shall establish a minimum water charge and a schedule of charges for wat uses in excess of the minimum. The established minimum water charge shall apply to each service is required to meet the needs of existing members.

ARTICLE IX

If at any time during the fiscal year it appears in the judgment of the Board of Directors that the amount to be derived from the collection water charges during such fiscal year will be insufficient for the payment of all costs incident to the operation and indebtedness, the Board shall make and levy an assessment upon each member so that the total of such assessment is sufficient, with the amount of water charges collected and reasonably anticipated to be collected, to fully pay the costs of operation and payments on said current indebtedness. A proportionate amount of the total of such assessment levied in any year shall be levied against each member in an amount equal to that portion which the number of service connections supply each member bears to the total number of service connections served by the system of the corporation.

ARTICLE X

Section 1. No officer, Director or member shall at any time receive or become entitled to receive any pecuniary profit from the operations hereof either by dividends of reasonable compensation for services actually rendered by any officer, agent, Director, or employee or member of the corporation.

Section 2. Each member, upon payment of the membership fee, shall be entitled to have one service connection installed at a point which may conveniently be tapped for the supply of water to the premises occupied by him, and upon payment of recurring water charges and also assessments, shall be entitled to a supply of water is available from the system of the corporation. Any person desiring more than one service connection shall be required to apply for and to pay a separate membership fee for each service connection authorized by the corporation.

Section 3. There shall be an annual meeting of the members of the corporation to be held at such time and place as may be provided in the By-Laws. Each member shall be entitled to only one vote irrespective of the number of memberships held.

Section 4. Membership in this Association shall be transferable and subject to mortgage or pledge only upon the approval of the Board of Directors. The above provisions shall be recited in all certificates of membership issued.

ARTICLE XI

The By-Laws of the Association for the management of its affairs shall be adopted by the members of said Association, and said members will be empowered to amend or repeal said By-Laws in accordance with the provisions therefore.

ARTICLE XII

Neither cumulative nor proxy voting shall be allowed. Each member shall be permitted to vote only one vote.

ARTICLE XIII

Sale or conveyance, of all or any part of the property of the company may be made by the Board of Directors provided, however, that such sale, conveyance or encumbrance is authorized by a two-thirds vote of the members at a regular membership meeting or a special membership meeting called for the purpose, and instruments of conveyance shall be executed on behalf of the company by the President and attested by the Secretary of the company. Encumbrance of the property of the company may be made by the Board of Directors without any action on the part of the membership; instruments of encumbrance should be executed on behalf of the company by the President and attested by the Secretary of the company.

ARTICLE XIV

Section 1. No officer, Director or member shall at any time receive or become entitled to receive any pecuniary profit from the operations hereof either by dividends or other distribution or by payment of any salary, wage, or reward of any kind in excess of reasonable compensation for services actually rendered by any officer, agent, Director, or employee or member of the corporation.

Section 2. No dividend or distribution of the funds or other property of the corporation shall be made until all debts are fully paid and then only upon its final dissolution, nor shall any distribution be made except by a vote of the majority of the members of the corporation or a quorum therefore as provided in the By-Laws. In the event of dissolution, for the purpose of merger, the net funds of the corporation, if any,

shall be transferred to any other or several nonprofit organizations having one or more purposes in common with this corporation.

Section 3. No member's individual liability shall extend beyond the consideration paid by each member for his membership certificate.

IN WITNESS WHEREOF, we, the incorporators, do hereby make, sign, seal, and acknowledge this Certificate in triplicate.

_____

STATE OF SOUTH DAKOTA)
)SS
COUNTY OF DEUEL)

I, Gordon Gunderson, a Notary Public, in and for the County and State aforesaid, do hereby certify that Leo R. Heyn, DuWayne Krause, and Donald J. Ries, who are known to me to be the persons whose names are subscribed to the foregoing Articles of Incorporation, appeared before me this day in person and each acknowledged that he signed, sealed and delivered said instrument in writing as his free and voluntary act, for the uses and purposes therein set forth.

WITNESS my hand and notarial seal this 4th day of May, 1972.

_____
Notary public, South Dakota

My Commission expires:

_____

BY-LAWS
OF
SIOUX RURAL WATER SYSTEM, INC.

ARTICLE I

GENERAL PURPOSES:

This Association shall be known as the Sioux Rural Water System, Inc., incorporated under the laws of the State of South Dakota.

The purpose for which the corporation is formed, and the Powers which it may exercise are set forth in the Articles of Incorporation of the Association.

ARTICLE II

NAME AND LOCATION:

Section 1. The name of the corporation is the Sioux Rural Water System, Inc.

Section 2. The principal office and place of business of this corporation shall be located at 45703 176th Street, Watertown, South Dakota 57201-7186, but the corporation may maintain offices and places of business at other places within or without the State of South Dakota as the Board of Directors may determine.

ARTICLE III

SEAL OF CORPORATION:

Section 1. The seal of the corporation shall have inscribed thereon the name of the corporation the year of its organization and the words, "Non-Stock Corporation, Sioux Rural Water System, Inc."

Section 2. The Secretary shall have custody of the seal.

Section 3. The impression of the seal shall be made on all papers and documents requiring the signature of an executive officer of the corporation.

ARTICLE IV

FISCAL YEAR:

The fiscal year of the corporation shall begin on the 1st day of January in each year.

ARTICLE V

GOVERNING BODY:

Section 1. This corporation shall be governed by a Board of Directors consisting of 9 members to be elected by the members of the corporation at the first regular annual meeting and at each annual meeting thereafter. Such board shall meet immediately after the adjournment and organize by electing a President, Vice-President, and Secretary and Treasurer from their own number.

ARTICLE VI

MEMBERSHIP AND CERTIFICATES:

Section 1. The holders of the membership certificates in this corporation are its members.

Section 2. The Board of Directors is authorized and directed to:

a. Issue appropriate certificates of membership in the corporation to each of the aforesaid members who shall thereafter be entitled to all the privilege and benefits contemplated by the Articles of Incorporation by signing such agreements for the purchase of water for domestic use as are required by the corporation. Additional members, who are qualified by reason of location and ownership of property or Directors as members of the corporation if facilities and sufficiency of water is available upon the usual agreement for purchases of water and paying the required fee, and otherwise complying with Articles of the Corporation and By-Laws. No person otherwise eligible shall be permitted to subscribe for or otherwise acquire membership in the corporation if the capacity of the corporation is inadequate to supply the water to an additional member without jeopardizing the necessary supply of water for the existing members.

b. Each certificate, among other things, shall carry the following condition: This membership certificate, No. _____, is issued and accepted in accordance with and subject to the conditions and restrictions stipulated in the Article of Incorporation and By-Laws and amendments to the same.

c. Transfers of membership certificates shall be made only upon the books of the corporation, only to persons eligible to become members only with the approval of the Board of Directors and only when the member transferring is free from indebtedness to the corporation.

d. No member of this corporation shall be entitled to more than one vote at meetings of the members or to hold more than one of the membership certificates of the corporation. Every member upon becoming a member of this corporation agrees to sign such agreement for the purchase of water from the corporation as may from time to time be provided and required by the corporation, and agrees, in case he wishes to dispose of his membership certificate, separate and apart from the premises served there under, to first offer the same to the corporation at its fair book value and that he will make no offer of assignment or sale of the same unless the corporation shall fail after thirty days notice in writing so to purchase the membership certificate.

e: The board of directors shall establish the amount of compensation and reimbursement of expenses to which all directors may be entitled.

Section 3. All transfers of membership certificates shall be made upon the books of the corporation upon the surrender of the certificates covering the same by the holders thereof or by their legal representatives, but only with the approval of the Board of Directors and only to persons eligible to become members and only when the transferring member is free from indebtedness to the corporation.

Section 4. Each member agrees to sign such water users' agreements as the corporation shall from time to time provide and require.

Section 5. In case of the death of a member or if a member ceases to be eligible to hold membership as provided in Section 11, or willfully fails to comply with these By-Laws and other requirements, or willfully obstructs the purposes and proper activities of the corporation, the corporation, through the Board of Directors, may elect to purchase his membership certificates and terminate his membership upon tender to him or his heirs or legal representative of the fair book value of his membership certificate as determined by the Board of Directors, together with any dividends due and unpaid less any indebtedness then due from him to the corporation. Any member whose membership is so terminated for cause other than that of ceasing to be eligible, may appeal from the action of the Board of Directors to a vote of the members at the next regular meeting of the members or special meeting of the members called for such purpose.

ARTICLE VII

MEETING OF MEMBERS:

Section 1. The annual meeting of the members of this corporation shall be held in June of each year at such time and place as determined by the Board of Directors, but within the boundaries of the system which included Clark County, Codington County, Deuel County and Hamlin County.

Section 2. Special meeting of the members may be called at anytime by the action of the Board of Directors and such meetings must be called whenever a petition requesting such meetings is signed by at least six of the members and presented to the Secretary, or to the Board of Directors. The purpose of every special meeting shall be stated in the notice thereof, and no business shall be transacted thereat except such as is specified in the notice.

Section 3. Notice of meetings of members of the Corporation may be given by notice mailed to each member of record, directed to the address shown upon the books of the corporation, at least ten days prior to the meeting such a notice shall state the nature, time and place and purpose of the meeting, but no failure or irregularity of notice of any annual meeting, regularly held, shall effect any proceedings taken threat.

Section 4. Thirty Five (35) members shall constitute a quorum for the transaction of business at any meeting. No business shall be transacted unless such quorum is present. However, if such quorum shall not be present at any regular or special meeting, then the members present shall have the power to adjourn the meeting from time to time without any notice (other than an announcement at the meeting being adjourned) until a quorum is present. Any business may be transacted at the later meeting which would have been permissible at the initial meeting.

ARTICLE VIII

OFFICERS AND DIRECTORS:

Section 1. The officers of the association shall be a President, Vice-President, Secretary, Treasurer and such other officers as may be determined by the Board of Directors from time to time. The offices of Secretary and Treasurer may be held by the same person.

Section 2. The Board of Directors shall consist of 9 members, two to be elected from each of the four following districts, plus one director to be selected at large for the entire area serviced by Sioux Rural Water System:

District I: that area of the Sioux Rural Water System located west of Highway 81 and being north of the north border of Hamlin County or located north of a line extending the north border of Hamlin County to the west;

District II: that area of the Sioux Rural Water System located east of Highway 81 and being north of the north border of Hamlin County or located north of a line extending the north border of Hamlin County to the east;

District III: that area of the Sioux Rural Water System located west of Highway 81 and being south of the north border of Hamlin County or located north of a line extending the north border of Hamlin County to the west; and

District IV: that area of the Sioux Rural Water System located east of Highway 81 and being south of the north border of Hamlin County or located south of a line extending the north border of Hamlin County to the east;

The directors shall be elected annually in such a manner that three directors are elected each year for a three year term. No director shall serve more than 6 terms consecutively, but may, after having been out of office for a period of three years be elected again thereafter.

Section 3. If the office of Director or Officer should become vacant for any cause, the remaining officers may choose a successor, who shall serve to the next regular or special meeting of the members when the vacancy shall be filled. The officer so named shall serve to the next regular meeting provided for in the By-Laws.

Section 4. Subject to Paragraph XIV of the Articles of Incorporation, compensation of officers may be fixed at any regular or special meeting of the members of the corporation.

ARTICLE IX

DUTIES OF OFFICERS - DIRECTORS:

Section 1. The Board of Directors, subject to the restrictions of the law, the Articles of Incorporation, and By-Laws, shall exercise all of the powers of the association; and, without prejudice to or limitation upon their general powers, it is hereby expressly provided that the Board of Directors shall have, and are hereby given, full power and authority (to be exercised by resolution by a majority vote of all the members) in respect to the matters and as hereinafter set forth.

a. To pass upon the qualifications of members and to cause to be issued appropriate certificates of membership.

b. To select and appoint all officers, agents or employees of the corporation to remove such agents or employees of the corporation for just cause, prescribe such

duties and designate such powers as may not be inconsistent with these By-Laws, fix their compensation and pay for faithful services.

c. To borrow from any source, money, goods or services and to make and issue notes and other negotiable and transferable instruments, mortgages, deeds of trust and trust agreements and to do every act and thing necessary to effectuate the same.

d. To prescribe, adopt and amend, from time to time such equitable uniform rules and regulations as, in their discretion, may be deemed essential or convenient for the conduct of the business and affairs of the corporation and the guidance and control of its officers and employees, and to prescribe adequate penalties for the breach thereof.

e. To order, at least once each year, an audit of the books and accounts of the corporation by a competent public auditor or accountant. The report prepared by such auditor or accountant shall be submitted to the members of the corporation at their annual meeting.

f. To fix the charges to be paid by each member for service rendered by the corporation to him, the time of payment and the manner of collection.

g. To require all officers, agents and employees charged with responsibility for the custody of any of the funds of the corporation to give adequate bonds, the cost thereof to be paid by the corporation, and it shall be mandatory upon the trustees to so require.

h. To select one or more banks to act as depositories of the funds of the corporation and to determine the manner of receiving, depositing, and disbursing the funds of the corporation and the form of checks and the person or persons by whom the same shall be signed, with the power to change such banks and the person or persons signing such checks and the form thereof at will.

i. To levy assignments upon the members of the corporation. Notice of assessments so levied by the Board of Directors shall be mailed to each member at the address shown in the books of the corporation, at least thirty days prior to the final due date for payment thereof. In the event any assessment is not paid when due, the Board of Directors shall have the option to either declare the delinquent membership forfeited, or to bring suit in a court of competent jurisdiction for recovery of the amount of the delinquent assessment as a contract obligation, upon giving the delinquent member thirty days written notice by mail at the address as shown in the books of the corporation, of the intended action, if payment is not made prior to that time.

ARTICLE X

DUTIES OF OFFICERS :

Section 1. Duties of President. The President shall preside over all meetings of the corporation and the Board of Directors, call special meetings of the Board of Directors, perform all acts and duties usually performed by an executive and presiding officer, and sign all membership certificates and such other papers of the corporation as he may be authorized or directed to sign by the Board of Directors, provided the Board of Directors may authorize any person to sign any or all checks, contracts and other instruments in writing on behalf of the corporation. The President shall perform such other duties as may be prescribe by the Board of Directors.

Section 2. Duties of the Vice President. In the absence or disability of the President, the Vice-President shall perform the duties of the President provided, however, that in case of death, resignation or disability of the President, the Board of Directors may declare the office vacant and elect his successor.

Section 3. Duties of the Secretary-Treasurer. The Secretary-Treasurer shall keep a complete record of all meetings of the corporation and of the Board of Directors and shall have general charge and supervision of the books and records of the corporation. He shall sign all membership certificates with the President and such other papers pertaining to the corporation as he may be authorized or directed to do so by the Board of Directors. He shall serve all notices required by law and by these By-Laws and shall make a full report of all matters and business pertaining to his office to the members at the annual meeting. He shall keep the corporate seal and membership certificate, records of the corporation, complete and countersign all certificates issued and affix said corporate seal to all papers requiring seal. He shall keep a proper membership certificate record, showing the name of each member of the corporation and date of issuance, surrender, cancellation or forfeiture. He shall make all reports required by law and shall perform such other duties as may be required of him by the corporation or the Board of Directors. Upon the election of his successor, the Secretary-Treasurer shall turn over to him all books and other property belonging to the corporation that he may have in his possession. He shall also perform such duties with respect to the finances of the corporation as may be prescribed by the Board of Directors.

ARTICLE XI

DUTIES OF CORPORATION AND MEMBERS:

Section 1. A potential consumer or member may install, maintain, and operate a distribution pipeline from the main corporation's main distribution pipeline to the potential consumer or member's property, including a service line on the consumer's premises. The "delivery point" shall be considered the intersection of the distribution pipeline and the property line of the consumer. The corporation may install, maintain and operate a cut-off valve and meter at the "delivery point" of each service line. The corporation shall have the exclusive and sole rights to use the cut-off valve,

Section 2. If a member has one or more additional service lines, then the member shall satisfy the cost for such additional lines and each line shall have a cut-off valve and meter with the same charges assessed as the initial service line. No new service line or change in an existing service line may be installed which may interfere with an existing service line.

Section 3. The Board of Directors shall, prior to the beginning of the calendar year, determine the flat minimum monthly rate to be charged each member during the following calendar year for a specified quantity of water, such flat minimum monthly rate to be payable irrespective of whether any water is used by a member during any month, and the amount of additional charges, if any, for additional water which may be supplied and the members, shall fix the date for the payment of such charges, and shall notify each member of the amount of such charges and the dates for the payment thereof. A member to be entitled to the delivery of water shall pay such charges at the office of the corporation at or prior to the dates fixed by the Board of Directors. The failure to pay water charges duly imposed shall result in the automatic imposition of the following penalties:

a. Non-payment for thirty days after due. The water shall be cut off from the delinquent member's property.

b. Non-payment for sixty days. The Board of Directors shall have the option to terminate and purchase the membership for the fair book value or bring suit to collect the charges for water service rendered, as a matter of contract, as provided for in Article IX, Section 1, i, of these By-Laws.

Section 4. The Board of Directors shall be authorized to require each member to enter into water users agreements which shall embody the principles set forth in the foregoing sections of this article.

ARTICLE XIII

DISTRIBUTION OF SURPLUS FUNDS:

Section 1. It is not anticipated that there will be any net income. If there should be any, then at the end of the fiscal year, after paying the expenses of the corporation for operation and otherwise, and after setting aside reserves for depreciation on all buildings, equipment, and office fixtures and such other reserves as the Board of Directors may deem proper and after providing for payments on interest and principal of obligations and amortizes debts of the corporation, and after providing for the purchase of proper supplies and equipment, and the net earning shall accumulated in a surplus fund for the purpose of replacing, enlarging, extending and repairing the system and property of the corporation and for such other purposes as the Board of Directors may determine to be for the best interests of the corporation. The said surplus fund or any portion thereof may from time to time at the discretion of the Board of Directors be distributed to the members as provided in the By-laws, on the basis of the assessments and charges made and levied against and paid by such members during the year.

Section 2. Any part or the whole of such apportionment may be credited at the discretion of the Board of Directors to the indebtedness of the members, should any exist, and in such case, the member shall be notified in writing of the amount so applied.

ARTICLE XIII

AMENDMENTS:

Section 1. These By-Laws may be repealed or amended by a vote of a majority of the members present at any regular meeting of the corporation, or at any special meeting of the corporation called for that purpose, except that the members shall not have the power to change the purposes of the corporation so as to decrease its rights and powers under the laws of the state, or to waive any requirement of bond or other provision for the safety and security of the property and funds of the corporation or its members, or to deprive any member of rights and privileges then existing, or so to amend the By-Laws, as to effect a fundamental change in the policies of the corporation. Notice of any amendment to be made at a special meeting of the members must be given at least ten days before such meeting and must set forth the amendments to be considered.

Sioux Rural Water System
For Fiscal Year 2015
Proposed Budget and Projected Year End

Description	Proposed Detail Budget 2015	Approved 2014 Budget	2014 Projected Year End
REVENUES			
Water Sales-Farm/Rural	$ 1,408,000.00	$ 1,429,000.00	$ 1,377,781.53
Water Sales-Small town	$ 43,500.00	$ 46,000.00	$ 43,356.80
Water Sales-Seasonals	$ 18,000.00	$ 23,000.00	$ 16,795.47
Water Sales-Bulk Towns	$ 79,000.00	$ 104,000.00	$ 92,325.33
Water Sales-Unmetered	$ -	$ -	$ -
Water Sales-Annuals	$ 6,000.00		$ 6,528.00
Water Sales-Town of Kranzburg	$ 15,500.00	$ -	$ 4,038.13
TOTAL WATER SALES	**$ 1,570,000.00**	**$ 1,602,000.00**	**$ 1,540,825.26**
Total Other Operating Rev	**$ 57,101.00**	**$ 62,201.00**	**$ 67,664.72**
TOTAL OPERATING REVENUE	**$ 1,627,101.00**	**$ 1,664,201.00**	**$ 1,608,489.98**
OPERATING EXPENSES			
Source of Supply	**$ 13,000.00**	**$ 7,500.00**	**$ 18,229.43**
Water Treatment & Pumping	**$ 184,000.00**	**$ 171,060.00**	**$ 170,940.00**
Transmission & Distribution	**$ 162,250.00**	**$ 134,750.00**	**$ 171,325.00**
Labor-Operations	**$ 188,000.00**	**$ 187,000.00**	**$ 180,500.00**
Operation-Transportation	**$ 40,000.00**	**$ 40,000.00**	**$ 38,100.00**
Customer Collections	**$ 3,700.00**	**$ 3,700.00**	**$ 3,081.88**
Office Operations	**$ 40,850.00**	**$ 36,050.00**	**$ 38,075.00**
Administration-Labor	**$ 147,000.00**	**$ 139,000.00**	**$ 138,710.72**
Administration-Transportation	**$ 10,000.00**	**$ 15,000.00**	**$ 8,500.00**
General & Administration	**$ 137,500.00**	**$ 141,925.00**	**$ 138,150.63**
Payroll Taxes & Fringes	**$ 159,450.00**	**$ 156,592.00**	**$ 134,950.00**
Depreciation	**$ 418,250.00**	**$ 274,178.00**	**$ 399,738.54**
TOTAL OPERATING EXP	**$ 1,504,000.00**	**$ 1,306,755.00**	**$ 1,440,301.20**
OPERATING INCOME	**$ 123,101.00**	**$ 357,446.00**	**$ 168,188.78**
Gain(loss) on Assets	$ -	$ -	$ 71,854.40
Project Labor Reimbursed	$ -	$ -	$ -
CoBank Patronage Dividend	$ 15,500.00	$ 18,000.00	$ 15,873.73
Other Patronage Dividend	$ 13,000.00	$ 12,000.00	$ 13,597.45
Interest Income	$ 3,000.00	$ 3,300.00	$ 3,040.37
Brenda Embez. Restitution	$ -		$ 1,352.00
Grant Income	$ -	$ -	$ -
			$ -
NONOPERATING INC(EXP)	**$ 31,500.00**	**$ 33,300.00**	**$ 105,717.95**
Interest Exp-RD	$ 100,238.89	$ 101,893.51	$ 102,208.20
Interest Exp-CoBank	$ 57,910.60	$ 67,265.75	$ 68,478.97
Interest Exp-DENR SRF		$ -	$ -
TOTAL INTEREST EXPENSE	**$ 158,149.49**	**$ 169,159.26**	**$ 170,687.17**
NET INCOME (LOSS)	-$ 3,548.49	**$221,586.74**	**$103,219.56**

Sioux Rural Water
Audit Report
For the Year Ended
December 31, 2013

Kinner & Company Ltd
Certified Public Accountants
Taxes, QuickBooks &
Investments

SIOUX RURAL WATER SYSTEM, INC.
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Kinner & Company Ltd
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Sioux Rural Water System, Inc.

Report on the Financial Statements
We have audited the accompanying financial statements of Sioux Rural Water System, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2013, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this include the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sioux Rural Water System, Inc. as of December 31, 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying information on pages 17 to 23 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated April 11, 2014, on our consideration of Sioux Rural Water System, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Sioux Rural Water System, Inc.'s internal control over financial reporting and compliance.

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Kinner & Company Ltd
Certified Public Accountants
Brookings, South Dakota

April 11, 2014

SIOUX RURAL WATER SYSTEM, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2013

ASSETS

Current Assets	
Cash and cash equivalents	$ 491,853.63
Accounts receivable, less allowance for doubtful accounts of $610.27	13,525.24
Accrued Interest	1,245.63
Accounts receivable - Non-Water	500,064.47
Inventory	46,268.67
Prepaid expenses	4,441.54
Total Current Assets	1,057,399.18
Other Assets	
Capital credits in cooperatives	195,715.23
Reserved Funds	275,876.88
Total Other Assets	471,592.11
Property and Equipment	
Land and land rights	221,287.48
Utility, plant and equipment	15,712,150.41
Construction in Progress	211,194.49
Accumulated Depreciation	(8,556,568.77)
Total Property and Equipment	7,588,063.61
TOTAL ASSETS	**$ 9,117,054.90**

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LIABILITIES, GRANTS, AND NET ASSETS

Current Liabilities	
Accounts payable	$ 56,141.86
Accrued expenses	21,754.02
Deferred credits	7,289.82
Current maturity of long-term debt	251,286.80
Total Current Liabilities	336,472.50
Long-Term Debt	
Notes payable - RUS	2,137,201.76
Notes payable - CoBank	1,482,175.14
Current maturity of long-term debt	(251,286.80)
Total Long-Term Debt	3,368,090.10
Total Liabilities	3,704,562.60
Net Assets	
Unrestricted	5,136,615.42
Temporarily Restricted	275,876.88
Total Net Assets	5,412,492.30
TOTAL LIABILITIES AND NET ASSETS	**$ 9,117,054.90**

See the Notes To The Financial Statements.

SIOUX RURAL WATER SYSTEM, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2013

Revenues, Gains, and Other Support		
Sales of Water	$	1,550,690.54
Fees: Membership/Hookup/Reconnect		25,009.92
Penalties/Late Fees		18,283.00
Other Revenues		5,676.94
Total Revenues, Gains, and Other Support		**1,599,660.40**
Operating Expenses		
Source of Supply		31,230.94
Water Treatment and pumping		169,857.93
Transmission and distribution		290,491.83
Customer Accounts		18,092.78
General and administration		534,501.57
Depreciation		404,571.57
Total Operating Expenses		**1,448,746.62**
Income From Operations		**150,913.78**
Non-operating Revenue (Expense)		
Interest Income		4,249.64
Interest Expense		(179,572.99)
CRP Income		15,651.00
Patronage Dividends		29,959.13
SBM Certificate Write Off		(42,864.10)
Gain (Loss) on asset disposition		150.00
Net Non-operating Revenue (Expense)		**(172,427.32)**
Change in Net Assets	**$**	**(21,513.54)**
NET ASSETS		
Net assets, beginning of year	$	5,434,005.84
Change in net assets		(21,513.54)
Net assets, end of year	**$**	**5,412,492.30**

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See the Notes To The Financial Statements.

SIOUX RURAL WATER SYSTEM, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

Operations	
Change in Net Assets	$ (21,513.54)
Depreciation	404,571.57
(Gain) Loss on Disposal of Fixed Assets	
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	10,806.35
(Increase) decrease in accrued interest	(1,245.63)
(Increase) decrease in inventory	650.00
(Increase) decrease in prepaid expenses	(606.39)
(Increase) decrease in capital credits in cooperatives	(7,053.46)
Increase (decrease) in accounts payable	15,293.51
Increase (decrease) in accrued expenses	1,584.30
Increase (decrease) in other liabilities	803.71
Net cash from operating activities	**403,290.42**
Investing activities	
Cash outflows	
Acquisition of utility, plant, & equipment	(165,907.86)
Cash flows from investing activities	**(165,907.86)**
Financing activities	
Cash outflows	
Principal paid on debt	(240,858.32)
Cash flows from financing activities	**(240,858.32)**
Net Change in Cash and Cash Equivalents	**(3,475.76)**
Cash and Cash Equivalents at beginning of year	771,206.27
Cash and Cash Equivalents at end of year	**$ 767,730.51**
Supplemental Disclosures of Cash Flow Information	
Cash payments for interest	179,572.99
Cash received for interest	4,249.64
Per Statement of Financial Position:	
Cash and cash equivalents	491,853.63
Reserved Funds	275,876.88
Total Cash and Cash Equivalents at end of year	**767,730.51**

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See the Notes to the Financial Statements.

SIOUX RURAL WATER SYSTEM, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF BUSINESS

A. Nature of Organization:

Sioux Rural Water System, Inc. is a water distribution system. It was founded in 1973 for the purpose of providing a sufficient amount of quality water to members and towns in Hamlin, Codington, Deuel and Clark counties. The System's principal source of revenue is from the sale of water to its members.

B. Basis of Accounting:

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements.

Sioux Rural Water System, Inc. uses the accrual basis of accounting. Under the accrual basis of accounting revenues are recognized when they are earned, and expenses are recognized when they are incurred.

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C. Basis of Presentation:

The Organization has adopted FASB Accounting Standards Codification FASB ASC 958-210-45, formerly known as Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under the provision of FASB ASC 958-210-45, the organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by the statement, the organization does not use fund accounting.

Net assets of the organization and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor imposed stipulations that will be met either by the Organization and/or passage of time.

Permanently restricted net assets – Net assets subject to donor imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

D. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

E. Cash and Cash Equivalents:

For purposes of reporting cash flows, the System considers all cash accounts and all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The System maintains accounts at several financial institutions which, at times, may exceed federally insured limits. The System has not experienced any losses in such accounts and believes it is not exposed to significant credit risk on cash and cash equivalents.

F. Allowance for Doubtful Accounts:

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The System uses the allowance method to provide for doubtful accounts. The allowance is calculated based upon estimation of collectibility of these accounts.

G. Accounts Receivable – Non-Water:

The components of accounts receivable – non-water consist of:

Due from:	
Glatfelter Claim Management	$500,000.00
Customers	64.47
Total	$500,064.47

H. Fair Value Measurement:

FASB ASC Topic 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant of the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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Following is a description of the valuation methodologies used to measure fair value. There have been no changes in the methodologies used at December 31, 2013.

Patronage Equity Accounts: Valued at the net assets value ("NAV") of shares held by the Organization at year end.

The preceding method may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

All investments held by this Organization are level 3. The values of these investments as of December 31, 2013:

Capital Credits in Cooperatives	$195,715.23

I. Inventories:

Water plant materials and supplies are stated at cost, determined by the weighted moving average pricing method. These items are not for resale, but are used in the normal course of the Organization's activities.

J. Property, Plant, and Equipment:

Property, plant, and equipment are stated at cost. The cost of additions to the plant includes the cost of direct materials, labor, outside contractors, allocable overhead and interest required to be capitalized. The System's policy is to capitalize those assets with a useful life greater than one year, and an initial acquisition cost of $1,000 or above.

Asset Category	Estimated Useful Life
Furniture & Fixtures	10 Years
Transportation Equipment	5 Years
Miscellaneous Tools and Equipment	10 Years
Machinery and Equipment	5-12 Years
Buildings, Pumps, and Reservoirs	35-40 Years
Distribution System	20-50 Years

Depreciation on assets acquired during the year is recorded using the month placed in service, and disposals, in the month of disposal.

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K. Capital Credits in Cooperatives:

Capital credits in cooperatives are stated at cost or the stated value of patronage allocation notices. They are recognized in the year notice of allocation is received. These equities are not traded on the open market and are nontransferable, thereby precluding any market value determination.

L. Income Tax Status:

The System was incorporated in the State of South Dakota on September 22, 1988, and conducts its activities as a nonprofit corporation. The System was granted exemption under Section 501(c)(12) of the Internal Revenue Code and is classified as an entity that is not a private foundation. Accordingly, no provision for income taxes has been reflected in the financial statements.

M. Uncertain Tax Positions

The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The Organization's federal Exempt Organization Income Tax Returns (Form 990) for 2010, 2011, and 2012 are subject to examination by the IRS, generally for three years after they were filed.

SIOUX RURAL WATER SYSTEM, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

N. Unrestricted Net Assets:

Unrestricted net assets of the System consist of the following:

Grants used to acquire property, plant and equipment	$3,687,545.12
Unrestricted portion of net income (loss) over the years	1,449,070.30
Total	$5,136,615.42

O. Concentration of Risk:

The System maintains cash balances at several financial institutions located in South Dakota. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to $250,000. At times, the balances may exceed the limit.

Concentration of risk also includes customers in a local geographic area and the specialization of this system producing and distributing quality water.

P. Accumulated Unpaid Vacation and Sick Pay:

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An employee who has worked for the System less than one year will be eligible for one-half day vacation per month. After the first year of employment, the employee earns one day of paid vacation per month. Vacation will be allowed to accumulate to a maximum of 240 hours. An employee will be credited with an extra day of vacation time for each additional year of employment commencing with the employee's eleventh year of employment.

Each employee will be credited with one-day sick leave per month, which may accumulate, but never to be more than 240 hours.

As of December 31, 2013 the following liabilities existed for accumulated unpaid leave balances calculated at the employees' December 31, 2013:

Vacation Pay	$13,801.43
Sick Pay	12,240.79

The financial statements do give effect to the vacation pay but they do not give effect to the sick pay, as employees are not entitled to any unused sick pay they have accrued at the time they terminate employment. These amounts do not include the employer's share of payroll deductions.

SIOUX RURAL WATER SYSTEM, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

2. RESTRICTED CASH AND TEMPORARY INVESTMENTS

The Farmers Home Administration requires the reserve account to have a balance of $139,505, at December 31, 2013, to be reserved for the payment of their Rural Economic and Community Development loans. CoBank also requires a reserve balance of $150,000 at December 31, 2013.

In 2011, Rural Economic and Community Development recommended that the System set aside $5,000 per month to be used to purchase short-lived assets. Any assets purchased with a useful life of 15 years or less is bought out of this reserve.

Reserve accounts are as follows:

Lender Restricted:	
Rural Economic and Community Development	$139,505.00
CoBank	150,000.00
Short Lived Asset Reserve	(13,628.12)
Total	$275,876.88

3. PROPERTY, PLANT, AND EQUIPMENT

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Land and Land Rights	$221,287.48
Furniture and Fixtures	114,195.96
Transportation Equipment	197,215.92
Miscellaneous Tools & Equipment	25,232.89
Machinery and Equipment	374,495.71
Buildings, Pumps, & Reservoirs	5,098,942.16
Distribution System	9,902,067.77
New Project	211,194.49
	$16,144,632.38
Accumulated Depreciation	(8,556,568.77)
Total Property & Equipment	$7,588,063.61

Depreciation expense for the year ended December 31, 2013 amounted to $404,571.57.

4. ACCRUED EXPENSES

Accrued expenses consist of the following:

Interest	$6,789.37
Vacation	13,801.17
Taxes	1,163.48
Total	$21,754.02

5. LONG-TERM DEBT

The following is a summary of long term debt:

Farm Home Administration:

The terms of the financing agreement 91-18 call for payments of interest only on January 27, 1997 and monthly payments of $2,104, including principal plus annual interest at 4.78% beginning February 27, 1997.	$348,816.91
The terms of the financing agreement 91-20 call for payments of interest only on December 11, 2001 and monthly payments of $5,265, including principal and annual interest at 5.00% beginning January 11, 2002.	931,263.52
The terms of the financing agreement 91-22 call for payments of interest only on December 11, 2001 and monthly payments of $1,242, including principal plus annual interest at 5.00% beginning January 11, 2002.	219,673.47
The terms of the financing agreement 91-23 call for payment of interest only on April 12, 2007 and monthly payments of $977, including principal plus annual interest at 4.25% beginning May 12, 2007.	205,741.65
The terms of the financing agreement 91-25 call for payment of interest only on December 8, 2009 and monthly payments of $1,408, including principal plus annual interest at 4.50% beginning January 8, 2010.	297,113.22
The terms of the financing agreement 91-26 call for payment of interest only on March 27, 2010 and monthly payments of $636, including principal plus annual interest at 4.50% beginning April 8, 2010	134,592.99

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Co Bank:	
The terms of the financing agreement 002488337 call for payment variable monthly payments, including principal plus annual interest at 4.00% beginning May 20, 2011	617,974.53
The terms of the financing agreement 002488383 call for payment variable monthly payments, including principal plus annual interest at 5.24% beginning May 20, 2011	864,200.61
Total Debt	3,619,376.90
Less – Current Maturities	(251,286.80)
Long-Term Debt	$3,368,090.10

Aggregate maturities required on the long-term debt are due in future years as follows:

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December 31,	Principal	Interest	Total Payment
2014	$251,286.80	$169,364.62	$420,651.42
2015	262,395.16	158,159.49	420,554.65
2016	353,674.19	143,219.12	496,893.31
2017	91,967.46	134,134.95	226,102.41
2018	96,729.00	129,344.22	226,073.22
2019 & Thereafter	2,563,324.29	1,352,402.05	3,915,726.34
Total	$3,619,376.90	$2,086,624.45	$5,706,001.35

As of the date of this report, the System was in substantial compliance with all loan covenants.

6. RETIREMENT PLAN

Sioux Rural Water System, Inc. gives its employees the option to be part of a Simple Retirement Plan. The amount to be withheld from the employee's check is determined by the employee and the employer contributes 2%. The total cost of this plan to the System for the year ended December 31, 2013 was $5,339.19. The plan is handled through American Fund Service Company.

7. MANAGEMENT OPERATING AGREEMENT

The Organization has entered into a contract with the Kingbrook Rural Water System, Inc. (KBRWS). In accordance with the terms of this agreement, KBRWS agreed to provide management and accounting services to System. The management services were provided until the System hired their own manager. Accounting services are provided on an as needed basis.

8. UNUSUAL ITEM

In 2013 the System received notification that their investment with SBM Certificates had no value, because the Company has converted from a Chapter 11 bankruptcy to a Chapter 7. The amount of $42,894.10 was written off of the System's books.

9. RISK MANAGEMENT

The System is exposed to various risks of loss related to torts; theft of, damage to, and destructions of assets; errors and omissions; injuries to employees; and natural disasters. During the years ended December 31, 2013, the System managed its risks as follows:

Employee Health Insurance - The System purchases health insurance for its employees from a commercial insurance carrier.

Liability Insurance - The System purchases liability insurance for risks related to torts; theft or damage to property; and errors and omissions of public officials from a commercial insurance carrier.

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Workmen's Compensation - The System purchases liability insurance for workmen's compensation from a commercial carrier.

Unemployment Benefits - The System provides coverage for unemployment benefits by paying into the Unemployment Compensation Fund established by state law and managed by the State of South Dakota.

12. SUBSEQUENT EVENTS

In February 2014, the System's former office coordinator pled guilty to a charge of felony grand theft. In April of 2014, she was sentenced to embezzlement for the period 2005-2012, including diverting checks to pay for a personal credit card and altering signed checks after approval, and altering bank statements. The System has a fidelity bond receivable of $500,000 as of December 31, 2013 for this misappropriation, and the $500,000 has been received as of the financial statement date. The former office coordinator was sentenced to a maximum of 15 years in the women's state penitentiary, a $30,000 fine, restitution and court costs for her crime. No provision has been made in the accompanying financial statements to reflect the decision of the court. However, it is at least reasonably possible that the Organization's estimate of its asset may change in the near term.

Subsequent events were evaluated through April 11, 2014, which is the date the financials were available to be issued.

Kinner & Company Ltd

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Sioux Rural Water System, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Sioux Rural Water System, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 11, 2014.

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Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Sioux Rural Water System, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sioux Rural Water System, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sioux Rural Water System, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kinner & Company Ltd
Certified Public Accountants
Brookings, South Dakota

April 11, 2014

SIOUX RURAL WATER SYSTEM, INC.
SCHEDULE EXPENSES BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2013

	Source of Supply	Water Treatment and Pumping	Transmission and Distribution	Customer Accounts	General and Administrative	Depreciation	Total
Depreciation	$ -	$ -	$ -	$ -	$ -	$ 404,571.57	$ 404,571.57
Labor	2,507.77	39,837.79	109,147.51	1,977.29			153,470.36
Repairs and Maintenance	28,723.17	9,026.94	118,988.15	828.29	892.22		158,458.77
Office Salaries					120,468.52		120,468.52
Purchased Power	0.00	81,113.60	50,886.41				132,000.01
Fringe Benefits					88,337.51		88,337.51
Chemicals		39,029.97					39,029.97
Insurance					24,422.63		24,422.63
Professional Fees					157,348.08		157,348.08
Payroll Taxes					22,616.76		22,616.76
Office					31,159.49		31,159.49
Board of Directors' Salaries					35,300.00		35,300.00
Board of Directors' Meeting Expense					10,940.53		10,940.53
Newsletter and Promotion					3,961.05		3,961.05
Telephone and Communications		849.63			10,122.01		10,971.64
Dues and Donations					7,645.02		7,645.02
Billing, Collections, and Accounting				4,256.59			4,256.59
Employees' Meeting Expense					1,661.88		1,661.88
Office Utilities					6,159.92		6,159.92
Administrative Travel					8,252.51		8,252.51
Annual Meeting					5,213.44		5,213.44
Panel Maintenance			11,469.76				11,469.76
Uncollectible Accounts				11,030.61			11,030.61
	$ 31,230.94	$ 169,857.93	$ 290,491.83	$ 18,092.78	$ 534,501.57	$ 404,571.57	$ 1,448,746.62

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SIOUX RURAL WATER SYSTEM, INC.
STATEMENT OF OPERATING EXPENSES
AS OF DECEMBER 31, 2013

Source of Supply	
Well repairs and maintenance	$ 28,723.17
Labor	2,507.77
	31,230.94
Water Treatment and Pumping	
Purchased power	81,113.60
Chemicals	39,029.97
Telephone and communications	849.63
Repairs and maintenance	9,026.94
Labor	39,837.79
	169,857.93
Transmission and Distribution	
Water line repairs and maintenance	118,988.15
Labor	109,147.51
Purchased power	50,886.41
Panel maintenance	11,469.76
	290,491.83
Consumer Accounts	
Billings, collection, and accounting	4,256.59
Labor	1,977.29
Repairs and maintenance	828.29
Uncollectible accounts	11,030.61
	18,092.78
General and Administration	
Office salaries	120,468.52
Fringe benefits	88,337.51
System Insurance	24,422.63
Payroll taxes	22,616.76
Professional fees	157,348.08
Office Operations/Maintenance	32,051.71
Board of Directors' salaries	35,300.00
Telephone and communications	10,122.01
Board of Directors' meeting expense	10,940.53
Newsletter and promotion	3,961.05
Dues and donations	7,645.02
Administrative travel	8,252.51
Office utilities	6,159.92
Annual meeting	5,213.44
Employees' meeting expense	1,661.88
Uncollectible accounts	-
	534,501.57
Depreciation	404,571.57
Total Operating Expenses	$ 1,448,746.62

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SIOUX RURAL WATER SYSTEM, INC.
SCHEDULE OF PATRONAGE EQUITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

	Balance January 1, 2013	Patronage Dividends	Less Cash Received	Balance December 31, 2013
HD Electric	$ 110,305.03	$ 6,675.74	$ 3,726.09	$ 113,254.68
CoBank	6,196.06	17,879.99	13,409.99	10,666.06
Codington/Clark Electric	63,792.63	3,411.22	4,476.93	62,726.92
Others	8,368.05	1,992.18	1,292.66	9,067.57
	$ 188,661.77	$ 29,959.13	$ 22,905.67	$ 195,715.23

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SIOUX RURAL WATER SYSTEM, INC.
SCHEDULE OF CHANGES IN PROPERTY, PLANT, AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2013

Description	Balance January 1, 2013	Additions	Retirements	Balance December 31, 2013
Land and Land Rights	$ 209,595.48	$ 11,692.00	$ -	$ 221,287.48
Bldgs, Pumps, and Reservoirs	5,085,414.93	13,527.23	-	5,098,942.16
Distribution System	9,882,021.34	20,046.43	-	9,902,067.77
Machinery & Equipment	374,803.71	2,500.00	2,808.00	374,495.71
Furniture and Fixtures	87,925.07	26,270.89	-	114,195.96
Transportation Equipment	165,885.92	31,330.00	-	197,215.92
Misc. Tools and Equipment	25,232.89	-	-	25,232.89
Construction in Progress	150,653.18	60,541.31	-	211,194.49
	$ 15,981,532.52	**$ 165,907.86**	**$ 2,808.00**	**$ 16,144,632.38**

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SIOUX RURAL WATER SYSTEM, INC.
DEBT SERVICE AND DEBT TO CAPITALIZATION CALCULATIONS
FOR THE YEAR ENDED DECEMBER 31, 2013

Debt Service Calculation:

Change in net assets	$	(21,513.54)
Less:		
Dividend Income		(29,959.13)
Plus:		
Depreciation		404,571.57
Interest expense		179,572.99
Adjusted change in net assets	$	532,671.89
Principal and Interest on Long-Term Debt Required to be paid during the year	$	420,768.80
Adjusted change in net assets/principal and interest		1.266

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Debt to Capitalization Ratio:

Total Debt	$	3,619,376.90
* Total Capitalization	$	9,031,869.20
Total Debt/total capitalization		0.40

* Total Capitalization equals total debt plus unrestricted net assets.

DENR Rate Covenant Ratio:

Net Revenue for Debt Service	506,515.49
Principal and Interest Payments	420,768.80
DENR Rate Covenant Ratio	1.20

* These note convenants are detailed in the loan agreements

SIOUX RURAL WATER SYSTEM, INC.
BOARD OF DIRECTORS
DECEMBER 31, 2013

Directors	Office	Term Expiration
Darwin Mack	President	2015
Jim Thyen	Vice-President	2014
Todd Moritz	Secretary	2014
Jon Hegge	Treasurer	2015
Keith Smith	Director	2016
Daniel Schleusner	Director	2016
Brad Jongeling	Director	2016
Betsy Olseon	Director	2014

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Attorney
Todd Boyd

Manager
Heath Thompson

November 4, 2014

Heath Thompson, Manager
Sioux Rural Water System
45703 176th Street
Watertown, SD 57201-7186

RE: 2015 Water System Improvements (previously 2012 Water System Improvements)
Sioux Rural Water System
DGR Project No. 802807

Dear Heath:

This letter serves as Addendum No. 1 to the Preliminary Engineering Report dated April 5, 2013 for the above referenced project. The original project consisted of pipeline improvements in the distribution system, well field improvements, and water treatment plant improvements. The purpose of this addendum is to provide definitions of new project scope and to provide updated cost estimates.

The original pipeline distribution improvements included approximately 20.5 miles of pipe to address low distribution pressures and to improve water transmission capabilities in the system. Since the time of the original PER, additional areas needing improvement have been identified. Approximately 11 additional miles of pipe have been identified and are added on the drawings and cost estimates. A total of 31.5 miles of pipeline improvements are now included.

The well field improvements originally identified included the construction of two new wells near the Castlewood water treatment plant. Sioux Rural Water System recently completed well rehabilitation efforts in the Castlewood well field with some success. A continuing problem has been generally poor and variable water quality (very high iron and manganese) from some existing wells. Based upon experience with others wells in the area, it is believed that new wells can be developed with more consistent desirable quality and possibly higher capacity. Two additional wells are recommended as part of the project.

The original PER recommended water treatment plant improvements to provide additional source capacity for the system. In the past year and a half, water treatment plant operations have been improved through chemical modifications and operational refinement. Water treatment plant improvements are therefore not recommended at this time. However, if system demands grow it is likely that water treatment plant improvements will be required in the near future.

DGR Engineering — 1302 South Union Street — P.O. Box 511 — Rock Rapids, IA 51246
phone: 712.472.2531 — fax: 712.472.2710 — dgr.com

The City of Kransburg has inquired of Sioux Rural Water System regarding the possibility of individual meter service to the City. The City is currently served by a bulk meter from Sioux Rural Water System and the City owns and maintains their own distribution system. It is recommended that the entire distribution system within the City be replaced and that it be owned and operated by Sioux Rural Water System with individual meter service to each of the customers within the City limits. The new distribution piping would include a mile of 6 inch pipe to the west of town to provide better service to the City and it also includes a primary 6 inch water main through the middle of town with 3 inch branch lines. Individual meter pits would be provided at each customer location.

Within the past year and a half, it has become clearly apparent that the Sioux SCADA system needs to be replaced. The existing system consists of original control boards and other equipment which can no longer be repaired. OEM and replacement parts are no longer available. The number of control suppliers able to service the system has become very limited. The SCADA system replacement project consists of the 13 stations within the Sioux system. New control boards and human machine interfaces will be provided at each station along with the required radio and telemetry equipment.

Drawings Sheets 1 and 2 along with Table 1 show the distribution improvements and associated cost estimate. The current northeast part of the system operates with a small booster at Tower G and Booster H north of Tower G. As part of the improvements it is recommended that a new booster station be constructed at the Tower G location and that Booster H be removed from service.

Table 2 provides a cost estimate for the well field improvements.

Drawing Sheet 3 and Table 3 indicate the distribution improvements for the individual service to the City of Kransburg and the associated cost.

Table 4 provides a cost estimate for the SCADA system replacement.

Table 5 provides an overall project cost summary.

Sincerely,

DGR Engineering

Darin Schriever

Darin Schriever, P.E.

DLS:aed

Table 1
Preliminary Cost Estimate
Rural Distribution Improvements
Sioux RWS

Item No.	Description	TOTAL UNITS	UNIT PRICE	TOTAL VALUE
1	8" Class 200 Restrained Joint Pipe	600	$ 22.00	$ 13,200
2	8" Class 160 SDR 26 PVC Pipe	52,130	$ 10.05	$ 523,907
3	6" Class 250 SDR 17 PVC Pipe	7,880	$ 9.00	$ 70,920
4	6" Class 250 Restrained Joint Pipe	120	$ 18.00	$ 2,160
5	6" Class 200 SDR 21 PVC Pipe	13,220	$ 8.25	$ 109,065
6	6" Class 160 SDR 26 PVC Pipe	27,250	$ 7.45	$ 203,013
7	4" Class 160 SDR 26 PVC Pipe	10,315	$ 5.10	$ 52,607
8	3" Class 200 SDR 21 PVC Pipe	30,025	$ 4.25	$ 127,606
9	3" Class 160 SDR 26 PVC Pipe	24,000	$ 4.05	$ 97,200
10	8" Valve and Box	7	$ 1,850.00	$ 12,950
11	6" Valve and Box	8	$ 1,500.00	$ 12,000
12	4" Valve and Box	5	$ 950.00	$ 4,750
13	3" Valve and Box	14	$ 850.00	$ 11,900
14	Cut In 1.5" Valve and Box	1	$ 900.00	$ 900
15	Type 1 Railroad Crossing, 8"	1	$ 18,000.00	$ 18,000
16	Type 1 Road Crossing, 8"	3	$ 12,000.00	$ 36,000
17	Type 1 Road Crossing, 6"	3	$ 10,000.00	$ 30,000
18	Type 1 Road Crossing, 4"	1	$ 8,000.00	$ 8,000
19	Type 1 Road Crossing, 3"	3	$ 7,000.00	$ 21,000
20	Type 2 Road Crossing, 8"	6	$ 5,500.00	$ 33,000
21	Type 2 Road Crossing, 6"	9	$ 4,500.00	$ 40,500
22	Type 2 Road Crossing, 4"	3	$ 4,000.00	$ 12,000
23	Type 2 Road Crossing, 3"	9	$ 3,500.00	$ 31,500
24	Type 2 Drive Crossing, 8"	8	$ 2,600.00	$ 20,800
25	Type 2 Drive Crossing, 6"	6	$ 2,000.00	$ 12,000
26	Type 2 Drive Crossing, 4"	-	$ 1,800.00	$ -
27	Type 2 Drive Crossing, 3"	5	$ 1,700.00	$ 8,500
28	Type 2 Stream Crossing, 8"	1	$ 12,000.00	$ 12,000
29	Type 2 Stream Crossing, 6"	1	$ 10,000.00	$ 10,000
30	Type 2 Stream Crossing, 3"	3	$ 7,000.00	$ 21,000
31	Pressure Reducing Valve	1	$ 12,000.00	$ 12,000
32	Cleanouts	12	$ 1,650.00	$ 19,800
33	Flushing Hydrant	5	$ 4,500.00	$ 22,500
34	Ties to Existing	31	$ 500.00	$ 15,500
35	Ditchwork 10% of Installed	16,550	$ 1.50	$ 24,825
36	New Booster G	1	$ 225,000.00	$ 225,000
37	Misc. and Contingency, 10%			$ 187,600
			Total Construction:	$ 2,063,700
			Other Project Cost at 20%:	$ 412,700
			Total Project Cost:	**$ 2,476,400**

DGR ENGINEERING
P:\08\028\07\Sprdsht\2015 Improvements Cost Estimate.xlsx

Table 2
Preliminary Cost Estimate
Well Field Improvements
Sioux RWS

Item No.	Description	TOTAL UNITS	UNIT PRICE	TOTAL VALUE
1	Well Construction	2	$ 50,000.00	$ 100,000
2	Pumps and Controls	2	$ 45,000.00	$ 90,000
3	Connecting Pipelines	5,300	$ 15.00	$ 79,500
4	Misc. Items			$ 50,000
			Total Construction:	$ 319,500
			Other Project Cost at 25%:	$ 79,900
			Total Project Cost:	**$ 399,400**

Table 3
Preliminary Cost Estimate
Kranzburg Distribution Improvements
Sioux RWS

Item No.	Description	TOTAL UNITS	UNIT PRICE	TOTAL VALUE
1	6" Class 160 SDR 26 PVC Pipe - Rural, trenched	5,300	$ 7.45	$ 39,485
2	6" Class 200 SDR 21 PVC Pipe - City, trenched	2,000	$ 18.00	$ 36,000
3	6" Class 200 SDR 21 PVC Pipe - City, bored	1,500	$ 38.00	$ 57,000
4	3" Class 200 SDR 21 PVC Pipe - City, trenched	6,150	$ 14.00	$ 86,100
5	1" HDPE Service Line	2,640	$ 15.00	$ 39,600
6	6" Valve and Box	4	$ 1,650.00	$ 6,600
7	3" Valve and Box	9	$ 900.00	$ 8,100
8	1" Service Line Valve and Box	66	$ 525.00	$ 34,650
9	Meter Pit Service (incl. saddle, corp, meter, etc.)	66	$ 2,200.00	$ 145,200
10	Type 1 Road Crossing, 6"	3	$ 10,000.00	$ 30,000
11	Type 2 Road Crossing, 3"	1	$ 3,500.00	$ 3,500
12	Cleanouts	6	$ 2,200.00	$ 13,200
13	Ties to Existing	2	$ 2,000.00	$ 4,000
14	Asphalt Surfacing Repair, SY	150	$ 50.00	$ 7,500
15	Gravel Surfacing Repair, ton	1,500	$ 20.00	$ 30,000
16	Concrete Repair, SY	300	$ 36.00	$ 10,800
17	Culvert Repair, ea	20	$ 2,200.00	$ 44,000
18	Seeding, SY	15,000	$ 1.50	$ 22,500
19	Mobilization	1	$ 50,000.00	$ 50,000
20	Misc. and Contingency, 10%			$ 66,800
			Total Construction:	$ 735,000
			Other Project Cost at 25%:	$ 183,800
			Total Project Cost:	**$ 918,800**

Table 4
Preliminary Cost Estimate
SCADA Improvements
Sioux RWS

Station	Description	Estimated Cost
1	Sioux WTP	$ 150,000
	Office (Master)	
	Wells	
	Treatment	
	Storage	
	HSP East to Booster D	
	HSP West to Tower E	
2	Castlewood WTP	$ 100,000
	Wells	
	Treatment	
	Storage	
	HSP East to Krause	
	HSP West to Kones, Hayti, Booster C	
3	Tower A (Bryant)	$ 20,000
4	Tower B (Hazel)	$ 20,000
5	Tower E (Thomas)	$ 20,000
6	Tower F (Bemis)	$ 20,000
7	Tower G (Kranzburg)	$ 35,000
	Tower	
	Kranzburg Pumps	
8	Hayti	$ 35,000
	Storage	
	HSP to City Tower	
9	Kones	$ 35,000
	GSR	
	HSP to distribution	
10	Krause	$ 35,000
	GSR	
	HSP to Tower F	
11	Booster C (In-Line)	$ 30,000
	Pump Northwest to Tower B	
	Pump Southwest to Tower A	
12	Booster D (In-Line)	$ 30,000
	Pump North to Tower G	
	Pump Southeast to Tower F (currently unused)	
13	Booster H (Waverly) (In-Line)	$ 30,000
	Pump North to Distribution	
	Misc. and Contingency, 10%	$ 56,000
	Total Construction:	$ 616,000
	Other Project Cost at 25%:	$ 154,000
	Total Project Cost:	**$ 770,000**

DGR ENGINEERING
P:\08\028\07\Sprdsht\2015 Improvements Cost Estimate.xlsx

Table 5
Project Cost Summary
Overall Project
Sioux RWS

Project Component		Project Cost
Rural Distribution Improvements	$	2,476,400
Well Field Improvements	$	399,400
Kranzburg Distribution Improvements	$	918,800
SCADA Improvements	$	770,000
Total Estimated Project Cost:	$	4,564,600

CULTURAL RESOURCES EFFECTS ASSESSMENT SUMMARY FOR SRF PROJECTS

Applicant: Sioux Rural Water System, Inc.
Address: 45703 176th Street
Watertown, SD 57201

Project Contact: Heath Thompson, Mgr
Telephone Number: (605) 882-1321

Legal Location of Project:
City:
County: Codington, Hamlin, Deuel
Project No.: DGR #802807

Project Description: Construction of approximately 31 miles of new distribution system pipeline and apputenances, size 3 inch through 8 inch, will correct identified distribution system hydraulic deficiencies and to provide capacity for individual meter services in Kranzburg. One existing booster pumping station will be replaced due to equipment being made obsolete by distribution system changes.

The City of Kranzburg distribution system will be improved with 14,950 feet of pipeline and apputenances size 3 inch through 6 inch, and with new service pipelines and meter pits. Existing customers of the City of Kranzburg water utility will be customers of Sioux Rural Water, and the City will no longer operate a water utility.

Two new wells and accessories will be constructed at the Castlewood well field, to replace declining capacity in existing wells. The obsolete water system SCADA control system will be replaced.

For projects that involve new construction on vacant land please include information as to what previously occupied the site and whether that site has any known historic or archaeological significance.

Underground rural pipeline will be constructed in private easement (primarily cropland parallel to the ROW) and in the ditch (within the ROW) and will be restored to previous condition. New water main will be constructed in Kranzburg primarily with public ROW previously disturbed. A new above ground booster station will be constructed on cropland adjacent to existing Tower G. Items of historic or archeological significance are not known at present; however, further study is required.

Please describe below or attach information supporting the determination of effect.

An archeological study has not yet been conducted. The preliminary alignment is shown on the attached maps. The study will proceed after further alignment work is complete and field conditions allow. Additional study will be provided as required for changes in alignment. Sioux RWS will adhere to SHPO requirements in regard to items of historic or archeological significance.

A map showing the project location is required. Drawings or photographs may also be helpful.

Please indicate the effect the project will have on cultural resources based on the review performed:

_____ **No Historic Properties Affected:** There are no historic properties present or the undertaking will not affect any properties eligible for or listed in the National Register of Historic Preservation.

_____ **No Adverse Effect:** This property is listed in or eligible for the National Register of Historic Places. This project will have no adverse effect upon the historic significance of the property because the proposed undertaking meets the Secretary of the Interior's Standards for the Treatment of Historic Properties.

_____ **Adverse Effect:** This property is listed in or eligible for eligible for the National Register of Historic Places. This project will have an adverse effect upon the historic significance of the property. (Attach proposed mitigation measures that may minimize the adverse effect.)

Prepared by: Darin Schriever
Darin Schriever, PE, DGR Engineering

Date: Dec. 29, 2014

DETERMINATION OF EFFECTS

I have reviewed the project description and the information provided concerning historical and cultural effects of this project. Based on that review, the Department of Environment and Natural Resources concurs with the applicant's determination of the effects that the construction of this project will have on historical or cultural resources. Additionally, if historical or cultural resources are discovered during project construction, the contractor is required to cease construction and notify the State Historical Preservation Officer.

Approved by: _____ Date _____

SD Department of Environment and Natural Resources

DGR ENGINEERING

ENVIRONMENTAL REPORT

FOR

SIOUX RURAL WATER SYSTEM
2012 WATER SYSTEM IMPROVEMENTS

WATERTOWN, SOUTH DAKOTA

March 2013

Prepared By
DGR Engineering

DGR Project No. 802807

ENVIRONMENTAL REPORT

FOR

SIOUX RURAL WATER SYSTEM
2012 WATER SYSTEM IMPROVEMENTS

WATERTOWN, SOUTH DAKOTA

March 2013

REGISTERED PROFESSIONAL ENGINEER REG. NO. 7785 DARIN L. SCHRIEVER SOUTH DAKOTA	I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of South Dakota. By Darin L. Schriever April 5, 2013 Darin L. Schriever, P.E. (date) License Number 7785 Renewal Date July 31, 2014 Pages or sheets covered by this seal: All

DGR Project No. 802807

DGR ENGINEERING

Rock Rapids, IA • Sioux Falls, SD • Sioux City IA
(712) 472-2531 (605) 339-4157 (712) 266-1554

ENVIRONMENTAL REPORT

FOR

SIOUX RURAL WATER SYSTEM
2012 WATER SYSTEM IMPROVEMENTS

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ENVIRONMENTAL REPORT

FOR

SIOUX RURAL WATER SYSTEM
2012 WATER SYSTEM IMPROVEMENTS

March 2013

PURPOSE AND NEED OF THE PROPOSAL

Project Description

The proposed project is described in detail in the companion document to this Environmental Report, *"Preliminary Engineering Report for Sioux Rural Water System, 2012 Water System Improvements, March, 2013"*. This document will be referred to as the PER. The proposed project addresses a variety of improvements to the existing Sioux Rural Water System facilities including an AMR System and Distribution, Pumping, Well Field, and Water Treatment Improvements. A summary description of each of these follows.

AMR System: A complete Fixed Base AMR System (Automatic Meter Reading System) is proposed. The system will utilize a fixed base tower or towers that communicate by radio frequency with each individual meter to periodically receive water use data. The components of the AMR system include the replacement of all of the older style meters, the addition of a meter head on all meters that communicate with the fixed base tower, three fixed base radio towers, 2 radio boosters, and the computer equipment and software to process the data and generate bills.

Mapping and Hydraulic Model: The system maintains mapping of its distribution facilities and a computerized hydraulic model that is used for design and planning purposes. These tools are maintained by the system's engineer and paper copies of the mapping are utilized by the system for various purposes. The proposed project will update both mapping and the hydraulic model.

Distribution System Improvements: Distribution system improvements are proposed in two phases. Phase 1 includes approximately 10 miles of 8" and 4" pipe in the northwest part of the system. Phase 2 includes approximately 11 miles of 6" and 3" pipe at various locations throughout the system. The new pipeline would be installed within or adjacent to the right-of-way of existing roadways and in many cases will be parallel and close to existing pipelines installed during the original construction of the system or during subsequent improvement projects.

The pipeline will be installed by standard trenching methods at an approximate depth of 6 feet below the existing ground surface. Hard surface roads, railroads, and streams will be crossed by directional boring methods.

Pumping Improvements: Several new pump and pump replacement improvements within existing pumping stations are proposed. These improvements will be accomplished within the existing buildings and include piping and electrical modifications within the buildings. Possible pump addition or replacement locations include Booster H, Sioux WTP, Kones Corner Booster, Hayti Pumping Station, and Booster C.

Well Field Improvements: Two additional wells are proposed within and adjacent to the systems well field just east of Castlewood. Two new wells are proposed, one to the east of the Castlewood WTP and a second directly south of the plant. The wells will be similar in depth and design as the existing wells in the well field and will be equipped with a pitless adapter and submersible pump discharging into new raw water main built from the well to existing raw water main connecting to the Castlewood WTP.

Water Treatment Plant Improvements: Two alternatives are considered in the PER with the preferred alternative that proposes an expansion of both the Sioux and Castelewood water treatment plants. Both plants would be expanded by adding additional aeration, filtration, and detention units. Both plants can be expanded within their existing plant sites with no change in land use at either site.

Purpose and Need of the Proposal

Health, Sanitation, and Security: The variety of capacity problems with the wells, water treatment, pumping, and distribution system described in the PER are jeopardizing the health and safety of the system's customers. Low pressure problems, and in particular, complete depressurizing of distribution mains that will occur if supply and delivery problems are not corrected are particularly troublesome. Low pressure or complete loss of pressure in water mains can allow contaminated ground water surrounding the pipe to enter the distribution system through weak areas and leaks within the many miles of distribution pipeline and is to be avoided at all costs. The health and safety impacts of such an event could be catastrophic.

System O & M:

Mapping and Hydraulic Model: The system utilizes mapping of its facilities for a variety of operation and planning purposes. The mapping details the location of its existing facilities and is used for utility locates, valve, hydrant and clean-out locations during operation and maintenance activities and when making improvements that connect to existing pipeline. The mapping is also used for design and planning activities by the system and its engineer and is a basic requirement needed to prepare and maintain the system's hydraulic model. The model simulates the pressures and flows within the distribution system and is used to design pipeline, pumping, user add-on and control improvements as well as diagnosing pressure problems within the system.

AMR System: The existing customer read meter and billing system results in a loss of revenue and inefficiencies in the management of water loss. The AMR system will accurately read and store customer and master meter readings and promptly generate accurate and consistent customer bills with a minimum of time and effort on the part of system staff. AMR systems are ideally suited for rural water systems such as Sioux that cover large areas which make reading customer meters individually a costly and time consuming endeavor. The management of water loss is particularly important to reduce waste of the groundwater resources utilized by the system.

Growth: The project components proposed to correct the capacity limitations described in "Health, Sanitation, and Security" have occurred over time as system demands have increased both because of new customers but also because of increased water use by existing customers. Each of the measures recommended to correct the current capacity limitations will add a modest amount of new excess capacity that will permit the continued addition of new customers and allow the system to develop in a planned and financially feasible manner.

ALTERNATIVES TO THE PROPOSED ACTION

The System O&M Improvements: The AMR, mapping, and hydraulic model each enhance the ability of the system to perform activities it already engages in.

The AMR System would replace the current self-reading method with an automated system. Various types of AMR systems are available and were reviewed by Sioux before selecting the Fixed Base system. The other type of system considered is referred to as a "drive by" system in which system staff typically drive through the system with a hand-held data collector that interrogates meters equipped with radio transmitters. The transmitters have a limited range and it is necessary to drive a route with the data collector that is within one or two miles of each meter. This method was rejected because it required more labor as well as extensive vehicle miles to accomplish. Also, it would not provide as robust a water loss management capability because meters would typically be read monthly versus as often as hourly with the fixed base system. The "do nothing" alternative was also rejected because the system has recognized the limitations and short comings of the present system.

System mapping and the hydraulic model are critical operation, planning, and management tools that are maintained by the system's engineer. The mapping resources are in digital form so that they can be printed in various formats and are easily maintained. The features displayed include pipeline route, size, and pressure class, and the location of various components such as valves, hydrants, clean-outs, and meter pits. As pipeline improvements are made and customers are added, the mapping is updated and is accurate and useful for its intended purpose. The proposed project would accomplish updates to the mapping to keep it current and useful. An alternative to this would be to not make the updates which would make the mapping less useful and inaccurate.

Another choice would be to rely on paper prints of existing mapping and utilize hand written changes to keep the maps current. Again, this would result in less useful and often confusing mapping resources and is not recommended. A final reason to update the digital mapping and keep it current is because the mapping information is utilized by the hydraulic model software to keep the model current.

The hydraulic model is relied on for a variety of purposes and must remain current and up to date to remain useful. The choice of not keeping it current or abandoning the model would result in significant inconvenience and an impediment to the cost effective design and operation of new improvements. Without accurate information to simulate the pressures and flows resulting from various changes, the system runs the risk of constructing facilities that are either undersized and non-functional or oversized and too costly to construct.

The Distribution System Improvements, Pumping Improvements, Well Field Improvements, and Water Treatment Improvements: The proposed improvements described in the PER allow the system to provide an adequate level of service to its current customers with some modest capacity available for future growth. The distribution and pumping improvements proposed were determined after extensive testing of various alternatives utilizing the hydraulic model. They were selected based on cost and utility. The well field and water treatment improvements modestly increase the capacity of existing facilities. The "Do Nothing" alterative would require that the system immediately place a moratorium on adding new customers as well as imposing severe restrictions on current customers. The availability of alternative water supplies for current and future customers is very limited in this area and those alternatives often have negative health consequences because of bacterial contamination or for other reasons.

AFFECTED ENVIRONMENTAL CONSEQUENCES

Environmental Information: The pipeline for the project will be installed either in private right-of-way or within the road right-of-way. The pumping, well-field and water treatment plant improvements will be located within the existing Castlewood WTP and Sioux WTP sites or at existing pumping stations.

Letters have been sent and responses received from State and Federal agencies informing them of the project and requesting their comment on the potential environmental impacts of the project. All of the agencies expressed that no potential impact is anticipated due to the project. The letters are provided in the Appendix.

Historical and Archaeological Sites: There are no known historical or archeological sites in the vicinity of the proposed facilities. Sioux Rural Water System has retained Prairie Lakes Archaeological Services of Aberdeen, South Dakota to complete a cultural resource survey of the proposed sites prior to construction.

Flood Plains and Wetlands: None of the building sites are located in a floodplain or a wetland area. Pipeline crossing these areas will be installed under streams by directional bore methods and completed in a manner that will have minimal affect on these resources.

Agricultural Land: Land use in the project area is primarily agricultural and is typically used for crop production. The pipeline will be constructed across agricultural lands and will be returned to its original condition after construction and there will be no lasting affects as a result of the project.

The well, pumping, and water treatment building will be located on property owned by the system and is no longer in ag production.

Fish and Wildlife Protection: Construction of the project will not affect fish and wildlife. As part of the Environmental Review process, the Pierre office of the South Dakota Department of Game, Fish and parks and the U.S. Fish and Wildlife Service in Pierre were contacted and invited to comment on the project. Letters and responses are included in the Appendix.

Water Quality and Quantity: Surface water will not be impacted by construction of this project. Surface run off will be controlled by the methods outline in the Sioux Rural Water System General Discharge Permit.

Direct and Indirect Impacts: There are no known direct or indirect impacts to the environment as a consequence of this project.

Mitigating Adverse Impacts: No mitigation required.

SUMMARY OF MITIGATION

There are no adverse consequences anticipated as a result of the proposed project and mitigation measures are therefore not necessary.

CORRESPONDENCE AND COORDINATION

The Appendix includes a sample letter and mailing list that was sent to relevant Local, State, and Federal agencies. The letters received in response of the request are also located in the Appendix.

EXHIBITS

The Appendix includes the mapping and site plan information that was provided to the Local, State, and Federal agencies to illustrate the location and nature of the project.

DeWild Grant Reckert and Associates Company

CONSULTING ENGINEERS AND LAND SURVEYORS

1302 SOUTH UNION STREET
P.O. BOX 511
ROCK RAPIDS, IA 51246
(712) 472-2531
FAX: (712) 472-2710

June 25, 2012

Donald Gober, Field Supervisor
US Department of Interior Fish And Wildlife Service
420 S. Garfield Avenue
Pierre, SD 57501-5408

RE: Sioux Rural Water System 2012 Water System Improvements
DGR Project No. 802807

Dear Mr. Gober:

Sioux Rural Water System of Watertown, South Dakota operates a regional potable water supply system in eastern South Dakota. In 2013, the system will construct system improvements throughout the existing service area. This construction will be financed in part by funds from USDA Rural Development or the State Revolving Fund (SRF) Program. We are requesting your comments on potential environmental impacts of the construction of this project. Mapping included with this letter provides location information for the various proposed improvements.

Proposed improvements include:

1. Approximately 20 miles of rural distribution pipeline varying in size from 3" to 8" diameter (system wide distribution map enclosed).

2. Two new wells and raw water piping at the Castlewood Water Treatment Plant (well field drawing enclosed).

3. A building expansion of the existing Castlewood Water Treatment Plant (site plan enclosed).

4. A building expansion of the existing Sioux Water Treatment Plant (site plan enclosed).

Pipelines will be installed using an open trench with a bury depth of 72 inches. Where possible, pipelines will be routed around existing wetlands. Where it is necessary to cross wetlands, those with standing water will be crossed using directional boring without surface disturbance. Those wetlands which must be crossed and which are dry at the time of construction will be crossed with trenching which either is not deep enough to penetrate the wetland sealing layer, or is restored after construction to equivalent impermeability. Streams will be crossed using directional boring. All pipeline routes have been verified by field staff.

Please review the proposed construction and provide comments as to the potential environmental impacts of this construction, and suggested measures to minimize those impacts. Thank you for your assistance.

Sincerely,

DEWILD GRANT RECKERT
& ASSOCIATES COMPANY

Gordon B. Krause, P.E.

Encl: Sioux Rural Water Mapping and Site Plans
cc: Doug Anderson, Sioux Rural Water System

P:\08\028\07\Doc\Agency Letters for EA-1.wpd

Letter sent to:

Donald Gober, Field Supervisor
US Department of Interior Fish And Wildlife Service
420 S. Garfield Avenue
Pierre, SD 57501-5408

John Lott, Interagency Coordinator
SD Dept. of Game, Fish & Parks
523 East Capitol Ave.
Pierre, SD 57501

Larry D. Janis
U.S. Army Corps of Engineers, Omaha District - Planning Division
106 South 15th Street
Omaha, NE 68102-1618

Mark Mayer
SD Dept. of Environment & Natural Resources
Joe Foss Building
523 East Capital
Pierre, SD 57501-3181

Deanna Peterson
US Dept. of Agriculture, NRCS
200 4th St. SW
Huron, SD 57350

Brad Schutz
SD Dept. of Environment & Natural Resources
Joe Foss Building
523 East Capital
Pierre, SD 57501-3181

John Miller
SD Dept. of Environment & Natural Resources
Joe Foss Building
523 East Capital
Pierre, SD 57501-3181

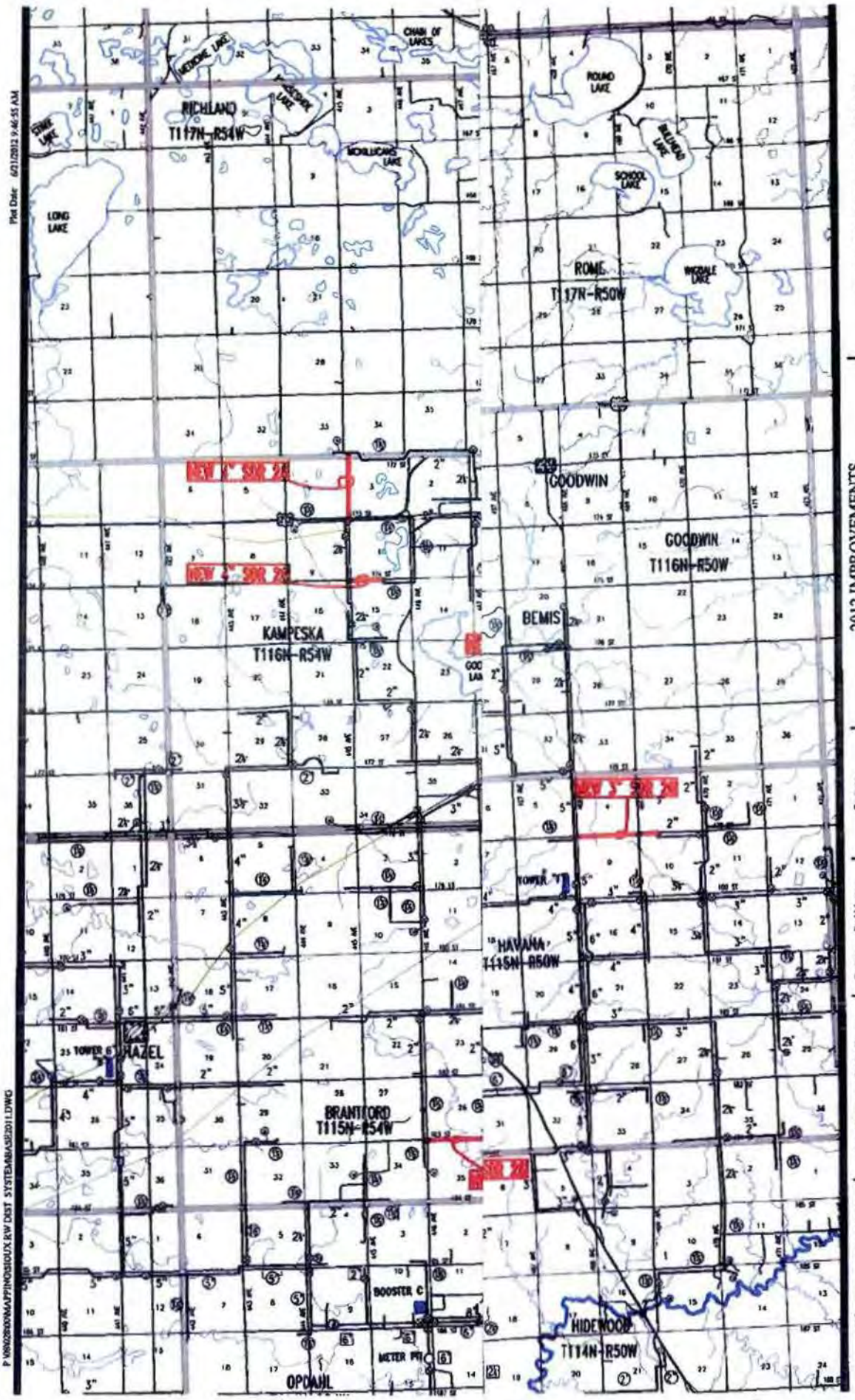
Matt Hicks
SD Dept. of Environment & Natural Resources
Joe Foss Building
523 East Capital
Pierre, SD 57501-3181

Ms. Nicole Prince
South Dakota Division of Emergency Management
118 W. Capital
Pierre, SD 57501

Wonni Kallemeyn
SD Dept. of Environment & Natural Resources
Joe Foss Building
523 East Capital
Pierre, SD 57501-3181

cc:

Doug Anderson, Manager
Sioux Rural Water System
45703 176th Street
Watertown, SD 57201-7186



2012 IMPROVEMENTS
SIOUX RURAL WATER SYSTEM
WATERTOWN, SD

2012 IMPROVEMENTS

Revisions	
Date	
Nbr	

Dakotah Grant Reichert and Associates Company
Consulting Engineers and Land Surveyors
Rapid City, SD - Sioux City, IA - Sioux Falls, SD

Designer: Paul Messner
Project Manager: Gordon Krause
Phone: (712) 472-2531

Project Number
902807

Sheet
1

Plot Date: 6/21/2012 9:46:55 AM

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DEPARTMENT OF THE ARMY
CORPS OF ENGINEERS, OMAHA DISTRICT
1616 CAPITOL AVENUE
OMAHA NE 68102-4901

REPLY TO
ATTENTION OF

July 16, 2012

Planning, Programs, and Project Management Division

Mr. Gordon B. Krause
DeWild Grant Reckert & Associates
1302 South Union Street
P.O. Box 511
Rock Rapids, Iowa 51246

Dear Mr. Krause:

The U.S. Army Corps of Engineers, Omaha District (Corps) has reviewed your letter dated June 25, 2012 regarding the proposed water supply system improvements located in Watertown, South Dakota. The Corps offers the following comments.

Your plans should be coordinated with South Dakota Department of Environment and Natural Resources to ensure compliance with federal and state water quality standards and regulations mandated by the Clean Water Act and administered by the U.S. Environmental Protection Agency (USEPA).

If you have not already done so, it is recommended you consult with the U.S. Fish and Wildlife Service and the South Dakota Department of Game, Fish and Parks regarding fish and wildlife resources. In addition, the South Dakota State Historic Preservation Office should be contacted for information and recommendations on potential cultural resources in the project area.

Since the proposed project does not appear to be located within Corps owned or operated lands, we are providing no floodplain or flood risk information. To determine if the proposed project may impact areas designated as a Federal Emergency Management Agency special flood hazard area, please consult the following floodplain management office.

NFIP Coordinator:

South Dakota, Division of Emergency Management
Attention: Nicole Prince
118 W. Capitol Ave.
Pierre, South Dakota 57501-5070
Nicole.prince@state.sd.us
T-605-773-3238
F-605-773-3580

Any proposed placement of dredged or fill material into waters of the United States (including jurisdictional wetlands) requires Department of the Army authorization under Section 404 of the Clean Water Act. You can visit the Omaha District's Regulatory website for permit applications and related information. Please review the information on the provided website to determine if this project requires a 404 permit (http://www.nwo.usace.army.mil/html/od-rne/nehome.html). For a detailed review of permit requirements, preliminary and final project plans should be sent to:

U.S. Army Corps of Engineers
Pierre Regulatory Office
Attention: CENWO-OD-R-SD/Naylor
28563 Powerhouse Road, Room 120
Pierre, South Dakota 57501

In addition, please update your records with our current mailing address:

U.S. Army Corps of Engineers, Omaha District
Planning Branch
Attention: CENWO-PM-AC
1616 Capitol Ave.
Omaha, Nebraska 68102-4901

If you have any questions, please contact Ms. Ruth Bentzinger of my staff at (402) 995-2704.

Sincerely,

for Randal P. Sellers
Acting Chief, Environmental Resources and Missouri River Recovery Program Plan Formulation Section

DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
denr.sd.gov

July 25, 2012

Gordon B. Krause, P.E.
DeWild Grant Reckert and Associates Company
1302 South Union Street
P.O. Box 511
Rock Rapids, IA 51246

Re: Environmental Assessment for Sioux Rural Water System 2012 Improvements

Dear Mr. Krause:

The Ground Water Quality Program has reviewed the locations in the above-referenced project for possible impacts to ground water quality. Based on the information submitted in your letter received June 28, 2012, the department does not anticipate adverse impacts to ground water quality by this project. Please note, if construction for this project disturbs one or more acres of soil, a storm water permit must be obtained. For more information or to obtain a storm water permit, please contact Dale Healy at 1-800-SD-Storm or visit http://denr.sd.gov/des/sw/Spills/dbspillsearch.aspx.

There have been numerous petroleum and other chemical releases throughout the state. Of the releases reported to the department, one was identified in the immediate vicinity of the project areas. This closed case involved a minor spill resulting from a transportation accident (DENR #89.057) and occurred east of Watertown on U.S. Highway 212 near the area involving a new waterline. However, the location information provided to us regarding releases is sometimes inaccurate or incomplete. If you would like to do more research regarding information on releases reported in South Dakota, the data may be obtained at the following website: http://denr.sd.gov/des/gw/Spills/dbspillsearch.aspx.

If contamination is encountered or created during construction activities, Sioux Rural Water System, or its designated representative must report the contamination to the department at 605.773.3296. Any contaminated soil encountered or created must be temporarily stockpiled and sampled to determine disposal requirements. Construction materials to be used in the contaminated area should be evaluated for chemical compatibility and adjusted accordingly.

Thank you for providing the opportunity to comment on this project. Please note that plans and specifications for drinking water treatment and distribution improvements must be submitted to the department for approval prior to construction. This is to ensure that any improvements and/or expansion plans meet the department recommended design criteria for drinking water systems. If you have any questions regarding the information provided in this letter, please contact me at 605.773.4936.

Sincerely,

Janile Lewis

Janile O. Lewis, E.I.

Cc: David Schaefer, Hamlin County Emergency Manager, Hayti, SD
Jim Sutton, Codington County Emergency Manager, Watertown, SD

DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

July 24, 2012

Gordon B. Krause, P.E.
DGR
1302 South Union Street
P.O. Box 511
Rock Rapids, IA 51246

Dear Mr. Krause:

The South Dakota Department of Environment and Natural Resources (DENR) reviewed the project proposed for improvements to the Sioux Rural Water System. The DENR finds that this construction, using conventional construction techniques, should not cause a violation of any statutes or regulations administered by the DENR on the following recommendations:

1. At a minimum and regardless of project size, appropriate erosion and sediment control measures must be installed to control the discharge of pollutants from the construction site. Any construction activity that disturbs an area of one or more acres of land must have authorization under the General Permit for Storm Water Discharges Associated with Construction Activities. Contact the DENR for additional information or guidance at 1-800-SDSTORM (737-8676) or http://denr.sd.gov/des/sw/stormwater.aspx.
2. A Surface Water Discharge Permit may be required for any construction dewatering that should occur as a result of the project. Please contact this office for more information.
3. Willow Creek is classified by the South Dakota Surface Water Quality Standards and Uses Assigned to Streams for the following beneficial uses:
   (6) Warmwater marginal fish life propagation waters;
   (8) Limited contact immersion recreation waters;
   (9) Fish and wildlife propagation, recreation, and stock watering waters; and
   (10) Irrigation waters.

Because of these beneficial uses, special construction measures may have to be taken to ensure that the total suspended solids standard of 150 mg/L is not violated.

Numerous wetlands and tributaries may be impacted by this project. These water bodies are considered waters of the state and are protected under the South Dakota Surface Water Quality Standards. The discharge of pollutants from any source, including the indiscriminate use of fill material, may not cause destruction or impairment except where authorized under Section 404 of the Federal Water Pollution Control Act. Please contact the U.S. Army Corps of Engineers concerning these permits.

If you have questions concerning these comments, please contact me at (605) 773-3351.

Sincerely,

Patrick Snyder

Patrick Snyder
Environmental Scientist IV
Surface Water Quality Program

DeWild Grant Reckert and Associates Company

CONSULTING ENGINEERS AND LAND SURVEYORS

1302 SOUTH UNION STREET
P.O. BOX 511
ROCK RAPIDS, IA 51246
(712) 472-2531
FAX: (712) 472-2710

June 25, 2012

Brad Schutz
SD Dept. of Environment & Natural Resources
Joe Foss Building
523 East Capital
Pierre, SD 57501-3181

RECEIVED
JUN 28 2012
AIR QUALITY PROGRAM

RE: Sioux Rural Water System 2012 Water System Improvements
DGR Project No. 802807

Dear Mr. Schutz:

Sioux Rural Water System of Watertown, South Dakota operates a regional potable water supply system in eastern South Dakota. In 2013, the system will construct system improvements throughout the existing service area. This construction will be financed in part by funds from USDA Rural Development or the State Revolving Fund (SRF) Program. We are requesting your comments on potential environmental impacts of the construction of this project. Mapping included with this letter provides location information for the various proposed improvements.

Proposed improvements include:

1. Approximately 20 miles of rural distribution pipeline varying in size from 3" to 8" diameter (system wide distribution map enclosed).

2. Two new wells and raw water piping at the Castlewood Water Treatment Plant (well field drawing enclosed).

3. A building expansion of the existing Castlewood Water Treatment Plant (site plan enclosed).

4. A building expansion of the existing Sioux Water Treatment Plant (site plan enclosed).

Pipelines will be installed using an open trench with a bury depth of 72 inches. Where possible, pipelines will be routed around existing wetlands. Where it is necessary to cross wetlands, those with standing water will be crossed using directional boring without surface disturbance. Those wetlands which must be crossed and which are dry at the time of construction will be crossed with trenching which either is not deep enough to penetrate the wetland sealing layer, or is restored after construction to equivalent impermeability. Streams will be crossed using directional boring. All pipeline routes have been verified by field staff.

Please review the proposed construction and provide comments as to the potential environmental impacts of this construction, and suggested measures to minimize those impacts. Thank you for your assistance.

Sincerely,

DEWILD GRANT RECKERT
& ASSOCIATES COMPANY

Gordon Krause

Gordon B. Krause, P.E.

Encl: Sioux Rural Water Mapping and Site Plans
cc: Doug Anderson, Sioux Rural Water System

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AIR QUALITY DETERMINATION
It appears, based on the information, that the project will have little or no impact on the air quality in this area. This project is approved.
Approved By: Brad Schutz
Date: 7/20/2012
(605) 773-6038 Fax: (605) 773-5286
South Dakota Department of Environment
And Natural Resources

DEPARTMENT OF GAME, FISH, AND PARKS
Foss Building
523 East Capitol
Pierre, South Dakota 57501-3182

July 9, 2012

Mr. Gordon Krause
DGR, Inc.
1302 South Union Street
PO Box 511
Rock Rapids, IA 51246

RE: Sioux Rural Water System 2012 Water System Improvements
DGR Project No. 802807

Dear Mr. Krause:

The South Dakota Department of Game, Fish and Parks, Division of Wildlife, has reviewed the above referenced project involving improvements to the Sioux Rural Water system in eastern South Dakota.

At this time, the project described will have no impacts on fish and wildlife resources. However, if the project design changes or if new information becomes available, please submit the changes for review.

If you have any questions, please contact me at 605.773.6208.

Sincerely,

Leslie Murphy

Leslie Murphy
Senior Biologist

DeWild Grant Reckert and Associates Company

CONSULTING ENGINEERS AND LAND SURVEYORS

1302 SOUTH UNION STREET
P.O. BOX 511
ROCK RAPIDS, IA 51246
(712) 472-2531

Received
DENR
JUN 28 2012
Waste Management
Program

June 25, 2012

Waste Management Determination
Hazardous Waste/Solid Waste/Asbestos
It appears, based on the information provided, that this project will have little or no impact on the waste management in this area.
Approved By: Vonni Kallemeyn
Date: July 6, 2012
South Dakota Department of Environment & Natural Resources
Phone: (605) 773-3153 Fax: (605) 773-6035

Vonni Kallemeyn
SD Dept. of Environment & Natural Resources
Joe Foss Building
523 East Capital
Pierre, SD 57501-3181

RE: Sioux Rural Water System 2012 Water System Improvements
DGR Project No. 802807

Dear Ms. Kallemeyn:

Sioux Rural Water System of Watertown, South Dakota operates a regional potable water supply system in eastern South Dakota. In 2013, the system will construct system improvements throughout the existing service area. This construction will be financed in part by funds from USDA Rural Development or the State Revolving Fund (SRF) Program. We are requesting your comments on potential environmental impacts of the construction of this project. Mapping included with this letter provides location information for the various proposed improvements.

Proposed improvements include:

1. Approximately 20 miles of rural distribution pipeline varying in size from 3" to 8" diameter (system wide distribution map enclosed).

2. Two new wells and raw water piping at the Castlewood Water Treatment Plant (well field drawing enclosed).

3. A building expansion of the existing Castlewood Water Treatment Plant (site plan enclosed).

4. A building expansion of the existing Sioux Water Treatment Plant (site plan enclosed).

Pipelines will be installed using an open trench with a bury depth of 72 inches. Where possible, pipelines will be routed around existing wetlands. Where it is necessary to cross wetlands, those with standing water will be crossed using directional boring without surface disturbance. Those wetlands which must be crossed and which are dry at the time of construction will be crossed with trenching which either is not deep enough to penetrate the wetland sealing layer, or is restored after construction to equivalent impermeability. Streams will be crossed using directional boring. All pipeline routes have been verified by field staff.

Please review the proposed construction and provide comments as to the potential environmental impacts of this construction, and suggested measures to minimize those impacts. Thank you for your assistance.

Sincerely,

DEWILD GRANT RECKERT
& ASSOCIATES COMPANY

Gordon B. Krause, P.E.

Encl: Sioux Rural Water Mapping and Site Plans
cc: Doug Anderson, Sioux Rural Water System

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DeWild Grant Reckert and Associates Company
CONSULTING ENGINEERS AND LAND SURVEYORS
1302 SOUTH UNION STREET
P.O. BOX 511
ROCK RAPIDS, IA 51246
(712) 472-2531
FAX: (712) 472-2710

RECEIVED
JUN 28 2012
U.S. FISH & WILDLIFE SERVICE

June 25, 2012

Donald Gober, Field Supervisor
US Department of Interior Fish And Wildlife Service
420 S. Garfield Avenue
Pierre, SD 57501-5408

RE: Sioux Rural Water System 2012 Water System Improvements
DGR Project No. 802807

Dear Mr. Gober:

Sioux Rural Water System of Watertown, South Dakota operates a regional potable water supply system in eastern South Dakota. In 2013, the system will construct system improvements throughout the existing service area. This construction will be financed in part by funds from USDA Rural Development or the State Revolving Fund (SRF) Program. We are requesting your comments on potential environmental impacts of the construction of this project. Mapping included with this letter provides location information for the various proposed improvements.

Proposed improvements include:

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3. A building expansion of the existing Castlewood Water Treatment Plant (site plan enclosed).

4. A building expansion of the existing Sioux Water Treatment Plant (site plan enclosed).

Pipelines will be installed using an open trench with a bury depth of 72 inches. Where possible, pipelines will be routed around existing wetlands. Where it is necessary to cross wetlands, those with standing water will be crossed using directional boring without surface disturbance. Those wetlands which must be crossed and which are dry at the time of construction will be crossed with trenching which either is not deep enough to penetrate the wetland sealing layer, or is restored after construction to equivalent impermeability. Streams will be crossed using directional boring. All pipeline routes have been verified by field staff.

Please review the proposed construction and provide comments as to the potential environmental impacts of this construction, and suggested measures to minimize those impacts. Thank you for your assistance.

Sincerely,

DEWILD GRANT RECKERT
& ASSOCIATES COMPANY

Gordon Krause

Gordon B. Krause, P.E.

Encl: Sioux Rural Water Mapping and Site Plans
cc: Doug Anderson, Sioux Rural Water System

This constitutes a report of the Department of The Interior prepared in accordance with the Fish and Wildlife Coordination Act (16 U.S.C. 661 et seq.). We have reviewed and have NO OBJECTION to this proposed project.

7/3/12
Date

Scott Lamm
Field Supervisor

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United States Department of Agriculture

NRCS

Natural Resources Conservation Service
200 Fourth Street SW
Huron, South Dakota 57350

Phone: (605) 352-1200
Fax: (605) 352-1270

July 3, 2012

Mr. Gordon B. Krause
DeWild Grant Reckert and Association
1302 South Union Street
PO Box 511
Rock Rapids, Iowa 51246

RE: Sioux Rural Water System 2012 Water System Improvements – DGR Project No. 802807

Dear Mr. Krause:

Thank you for the opportunity to provide comments on the above project. This project will have no effect on prime or important farmland.

The Natural Resources Conservation Service (NRCS) would advise the applicant to consult with the local NRCS and Farm Service Agency (FSA) offices regarding any USDA easements or contracts in the project area that may be affected.

If you have any questions, please contact Barb Hall, GIS Specialist, at (605) 352-1256.

Sincerely,

Deanna M Peterson

DEANNA M. PETERSON
State Soil Scientist

Federal Emergency Management Agency

Washington, D.C. 20472

June 26, 2012

MR. DOUG ANDERSON
SIOUX RURAL WATER SYSTEMS, INC.
45703 176TH STRET
WATERTOWN, SD 57201

CASE NO.: 12-08-0651A
COMMUNITY: HAMLIN COUNTY, SOUTH DAKOTA (UNINCORPORATED AREAS)
COMMUNITY NO.: 460034

DEAR MR. ANDERSON:

This is in reference to a request that the Federal Emergency Management Agency (FEMA) determine if the property described in the enclosed document is located within an identified Special Flood Hazard Area, the area that would be inundated by the flood having a 1-percent chance of being equaled or exceeded in any given year (base flood), on the effective National Flood Insurance Program (NFIP) map. Using the information submitted and the effective NFIP map, our determination is shown on the attached Letter of Map Amendment (LOMA) Determination Document. This determination document provides additional information regarding the effective NFIP map, the legal description of the property and our determination.

Additional documents are enclosed which provide information regarding the subject property and LOMAs. Please see the List of Enclosures below to determine which documents are enclosed. Other attachments specific to this request may be included as referenced in the Determination/Comment document. If you have any questions about this letter or any of the enclosures, please contact the FEMA Map Assistance Center toll free at (877) 336-2627 (877-FEMA MAP) or by letter addressed to the Federal Emergency Management Agency, Engineering Library, 847 South Pickett Street, Alexandria, VA 22304-4605.

Sincerely,

Luis Rodriguez, P.E., Chief
Engineering Management Branch
Federal Insurance and Mitigation Administration

LIST OF ENCLOSURES:

LOMA DETERMINATION DOCUMENT (REMOVAL)

cc: State/Commonwealth NFIP Coordinator
Community Map Repository
Region

Federal Emergency Management Agency

Washington, D.C. 20472

LETTER OF MAP AMENDMENT DETERMINATION DOCUMENT (REMOVAL)

COMMUNITY AND MAP PANEL INFORMATION		LEGAL PROPERTY DESCRIPTION
COMMUNITY	HAMLIN COUNTY, SOUTH DAKOTA (Unincorporated Areas)	A portion of Section 34, Township 115 North, Range 52 West, 5th Principal Meridian, as described in the Quit Claim Deed recorded in Book 70, Page 443, in the Office of the Register of Deeds, Hamlin County, South Dakota
	COMMUNITY NO.: 460034	
AFFECTED MAP PANEL	NUMBER: 4600340075A	
	DATE: 5/15/1986	
FLOODING SOURCE: BIG SIOUX RIVER		APPROXIMATE LATITUDE & LONGITUDE OF PROPERTY: 44.717, -97.058 SOURCE OF LAT & LONG: GOOGLE EARTH PRO DATUM: NAD 83

DETERMINATION

LOT	BLOCK/ SECTION	SUBDIVISION	STREET	OUTCOME WHAT IS REMOVED FROM THE SFHA	FLOOD ZONE	1% ANNUAL CHANCE FLOOD ELEVATION (NGVD 29)	LOWEST ADJACENT GRADE ELEVATION (NGVD 29)	LOWEST LOT ELEVATION (NGVD 29)
--	--	--	184th Street	Structure (No. 1)	C	--	1680.0 feet	--

Special Flood Hazard Area (SFHA) - The SFHA is an area that would be inundated by the flood having a 1-percent chance of being equaled or exceeded in any given year (base flood).

ADDITIONAL CONSIDERATIONS (Please refer to the appropriate section on Attachment 1 for the additional considerations listed below.)

DETERMINATION TABLE (CONTINUED)
PORTIONS REMAIN IN THE SFHA
ZONE A

This document provides the Federal Emergency Management Agency's determination regarding a request for a Letter of Map Amendment for the property described above. Using the information submitted and the effective National Flood Insurance Program (NFIP) map, we have determined that the structure(s) on the property(ies) is/are not located in the SFHA, an area inundated by the flood having a 1-percent chance of being equaled or exceeded in any given year (base flood). This document amends the effective NFIP map to remove the subject property from the SFHA located on the effective NFIP map; therefore, the Federal mandatory flood insurance requirement does not apply. However, the lender has the option to continue the flood insurance requirement to protect its financial risk on the loan. A Preferred Risk Policy (PRP) is available for buildings located outside the SFHA. Information about the PRP and how one can apply is enclosed.

This determination is based on the flood data presently available. The enclosed documents provide additional information regarding this determination. If you have any questions about this document, please contact the FEMA Map Assistance Center toll free at (877) 336-2627 (877-FEMA MAP) or by letter addressed to the Federal Emergency Management Agency, Engineering Library, 847 South Pickett Street, Alexandria, VA 22304-4605.

Luis Rodriguez, P.E., Chief
Engineering Management Branch
Federal Insurance and Mitigation Administration

Federal Emergency Management Agency
Washington, D.C. 20472

LETTER OF MAP AMENDMENT
DETERMINATION DOCUMENT (REMOVAL)

ATTACHMENT 1 (ADDITIONAL CONSIDERATIONS)

DETERMINATION TABLE (CONTINUED)

LOT	BLOCK/ SECTION	SUBDIVISION	STREET	**OUTCOME** WHAT IS REMOVED FROM THE SFHA	FLOOD ZONE	1% ANNUAL CHANCE FLOOD ELEVATION (NGVD 29)	LOWEST ADJACENT GRADE ELEVATION (NGVD 29)	LOWEST LOT ELEVATION (NGVD 29)
--	--	--	184th Street	Structure (No. 2)	C	--	1680.2 feet	--
--	--	--	184th Street	Structure (No. 3)	C	--	1681.7 feet	--

PORTIONS OF THE PROPERTY REMAIN IN THE SFHA (This Additional Consideration applies to the preceding 3 Properties.)

Portions of this property, but not the subject of the Determination/Comment document, may remain in the Special Flood Hazard Area. Therefore, any future construction or substantial improvement on the property remains subject to Federal, State/Commonwealth, and local regulations for floodplain management.

ZONE A (This Additional Consideration applies to the preceding 3 Properties.)

The National Flood Insurance Program map affecting this property depicts a Special Flood Hazard Area that was determined using the best flood hazard data available to FEMA, but without performing a detailed engineering analysis. The flood elevation used to make this determination is based on approximate methods and has not been formalized through the standard process for establishing base flood elevations published in the Flood Insurance Study. This flood elevation is subject to change.

This attachment provides additional information regarding this request. If you have any questions about this attachment, please contact the FEMA Map Assistance Center toll free at (877) 336-2627 (877-FEMA MAP) or by letter addressed to the Federal Emergency Management Agency, Engineering Library, 847 South Pickett Street, Alexandria, VA 22304-4605.

Luis Rodriguez, P.E., Chief
Engineering Management Branch
Federal Insurance and Mitigation Administration

DeWild Grant Reckert and Associates Company

CONSULTING ENGINEERS AND LAND SURVEYORS

1302 SOUTH UNION STREET
P.O. BOX 511
ROCK RAPIDS, IA 51246
(712) 472-2531
FAX: (712) 472-2710

RECEIVED

JUN 28 2012

Drinking Water Program

June 25, 2012

Mark Mayer
SD Dept. of Environment & Natural Resources
Joe Foss Building
523 East Capital
Pierre, SD 57501-3181

DRINKING WATER QUALITY DETERMINATION
It appears, based on the information provided, that this project will not have adverse environmental effects to drinking water in this area. This project is approved.
Approved by: Mark Mayer
Date: 6/29/12 ID No.: 2012-096
605-773-3754 Fax 605-773-5286
SOUTH DAKOTA DEPARTMENT OF ENVIRONMENT & NATURAL RESOURCES

RE: Sioux Rural Water System 2012 Water System Improvements
DGR Project No. 802807

Dear Mr. Mayer:

Sioux Rural Water System of Watertown, South Dakota operates a regional potable water supply system in eastern South Dakota. In 2013, the system will construct system improvements throughout the existing service area. This construction will be financed in part by funds from USDA Rural Development or the State Revolving Fund (SRF) Program. We are requesting your comments on potential environmental impacts of the construction of this project. Mapping included with this letter provides location information for the various proposed improvements.

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3. A building expansion of the existing Castlewood Water Treatment Plant (site plan enclosed).

4. A building expansion of the existing Sioux Water Treatment Plant (site plan enclosed).

Pipelines will be installed using an open trench with a bury depth of 72 inches. Where possible, pipelines will be routed around existing wetlands. Where it is necessary to cross wetlands, those with standing water will be crossed using directional boring without surface disturbance. Those wetlands which must be crossed and which are dry at the time of construction will be crossed with trenching which either is not deep enough to penetrate the wetland sealing layer, or is restored after construction to equivalent impermeability. Streams will be crossed using directional boring. All pipeline routes have been verified by field staff.

Please review the proposed construction and provide comments as to the potential environmental impacts of this construction, and suggested measures to minimize those impacts. Thank you for your assistance.

Sincerely,

DEWILD GRANT RECKERT
& ASSOCIATES COMPANY

Gordon Krause

Gordon B. Krause, P.E.

Encl: Sioux Rural Water Mapping and Site Plans
cc: Doug Anderson, Sioux Rural Water System

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Telephone call from Sarah Land, National Flood Insurance Program, South Dakota Department of Emergency Management (605) 773-3231 referred me to:

Castlewood, Sheila Gerhold	(605) 793-2220
Watertown, Ken Buchloz (City of Watertown)	(605) 882-6200

No contact made because none of the facilities proposed are within the City limits of the two cities.

Gordon Krause
7/3/12

DGR ENGINEERING

PRELIMINARY ENGINEERING REPORT

FOR

SIOUX RURAL WATER SYSTEM

2012 WATER SYSTEM IMPROVEMENTS

March 2013

DGR Project No. 802807

PRELIMINARY ENGINEERING REPORT

FOR

SIOUX RURAL WATER SYSTEM

2012 WATER SYSTEM IMPROVEMENTS

March 2013

I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly Registered Professional Engineer under the laws of the State of South Dakota.

By _____
Darin L. Schriever, P.E.

South Dakota Registration No. 7785

Date April 5, 2013

REGISTERED PROFESSIONAL ENGINEER
REG. NO.
7785
DARIN L.
SCHRIEVER
SOUTH DAKOTA

DGR Project No. 802807

DGR ENGINEERING

Rock Rapids, IA • Sioux Falls, SD • Sioux City IA
(712) 472-2531 (605) 339-4157 (712) 266-1554

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PRELIMINARY ENGINEERING REPORT
FOR
SIOUX RURAL WATER SYSTEM
2012 WATER SYSTEM IMPROVEMENTS

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PRELIMINARY ENGINEERING REPORT

FOR

SIOUX RURAL WATER SYSTEM
2012 WATER SYSTEM IMPROVEMENTS

March 2013

PROJECT PLANNING AREA

A. Location

The improvements proposed to the existing facilities of the Sioux Rural Water System are shown in red in Drawing 1. The improvements include an automatic meter reading (AMR) system, and capacity improvements to the distribution and pumping systems, well field and water treatment plants.

B. Environmental Resources Present

The Sioux Rural Water system is a multi-county regional water system and includes a variety of environmental resources within its boundaries. The predominant land use is farmland and a number of rivers and small streams are present with their associated flood plains. The area provides habitat for a wide range of biological resources native to the area. The Environmental Report that has been prepared as a companion to this PER provides detailed information on all of these environmental resources.

The water system service area is an agricultural region of gently rolling terrain. The area is drained by the Big Sioux River running generally north to south through the middle of the water system. Smaller tributaries flow to the Big Sioux through the area. There is a flood plain along the Big Sioux, and water system pipelines cross the flood plain and the river in several places. The area includes numerous wetlands of varying size. The land use is divided approximately evenly between tilled farm land and agricultural pasture land. Some scattered areas are set aside as wildlife habitat, either as game reserve areas or game easements. The proposed construction does not directly impact any of these environmentally important resources.

C. Growth Areas and Population Trends

The population of the Sioux Rural Water service area is stable to slightly increasing. The areas served by the system includes most of Hamlin County and portions of the adjacent Deuel, Codington and Clark Counties. The communities of Bryant, Hazel, Hayti, Castlewood and Estelline within Hamlin County are served by the system, as are Kranzburg in Codington County, and Vienna and Naples in Clark County.

Table 1 shows the population growth for Codington and Hamlin Counties from 1990 to 2009, which is representative of the growth within the Sioux Rural Water System service area. Growth by both counties was 0.8% per year during the period and 1.2% per year for the rural and unincorporated area. This relatively modest growth in population is likely to continue into the foreseeable future and as such, will not likely significantly affect future water use projections within the service area. Water use will more likely be influenced by other factors such as livestock numbers, the type and size of individual farm operations, and persistent weather patterns.

EXISTING FACILITIES

A. Location and History

The Sioux Rural Water System is a regional water system in east central South Dakota. The water system was originally organized in the early 1970's and was constructed in 1974 through 1977. The water system had two water sources, shallow wells in the Big Sioux aquifer near Watertown (Sioux Wells) and shallow wells near Hayti (Hayti wells). The original system had no filtration treatment.

The water system has constructed a number of improvement and upgrade projects in the years after original construction. The number of water users has more than doubled. The water source has changed due to contamination of the original wells. Iron and manganese removal filtration has been added. Four new ground storage reservoirs have been constructed.

The water system presently serves 1,435 individual consumers. Bulk water service is provided to the towns of Bryant, Kranzburg, Hazel, Hayti, and Castlewood. The City of Estelline recently decided to discontinue its service contract. Among the rural connections are services to two Hutterite colonies.

The present water system has wells located on the west side of the Big Sioux River, just west of Castlewood. The water system owns approximately 220 acres of property for the well field, and controls surface activities to protect the water source. The wells pump to both the Castlewood water plant located adjacent to the well field, and to the Sioux plant located about 8 miles north.

Iron and Manganese removal filtration was added in 1991 at the Sioux plant. The design capacity of the plant is 400 gallons per minute or about 480,000 gallons per day, net of backwash. The plant experienced a peak day demand of about 568,000 gallons per day in July of 2012. Water service to Kranzburg and Hazel is included in this total.

From the Sioux plant water is pumped west to Tower E and the Tower E service area. A separate pump header pumps to the east to Booster D and ultimately to Tower G. There is a pipeline connection to Tower F from Booster D that is not presently in use.

Iron and manganese removal filtration is also provided at the Castlewood plant, constructed in 1991. The Castlewood plant has a design capacity of 750 gallons per minute or about 900,000 gallons per day net of backwash. The Castlewood plant experienced a maximum day demand in July of 2012 of 1,113,000 gallons per day. Water service to Bryant and Hayti is included in this total.

From the Castlewood plant, water is pumped west to the Kones Korner ground storage reservoir. There is a small service area near the reservoir served by a pump system at the reservoir, but most water flows by gravity from Kones to Booster C. Pumps at Booster C are sequenced to fill Tower A and Tower B.

East of Castlewood water is pumped to the Krause ground storage reservoir. From Krause water is pumped to a local service area, and to fill Tower F. Water flows by gravity from Krause to connections south of the reservoir.

Drawing 1 shows the location of all of the existing facilities as well as those that are planned for future construction as part of the current project.

B. Condition of Facilities

1. Maintenance and Water Loss:

The Sioux Rural Water System is a well maintained regional system with modern equipment. There is inadequacy in the present system to the extent that the system is operating at near full capacity in some areas, and is faced with certain increasing demand. This report considers options to improve the system to make best use of existing facilities. No issues of deferred maintenance or need for equipment replacement were identified. This report presumes that existing facilities will stay in place and continue to be used at the present capacity through the planning period for this report.

The adequacy of maintenance of the present facilities is confirmed by the low unaccounted for water percentages. Unaccounted for water includes leaks within the distribution pipeline system or inaccuracies in meter readings. Table 2 and Figure 1a show unaccounted for water since 2000. In the table, "Loss" is the difference between water produced and water sold. This amount is adjusted by subtracting known unmetered uses such as filter backwash and line flushing activities. Unaccounted for water is generally presented as a percentage of water produced and varies in Table 2 from a high of 16% in 2003 to a low of 4% in 2008. The management of the system monitors water loss and recognizes and addresses rising trends.

2. Historic Water Use:

Annual water produced and sold since 2000 is displayed in Table 2 and Figures 1a and 1b. Water use for the period is relatively flat and no clear trends were apparent for the period.

Sioux Rural Water is bounded on all sides by other rural water systems and therefore, growth due to an expansion of its service areas is not possible. Within its service area the system has experienced continued growth in the number of customers. Table 3 displays the change in the number of customers in each customer group from 2000 through 2011. The growth trend for each customer group is illustrated in Figure 2. The greatest growth percentage occurred in seasonal users with an increase from 31 to 40 during the period. Growth in the number of rural customers, the largest user group, has been relatively constant over the time period increasing from 1,072 rural customers in 2000 to 1,277 in 2011. This was an increase of 205 customers or about 19 new customers per year.

3. Water Supply:

The water needs for the system are provided from the two water treatment plants, Castlewood and Sioux. Both plants are supplied by shallow wells at the Castlewood water treatment plant. Both plants remove iron and manganese from the raw water and disinfect the finished water with chlorine.

a. Castlewood Well Field: The Castlewood well field currently includes six(6) shallow wells finished in the Big Sioux Aquifer. The designation for each well and corresponding capacity in gallons per minute is as follows:

Well S1	315 gpm
Well S2	305 gpm
Well S3	445 gpm
Well S4	305 gpm
Well C1	210 gpm
Well C2	250 gpm

Total well capacity is 1,830 gpm. Firm Capacity, the capacity with the largest well out of service, is 1,385 gpm. At 1,385 gpm, the wells can produce 1,662,000 gallons in a 20 hour day which is very close to the combined peak day for the two water treatment plants recorded in 2012. Also, the Firm Capacity of 1,385 gpm would be only marginally able to supply the two plants operating as they have in 2012 at 900 gpm and 500 gpm. We therefore recommend that additional wells be developed to match the proposed treatment capacity discussed later in this report.

b. Castlewood Water Source: The Castlewood water treatment plant is located approximately one mile west of the City of Castlewood. The plant is supplied by the Castlewood Well Field and its treatment process utilizes the oxidation of iron and manganese followed by filtration to remove iron and manganese from the raw water supply. Raw water entering the plant passes through a 5' x 5' induced draft aerator with a rated capacity of 750 gpm at 30 gpm per square foot. After aeration the water enters a 33,200 gallon detention tank which provides 44 minutes of detention at 750 gpm. Detention is followed by filtration by three (3) 10' x 10' concrete gravity filters. The total design filtration rate is 750 gpm at a unit filtration rate of 2.5 gpm per square foot of filter area. After filtration, clearwell storage is provided by two (2) above ground reservoirs (AquaStore). One is 31' diameter and 42' high and stores 238,000 gallons and the second is 42' in diameter and 42' high and stores 425,000 gallons. Total clearwell storage at the plant is 663,000 gallons. High service pumps at the plant deliver water into the distribution system.

The daily capacity of the plant, based on a 20 hour day at 750 gpm, is 900,000 gallons. A 20 hour day is used to allow time for filter backwash and maintenance activities. During peak usage periods the plant has been operating at a filtration rate of 3.0 gpm per square foot of filter area and a treatment rate of 900 gpm. Daily water use for the Castlewood plant from January of 2009 to July of 2012 is illustrated in Figure 3. In the figure, daily readings are shown in black. Some of the readings are unusually high or low because the totalizer meter was read at a different time of the day as a previous reading or a reading was missed on a weekend resulting in zero gallons for the day and two days of water use for the next day. To account for this, a three day moving average was used to smooth out the graph and show a more representative pattern of water use. The three day moving average is shown in red in Figure 3.

Figure 3 shows the typical pattern of high water use for the summer months and more moderate use during the rest of the year. It also confirms that water use during the hot dry summer of 2012 exceeded the peak day volume of any of the previous years shown in the Figure. Table 5 lists the average day and peak day use experienced at each of the plants and for the two plants combined from 2009 through July of 2012. Both the Castlewood and Sioux plants have experienced their highest peak day use in 2012. The table also shows the ratio between peak and average day. This is also known as the peaking factor. The overall peaking factor is relatively low which indicates fairly uniform water use throughout the year by the system's customers. The higher peaking factor during 2012 is indicative of the hot and dry summer that resulted in high water use for livestock watering and lawn and garden irrigation.

As illustrated in Figure 3 and Table 5 the peak day experienced at the Castlewood WTP has exceeded the design capacity of the plant in 2011 and 2012. The Figure and Table both confirm a rising water use pattern which is expected to continue as the system continues modest growth in customers, the water use patterns of current customers change and factors such as weather patterns affect water use. An increase in the capacity of the Castlewood WTP is therefore recommended.

c. Sioux Plant: The Sioux plant treatment process is the same as the Castlewood plant and utilizes the oxidation of iron and manganese followed by filtration to remove iron and manganese from the raw water supply. The groundwater supply for the Sioux Plant is from wells at the Castlewood well field and delivered to the Sioux Plant by means of approximately 8.5 miles of 10-inch raw water main. Raw water entering the plant passes through a 5' x 5' induced draft aerator with a rated capacity of 750 gpm at 30 gpm per square foot. After aeration the water enters a 13,300 gallon detention tank which was part of the original plant construction. The tank provides 33 minutes of detention at 400 gpm. In a subsequent construction stage a second tank was converted to detention and adds 20,700 gallons for 51 minutes of detention at 400 gpm. Detention is followed by filtration by two (2) 10' x 10' concrete gravity filters. The total design filtration rate is 400 gpm at a unit filtration rate of 2.0 gpm per square foot of filter area. After filtration, clearwell storage is provided by one (1) above ground reservoir (AquaStore), 39' diameter and 38' high and stores 338,000 gallons. High service pumps at the plant deliver water into the distribution system.

The treatment rate of the plant, based on its filtration capacity, is 400 gpm. The daily capacity of the plant, based on a 20 hour day, is 480,000 gallons. A 20 hour day is used to allow time for filter backwash and maintenance activities. During peak usage periods the plant has been operating at a filtration rate of 2.5 gpm per square foot of filter area and a treatment rate of 500 gpm.

Daily water use for the Sioux plant is illustrated in Figure 4. In the figure, daily readings are shown in black. As discussed for the Castlewood plant, because some of the readings are unusually high or low, a three day moving average was used to smooth out the graph and show a more representative pattern of water use. The three day moving average is shown in red in Figure 4.

Figure 4 shows the typical pattern of high water use for the summer months and more moderate use during the rest of the year. It also confirms that water use during the hot dry summer of 2012 exceeded the peak day volume of any of the previous years shown in the Figure. Table 5 lists the average day and peak day use experienced at each of the plants and for the two plants combined from 2009 through July of 2012. Both plants have experienced their highest peak day use in 2012. The table also shows the ratio between

peak and average day. This is also known as the peaking factor. The overall peaking factor is relatively low which indicates fairly uniform water use throughout the year by the system's customers. The higher peaking factor during 2012 is indicative of the hot and dry summer that resulted in high water use for livestock watering and lawn and garden irrigation.

As illustrated in Figure 4 and Table 5 the peak day experienced at the Sioux WTP has approached the design capacity of the plant in 2011 and exceeded it in 2012. The Figure and Table both confirm a rising water use pattern which is expected to continue as the system continues modest growth in customers, the water use patterns of current customers change and factors such as weather patterns affect water use. An increase in the capacity of the Sioux WTP is therefore recommended.

4. Storage:

Water storage for the system is provided by clearwell and ground storage at each plant, ground storage at three sites within the distribution system and five elevated tanks scattered throughout the system's service area. Table 6 provides information of the type and capacity of each of these storage facilities. Storage for the system includes two (2) below grade concrete reservoirs, six (6) bolted steel (Aquastore) tanks and five (5) welded steel elevated tanks. Total finished water storage for the system is 1,906,000 gallons. The minimum level of storage recommended by the Department of Environment and Natural Resources (DENR) for South Dakota is an average day of water use. During 2012 the system's average day water use is projected to be about 1,152,000 gallons and existing storage easily exceeds this amount. In general, storage for the system appears to be adequate and no changes are recommended.

5. Distribution and Pumping:

Since its initial construction from 1974 to 1977 the system has seen continued growth and now provides service to more than twice as many customers as were initially provided service. It has also seen the addition of several community and bulk customers and continued growth in the amount of water used by individual customers. This continued growth has necessitated improvements to the distribution and pumping system in order to add the capacity needed. The distribution system now includes numerous locations where new distribution mains have been added to parallel an original distribution main.

There are a number of areas that are currently experiencing low or marginal pressures, particularly during high usage periods. An additional indication that distribution capacity is limited in some areas is that it is becoming increasingly difficult to deliver water to some of the outlying elevated tanks. The following describes some of the areas of concern.

a. West of the Sioux Plant: Continued growth in the number of customers in this area and particularly close to Pelican Lake have resulted in low pressures on the south side of Pelican Lake and throughout the area west of Pelican Lake and south of Lake Kampeska. Growth in the number of customers is expected to continue in this area. In addition, it is becoming increasingly difficult to deliver an adequate supply to Tower E located south of this area.

b. North of Booster H: Booster H is located north of Kranzburg and is supplied from Tower G. It provides service to an area north of the booster in the northeast part of the Sioux Rural Water service area. The capacity of the booster is limited by undersized pipe suppling the booster and on the discharge side of the booster and low pressure problems are occurring in the area north of the booster.

c. East of Watertown: Currently, Tower G east of Watertown is filled from the Sioux plant by Booster D and increased demands are making it difficult for Booster D to supply the tower. When Booster D is not pumping, Tower G supplies the area north of the Sioux plant and along Interstate 29. Because of the distance and undersized pipe, pressure concerns are increasing in this area. Industrial and commercial development is expected to continue along I-29 and several years ago the system constructed a number of miles of 6" main along this corridor in order to meet the growth needs. The current distribution system is not fully capable of supplying this 6" main and as growth continues, pressure problems will increase.

d. Miscellaneous Locations: There are a number of areas throughout the system that are experiencing localized pressure problems resulting from isolated segments of undersized mains that deplete the residual pressures during peak usage periods. Three areas have been identified as follows:

1. The Krause Reservoir pumps deliver water into an area south of the reservoir. The first mile south of the reservoir is a 3" main and current demands have resulted in high headloss in this segment and low pressures have resulted south and east of the reservoir.

2. A localized area north and east of Tower F is experiencing low pressure because of continued growth that has utilized the available capacity in the pipelines serving the area.

3. A localized area north of Booster C is experiencing low pressure because of continued growth that has utilized the available capacity in the pipelines serving the area.

6. Meters:

The individual customer meters are the "cash register" of the system and are critically important in generating the revenue needed for the operation of the system. All customer uses are metered. Meters originally installed throughout the system are the typical positive displacement type located in a meter pit or basement with a meter head that transmits the reading to a remote read-out above ground adjacent to the meter pit or outside the home on an exterior wall. Sioux has a program of regular inspection and replacement of meters and is currently replacing the older positive displacement meters with Sensus iPerl electromagnetic flow meters. These new technology meters are highly accurate, have no moving parts to wear out, and are designed to interface with Automatic Meter Reading (AMR) systems. At the present time approximately 300 of the newer meters have been installed.

Individual customer meters are read monthly by the customer and a meter reading is sent in with the customer's payment for the water used. On an annual basis Sioux staff or contract laborers manually read all of the meters and compare the readings to those reported by the customer. Self-reading of customer meters is typical of rural water systems because it reduces the amount of manpower required to read the meters individually as is typical in a municipality. While the self-reading method does save manpower, there are a number of disadvantages to this method that result in added cost and a reduced level of management of the system.

Self-reading frequently results in mistakes made in recording the reading, resulting in a bill that is too high or too low. Another result is an inaccurate total water use within a service area. Comparisons of water delivered to a service area, as measured with a master meter, to total water sold for water loss calculations are thus made inaccurate. Also, some customers have been known to "bank" water; whereby they under report use in some months and then make up with a higher reported use in a subsequent month. Since the Sioux has a declining-block rate structure, the customers can put more usage in a block charged at a lower rate, resulting in lower income to the system.

Currently, meter readings are reported monthly. With the time allowed for reporting and the time required to enter and process the readings in the system office, there is a nearly two-month delay from the time water is used to the time accurate comparisons can be made between water delivered to a service area and the water used and sold in that service area. Operational staff therefore have insufficient information at hand to determine on a real-time basis whether increased usage is due to leaks, water theft or to increased customer demand.

C. Financial Status of Existing Facilities

Financial information for Sioux Rural Water is provided in Appendix B. Included in the appendix are the following:

- Current Water Rate Schedule for Sioux Rural Water, effective August 1, 2012
- Sioux Rural Water Audit Report For the Years Ended December 31, 2011 and 2010 by Kinner & Company Ltd, Certified Public Accountant
- Sioux Rural Water System, Inc., RUS Report for the 12 Months Ending December 2011 (includes Annual Budget for Sioux Rural Water for 2011 and actual expenditures for 2011)
- Sioux Rural Water System, Inc., RUS Report for the 12 Months Ending June 30, 2012 (includes Annual Budget for Sioux Rural Water for 2012 and actual expenditures through the end of the period)
- Short Term Capital Improvement Schedule

The Water Rate Schedule adopted by Sioux Rural Water provides appropriate rates for the various user groups served by the system. Rates are modified to reflect the different water usage patterns of each group and their impact on the capacity of the components of the system and the cost of operation and maintenance activities. Revenue generated by these rates is shown in the two RUS Reports. These rates were responsible for 95% of the total income for the system in 2011. During 2011 the percent of water sales revenue received from each major user group was as follows:

Rural Sales	89%
Small Town & Lake Homes	3%
Seasonal	1%
Bulk Purchasers	7%

The majority of the system's customers purchase water under the Farm and Rural Residence rate and a rate card showing the cost for various monthly amounts is included in Appendix B. This rate provides for a monthly minimum payment of $37 and water use is then billed at a cost of $3.60 per 1,000 gallons for the first 65,000 gallons and $2.60 per 1,000 gallons for use over that amount. As shown in the 2011 budget, Rural Sales were budgeted at $1,222,000 and actual revenue was $1,290,781.76. A similar result is shown for the other user group categories for 2011 except for the Bulk Purchasers in which case actual revenue was slightly below budgeted. In general, the water rates established by Sioux Rural water are functioning as planned to secure the revenue needs of the system.

The RUS Reports provided in Appendix B detail budgeted and actual costs for the various O&M activities of the system. Operating costs are broken down into "Administrative", "Office", and "Operational" and additional detail is provided under each category for the various expense categories. The level of detail provided allows adequate monitoring of the expenditures of the system. A review of the reports shows that actual expenses generally correspond to budgeted expenses and result in a positive net income amount.

The system contracts with a qualified Certified Public Accountant to perform an audit of its financial records and prepare an audit report annually. A copy of the audit report for 2010 and 2011 prepared by Kinner & Company Ltd of Brookings, SD is provided in appendix B. Long-term Debt is reported in pages 11 through 14. Through the end of 2011 the outstanding Long Term Debt was $3,859,041. The system budgets for and makes regular debt service payments on this debt and paid $198,132 in interest and total loan payments of $401,172.56 in 2011.

The report also indicates that in 2010 and 2011 the system generated adequate revenues to pay for all expenses including those from operations and the servicing of debt. Net income for 2010 was $53,476.75 and $97,042.37 for 2011. The audit also shows that the system maintains cash reserves totaling $296,752.71 in 2011 as required by USDA Rural Development and CoBank as part of the loan agreements by those agencies. In addition, the report shows that at the end of 2011, the system held cash or cash equivalents of $414,714.22. Together, these assets total $711,466,93 and represent approximately 5.6 months of projected expenses for 2012, which is a significant reserve against unforseen changes in revenue or expenses.

The system's financial planning and monitoring activities center on the budgets included in the RUS Reports. In order to plan and manage expenditures, the system utilizes an annual planning and budgeting process and prepares a budget of projected revenues and expenditures at the beginning of each calendar year. The budget is then monitored monthly by management staff and the Board of Directors. Budgets for 2011 and 2012 are also provided in Appendix B. The budgets confirm that the system utilizes sound financial planning and management procedures and Sioux Rural Water is in excellent financial condition.

NEED FOR PROJECT

A. Health, Sanitation, and Security

The variety of capacity problems with the wells, water treatment, pumping, and distribution system described in the previous paragraphs are jeopardizing the health and safety of the system's customers. Low pressure problems, and in particular, complete depressurizing of distribution mains that will occur if supply and delivery problems are not corrected are particularly troublesome. Low pressure or complete loss of pressure in water mains can allow contaminated ground water surrounding the pipe to enter the distribution system through weak areas and leaks within the many miles of distribution pipeline and is to be avoided at all costs. The health and safety impacts of such an event could be catastrophic.

1. Distribution System Improvements:

Distribution and pumping system limitations that have resulted in areas of low pressure and difficulties in filling outlying reservoirs were described in a previous section. The improvements that are recommended to the distribution system to correct these deficiencies are illustrated in red in Drawing 1 and will be further described in the following paragraphs.

a. West of the Sioux Plant: The improvements to correct the deficiencies in this area include approximately 8 miles of 8" pipe, 1.5 miles of 4" pipe and the connection of two existing pipelines south of Pelican Lake. The 8" pipe segment will both increase the delivery capacity in the low pressure area east of Pelican and south of Kampeska, and increase delivery from the Sioux plant to Tower E. The 4" improvements shown will connect segments of existing main to form a loop and allow flow to high demand areas from two directions. The connection south of Pelican Lake will connect two existing lines, again forming a loop that will make better use of the existing distribution mains in that area. Because the two lines are in different pressure zones, a new pressure reducing valve will be required to prevent the over pressurizing of the lower pressure class main.

b. North of Booster H: The improvements recommended to correct the low pressure area north of the booster are approximately 1.5 miles of new 6" pipe south of the booster that will increase the supply to the booster and approximately 1.5 miles of new 6" pipe north of the booster that would reduce the headloss in these first miles and increase the pressure in the area north of the booster.

c. East of Watertown: Approximately 4 miles of new 6" pipe are proposed immediately west of Tower G. The new pipe would allow increased delivery to Tower G directly from the Sioux plant and increase the capacity in the northeast area of the system, and in particular, the corridor along I-29.

d. Miscellaneous Locations:

(1) Installing one mile of 6" main south of the Krause Reservoir would remove a high headloss segment and increase the pressure to low pressure areas south and east of the reservoir.

(2) The localized pressure problem in the area north and east of Tower F can be corrected by installing approximately 1.5 miles of new 3" pipe that completes a loop and allows delivery to the low pressure area from the existing 5" main north of Tower F.

(3) A localized pressure problem north of Booster C can be corrected by installing approximately 1 miles of 3" main that would complete a loop between two existing mains to allow flow into the low pressure area from another direction.

2. Pumping Improvements:

a. Booster H: Booster H draws suction from the Tower G service area and pressurizes the area to the north of the booster. It was designed with two pumps, each full capacity so that one pump was always available as a backup. Currently it has only one pump and the addition of a backup pump is recommended because the booster's service area is dependent on a pump running at all times. If the "North of Booster H" distribution system

improvements are constructed, a larger pump should be installed to take advantage of the improved hydraulic supply and delivery pipeline and the existing pump used as a backup.

b. Booster D: Booster D was designed to deliver water from the Sioux WTP to Tower G to the north and Tower F to the south. The current operation of the system is to supply Tower F from the Castlewood WTP via the Krause Reservoir and Booster and therefore Booster D pumps only to Tower G. The booster is equipped with two pumps with the Tower F pump kept idle at this time. Our recommendation is to utilize the Tower F as a backup pump to the Tower G pump and add controls to alternate the pumps to pump to Tower G.

c. Sioux WTP High Service Pumps: The plant was originally equipped with four pumps, with two (#3 and #2) regularly pumping east, one regularly pumping west (#4), and the fourth pump (#1) able to pump either direction. Pump #2 was subsequently replaced with a 40 HP full capacity pump and is equipped with a VFD and provides the total supply to the east. Pump #3, a 20 HP pump is not used. Pump #4 has also been replaced with a 40 HP full capacity pump with a VFD and provides all of the pumping needs to the west. Pump #1 remains as originally designed and is equipped with a VFD. It is able to pump east or west if pump #2 or #4 fail, but it is undersized and unable to provide the full needs in either direction. As a consequence, neither of the two pumps supplying the total needs of the system are fully backed up and we therefore recommend changing out Pump #1 with a larger 40 HP pump that can provide the total needs in either direction from the plant and serve as a backup to both #2 and #4. The "West of the Sioux Plant" distribution system improvements will allow the plant to deliver an increased flow to the west but will not significantly change the hydraulic requirements of Pump #4 and no pumping changes are needed because of the distribution improvements. Similarly, the "East of Watertown" distribution improvements will not affect the performance of Pump #2 significantly and no pumping changes are needed because of the distribution system improvements.

d. Castlewood WTP High Service Pumps: The Castlewood WTP has three identical high service pumps with one pumping east to the Krause Reservoir, one pumping west to Kones Corner and the third able to pump in either direction. All of the pumps are appropriately sized and each of the pumps has a backup pump available and therefore no pumping changes are recommended at this time at the Castlewood WTP.

e. Krause Reservoir and Booster: The Krause Booster draws suction from the adjacent reservoir. Two high head pumps alternate to deliver water to Tower F. Two low head pumps deliver water into the distribution system. At times the distribution system demands exceed the flow available from one low head pump and both pumps operate. The pumps are backed up with a pressure regulated connection from the high head side. The current pumps and low head backup system is working well at the booster and no changes are recommended.

f. Kones Corner Reservoir and Booster: The Kones booster draws suction from the reservoir and boosts the flow into distribution with a single constant speed pump. The booster is able to meet the current demands satisfactorily but does not have a backup pump and our recommendation is to add a backup pump in the future to increase the reliability of the booster.

g. Hayti: The Hayti Booster and Reservoir is a modification of an original station that delivered water from wells at Hayti into the distribution system. At the present time, the Hayti reservoir receives water from Booster C and a single, 20 HP pump delivers water to the City of Hayti and operates based on the water level in the City's elevated tank. The re-purposed pump is oversized for the demands and the reservoir is not needed to meet the demands of the City. It is recommended that a second, smaller pump be added in the future to backup the existing pump.

h. Booster C: Booster C has two pumps with one pump filling Tower A and a second filling Tower B. The pumps are not identical but can backup one another. To provide increased reliability a third pump is recommended to backup both of the two current pumps.

3. Source Capacity Improvements:

a. Water Treatment Plant Capacity: As shown in Figures 3 and 4 and Table 5, peak day water demands for recent years has approached or exceeded the design capacity of the two water treatment plants and in particular, during 2012 when there were periods of time when the plants operated almost continuously at a filtration rate greater than their design capacity. The historic combined peak day that occurred in 2012 was 1,651,000 gallons which exceeds the 1,380,000 gpd design capacity of the two plants by 20%. Growth in water demand is expected to continue as additional homes are built in the vicinity of Pelican Lake in the northwest part of the system and larger livestock increase.

As shown by Figures 3 and 4, historic water use exceeded the design capacity of both the Castlewood and Sioux water treatment plants in 2012 and in many of the preceding years. Clearly, capacity improvements are required at both plants.

The primary controlling factor in the treatment rate of both plants is the filtration capacity. The Sioux plant currently has two (2) 10' x 10' gravity filters and the Castlewood plant has three (3) 10' x 10' gravity filters. An expansion in plant capacity will require the addition of new filters. To achieve efficiencies in the layout of the building and simplify the operation of the plant, the new filters should be a duplication of the existing filters.

The addition of each new 10' x 10' filter at the Sioux plant adds 200 gpm or 240,000 gallons per day of capacity. The current plant capacity is 480,000 gallons per day versus the 2012 peak day of 568,333 gallons. The addition

of one filter would increase the plant capacity to 720,000 gallons per day which would exceed the 2012 peak day but leave little room for growth. We therefore recommend adding two filters to bring the plant capacity up to 800 gpm or 960,000 gallons per day.

The addition of each new 10' x 10' filter at the Castlewood plant increases the plant capacity by 250 gpm or 300,000 gallons per day. The addition of one filter would increase the plant capacity to 1,200,000 gallons per day versus the 2012 peak day of 1,113,000 gallons. As with the Sioux plant, the addition of one filter would increase the plant capacity to be greater than the historic peak day but leave very little room for growth. We therefore recommend adding two filters at Castlewood to bring the plant capacity up to 1,250 gpm or 1,500,000 gallons per day.

Added filtration capacity at each plant will also require a corresponding increase in detention capacity to maintain adequate detention time. Approximately 60 minutes of detention time is needed to provide adequate treatment. The Sioux WTP was built with 13,300 gallons of detention and later, 20,700 gallons more were added by converting a clearwell to detention. After aeration, water enters the 20,700 converted clearwell and is then pumped to the 13,300 gallon tank. Only one pump is used to transfer the water between the two tanks and therefore, mechanical failure of this single pump will jeopardize the operation of the entire plant. Pumping of water during the detention step is also a concern because any oxidized iron and manganese particles that have agglomerated to form a floc are broken up as they pass through the pump. It is therefore recommended that the converted clearwell detention tank be abandoned and approximately 34,700 gallons of new detention be added. With the original 13,300 gallons of detention, this would result in a total of 48,000 gallons and 60 minutes of detention at 800 gpm.

The Castlewood plant currently has a 33,200 gallon detention tank which provides 44 minutes of detention at the 750 design treatment rate of the plant. The addition of two new filters would increase the treatment rate to 1,250 gpm and would require a total of 90,000 gallons of detention to achieve a detention time of 60 minutes. A consideration of possible piping and plant layout alternatives has concluded that it will be more efficient to build all new detention of 90,000 gallons and discontinue use of the existing detention tank. The existing detention would remain available for emergency use or during times that the new detention tank is taken out of service for cleaning or other maintenance needs.

b. Well Capacity: A total of six (6) wells are available in the Castlewood well field and supply both plants. Total well capacity is 1,830 gpm and firm capacity (capacity with the largest well out of service) is 1,385 gpm. The combined peak day that occurred in 2012 was 1,651,000 gallons. To provide the historic peak day, firm well capacity should be approximately 1,375 gpm to provide the peak day needs over a 20 hour period. Thus, the current wells are capable of meeting the historic peak day needs.

As noted in the previous section, proposed capacity improvements would result in 800 gpm in treatment capacity at Sioux and 1,250 gpm at Castlewood for a total of 2,050 gpm. To match treatment capacity, additional wells are required and to do so, 220 gpm of new well capacity would result in total capacity of 2,050 gpm and 665 gpm of new well capacity would result in firm capacity of 2,050. It is therefore recommended that at least two new wells be added as part of a capacity improvement project. Two new wells, depending on their capacity, would add from 500 to 700 gpm of new capacity to the system.

B System O & M

1. Mapping and Hydraulic Model:

The system utilizes mapping of its distribution system to identify the location of existing facilities when performing routine maintenance activities, trouble shooting events such as leaks or interruptions of service, providing utility locates for contractors and other utilities as they perform excavation activities in the vicinity of its pipeline, and a variety of other uses. The system's mapping is also necessary for planning activities and provides a visual reference when considering future improvements, such as service to new customers or providing additional capacity to current customers. Because of its multiple uses, mapping is a critical tool in the operation and management of the system.

Two general levels of mapping are maintained by the system. An overall distribution system map shows the location, size, and pressure class of all mainline pipe. It also shows the location of mainline valves, customers, pumping stations, storage reservoirs, and water source facilities. In addition, detail mapping referred to as "staking sheets" is also maintained. Staking sheets covering an approximate area of one square mile show in more detail the location of mainline pipe, service lines, services line valves and the location of individual customers. Staking sheets are printed on an aerial photography background.

All of the mapping components are in digital form and maintained by the system's engineering firm. Periodic updates are made to incorporate changes such as new customers that have been added and other changes in the facilities of the system. In order to adequately plan and describe the improvements needed for this study, current mapping is required and will be updated as part of this project.

A second vital tool in the operation of the system is a current hydraulic model. The system's engineer maintains this model and utilizes it to advise the system on the impact of adding new customers and other questions periodically throughout each year. The model is very robust. It utilizes KYPipe software and is able to simulate the operation of the pumping, storage, and distribution facilities in a variety of water use scenarios. As is the case with mapping, a current and accurate model is needed to identify weaknesses in the distribution and pumping system and provide the analysis needed to consider improvement alternatives proposed as part of the current study. The hydraulic model needs to be updated as it presently does not include all of the current customers and current water use throughout the system. As part of the

updating process, all new customers and changes in the facilities of the system will be added to the model and the model will be calibrated using current water use data and pressure recordings from various parts of the system. The data was gathered during the high water use period of the summer of 2012 when many of the components of the system were stressed and at the limit of their capacity.

2. AMR System:

The existing customer read meter and billing system results in a loss of revenue and inefficiencies in the management of water loss. An Automatic Meter Reading (AMR) system will accurately read and store customer and master meter readings and promptly generate accurate and consistent customer bills with a minimum of time and effort on the part of system staff. Such systems are ideally suited for rural water systems such as Sioux that cover large areas which make reading customer meters individually a costly and time consuming endeavor. It has been estimated that it would require approximately 200 or more additional man hours monthly to read each meter individually. The estimated cost, at $30 per man hour (with taxes and fringe benefits) would be $6,000 monthly, or about $72,000 annually.

The system is proposing to replace its existing meters with a Fixed Based AMR system. This type of system utilizes a fixed base tower or towers that communicates by radio to each individual meter. The data collected is processed by the host computer and the data is stored and used to generate and archive monthly bills that are sent out to each customer. The meters and software proposed also allow each individual meter to record water use data over an extended period of time which can be used to analyze unusual water use events and individual large water user data that can be used to more accurately model the hydraulics of the system. All of the meters in a service area are read at the same time and compared to the reading of a master meter to provide real-time data for water loss analysis and leak detection.

The components of the system include the replacement of all of the older style meters, the addition of a meter head on all meters that communicates with the fixed base tower, three fixed base radio towers, 2 radio boosters, and the computer equipment and software to process the data and generate bills.

C. Growth:

The capacity limitations described in paragraph A "Health, Sanitation, and Security" have occurred over time as system demands have increased both because of new customers and increased water use by existing customers. Each of the measures recommended to correct the current capacity limitations will add a modest amount of new excess capacity that will permit the continued addition of new customers and allow the system to develop in a planned and financially feasible manner.

ALTERNATES CONSIDERED

A. The Do Nothing Alternative

No action is one alternative considered. The proposed improvements are designed to meet expected increases in water demand. The water system could elect not to make the improvements. The result of no action would be a need to restrict growth of water demand, whether by restricting the addition of new consumers, by instituting water restrictions, or both. Sioux Rural Water is the only regional source of water for this area, so restrictions would force area residents to individual water supplies. Historically, individual supplies in the area are prone to contamination and have poor water quality. If no action is taken and demand is allowed to increase, there will be times of dangerously low water pressure, or service outages, with the present system. Sioux Rural Water has a relatively high water rate, and it is unlikely that voluntary water conservation would have a significant impact.

B. Source Improvement Alternatives

The two plants, Castlewood and Sioux, were constructed at the same time to remove iron and manganese and chlorinate the water from wells located adjacent to each plant. Because of nitrate contamination, the system later abandoned the wells at the Sioux plant and built a raw water main from the Castlewood well field to the Sioux plant. Both plants now utilize the Castlewood well field. For this reason, we will consider two alternative ways to increase the treated water capacity for the system.

1. Alternative #1 - Expand Both Plants and Add Wells at Castlewood

a. Description: This alternative would build two new wells at the Castlewood well field and expand the detention and filtration capacity of both plants. All of the wells would pump to the Castlewood plant and aeration for both plants would take place at Castlewood. New transfer pumps at Castlewood would deliver aerated water to the Sioux plant through the existing raw water main and the treatment process would be completed at Sioux.

The Castlewood plant capacity improvements in addition to the new aeration capacity needed for both plants would include a new detention tank and two new filters. The existing aeration and detention facilities at Castlewood would be retained for emergency use and during the cleaning of the new detention tank. The Sioux plant capacity improvements would be similar to Castlewood, adding additional detention and filtration capacity.

The capacity improvements proposed would result in the following:

Current Well Field Capacity:	1,830 gpm
Additional Capacity Proposed	500 gpm
Total Capacity with New Wells	2,330 gpm
Firm Capacity with New Wells	1,885 gpm

Current Castlewood WTP Capacity	750 gpm
Additional Capacity Proposed	500 gpm
Total Capacity with Addition	1,250 gpm
Current Sioux WTP Capacity	400 gpm
Additional Capacity Proposed	400 gpm
Total Capacity with Addition	800 gpm
Total Capacity - Both Plants	2,050 gpm

b. Design Criteria

(1) Aeration: Induced draft, 30 gpm per square foot
Castlewood Plant only, approx. 70 sq. ft.
Transfer pumps to Sioux - 800 gpm

(2) Detention: 60 minutes
Castlewood - 1,250 gpm, 75,000 gallons new
Sioux - 800 gpm, 48,000 gallons

(3) Filtration:
Castlewood, 2.5 gpm/sq. ft.
1,250 gpm, 500 sq. ft., 200 sq. ft. new
Sioux, 2.0 gpm/sq.ft.
800 gpm, 400 sq. ft., 200 sq. ft. new

c. Drawings: Drawings A1.1 through A1.4 show the improvements proposed as part of Alternative #1. A1.1 shows a proposed site plan for the Sioux plant expansion and the new facilities are shown in more detail in A1.2. The site plan and detail drawing for the Castlewood plant are shown in A1.3 and A1.4 respectively.

d. Environmental Impacts: There are no significant environmental impacts expected for this alternative.

e. Land Requirements: Sioux Rural Water has entered into a purchase agreement for a new well site south of the Castlewood plant which will be the location of one of the two wells that have been proposed. The second well will be located within the boundaries of the land owned by Sioux surrounding the current wells. Adequate space on the existing WTP sites is available for the proposed plant expansions.

f. Construction Problems: No unusual construction problems are anticipated.

g. Cost Estimates: Table 9 provides an estimated construction cost for the addition of two new wells at Castlewood and raw water main to connect the wells to existing raw water main and to the Castlewood plant. Table 10 provides an estimated cost for the Alternative 1 improvements.

h. Advantages/Disadvantages:

(1) The two plants have operated satisfactorily in the past and are understood by operating personnel. Expanding both plants therefore will not require any changes or new operator training.

(2) The capital cost to expand both plants is less than the cost of a single new plant.

(3) A project that expands both plants will encourage planners to consider updating and keeping current other components of the plants to allow them to serve well into the future. If a single new plant is built, components of the existing Castlewood plant will eventually become outdated and need a renewal investment.

2. Alternative #2 - New Plant at Castlewood and Add Wells at Castlewood

a. Description: This alternative would discontinue treatment at the Sioux plant and build all new capacity at Castlewood. The new capacity at Castlewood would be built as a completely new, stand alone plant on the same site as the existing plant. The existing Castlewood plant would continue to be utilized. Treated water from the Castlewood plant would be pumped to the Sioux plant through the existing raw water main where it would be repumped into the distribution system. Because the filtration rate at the existing Castlewood plant is higher than at the Sioux plant (2.5 gpm/sq. ft. vs. 2.0 gpm/ sq. ft., building all new filtration capacity at Castlewood can be done more efficiently.

The capacity improvements proposed would result in the following:

Current Well Field Capacity:	1,830 gpm
Additional Capacity Proposed	500 gpm
Total Capacity with New Wells	2,330 gpm
Firm Capacity with New Wells	1,885 gpm
Current Castlewood WTP Capacity	750 gpm
New Castlewood Plant Capacity	1,300 gpm
Total Capacity with Addition	2,050 gpm

b. Design Criteria:

(1) Aeration: Induced draft, 30 gpm per square foot
New Castlewood Plant only, 1,300 gpm, approx. 43 sq. ft.

(2) Detention: 60 minutes
New Castlewood Plant only, 78,000 gallons new

(3) Filtration:

New Castlewood Plant only, 2.5 gpm/sq. ft.
1,300 gpm, 520 sq. ft., 4 12' x 12' filters

c. Drawings: Drawings A2-1 through A2-5 show the site plan and basic layout of the building proposed for the new Castlewood plant option.

d. Environmental Impacts: There are no significant environmental impacts expected for this alternative.

e. Land Requirements: Sioux Rural Water has entered into a purchase agreement for a new well site south of the Castlewood plant which will be the location of one of the two wells that have been proposed. The second well will be located within the boundaries of the land owned by Sioux surrounding the current wells. Adequate space is available on the existing Castlewood WTP site for the proposed new plant.

f. Construction Problems: No unusual construction problems are anticipated.

g. Cost Estimates: Table 9 provides an estimated construction cost for the addition of two new wells at Castlewood and raw water main to connect the wells to existing raw water main and to the Castlewood plant. Table 10 provides an estimated cost for the Alternative 2 improvements.

h. Advantages/Disadvantages:

(1) A savings in operation and maintenance costs will be achieved if a single new plant is built. All treatment would occur at the Castlewood site, reducing effort and travel by operators between the two sites. Also, less net filtration area in this alternative will reduce the future cost of filter media replacement. Another consideration is that raw water would no longer be pumped approximately 8 miles to the Sioux plant and instead treated water would be pumped through the existing raw water main, reducing the effort needed to periodically clean this line by pigging.

(2) Building a single new building rather than adding on and renovating two older buildings will reduce the unknown cost factors during the planning process.

(3) Building a new plant provides the opportunity to incorporate the newest technological advances and provide the flexibility needed to adapt to continuing changes in the regulatory area.

(4) All of the treatment close to the Castlewood well field will allow for greater flexibility and redundancy in the use of the wells. Because of hydraulic considerations, the wells are currently equipped with pumps that allow them to be used either at the Sioux plant or the Castlewood plant. With changes to the pumps on the Sioux wells, all of the wells could be used to pump to the Castlewood plants.

SELECTION OF AN ALTERNATIVE

A. Cost Comparison

Table 11 provides a life cycle cost comparison of the two alternatives. It converts the construction cost for each Alternative to an annual debt service cost based on an interest rate and term for typical funding from USDA Rural Development. Differences in Annual Operating Costs are also included in the table and together, the various costs calculate the annual cost of each alternative. The table indicates that Alternative #1 is significantly less costly than Alternative #2.

B. Other Factors

Non-quantifiable factors generally favor the Alternative #2. A new plant at Castlewood would be modern, state-of-the-art facility and all treatment would occur at the new plant and the adjacent existing Castlewood WTP allowing operators to more conveniently operate both plants.

C. Selection

The cost advantage of Alternative #1, expanding both plants are too significant to out weigh the advantages of Alternate #2 and we will therefore select Alternative #1 as the preferred alternative.

PROPOSED PROJECT

A. Project Description

1. AMR System:

The components for a complete Fixed Base AMR System are listed in Table 7; however, the AMR system is NOT part of the proposed project as other items have greater urgency.

2. Distribution System Improvements:

Distribution system improvements are proposed as detailed in Table 8.

3. Pumping Improvements:

Pumping improvements are detailed in Table 8. The Owner intends to perform the work as associated with the pumping improvements outside of the proposed project.

4. Well Field Improvements:

The addition of two new wells, as shown in Table 9, is proposed for either of the two treatment alternatives considered.

5. Water Treatment Plant Improvements

The Alternative #1 Improvements, as shown in Tables 10 and 11, are proposed that include expansion of both plants.

B. Total Project Cost Estimate

A complete cost estimate for the proposed project, including non-construction costs is provided in Table 12.

C. Annual Operating Budget

Changes to the Operating Budget are displayed in Table 13. The second column of the table shows the amounts for the current Sioux RW operating budget, the third column shows changes to the budget if the proposed project is constructed, the fourth column shows the percentage increase in the current budget that would occur with the increases shown in the third column, and finally, the fifth column displays the operating budget totals with the changes that would occur if the project was built.

1. Income

Income would need to increase by about 17% to cover the costs of the project. In order to generate the increased revenue, the water rate will need to be increased. Table 13 shows a proportional increase to each of the water sales categories, however, an actual rate increase might impact each category differently depending on the desires of the Sioux RW management and Board.

2. O&M Costs

It is anticipated that the project will not significantly impact present operation and maintenance costs. The only impact shown is a reduction in Contracted Services for annual meter reading costs that would no longer be required if the AMR system is built.

3. Debt Repayment

Table 13 shows the changes to RUS loan payments as a result of the project. The loan repayment is based on securing RUS loan funds for the total project cost for Phase 1 shown in Table 12 at an interest rate of 2.75% for 40 years.

4. Reserves

a. Debt Service Reserves

Debt Service Reserve is included in the budget at 10% of the loan payment amount. This would comply with current RUS requirements.

b. Short-lived Asset Reserve

Table 14 shows the calculation of the annualized cost to periodically replace the items listed in the table and the amount was added to the system's existing reserve budget in Table 12.

CONCLUSIONS AND RECOMMENDATIONS

It is our opinion that the project as proposed is both necessary and financially feasible and we therefore encourage Sioux Rural Water to proceed with securing the necessary funding for the project and proceeding to design and construction.

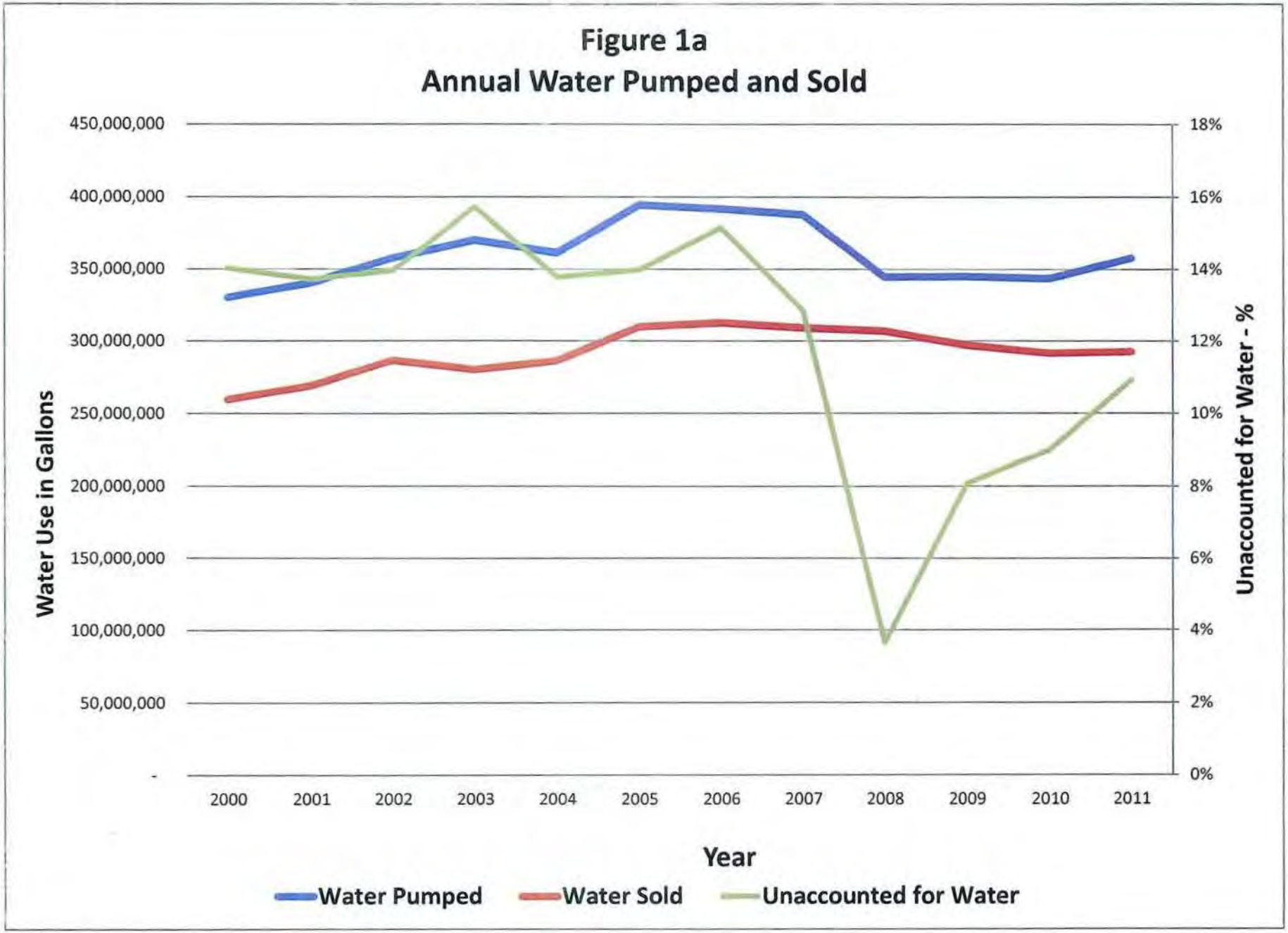


Figure 1a
Annual Water Pumped and Sold
450,000,000
400,000,000
350,000,000
300,000,000
250,000,000
200,000,000
150,000,000
100,000,000
50,000,000
-
Water Use in Gallons
18%
16%
14%
12%
10%
8%
6%
4%
2%
0%
Unaccounted for Water - %
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
Year
Water Pumped
Water Sold
Unaccounted for Water

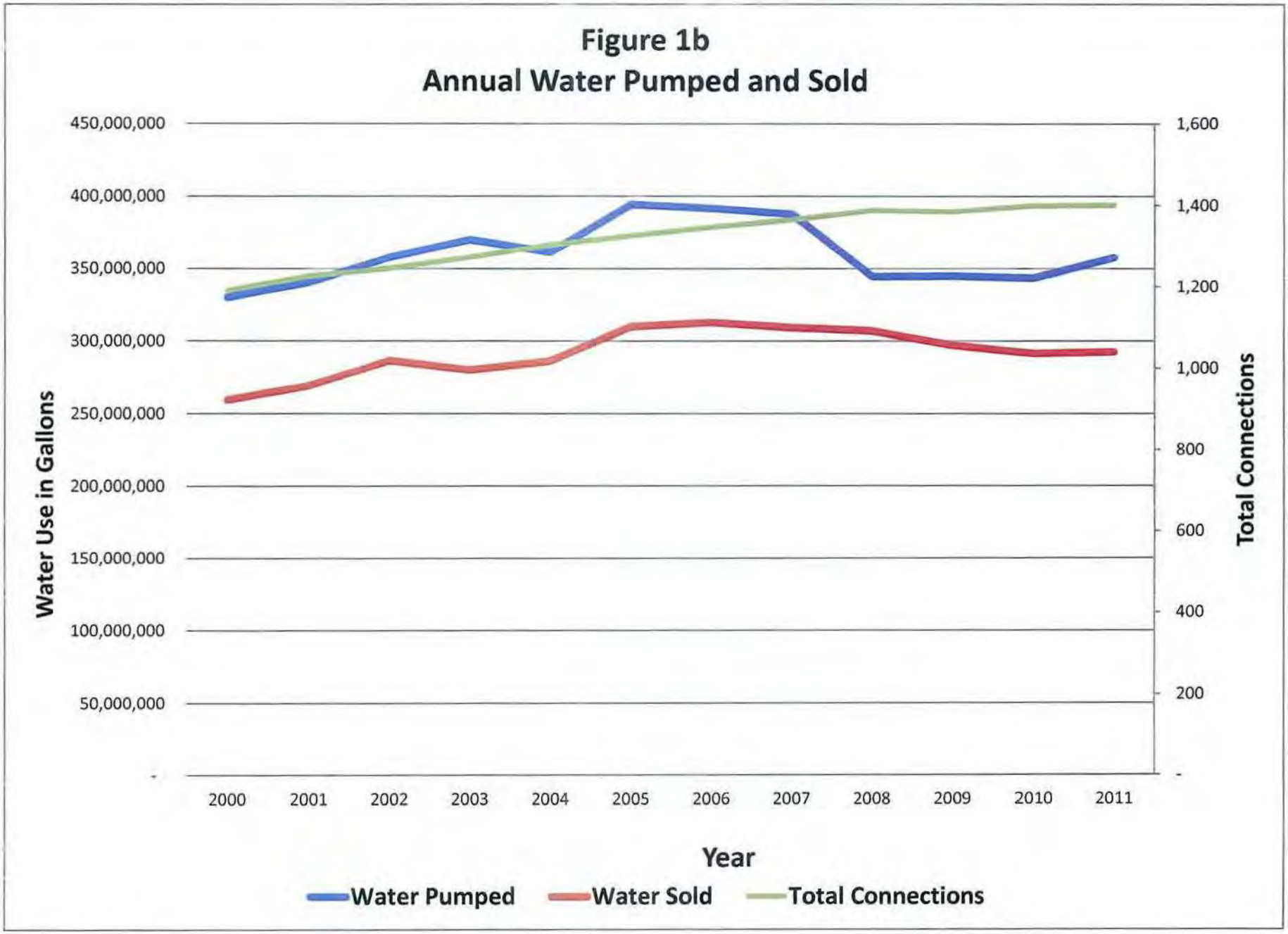


Figure 1b
Annual Water Pumped and Sold
450,000,000
400,000,000
350,000,000
300,000,000
250,000,000
200,000,000
150,000,000
100,000,000
50,000,000
-
Water Use in Gallons
1,600
1,400
1,200
1,000
800
600
400
200
-
Total Connections
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
Year
Water Pumped
Water Sold
Total Connections

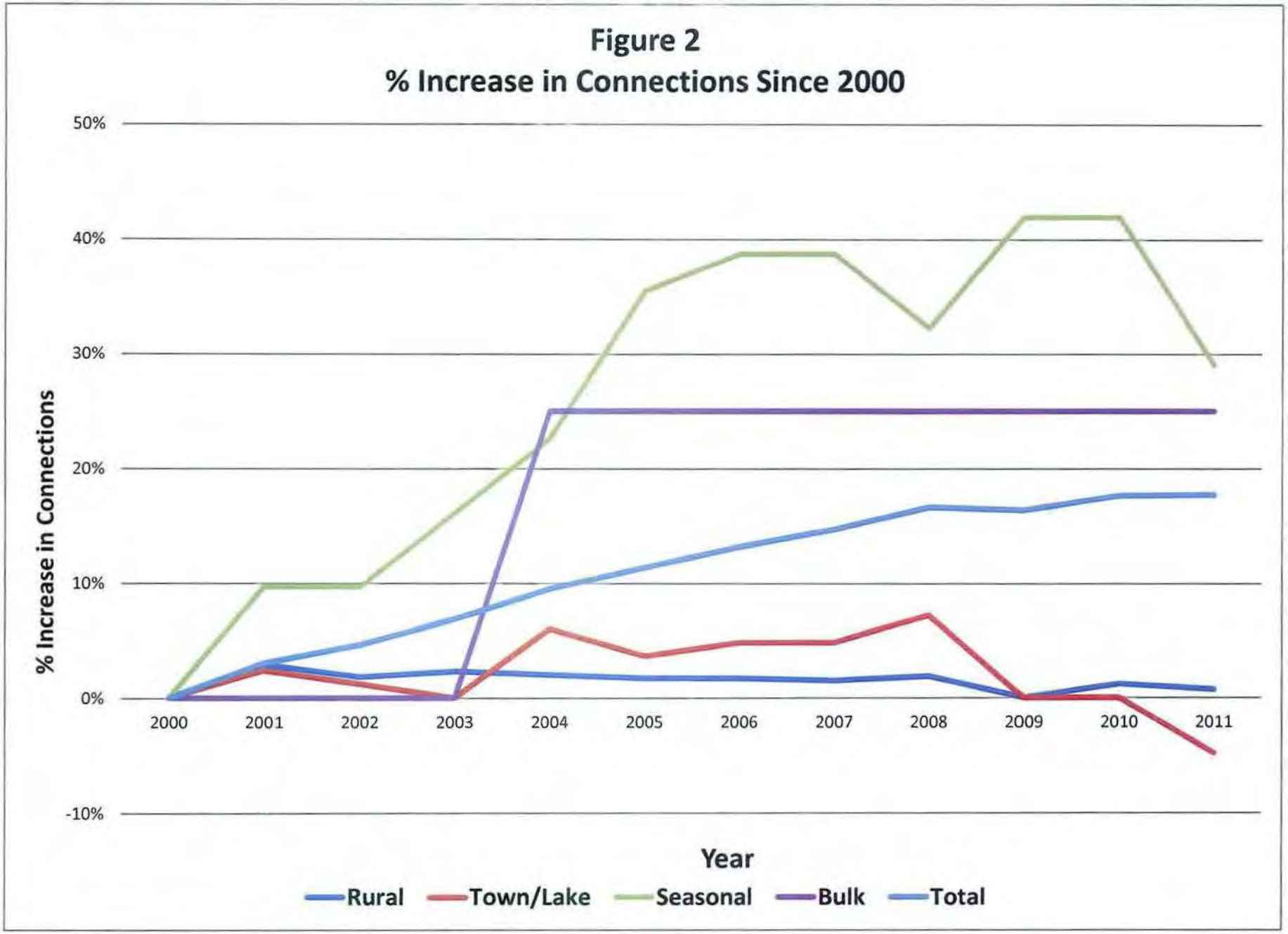
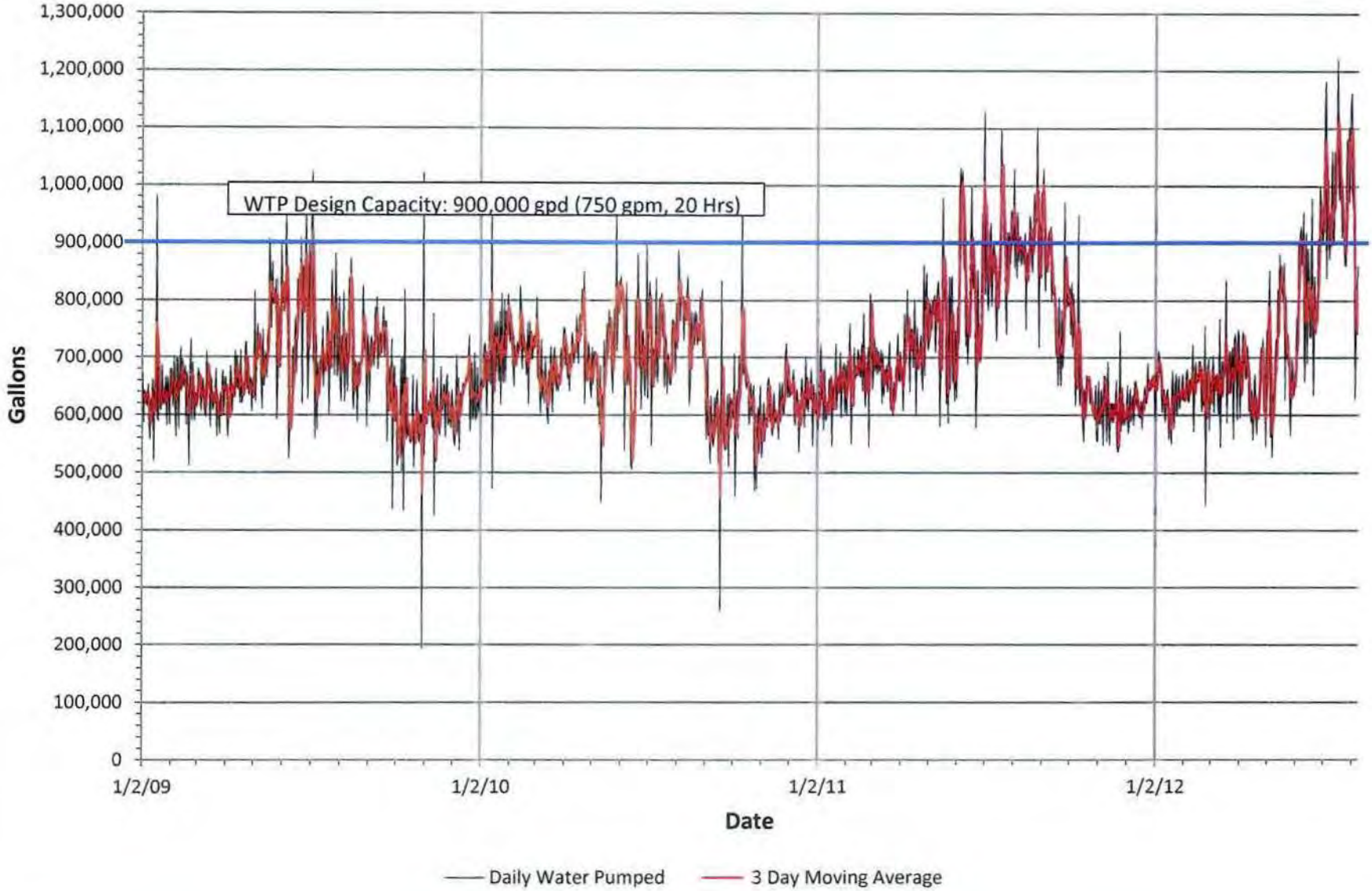


Figure 2
% Increase in Connections Since 2000
50%
40%
30%
20%
10%
0%
-10%
% Increase in Connections
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
Year
Rural
Town/Lake
Seasonal
Bulk
Total

Figure 3
WATER USAGE - CASTLEWOOD WTP



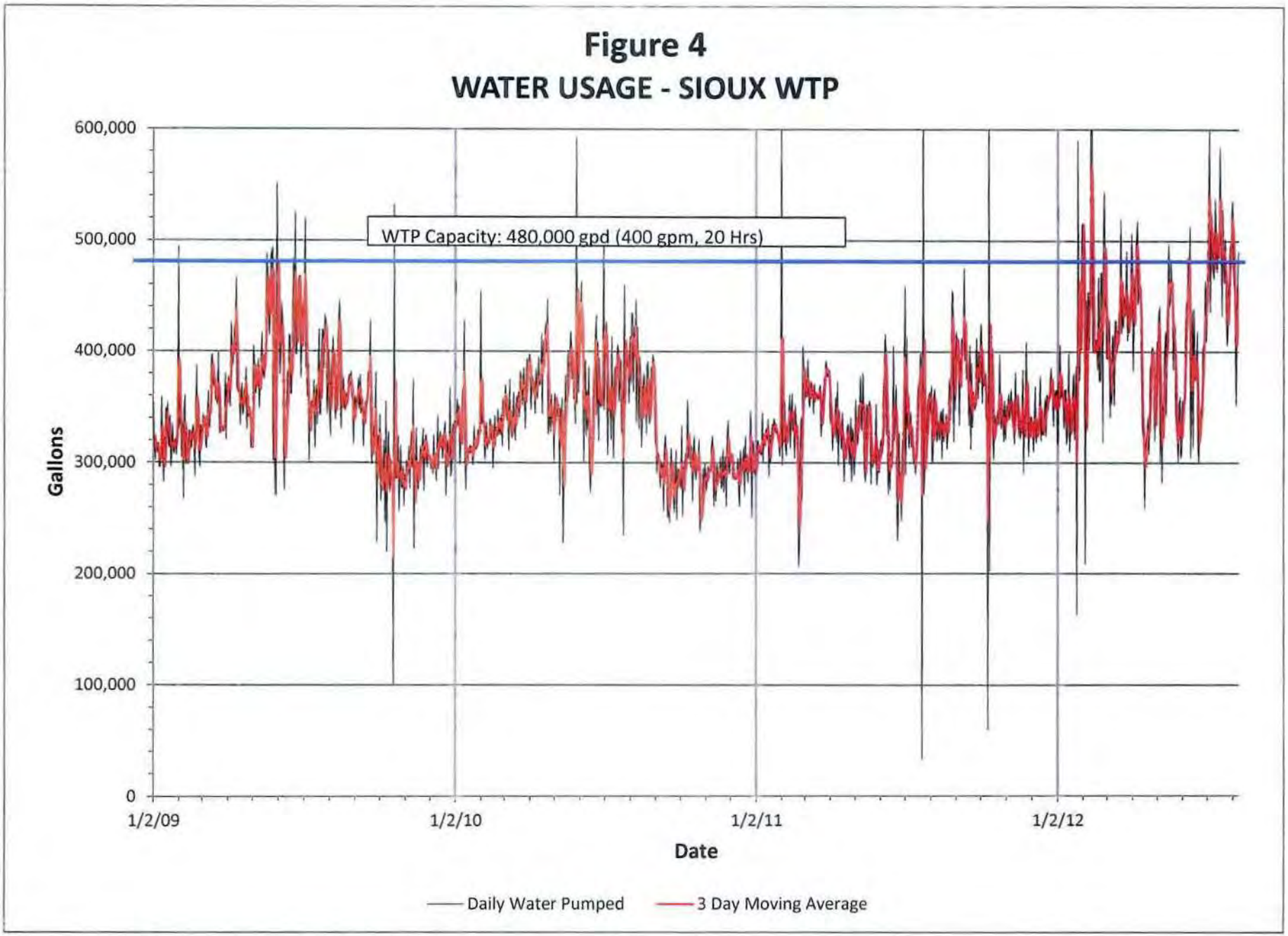


Figure 4
WATER USAGE - SIOUX WTP
600,000
500,000
400,000
300,000
200,000
100,000
0
Gallons
WTP Capacity: 480,000 gpd (400 gpm, 20 Hrs)
1/2/09
1/2/10
1/2/11
1/2/12
Date
Daily Water Pumped
3 Day Moving Average

Table 1
Population Data

	1990	2009	Growth	Growth/yr.	%Growth/yr.
Codington County	22,793	26,248	3,455	182	0.8%
Incorporated Cities					
Florence	193	289	96	5	2.6%
Henry	216	251	35	2	0.9%
Kranzburg*	132	178	46	2	1.8%
South Shore	261	252	(9)	(0)	-0.2%
Wallace	83	83	-	-	0.0%
Watertown	17,864	20,350	2,486	131	0.7%
Total - Incorporated	18,749	21,403	2,654	140	0.7%
Rural and Unincorporated	4,044	4,845	801	42	1.0%
Unicorporated: Appleby, Grover, Kampeska, Rauville, Waverly					
Hamlin County	4,969	5,737	768	40	0.8%
Incorporated Cities					
Bryant*	373	376	3	0	0.0%
Castlewood*	567	684	117	6	1.1%
Estelline*	657	668	11	1	0.1%
Hayti*	371	375	4	0	0.1%
Hazel*	103	109	6	0	0.3%
Lake Norden	426	424	(2)	(0)	0.0%
Total - Incorporated	2,497	2,636	139	7	0.3%
Rural and Unincorporated	2,472	3,101	629	33	1.3%
Unicorporated: Dempster, Thomas					
Total - Both Counties	27,762	31,985	4,223	222	0.8%
Rural and Unincorporated	6,516	7,946	1,430	75	1.2%
* Communities Served	2,203	2,390	187	10	0.4%

Table 2
Annual Water Pumped and Sold in Gallons

Year	Produced	Sold	Loss	Adjustment	Unaccoun.	Unaccoun. %
2000	330,104,000	259,331,000	70,773,000	24,492,740	46,280,260	14%
2001	340,505,833	268,972,000	71,533,833	24,835,777	46,698,056	14%
2002	357,840,000	286,609,000	71,231,000	21,283,560	49,947,440	14%
2003	370,152,000	280,086,000	90,066,000	31,845,000	58,221,000	16%
2004	361,340,000	286,214,000	75,126,000	25,329,720	49,796,280	14%
2005	394,425,000	309,889,000	84,536,000	29,406,900	55,129,100	14%
2006	391,880,500	312,640,000	79,240,500	19,857,409	59,383,091	15%
2007	387,761,000	309,131,000	78,630,000	28,807,500	49,822,500	13%
2008	344,654,000	306,854,000	37,800,000	25,259,140	12,540,860	4%
2009	344,909,000	296,992,000	47,917,000	20,083,120	27,833,880	8%
2010	343,487,000	291,381,000	52,106,000	21,170,420	30,935,580	9%
2011	357,660,000	292,487,000	65,173,000	26,129,400	39,043,600	11%

Table 3
Number of Customers by User Group

Year	Rural	Town/Lake	Seasonal	Bulk	Total
2000	1,072	83	31	4	1,190
2001	1,103	85	34	4	1,226
2002	1,123	84	34	4	1,245
2003	1,149	83	36	4	1,272
2004	1,172	88	38	5	1,303
2005	1,192	86	42	5	1,325
2006	1,212	87	43	5	1,347
2007	1,230	87	43	5	1,365
2008	1,253	89	41	5	1,388
2009	1,253	83	44	5	1,385
2010	1,268	83	44	5	1,400
2011	1,277	79	40	5	1,401

Table 4
Annual Water Sold in Gallons by User Group

	Annual Water Sold					Average Water Sold Per Connection per Month				
Year	Rural	Town/Lake	Seasonal	Bulk	Total	Rural	Town/Lake	Seasonal	Bulk	Total
2000	203,832,000	5,665,000	335,000	49,499,000	259,331,000	15,845	5,688	901	1,031,229	18,160
2001	220,436,000	5,568,000	1,118,000	41,850,000	268,972,000	16,654	5,459	2,740	871,875	18,282
2002	234,857,000	5,247,000	1,566,000	38,416,000	280,086,000	17,428	5,205	3,838	800,333	18,747
2003	234,857,000	5,247,000	1,566,000	38,416,000	280,086,000	17,033	5,268	3,625	800,333	18,349
2004	242,070,000	5,086,000	1,961,000	37,097,000	286,214,000	17,212	4,816	4,300	618,283	18,305
2005	261,098,000	5,663,000	3,891,000	39,237,000	309,889,000	18,253	5,487	7,720	653,950	19,490
2006	265,365,000	6,028,000	3,684,000	37,563,000	312,640,000	18,246	5,774	7,140	626,050	19,342
2007	263,996,000	5,862,000	3,394,000	35,879,000	309,131,000	17,886	5,615	6,578	597,983	18,872
2008	262,075,000	5,185,000	2,548,000	37,046,000	306,854,000	17,430	4,855	5,179	617,433	18,423
2009	249,450,000	4,917,000	2,300,000	40,325,000	296,992,000	16,590	4,937	4,356	672,083	17,870
2010	247,147,000	4,162,000	2,043,000	38,029,000	291,381,000	16,243	4,179	3,869	633,817	17,344
2011	247,813,000	3,952,000	2,719,000	38,003,000	292,487,000	16,172	4,169	5,665	633,383	17,398

Table 5
Average and Peak Day Water Use

	Castlewood WTP			Sioux WTP			Total of Both Plants		
Year	Average Day	Peak Day	Ratio	Average Day	Peak Day	Ratio	Average Day	Peak Day	Ratio
2009	669,962	921,667	1.38	347,588	480,333	1.38	1,017,549	1,391,000	1.37
2010	681,250	833,333	1.22	336,770	455,667	1.35	1,018,020	1,288,000	1.27
2011	735,434	1,036,000	1.41	341,826	431,000	1.26	1,077,260	1,422,000	1.32
2012	739,575	1,113,000	1.50	412,823	568,333	1.38	1,152,398	1,650,667	1.43

Table 6
Water Storage

Location	Type	Capacity
Sioux WTP	above grade steel (Aquastore)	338,000
Sioux WTP	below grade concrete	30,000
Castlewood WTP	above grade steel (Aquastore)	425,000
Castlewood WTP	above grade steel (Aquastore)	238,000
Kones	above grade steel (Aquastore)	154,000
Hayti	below grade concrete	30,000
Krause	above grade steel (Aquastore)	283,000
Krause	above grade steel (Aquastore)	158,000
Tower A	elevated	50,000
Tower B	elevated	50,000
Tower E	elevated	50,000
Tower F	elevated	50,000
Tower G	elevated	50,000
		1,906,000

Table 7
AMR System

Item	Units		Unit Price		Extension
Meter Body Replacement	1,200	$	150.00	$	180,000
Meter Radio Heads	1,500	$	145.00	$	217,500
Master Meters and Radio Heads	26	$	2,750.00	$	71,500
AMR Radio Towers - Base	3	$	40,000.00	$	120,000
AMR Radio Boosters	2	$	3,500.00	$	7,000
AMR Mobile Programming Equip.	1	$	6,000.00	$	6,000
AMR Base Equip. & Software	1	$	30,000.00	$	30,000
AMR Business Software	1	$	43,000.00	$	43,000
AMR Computer Upgrades	1	$	12,000.00	$	12,000
Total Estimated Construction Cost				$	687,000

Table 8
Distribution and Pumping System Improvements

Item	Units		Unit Price		Extension
DISTRIBUTION IMPROVEMENTS					
Northwest Area					
8" CL160 PVC Pipeline	42,400	$	8.00	$	339,200
4" CL160 PVC Pipeline	9,000	$	3.55	$	31,950
Valves, crossings & misc.			40%	$	148,000
PRV and Tie	1	$	12,000	$	12,000
North of Booster H					
6" CL160 PVC Pipeline	10,600	$	5.50	$	58,300
Valves, crossings & misc.			40%	$	23,000
East of Watertown					
6" CL160 PVC Pipeline	10,600	$	5.50	$	58,300
6" CL200 PVC Pipeline	10,600	$	6.30	$	66,780
Valves, crossings & misc.			40%	$	85,000
Miscellaneous Locations					
6" CL160 PVC Pipeline	5,300	$	5.50	$	29,150
6" CL250 PVC Pipeline	7,950	$	7.30	$	58,035
3" CL160 PVC Pipeline	13,250	$	2.90	$	38,425
Valves, crossings & misc.			40%	$	50,000
Total Estimated Distribution Construction Cost				$	998,000
PUMPING IMPROVEMENTS					
Booster H - backup pump, pump replacement				$	40,000
Booster D - control modifications				$	10,000
Hayti - backup pump				$	20,000
Booster C - backup pump				$	90,000
Kones Booster - backup pump				$	20,000
Sioux WTP - replace pump #1 with larger pump				$	70,000
Total Estimated Pumping Improvements Construction Cost				$	250,000

Table 9
Well Field Improvements

Item	Units	Unit Price	Extension
Well Construction	2	45,000	90,000.00
Pumps and Controls	2	40,000	80,000.00
Replace Pumps in Sioux Wells	4	8,000	32,000.00
Connecting Pipelines	5,300	12	63,600.00
Misc. Items			50,000.00
Total Estimated Construction Cost			$ 226,000

Table 10
WTP Improvements

Item		Cost
Alternative #1 - Expand Both Plants		
Sioux WTP Expansion		
Additional Detention Capacity	$	176,000
Additional Filtration Capacity	$	385,000
Existing Filter Media Replacement	$	14,000
Chemical Feed Improvements	$	4,400
Process Piping	$	110,000
Electrical and Controls	$	66,000
Castlewood WTP Expansion		
Additional Aeration Capacity	$	99,000
Additional Detention Capacity	$	264,000
Additional Filtration Capacity	$	577,500
Existing Filter Media Replacement	$	20,000
Transfer Pumps	$	82,500
Chemical Feed Improvements	$	6,600
Process Piping	$	165,000
Site Piping	$	15,000
Electrical and Controls	$	99,000
Alternative #1 Construction Cost	$	2,084,000
Alternative #2 - New Castlewood Plant		
Aeration	$	77,500
Detention	$	310,000
Filtration	$	1,356,250
Clearwell	$	155,000
High Service and Transfer Pumps	$	310,000
Chemical Feed Improvements	$	77,500
Existing Filter Media Replacement (current Castlewood WTP	$	20,000
Process Piping	$	387,500
Office/Lab	$	77,500
Electrical and Controls	$	310,000
Alternative #2 Construction Cost	$	3,081,250

Table 11
Life Cycle Cost Comparison

Item	Alternative #1	Alternative #2
Construction Cost	$ 2,084,000	$ 3,081,250
Annual Debt Service (2.75%, 40 yrs.)	$ 86,552	$ 127,969
Annual O&M Cost Savings:		
Elliminate raw water main pigging (once per 3 yrs., 96 manhours @ $30/hr.)		$ (960)
Reduce operator travel and travel time (16 miles/day @ $0.555/mi., 0.5 hr./day @ $30/hr.)		$ (8,716)
Reduced filter media replacement (once per 15 yrs. @ $60,000, 10% savings)		$ (400)
Total Life Cycle Cost	$ 86,552	$ 117,893

Table 12
Proposed Project

Item		Cost
Estimated Construction Costs		
AMR System (FUTURE)	$	-
Distribution System Improvements	$	998,000
Pumping Improvements (BY OWNER)	$	-
Well Field Improvements	$	226,000
WTP Improvements - Alternative #1	$	2,084,000
Contingencies - 15%	$	496,000
Total Estimated Construction Cost	$	3,804,000
Estimated Non-Construction Costs		
Engineering		
Prelminary and Planning	$	120,000
Hydraulic Modeling	$	30,000
System Mapping	$	70,000
Preliminary Engineering Report	$	33,000
Environmental Review	$	22,000
Engineering Design	$	285,000
Construction Administration	$	171,000
Resident Project Representative - Engineer	$	95,000
Resident Project Representative - Owner	$	57,000
Administrative and Legal	$	57,000
Estimated Sales Tax on Professional Services (4%)	$	35,000
Land and Rights of Way	$	75,000
Total Estimated Non-Construction Costs	$	1,050,000
Total Estimated Project Cost	$	4,854,000

Table 13
Operating Budget

Item	Current Budget	Changes	% Change	Proposed Budget
OPERATING INCOME				
Rural Sales	$ 1,299,000	$ 233,820	18.0%	$ 1,532,820
Small Town and Lake Homes	$ 43,000	$ 7,740	18.0%	$ 50,740
Seasonal	$ 18,000	$ 3,240	18.0%	$ 21,240
Bulk Purchasers	$ 99,000	$ 17,820	18.0%	$ 116,820
Interest & Miscellaneous	$ 85,000	$ -	0.0%	$ 85,000
Hoopup Fees	$ 2,500	$ -	0.0%	$ 2,500
Total Operating Income	**$ 1,547,000**	**$ 260,000**	**16.8%**	**$ 1,809,000**
OPERATING EXPENSES - ADMINISTRATION				
Salary, Wages, Benefits	$ 98,000	$ -	0.0%	$ 98,000
Transportation	$ 7,000	$ -	0.0%	$ 7,000
System Insurance	$ 90,000	$ -	0.0%	$ 90,000
Utilities	$ 6,000	$ -	0.0%	$ 6,000
Professional Fees	$ 11,000	$ -	0.0%	$ 11,000
Directors Fees and Expenses	$ 25,000	$ -	0.0%	$ 25,000
Audit	$ 5,900	$ -	0.0%	$ 5,900
State Associaiton Dues	$ 7,500	$ -	0.0%	$ 7,500
Uncollectable Accounts	$ 1,500	$ -	0.0%	$ 1,500
Miscellaneous	$ 22,000	$ -	0.0%	$ 22,000
Subtotal - Administration	**$ 273,900**	**$ -**	0.0%	**$ 273,900**
OPERATING EXPENSES - OFFICE				
Salary, Wages, Benefits	$ 88,000	$ -	0.0%	$ 88,000
Transportation	$ 1,500	$ -	0.0%	$ 1,500
Contracted Services	$ 7,500	$ -	0.0%	$ 7,500
Office Supplies & Materials	$ 5,000	$ -	0.0%	$ 5,000
Utilities	$ 6,000	$ -	0.0%	$ 6,000
Miscellaneous	$ 12,000	$ -	0.0%	$ 12,000
Subtotal - Office	**$ 120,000**	**$ -**	**0.0%**	**$ 120,000**
Total Administrative	**$ 393,900**	**$ -**	**0.0%**	**$ 393,900**
OPERATIONAL				
Salary, Wages, Benefits	$ 197,000	$ -	0.0%	$ 197,000
Transportation	$ 40,000	$ -	0.0%	$ 40,000
O&M Distribution	$ 87,000	$ -	0.0%	$ 87,000
O&M Plant	$ 175,000	$ -	0.0%	$ 175,000
Contracted Maintenance	$ 7,000	$ -	0.0%	$ 7,000
Utilities	$ 112,000	$ -	0.0%	$ 112,000
Total Operational	**$ 618,000**	**$ -**	0.0%	**$ 618,000**
Capital Improvements	$ 10,000	$ -	0.0%	$ 10,000
Loan Payments - RUS	$ 421,584	$ 201,594	47.8%	$ 623,178
Reserve - RUS	$ 34,826	$ 20,159	57.9%	$ 54,985
Funded Depretiation - RUS	$ 30,471	$ 10,000	32.8%	$ 40,471
TOTAL EXPENSES	**$ 1,509,000**	**$ 232,000**	15.4%	**$ 1,741,000**
NET INCOME (LOSS)	**$ 38,000**	**$ 28,000**	73.7%	**$ 68,000**

Table 14
Change in Funded Depretiation

Federal Discount Rate (Appendix C of OMB Circular A-94)

3 year	1.6%
5 year	2.1%
7 year	2.5%
10 year	2.8%
20 year	3.5%
30 year	3.8%

Inflation Rate 2.2%

Short Term Depretiation Items Added	Base Value	Anticipated Life - Yrs.	Replacement Cost	PV of Replacement Cost	Annualized PV of Replacement
Wells - 2 @ $45,000 ea.	$ 90,000	30	$ 173,000	$ 57,000	$3,217
Well Pumps and Controls - 2 @ $40,000 ea.	$ 80,000	20	$ 124,000	$ 62,000	$4,362
High Service and Booster Pumps	$ 40,000	20	$ 62,000	$ 31,000	$2,181
Totals	$ 210,000		$ 359,000	$ 150,000	$10,000

Sioux Rural Water System, Inc.

Rate Listing - As of August 1, 2012 Increase

RATE NO.	*DESCRIPTION*	*MINIMUM*	*RATE STEPS*		
01	Farm & Rural Residence	$37.00	1st	65,000	$3.60
			2nd	remainder	$2.60
11	Seasonal & Pasture	$324.00	1st	24,000 included	
			2nd	41,000	$3.60
			3rd	remainder	$2.60
21	Small Towns	$29.00	1st	65,000	$3.60
			2nd	remainder	$2.60
31	Churches-Annual	$444.00	1st	65,000	$3.60
			2nd	remainder	$2.60
32	Churches with Parsonage	$444.00	1st	65,000	$3.60
			2nd	remainder	$2.60
33	Township Halls	$444.00	1st	65,000	$3.60
			2nd	remainder	$2.60

*Churches & Township Hall rates changed 1/1/12 to reflect 12 months of usage and no free water

SRW Rate Listing

RATE NO.	DESCRIPTION	MINIMUM	RATE STEPS		
41	Town of Kranzburg-Bulk	$161.00	1st	all water	$2.60
42	City of Bryant-Bulk	$453.00	1st	all water	$2.60
43	Town of Hazel-Bulk	$170.00	1st	all water	$2.60
44	Town of Hayti	$70.00	1st	all water	$2.60
45	City of Castlewood	$70.00	1st	all water	$2.60
46	City of Estelline	$5.00	1st	all water	$2.60
55	Trailer Park with 5/8" meter	$37.00	1st	65,000	$3.60
			2nd	remainder	$2.60
56	Trailer Park with 3/4" meter	$47.00	1st	65,000	$3.60
			2nd	remainder	$2.60
57	Trailer Park with 1" meter	$57.00	1st	65,000	$3.60
			2nd	remainder	$2.60
58	Trailer Park with 1 ½" meter	$67.00	1st	65,000	$3.60
			2nd	remainder	$2.60

Sioux Rural Water System, Inc.

45703 176th Street
Watertown, SD 57201
(605) 882-1321

FARM & RURAL RESIDENCE RATE SCHEDULE
Debt Service Minimum = **$37.00**

Gallons Used	Amount	Gallons Used	Amount	Gallons Used	Amount
0	37.00				
1,000	40.60	36,000	166.60	71,000	286.60
2,000	44.20	37,000	170.20	72,000	289.20
3,000	47.80	38,000	173.80	73,000	291.80
4,000	51.40	39,000	177.40	74,000	294.40
5,000	55.00	40,000	181.00	75,000	297.00
6,000	58.60	41,000	184.60	76,000	299.60
7,000	62.20	42,000	188.20	77,000	302.20
8,000	65.80	43,000	191.80	78,000	304.80
9,000	69.40	44,000	195.40	79,000	307.40
10,000	73.00	45,000	199.00	80,000	310.00
11,000	76.60	46,000	202.60	81,000	312.60
12,000	80.20	47,000	206.20	82,000	315.20
13,000	83.80	48,000	209.80	83,000	317.80
14,000	87.40	49,000	213.40	84,000	320.40
15,000	91.00	50,000	217.00	85,000	323.00
16,000	94.60	51,000	220.60	86,000	325.60
17,000	98.20	52,000	224.20	87,000	328.20
18,000	101.80	53,000	227.80	88,000	330.80
19,000	105.40	54,000	231.40	89,000	333.40
20,000	109.00	55,000	235.00	90,000	336.00
21,000	112.60	56,000	238.60	91,000	338.60
22,000	116.20	57,000	242.20	92,000	341.20
23,000	119.80	58,000	245.80	93,000	343.80
24,000	123.40	59,000	249.40	94,000	346.40
25,000	127.00	60,000	253.00	95,000	349.00
26,000	130.60	61,000	256.60	96,000	351.60
27,000	134.20	62,000	260.20	97,000	354.20
28,000	137.80	63,000	263.80	98,000	356.80
29,000	141.40	64,000	267.40	99,000	359.40
30,000	145.00	65,000	271.00	100,000	362.00
31,000	148.60	66,000	273.60	101,000	364.60
32,000	152.20	67,000	276.20	102,000	367.20
33,000	155.80	68,000	278.80	103,000	369.80
34,000	159.40	69,000	281.40	104,000	372.40
35,000	163.00	70,000	284.00	105,000	375.00

Add $2.60 for each additional 1,000 gallons.
This rate starts with the bill due on August 1, 2012.

Sioux Rural Water System, Inc.

45703 176th Street
Watertown, SD 57201
(605) 882-1321

SMALL TOWN RATE SCHEDULE
Debt Service Minimum = **$29.00**

Gallons Used	Amount	Gallons Used	Amount	Gallons Used	Amount
0	29.00				
1,000	32.60	36,000	158.60	71,000	278.60
2,000	36.20	37,000	162.20	72,000	281.20
3,000	39.80	38,000	165.80	73,000	283.80
4,000	43.40	39,000	169.40	74,000	286.40
5,000	47.00	40,000	173.00	75,000	289.00
6,000	50.60	41,000	176.60	76,000	291.60
7,000	54.20	42,000	180.20	77,000	294.20
8,000	57.80	43,000	183.80	78,000	296.80
9,000	61.40	44,000	187.40	79,000	299.40
10,000	65.00	45,000	191.00	80,000	302.00
11,000	68.60	46,000	194.60	81,000	304.60
12,000	72.20	47,000	198.20	82,000	307.20
13,000	75.80	48,000	201.80	83,000	309.80
14,000	79.40	49,000	205.40	84,000	312.40
15,000	83.00	50,000	209.00	85,000	315.00
16,000	86.60	51,000	212.60	86,000	317.60
17,000	90.20	52,000	216.20	87,000	320.20
18,000	93.80	53,000	219.80	88,000	322.80
19,000	97.40	54,000	223.40	89,000	325.40
20,000	101.00	55,000	227.00	90,000	328.00
21,000	104.60	56,000	230.60	91,000	330.60
22,000	108.20	57,000	234.20	92,000	333.20
23,000	111.80	58,000	237.80	93,000	335.80
24,000	115.40	59,000	241.40	94,000	338.40
25,000	119.00	60,000	245.00	95,000	341.00
26,000	122.60	61,000	248.60	96,000	343.60
27,000	126.20	62,000	252.20	97,000	346.20
28,000	129.80	63,000	255.80	98,000	348.80
29,000	133.40	64,000	259.40	99,000	351.40
30,000	137.00	65,000	263.00	100,000	354.00
31,000	140.60	66,000	265.60	101,000	356.60
32,000	144.20	67,000	268.20	102,000	359.20
33,000	147.80	68,000	270.80	103,000	361.80
34,000	151.40	69,000	273.40	104,000	364.40
35,000	155.00	70,000	276.00	105,000	367.00

Add $2.60 for each additional 1,000 gallons.
This rate starts with the bill due on August 1, 2012.

Sioux Rural Water
Audit Report
For the Years Ended
December 31, 2011 And 2010

Kinner & Company Ltd
Certified Public Accountants
Taxes, QuickBooks &
Investments

SIOUX RURAL WATER SYSTEM, INC.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Sioux Rural Water System, Inc.

We have audited the accompanying statements of financial position of Sioux Rural Water System, Inc., (a nonprofit organization) as of December 31, 2011 and 2010, and the related statements of activities, functional expenses, grants and equity and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sioux Rural Water System, Inc., as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2012, on our consideration of Sioux Rural Water System, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of out audit.

Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying information on pages 18 to 20 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Kinner + Company Ltd

Kinner & Company Ltd
Certified Public Accountants
Brookings, South Dakota

January 30, 2012

SIOUX RURAL WATER SYSTEM, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2011 AND 2010

ASSETS	2011	2010
Property and Equipment		
Land and land rights	$ 209,595.48	$ 209,595.48
Utility, plant and equipment	15,523,158.37	15,390,872.86
Accumulated Depreciation	(7,777,660.22)	(7,407,294.59)
Total Property and Equipment	7,955,093.63	8,193,173.75
Current Assets		
Cash and cash equivalents	414,714.22	252,423.09
Cash - Rural Development Reserve	146,752.71	421,867.81
Cash - CoBank Reserve	150,000.00	-
Accounts receivable	13,341.42	10,081.24
Inventory	35,855.41	36,129.19
Prepaid expenses	3,780.66	3,632.30
Total Current Assets	764,444.42	724,133.63
Other Assets		
Capital credits in cooperatives	178,859.45	176,771.54
Total Other Assets	178,859.45	176,771.54
TOTAL ASSETS	**$ 8,898,397.50**	**$ 9,094,078.92**
LIABILITIES, GRANTS, AND NET ASSETS		
Grants and Net Assets		
Grants	$ 3,950,989.25	$ 4,082,711.21
Members' equity	767,667.51	670,625.14
Total Grants and Net Assets	4,718,656.76	4,753,336.35
Current Liabilities		
Accounts payable	3,696.51	1,393.90
Accrued interest payable	7,449.78	10,850.79
Accrued vacation payable	73,509.30	70,823.64
Deferred credits	4,174.02	4,799.80
Current maturity of long-term debt	231,869.74	220,810.30
Total Current Liabilities	320,699.35	308,678.43
Long-Term Debt		
Notes payable - RUS	2,207,340.87	4,252,874.44
Notes payable - CoBank	1,883,570.26	-
Current maturity of long-term debt	(231,869.74)	(220,810.30)
Total Long-Term Debt	3,859,041.39	4,032,064.14
Total Liabilities	4,179,740.74	4,340,742.57
TOTAL LIABILITIES, GRANTS AND NET ASSETS	**$ 8,898,397.50**	**$ 9,094,078.92**

See the Notes To The Financial Statements.

SIOUX RURAL WATER SYSTEM, INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
Operating Revenues	$ 1,528,792.19	$ 1,453,354.66
Less: Operating Expenses	871,529.99	825,557.48
Gross Income From Operations	657,262.20	627,797.18
Less: General and Administrative Expenses	382,971.68	361,712.10
Net Income From Operations	274,290.52	266,085.08
Financial Income (Expense):		
Interest Income	9,136.62	7,718.99
Interest Expense	(198,131.95)	(222,338.72)
Net Financial Income (Expense)	(188,995.33)	(214,619.73)
Other Income (Expense):		
Miscellaneous Income	2,247.18	2,011.40
Gain (Loss) on Disposal of Fixed Assets	9,500.00	-
Net Other Income (Expense)	11,747.18	2,011.40
Net Income (Loss) for the Year	**$ 97,042.37**	**$ 53,476.75**
Depreciation Expense Included in the Above Statement	$ 267,832.67	$ 271,274.07

See the Notes To The Financial Statements.

SIOUX RURAL WATER SYSTEM, INC.
STATEMENT OF FUNCTIONAL EXPENSES
AS OF DECEMBER 31, 2011

	Total	Program	Management
Compensation of Officers	$ 133,849.25	$ 133,849.25	$ -
Other Salaries and Wages	143,737.13	143,737.13	
Pension Plan Contributions	4,600.00	4,600.00	
Other Employee Benefits	93,390.68	76,119.98	17,270.70
Payroll Taxes	36,362.23	36,362.23	
Accounting Fees	15,416.92	15,416.92	
Supplies	40,987.65	36,888.89	4,098.77
Telephone	11,072.60	11,072.60	
Postage and Shipping	3,243.12	3,243.12	
Equipment Rental and Maintenance	100,420.81	90,378.73	10,042.08
Travel	43,045.92	34,436.74	8,609.18
Conference, Conventions, and Meetings	7,081.50		7,081.50
Interest	198,131.95	198,131.95	
Depreciation	267,832.67	267,832.67	
Source of Supply	4,774.82	4,774.82	
Purchased Power	121,710.85	121,710.85	
Chemicals	86,198.41	86,198.41	
Water Treatment	3,323.16	3,323.16	
Outside Services - Meter Readers	3,764.72	3,764.72	
Bad Debts	1,806.04		1,806.04
Training	8,687.15		8,687.15
Director's Fees & Expenses	18,529.92		18,529.92
Insurance	22,535.64	22,535.64	
Miscellaneous	8,269.77		8,269.77
Newsletter	762.29	762.29	
Dues & Memberships	9,186.73		9,186.73
Damage Claim	200.00	200.00	
Uniforms & Clothing	774.42	774.42	
Use & Excise Taxes	1,104.16	1,104.16	
Contracted Services	22,319.55	22,319.55	
	$ 1,413,120.06	$ 1,319,538.22	$ 93,581.84

See the Notes To The Financial Statements.

STATEMENT OF GRANTS AND EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	Grants			Memberships			
December 31, 2011	Federal Grants	State Grants	Total Grants	Aid to Construction Service Lines	Retained Earnings (Deficit)	Total Membership Equity (Deficit)	Total Grants And Equity
Balance, January 1, 2011	$ 3,903,034.46	$ 179,676.75	$ 4,082,711.21	$ 2,347.15	$ 668,277.99	$ 670,625.14	$ 4,753,336.35
Net income	-		-		97,042.37	97,042.37	97,042.37
Depreciation applicable to grants and good intention and hookup fees	(131,721.96)		(131,721.96)				(131,721.96)
Good intention and hookup fees				-		-	-
Balance, December 31, 2011	$ 3,771,312.50	$ 179,676.75	$ 3,950,989.25	$ 2,347.15	$ 765,320.36	$ 767,667.51	$ 4,718,656.76
December 31, 2010							
Balance, January 1, 2010	$ 4,034,756.42	$ 179,676.75	$ 4,214,433.17	$ 2,347.15	$ 614,801.24	$ 617,148.39	$ 4,831,581.56
Net income	-		-		53,476.75	53,476.75	53,476.75
Depreciation applicable to grants and good intention and hookup fees	(131,721.96)		(131,721.96)				(131,721.96)
Good intention and hookup fees				-		-	-
Balance, December 31, 2010	$ 3,903,034.46	$ 179,676.75	$ 4,082,711.21	$ 2,347.15	$ 668,277.99	$ 670,625.14	$ 4,753,336.35

See the Notes to the Financial Statements.

SIOUX RURAL WATER SYSTEM, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
Cash flows from operating activities		
Cash inflows		
From sale of goods and services	$ 1,525,532.01	$ 1,458,615.33
From interest income	9,136.62	7,718.99
From other income	2,247.18	2,011.40
Cash outflows		
To employees for wages	277,586.38	281,500.73
To government for taxes	53,632.93	56,931.42
To lenders for interest	201,532.96	226,615.77
To others for expenses	650,961.78	559,798.88
Cash flows from operating activities	**353,201.76**	**343,498.92**
Cash flows from investing activities		
Cash outflows		
To purchase utility, plant, & equipment	(151,974.51)	(77,256.81)
Investment in capital credits, other cooperatives	(2,087.91)	(6,062.55)
Cash flows from investing activities	**(154,062.42)**	**(83,319.36)**
Cash flows from financing activities		
Cash inflows		
Hook-up fees	-	-
Proceeds from new debt	2,010,000.00	-
Cash outflows		
To redeem long-term debt and capital leases	(2,171,963.31)	(209,833.60)
Cash flows from financing activities	**(161,963.31)**	**(209,833.60)**
Net increase (decrease) in cash	**37,176.03**	**50,345.96**
Cash at beginning of year	**674,290.90**	**623,944.94**
Cash at end of year	**$ 711,466.93**	**$ 674,290.90**

RECONCILIATION OF NET INCOME TO NET CASH PROVIDED FROM OPERATING ACTIVITIES

Net income (loss)	**$ 97,042.37**	**$ 53,476.75**
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	267,832.67	271,274.07
(Gain) Loss on Disposal of Fixed Assets	(9,500.00)	
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(3,260.18)	5,260.67
(Increase) decrease in inventory	273.78	2,858.36
(Increase) decrease in prepaid expenses	(148.36)	(239.13)
Increase (decrease) in accounts payable	2,302.61	920.30
Increase (decrease) in interest and taxes payable	(3,401.01)	(4,277.05)
Increase (decrease) in other liabilities	2,059.88	14,224.95
Total adjustments	**256,159.39**	**290,022.17**
Net cash provided by operating activities	**$ 353,201.76**	**$ 343,498.92**

See the Notes to the Financial Statements.

SIOUX RURAL WATER SYSTEM, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF BUSINESS

A. Nature of Operations:

Sioux Rural Water System, Inc. is a water distribution system. It was founded in 1973 for the purpose of providing a sufficient amount of quality water to members and towns in Hamlin, Codington, Deuel and Clark counties. The System's principal source of revenue is from the sale of water to its members.

B. Accounting Method:

The Organization reports its financial position and results of operations on the accrual basis of accounting. The accrual basis of accounting recognizes the effect of financial transactions in periods to which they relate rather than in periods during which cash may be exchanged in connection with financial transactions.

C. Concentration of Risk:

Concentration of risk includes customers in a local geographic area and the specialization of this system producing and distributing quality water.

D. Revenue Recognition:

Sioux Rural Water System Inc. bills its water users monthly based on that consumer's yearly average amount due. It recognizes the revenue when the consumer is billed.

E. Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. Accounts Receivable:

All are shown at gross amounts with the provision for doubtful accounts set at zero. The System provides credit in the normal course of its business to its customers and performs ongoing credit evaluation of those customers. It maintains allowance for doubtful accounts based on factors surrounding the credit risk of specific customers, historical trend, and other information. Credit losses, when realized, have been within the range of the System's expectation and historically have not been significant.

G. Property, Plant, and Equipment:

Major additions and improvements are charged to fixed assets at cost. The Organization depreciates property and equipment over the estimated economic useful life of the asset using the straight-line method of depreciation.

Asset Category	Estimated Useful Life
Furniture & Fixtures	10 Years
Transportation Equipment	5 Years
Miscellaneous Tools and Equipment	10 Years
Machinery and Equipment	5-12 Years
Buildings, Pumps, and Reservoirs	35-40 Years
Distribution System	20-50 Years

Depreciation on assets acquired during the year is recorded using the month placed in service, and disposals, in the month of disposal.

Equipment acquired by lease is capitalized and depreciated in a manner similar to property and equipment acquired by direct purchase in conformity with FASB ASC 840-30-50-1 (formerly Statement of Financial Accounting Standards (SFAS) No. 13). Expenses for maintenance and repairs are charged to expense as incurred. Expenses for renewals and betterment that materially extend the useful life of the asset are capitalized. Upon sale or other retirement of depreciable property, the cost and accumulated depreciation is removed from the accounts. Resulting gains or losses are included and reported income for the year.

H. Inventory:

Inventories of materials and supplies are stated at average cost.

I. Fair Value:

The carrying amounts reflected in the balance sheets for cash, loans and notes payable approximate the respective fair values due to the short maturities of those instruments. The fair values for investments, receivables, and long-term debt, are based primarily on quoted market prices for those or similar instruments.

J. Accumulated Unpaid Vacation and Sick Pay:

An employee who has worked for the System less than one year will be eligible for one-half day vacation per month. After the first year of employment, the employee earns one day of paid vacation per month. Vacation will be allowed to accumulate to a maximum of 90 days; vacation time cannot exceed 90 days per year. An employee

will be credited with an extra day of vacation time for each additional year of employment commencing with the employee's eleventh year of employment.

Each employee will be credited with one-day sick leave per month, which may accumulate, but never to be more than 90 days. When an employee terminates employment due to normal retirement solely, the employee is entitled to a cash payment equivalent to 50% of earned sick leave, not to exceed 90 days.

As of December 31, 2011 and 2010 the following liabilities existed for accumulated unpaid leave balances calculated at the employees' December 31, 2011 and 2010 pay rates:

	2011	2010
Vacation Pay	$75,509.30	$70,823.64
Sick Pay	121,962.65	115,795.16

The financial statements reflect accrued vacation pay but they do not reflect accrued sick pay. These amounts do not include the employer's share of payroll deductions.

2. CASH DEPOSITS

The company maintains its cash balances in financial institutions, which are insured by the Federal Deposit Insurance Corporation up to $250,000. At times, the balances may exceed the limit.

3. RESTRICTED CASH AND TEMPORARY INVESTMENTS

The Farmers Home Administration requires the reserve account to have a balance of $135,505 and $435,111 at December 31, 2011 and 2010, respectively, to be reserved for the payment of their Rural Economic and Community Development loans. CoBank also requires a reserve balance of $150,000 and $0 at December 31, 2011 and 2010. The System has met these requirements. A breakdown of the restricted cash and temporary investments is as follows:

	2011	2010
SBM Certificates	$42,864	$42,864
CD – First Premier Bank	103,889	101,852
CD – Great Western Bank	0	102,750
CD – Reliabank	105,000	0
CD – Citizens State Bank	45,000	61,235
Money Mkt – 1st Premier	0	117,614
	$296,753	$426,315

4. ACCOUNTS RECEIVABLE

Accounts receivable balances of the System, aged as of the dates of origination, are summarized below:

	2011	2010
Current, Less than 30 days	$10,215	$8,337
30-60 days	1,419	936
60-90 days	379	231
Over 90 days	1,328	577
Total	$13,341	$10,081

Management has estimated uncollectible accounts at zero.

5. PROPERTY, PLANT, AND EQUIPMENT

	2011	2010
Land and Land Rights	$209,595	$209,595
Furniture and Fixtures	85,912	83,542
Transportation Equipment	159,914	161,677
Miscellaneous Tools & Equipment	25,233	24,408
Machinery and Equipment	371,186	310,866
Buildings, Pumps, & Reservoirs	5,055,326	5,020,085
Distribution System	9,825,588	9,790,296
	$15,732,754	$15,600,469
Accumulated Depreciation	7,777,660	7,407,295
Total Property & Equipment	$7,955,094	$8,193,174

There are no restrictions in the use or disposal of property, plant, and equipment.

Depreciation expense for the years ended December 31, 2011 and 2010 amounted to $267,832.67 and $271,274.07, respectively.

6. MEMBERS' EQUITY

Members' equity includes good intention and hook-up fees that are not refundable. The System can convert these fees into membership fees and/or Capital Stock, but as of December 31, 2011 and 2010 had not opted to do so.

SIOUX RURAL WATER SYSTEM, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

7. LONG-TERM DEBT

The following is a summary of long term debt:

	2011	2010
Farm Home Administration:		
The terms of the financing agreement call for payments of interest only on January 1, 1975, 1976, and 1977 and annual payments of $128,656, including principal and annual interest at 5% beginning January 1, 1978 and thereafter until fully paid.	$0	$627,974
The terms of the financing agreement ESA Part 2 call for payments of interest only on February 12, 1977 and annual payments of $39,663, including principal and annual interest at 5% beginning February 17, 1978, and thereafter until fully paid.	0	171,722
The terms of the financing agreement ESA Part 3 call for payments of interest only on January 1, 1979 and annual payments of $23,508, including principal and annual interest at 5% beginning January 1, 1980, and thereafter until fully paid.	0	134,859
The terms of the financing agreement 91-06 call for payments of interest only on October 8, 1980 and 1981 and annual payments of $15,324 including principal and annual interest at 5% beginning November 9, 1981, and thereafter until fully paid.	0	112,532
The terms of the financing agreement 91-07 call for payments of interest only on November 21, 1985 and 1986 and annual payments of $14,761 including principal and annual interest at 7.125% beginning November 21, 1987 and thereafter until fully paid.	0	126,384

SIOUX RURAL WATER SYSTEM, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

	2011	2010
The terms of the financing agreement 91-09 call for payments of interest only on June 28, 1989 and 1990 and monthly payments of $680, including principal and annual interest at 6.125% beginning June 21, 1990.	0	86,521
The terms of the financing agreement 91-11 call for payments of interest only on April 25, 1991 and monthly payments of $1,836, including principal and annual interest at 6% beginning May 25, 1991.	0	250,694
The terms of the financial agreement 91-13 call for payments of interest only on April 25, 1991 and monthly payments of $831, including principal and annual interest at 6% beginning May 25, 1991.	0	113,479
The terms of the financing agreement 91-14 call for payments of interest only on August 8, 1992 and monthly payments of $2,103, including principal and annual interest at 8.75% beginning September 7, 1992.	0	293,538
The terms of the financing agreement 91-17 call for payments of interest only on August 8, 1992 and monthly payments of $683, including principal and annual interest at 5.875% beginning September 7, 1992.	0	95,222
The terms of the financing agreement 91-18 call for payments of interest only on January 27, 1997 and monthly payments of $2,104, including principal plus annual interest at 4.78% beginning February 27, 1997.	364,496	371,782

SIOUX RURAL WATER SYSTEM, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

	2011	2010
The terms of the financing agreement 91-20 call for payments of interest only on December 11, 2001 and monthly payments of $5,265, including principal and annual interest at 5.00% beginning January 11, 2002.	962,831	977,471
The terms of the financing agreement 91-22 call for payments of interest only on December 11, 2001 and monthly payments of $1,242, including principal plus annual interest at 5.00% beginning January 11, 2002.	227,121	230,575
The terms of the financing agreement 91-23 call for payment of interest only on April 12, 2007 and monthly payments of $977, including principal plus annual interest at 4.25% beginning May 12, 2007.	211,446	214,122
The terms of the financing agreement 91-25 call for payment of interest only on December 8, 2009 and monthly payments of $1,408, including principal plus annual interest at 4.50% beginning January 8, 2010.	303,846	306,992
The terms of the financing agreement 91-26 call for payment of interest only on March 27, 2010 and monthly payments of $636, including principal plus annual interest at 4.50% beginning April 8, 2010	137,601	139,008
The terms of the financing agreement 002488337 call for payment variable monthly payments, including principal plus annual interest at 4.00% beginning May 20, 2011	942,468	0
The terms of the financing agreement 002488383 call for payment variable monthly payments, including principal plus annual interest at 5.24% beginning May 20, 2011	941,102	0
Total Debt	4,090,911	4,252,874
Less – Current Maturities	231,870	220,810
Long-Term Debt	$3,859,041	$4,032,064

The annual requirements to service all outstanding long-term debt as of December 31, 2011, including interest payments of $2,913,151 are as follows:

December 31,	Principal	Interest	Total Payment
2012	231,870	189,222	421,092
2013	240,707	180,048	420,755
2014	251,342	169,310	420,652
2015	262,453	158,102	420,555
2016	353,735	143,158	496,893
2017 & Thereafter	2,750,804	1,507,905	4,258,709
Total	$4,090,911	$2,347,745	$6,438,656

7. CAPITALIZED INTEREST

Interest costs charged to operations consist of the following:

	2011	2010
Interest Cost Incurred	$198,132	$222,339
Less: Capitalized Interest --Construction	0	0
Interest charged to operations	$198,132	$222,339

8. CASH AND CASH EQUIVALENTS

The Company recognizes as cash, currency on hand and demand deposits with banks or other financial institutions. It also includes other accounts that have the general characteristics of demand deposits in that the customer may deposit or withdraw funds at any time without prior notice or penalty such as certificates of deposit which do not have penalties or terms with them, which effectively restrict withdrawal of funds, money market accounts and repurchase agreements.

The Company recognizes as cash equivalents, short-term, highly liquid investments that (a) are readily convertible to known amounts of cash and (b) are so near to their maturity that they present an insignificant risk of changes in value because of changes in interest rates.

9. CAPITALIZED LEASE

The Sioux Rural Water System, Inc. leased equipment from John Deere Industrial Products and Metro Leasing Company under a capital lease. The economic substance of the lease is that the Company is financing the acquisition of the assets through the lease, and accordingly, it is recorded in the system's assets and liabilities.

The following is an analysis of the leased assets included in property and equipment:

	2011	2010
Utility, plants and equip.	$148,699	$148,699
Less accum. Depreciation	(148,699)	(148,699)
	$0	$0

10. FEDERAL INCOME TAX

In 1988 the Sioux Rural Water System, Inc. made application to be exempt from federal income tax, on September 22, 1988 the application was approved under section 501(c)(12) of the Internal Revenue Code as of January 1, 1988, with the stipulation that at least 85% of the system's total income be from receipts from its members. Accordingly, no provision for income taxes has been reflected in the financial statements.

11. UNCERTAIN TAX POSITIONS

The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization's federal Exempt Organization Income Tax Returns (Form 990) for 2008, 2009, and 2010 are subject to examination by the IRS, generally for three years after they were filed.

12. RETIREMENT PLAN

Sioux Rural Water System, Inc. gives their employees the option to be part of a SEP Retirement Plan. The amount to be withheld from the employee's check is determined by the employee and the employer contributes 2%. The plan is handled through ARM Securities.

The manager has a second retirement plan that was in place prior to the SEP Retirement Plan. Sioux Rural Water System, Inc. contributes $250 every month on this plan through Northwestern Mutual Life.

13. CAPITAL CREDITS IN COOPERATIVES

The System is a member of various agricultural cooperative associations that retain a portion of current earnings, which are later repaid or "revolved" to the patrons in future years.

14. SUBSEQUENT EVENTS

The System has an investment with SBM Certificate Company. The SEC is investigating SBM, which caused the assets of the company to become frozen. In 2011 a settlement amount had been reached, however as of the release of these financial statements, the System still hasn't heard what the amount they will receive will be. Subsequent events were evaluated through January 30, 2012, which is the date the financials were available to be issued.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Sioux Rural Water System, Inc.

We have audited the financial statements of Sioux Rural Water System, Inc. (a nonprofit organization) as of and for the year ended December 31, 2011, and have issued our report thereon dated January 30, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Sioux Rural Water System, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sioux Rural Water System, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sioux Rural Water System, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kinner & Company Ltd

Kinner & Company Ltd
Certified Public Accountants
Brookings, South Dakota

January 30, 2012

SIOUX RURAL WATER SYSTEM, INC.
SUPPLEMENTARY SCHEDULE OF THE STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
Operating Revenues		
Sales, consumers	$ 1,351,830.61	$ 1,273,273.75
Sales, wholesale	98,517.60	95,844.05
Sales, materials	21,502.27	25,741.41
Sales, late payment and reconnect fees	23,165.00	19,760.58
Labor Charges	12,570.71	17,464.51
Member Fee	2,700.00	2,478.59
Miscellaneous revenue	2,855.00	3,140.77
CRP Land Payment	15,651.00	15,651.00
Total Operating Revenues	**$ 1,528,792.19**	**$ 1,453,354.66**
Operating Expenses		
Source of Supply:		
Labor	$ 33,910.25	$ 36,049.47
Labor fringe benefits	6,015.16	6,232.97
Transportation	7,843.02	5,729.64
Other	4,774.82	10,611.22
General Operations Maintenance	79,695.26	57,650.68
Total Source of Supply	132,238.51	116,273.98
Construction:		
Labor	4,347.58	6,829.32
Labor fringe benefits	2,792.72	3,047.06
Transportation	2,345.83	2,424.96
Total Construction	9,486.13	12,301.34
Pumping:		
Labor	12,410.31	20,465.59
Labor fringe benefits	4,879.37	5,232.51
Transportation	4,559.01	3,970.62
Purchased power	121,710.85	108,824.81
Maintenance labor	13,514.78	5,498.33
Maintenance labor fringe benefits	3,692.26	2,965.63
Transportation	4,660.00	4,075.38
Supplies	9,617.48	9,634.22
Total Pumping	175,044.06	160,667.09
Water Treatment:		
Labor	37,066.31	33,996.63
Labor fringe benefits	6,141.15	6,080.35
Transportation	4,660.00	4,100.00
Chemicals	86,198.41	83,255.60
Contracted Service	14,828.43	5,492.73
Other	3,323.16	1,265.98
Total Water Treatment	152,217.46	134,191.29

See the Notes to the Financial Statements.

SIOUX RURAL WATER SYSTEM, INC.
SUPPLEMENTARY SCHEDULE OF THE STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
Distribution:		
Labor	21,885.00	25,410.63
Labor fringe benefits	5,545.86	5,873.75
Transportation	4,640.12	3,583.83
Repairs and supplies	39,423.69	41,188.41
Other	26,998.98	26,318.15
Total Distribution	98,493.65	102,374.77
Metering:		
Labor	5,471.38	1,648.65
Labor fringe benefits	2,985.78	2,549.52
Transportation	4,248.62	4,146.01
Repairs and supplies	19,747.01	16,561.12
Outside services - meter readers	3,764.72	3,569.64
Total Metering	36,217.51	28,474.94
Depreciation	267,832.67	271,274.07
Total Operating Expenses	**$ 871,529.99**	**$ 825,557.48**
General and Administrative Expenses		
Customer Accounts and Collection Services:		
Labor	$ 5,899.72	$ 8,772.19
Labor fringe benefits	2,938.83	3,277.03
Transportation	5,924.37	8,222.16
Bad debt	1,806.04	1,145.83
Administrative salaries	133,849.25	136,657.88
Administrative fringe benefits	17,270.70	20,598.01
Retirement plan	4,600.00	3,000.00
Transportation	4,164.95	3,095.19
Directors' fees and expenses	18,529.92	16,483.24
Annual meeting	7,081.50	5,052.76
Insurance	22,535.64	22,323.87
Employee health insurance	76,119.98	64,793.05
Office supplies	4,156.79	4,270.40
Outside services, legal and audit	15,416.92	12,322.23
Telephone	11,072.60	9,830.12
Miscellaneous	8,269.77	6,440.83
Newsletter	762.29	465.86
Dues and memberships	9,186.73	5,704.72
Training, fringe benefits and trans.	8,687.15	6,380.23
Rent	20.00	-
Postage	3,243.12	2,856.79
Damage claim	200.00	230.00
Uniforms and Clothing	774.42	782.60
Repairs - general	958.54	2,267.79
South Dakota state use tax	88.59	55.93
Contracted services - Deuel County	7,491.12	7,484.20
Excise tax	1,015.57	996.36
Printing, office and supplies	214.40	956.20
Training Expense:		
Labor	9,231.80	6,172.04
Labor fringe benefits	1,371.10	1,074.59
Transportation	89.87	-
Total General and Admin Expenses	**$ 382,971.68**	**$ 361,712.10**

See the Notes to the Financial Statements.

SIOUX RURAL WATER SYSTEM, INC.
RUS REPORT
FOR THE 12 MONTHS ENDING DECEMBER 31, 2011

	CURR BUDGET	THIS MONTH	CURR Y-T-D	Y-T-D BUDGET	PRIOR Y-T-D
OPERATING INCOME					
RURAL SALES	1,222,000.00	102,621.10	1,290,781.76	1,222,000.00	1,217,582.55
SMALL TOWN & LAKE HOMES	40,000.00	3,398.60	42,612.45	40,000.00	39,977.75
SEASONAL	16,000.00	622.60	18,436.40	16,000.00	15,713.45
BULK PURCHASERS	100,000.00	6,917.30	98,517.60	100,000.00	95,844.05
INTEREST & MISCELLANEOUS	89,500.00	2,068.23	67,422.04	89,500.00	91,505.40
HOOKUP FEES	2,500.00	225.00	2,700.00	2,500.00	2,478.59
TOTAL INCOME	1,470,000.00	115,852.83	1,520,470.25	1,470,000.00	1,463,101.79
OPERATING EXPENSES - ADMINISTRATIVE					
SALARY, WAGES, BENEFITS	97,000.00	10,089.30	90,672.82	97,000.00	95,950.78
TRANSPORTATION	7,000.00	1,495.06	7,200.25	7,000.00	7,239.35
SYSTEM INSURANCE	89,000.00	8,839.64	98,655.62	89,000.00	87,116.92
UTILITIES	5,500.00	355.90	5,536.30	5,500.00	4,932.15
PROFESSIONAL FEES	8,000.00	520.65	10,371.32	8,000.00	7,276.63
DIRECTORS FEES & EXPENSES	20,000.00	3,987.73	18,529.92	20,000.00	16,483.24
AUDIT	5,500.00	.00	5,045.60	5,500.00	5,045.60
STATE ASSOCIATION DUES	7,500.00	1,686.36	9,186.73	7,500.00	5,704.72
UNCOLLECTABLE ACCOUNTS	1,000.00	228.22	1,806.04	1,000.00	1,145.83
MISCELLANEOUS	18,000.00	921.90	19,802.46	18,000.00	17,187.73
SUBTOTAL ADMINISTRATIVE	258,500.00	28,124.76	266,807.06	258,500.00	248,082.95
OPERATING EXPENSES - OFFICE					
SALARY, WAGES, BENEFITS	87,000.00	9,442.52	84,549.87	87,000.00	83,663.88
TRANSPORTATION	1,000.00	30.00	1,275.00	1,000.00	600.00
CONTRACTED SERVICES	7,500.00	364.63	7,491.12	7,500.00	7,484.20
OFFICE SUPPLIES & MATERIALS	5,000.00	1,271.77	4,156.79	5,000.00	4,270.40
UTILITIES	5,500.00	355.90	5,536.30	5,500.00	4,932.15
MISCELLANEOUS	11,000.00	1,619.17	11,472.89	11,000.00	9,297.62
SUBTOTAL OFFICE	117,000.00	13,083.99	114,481.97	117,000.00	110,248.25
TOTAL ADMINISTRATIVE	375,500.00	41,208.75	381,289.03	375,500.00	358,331.20
OPERATIONAL					
SALARY, WAGES, BENEFITS	168,000.00	16,398.67	161,436.50	168,000.00	162,469.58
TRANSPORTATION	35,000.00	5,200.00	34,660.54	35,000.00	31,508.44
O & M DISTRIBUTION	87,000.00	8,875.26	86,123.48	87,000.00	84,125.96
O & M PLANT	155,000.00	21,079.89	184,164.88	155,000.00	163,430.70
CONTRACTED MAINTENANCE	6,000.00	330.13	14,923.43	6,000.00	5,397.73
UTILITIES	110,000.00	20,236.73	119,179.31	110,000.00	108,824.81
TOTAL OPERATIONAL	561,000.00	72,120.68	600,488.14	561,000.00	555,757.22
CAPITAL IMPROVEMENT (EQ.)	.00	36,920.00	36,920.00	00	.00
LOAN PAYMENTS - RUS	435,111.00	34,976.26	401,172.56	435,111.00	432,567.00
RESERVE - RUS	3,562.00	.00	3,562.00	3,562.00	43,132.92
FUNDED DEPRECIATION - RUS	20,000.00	1,666.67	20,000.04	20,000.00	67,999.92
TOTAL EXPENSES	1,395,173.00	186,892.36	1,443,431.77	1,395,173.00	1,457,788.26
NET INCOME / (LOSS)	74,827.00	(71,039.53)	77,038.48	74,827.00	5,313.53

2011 ACTUAL 2011

SIOUX RURAL WATER SYSTEM, INC.
RUS REPORT
FOR THE 6 MONTHS ENDING JUNE 30, 2012

2012

	CURR BUDGET	THIS MONTH	CURR Y-T-D	Y-T-D BUDGET	PRIOR Y-T-D
OPERATING INCOME					
RURAL SALES	1,299,000.00	120,105.28	657,927.35	649,500.00	629,066.43
SMALL TOWN & LAKE HOMES	43,000.00	3,847.20	21,145.32	21,500.00	20,907.95
SEASONAL	18,000.00	1,620.00	17,078.70	9,000.00	14,499.70
BULK PURCHASERS	99,000.00	10,348.30	50,612.40	49,500.00	44,857.25
INTEREST & MISCELLANEOUS	85,000.00	5,216.53	41,937.79	42,500.00	597.02
HOOKUP FEES	2,500.00	676.49	3,782.26	1,250.00	1,175.00
TOTAL INCOME	1,546,500.00	141,813.80	792,483.82	773,250.00	711,103.35
OPERATING EXPENSES - ADMINISTRATIVE					
SALARY, WAGES, BENEFITS	98,000.00	7,189.08	40,899.01	49,000.00	44,793.30
TRANSPORTATION	7,000.00	500.00	2,266.59	3,500.00	1,901.34
SYSTEM INSURANCE	90,000.00	8,631.62	52,298.43	45,000.00	44,345.18
UTILITIES	6,000.00	339.63	2,040.58	3,000.00	2,414.73
PROFESSIONAL FEES	11,000.00	1,049.43	4,941.08	5,500.00	4,097.60
DIRECTORS FEES & EXPENSES	25,000.00	.00	6,847.35	12,500.00	8,780.74
AUDIT	5,900.00	.00	5,543.80	2,950.00	5,045.60
STATE ASSOCIATION DUES	7,500.00	1,981.36	4,556.42	3,750.00	3,866.00
UNCOLLECTABLE ACCOUNTS	1,500.00	329.14	533.75	750.00	908.11
MISCELLANEOUS	22,000.00	5,736.03	12,791.62	11,000.00	15,381.97
SUBTOTAL ADMINISTRATIVE	273,900.00	25,756.29	132,718.63	136,950.00	131,534.57
OPERATING EXPENSES - OFFICE					
SALARY, WAGES, BENEFITS	88,000.00	7,642.93	43,721.88	44,000.00	38,940.93
TRANSPORTATION	1,500.00	30.00	180.00	750.00	1,115.00
CONTRACTED SERVICES	7,500.00	739.03	4,243.34	3,750.00	4,243.34
OFFICE SUPPLIES & MATERIALS	5,000.00	480.75	1,112.97	2,500.00	1,400.42
UTILITIES	6,000.00	339.63	2,040.58	3,000.00	2,414.73
MISCELLANEOUS	12,000.00	482.00	4,805.29	6,000.00	5,515.25
SUBTOTAL OFFICE	120,000.00	9,714.34	56,104.06	60,000.00	53,629.67
TOTAL ADMINISTRATIVE	393,900.00	35,470.63	188,822.68	196,950.00	185,164.23
OPERATIONAL					
SALARY, WAGES, BENEFITS	197,000.00	16,126.10	81,968.99	98,500.00	73,767.16
TRANSPORTATION	40,000.00	3,704.97	14,037.43	20,000.00	10,558.39
O & M DISTRIBUTION	87,000.00	4,596.85	27,644.68	43,500.00	35,451.50
O & M PLANT	175,000.00	23,440.52	98,773.64	87,500.00	85,073.95
CONTRACTED MAINTENANCE	7,000.00	33.35	955.61	3,500.00	5,483.54
UTILITIES	112,000.00	5,127.77	52,210.85	56,000.00	49,260.05
TOTAL OPERATIONAL	618,000.00	53,029.56	275,591.20	309,000.00	259,594.59
CAPITAL IMPROVEMENT	10,000.00	.00	9,101.04	5,000.00	.00
LOAN PAYMENTS - RUS	421,584.00	35,209.27	210,564.61	210,792.00	190,576.88
RESERVE - RUS	34,826.00	2,902.12	17,412.72	17,413.00	3,562.00
FUNDED DEPRECIATION - RUS	30,471.00	2,539.25	15,235.50	15,235.50	10,000.02
TOTAL EXPENSES	1,508,781.00	129,150.83	716,727.75	754,390.50	648,897.72
NET INCOME / (LOSS)	37,719.00	12,662.97	75,756.07	18,859.50	62,205.63

TABLE 3
Sioux Rural Water System
Short Term Capital Improvements Schedule

Updated 12/15/11

Item	Annual Inflator	2011 Base Value	2010	2011	2012	2013	2014	2015
Service Truck 1 (#26)	2.0%	22,000				23,346		
Service Truck 2 (#24)	2.0%	22,000	32,000				23,813	
Service Truck 3 (#28)	2.0%	22,000		18,000				24,289
Service Truck 4 (#22)	2.0%	22,000			13,471			
High Service Pump & Motor	2.0%	10,000	10,000				0	
Elevated Tank G Paint	2.0%	25,000						
Elevated Tank F Paint	2.0%	25,000						10,000
Elevated Tank E Paint	2.0%	25,000				25,000		
Elevated Tank A Paint	2.0%	25,000						
Elevated Tank B Paint	2.0%	25,000	26,000		10,000			
Telemetry Master	2.0%	35,000						
Telemetry Remotes	2.0%	24,000					8,000	
Well Replace/Explore	2.0%	5,000			5,000			
Office Computers	2.0%	2,000		2,000	2,000	3,000		6,000
Annual Totals:			**68,000**	**20,000**	**30,471**	**51,346**	**31,813**	**40,289**
			Pickup, & Tower Work	Pickup, Tower work, Office Computers, Laptop	Pickup, Tower A work, Well exploration, Manager computer	Pickup, Towers, Manager Computer	Pickup, Sioux HS4, Telemetry & Controls	Pickup, Towers, Office Computers

These capital improvements are items that would be planned and put into our yearly budget, we would not seek financing for these unless an immediate fix for something was needed.

ABOUT
Leadership
OMB Organization Chart
Open Government Plan
OMB News Releases
RSS Feeds
Intellectual Property
Agency Info
Bulletins
Circulars
Budget
State and Local Governments
Educational and Non-Profit Institutions
Federal Procurement
Federal Financial Management
Federal Information Resources / Data Collection
Other Special Purpose
Memoranda
Privacy Guidance
Reports
Federal Register
FOIA
No FEAR
OMB Locator

Circular A-94 Appendix C
Revised December 2011

OMB Circular No. A-94

Click here for PDF assistance

DISCOUNT RATES FOR COST-EFFECTIVENESS, LEASE PURCHASE, AND RELATED ANALYSES

Effective Dates. This appendix is updated annually. This version of the appendix is valid for calendar year 2012. A copy of the updated appendix can be obtained in electronic form through the OMB home page at http://www.whitehouse.gov/omb/circulars_a094/a94_appx-c/ the text of the main body of the Circular is found at http://whitehouse.gov/omb/circulars_a094/, and a table of past years' rates is located at http://whitehouse.gov/sites/default/files/omb/assets/a94/dischist-2012.pdf. Updates of the appendix are also available upon request from OMB's Office of Economic Policy (202-395-3381).

Nominal Discount Rates. A forecast of nominal or market interest rates for 2012 based on the economic assumptions for the Fiscal Year 2013 Budget are presented below. These nominal rates are to be used for discounting nominal flows, which are often encountered in lease-purchase analysis.

Nominal Interest Rates on Treasury Notes and Bonds of Specified Maturities (in percent)

3-Year	5-Year	7-Year	10-Year	20-Year	30-Year
1.6	2.1	2.5	2.8	3.5	3.8

Real Discount Rates. A forecast of real interest rates from which the inflation premium has been removed and based on the economic assumptions from the 2013 Budget is presented below. These real rates are to be used for discounting constant-dollar flows, as is often required in cost-effectiveness analysis.

Real Interest Rates on Treasury Notes and Bonds of Specified Maturities (in percent)

3-Year	5-Year	7-Year	10-Year	20-Year	30-Year
0.0	0.4	0.7	1.1	1.7	2.0

Analyses of programs with terms different from those presented above may use a linear interpolation. For example, a four-year project can be evaluated with a rate equal to the average of the three-year and five-year rates. Programs with durations longer than 30 years may use the 30-year interest rate.

Other Documents

Text of OMB Circular No. A-94 in HTML or PDF (22 pages, 78 kb)

Table of Past Years Discount Rates from Appendix C of OMB Circular No. A-94 (2 pages, 26 kb)

Memorandum M-12-06, 2012 Discount Rates for OMB Circular No. A-94 (2 pages, 368 kb)

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- August 2011
- July 2011
- June 2011
- May 2011
- April 2011
- March 2011
- February 2011
- January 2011
- December 2010

Current CPI and Inflation Rate

Inflation Rate 2.2%

Consumer Price Index (CPI)
231.317

(Released November 15, 2012 for October 2012)

Business & Inflation: eBay auctions

Gold to Combat Inflation

Silver to Combat Inflation

Your Money or Your Life Book

Motley Fools - More Thank You Think Book

The Millionaire Next Door Book

The Courage to be Rich by Suze Orman Book

Recent Posts

- US Inflation Advances 2.2% as Consumer Prices Up 0.1% in October 2012
- US Inflation Rises as Gasoline Lifts Consumer Prices in September 2012
- US Inflation Surges 1.7% as Consumer Prices Rise 0.6% in August 2012
- US Inflation at 1.4%, Consumer Prices Flat in July 2012
- US Inflation Rate at 1.7%, Consumer Prices Flat in June 2012
- US Inflation Eases as Consumer Prices Fall Sharply in May 2012
- US Inflation at 2.3%, Consumer Prices Flat in April 2012
- US Inflation Climbs 2.7% as Consumer Prices Rise 0.3% in March 2012
- US Inflation Rate Remains at 2.9%, but Consumer Prices Jump 0.4% in February 2012

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WRAP Review Sheet
Drinking Water Facilities Funding Application
Applicant: Big Sioux Community Water System, Inc.

Project Title:	System Interconnect Project
Funding Requested:	$3,014,700
Other Proposed Funding:	$0
Total Project Cost:	$3,014,700
Project Description:	The project consists of installing a 12-inch water main to connect the Big Sioux Community Water System (BSCWS) to the Minnehaha Community Water Corporation (MCWC) near MCWC Tower 3B and pumping water north to the existing BSCWS Ethanol Tower. This addition will allow BSCWS to deliver up to 1.0 MGD of water to the city of Madison, South Dakota.
Alternatives Evaluated:	"Do Nothing" was evaluated but not selected since BSCWS is already pushed to its distribution capacity and Madison would have to look elsewhere for a drinking water source. The facilities plan evaluated two alternatives that would allow BSCWS to deliver 1.0 MGD to Madison, South Dakota. "Connection to MCWC System Using 10-Inch and 12-Inch Water Main Alternative" would install approximately 9 miles of 12-inch water main from MCWC Tower 3B to a booster station and 6 miles of 10-inch water main from the booster station to existing 4 and 8-inch water mains running along 465th Avenue that connect to BSCWS Ethanol Tower. This alternative was not recommended because it would be difficult to operate, produce pressures at locations below the required minimum, and have a higher life cycle cost. "Connection to MCWC System Using All 12-Inch Water Main Alternative" would install approximately 9 miles of 12-inch water main from MCWC Tower 3B to a booster station and 8 miles of 12-inch water main from the booster station to the BSCWS Ethanol Tower. This alternative was recommended and will allow BSCWS to deliver up to 1.0 MGD to Madison, South Dakota without lowering pressures around Lake Madison below the state minimum.

Implementation Schedule:	BSCWS anticipates bidding the project in August 2015 with a project completion date of November 2016
Service Population:	8,951
Current Domestic Rate:	$61.30 per 7,000 gallons usage
Proposed Domestic Rate at Project Completion:	$62.30 per 7,000 gallons usage

Interest Rate: 3.00% Term: 20 years Security: System Revenue

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan, Big Sioux CWS would have 0.5% debt coverage based on system revenue generated with the proposed rate of $62.30 for 7,000 gallons usage.

25% Funding Subsidy:	$753,675 subsidy with a loan of $2,261,025
Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of $2,261,025, Big Sioux CWS would need to increase their rate to $67.80 for 7,000 gallons usage for 110% debt coverage.

50% Funding Subsidy:	$1,570,350 subsidy with a loan of $1,570,350
Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of $1,570,350, Big Sioux CWS would need to increase their rate to $66.40 for 7,000 gallons usage for 110% debt coverage.

75% Funding Subsidy:	$2,261,025 subsidy with a loan of $753,675
Coverage at 75% Subsidy:	Based on a 75% subsidy and a loan of $753,675, Big Sioux CWS would need to increase their rate to $64.50 for 7,000 gallons usage for 110% debt coverage.

ENGINEERING REVIEW COMPLETED BY: NICK NELSON

FINANCIAL REVIEW COMPLETED BY: JON PESCHONG

Big Sioux
Community Water System, Inc.
23343 479TH AVE. • EGAN, SOUTH DAKOTA 57024 • (605) 997-2098

RECEIVED
DEC 29 2014
Division of Financial
& Technical Assistance

Jim Feeney
Water & Wastewater Funding
Joe Foss Building
523 East Capitol
Pierre, SD 57501-3182

December 23, 2014

Dear Jim,

Please find enclosed the Drinking Water Facilities Application for the Madison "wheeling" option pipeline.

I have included also:

2015 Big Sioux CWS Budget

Notarized copy of proof of publication for Public Hearing

Notarized copy of Big Sioux CWS December Board Minutes listing Public Hearing.

Corporate Resolution approving application for assistance and designating authorized representative.

Certificate of good standing

Copy of Articles of Incorporation

Copy of By-Laws

Copy of 2012 – 2103 Audit

Copy of Current rate sheet

A couple of points to note in the application. Our Engineer failed to include the cost of the crop reimbursements (Opinion of probable Cost – Alternative 2) in the PER, thus the increase to a total project cost of $3,014,700.

On the financial spreadsheet towards the back of the application, we utilized the audit figures for the "beginning cash on hand figures" for 2013, and followed that format throughout. When considering reserve however, the audit only recognizes those reserves set aside for Rural Development Loans and CoBank Loans, it does not recognize those reserves set aside from service contracts or Board designated reserves, in my mind leaving an unrealistic evaluation of operating cash.

In the Drinking Water Utility Cash Flow spreadsheet on page 8 of the application, I have also included the Flandreau reserves and Tenant Rental deposits in the restricted balance figures, though I have still not included other Board designated reserves such as Capital Improvement Reserves, Capital Depreciation Reserves and Vacation Reserves.

One final note. For the 2017 projections on the financial spreadsheet, the figures used for interest and principal payments on the new project loan were based on a two-thirds grant and one third loan. One has to optimistic !

If I can answer any additional questions concerning this application, please contact me as soon as possible so that we can remediate the problem.

Sincerely,

Martin Jarrett

Manager BSCWS

Drinking Water Facilities Funding Application

Consolidated Water Facilities Construction Program (CWFCP)
Drinking Water State Revolving Fund Program (DWSRF)

Applicant	Proposed Funding Package	
Big Sioux Community Water System, Inc.	CWFCP / DWSRF	$3,014,700
Address	Local Cash	
23343 479th Ave Egan, SD 57024	Other	
	Other	
Subapplicant	Other	
None		
DUNS Number		
180984726	**TOTAL**	$3,014,700

Project Title: Big Sioux Community Water System - System Interconnect Project

Description:

Alternative 2 - Connection to Minnehaha Community Water Corporation System Using 12-inch Water Main

This alternative involves connecting the Big Sioux Community Water System (BSCWS) to the Minnehaha Community Water Corporation (MCWC) near existing MCWC Tower 3B and pumping water north to the existing BSCWS Ethanol Tower.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Martin Jarrett, Manager

Name & Title of Authorized Signatory (Typed)

Signature

12/22/2014

Date

Professional Consultants

Application Prepared By: First District

Contact Person: Ted Haeder

Mailing Address: PO Box 1207

City, State, and Zip: Watertown, SD 57201

Telephone Number: (605) 882-5115 Fax: (605) 882-5049

Email address: ted@1stdistrict.org

Consulting Engineering Firm: Banner Associates, Inc.

Contact Person: Chad Bachman, P.E.

Mailing Address: 409 22nd Avenue S

City, State, and Zip: Brookings, SD 57006

Telephone Number: (605) 692-6342 Fax:

Email address: Chadb@bannerassociates.com

Legal Counsel's Firm: Lammers, Kleibacker & Brown, LLP

Legal Counsel: Jerome Lammers

Mailing Address: 108 Egan Avenue North

City, State, and Zip: Madison, SD 57042-0045

Telephone Number: (605) 256-6677 Fax:

Email address:

This section applies only to political subdivisions

Bond Counsel's Firm:

Bond Counsel:

Mailing Address:

City, State, and Zip:

Telephone Number: Fax:

Email address:

BUDGET SHEET

Cost Classification	A CWFCP / DWSRF	B	C	D	E	Total Funds
1. Administrative Expenses						
A. Personal Services	$4,000.00					$4,000.00
B. Travel						
C. Legal including Bond Counsel	$23,000.00					$23,000.00
D. Other						
2. Land, Structure, Right-of-Way						
3. Engineering						
A. Bidding and Design Fees	$106,500.00					$106,500.00
B. Project Inspection Fees	$159,700.00					$159,700.00
C. Other O&M manual - Const. Plans of Rec.	$12,500.00					$12,500.00
4. Construction and Project Improvement	$2,419,000.00					$2,419,000.00
5. Equipment						
6. Contractual Services						
7. Other Geotechnical Services	$6,000.00					$6,000.00
8. Other Crop Reimbursement	$42,000.00					$42,000.00
9. Subtotal (Lines 1-8)	$2,772,700.00					$2,772,700.00
10. Contingencies	$242,000.00					$242,000.00
11. Total (Lines 9 and 10)	$3,014,700.00					$3,014,700.00
12. Total %	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%

Columns A - E: Identify each funding source and enter the amounts budgeted by cost category.

Comments:

Method of Financing

Source Header	Secured Funds	Unsecured Funds (Date Anticipated)
Local Cash (Identify Source) SD DENR		$3,014,700.00 Apr 1, 2015
Other (Explain) _____		
Other (Explain) _____		
Other (Explain) _____		
Other (Explain) _____		
Other (Explain) _____		
TOTAL		$3,014,700.00

Comments:

7.3.1 Repayment Information

Interest rate and term you are applying for: 3 %, 20 years.

What security is being pledged toward the repayment of this loan?
(Political Subdivisions Only)

- ☐ 1. General Obligation bond (requires bond election)
- ☒ 2. Water Revenue bond
- ☐ 3. Project Surcharge Revenue bond
- ☐ 4. Sales Tax Revenue bond

7.3.2 Documents That Must Be Submitted With The Application

Financial Documents

1. Most recent audit or unaudited financial statement to include specific accounting of pledged funds.
2. Current year's budget.

Planning and Legal Documents

1. Governing user charge ordinance or resolution and its effective date.
2. Resolution of authorized signatory for submission of the Drinking Water SRF application and signing of payment requests. This resolution must also include the maximum loan amount requested, interest rate and term being applied for, description of proposed project, and security pledged towards repayment of the loan.
3. Facilities Plan (8.3.18).
4. Capacity Assessment Worksheets (section 8.3.16).

Items 5-7 apply to Nonprofit Entities only

5. By-laws
6. Articles of Incorporation
7. Certificate of Good Standing from Secretary of State

7.3.3 General Information

The month and day your fiscal year begins: January 1

Population Served

Current 2,090 2000 1,700 1990 1,365

Top Five Employers Within 30 Miles	Number of Employees	Type of Business
Daktronics	2,300	Manufacturing
SDSU	1,873	Education
3M	800	Manufacturing
Larson Manufacturing	711	Manufacturing
Brookings Hospital	386	Healthcare

Please indicate employers within boundary of issuing entity with an asterisk (*).

Drinking Water Utility Cash Flow

	Prior Year	Prior Year	Current Year	Future Year #
Fiscal Year	2012	2013	2014	2017
OPERATING CASH FLOW				
Water Sales	$1,820,255	$1,936,673	$1,954,570.00	$2,060,000.00
Surcharge Fee				
Other (Explain) Well-field Management,	$212,950	$164,730.00	$224,200.00	$231,000.00
New Hookups etc.				
OPERATING PAYMENTS				
Personal Services	($636,871)	($624,963.0)	($688,063.00)	($777,962.00)
Chemical, Material & Supplies	($612,640)	($682,675.0)	($473,500.00)	($514,607.00)
Electric & Other Utilities	($146,802)	($147,990.0)	($160,000.00)	($188,080.00)
Other (Explain) Engineering etc.	($152,299)	($98,356.00)	($106,000.00)	($122,000.00)
Replacement Projects			($130,700.00)	($100,000.00)
NET CASH FROM OPERATIONS	$484,593	$547,419.00	$620,507.00	$588,351.00
NONOPERATING CASH FLOW				
Interest Income	$16,576.00	$11,691.00	$6,800.00	$7,000.00
Other Revenue (Explain)				
Transfers In (Explain)				
Fixed Asset Sale (Explain)				
Transfers Out (Explain)				
Fixed Asset Purchases (Explain)				
Debt Payment (Principal Only)	($254,344.0)	($242,400.0)	($279,919.00)	($207,000.00)
Debt Payment (Interest Only)	($254,006.0)	($248,541.0)	($223,057.00)	($270,000.00)
Other Expenses (Explain)				
NET CASH FROM NONOPERATING	($491,774)	($479,250.00)	($496,176.00)	($470,000.00)
Net Increase (Decrease) in Cash	($7,181)	$68,169.00	$124,331.00	$118,351.00
Beginning Cash Balance	$408,462	$401,281.00	$469,450.00	$953,263.00
Ending Cash Balance	$401,281	$469,450.00	$593,781.00	$1,071,614.00
RESTRICTED BALANCE	$371,670	$517,776.00	$543,597.00	$550,500.00
UNRESTRICTED BALANCE	$29,611	($48,326.00)	$50,184.00	$521,114.00

Future Year: First full year after project completion.

Restricted Funds Breakdown:

Amount	Anticipated Expense	Method Used to Encumber
	See attachment	

Water Fees:

Attach current and proposed rate ordinances or resolutions and rate schedules.

Municipal or Sanitary District - monthly rates at 5,000 gallons (670 cubic feet)

Other Community Water System - monthly rates at 7,000 gallons (935 cubic feet)

Check one: ____ Incorporated Municipality or Sanitary District

or

✓ Other Community Water System

Monthly:	Current Rate	Proposed Rate	# of Accounts	Average use gallons/cubic feet
Domestic	$61.30	$62.30	2,050	9,000/month
Business	$61.30	$62.30	48	60,000/month
Other: Dak. Ethanol	$0.62	$0.62	1	750,000/day

Are fees based on usage or flat rate? Usage

When is proposed fee scheduled to take effect? January 1, 2016

When did the current fee take effect? January 1, 2014

What was the fee prior to the current rate? $29.00/month plus usage

Attach current and proposed rate ordinances or resolutions and rate schedules.

Five Largest Customers	Type of Business	% of System Revenues
Dakota Ethanol	Ethanol	7%
City of Flandreau	Town Bulk Service	9%
City of Colman	Town Bulk Service	2%
Mossings Dairy	Dairy	1%
Dakota Superior Gilts	Confined Hogs	1%

2015 Restricted Funds Breakdown

	Fund Balance	2015 Amount	2015 Anticipated Expense From account	Method Used to Encumber
CoBank Reserve	$160,569		$0	Loan Contract
USDA RD Reserve	$109,415	$24,415	$0	Loan Contract
Flandreau Reserve	$185,763	$27,000	$25,000	Service Contract
BSCWS Cap. Improvement Reserve	$50,000	$84,000	$84,000	Board Resolution
BSCWS Cap. Depreciation Reserve	$124,218	$96,000	$60,000	Board Resolution
BSCWS Vacation Reserve	$48,000	$48,000	$20,000	Board Resolution
Rental Deposits	$5,200	$2,000	$2,000	Board Resolution

7.3.4 Drinking Water Utility Information

Current Water Utility Debt

Year	1975	1976	1977	1981	1992	1996	2001
Purpose	Initial construction	Initial construction	Initial construction	Expansion project	Treatment plant	Expansion project	Expansion project
Security Pledged							
Amount							
Maturity Date (mo/yr)	1/2015	9/2016	12/2017	1/2021	12/2032	11/2036	12/2041
Debt Holder	CoBank	CoBank	CoBank	CoBank	CoBank	CoBank 12/14	USDA RD
Debt Coverage Requirement							
Avg. Annual Required Payment	$134,800.00	$8,805.00	$18,871.00	$25,448.00	$92,880.00	$40,212.00	$16,236.00
Outstanding Balance	$11,000.00	$15,000.00	$52,000.00	$133,000.00	1,060,000	499,000	$215,000.00

Use additional sheets if more room is required to list all current water utility debt.

7.3.4 Drinking Water Utility Information

Current Water Utility Debt

Year	2007	2008	2012	2014-2016			
Purpose	Expansion Project	Treatment Plant	Expansion Project	AMR Project			
Security Pledged				Loan not Closed			
Amount							
Maturity Date (mo/yr)	8/2047	12/2048	9/2022	2034-2036			
Debt Holder	USDA RD	USDA RD	CoBank	SD SRF			
Debt Coverage Requirement				$15,000 for reserve			
Avg. Annual Required Payment	$42,984.00	$123,936.00	$23,933.00	$15,000.00			
Outstanding Balance	$720,000.00	$1,989,000.00	$161,000.00	$900,000.00			

Use additional sheets if more room is required to list all current water utility debt.

7.3.8 Certification of Drinking Water Needs Categories

Identify the loan amount associated with the needs category or categories described below. If the loan addresses needs in more than one category, please break down the total amount into estimated amounts for each category.

Definition	Loan Amount
Transmission/Distribution	$3,014,700.00
Treatment	
Storage	
Source	
System Purchase	
Restructuring	
1452(k) Loan Activities	
1. To acquire land or a conservation easement for source water protection.	
2. To implement voluntary, incentive-based source water quality protection measures.	
TOTAL	$3,014,700.00

Martin Jarrett, Big Sioux CWS Manager

Name of Applicant

Signature of Authorized Representative

12/22/2014

Date

7.3.10 Certification Regarding Debarment, Suspension, and Other Responsibility Matters

The prospective participant certifies to the best of its knowledge and belief that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within a three year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and

(d) Have not within a three year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

I understand that a false statement on this certification may be grounds for rejection of this proposal or termination of the award. In addition, under 18 U.S.C. §1001, a false statement may result in a fine of up to $10,000 or imprisonment for up to 5 years, or both.

Martin Jarrett, Big Sioux CWS Manager

Name & Title of Authorized Representative

12/22/2014

Signature of Authorized Representative Date

____ I am unable to certify to the above statements. Attached is my explanation

Introduction

Because you are in the process of applying for a Drinking Water State Revolving Fund (DWSRF) loan, it is necessary for you to complete the following worksheets. The Safe Drinking Water Act requires that a system applying for a DWSRF loan must demonstrate that it has financial, managerial, and technical capacity. What exactly does that mean?

- ***Technical capacity*** - the physical infrastructure of the water system, including but not limited to the source water adequacy, infrastructure adequacy, and technical knowledge. In other words, does your treatment system work the way it is supposed to? Are you providing the safest and cleanest water possible and required by law to your customers right now, and will you be able to in the future?

- ***Managerial capacity*** - the management structure of the water system, including but not limited to ownership accountability, staffing and organization, and effective linkages. In simpler terms, do you have a capable and trained staff? Do you have an effective management structure?

- ***Financial capacity*** - the financial resources of the water system, including but not limited to the revenue sufficiency, credit worthiness, and fiscal controls. Basically, does your system have a budget and enough revenue coming in to cover costs, repairs, and replacements?

If it is determined that your system does NOT have the required capacity, you may still qualify for a DWSRF loan if it is going to be used to ensure that your system will have the necessary capacity. If you have questions while completing the following worksheets, please call our office at **(605) 773-3754** , and we will be happy to help.

After DENR receives these worksheets, we will study them and other information located in our files to make a determination whether or not your public water system has the technical, financial, and managerial capacity to be eligible to apply for a DWSRF loan. A final report will be available upon completion of the analysis.

Applicant: Big Sioux CWS

Prepared by: Martin Jarrett, Manager

Phone #: (605) 997-2098

Date: 12/22/2014

The Technical Portion of your System

Your Water Supply

Please check the appropriate box: *Yes*, *No*, or *Unknown* for each section. Please try to determine the answer to every question. ***If a section or question does not apply to your system, please check NA for not applicable.***

Water Supply and Existing Demands	**Yes**	**No**	**Unknown**	**NA**
Do you know how much water you pump on an average day? ***Amount:*** 1.2 mgd	☑	☐	☐	☐
Do you know how much water you pump on a peak day? ***Amount:*** 2.2 mgd	☑	☐	☐	☐
Do you know the maximum amount of water you can pump from your source? ***Amount:*** 2.8 mgd	☑	☐	☐	☐
Is your source capacity higher than your peak day demand? ***Percentage higher or lower:*** 27% higher	☑	☐	☐	☐
Can you meet peak demand without pumping at peak capacity for extended periods? ***Longest time pumping at peak demand:*** 2 weeks	☑	☐	☐	☐
Have you been able to provide adequate volumes of water during drought cycles?	☑	☐	☐	☐
Have you had to restrict usage at any time for any reason? ***Please specify:***	☐	☑	☐	☐
Does your system have an emergency or supplemental water supply? ***Please specify:*** Tie in with Kingbrook RWS - MCWC this project	☑	☐	☐	☐
Do you have an Emergency Response Plan that will allow you to meet system demand during a drought or shortage, such as the loss of the largest source? ***If yes, please attach.***	☐	☑	☐	☐
Water Demand	**Yes**	**No**	**Unknown**	**NA**
Do you know whether your system demands will be growing, declining, or remain stable over the next ten years? ***Please check:*** ☑ ***growing,*** ☐ ***declining, or*** ☐ ***stable.***	☑	☐	☐	☐
Does your source have additional water available for appropriation?	☑	☐	☐	☐
Do you have a water right? ***Water right permit number(s):*** see attached	☑	☐	☐	☐
If you have large commercial, industrial, or irrigation users, do you know their long-term plans and understand their needs?	☑	☐	☐	☐
Purchased Water	**Yes**	**No**	**Unknown**	**NA**
If you purchase water from another system or a wholesaler, do you know their long-term plans?	☐	☐	☐	☑
Do you have a contract to purchase water? ***If yes, with whom?***	☐	☑	☐	☐
Are you currently staying within your contract?	☐	☐	☐	☑
Are you knowledgeable about other demands being placed on the same water source that you are using?	☑	☐	☐	☐

Alternative Sources	Yes	No	Unknown	NA
Are alternative water sources possibly available to you?	☑	☐	☐	☐
Are you knowledgeable of the characteristics and costs of using alternative sources?	☑	☐	☐	☐
Water Source	**Yes**	**No**	**Unknown**	**NA**
Do you know the depth of your well? ***Depth*** 19 wells 30-70 feet deep	☑	☐	☐	☐
Do you know the geologic name of the aquifer system from which your water is drawn? ***If yes, geologic name:*** Big Sioux Aquifer, Skunk Creek Aquifer	☑	☐	☐	☐
Are all abandoned water sources properly managed and disconnected to prevent accidental contamination or problems with current water system facilities?	☑	☐	☐	☐

Treatment - Microbiological Contamination

Is your system using surface water or ground water under the influence of surface water? ☐ **yes** ☑ **no**

(If you checked "no", skip to the next section - Ground Water Systems – unless your water system requires treatment other than just disinfection.)

Surface Water Systems

Filtration Plant Condition	Yes	No	Unknown	NA
Is your filter plant in good physical condition (free from spalling concrete, peeling paint)?	☐	☐	☐	☐
If constructed more than 20 years ago, have treatment processes been upgraded to meet current standards?	☐	☐	☐	☐
Are repair parts available?	☐	☐	☐	☐
Do you have redundancy (back-ups/automatic switch-overs) for all major mechanical units? ***If no, list units you do NOT have redundancy for:*** _____	☐	☐	☐	☐
Can your plant achieve a filtered water turbidity of 0.3 NTU?	☐	☐	☐	☐
Do you have on-line continuous turbidimeters on each filter?	☐	☐	☐	☐
Have you adopted a turbidity goal lower than the standard? ***If yes, list goal:*** _____	☐	☐	☐	☐
Do you have the capability to add coagulant before the filter?	☐	☐	☐	☐

Ground Water Systems

Ground Water Under the Influence of Surface Water	Yes	No	Unknown	NA
Is your water free from variations in turbidity and temperature after storm events?	☐	☐	☐	☑
Well Construction and Protection				

Do you know when your well was constructed? ***List year:*** 1975 - 2009	☑	☐	☐	☐
Is your well(s) constructed according to current South Dakota regulations?	☑	☐	☐	☐
Do you have a source water protection plan?	☑	☐	☐	☐
Is your wellhead finished with a pitless adapter that will prevent contamination from surface water?	☑	☐	☐	☐

Disinfection

Do you disinfect? ☑ **yes** ☐ **no** ***(If "no", skip to the Infrastructure - Pumping section)***

Disinfection	**Yes**	**No**	**Unknown**	**NA**
Do you regularly inspect and maintain your disinfection / chlorination equipment? ***Type of Equipment:*** Regal ***How often?*** _____ ***Disinfectant used:*** Gaseous Chlorine	☑	☐	☐	☐
Do you have back-up equipment? ***Type:*** Regal	☑	☐	☐	☐
Do you have adequate contact time following disinfection and before the first user in the distribution system (30 minutes for ground water systems)? ***Contact time:*** Plants exceed 30m	☑	☐	☐	☐
Can you detect a chlorine residual at taps at the ends of the distribution system? ***Free Chlorine Residual:*** .5 -.7ppm ***Total Chlorine Residual:*** _____ (if using chloramines)	☑	☐	☐	☐

Disinfection By-Products

Treatment for the Control of Disinfection By-Products	**Yes**	**No**	**Unknown**	**NA**
If you treat surface water, are you already practicing or could you adopt "enhanced coagulation" in your current plant?	☐	☐	☐	☑
If you treat surface water, could you still meet current contact-time requirements if disinfection were not allowed before sedimentation?	☐	☐	☐	☑

Treatment - Security

Treatment Security	**Yes**	**No**	**Unknown**	**NA**
Has the system implemented procedures to improve security of its facilities? (i.e. limiting access to sensitive sites, protecting computer and control equipment etc.)	☑	☐	☐	☐
Are chemicals used for treatment properly stored and secure?	☑	☐	☐	☐
Does the water system track chemical usage? (i.e. a sudden	☑	☐	☐	☐

increase in usage may signal potential contamination or tampering.

Infrastructure - Pumping

Condition of Pumping Equipment	**Yes**	**No**	**Unknown**	**NA**
Do you routinely inspect for signs of pump or pump motor problems? ***How often:*** Twice weekly	☑	☐	☐	☐
Once diagnosed, are problems corrected in a timely enough manner to avoid crisis financing, costly repairs, and unscheduled downtime?	☑	☐	☐	☐
Do you hire a qualified pump contractor to perform an inspection of all pumping equipment, identify potential problems, and perform maintenance, on an annual basis?	☑	☐	☐	☐
Standby/Emergency Power Equipment	**Yes**	**No**	**Unknown**	**NA**
Is there sufficient standby/emergency power capacity to supply 100% of the average daily demand of the system (excluding fire demand)?	☑	☐	☐	☐
Are any existing standby/emergency power equipment, controls and switches tested or exercised routinely under load conditions, for at least 30 minutes at a time?	☑	☐	☐	☐
Has the local electric utility been made aware of the standby/emergency power provisions made by the water system, so that they can reinforce and safeguard the electrical facilities serving the water operations?	☑	☐	☐	☐

Infrastructure - Storage

Storage Capacity	**Yes**	**No**	**Unknown**	**NA**
Does the system have sufficient gravity-flow (non-pumped) or emergency generator-supported pumping capability to ensure adequate distribution storage to provide safe and adequate service for up to 24 hours without power? ***If no, how long:*** _____	☑	☐	☐	☐
Is there reserve capacity in the tank for fire protection support? ***Amount:*** 100% generator coverage	☑	☐	☐	☐
Security Measures	**Yes**	**No**	**Unknown**	**NA**
Are any openings, such as vent pipes, screened to protect against the entrance of small animals, birds, and small insects?	☑	☐	☐	☐
Are access hatches locked?	☑	☐	☐	☐
Is the tank and the immediate surrounding area fenced?	☐	☑	☐	☐
Control Systems				
Is there a high and low water level signal system to control the pumps?	☑	☐	☐	☐

Is there a drain valve or hydrant to allow for draining of the tank?	☑	☐	☐	☐
Tank Maintenance				
Is the tank inspected at least every three years by a qualified tank contractor for evidence of corrosion or pitting, leakage, and structural weakness?	☑	☐	☐	☐
Is the tank contractor capable of analyzing the coating of paint on the interior and exterior surfaces of the tank to determine if it contains lead or other hazardous materials?	☑	☐	☐	☐

Infrastructure - Distribution

System Maintenance	**Yes**	**No**	**Unknown**	**NA**
Do you have an accurate map of your distribution system that indicates main sizes and valve locations?	☑	☐	☐	☐
Does the operator routinely flush, test, and maintain the hydrants in the system? ***How often:*** No hydrants on RWS	☐	☐	☐	☑
Are the locations of valves in the mains and curb stops on the service lines precisely known?	☑	☐	☐	☐
Does the system keep a log of distribution system breaks to identify weak areas in the system?	☑	☐	☐	☐
Are histories, locations, size, and type of mains and service lines detailed on records in a secure area?	☑	☐	☐	☐
Are all valves exercised and lubricated periodically?	☑	☐	☐	☐
Is the system free of severe "water hammer" problems?	☑	☐	☐	☐
Are meter pits, pressure regulating valves, altitude valves, blow-offs, and other appurtenances maintained on a regular basis?	☑	☐	☐	☐
Unaccounted-for Water	**Yes**	**No**	**Unknown**	**NA**
Is unaccounted-for water in the water system monitored and analyzed each month?	☑	☐	☐	☐
Is the unaccounted-for water less than 15 percent of the total water delivered to the mains? ***List percentage of unaccounted for water:*** 10-15% %	☑	☐	☐	☐
	Yes	**No**	**Unknown**	**NA**
Are the normal operating pressures in the distribution system between 25 psi and 125 psi? ***Normal operating pressure:*** 70-160 psi	☑	☐	☐	☐
Do you have a routine leak detection and repair program?	☑	☐	☐	☐
Are all sources of supply and customers metered?	☑	☐	☐	☐
Are the meters calibrated and tested routinely to ensure their accuracy and reliability?	☑	☐	☐	☐
Water Quality in Distribution System	**Yes**	**No**	**Unknown**	**NA**
Does your system have an active cross-connection control program?	☑	☐	☐	☐

Are any inspections for cross-connections performed?	☑	☐	☐	☐
Is there a program for installing and testing backflow prevention devices where potential contamination is present?	☑	☐	☐	☐
Is there a program to eliminate "dead-ends" in the mains, where feasible?	☑	☐	☐	☐
Construction Standards	**Yes**	**No**	**Unknown**	**NA**
Are the majority of your mains 6 inches in diameter or larger? ***List percentage:*** 30%	☐	☑	☐	☐
Is there a program to gradually replace sub-standard sized mains?	☑	☐	☐	☐
Are there suitable rights-of-way and easements provided to the water system for expansion, maintenance, and replacement of mains and services?	☑	☐	☐	☐
Is there sufficient earth cover (six feet) to protect the mains from frost damage or heavy loads, if driven over?	☑	☐	☐	☐
Are materials of mains designed and selected to resist corrosion, electrolysis, and deterioration?	☑	☐	☐	☐
Distribution System Problems	**Yes**	**No**	**Unknown**	**NA**
Do you receive any complaints regarding water quality (taste, odor, color, etc.)? ***List number of complaints/year:*** less than 10 ***Most common complaint:*** too few to quantify.	☑	☐	☐	☐
Can you maintain adequate pressure in the distribution system under all conditions of flow?	☑	☐	☐	☐

The Management Portion of your System

Please mark the appropriate box: *Yes*, *No*, or *Unknown* for each section. Please try to determine the answer to every question. ***If a section does not apply to your system, please write NA for not applicable.***

Operation & Maintenance

Operations Staff	**Yes**	**No**	**Unknown**	**NA**
Does the person operating your system have current water treatment plant and water distribution operator certification credentials from DENR? TWO STAFF WITH CLASS 3 WATER ***If yes, list classification(s):*** ~~too few to quantify~~. Treatment, one with Class 4. 3 with class 3 distribution.	☑	☐	☐	☐
Does your operator receive additional training on an ongoing basis to keep current on new developments in the field?	☑	☐	☐	☐
Future Operational Demands	**Yes**	**No**	**Unknown**	**NA**
Does your water system obtain any regular or occasional technical assistance from outside sources, such as DENR, your engineer, other utilities or organizations specifically dedicated to providing technical assistance? ***If yes, who*** Banner Engineering, SDARWS.	☑	☐	☐	☐

Management & Administration

Who's in Charge?	**Yes**	**No**	**Unknown**	**NA**
Is there a clear plan of organization and control among the people responsible for management and operation of the system?	☑	☐	☐	☐
Does your system have written personnel policies and job descriptions signed by the employees?	☑	☐	☐	☐
Are the limits of the operator's authority clearly known?	☑	☐	☐	☐
Does everyone involved in operations know who is responsible for each area?	☑	☐	☐	☐
Is someone responsible for scheduling work?	☑	☐	☐	☐
Security	**Yes**	**No**	**Unknown**	**NA**
Does the system have procedures for handling new and terminated employees (i.e. collecting keys, changing locks and computer passwords)?	☑	☐	☐	☐
Rules and Standards	**Yes**	**No**	**Unknown**	**NA**
Do you have explicit rules and standards for system modifications?	☑	☐	☐	☐
Do you have rules governing new hook-ups?	☑	☐	☐	☐
Do you have a water main extension policy?	☑	☐	☐	☐
Do you have standard construction specifications to be followed?	☑	☐	☐	☐

	Yes	No	Unknown	NA
Do you have measures to assure cross-connection control and backflow prevention?	☑	☐	☐	☐
Do you have policies or rules describing customer rights and responsibilities?	☑	☐	☐	☐
Regulatory Compliance Program	**Yes**	**No**	**Unknown**	**NA**
Do you fully understand monitoring requirements and have a scheduling mechanism to assure compliance?	☑	☐	☐	☐
Do you know how to obtain clarification or explanation of requirements?	☑	☐	☐	☐
Do you have a mechanism to obtain the most recent information on regulatory requirements?	☑	☐	☐	☐
Do you maintain adequate records to document compliance? ***If yes, for how long?*** 10 years	☑	☐	☐	☐
Did your system have any violations of the primary drinking water standards in the last year?	☐	☑	☐	☐
Did your system have any monitoring or reporting violations in the last year?	☐	☑	☐	☐
Do you know what to do in the event of a violation?	☑	☐	☐	☐
Emergencies	**Yes**	**No**	**Unknown**	**NA**
Do you have an Emergency Response Plan?	☑	☐	☐	☐
Is there a contingency for making emergency interconnections to neighboring systems, and do you know they will work if needed?	☑	☐	☐	☐
Does everyone involved in operations know what they are to do in the event of contamination from a toxic hazardous waste spill in your source water or a main break or a tank failure?	☑	☐	☐	☐
Do you have a clear chain-of-command protocol for emergency action?	☑	☐	☐	☐
Is someone responsible for emergency operations, for communications with state regulators, for customer relations, for media relations? ***If yes, who (title):*** Martin Jarrett, Manager	☑	☐	☐	☐
Safety	**Yes**	**No**	**Unknown**	**NA**
Do you have a safety program defining measures to be taken if someone is injured?	☑	☐	☐	☐
Has the entire staff been properly trained in the location and use of safety equipment?	☑	☐	☐	☐
Does everyone understand the risks and safety measures involved in handling water treatment chemicals?	☑	☐	☐	☐
Do you have written operating procedures for both routine and emergency system operations?	☑	☐	☐	☐
Are you fully aware of Occupational Safety and Health Administration (OSHA) confined space (such as trenches/manholes) regulations?	☑	☐	☐	☐
Does the system work with customers to promote their awareness of security?	☑	☐	☐	☐
Does the system have a communication plan to alert customers of a natural or intentional threat to public health?	☑	☐	☐	☐

Maintenance	**Yes**	**No**	**Unknown**	**NA**
Do you have a planned maintenance management system -- a system for scheduling routine preventive maintenance (line flushing, pumps, meters, storage tanks, etc.)?	☑	☐	☐	☐
Do you have a system for assuring adequate inventory of essential spare parts and back-up equipment?	☑	☐	☐	☐
Do you have relationships with contractors and equipment vendors to assure prompt priority service?	☑	☐	☐	☐
Do you have records and data management systems for system operating and maintenance data, for regulatory compliance data, and for system management and administration?	☑	☐	☐	☐
Management Capability	**Yes**	**No**	**Unknown**	**NA**
Are you getting the outside services and technical assistance you need? Do you have adequate legal counsel, insurance, engineering advice, technical/operations assistance, rate case preparation, and financial advice?	☑	☐	☐	☐

The Financial Portion of your System

Please mark the appropriate box: *Yes*, *No*, or *Unknown* for each section. Please try to determine the answer to every question. ***If a section does not apply to your system, please write NA for not applicable.***

Financial Planning Mechanisms	**Yes**	**No**	**Unknown**	**NA**
Does your system develop and follow an annual budget that is approved by the governing body?	☑	☐	☐	☐
Does the governing body review a monthly summary of revenues and expenses of the utility system?	☑	☐	☐	☐
Do you have within the annual budget separate reserve accounts for equipment replacement, capital improvement, depreciation or security upgrades? ***If so, list accounts:*** Depreciation Acc., Capital Improvement Acc.	☑	☐	☐	☐
Does the system have reserve funds available in the event of an emergency?	☑	☐	☐	☐
Do you have a capital budget or capital improvement plan that projects future capital investment needs some distance (at least five years) into the future?	☑	☐	☐	☐
Do you have a process for scheduling and committing to capital projects?	☑	☐	☐	☐
Does your planning process take account of all the potential capital needs suggested by your answers to the technical questions in these worksheets?	☑	☐	☐	☐
Does your long-term planning incorporate analysis of alternative strategies that might offer cost saving to customers, such as consolidation with other nearby systems or sharing of operations and management expenses with other nearby systems?	☑	☐	☐	☐
Rates/Billing - Are they Adequate?	**Yes**	**No**	**Unknown**	**NA**
Do you regularly review your rates? ***How often?*** Annually	☑	☐	☐	☐
Do you have a plan in place for periodic increases in rates?	☑	☐	☐	☐
Is the rate structure based on metered watered use? ***List rates per 1000 gallons:*** $31 minimum, $4.80-$2.75 / 1000 g. (i.e. $22 minimum plus $2.50/1000 gallons)	☑	☐	☐	☐
Does the rate per 1000 gallons change as consumption increases? ***If so, please describe***: Decreasing Scale.	☑	☐	☐	☐
Does the rate structure assure proportionality among users?	☑	☐	☐	☐
Do you have procedures for billing and collection?	☑	☐	☐	☐
Is your billing collection rate greater than 95%?	☑	☐	☐	☐
Do you have collection procedures specifically for delinquent accounts?	☑	☐	☐	☐

Financial Planning Mechanisms - Are they Adequate?	**Yes**	**No**	**Unknown**	**NA**
Does your system have audited financial statements prepared by a certified public accountant (CPA)?	☑	☐	☐	☐
Does your water system income exceed operating expenses (including debt service)?	☑	☐	☐	☐
Does your water utility support other enterprise funds or the general fund?	☐	☑	☐	☐
Does your system require revenues from other enterprise funds or the general fund for normal operations?	☐	☑	☐	☐
Do you employ standardized accounting and tracking systems?	☑	☐	☐	☐
Do you track budget performance?	☑	☐	☐	☐
Do you keep records to substantiate depreciation of fixed assets and accounting for reserve funds?	☑	☐	☐	☐
Are financial management recordkeeping systems organized?	☑	☐	☐	☐
Are controls exercised over expenditures?	☑	☐	☐	☐
Are controls exercised to keep from exceeding your budget?	☑	☐	☐	☐
Are there purchasing procedures?	☑	☐	☐	☐
Did your system's governing body review this assessment before returning it to the South Dakota Department of Environment and Natural Resources?	☑	☐	☐	☐

Financial Spreadsheet

Applicant: Big Sioux Community Water System Inc.
Completed by: Martin Jarrett & Jodi Johanson
Date: Dec.22nd - Dec. 24th 2014

4 Year Projections	Last Year Actual	Current Year Budget Year 1 Projected	Year 2 Projected	Year 3 Projected	Year 4 Projected
Enter Year:	2013	2014	2015	2016	2017
1. Beginning Cash on Hand	$401,281	$469,450	$593,781	$789,525	$953,263
2. Cash Receipts:					
a. Unmetered Water Revenue					
b. Metered Water Revenue	$1,936,673	$1,954,570	$1,945,225	$2,000,000	$2,060,000
c. Other Water Revenue					
d. Total Water Revenues (2a through 2c)	$1,936,673	$1,954,570	$1,945,225	$2,000,000	$2,060,000
e. Connection Fees	$40,802	$51,500	$50,000	$40,000	$45,000
f. Interest and Dividend Income	$11,691	$6,800	$6,800	$6,000	$7,000
g. Other Income	$123,928	$172,700	$179,300	$180,000	$186,000
h. Total Cash Revenues (2d through 2g)	$2,113,094	$2,185,570	$2,181,325	$2,226,000	$2,298,000
i. Transfers in/Additional Rev Needed					
j. Loans, Grants or other Cash Please specify		$500,000	$1,395,000	$2,019,000	
3. Total Cash Receipts (2h through 2j)	$2,113,094	$2,685,570	$3,576,325	$4,245,000	$2,298,000
4. Total Cash Available (1+3)	$2,514,375	$3,155,020	$4,170,106	$5,034,525	$3,251,263
5. Operating Expenses					
a. Salaries and wages	$422,445	$489,681	$505,000	$530,250	$556,762
b. Employee Pensions and Benefits	$202,518	$198,382	$208,500	$214,755	$221,200
c. Purchased Water					
d. Purchased Power	$147,990	$160,000	$160,000	$168,000	$188,080
e. Fuel for Power Production					
f. Chemicals	$122,218	$133,000	$127,000	$137,160	$144,018
g. Materials and Supplies	$474,652	$270,500	$261,540	$279,847	$293,839
h. Engineering Services	$2,035	$7,000	$3,000	$8,000	$10,000
i. Contractual Services – Other	$14,672	$13,000	$14,000	$15,000	$15,000
j. Equip. Rent/Real Property	$30,680	$30,000	$30,000	$35,000	$36,750
k. Transportation Expenses	$55,125	$40,000	$38,000	$40,000	$40,000
l. Laboratory	$3,797	$4,000	$4,000	$4,500	$4,500
m. Insurance	$44,288	$48,000	$49,000	$51,450	$52,000
n. Regulatory Commission Expenses	$32,721	$34,000	$36,000	$37,800	$40,000
o. Advertising	$843			$500	$500
p. Miscellaneous					
q. Total Cash O&M Expenses (5a through 5p)	$1,553,984	$1,427,563	$1,436,040	$1,522,262	$1,602,649
r. Replacement Expenditures		$130,700	$46,565	$100,000	$100,000
s. Total OM&R Expenditures (5q+5r)	$1,553,984	$1,558,263	$1,482,605	$1,622,262	$1,702,649
t. Loan Principal/Capital Lease Payments	$242,400	$279,919	$292,976	$204,000	$207,000
u. Loan Interest Payments	$248,541	$223,057	$210,000	$236,000	$270,000
v. Transfers Out					
w. Capital Purchases (specify):					
Meter Project		$500,000	$400,000		
Pipeline Project			$995,000	$2,019,000	
x. Other					
6. Total Cash Paid Out (5s through 5x)	$2,044,925	$2,561,239	$3,380,581	$4,081,262	$2,179,649
7. Ending Cash Position (4 - 6)	$469,450	$593,781	$789,525	$953,263	$1,071,614

Financial Spreadsheet

Applicant: Big Sioux Community Water system, Inc.
Completed by: Martin Jarrett & Jodi Johanson
Date: Dec. 22nd - Dec. 24th, 2014

4 Year Projections	Last Year Actual	Current Year Budget Year 1 Projected	Year 2 Projected	Year 3 Projected	Year 4 Projected
8. Number of Customer Accounts	2,070	2,095	2,125	2,155	2,175
9. Avg Annual User Charge Account (2d/8)	$936	$933	$915	$928	$947
10. Coverage Ratio (2h-5s)/(5t+5u)	1.1	1.2	1.4	1.4	1.2
11. Operating Ratio (2d/5s)	1.2	1.3	1.3	1.2	1.2
12. Additions to Reserve Funds for the Year:					
a. Debt Service Reserve	$24,415	$68,000	$24,415	$24,415	$24,415
Vacation b. ~~Bond Retirement~~ Reserve		$48,000	$48,000		
c. Capital Improvement Reserve	$24,000	$84,000	$84,000	$84,000	$84,000
d. Replacement Reserve	$24,000	$60,000	$96,000	$96,000	$96,000
e. Other	$33,000	$27,000	$27,000	$27,000	$27,000
13. Total Reserves (12a through 12e)	$105,415	$287,000	$279,415	$231,415	$231,415
14. Year End Operating Cash (7 – 13)	$364,035	$306,781	$510,110	$721,848	$840,199

Water Rights

Permit or Right No.	Aquifer	County
2054-3	Big Sioux : Moody	Moody
5720B-3	Big Sioux : Moody	Moody
5962-3	Big Sioux : Moody	Moody
5963-3	Big Sioux : Moody	Moody
6223-3	Big Sioux : Moody	Moody
4943-3	Big Sioux: N. Skunk Creek	Lake
6152-3	Big Sioux: N. Skunk Creek	Lake
7117-3	Big Sioux: N. Skunk Creek (Hanson)	Lake

State of South Dakota

OFFICE OF THE SECRETARY OF STATE

Certificate of Good Standing
Nonprofit Corporation

ORGANIZATIONAL ID#: NS005113

I, Jason M. Gant, Secretary of State of the State of South Dakota, do hereby certify that **BIG SIOUX COMMUNITY WATER SYSTEM, INC.** was duly incorporated under the laws of this state on **June 6, 1972**.

I, further certify that said corporation has complied with the laws of this State relative to the formation of corporations of its kind and is now a regularly and properly organized and existing corporation under the laws of this State and is in good standing, as shown by the records of this office. This certificate is not to be construed as an endorsement, recommendation or notice of approval of the corporation's financial condition or business activities and practices. Such information is not available from this office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of South Dakota, in Pierre, the Capital City, this December 18, 2014.

Jason M. Gant
Secretary of State

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2014 YEAR END CASH POSITION BIG SIOUX COMMUNITY WATER SYSTEM, INC.	2015 Budget
November 30th Cash - Includes RD / CoBank Reserve	$886,950
INCOME	
1. December Water Sales	$165,000
2. Accounts Receivable Nov. 30th-Dec. 31st	$41,000
3. Interest on Investments (cash and accrued), end of Dec.	$650
Cash before Expenses	$1,093,600
EXPENSES	
1. December Bills - System	($129,000)
2. December Loan payments	($43,600)
3. Construction underway	($34,000)
December Expenses	($206,600)
PROJECTED CASH/ RESERVE ACC. TOTAL - 12/31/14	$887,000
CoBank Reserve Requirements	$160,569
RD Reserve Requirements	$192,065
BSCWS Capital Improvement Reserve	$50,000
BSCWS Capital Depreciation Reserve	$124,218
Flandreau Depreciation Reserve	$185,763
Tenant Rental Deposits	$5,200
Unrestricted Funds or other accounts	$121,185
Vacation Reserves	$48,000
CASH / RESERVE ACCOUNTS 12/31/13	$767,442
CoBank Reserve Requirements	$158,569
RD Reserve Requirements	$125,212
BSCWS Capital Improvement Reserve	$54,984
BSCWS Capital Depreciation Reserve	$156,682
Flandreau Depreciation Reserve	$228,055
Tenant Rental Deposits	$5,940
Unrestricted Funds or other accounts	$38,000

INCOME 2015 PROPOSED BUDGET	2014 Budget	2014 Actual	2015 Budget
WATER SALES			
Farm, Rural Residence, Commercial, Monthly Cottage			
2070 Accts. @ $59/ Month	$1,485,000	$1,477,000	$1,485,000
Government Accts.			
50 Accts. @ $37/ Month	$23,000	$23,500	$23,500
Dakota Ethanol			
22mg/Month @ $.62/1,000	$144,000	$144,000	$160,000
Infrastructure loan / Demand payment	$48,890	$49,600	$29,725
Town of Wentworth			
.3mg/Month @$2.70/1,000	$12,000	$9,000	$10,000
Town of Egan			
.5mg/Month @$1.82/1,000	$11,000	$10,850	$11,000
Town of Colman			
1.6mg/Month @$1.98/1,000	$36,000	$31,000	$34,000
Town of Trent			
.5mg/Month @$1.95/1000	$12,000	$11,620	$12,000
Town of Flandreau			
8.5mg/Month @$1.77/1,000	$156,000	$198,000	$180,000
TOTAL WATER SALES	$1,927,890	$1,954,570	$1,945,225
INTEREST EARNINGS			
CD Investments (600,000 @1.1%)	$6,600	$6,600	$6,600
Jones, MMDA, Checking etc.	$200	$200	$200
TOTAL INTEREST EARNINGS	$6,800	$6,800	$6,800
MISCELLANEOUS EARNINGS			
CRP, Pasture/ Tower Rent/ Monitoring	$61,400	$69,400	$71,000
Fees, Excavation Reimbursed, Wastewater, Material Sales	$72,000	$87,000	$92,000
Egan, CoBank cash credits	$15,480	$16,300	$16,300
TOTAL MISCELLANEOUS EARNINGS	$148,880	$172,700	$179,300
HOOKUP FEES			
25 Hookup Fees @ $2,000	$40,000	$51,500	$50,000
TOTAL INCOME	$2,123,570	$2,185,570	$2,181,325

EXPENSES	Budget 2014	Actual 2014	Budget 2015
LABOR			
Operations and Maintenance	$298,500	$308,000	$310,000
Administration & Office	$169,000	$174,351	$185,000
Summer Help / Janitorial	$10,000	$7,330	$10,000
FICA	$36,000	$35,617	$37,000
Unemployment (Fed.& State)	$1,500	$1,325	$1,500
Benefits	$143,000	$161,440	$170,000
TOTAL LABOR	$658,000	$688,063	$713,500
SYSTEM INSURANCE			
Property, General Liability, Auto, Crime, Flood	$26,000	$33,000	$33,000
Umbrella	$3,000	$5,000	$5,000
Workers Compensation	$7,000	$7,000	$8,000
D & O	$2,000	$3,000	$3,000
TOTAL INSURANCE	$38,000	$48,000	$49,000
OUTSIDE SERVICES			
Directors Fees & Expenses	$36,000	$34,000	$36,000
Legal Fees	$8,000	$6,000	$6,000
Audit, Business Counsel, Computer Aid	$8,000	$7,000	$8,000
Engineering/ Environmental/ Wellhead	$3,000	$7,000	$3,000
TOTAL OUTSIDE SERVICES	$55,000	$54,000	$53,000
ADMINISTRATIVE			
Newsletter - Printing & Assistance	$7,000	$6,500	$6,500
Answering Service	$1,500	$1,500	$1,500
Postage, Bulk Permits, Box Rent	$8,000	$9,000	$9,000
Office Supplies	$6,000	$9,000	$9,000
Credit Card Fees / ACH / OnLine	$9,000	$9,000	$8,000
Office: Web, Repair & Agreements	$3,000	$2,000	$3,000
Telephone	$7,000	$9,000	$8,000
Annual Meeting	$6,000	$7,500	$7,000
Membership Dues	$10,000	$12,250	$12,250
Travel, Training & Meeting Expenses (Employees)	$6,200	$4,500	$5,000
Miscellaneous (Ads, donations, garbage etc.)	$3,500	$6,000	$5,000
Real Estate Taxes	$9,000	$12,000	$10,000
SDARWS Safety Training	$3,250	$3,250	$3,250
General Repairs / Damage claims	$2,000	$1,000	$2,000
TOTAL ADMINISTRATIVE	$81,450	$92,500	$89,500

OPERATIONS	2014 BUDGET	2014 Actual	2015 Budget
Electricity	$154,000	$160,000	$160,000
Water Treatment, Chemicals, Testing	$129,000	$133,000	$127,000
Heating Fuel (Propane)	$8,000	$8,000	$8,000
Diesel Fuel - Generators	$3,000	$1,000	$2,000
Excavation - Consumers and leak repair	$28,000	$80,000	$80,000
Building & Grounds / Tractor	$5,000	$1,000	$3,000
Tower Maintenance, Claricone	$4,000	$17,500	$0
Pumping, Maintenance, Distribution	$40,000	$31,000	$35,000
Long Lake Lease	$21,400	$21,400	$21,940
Brant Membrane Plant Maintenance	$9,000	$10,000	$10,000
Meter Replacement Program / Badger fee	$2,000	$0	$3,000
Leaks / Land Disturbance	$2,000	$1,500	$2,000
Transportation	$66,000	$70,000	$68,000
Misc. Tools / Safety Training	$3,000	$4,000	$3,000
Backhoe / Generator maintenance & repair	$2,000	$500	$2,000
South Dakota One Call	$2,300	$2,200	$2,200
Septic Tank Pumping / Orkin/ Brant L. Sanitary	$3,000	$3,000	$3,000
Clothing allowance	$900	$900	$900
TOTAL OPERATIONS	$482,600	$545,000	$531,040
CoBANK & RD DEBT REPAYMENT			
CoBank 01 (2015) ($1.11m) ($11k remains)	$134,800	$134,800	$11,000
CoBank 02 (2016) ($78k) ($15k remains)	$8,805	$8,805	$8,805
CoBank 03 (2017) ($181k) ($52k remains)	$18,871	$18,871	$18,871
CoBank 04 (2021) ($274k) ($133k remains)	$25,448	$25,448	$25,448
CoBank 05 (2032) ($1.34m) ($1.06M remains)	$92,880	$92,880	$92,880
CoBank 06 (2022)($200K) ($160k remains)	$23,933	$23,933	$23,933
RD loan #12 (2036) ($586k) (455k remains)	$40,212	$40,212	$40,212
RD loan #13 (2041) ($269k) (215k remains)	$16,236	$16,236	$16,236
RD loan #15 (2047) ($831k) (702k remains)	$42,984	$42,984	$42,984
RD loan #16 (2049) ($2.15m) (1.92M remains)	$123,936	$123,936	$123,936
New Loan Reserve (2030) (900k)	$37,000	$0	$15,000
TOTAL DEBT ($4.72M) PAYMENT	$565,105	$528,105	$419,305
RESERVE FUNDS			
CoBANK Reserve Fund (fully funded $158,569)	$0	$0	$0
RD reserve fund ($2,034.60/month)	$24,415	$24,415	$24,415
Flandreau Reserve Fund	$27,000	$27,000	$27,000
Big Sioux Improve. Reserve ($7,000/month)	$84,000	$84,000	$84,000
Big Sioux Capital Dep. Reserve ($8,000/month)	$60,000	$60,000	$96,000
Banked Vacation Reserve ($4,000/month)	$48,000	$48,000	$48,000
TOTAL RESERVE FUNDS REQUIRED	$243,415	$243,415	$279,415
Total Expenses	$2,123,570	$2,199,083	$2,134,760

Capitalization Projects	2014 BUDGET	2014 Actual	$2,015 BUDGET
HWY 77 2 mile 4" pipeline / Mustang Pass upsize	$40,000	$45,000	$0
Wentworth Meter Pit	$4,000	$4,000	$0
VFD Pump South Reservoir	$12,000	$22,000	$0
2 VFD's for MPH HSP	$20,000	$21,000	$0
Unsafe pits replacement	$10,000	$6,000	$12,165
Materials for 20 reduced fee pits	$8,700	$8,700	$17,400
Materials for 20 Services @ $850	$17,000	$17,000	$17,000
TOTAL CAPITALIZATION FUND	$111,700	$123,700	$46,565

	2014 Budget	2014 Actual	2015 Budget
LINCOLN PIPESTONE PROJECT FUNDED BY UNRESTRICTED CASH			
Egan Well-field BSCWS / LPRW Drilling	$ 30,000	$ 7,000	$0
SYSTEMWIDE AMR PURCHASE AND INSTALLATION FUNDED BY $900,000 SRF LOAN (2014-2016)			
Base Stations	$74,250	$0	$0
Handheld reader	$11,000	$0	$11,000
Software licenses	$55,590	$0	$10,000
Training	$6,700	$3,700	$0
Tower Installation	$60,000	$0	$0
Water meter transmitters	$250,000	$58,500	$174,000
Iperl meters	$240,000	$102,000	$175,000
Laptops / Ipads	$3,000	$4,100	$0
Office Computer / billing software	$15,000	$26,000	$5,000
Labor / Transportation	$110,000	$0	$60,000
Engineering, Admin & contingencies	$45,838	$2,400	$10,000
Taxes	$28,622	$7,900	$17,000
Projected Total cost	$900,000	$204,600	$462,000

ARTICLES OF INCORPORATION

OF

BIG SIOUX COMMUNITY WATER SYSTEM, INC.

KNOW ALL MEN BY THESE PRESENTS: That we, Loren Paulsen, Edward Kramer, Andrew Groos, Hilbert Heesch, Virtus Schroeder, William A. Richter, William C. Welbig, Eldon C. Thornber, and Daniel L. Carlson, residents of the State of South Dakota and over twenty-one years of age, have associated ourselves together for the purpose of forming a non-profit corporation in accordance with the provisions of Chapter 47-22, South Dakota Compiled Laws, 1967, and do hereby make, execute and acknowledge in triplicate, these Articles of Incorporation in writing.

ARTICLE I

The name of this Corporation shall be Big Sioux Community Water System, Inc.

ARTICLE II

This corporation shall have perpetual existence.

ARTICLE III

The objects and purposes of this corporation are:

A. To acquire, construct, maintain, and operate a system for the diversion, supply, storage, and distribution of water to the members of this Corporation for domestic or commercial purpose within the area served by the Corporation in the Counties of Moody and Lake, South Dakota.

B. To acquire by appropriation or otherwise, and to lease, sell or dispose of water and water rights for domestic or commercial purposes.

C. To borrow money for the use of said Corporation and to issue securities therefor and to pledge, mortgage, hypothecate, and otherwise dispose of the real, personal and intangible property of the Corporation as security therefor.

D. To have power to establish schedules of rates for the delivery of water, and to levy assessments upon its members, irrespective of whether or not payment in full has been made for their memberships, and to collect such water charges and assessments from its members. In the event of delinquency in the payment of such

water charges and assessments, the Corporation shall have the power to enforce the collection thereof by either or by a combination of the following remedies, upon giving notice to the delinquent member in the manner provided in the By-Laws as the same are in force and effect at the time such delinquency occurs.

(1) By personal action of debt brought against the delinquent member in a court of competent jurisdiction.

(2) By forfeiture of the delinquent membership or by termination of the delinquent membership, in the method provided by the By-Laws.

(3) By withholding the delivery of water from the service connection of the delinquent member.

E. To exercise any and all powers incidental to or conducive to the aforesaid objects or any of them.

ARTICLE IV

The principal place of business of the Association shall be located at Colman, Moody County, South Dakota.

ARTICLE V

The address of the initial registered office shall be Colman, South Dakota, and the name of the initial registered agent at said address for the service of process is Loren Paulsen.

ARTICLE VI

The affairs of the Association shall be under the control of nine (9) Directors, and those who shall as Directors manage the affairs of the Association for the first year and until their successors are duly elected and qualified are:

NAME	ADDRESS
Loren Paulsen	Ward, South Dakota
Edward Kramer	Flandreau, South Dakota
Andrew Groos	Colman, South Dakota
Hilbert Heesch	Flandreau, South Dakota
Virtus Schroeder	Flandreau, South Dakota
William A. Richter	Colman, South Dakota
William C. Welbig	Colman, South Dakota
Eldon C. Thornber	Wentworth, South Dakota

Daniel L. Carlson	Madison, South Dakota

At the first annual meeting following the expiration of the one-year period for which the Directors herein designated will serve, and at each annual meeting thereafter, a new Board of Directors will be elected in accordance with the provisions of the By-Laws of the Association and the laws of the State of South Dakota, in such cases made and provided.

ARTICLE VII

The names and addresses of each incorporator are listed as follows:

NAME	ADDRESS
Loren Paulsen	Ward, South Dakota
Edward Kramer	Flandreau, South Dakota
Andrew Groos	Colman, South Dakota
Hilbert Heesch	Flandreau, South Dakota
Virtus Schroeder	Flandreau, South Dakota
William A. Richter	Colman, South Dakota
William C. Welbig	Colman, South Dakota
Eldon C. Thornber	Wentworth, South Dakota
Daniel L. Carlson	Madison, South Dakota

ARTICLE VIII

The Board of Directors shall establish a minimum water charge and a schedule of charges for water use in excess of the minimum. The established minimum water charge shall apply to each service connection. Annually the Board of Directors shall review the established rates and, based upon consideration of the expenses of operation and maintenance, repayment of indebtedness and establishment of a proper reserve fund, and the anticipated amount of such costs during the coming year, shall make any proper revision of such schedule of rates.

ARTICLE IX

If at any time during the fiscal year it appears in the judgment of the Board of Directors that the amount to be derived from the collection of water charges during such fiscal year will be insufficient for the payment of all costs incident to the operation and maintenance of the Corporation's system and payment of the Corporation's current indebtedness, the Board shall make and levy an assessment upon each member so that the total of such assessment is sufficient, with the amount of water charges collected and reasonably anticipated to be collected, to fully pay the costs of operation and payments on said current indebtedness. A

proportionate amount of the total of such assessment levied in any year shall be levied against each member in an amount equal to that portion which the number of service connections supplying each member bears to the total number of service connections served by the system of the Corporation. Provided, however, that no member shall be obligated to pay such assessment, and in the event that any member elects not to pay such assessment, he may be deleted from membership in and service by the Corporation.

ARTICLE X

Section 1. There shall be no capital stock issued by the Corporation, and membership in the Corporation shall be limited to persons, corporations, or bodies politic owning, controlling or occupying land situated within the area served by the water system of the Corporation and reasonably accessible thereto. Applicants for membership must be approved and payment of the connection fee as fixed in the By-Laws, shall be admitted to membership, provided that no occupant of land who is otherwise eligible for membership shall be entitled or be admitted to membership if the capacity of the Corporation's system or sources of water supply is required to meet the needs of existing members.

Section 2. Each member, upon payment of the connection fee, shall be entitled to have one service connection installed at a point which may conveniently be tapped for the supply of water to the premises occupied by him, and upon payment of recurring water charges and also assessments, shall be entitled to a supply of water as available from the system of the Corporation. Any person desiring more than one service connection shall be required to apply for and to pay a separate connection fee for each service connection authorized by the Corporation.

Section 3. There shall be an annual meeting of the members of the Corporation to be held at such time and place as may be provided in the By-Laws. Each member shall be entitled to only one vote irrespective of the number of memberships held.

Section 4. Membership in the Association shall be transferable and subject to mortgage or pledge only upon the approval of the Board of Directors.

ARTICLE XI

The By-Laws of the Association for the management of its affairs shall be adopted by the members of said Association, and said members will be empowered to amend or repeal said By-Laws in accordance with the provisions thereof.

ARTICLE XII

Neither cumulative nor proxy voting shall be allowed. Each member shall be permitted only one vote.

ARTICLE XIII

Sale, conveyance, or encumbrances of all or any part of the property of the Corporation may be made by the Board of Directors, and instruments of conveyance or encumbrance shall be executed on behalf of the Corporation by the President and attested by the Secretary of the Corporation.

ARTICLE XIV

Section 1. No officer, Director or member shall at any time receive or become entitled to receive any pecuniary profit from the operations hereof either by dividends or other distribution or by payment of any salary, wage, or reward of any kind in excess of reasonable compensation for services actually rendered by an officer, agent, Director, or employee or member of the Corporation.

Section 2. No dividend or distribution of the funds or other property of the Corporation shall be made until all debts are fully paid and then only upon its final dissolution, nor shall any distribution be made except by a vote of the majority of the members of the Corporation or a quorum thereof as provided in the By-laws. In the event of dissolution, for the purpose of merger, the net funds of the Corporation, if any, shall be transferred to any other or several non-profit organizations having one or more purposes in common with this Corporation.

Section 3. No member's individual liability shall extend beyond the consideration paid by each member for his membership.

ARTICLE XV

To the fullest extent permitted by South Dakota law as the same exists or may hereafter be amended, a Director of this Corporation shall not be liable to the Corporation or its members for monetary damages for breach of fiduciary duty as a Director.

Revised through April 15, 1995

BY-LAWS
OF
BIG SIOUX COMMUNITY WATER SYSTEM, INC.

ARTICLE I

General Purposes

This non-profit corporation shall be known as the Big Sioux Community Water System, Inc., incorporated under the laws of the State of South Dakota.

ARTICLE II

Name and Location

Section 1. The name of the corporation is the Big Sioux Community Water System, Inc.

Section 2. The principal office and place of business of this corporation shall be located in the City of Colman, P.O., State of South Dakota, but the corporation may maintain offices and places of business at other places within or without the State as the Board of Directors may determine.

ARTICLE III

Seal of Corporation

Section 1. The seal of the corporation shall have inscribed thereon the name of the corporation.

Section 2. The Secretary shall have custody of the seal.

ARTICLE IV

Fiscal Year

The fiscal year of the corporation shall begin on the 1st day of January in each year.

ARTICLE V

Governing Body

Section 1. This corporation shall be governed by a Board of Directors consisting of nine members to be elected by the members of the corporation at the first regular annual meeting and at each annual meeting thereafter as provided in the By-Laws. Such board shall meet immediately after the adjournment and organize by electing a President, Vice-President and Secretary and Treasurer from their own number.

ARTICLE VI

Membership

Section 1. The members of this corporation are the qualified water users who have signed a water user agreement with the corporation and who are listed on the books of the corporation as members. The privileges of membership are extended and accepted only in accordance with and subject to the conditions and restrictions stipulated in the Articles of Incorporation and By-Laws. There shall be two (2) classes of membership as follows:

A. One class of membership shall be comprised of persons and corporations.

B. Another class of membership shall be comprised of political subdivisions, including the State and all subdivisions of government thereunder.

Section 2. The Board of Directors is authorized and directed to designate as members in the corporation each of the aforesaid members who shall thereafter be entitled to all the privileges and benefits contemplated by the Articles of Incorporation by signing such agreements for the purchase of

water as are required by the corporation. No person or entity otherwise eligible shall be permitted to subscribe for or otherwise acquire membership in the corporation if the capacity of the corporation is inadequate to supply the water to an additional member without jeopardizing the necessary supply of water for the existing members.

Section 3.

A. No member of this corporation shall be entitled to more than one vote at meetings of the members. A member who is a corporation or a political subdivision may designate a person to cast its vote at meetings of the members, and shall notify this corporation of that designee in writing prior to any meeting at which such vote shall be cast.

B. Class B, bulk rate municipalities, shall appoint a designee to attend the January Board of Directors meeting each year, such designee to be the mayor of one of those municipalities, which designee shall have voting privileges pertaining to bulk service rates, and which designee shall serve a three year term.

Section 4. All transfers of membership shall be made upon the books of the corporation, but only with the approval of the Board of Directors or its designee and only to persons eligible to become members and the membership or right to membership for a property will not be lost to the property by transfer or termination.

Section 5. Each member agrees to sign such water use agreements as the corporation shall from time to time provide and require.

Section 6. In case of the death of a member or if a member ceases to be eligible to hold membership as provided in Section 1, or willfully fails to comply with these By-Laws and other requirements, or willfully obstructs the purposes and proper activities of the corporation, the corporation, through the Board of Directors, may elect to terminate his membership. Any member whose membership is so terminated for cause other than that of ceasing to be eligible, may appeal from the action of the Board of Directors to a vote of the members at the next regular meeting of the members or special meeting of the members called for such purpose.

Section 7. Notwithstanding any provisions contained in these By-Laws to be the contrary, a member's rights and interests in the assets of the corporation shall not be forfeited upon the member's withdrawal or termination of his membership for any reason. In the event that this corporation is dissolved, if the corporation realizes a gain from the sale or disposition of an appreciated asset, the corporation shall distribute, in proportion to the amount of business done by such member, to the extent practicable, such net gain or any surplus funds on a pro rata basis to all members during the period when such asset or assets were owned by the corporation. The corporation shall keep and maintain adequate records from time to time which shall reflect a member's rights and interests in the corporation, for all members' business and patronage.

Section 8. The corporation shall also keep and maintain adequate records for all members and former members which reflect the rights and interests of such members in any surplus funds attributable to such members' business and patronage.

Section 9. Surplus funds of the corporation attributable to former members' business with the patronage of the corporation shall not be used to determine water rate charges for current members.

ARTICLE VII

Meeting of Members

Section 1. The annual meeting of the members of this corporation shall be held within the counties of Moody or Lake, State of South Dakota, on a day during the second quarter in each year. The place of the annual meeting may be changed from year to year by majority vote of the Board of Directors.

Section 2. Special meetings of the members may be called at any time by the action of the Board of Directors, and such meetings must be called whenever a petition requesting such meeting is signed by at least ten percent of the members and presented to the Secretary, or to the Board of Directors. The purpose of every special meeting shall be stated in the notice thereof, and no business shall be transacted thereat except such as is specified in the notice.

Section 3. Notice of meetings of members of the corporation may be given by a notice mailed to each member of record, directed to the address shown upon the books of the corporation, at least ten days prior to the meeting. Such a notice shall state the nature, time, place and purpose of the meeting, but no failure or irregularity of notice of any annual meeting, regularly held, shall affect any proceedings taken thereat.

Section 4. The order of business at the regular meetings and as far as possible at all other meetings shall be: Calling to order and proof of quorum; proof of notice of meeting; reading and action on any unapproved minutes; reports of officers and committees; election of directors; unfinished business; new business and adjournment.

Section 5. Officers and directors may be removed from office in the following manner: Any member, officer or director may present charges against a director or officer by filing them in writing with the Secretary of the corporation. If presented by a member, the charges must be accompanied by a petition signed by ten percent of the members of the corporation. Such removal shall be voted on at the next regular or special meeting of the members and shall be effective if approved by a vote of a majority of those voting if a quorum is present. The director or officer against whom such charges have been presented shall be informed, in writing, of such charges at least twenty days prior to the meeting, and shall have the opportunity at such meeting to be heard in person or by counsel and to present witnesses; and the person or persons presenting such charges against him shall have the same opportunity. If the removal of a director is approved, such action shall also vacate any other office held by the removed director in the corporation. A vacancy in the board thus created shall immediately be filled by a vote of a majority of the members present and voting at such meeting. A vacancy in any office thus created shall be filled by the Board of Directors from among their number so constituted after the vacancy in the board has been filled.

Section 6. Two percent of the membership shall constitute a quorum for the transaction of business at any meeting. Unless such quorum is present, no business shall be transacted. If, however, such quorum shall not be present at any regular or special meeting, the members present shall have power to adjust the meeting from time to time without notice other than announcement

at the meeting, until a quorum is present. Any business may be transacted which might have been transacted at the meeting as originally called.

ARTICLE VIII

Officers and Directors

Section 1. The officers of the corporation shall be a President, Vice-President, Secretary, and Treasurer and such other officers as may be determined by the Board of Directors from time to time. The offices of Secretary and of Treasurer may be held by the same person.

Section 2. The Board of Directors shall be elected at the annual meeting and serve their respective terms until their successors shall be elected and qualified, unless otherwise provided in these By-Laws.

A. At the first annual meeting of the members, Directors from district one (1) shall be elected by the members to serve for a term of one year; Directors from district two (2) shall be elected by the members to serve for a term of two years; Directors from district three (3) shall be elected by the members to serve for a term of three years. Thereafter, all Directors shall be elected by the members to serve for a term of three years each from their respective districts.

B. Any member in good standing of this corporation, except a member who is a corporation or a political subdivision, may become a candidate for the office of Director by filing at the corporation office, at least fourteen (14) days prior to the date of the annual meeting, a nominating petition setting forth the name of the person so nominated for the office of Director and signed by at least five (5) members in good standing of the corporation. A nominating petition for Director shall be signed only by members residing in the district in which the member being nominated resides. No nominations shall be received from the floor at the annual meeting.

C. At the annual meeting, the members present and voting shall elect, by secret written ballot, the appropriate number of candidates to fill the expired Director terms, each member present and voting

being entitled to vote for one (1) Director nominee for each vacancy. The candidates for Director receiving the most votes shall be declared to be the elected Directors of the corporation. In the event there are no more nominees than there are vacancies for Director, the nominees may be elected by voice vote.

Section 3. If a Director shall be absent from three (3) consecutive regular meetings of the Board of Directors, the remaining Directors may review those absences, and may declare a vacancy as a result of those absences.

Section 4. If the office of Director or any officer should become vacant for any cause, the remaining Directors may choose a successor, who shall serve the remainder of the unexpired term.

Section 5. Subject to Paragraph XIV of the Articles of Incorporation, compensation of directors may be fixed at any regular or special meeting of the Board of Directors of the corporation.

Section 6. The Board of Directors shall meet at least once a year, on the date of the annual meeting, and at such other and special times upon call of the President, or fixed by majority vote of the Board of Directors.

Section 7. The territory served by the corporation shall be divided into three (3) districts. District No. 1 shall consist of Lake County. District No. 2 shall consist of the West eight (8) townships of Moody County and those areas contiguous thereto on the North in Brookings County. District No. 3 shall consist of the East eight (8) townships of Moody County and those areas contiguous thereto on the North in Brookings County.

ARTICLE IX

Duties of Officers – Directors

Section 1. The Board of Directors, subject to the restrictions of the law, the Articles of Incorporation, and By-Laws, shall exercise all of the powers of the corporation; and, without prejudice to or limitations upon their general powers, it is hereby expressly provided that the Board of Directors

shall have, and are hereby given, full power and authority in respect to the matters and as hereinafter set forth.

A. To pass upon the qualifications of members.

B. To select and appoint all officers, agents or employees of the corporation or remove such agents or employees of the corporation for just cause, prescribe such duties and designate such powers as may not be inconsistent with these By-Laws, fix their compensation and pay for faithful services.

C. To borrow from any source, money, goods, or services and to make and issue notes and other negotiable and transferable instrument, mortgages, deeds of trust and trust agreements and to do every act and thing necessary to effectuate the same.

D. To prescribe, adopt and amend, from time to time such equitable uniform rules and regulations as, in their discretion, may be deemed essential or convenient for the conduct of the business and affairs of the corporation and the guidance and control of its officers and employees, and to prescribe adequate penalties for the breach thereof.

E. To order, at least once each year, an audit of the books and accounts of the corporation by a competent public auditor or accountant. The report prepared by such auditor or accountant shall be submitted to the members of the corporation at their annual meeting.

F. To fix the charges to be paid by each member for services rendered by the corporation to him, the time of payment and the manner of collection and the board may establish one or more classes of users and shall not discriminate within the classes.

G. To require all officers, agents and employees charged with responsibility for the custody of any of the funds of the corporation to give adequate bonds, the cost thereof to be paid by the corporation, and it shall be mandatory upon the directors to so require.

H. To select one or more banks to act as depositories of the funds of the corporation and to determine the manner of receiving, depositing, and disbursing the funds of the corporation and the form of checks and the person or persons by whom the same shall be signed, with the power to change such banks and the person or persons signing such checks and the form thereof at will.

I. Subject to the Articles of Incorporation, to levy assessments upon the members of the corporation. Notice of assessments so levied by the Board of Directors shall be mailed to each member at the address shown in the books of the corporation, at least thirty days prior to the final due date for payment thereof.

ARTICLE X

Duties of Officers

Section 1. Duties of the President. The President shall preside over all meetings of the corporation and the Board of Directors, call special meetings of the Board of Directors, perform all acts and duties usually performed by an executive and presiding officer, and sign all membership certificates and such other papers of the corporation as he may be authorized or directed to sign by the Board of Directors, provided the Board of Directors may authorize any person to sign any or all checks, contracts and other instruments in writing on behalf of the corporation. The President shall perform such other duties as may be prescribed by the Board of Directors.

Section 2. Duties of the Vice-President. In the absence or disability of the President, the Vice-President shall perform the duties of the President provided, however, that in case of death, resignation or disability of the President, the Board of Directors may declare the office vacant and elect his successor.

Section 3. Duties of the Secretary-Treasurer. The Secretary-Treasurer shall keep a complete record of all meetings of the corporation and of the Board of Directors and shall have general charge and supervision of the books and records of the corporation. He shall sign all with the President

such papers pertaining to the corporation as he may be authorized or directed to do so by the Board of Directors. He shall serve all notices required by law and by these By-Laws and shall make a full report of all matters and business pertaining to his office to the members at the annual meeting. He shall keep the corporate seal records of the corporation, and affix said corporate seal to all papers requiring seal. He shall keep a proper membership record, showing the name of each member of the corporation and date of membership issuance, surrender, cancellation or forfeiture. He shall make all reports required by law and shall perform such other duties as may be required of him by the corporation or the Board of Directors. Upon the election of his successor, the Secretary-Treasurer shall turn over to him all books and other property belonging to the corporation that he may have in his possession. He shall also perform such duties with respect to the finances of the corporation as may be prescribed by the Board of Directors.

ARTICLE XI

Duties of Corporation and Members

Section 1. The corporation will install, maintain and operate a main distribution pipeline or lines from the source of the water supply and service lines from the main distribution pipeline or lines to each member of the corporation, at which points, designated as delivery points, meters to be purchased, installed, owned and maintained by the corporation shall be placed. The cost of the service line or lines from the main distribution pipeline or lines of the corporation to the meter point of each member shall be paid by the corporation. The corporation will also purchase and install a cut-off valve in each service line from its main distribution line or lines, such cut-off valve to be owned and maintained by the corporation, and to be installed on some portion of the service line owned by the corporation. The corporation shall have the sole and exclusive right to use such cut-off valve to turn it on and off.

Section 2. Each member shall be entitled to a service line or lines for which he shall pay a fee fixed by the Board of Directors. The water delivered through such service lines will be metered.

Section 3. The Board of Directors shall determine the water rate to be charged each member, and shall notify each member of the amount of such

charges and the dates for the payment thereof. The Board of Directors shall determine whether members shall be charged a connection fee, and the amount of the fee. A member to be entitled to the delivery of water shall pay such charges at the office of the corporation at or prior to the dates fixed by the Board of Directors. The failure to pay water charges duly imposed shall result in penalties to be determined by the Board of Directors.

Section 4. The Board of Directors shall be authorized to require each member to enter into water use agreements which shall embody the principles set forth in the foregoing sections of this article.

Section 5. In the event the total water supply shall be insufficient to meet all of the needs of the members or in the event there is a shortage of water, the corporation may prorate the water available among the various members on such basis as is deemed equitable by the Board of Directors, and may also prescribe a schedule of hours covering use of water for commercial, agricultural or industrial purposes; provided, that if at any time the total water supply shall be insufficient to meet all of the needs of all of the members for domestic, livestock, commercial, agricultural or industrial purposes, the corporation must first satisfy all of the reasonable needs of the members for domestic purposes before supplying any water for livestock purposes and must satisfy all of the needs of all of the members for domestic and livestock purposes before supplying any water for commercial or industrial purposes; and, provided further, that where a member has more than one service line, the corporation may cut off the flow of water to the nondomestic service lines until such time as the supply of water from the system is sufficient to meet the needs of all of the members for domestic, livestock, and garden purposes. During such periods of shutoff of additional service lines there shall be no minimum fee charged to the members having such additional service lines and the cost, if any, of resuming the flow of water to such additional service lines shall be borne by the corporation.

ARTICLE XII

Section 1. If there should be any surplus funds, then at the end of the fiscal year, after paying the expenses of the corporation for operation and otherwise, and after setting aside reserves for depreciation on all buildings, equipment and office fixtures and such other reserves as the Board of Directors may deem proper and after providing for payments on interest and

principal of obligations and amortized debts of the corporation, and after providing for the purchase of proper supplies and equipment, the surplus funds shall be accumulated in a surplus fund for the purpose of replacing, enlarging, extending and repairing the system and property of the corporation and for such other purposes as the Board of Directors may determine to be for the best interests of the corporation, but not inconsistent with the provisions of these By-Laws and the Articles of Incorporation.

Section 2. No dividend or distribution of the funds or other property of the corporation shall be made until all debts are fully paid and then only upon its final dissolution, nor shall any distribution be made except by a vote of the majority of the members of the corporation or a quorum thereof as provided in the By-Laws. In the event of dissolution, the net assets of the corporation shall be distributed to the members and former members in proportion to the business they may have done with the corporation, consistent with the provisions thereof provided in the By-Laws.

ARTICLE XIII

Section 1. These By-Laws may be repealed or amended by a vote of a majority of the members present at any regular meeting of the corporation, or at any special meeting of the corporation called for that purpose, except that the members shall not have the power to change the purposes of the corporation so as to decrease its rights and powers under the laws of the state, or to waive any requirement of bond or other provision for the safety and security of the property and funds of the corporation or its members, or to deprive any member of rights and privileges then existing, or so to amend the By-Laws, as to effect a fundamental change in the policies of the corporation. Notice of any amendment to be made at a special meeting of the members must be given at least ten days before such meeting and must set forth the amendments to be considered.

Big Sioux
Community Water System, Inc.
23343 479TH AVE. • EGAN, SOUTH DAKOTA 57024 • (605) 997-2098

BOARD MEETING – December 17, 2014
Egan Office

CALL TO ORDER

The meeting was called to order by Chairman Dan Carlson. The following Board Members were present: Andy Groos, Tom Kansanback, Tom Nemmers, Tom Hagedorn, Gaylen Backus, Kent Whipkey, Dan Dannenbring, and Reggie Gassman. Also present: Martin Jarrett.

A motion was made by Tom Kansanback and seconded by Gaylen Backus to approve the agenda as amended. Motion carried.

A Public Hearing on Big Sioux CWS to propose projected and financial package from State of SD was held Wednesday December 17, 2014 at 7:00 pm. Members Janelle Weatherly and Cal Weatherly attended the meeting. Manager Martin Jarrett explained the project and answered questions pertaining to the project. No negative statements were made regarding the project.

APPROVAL OF MINUTES

A motion was made by Dan Dannenbring and seconded by Kent Whipkey to approve the minutes of the November 12, 2014 Board Meeting. Motion carried.

TREASURER'S REPORT

A motion was made by Tom Nemmers and seconded by Dan Dannenbring to approve the November 2014 Treasurer's Report. Motion carried.

A motion was made by Tom Kansanback and seconded by Reggie Gassman to pay the November 2014 bills as presented. Motion carried.

OPERATIONS REPORT

A report was given by the Manager on new services (6), service reroutes (4), mainline additions (1), leaks (5), water statistics, and a summary of monthly trouble calls.

MANAGER'S REPORT

1). Hwy 77 Extension Project: The project is complete, tested, and all bores have been done. Probably will not use it until Mustang Pass starts taking water in January or February 2015.

2). Dakota Ethanol 2015 Contract: A contract has been agreed upon with the Ethanol Plant.

A motion was made by Reggie Gassman and seconded by Dan Dannenbring to approve the 2015 contract with Dakota Ethanol.

3). West Tower Repair: The West Tower has been repaired, all valves and piping and a new recirculation pump has been installed by Maguire Iron. The same process should be planned for the East Tower in the next three years.

4). Delegates for January ATC: All Delegates and Alternates and others attending have been registered and will stay at the Riverlodge Inn in Pierre.

5). Meetings Attended and Upcoming:

a. SDARWS Board Meeting, December 4, 2014 - Sioux Falls, SD.
b. BSCWS Christmas Party, Blue Jays, Egan, December 13, 2014.
c. SDARWS Technical Conference, January 12-15, 2015 - Pierre, SD.
d. NRWA Rally, February 11-13, 2015 - Washington DC.

Dan Carlson reported on the SDARWS Board Meeting held in Sioux Falls.

A motion was made by Dan Dannenbring and seconded by Tom Kansanback to give $100 plus December 26th off this year only as a Christmas present to the employees. Motion carried.

ADJOURNMENT

A motion for adjournment was made by Kent Whipkey and seconded by Tom Kansanback . Motion carried.

Next Board Meeting: Wednesday January 21, 2015 - 7:00 PM

S. D. CORPORATE SEAL

Jodi M. Johanson

SEAL JODI M. JOHANSON NOTARY PUBLIC STATE of SOUTH DAKOTA SEAL

My Commission expires March 27, 2015

Affidavit of Publication

STATE OF SOUTH DAKOTA
COUNTY OF MOODY) SS

MARY LYNN HEADRICK, of said county, being first duly sworn on oath says that she is the bookkeeper of the Moody County Enterprise, a weekly newspaper printed and published in said county of Moody and State of South Dakota, and has full and personal knowledge of all the facts herein stated; that said newspaper is a legal newspaper and has a bona fide circulation of at least 200 copies weekly, and has been published within said county for 52 consecutive weeks next prior to the publication of the notice herein mentioned, and was and is printed wholly or in part in an office maintained at said place of publication; that the advertisement headed:

Notice of Public Hearing for the Drinking Water Distribution System

a printed copy of which, taken from the newspaper in which the same was published, is attached to this sheet and is made a part of this affidavit, was published in said newspaper at least once in each week for 1 successful weeks, on the day of each week on which said newspaper was regularly published, to wit:

Dec. 10, 2014

that the full amount of the fee charged for the publication of said Notice inures to the benefit of the publisher of said newspaper; that no agreement or understanding for the division thereof has been made with any person, and that no part thereof has been agreed to be paid to any person whomsoever, and that the fees charged for the publication thereof are

$ 8.18

M L Headrick bookkeeper

Subscribed and sworn to before me this

10 day of December AD 2014

Notary Public, County Moody, South Dakota

ROGER W. JANCEN
NOTARY PUBLIC
SOUTH DAKOTA
SEAL

Public Notice

NOTICE OF PUBLIC HEARING for the Drinking Water Distribution System

Big Sioux Community Water System Inc., is proposing to make improvements to the drinking water distribution system. The Big Sioux Community Water System proposes to borrow up to $3,014,700 of Drinking Water State Revolving Funds at 3.00% for 20 years. The purpose of the public hearing is to discuss the proposed project, the proposed financing, and the source of repayment for the loan. The public is invited to attend and comment on the project.

The public hearing will be held at the Big Sioux Community Water System Office, 23343 479th Ave., Egan, SD on December 17, 2014 at 7:00 p.m.

Published once at the total approximate cost of $8

County of_____

_____

_____

_____

_____

Affidavit of Publication

Filed in the office of_____

_____

on the_____day of

_____, _____

_____

_____

_____

_____

Attorney for_____

RESOLUTION NO. _____

RESOLUTION APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE, AUTHORIZING THE EXECUTION AND SUBMITTAL OF THE APPLICATION, AND DESIGNATING AN AUTHORIZED REPRESENTATIVE TO CERTIFY AND SIGN PAYMENT REQUESTS.

WHEREAS, Big Sioux CWS, a nonprofit corporation organized and existing under the laws of the State of South Dakota (the "Corporation"), has determined it is necessary to proceed with improvements to its Distribution System, including but not limited to 17 mi. of pipeline and booster stati(the "Project"); and

WHEREAS, the Corporation has determined that financial assistance will be necessary to undertake the Project and an application for financial assistance to the South Dakota Board of Water and Natural Resources (the "Board") has been prepared; and

WHEREAS, the Corporation has reviewed the Application to be submitted to the Board, true copies of which are attached hereto, and finds it proper in all respects; and

WHEREAS, it is necessary to designate an authorized representative to execute and submit the Application on behalf of the Corporation and to certify and sign payment requests in the event financial assistance is awarded for the Project,

NOW THEREFORE BE IT RESOLVED by the Corporation as follows:

1. The Corporation hereby approves an Application for financial assistance to the South Dakota Board of Water and Natural Resources for the Project as set forth with particularity in the Application attached hereto, which Application is hereby approved.

2. The Manager is hereby authorized to execute the Application and submit it to the South Dakota Board of Water and Natural Resources, and to execute and deliver such other documents and perform all acts necessary to effectuate the Application for financial assistance submitted to the Board in accordance with all terms herein set forth.

3. The Manager is hereby designated as the authorized representative of the Corporation to do all things on its behalf to certify

and sign payment requests in the event financial assistance is awarded for the Project.

Adopted at Egan, South Dakota, this 9th day of December 2014.

APPROVED:

BY: Daniel Carlson
Chairman (Title)

S. D. CORPORATE SEAL

(Seal)

Attest: Andy Groos
Sec./Treas. (Title)

[redacted]

QUAM & BERGLIN, P.C.

Certified Public Accountants

BIG SIOUX COMMUNITY WATER SYSTEM, INC.

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2013 AND 2012

BIG SIOUX COMMUNITY WATER SYSTEM, INC.
EGAN, SOUTH DAKOTA
SYSTEM OFFICIALS
DECEMBER 31, 2013

Board of Directors

Dan Carlson, Chairman

Thomas Kansanback, Vice Chairman

Andy Groos, Secretary-Treasurer

Gaylen Backus

Eudene Gullickson

Dan Dannenbring

Tom Nemmers

Kent Whipkey

Robert LeBrun

Officials

Martin Jarrett, Manager

BIG SIOUX COMMUNITY WATER SYSTEM, INC.
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QUAM & BERGLIN, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
110 WEST MAIN – P.O. BOX 426
ELK POINT, SOUTH DAKOTA 57025

(606) 356-3374

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Big Sioux Community Water System, Inc.
Egan, South Dakota

We have audited the accompanying financial statements of Big Sioux Community Water System, Inc., Egan, South Dakota, (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013 and 2012, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Big Sioux Community Water System, Inc. as of December 31, 2013 and 2012, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Program Service Fee Revenues, Schedule of Program Service Expenses, and Schedule of Management and General Expenses as listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2014, on our consideration of Big Sioux Community Water System, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Big Sioux Community Water System, Inc.'s internal control over financial reporting and compliance.

Quam & Berglin, P.C.

Quam and Berglin, P.C.
Certified Public Accountants
Elk Point, SD

March 7, 2014

BIG SIOUX COMMUNITY WATER SYSTEM, INC.
EGAN, SOUTH DAKOTA
STATEMENT OF FINANCIAL POSITION
DECEMBER 31,

	2013	2012
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 469,450.44	$ 401,281.74
Accounts Receivable	74,419.75	69,252.27
Interest Receivable	20.54	11,919.98
Inventories	160,097.32	140,094.71
Prepaid Expenses	11,935.36	7,266.85
Notes Receivable - Current Portion	32,783.87	31,183.34
Total Current Assets	748,707.28	660,998.89
Reserved Assets		
Debt Service Reserve	279,896.10	241,580.50
Customer Deposits	5,938.80	5,413.80
Total Reserved Assets	285,834.90	246,994.30
Non Current Assets		
Notes Receivable	80,472.46	111,656.17
Less: Current Portion	(32,783.87)	(31,183.34)
Total Non Current Assets	47,688.59	80,472.83
Property, Plant, and Equipment		
Land and Land Rights	1,024,844.41	1,024,844.41
Utility Plant and Equipment	20,443,736.63	20,336,482.46
Less: Accumulated Depreciation	(9,357,235.08)	(8,831,721.09)
Total Property, Plant and Equipment	12,111,345.96	12,529,605.78
Other Assets		
Capital Credits - Other Cooperatives	92,086.63	90,552.15
TOTAL ASSETS	$ 13,285,663.36	$ 13,608,623.95

The attached notes are an integral part of these financial statements.

BIG SIOUX COMMUNITY WATER SYSTEM, INC.
EGAN, SOUTH DAKOTA
STATEMENT OF FINANCIAL POSITION
DECEMBER 31,

	2013	2012
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	$ 10,821.82	$ 18,536.28
Accrued Interest Payable	16,917.86	17,167.72
Accrued Vacation Payable	59,034.14	59,129.38
Accrued Sick Leave	15,414.16	17,541.61
Customer Deposits	5,938.80	5,413.80
Other Current Liabilities	778.92	1,856.35
Contracts Payable		77,433.30
Current Portion of Long-Term Debt	289,603.37	278,436.35
Current Portion of Deferred Credits and Revenue	18,550.00	18,550.00
Total Current Liabilities	417,059.07	494,064.79
Long-Term Liabilities		
Notes Payable	5,178,083.34	5,456,854.26
Less: Current Portion	(289,603.37)	(278,436.35)
Deferred Credits and Revenue	568,726.44	571,378.60
Less: Current Portion	(18,550.00)	(18,550.00)
Total Long-Term Liabilities	5,438,656.41	5,731,246.51
TOTAL LIABILITIES	5,855,715.48	6,225,311.30
NET ASSETS		
Unrestricted Net Assets	7,005,029.42	6,984,461.59
Depreciation Reserve	145,022.36	157,270.56
Debt Service Reserve	279,896.10	241,580.50
TOTAL NET ASSETS	7,429,947.88	7,383,312.65
TOTAL LIABILITIES AND NET ASSETS	$ 13,285,663.36	$ 13,608,623.95

The attached notes are an integral part of these financial statements.

BIG SIOUX COMMUNITY WATER SYSTEM, INC.
EGAN, SOUTH DAKOTA
STATEMENT OF ACTIVITIES
FOR THE PERIOD ENDING
DECEMBER 31,

	2013	2012
REVENUES		
Sales		
Program Service Fees	$ 1,936,673.30	$ 1,820,255.00
Other Revenues		
Investment Return	11,691.17	16,576.05
Good Intention and Hook-up Fees	40,802.00	40,358.60
Operating Agreement Income	18,550.00	18,550.00
Grant Income		48,055.57
Other Income	105,377.61	105,985.97
Total Revenues and Other Support	2,113,094.08	2,049,781.19
Expenses		
Program Services		
Source of Supply	884.86	6,853.79
Pumping	268,450.98	285,017.95
Water Treatment	645,356.08	638,320.83
Waste Water	46,690.95	50,839.55
Distribution	630,579.60	593,568.70
Metering	7,846.27	16,559.56
Total Program Services	1,599,808.74	1,591,160.38
Management and General Expenses	466,650.11	452,249.75
Total Expenses	2,066,458.85	2,043,410.13
CHANGE IN NET ASSETS	46,635.23	6,371.06
NET ASSETS, BEGINNING OF YEAR	7,383,312.65	7,376,941.59
NET ASSETS, END OF YEAR	$ 7,429,947.88	$ 7,383,312.65

The attached notes are an integral part of these financial statements.

BIG SIOUX COMMUNITY WATER SYSTEM, INC.
EGAN, SOUTH DAKOTA
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDING
DECEMBER 31,

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	$ 46,635.23	$ 6,371.06
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	525,513.99	510,024.78
Gain on Sale of Fixed Assets		(2,006.90)
(Increase) Decrease in Assets:		
Accounts Receivable	(5,167.48)	612.27
Interest Receivable	11,899.44	984.16
Inventories	(20,002.61)	(6,198.39)
Prepaid Expenses	(4,668.51)	17,941.37
Debt Reserves	(38,840.60)	(17,790.60)
Increase (Decrease) in Liabilities:		
Accounts Payable	(7,714.46)	(44,139.97)
Accrued Expenses Payable	(2,472.55)	17,135.61
Customer Deposits	525.00	(525.00)
Other Current Liabilities	(1,077.43)	1,447.15
Deferred Credits and Revenue	(4,186.64)	(17,927.42)
NET CASH PROVIDED BY OPERATING ACTIVITIES	500,443.38	465,928.12
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds From Sale of Land		20,000.00
Payments on Notes Receivable	31,183.71	115,839.49
Purchase of Property, Plant, and Equipment	(107,254.17)	(404,409.57)
NET CASH FROM INVESTING ACTIVITIES	(76,070.46)	(268,570.08)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contracts Payable	(77,433.30)	(149,121.00)
Payment of Debt	(278,770.92)	(255,418.13)
Loan Proceeds		200,000.00
NET CASH FROM FINANCING ACTIVITIES	(356,204.22)	(204,539.13)
NET INCREASE (DECREASE) IN CASH	68,168.70	(7,181.09)
CASH AT BEGINNING OF THE YEAR	401,281.74	408,462.83
CASH AT END OF THE YEAR	$ 469,450.44	$ 401,281.74
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for Interest	$ 248,790.99	$ 254,006.61

The attached notes are an integral part of these financial statements.

BIG SIOUX COMMUNITY WATER SYSTEM, INC.
EGAN, SOUTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1 - Organization and Operation

Big Sioux Community Water System, Inc. was founded in 1972 under the laws of the State of South Dakota and was formed for the purpose of providing a sufficient amount of quality water to members and towns in Moody and Lake Counties. The principal place of business of the corporation is Egan, South Dakota. Big Sioux Community Water System, Inc. is governed by an elected Board of Directors consisting of nine directors.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting: The accompanying financial statements have been prepared on the accrual basis in accordance with generally accepted accounting principles.

Financial Statement Presentation: The system has adopted Statement of Financial Accounting Standards No. FASB ASC-958, "Financial Statements of Not-for-Profit Organizations." Under FASB ASC-958, the organization is required to report information regarding its financial position and activities according to the following three classes of net assets:

Unrestricted Net Assets – Those assets that are currently available for use in the normal operations of the system under the direction of the Board of Directors.

Temporarily Restricted Net Assets – Those assets that are stipulated by donors for specific operating purposes or for the acquisition of property and equipment, or those not currently available for use until commitments regarding their use have been fulfilled.

Permanently Restricted Net Assets – Net assets to be held indefinitely, the income from which is generally expendable for system operations or donor stipulated purposes.

In addition, the system is required to present a statement of cash flows.

Net assets of the two restricted classes are created only by donor-imposed restrictions on their use. All other assets, including board-designated or appropriated amounts are legally unrestricted, and are reported as unrestricted net assets.

Plant, Property and Equipment: Plant, property and equipment over $200 are stated at cost. Depreciation is calculated using straight-line methods over the estimated lives of the assets. The estimated useful lives of the assets are as follows:

Land and Land Rights	N/A
Buildings	10 - 45 years
Distribution System	40 - 48 years
Machinery and Equipment	5 - 25 years
Furniture and Fixtures	3 - 25 years
Transportation Equipment	5 years
Miscellaneous Tools	5 - 12 years

Accounts Receivable: Accounts are charged to bad debt expense as they are deemed uncollectible based on a periodic review of the accounts.

Inventories: Inventories of supplies and materials are stated at average cost.

Use of Estimates: The financial statements are prepared in conformity with generally accepted accounting principles and, accordingly, include amounts that are based on management's best estimates and judgments.

Income Tax Liability: The organization has been determined to be exempt from income taxes under Section 501(c)(12) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in these financial statements.

Cash and Cash Equivalents: For the purpose of the statement of cash flows, the system considers all highly liquid deposits and investments, except reserved assets, to be cash equivalents.

Note 3 - Long-Term Debt

Notes payable are comprised of the following:

Number	Rate	Maturity Date	December 31, 2013	December 31, 2012
U.S. Department of Agriculture – Rural Development:				
12	5.75%	November 7, 2036	$ 509,659.91	$ 520,235.56
13	5.00%	December 28, 2040	238,903.60	243,080.90
15	4.13%	August 27, 2047	733,082.26	745,547.38
16	4.50%	December 3, 2048	2,021,237.56	2,053,431.08
CoBank				
T01	3.40%	January 20, 2015	142,704.26	269,852.91
T02	3.95%	September 20, 2016	22,808.45	30,508.02
T03	4.33%	December 20, 2017	68,784.85	84,201.78
T04	4.58%	January 20, 2021	152,539.01	170,364.72
T05	5.10%	December 20, 2032	1,109,761.46	1,143,838.11
T06	3.45%	September 20, 2022	178,601.98	195,793.80
Total Notes Payable			$ 5,178,083.34	$ 5,456,854.26

The future scheduled maturities of long-term debt are as follows:

Year Ending December 31,	
2014	$ 289,603.37
2015	176,558.74
2016	170,871.52
2017	172,093.43
2018	161,012.51
Thereafter	4,207,943.77
Total	$ 5,178,083.34

Note 4 - Property and Equipment

Asset Type	2013	2012
Land and Land Rights	$ 1,024,844.41	$ 1,024,844.41
Buildings, Pumps, and Reservoirs	6,987,458.79	6,969,666.16
Treatment Plant	2,202,140.73	2,200,199.25
Distribution System	10,636,327.26	10,580,599.20
Machinery and Equipment	501,252.56	469,460.56
Furniture and Fixtures	116,557.29	116,557.29
Subtotal	21,468,581.04	21,361,326.87
Accumulated Depreciation	(9,357,235.08)	(8,831,721.09)
Fixed Assets, net	$ 12,111,345.96	$ 12,529,605.78

Note 5 - Reserved Cash

The loan agreements with the US Department of Agriculture – Rural Development (USDA-RD) and CoBank, ACB require that the Big Sioux Community Water System, Inc. set aside certain amounts to establish and maintain reserve accounts in an amount equal to the maximum annual principal of the loans. Disbursements may be made from the reserves for debt service payments when deficiencies occur. However, in such an event, the System must restore the balance to the required amount by making subsequent monthly deposits. In addition, the System must maintain a reserve equal to the next monthly principal and interest payment for each loan. The required levels of the reserves for each loan are as follows:

	2013	2012
Debt Service Reserve Requirement:		
CoBank	$158,569.00	$138,569.00
USDA-RD	121,327.10	103,011.50
Total	$279,896.10	$241,580.50

Assets have also been set aside to meet customer deposit requirements in the following amounts:

	2013	2012
Customer Deposits	$ 5,938.80	$ 5,413.80

Note 6 - Pension Plan

All full-time employees participate in a retirement plan with the National Telephone Cooperative Association (NTCA), a defined benefit, multiple employer master plan. Big Sioux Community Water System Inc.'s payrolls for the employees covered by NTCA for the years ended December 31, 2013 and 2012 were $423,518.25 and $440,276.19, respectively.

NTCA provides retirement, disability, and survivor benefits. Members who retire at or after age 65, or at or after age 55 for members where age and credited service equal 85 are entitled to an unreduced annual retirement benefit. The normal benefit payable is calculated using the participant's highest five compensation years from the last 10 years, multiplied by the sum of accumulated entity and participant net contribution percentages and the actuarial factor of 0.2168.

Big Sioux Community Water System, Inc. contributes an amount equal to 12.0 percent of each member's salary to the plan, with no contributions required by the members.

Contribution Information:

	2013	2012
Total Covered Payroll	$423,518.25	$440,276.19
Employer Contributions	50,822.19	52,833.14
% of Covered Payroll	12.00%	12.00%

Benefits under the plan are provided through a trust fund. The value of plan assets, after subtracting liabilities of the plan, was $1,663,374,038 as of December 31, 2012, compared to $1,472,591,180 as of December 31, 2011. During the plan year the plan experienced an increase in its net assets of $190,782,858. This increase includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the values of the assets at the beginning of the year or the cost of assets acquired during the year. The plan had total income (loss) of $190,058,372 including employer contributions of $107,728,501, employee contributions of $10,355,370, earnings from investments of $186,408, and net gain on investment accounts of $209,454,672.

Note 7 - Concentration of Credit Risk

Big Sioux Community Water System maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to $250,000.

Note 8 - Notes Receivable

The following notes receivable exist as of the balance sheet dates:

	December 31,	
	2013	2012
City of Egan, SD		
Payable in monthly installments of $244.00; Interest at 5.5%; matures July 11, 2034.	$ 35,004.18	$ 35,973.60
Dakota Ethanol LLC		
Payable in monthly installments of $2,776.02; Interest at 5.0%; matures May 1, 2015.	45,468.28	75,682.57
Total Notes Receivable	$ 80,472.46	$ 111,656.17

Note 9 - Deferred Credits and Revenues

In 2001, Big Sioux Community Water System received a $700,000 payment from the City of Flandreau for hookup payments related to the provision of water to the City. This amount was recorded as deferred revenue, and revenue is being reported ratably over a forty-year period. The revenue reported for the current year was $17,500.

In 2007, the City of Trent entered into an agreement with the Big Sioux Community Rural Water System paying $42,000 in advance for the hookup payments related to the provision of water to the city. The amount was recorded as deferred revenue and it is being reported ratably over a forty-year period. The revenue reported for the current year was $1,050.

	2013	2012
Deferred Revenue		
City of Flandreau	$ 472,500.00	$ 490,000.00
City of Trent	34,650.00	35,700.00
River Edge Coop Dividend	61,576.44	45,678.60
	$ 568,726.44	$ 571,378.60

Note 10 - Annual and Sick Leave Policy

All permanent full-time employees earn annual leave at varying rates depending on the length of service. Annual leave is computed as follows: Four years of service or less will earn 12 days per year; five to nine years of service will earn 15 days per year; ten to fourteen years of service will earn 18 days per year; fifteen years and over will earn one day for each additional year of employment. The maximum yearly earned vacation may not exceed 30 days. Annual leave may be carried into the following year, but must be used by December 31st of the following calendar year. An employee who has been employed more than four years may elect to take pay at their current base pay rate for days in excess of 12. The maximum accrued vacation may not exceed 400 hrs.

Sick leave accrues at a rate of one day per month and may accumulate to a maximum of 65 days. Employees will receive pay at their base pay rate for one-half the number of unused sick leave hours which have accumulated over the maximum. Upon termination of employment, if employee has been with the system for a minimum of 10 years, employee will receive pay at their base rate, up to maximum of $3,000 for one-fifth (20%) the number of unused sick leave hours under the maximum 65 days or 520-hour cap.

The vacation and sick leave accruals are as follows:

	2013	2012
Sick Leave	$15,414.16	$17,541.61
Vacation Leave	59,034.14	59,129.38

Note 11 - Unused Letter of Credit

At June 27, 2012, Big Sioux Community Water System, Inc. entered into an agreement for a revolving line of credit promissory note with Great Western Bank for $95,100, with an interest rate of 3.15% per annum. As of December 31, 2013, no loan proceeds had been disbursed on this note.

Note 12 - Subsequent Events

In preparing these financial statements, Big Sioux Community Water System, Inc. has evaluated events and transactions for potential recognition or disclosure through February 12, 2014, the date the financial statements were available to be issued.

BIG SIOUX COMMUNITY WATER SYSTEM, INC.
EGAN, SOUTH DAKOTA
SCHEDULE OF PROGRAM SERVICE FEE REVENUES
FOR THE PERIOD ENDING
DECEMBER 31,

	2013	2012
Program Service Fees:		
Sales:		
Consumer Sales	$ 1,369,299.26	$ 1,278,593.46
Wholesale	242,076.80	237,131.72
Sales of Materials	11,013.26	18,012.23
Town of Colman	29,396.74	36,552.43
Town of Wentworth	9,603.30	10,004.20
Town of Egan	9,952.42	9,204.15
Town of Trent	9,489.60	11,767.55
City of Flandreau	182,987.10	151,060.45
Waste Water Sales	27,935.00	27,950.00
Egan Contract	18,000.00	18,000.00
Trailer Parks	12,853.82	11,627.81
Reconnects and Disconnects	9,721.00	9,571.00
Miscellaneous Services	4,345.00	780.00
Total Program Service Fees	$ 1,936,673.30	$ 1,820,255.00

BIG SIOUX COMMUNITY WATER SYSTEM, INC.
EGAN, SOUTH DAKOTA
SCHEDULE OF PROGRAM SERVICE EXPENSES
FOR THE PERIOD ENDING
DECEMBER 31,

	2013	2012
Source of Supply:		
Service and Parts	$	$ 4,921.13
Labor	578.69	1,184.32
Labor Fringe Benefits	237.97	659.93
Transportation	68.20	88.41
Total Source of Supply	$ 884.86	$ 6,853.79
Pumping:		
Labor	$ 9,736.20	$ 15,008.84
Labor Fringe Benefits	5,200.76	6,506.37
Transportation	1,292.40	2,078.14
Purchased Power	147,990.49	146,802.09
Maintenance and Repair	42,128.69	57,789.34
Maintenance Labor	1,149.25	1,106.42
Maintenance Labor Fringe Benefits	545.51	371.36
Maintenance Transportation	109.82	307.25
Supplies, Other	29,964.48	26,733.02
Lease	21,085.44	18,972.00
Depreciation	9,247.94	9,343.12
Total Pumping	$ 268,450.98	$ 285,017.95
Water Treatment:		
Labor	$ 86,815.41	$ 83,731.17
Labor Fringe Benefits	42,653.86	43,777.16
Transportation	9,192.99	8,174.65
Chemicals	122,218.28	121,359.12
Testing	3,797.38	6,306.98
Interest	99,416.45	103,637.82
Depreciation	281,261.71	271,333.93
Total Water Treatment	$ 645,356.08	$ 638,320.83

BIG SIOUX COMMUNITY WATER SYSTEM, INC.
EGAN, SOUTH DAKOTA
SCHEDULE OF PROGRAM SERVICE EXPENSES
FOR THE PERIOD ENDING
DECEMBER 31,

	2013	2012
Waste Water:		
Labor	$ 29,916.78	$ 33,418.64
Labor Fringe Benefits	13,213.48	13,012.99
Transportation	3,224.92	3,772.37
Supplies	335.77	635.55
Total Waste Water	$ 46,690.95	$ 50,839.55
Distribution:		
Labor	$ 101,457.76	$ 97,446.41
Labor Fringe Benefits	40,993.55	43,599.21
Transportation	19,192.26	13,552.33
Outside Services, Excavation	51,799.24	41,206.99
Supplies and Materials	35,451.72	15,363.57
Interest	149,124.68	155,456.73
Depreciation	232,560.39	226,943.46
Total Distribution	$ 630,579.60	$ 593,568.70
Metering:		
Labor	$ 2,558.00	$ 4,917.01
Labor Fringe Benefits	2,755.50	4,010.13
Transportation	393.69	973.47
Meter Exchange Program		4,833.63
Depreciation	2,139.08	1,825.32
Total Metering	7,846.27	16,559.56
Total Program Service Expenses	$ 1,599,808.74	$ 1,591,160.38

BIG SIOUX COMMUNITY WATER SYSTEM, INC.
EGAN, SOUTH DAKOTA
SCHEDULE OF MANAGEMENT AND GENERAL EXPENSES
FOR THE PERIOD ENDING
DECEMBER 31,

Management and General Expenses	2013	2012
Customer Accounts and Collection Services:		
Labor	$ 29,919.76	$ 29,351.54
Labor Fringe Benefits	17,318.36	17,752.43
Transportation	385.64	720.73
Training:		
Labor	5,076.63	4,485.70
Labor Fringe Benefits	2,312.77	2,180.90
Transportation	378.85	382.10
Field:		
Labor	28,426.92	23,207.69
Labor Fringe Benefits	15,096.05	10,883.73
Transportation	2,411.42	1,857.43
Administrative:		
Labor	128,300.19	137,669.34
Labor Fringe Benefits	62,735.58	62,589.82
Insurance	44,288.29	39,326.12
Outside Services	16,706.92	17,234.76
Director's Fees and Expense	32,721.05	31,557.65
Dues and Memberships	14,088.20	12,380.12
Telephone	7,566.76	7,846.24
Office Supplies	5,744.54	4,817.58
Postage	7,231.26	7,410.45
Garbage	594.88	457.60
Meeting Expenses	5,546.22	8,094.25
Transportation	4,418.87	5,568.12
Training and Travel	5,097.66	3,976.74
Repairs and Maintenance	1,653.80	2,345.40
Real Estate Taxes	7,175.60	4,237.48
Advertising	842.76	660.00
Miscellaneous	13,929.47	7,675.10
Dispatcher	1,597.73	1,093.31
Newsletter	4,779.06	5,908.47
Depreciation	304.87	578.95
Total Management and General Expenses	$ 466,650.11	$ 452,249.75

QUAM & BERGLIN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
110 WEST MAIN - P.O. BOX 426
ELK POINT, SOUTH DAKOTA 57025
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Big Sioux Community Water System, Inc.
Egan, South Dakota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Big Sioux Community Water System, Inc., Egan, South Dakota (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 7, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Big Sioux Community Water System's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Big Sioux Community Water System's internal control. Accordingly, we do not express an opinion on the effectiveness of Big Sioux Community Water System's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Audit Findings, we identified a certain deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Audit Findings as item 2013-01 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the entity's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Response to Findings

Big Sioux Community Water System, Inc.'s response to the findings identified in our audit is described in the accompanying Corrective Plan of Action. Big Sioux Community Water System, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Quam & Berglin, P.C.

Quam and Berglin, P.C.
Certified Public Accountants
Elk Point, SD

March 7, 2014

BIG SIOUX COMMUNITY WATER SYSTEM, INC.
SCHEDULE OF AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2013

STATUS OF PRIOR AUDIT RECOMMENDATIONS:

This previous audit finding has not been corrected and is restated under Current Audit Finding Number 2013-01.

CURRENT AUDIT FINDING:

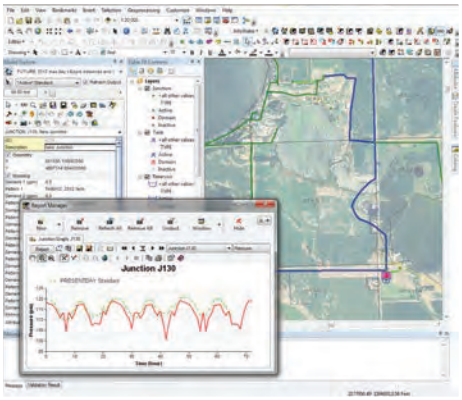
Finding Number 2013-01:
There is a material weakness resulting from lack of segregation of duties for revenues, expenses, and payroll functions.

Criteria:
In order to achieve proper internal control, it is necessary to have segregation of duties provided between performance, review and record keeping of the tasks related to revenues, expenses, and payroll. Lack of this segregation of duties could adversely affect the organization's ability to record, process, summarize and report financial data consistent with management assertions.

Condition Found:
A material weakness in internal control was reported due to lack of proper segregation of duties for revenues, expenses, and payroll, resulting in decreased reliability of reported financial data and increased potential for the loss of public assets.

Recommendations:
We recommend that Big Sioux Community Water System, Inc. officials be cognizant of this lack of segregation of duties for revenues, expenses, and payroll, and attempt to provide compensating controls, whenever and wherever possible and practical.

Response:
The Board of Directors is aware of this problem, which is a result of the size of the entity and precludes staffing at a level sufficient to provide an ideal environment for internal controls. The Board of Directors has prepared a response to this finding as shown in the Corrective Plan of Action located in the Table of Contents.



Preliminary Engineering Report

Connection To MCWC and Madison

Big Sioux Community Water System

Egan, SD

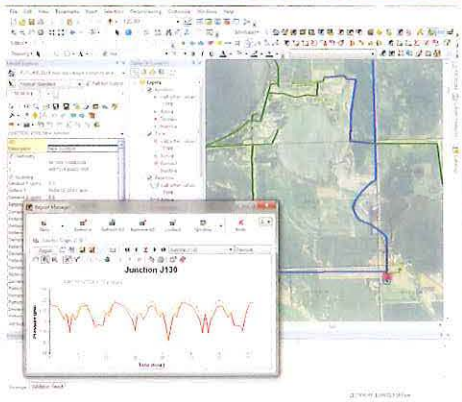
September 2014

Submitted by

Banner Associates, Inc.
www.bannerassociates.com

BAI 07834.00.00

BANNER
Engineering | Architecture | Surveying



Preliminary Engineering Report

Connection To MCWC and Madison

Big Sioux Community Water System

Egan, SD

September 2014

REGISTERED PROFESSIONAL ENGINEER
REG NO. 8646
CHAD PACHMAN
SOUTH DAKOTA
09/22/14

Submitted by

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BANNER
Engineering | Architecture | Surveying

CONNECTION TO MCWC AND MADISON

BIG SIOUX COMMUNITY WATER SYSTEM

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SECTION 1: INTRODUCTION, AUTHORIZATION, AND PURPOSE

1.1 INTRODUCTION

The Big Sioux Community Water System is a public water system located in Moody and Lake Counties in South Dakota. This system has been in delivering water since 1975, with the new Brandt Water Treatment Plant in operation since 2010 and the Egan Water Treatment Plant in operation since 1994.

The primary water treatment plant is located approximately one (1) mile east of the Town of Egan, South Dakota. The Town of Egan is located in the east-central portion of South Dakota within Moody County, approximately 25 miles east of Madison, South Dakota. The treatment facilities are located in the northeast quarter of Section 7, Township 106 North, Range 48 West. The raw water wells are located within one (1) mile of the water treatment plant.

The Brandt Lake water treatment plant is a small membrane filtration plant located approximately ten (10) miles southeast of Madison, South Dakota in eastern Lake County. The treatment facilities are located in the northwest quarter of Section 9, Township 105 North, Range 51 West. The location of the existing distribution system for the Big Sioux Community Water System is shown in Figure 2.1.

1.2 AUTHORIZATION

This study was authorized under an engineering services agreement between Banner Associates, Inc. and the Big Sioux Community Water Corporation at their August 2014 Board meeting.

1.3 PURPOSE

The purpose of this report is to:

- Identify alternatives and scope of improvements to be considered,
- Document the need for improvements,
- Present an estimate of the probable costs for those improvements,
- Determine impact to Customer water rates based on different loan/grant amounts, and
- Provide an implementation plan for the design and construction of those improvements.

1.3 ORGANIZATION OF REPORT

This report is organized into a total of four sections. The topics covered in each of the sections are summarized as follows:

SECTION 1 INTRODUCTION, AUTHORIZATION, AND PURPOSE

SECTION 2 SUMMARY OF PRESENT AND FUTURE CONDITIONS

SECTION 3 DEVELOPMENT AND DESCRIPTIONS OF ALTERNATIVES CONSIDERED

SECTION 4 THE SELECTED PLAN AND IMPLEMENTATION SCHEDULE

END OF SECTION 1

SECTION 2: SUMMARY OF PRESENT AND FUTURE CONDITIONS

2.1 SUMMARY OF EXISTING FACILITIES

2.1.1 General: The Big Sioux Community Water System serves customers in Moody County and a portion of Lake County as well as small portions of Brookings County and Minnehaha County, South Dakota. A small area of western Pipestone County, Minnesota is also served. These customers include area farms, residential areas around Lake Madison, the Town of Colman, the Town of Trent, the Town of Wentworth, the Town of Egan, the Town of Flandreau, the Town of Rutland (as individual users), and other rural non-farm residences and commercial accounts. The 2013 customer base for Big Sioux included 2,065 service connections, which used 360 million gallons in 2012. In recent years, the system has been adding an average of 25 service connections per year. The current number of customers being served by the water system is 2090, as of September 2014.

2.1.2 Water Treatment Plant Capacity: The Big Sioux Community Water System (BSCWS) has one softening water treatment plant and well field located on the east side of the Big Sioux River at Egan, South Dakota. A second water treatment plant located near Brandt Lake uses membrane filtration as its primary treatment process.

Construction of major improvements at the Egan Water Treatment Plant was completed in 1994. The treatment process includes aeration, a detention tank, clarification, recarbonation, and a gravity sand filter. Chemical feed systems include permanganate, polymer(s), soda-ash, lime, carbon dioxide, fluoride, chlorine, and ortho-phosphate for corrosion control. Chlorine is typically fed prior to filtration with the capability to feed chlorine prior to aeration and at the finished water outlet. The clarifiers in the treatment plant have a design capacity of 1,200 gpm and the filters have a capacity of approximately 2,000 gpm at a filtration rate of two gallons per minute per square foot

(2.0 gpm/sf). The water source consists of eight (8) wells located near the water treatment plant with a total capacity of 1,800 gpm or 2.59 MGD.

Seven (7) high service pumps are located in the plant to pump water from the underground clearwell into the system. The pumps are staged to meet varying demand conditions. The high service pumps are staged and are operated by variable frequency drives (VFDs) to maintain a constant pressure in the discharge header of around 165 psi. There is no elevated storage in the pressure zone immediately downstream of the high service pumps so a minimum of one high service pump must be run 24 hours a day to maintain pressure in the distribution system. There is a generator on-site which provides power to the high service pumps in the event of a power outage.

The Brandt Lake water treatment plant is a membrane filtration plant located on the west side of Brandt Lake or approximately 5.0 miles south of Wentworth, SD. This plant was put into service in 2010 to help provide water to the southwest portion of the distribution system. The high service pumps at this plant also run on VFDs and maintain a constant pressure of 140 psi in the discharge header. There are a total of three (3) high service pumps at this plant, each having a capacity of 200 gallons per minute (gpm). Up to two (2) of these high service pumps can run at the same time, leaving the third to serve as a standby pump. During the summer months, the Brandt Lake treatment plant is the primary source of water for the Lake Madison service area.

The water system utilizes four (4) elevated water storage reservoirs and six (6) booster pump stations. One booster station is located directly under the North Tower and is used only to fill the North Tower. One combination reservoir and booster station is in the process of being converted into a booster station only. This booster will be discussed later in this section.

2.1.3 Water Storage: A 290,000 gallon clearwell and a 500,000 gallon clearwell, constructed in 2007, are located at the Egan water treatment plant. A 154,000 gallon clearwell is also located at the Brandt Lake water treatment plant. The distribution system has four (4) elevated storage reservoirs with a total capacity of 850,000 gallons. These towers include the 100,000 gallon North Tower, the 150,000 gallon East Tower, the 100,000 gallon West Tower, and a relatively new 500,000 gallon elevated tower at the Dakota Ethanol Plant, with 300,000 gallons being reserved for fire flow for the ethanol plant. The City of Flandreau also has two elevated storage tanks for a total capacity of 350,000 gallons and the Town of Colman has a 60,000 gallon elevated storage tank, however, because neither of these tanks are owned and maintained by the BSCWS these storage volumes cannot be utilized by the Big Sioux system. The total storage capacity provided in the system, excluding the City of Flandreau and Town of Colman towers as well as the reserved fire flow volume for the ethanol plant is 994,000 gallons.

Table 2.1: Summary of Existing Storage Facilities

Storage Type	Name	Volume (Gallons)	Overflow Elevation (ft)	Head Range (ft)	Diameter (ft)
Elevated	North Tower	100,000	1889	20	29.2
Elevated	*Ethanol Tower	500,000	1890	30	53
Elevated	West Tower	100,000	1883	20	29.2
Elevated	East Tower	150,000	1798	28.6	29.2
Ground	WTP Clearwell	500,000	1515	11	56'x114'
Ground	WTP Clearwell	290,000	1520	-	38'x74'
Ground	Brandt Clearwell	154,000	1637.5	-	-
	****TOTAL:**	**1,794,000**			

NOTE - * 300,000 gallons is reserved for fire flow at the ethanol plant.
** Total usable storage for the BSCWS is 1,494,000 gallons

The total elevated storage capacity provided in the system, also excluding the Flandreau, Colman, and fire flow volumes is 550,000 gallons. The following table summarizes of all the storage facilities utilized within the system.

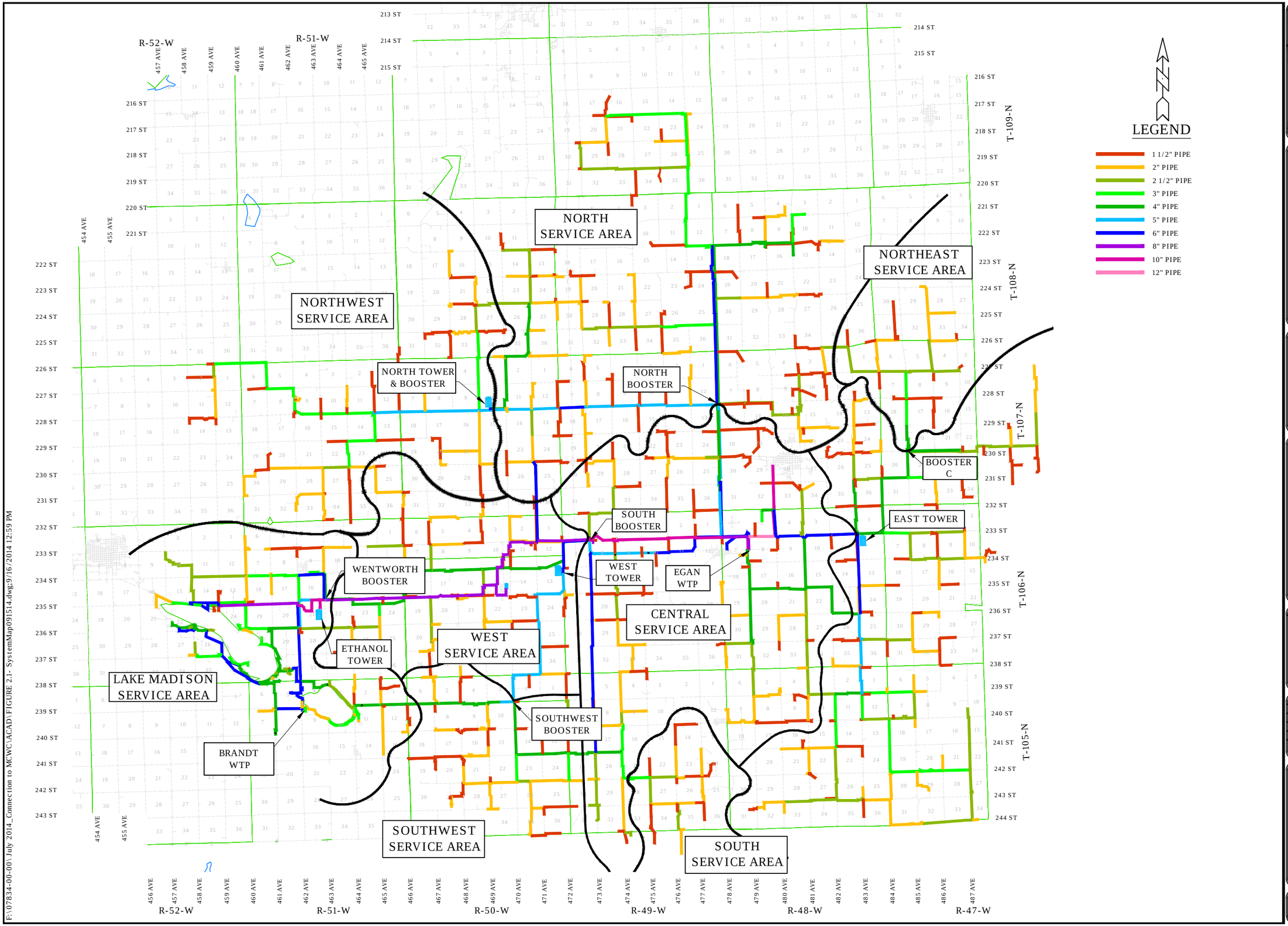
Water storage facilities provide serviceable storage to meet the widely varying demands imposed on the distribution system by the system's customers, while allowing the water treatment plant to operate at a relatively constant rate. Elevated storage facilities are used to equalize operating pressures and provide a relatively constant pressure throughout the service area. Peak hourly flows are satisfied by the tanks. The elevated water towers also provide water to the system during pump repairs and power outages.

The amount of storage required within a system is a function of the capacity of the associated pumping facilities, volume of water used on a daily basis, and the system vulnerability. Storage facilities also allow pumping facilities to operate on a constant basis, rather than trying to match the system demands. It is generally recommended to have at least one average annual day's demand in elevated storage and at least enough water in total storage to meet the peak day demand. By this general rule of thumb, the BSCWS falls short by approximately 50% when compared to the demands of the extremely dry year of 2012. The average day demand in 2012 was 986,000 gallons per day (gpd) and the water produced on the peak day from the same year was 2,300,000 gpd as reported by BSCWS operations staff. Actual total available storage for Big Sioux is 1,494,000 gallons, with 550,000 gallons in elevated storage.

2.1.4 <u>Water Distribution System:</u> The Big Sioux Community Water distribution system is broken up into nine (9) service areas. The Northwest Service Area is bordered by 470th Avenue on the east and 232nd Street on the south; the Northeast Service Area is bordered by 482nd Avenue on the west and 230th Street on the south; The North Service Area is north of 228th Street and is bounded by the Northeast, Central and Northwest Service Areas. The Lake Madison Service Area is west of 466th Avenue and south of 232nd Street; the West Service Area is west of 473rd Avenue and borders the Lake Madison, Southwest, and Northwest Service Areas; the Southwest service area is south of 239th Street and lies between the Lake Madison and Central Service Areas; the South Service Area is south of

239th Street between 474th and 479th Avenues; the East service area is along and east of 483rd Avenue and south of 230th Street; the Central Service Area is surrounded by the South, Southwest, West, North, and East Service Areas. The pipe diameters in the distribution system range from 1.5-inch to 12-inch. Refer to Figure 2.1 to view the distribution system map showing both pipe diameters and the service area boundaries.

Most of the water in the BSCWS is supplied by the Egan water treatment plant. Water is pumped from the 500,000 gallon and 290,000 gallon clearwells by one or more of the seven (7) parallel high service pumps into parallel 8-inch and 10-inch water mains that travel north approximately 0.5 miles to Highway 34. From this point, the intersection of Highway 34 and 479th Avenue, water is distributed to the east and west. To the east, a 12-inch water main extends one (1) mile at which point parallel 6-inch and 10-inch mains branch to the north. The 10-inch main serves the City of Flandreau through the use of a control valve and meter vault located 1.0 mile south of the city. This control valve actuates based on the water level in the main Flandreau Tower and can supply up to 500 gpm, the maximum contracted amount with the City of Flandreau. From the point where the parallel 6-inch and 10-inch water mains branch to the north, a single 6-inch main continues to the east for 3.0 miles and fills the East Tower which in turn serves the East and Northeast Service Areas of the distribution system. The East Tower fills through the use of an altitude valve situated in a control vault at the base of the tower. Located 3.0 miles north and 2.0 miles east of the East Tower, Pump Station C supplies the Northeast Service Area through the use of pumps operated with VFDs to maintain a constant downstream pressure of 113 psi. Pump Station C is supplied with a 4-inch water main from the East Tower and discharges into a 4-inch main as well.



F:\07834-00-00\July 2014_Connection to MCWC\ACAD\FIGURE 2.1- SystemMap091514.dwg:9/16/2014 12:59 PM

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NOT FOR CONSTRUCTION

PROJECT TITLE :

BIG SIOUX COMMUNITY WATER SYSTEM IMPROVEMENTS

PROJECT LOCATION :

EGAN, SOUTH DAKOTA

REV.	DATE	DESCRIPTION

DRAWN BY: B.A.L.
DESIGNED BY: B.A.L.
CHECKED BY: C.E.B.
JOB NO : 07834.00.00
DATE : SEPTEMBER 2014

0 1/2 1

SHEET TITLE :

EXISTING WATER DISTRIBUTION SYSTEM

SHEET NO. :

FIGURE 2.1

To the west of the Highway 34 and 479th Avenue intersection, parallel 5-inch, 8-inch, and 12-inch water mains transmit water under the Big Sioux River into parallel 8-inch and 10-inch water mains that then continue to the west. Exactly 1.0 mile west of the Big Sioux River crossing, parallel 5-inch and 6-inch water mains split to the north to supply the North Booster. These two water mains neck down to 4-inch and 5-inch mains approximately 3.0 miles south of the North Booster. The North Booster pumps also use VFDs and maintain a constant downstream pressure of 111 psi. During periods of high demand this booster station experiences low suction pressure, especially when the North Tower is trying to fill. The North Booster discharges into three (3) different sized water mains. A single 5-inch main conveys water west to the North Tower and associated booster while parallel 4-inch and 6-inch mains carry water to the north.

Approximately 8.5 miles west of the North Booster, the North Tower and associated booster station supply water to the Northwest Service Area. The North Tower Booster is used exclusively to fill the North Tower and does so by using pumps with VFDs to maintain a constant upstream (suction) pressure of 30 psi. When these pumps are called on by a low level in the North Tower, the pumps speed up until the upstream (suction) pressure is lowered to 30 psi. This ensures that customers on the suction side of the booster station do not experience low pressure. During periods of peak demand, these pumps have trouble filling the North Tower because pressures upstream of the booster are already low. During these periods, the North Tower level does not recover as it should. An improvement to fix this problem is currently being planned which involves completing a loop from the West Service Area to the North Service Area, allowing extra water to flow to the suction side of the North Tower Booster. When complete, this improvement will allow the level in the North Tower to recover each day, even during periods of peak demand.

After the parallel water mains branch to the north to supply the North Booster, parallel 6-inch and 10-inch water mains continue carrying water 5.0 miles to the west to the South

Booster Station. This booster station uses pumps equipped Motor Starters which operate at a constant speed. These pumps are throttled using valves downstream of the pumps and discharges in parallel 6-inch and 8-inch water mains. The 6-inch main supplies water to the West Tower located 2.1 miles downstream of the South Booster. This tower helps serve the West and Southwest Service Areas and fills with the use of an altitude valve at the base of the tower. A 5-inch water main 6.8 miles in length extends south from the West Tower to the South Reservoir and associated booster station which supplies the Southwest Service Area. As of the fall of 2014, this reservoir will be retired from service; the booster station will remain in use. Currently, the BSCWS is in the process of upgrading the pumps in the booster station with new pumps equipped with VFDs. When these upgrades are complete, these pumps will be used to maintain a constant discharge pressure and serve the Southwest Service Area. Not to be confused with the South Booster described previously, this booster station associated with the now retired South Reservoir will be referred to as the Southwest Booster for the remainder of this report.

The 8-inch water main located downstream of the South Booster continues toward the west along with a parallel 4-inch line to the Wentworth Booster Station. Along the way, the Town of Colman is served with an 8-inch water main that uses an altitude valve to fill the Town's water tower. The Wentworth Booster Station is located 1.0 mile southeast of the Town of Wentworth, SD and serves as the boundary between the Lake Madison and West Service Areas. The Wentworth Booster is used to fill the Ethanol Tower located in the Lake Madison Service Area. During periods of high demand when the Ethanol Tower has trouble filling with the Wentworth Booster pumps, the Brandt Lake treatment plant and associated booster pumps operate to provide water to the Lake Madison service area.

During summer months, the Lake Brandt Water Treatment plant is brought on-line to meet the additional demands seen during the summer months. It has its own treatment plant, high service pumps, and elevated storage reservoir. The only time this service area

receives water from the Lake Brandt Water Treatment plant is during periods of high demand when the Wentworth Booster pumps cannot completely fill the Ethanol Tower alone. During these times, both the pumps at the Wentworth Booster Station and Lake Brandt Water Treatment plant are called on to maintain discharge pressures and help fill the Ethanol Tower. The connections in the Lake Madison Service Area are mostly lake homes located on either Lake Madison or Brandt Lake.

The South Service area is a small service area located within the Central Service Area. It is served by a 3-inch water main and a pressure reducing valve near the intersection of 242nd Street and 474th Avenue. This pressure reducing valve is necessary because the service area is at a significantly lower elevation and would experience excessive static pressures without it, possibly causing breakages in the water mains.

2.1.5 Pump Stations: Table 2.2 provides a summary of all the pump stations within the Big Sioux Community Water System. All of the high service pumps at the Egan water treatment plant are located within the same building. The total pump station capacity is the capacity of a pump station with all pumps in service. Firm capacity is defined as the capacity of a pump station with the largest pump out of service.

Table 2.2: Summary of Existing Pump Facilities

Station Description	Suction Zone	Discharge Zone	Pump No. 1		Pump No. 2		Pump No. 3	
			Flow	Head	Flow	Head	Flow	Head
North Tower	North	Northwest	70 gpm	100 ft	30 gpm	100 ft	70 gpm	100 ft
North Booster	Central	North	120 gpm	260 ft	150 gpm	260 ft	220 gpm	260 ft
South Booster	Central	West	400 gpm	105 ft	400 gpm	105 ft	400 gpm	105 ft
Southwest Booster	West	Southwest	90 gpm	140 ft	90 gpm	140 ft	90 gpm	140 ft
Pump Station C	East	Northeast	30 gpm	280 ft	30 gpm	280 ft	--	--
Wentworth Booster	West	Lake Madison	200 gpm	180 ft	200 gpm	180 ft	--	--

Brandt WTP	Brandt WTP	Lake Madison	200 gpm	250 ft	200 gpm	250 ft	200 gpm	250 ft
Egan WTP	Egan WTP	Central	265 gpm	350 ft	500 gpm	385 ft	280 gpm	344 ft
Egan WTP	Egan WTP	Central	420 gpm	328 ft	280 gpm	344 ft	500 gpm	385 ft
Egan WTP	Egan WTP	Central	420 gpm	328 ft	--	--	--	--

The firm capacity of the high service pumps at the Egan Treatment Plant was determined to be 1400 gpm, or approximately 2 MGD. It should be noted that under the current mode of operation, pressures in the Central and North Service Areas cannot be maintained above 20 psi during peak day demands if the Egan high service pumps are "out of service" for very long, most likely three (3) hours or less. During this time, the East and West Towers can feed this area to maintain pressures if the pumps are "out of service," although the storage capacity is limited to a three (3) hour or less duration.

2.2 SUMMARY OF EXISTING AND FUTURE DEMANDS

2.2.1 Summary of Existing Demands and Pumping Records: For the BSCWS, the year of largest water demand to date was 2012, an extremely dry year across most of the state of South Dakota. During this year, the average daily water usage was 0.99 MGD with a peak day water production of 2.30 MGD occurring in August. The peak day production of 2.30 MGD was reported by BSCWS operations staff. For this discussion, water production refers to the amount of water produced at the water treatment plant, as opposed to the amount of water sold to the customers. The amount of water sold to the customers is referred to as water usage. BSCWS maintains records on the amount of water produced at the water treatment plants and the amount of water actually sold to customers, the difference between the two being the amount of "unsold" water. Table 2.3 shows the water sold versus the water pumped from the water treatment plants for 2012. The amount of "unsold" water can be from line loss, water main breakages, or inaccuracies of water meters.

Table 2.3: Water Records for 2012

Water Pumped from Egan & Brandt WTPs	460,456,000 gallons
Potable Water Sold	361,476,000 gallons
"Unsold" Water	22%

2.2.2 Projections of Future Water Demands: Water demand projections were completed in 2005 for the Capital Improvements Plan preliminary engineering report (PER) dated September 2005. In that PER, water demand projections were made based on the number of rural connections, pasture connections, and municipal connections. Below, Table 2.4 shows the predicted future water demands for the years 2015 and 2025. This table has been updated from the 2005 PER with new billing records and changes have been made accordingly. The predicted future number of connections is based on 25 new connections per year, the average number of new connections in recent years. Also, the amount of "unsold" water is based on 22% of the total water produced. Historically, this value of 22% is higher than average which yields a safe estimate of water produced in the future.

Table 2.4: Projections of Future Water Demands

	2012	**2015**	**2025**
* Number of Connections	2,040	2,115	2,365
Average City Usage (MGD)	0.38	0.42	0.50
Average Rural Usage (MGD)	0.61	0.63	0.68
Total Average Water Usage (MGD)	**0.99**	**1.05**	**1.17**
** "Unsold Water" (MGD)	0.27	0.30	0.33
Total Average Water Produced (MGD)	**1.26**	**1.34**	**1.50**
Production Peaking Factor	1.8	1.8	1.8
Maximum Day Water Produced (MGD)	**2.30**	**2.42**	**2.71**
Demand Peaking Factor	2.0	2.0	2.0
Maximum Day Demand (MGD)	**2.52**	**2.68**	**3.01**

* Based on 25 new service connections per year

** Based on 22% of water produced being "unsold"

The data in Table 2.4 shows maximum day demands that are greater than the maximum day water produced. Discussions with BSCWS staff indicate that the difference between these numbers is due to the fact that some towers cannot be kept full during days of peak demand. Take the data from 2012 as an example. While 2.30 million gallons may be produced and pumped by the water treatment plants on a peak day, it is estimated that 2.52 million gallons were actually used and some tower levels are lower at the end of a peak day than they were at the beginning. In other words, more water was demanded by customers than could be delivered to the reservoirs to keep them full. The reservoirs in the system cannot be kept full during days of peak demands because of pipeline restrictions and therefore low pressures on the suction side of some booster stations.

Historical trends of the data provided indicate water demands for the Big Sioux Rural Water System are likely to increase over the next 25 years, assuming a growth of approximately 25 rural water connections per year and a modest growth rate within the communities that the BSRWS serves. The fastest growing demand area is in the Lake Madison and Wentworth area. The population growth trends for the Lake Madison area indicate the water demands in this area will continue to increase at an assumed rate of 5-10 new customers each year.

It should be noted that the projected future water demands do not include demands for the City of Madison. If connected to the BSCWS, it is expected that the City of Madison could take up to 1.0 MGD.

END OF SECTION 2

SECTION 3: DEVELOPMENT AND DESCRIPTION OF ALTERNATIVES CONSIDERED

3.1 GENERAL

The primary need for this project is for the Big Sioux Community Water System (BSCWS) to deliver 1.0 MGD of water to the City of Madison, South Dakota. As an original member of the Lewis & Clark Regional Water System (L&C), the City of Madison was supposed to be connected to that system within the near future. Because L&C project funding hasn't occurred as it was originally intended, it is uncertain when Madison will be connected to the L&C system. To secure a supplemental water supply in a timelier manner than relying on the current pace of federal and state funding, the City of Madison has been exploring alternatives and potential connections to other water systems. Three (3) alternatives were evaluated, and the first two (2) alternatives involve the BSCWS connecting to the Minnehaha Community Water Corporation (MCWC) system to obtain water for the City of Madison. Since the MCWC is a L&C member and already connected to the system, MCWC can convey a portion of L&C water to the BSCWS to deliver to the City of Madison. The third alternative is to do nothing and try to deliver water to the City of Madison using the existing system as it is.

3.2 DEVELOPMENT OF ALTERNATIVES

The major purpose of this section is to provide system improvements that will allow the BSCWS to deliver 1.0 MGD of water to the City of Madison. The alternatives listed below were developed by Banner Associates Inc. with the input of both BSCWS and MCWC management. Banner Associates, Inc. utilized the computer modeling program InfoWater to help determine the hydraulic feasibility of the alternatives. InfoWater is a GIS-based computer modeling software produced by Innovyze, Inc. that provides water distribution system network analysis and dynamic simulation computations. The computer model accurately represents all of the different components in a water distribution system including tanks, pumps, valves, customers, etc. The model of the BSCWS used was originally constructed for the capital improvements master plan project in 1999 and was updated with customer billing information from 2012, a year of high water usage. More

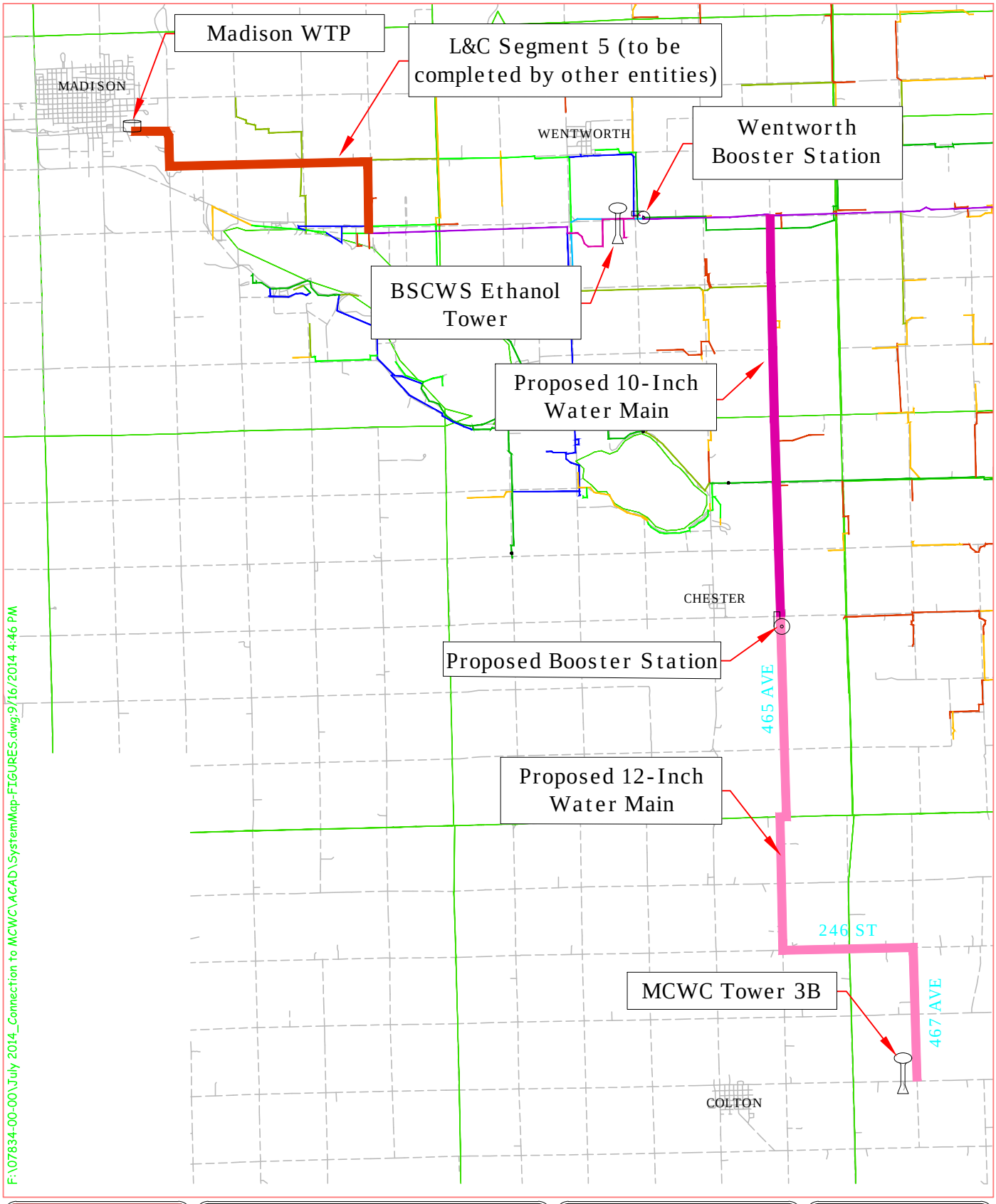
specifically, the billing records from August 2012 were used in the model to attain an operator reported 2.3 MGD peak water production day. This peak day production of 2.3 MGD was used in the analysis of the alternatives to represent a worst-case scenario in the system. The alternatives were developed to maintain a minimum pressure of 20 psi in the area of interest. The pressure of 20 psi is the minimum safe operating pressure in a water distribution system according to 10 States Standards and the South Dakota Department of Environment and Natural Resources (SDDENR).

As mentioned previously, the first two (2) alternatives to be discussed in this section involve connecting the BSCWS to the MCWC system. This would allow the MCWC to take additional water from the L&C system and deliver it to the BSCWS, which would then deliver the water to the City of Madison. The water delivered to the City of Madison would essentially be traveling through three different water distribution systems before arriving at the city, including: Lewis & Clark, Minnehaha Community Water Corporation, and Big Sioux Community Water System.

A similar component of the first two (2) alternatives to be discussed in this section is the construction of and the use of L&C Segment 1 and Segment 5 pipeline. Segment 1 is a 5.0 mile section of 16-inch piping which extends the existing L&C distribution. This proposed Segment 1 piping would convey water from the intersection of 262nd Street and West Benson Road to the proposed Madison/North MCWC booster pump station adjacent to 262nd Street. Segment 5 of the L&C Madison Line is a 14-inch section of pipe that stretches 5.1 miles from the intersection of Highway 34 and 459th Avenue on the north side of Lake Madison to the City of Madison's water treatment plant. Segment 5 would tie directly into the BSCWS system and deliver water directly into the City of Madison's ground storage reservoir. L&C Segment 1 and Segment 5 are not currently in place and would be completed by other entities should this plan move forward. Both of these proposed pipe lines need to be designed and constructed to make the three proposed alternatives viable.

3.2.1 Alternative 1 - Connection to MCWC System Using 10-Inch and 12-Inch Water Main: Alternative 1 involves pumping water from the MCWC system near the existing MCWC Tower 3B north to the existing BSCWS Ethanol Tower through approximately 15.0 miles of new water main. The MCWC Tower 3B is located approximately 3.0 miles east of Colton, SD and has an overflow elevation of 1770 feet. The existing BSCWS Ethanol Tower is located approximately 1.0 mile south of Wentworth, SD along Highway 34 and has an overflow elevation of 1890 feet. Approximately 9.0 miles of 12-inch water main would carry water from the MCWC system near Tower 3B to a new booster station located 1.0 mile east of the Town of Chester, SD at the intersection of 241st Street and 465th Avenue. This booster station is necessary because of the 120-foot difference in overflow elevation that must be overcome to pump water into the BSCWS Ethanol Tower. A 10-inch water main was investigated on the suction side of this proposed booster station; however, it was determined that the head losses in the 10-inch main would produce pressures of less than 20 psi at locations along the proposed route. To keep pressures above the standard minimum of 20 psi, 12-inch water main is required. The proposed route for this piping runs adjacent to existing MCWC Pump Station 5. It is anticipated that a connection would be made to Pump Station 5 to help stabilize the suction pressures of the proposed booster station near Chester. It is recommend that the 12-inch water main between the MCWC connection point and the proposed booster pump station be C900, Pressure Class 165 PVC. Normal operating pressures for this section of the pipe would range from 20 psi to 65 psi. A map showing the pipe route for Alternative 1 can be seen in Figure 3.1.

The proposed booster pump station located east of Chester would be required to pump 700 gpm or 1.0 MGD. With an estimated suction pressure of 45 psi and discharge pressure of 185 psi, two (2) 75 horsepower (hp) pumps would be needed. One of the pumps would be capable of delivering the 700 gpm with the other serving as a standby pump.



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PROJECT TITLE :
Big Sioux Community Water System Improvements

PROJECT LOCATION :
Egan, South Dakota

SHEET TITLE :
Alternative 1: Connection to MCWC Using 10-inch and 12-Inch Water Main

DRAWN BY: B.A.L.
DESIGNED BY: C.E.B.
CHECKED BY: C.E.B.
JOB NO : 07834.00.00
DATE : September 2014
0 1/2" 1"
SCALE REDUCTION BAR

SHEET NO. :
Figure 3.1

Downstream of this booster station, 10-inch water main would be used to connect to the Big Sioux Community Water system upstream of the Wentworth Booster Station. The approximately 6.0 miles of 10-inch main would be placed adjacent to 465th Avenue and tie into the existing 4-inch and 8-inch parallel water mains that run east and west along Highway 34. From this point, existing and upgraded BSCWS infrastructure would be used to deliver the City of Madison's water to the Ethanol Tower. Along this route, it is recommended that the 10-inch water main be connected to an existing 4-inch BSCWS main to help boost pressures in the area it serves. This connection should be made with a pressure reducing valve (PRV) set to a hydraulic grade line (HGL) of 1890 feet.

The high 185 psi discharge pressure of the proposed booster station near Chester would require the first mile of 10-inch water main to be C900, Pressure Class 305 PVC. After the first mile, two (2) miles of C900, Pressure Class 235 PVC would be needed to handle the pressures in the line between 240th Street and 238th Street. For the final three (3) miles of water main, the pressures would be low enough for C900, Pressure Class 165 PVC to be installed.

To move the water from the tie-in point at the intersection of Highway 34 and 465th Avenue to the Ethanol Tower, the Wentworth Booster Station would need to be used. Currently the Wentworth Booster Station is used to help fill the Ethanol Tower during periods of high demand and has a firm capacity of 200 gpm. If this alternative is chosen, the Wentworth Booster Station would need to be upgraded with new larger pumps (two 25 Hp pumps) and piping. From the Ethanol Tower, water would flow by gravity to the City of Madison's water treatment plant for distribution within the city. The water would travel from the Ethanol Tower through approximately 3.9 miles of existing 8-inch and 10-inch BSCWS water main to the 14-inch L&C Segment 5 described previously. It is estimated that the City of Madison could take up to 0.95 MGD or 660 gpm without lowering system pressures around Lake Madison below the minimum standard of 20 psi.

If the Wentworth Booster was to be bypassed and water to be delivered directly to the Ethanol Tower with the pipe route described in this alternative, challenges would arise. First, larger pumps would be needed at the proposed booster station near Chester. Second, the discharge pressure of the proposed booster station near Chester could approach or exceed 200 psi, higher than any other location within the BSCWS. This high pressure would not be ideal from an operations and maintenance standpoint.

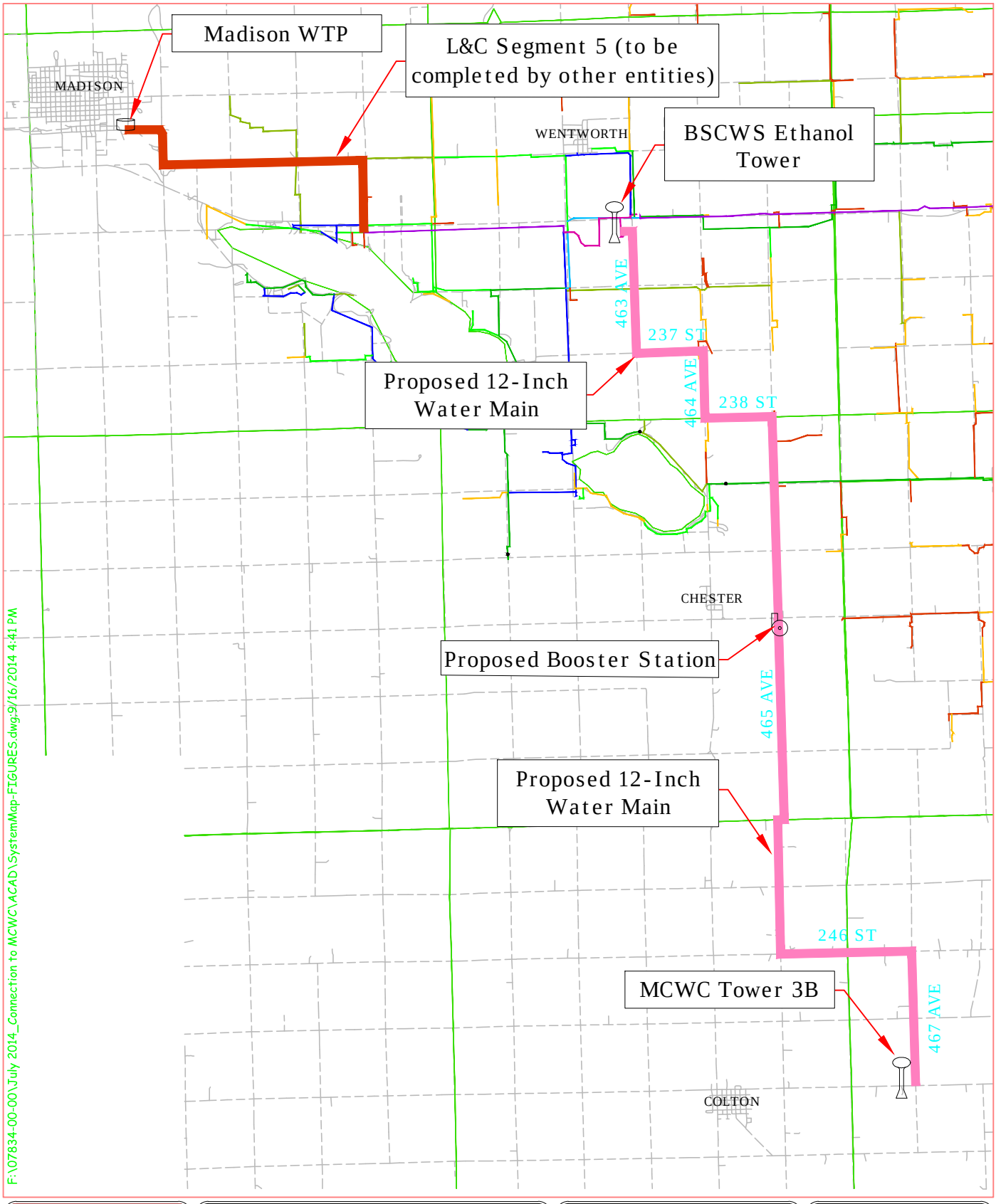
If Alternative 1 is chosen as the solution to deliver water to the City of Madison, operating the system would be challenging. Generally, it is not recommended to operate two (2) pumps in series without a storage reservoir in between them. The proposed booster station near Chester and the Wentworth Booster would be an example of this. Although the West Tower could be considered to be between the two pump stations in question, it is cut off from the large diameter water mains in the West Service Area by an altitude valve. There are some smaller diameter water mains in the southern part of the service area that do hydraulically connect the West Tower with the suction side of the Wentworth Booster, but water would need to travel through pipes as small as 1.5 inches in diameter. Because of this small pipe, the proposed booster station and the Wentworth Booster are considered pumps in series without a storage reservoir between them.

3.2.2 Alternative 2 - Connection to the MCWC System Using All 12-inch Water Main: Similar to Alternative 1, this alternative involves connecting to the MCWC system near existing MCWC Tower 3B and pumping water north to the existing BSCWS Ethanol Tower. The difference in Alternative 2 compared to Alternative 1 is the route of the pipe after the booster station near Chester and that the proposed booster station delivers water directly to the Ethanol Tower instead of upstream of the Wentworth Booster. The water main leading up to the proposed booster near Chester follows the same route and is the same recommended pressure class as in Alternative 1.

The proposed booster pump station located east of Chester would be required to pump 700 gpm or 1.0 MGD. With an estimated suction pressure of 45 psi and discharge pressure of 150 psi, two (2) 60 hp pumps would be needed. One of the pumps would be capable of delivering the 700 gpm with the other serving as a standby pump. Downstream of this booster station, approximately 8.0 miles of 12-inch water main would be used to connect to the existing BSCWS near the Ethanol Tower. Similar to the first two (2) miles of Alternative 1 downstream of the proposed booster, the route for this pipe would go 2.0 miles north before turning to the west and zigzagging northwest toward the Ethanol Tower. See Figure 3.2 for the proposed route of Alternative 2. Similar to Alternative 1, it is recommended that the 12-inch water main be connected to an existing 4-inch BSCWS main to help boost pressures in the area it serves. This connection should be made with a pressure reducing valve (PRV) set to a hydraulic grade line (HGL) of 1890 feet.

Pressure downstream of the proposed booster station near Chester would require the first one (1) mile of 12-inch water main to be C900, Pressure Class 235 PVC. After that point, pressures would be low enough for the remaining 7.0 miles to be C900, Pressure Class 165 PVC. This pipe would tie in to the existing BSCWS at the 10-inch pipe near the Ethanol Tower.

From the Ethanol Tower, water would flow by gravity to the City of Madison's water treatment plant for distribution within the city. The water would travel from the Ethanol Tower through approximately 3.9 miles of existing 8-inch and 10-inch BSCWS water main to the 14-inch L&C Segment 5 described previously. Like Alternative 1, it is estimated that the City of Madison could take up to 0.95 MGD or 660 gpm without lowering system pressures around Lake Madison below the minimum standard of 20 psi.



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PROJECT TITLE :
Big Sioux Community Water System Improvements

PROJECT LOCATION :
Egan, South Dakota

SHEET TITLE :
Alternative 2: Connection to MCWC Using All 12-Inch Water Main

DRAWN BY: B.A.L.
DESIGNED BY: C.E.B.
CHECKED BY: C.E.B.
JOB NO : 07834.00.00
DATE : September 2014
0 1/2" 1"
SCALE REDUCTION BAR

SHEET NO. :
Figure 3.2

3.2.3 Alternative 3 – No Action: For this alternative, BSCWS would do nothing and continue operating the existing system as it is today. Since BSCWS is nearly pushed to its water distribution capacity already, little or no water could be delivered to the City of Madison. The City of Madison would need to look elsewhere to fulfill its goal of securing a supplemental water source.

3.3 OPINION OF PROJECT AND O&M COSTS

Improvements are needed to deliver the desired 1.0 MGD water to the City of Madison. Opinions of probable project costs were developed for each of the investigated alternatives. A more detailed cost estimate is provided in Appendix A for each alternative. The probable project costs for each alternative is presented and evaluated are summarized below:

Alternative 1: 12-inch Suction piping, Booster Pump Station, 10-inch discharge piping & pump upgrade to Wentworth Booster Pump Station

Probable Project Costs: $2,559,000

Opinion of Annual O&M: $72,800

Life Cycle (Present worth Costs): $ 4,870,276

Alternative 2: 12-inch Suction piping, Booster Pump Station & 12-inch discharge piping.

Probable Project Costs: $2,972,700

Opinion of Additional O&M: $38,300

Life Cycle (Present worth Costs): $ 4,188,660

Alternative 3: No action

Probable Project Costs: $0

Opinion of Additional O&M: $0

Annual operational and maintenance costs were calculated using the flowrate, anticipated suction and discharge pressures for the proposed pump station east of Chester, SD and upgraded pumps in the Wentworth pump station (Alternate 1 only). Power costs were assumed to be $0.08 per KwHr and pump efficiencies of 75%. An allowance of $10,000 per pump station operating was used when calculating annual O&M costs. This allowance is for covering heating, cooling, lighting and monthly maintenance costs associated with the pump station.

Lifecycle costs were investigated for alternatives. A 50 year economic life was investigated for the alternatives. 4.5% and 2.5% were used for the discount rate and escalation rate, respectively for the lifecycle cost calculations.

3.4 SUMMARY AND RECOMMENDATIONS

In summary, the Big Sioux Community Water System must make improvements to their current distribution system in order to deliver 1.0 MGD water to the City of Madison, SD. Three (3) alternatives were presented and examined. Because the "No Action" Alternative is not considered valid and Alternative 1 would be difficult to operate and has the higher life cycle costs, Banner Associates Inc. recommends Alternative 2: Connection to MCWC Using All 12-inch Water Main. This alternative will allow the BSCWS to deliver up to 0.95 MGD or 660 gpm to the City of Madison without lowering system pressures around Lake Madison below the minimum standard of 20 psi.

END OF SECTION 3

SECTION 4: THE SELECTED PLAN AND IMPLEMENTATION SCHEDULE

4.1 INTRODUCTION

This section summarizes the recommended water distribution improvements for the Big Sioux Community Water System.

4.2 RECOMMENDED WATER DISTRIBUTION ALTERNATIVE

The recommended water distribution alternative for the BSCWS is Alternative 2: Connection to MCWC Using All 12-inch Water Main. This alternative will allow the BSCWS to deliver up to 0.95 MGD or 660 gpm to the City of Madison without lowering system pressures in the Lake Madison Service Area below the minimum standard of 20 psi. Refer to Figure 3.2 for the proposed layout of the new water distribution facilities.

The Opinion of Probable Project Cost for the recommended Alternative 2 is $2,972,700 which does not include the cost for crop reimbursement. Costs of the recommended improvements are shown in Table 4.1: Probable Project Costs. For a complete list of all construction materials and prices for Alternative 1 and the recommended Alternative 2, see Appendix A.

Table 4.1: Probable Project Cost

Opinion of Probable Construction Cost	$2,419,000
Contingencies	$242,000
Geotechnical, Administration & Legal	$33,000
Engineering	
Design	$106,500
Construction Administration, Inspection, & Staking	$172,200
OPINION OF PROBABLE PROJECT COST	**$2,972,700**

ESTIMATED REVENUE REQUIREMENTS AND UTILITY RATE ADJUSTMENTS

4.2.1 Revenue Requirements and Probable Water Rate Adjustments: It was assumed for purposes of rate calculations that the project will be financed with a combination of grants and loans. The total probable project costs for the water distribution system improvements total $2,972,700. Calculation of annual debt service cost has been completed based on a 50%, 60%, 70%, and 80% grant and prevailing interest rates for loans. Grant funding will be requested from the State of South Dakota and will be based on the needs of the community and the improvements recommended. It is assumed that Big Sioux will be eligible for a Consolidated Water Facilities loan with a 20-yr term at 3.00% interest. Table 4.2: Impact on Water Rates for Distribution System Improvements contains a breakdown of costs associated with the proposed project using 50%, 60%, 70%, and 80% grants. Although annual operation and maintenance (O&M) costs will be associated with this completed project, these costs will be passed along to the City of Madison.

Table 4.2: Impact on Water Rates for Distribution System Improvements

	BSCWS Takes Out State Consolidated Loan			
Opinion of Probable Construction Costs	$2,419,000	$2,419,000	$2,419,000	$2,419,000
Engineering, Administration, and Contingencies	$553,700	$553,700	$553,700	$553,700
Opinion of Probable Project Costs	**$2,972,700**	**$2,972,700**	**$2,972,700**	**$2,972,700**
Grant	50%	60%	70%	80%
Grant Amount	$1,486,350	$1,783,620	$2,080,890	$2,378,160
Local Share	$1,486,350	$1,189,080	$891,810	$594,540
Debt Retirement (including 10% debt reserve)	$109,897	$87,917	$65,938	$43,959
Annual O/M Account	$0	$0	$0	$0
Minimum Payment	$31.00	$31.00	$31.00	$31.00
Number of Accounts	2090	2090	2090	2090
Increase due to Project	$4.38	$3.51	$2.63	$1.75
Proposed Minimum Payment	$35.38	$34.51	$33.63	$32.75
Number of Years	20	20	20	20
Loan Rate/yr	3.00%	3.00%	3.00%	3.00%

4.2.2 Allocated Costs to the City of Madison: Preliminary discussions between Big Sioux Community Water Corporation and the City of Madison have investigated several possibilities on how costs would be allocated. It was agreed, depending on the level of grant obtained through the Consolidated Water Facilities program that BSCWC would cover the debt service associated with the piping described in Alternate No. 1 and the City of Madison would cover the variable costs associated with pumping.

Upon further investigation it was determined that Alternate 2 has a high capital costs, but lower operating costs and a lower life cycle cost; therefore, making it the preferred alternative. The City of Madison has agreed in principle to cover the difference in capital costs between the two alternatives in the form of a debt service payment to BSCWS payable as a monthly minimum.

Table 4.3: Madison's Portion of Debt Service

	50% Grant/50% Loan	75% Grant/25% Loan
Alternate #2 - Opinion of Probable Construction Costs	$2,972,700	$2,972,700
Alternate #1 - Opinion of Probable Construction Costs	$2,559,000	$2,559,000
Opinion of Probable Project Costs	**$413,700**	**$413,700**
Grant	50%	75%
Grant Amount	$206,850	$310,275
Local Share	$206,850	$103,425
Monthly Debt Retirement	$1,150	$575
Number of Years	20	20
Loan Rate/yr	3.00%	3.00%

Preliminary energy use calculations determined that power costs associated with the booster pump station located one mile east of Chester, SD were $0.09/1000 gallons pumped. This is based on pumping 700 gpm from a suction pressure of 45 psi to discharge pressure of 150 psi, assuming a 95%, 75% and 90% for motor efficiency, pump

efficiency, and VFD efficiency, respectively. A cost of power was assumed to be %0.08/ KwHr.

4.3 IMPLEMENTATION PLAN AND SCHEDULE

Completion of the improvements recommended in this report will require scheduling and coordination of activities for planning, design and construction of the improvements. The activities necessary in the near future are those associated with the final planning and design activities to qualify the project for State Consolidated Water Facilities funding and design of the recommended distribution system. Several of the critical tasks and associated target dates are summarized in Table 4.3: Implementation Schedule – Approval Granted in March 2015. The Implementation Schedule is dependent on the DENR taking action on both the Grant and Loan requests at the March 2015 meeting. Because only one amendment is allowed to an approved request, the bid opening is scheduled in August 2015 to allow Big Sioux time to amend the loan application prior to the August 2015 meeting if the full funding was not awarded at the March 2015 meeting.

Table 4.3: Implementation Schedule – Approval Granted in March 2015

TASK	DATE
Presentation and Acceptance of Final Water Facility	September, 2014
State Water Plan Application	October 1, 2014
Placement on State Water Plan	November, 2014
Funding Application Due	January 1, 2015
DENR Action on Funding Request	March, 2015
Submittal of Plans and Specifications for DENR Review	July, 2015
Open Bids for Construction of System Improvements	August, 2015
Amend Loan Application (if needed)	August, 2015
Award Contract	September, 2015
Notice to Proceed (30 days after Award of Contract)	October, 2015

Substantial Completion of Improvements	**October, 2016**
Final Completion of Improvements	**November, 2016**
Complete One Year Warranty period	**November, 2017**

END OF SECTION 4

APPENDIX A:

COST ESTIMATE

Opinion of Probable
Project Cost - Alternative 1

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Location: Big Sioux Community Water/MCWC Connection
Date: 17-Sep-14
Project: System Interconnect - Big Sioux/MCWC
BAI 07392.00.00

ITEM NO.	SPEC SECTION	DESCRIPTION OF WORK AND MATERIALS	QUANTITY	UNIT	UNIT PRICE	TOTAL
1	**Div. 1**	Mobilization and Demobilization	1	Lump Sum	$ 42,000.00	$ 42,000.00
		Imported Granular Embedment	1790	Ton	$ 20.00	$ 35,800.00
		Compaction - Moisture/Density Tests	32	Each	$ 110.00	$ 3,520.00
		Furnish 12" C900 PVC (Class 165) Watermain	47520	L.F.	$ 14.40	$ 684,288.00
		Install 12" PVC Watermain	47520	L.F.	$ 8.00	$ 380,160.00
		Furnish 10" C900 PVC (Class 305) Watermain	5280	L.F.	$ 17.60	$ 92,928.00
		Install 10" PVC Watermain	5280	L.F.	$ 6.00	$ 31,680.00
		Furnish 10" C900 PVC (Class 235) Watermain	10560	L.F.	$ 13.90	$ 146,784.00
		Install 10" PVC Watermain	10560	L.F.	$ 6.00	$ 63,360.00
		Furnish 10" C900 PVC (Class 165) Watermain	15840	L.F.	$ 10.10	$ 159,984.00
		Install 10" PVC Watermain	15840	L.F.	$ 6.00	$ 95,040.00
		12-inch Road Crossing	3	Lump Sum	$ 1,500.00	$ 4,500.00
		10-inch Road Crossing	3	Lump Sum	$ 1,000.00	$ 3,000.00
		Connection to existing 18-inch Pipe	1	Lump Sum	$ 5,000.00	$ 5,000.00
		Connection to existing 8-inch Pipe	1	Lump Sum	$ 3,000.00	$ 3,000.00
		Connection to existing 4-inch Pipe	2	Lump Sum	$ 2,500.00	$ 5,000.00
		PRV Station (New facility and connection to)	1	Lump Sum	$ 6,500.00	$ 6,500.00
		Connection to Pump Station	1	Lump Sum	$ 5,000.00	$ 5,000.00
		12” x 12” x 12” D.I. MJ Tee w/Joint Restraints	2	Each	$ 2,500.00	$ 5,000.00
		12” D.I. MJ 90d bend w/Joint Restraints	4	Each	$ 2,000.00	$ 8,000.00
		10” D.I. MJ 90d bend w/Joint Restraints	4	Each	$ 1,500.00	$ 6,000.00
		12” Gate Valve and Box w/Joint Restraints	5	Each	$ 2,500.00	$ 12,500.00
		10” Gate Valve and Box w/Joint Restraints	5	Each	$ 2,000.00	$ 10,000.00
		Air Release Valve - Manual	15	Each	$ 1,500.00	$ 22,500.00
		Tracer Wire	79200	LF	$ 0.25	$ 19,800.00
		Meter House (Block Building)	1	Lump Sum	$ 75,000.00	$ 75,000.00
		Furnish and Install Booster Pumps (75 HP)	2	Each	$ 25,000.00	$ 50,000.00
		Furnish and Install Instrumentation and Control Panels	1	Lump Sum	$ 50,000.00	$ 50,000.00
		Furnish and Install Electrical	1	Each	$ 25,000.00	$ 25,000.00
		Site Grading	1	Lump Sum	$ 5,000.00	$ 5,000.00
		Gravel Surfacing	100	Ton	$ 25.00	$ 2,500.00
		3 - Wire Barbless Fence	500	L.F.	$ 3.00	$ 1,500.00
		Tubular Steel Swing Gate	1	Each	$ 1,500.00	$ 1,500.00
		Modifications to Wentworth Booster Pump Station	1	Lump Sum	$ 50,000.00	$ 50,000.00
					Contingencies (10% Construction Costs) =	$212,000
					Opinion of Probable Construction Costs =	**$2,324,000**
					Design and Bid Phase Services =	$93,000
					Resident Engineering and Surveying =	$139,500
					Operation and Maintenance Manual =	$5,000
					Construction Plans of Record =	$7,500
					Total Engineering =	$245,000
					Geotechnical Services =	$6,000
					Crop Reimbursement=	$37,000
					Administration and Legal =	$24,000
					Opinion of Probable Project Cost =	**$2,599,000**

Opinion of Probable
Project Cost - Alternative 2

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Location: Big Sioux Community Water/MCWC - 12" to Ethanol Tower
Date: September 17, 2014
Project: System Interconnect - Big Sioux/MCWC
BAI 07392.00.00

ITEM NO.	SPEC SECTION	DESCRIPTION OF WORK AND MATERIALS	QUANTITY	UNIT	UNIT PRICE	TOTAL
1	**Div. 1**	Mobilization and Demobilization	1	Lump Sum	$ 24,000.00	$ 24,000.00
		Imported Granular Embedment	2020	Ton	$ 20.00	$ 40,400.00
		Compaction - Moisture/Density Tests	32	Each	$ 110.00	$ 3,520.00
		Furnish 12" C900 PVC (Class 165) Watermain	47520	L.F.	$ 14.40	$ 684,288.00
		Install 12" PVC Watermain	47520	L.F.	$ 8.00	$ 380,160.00
		Furnish 12" C900 PVC (Class 235) Watermain	5280	L.F.	$ 19.70	$ 104,016.00
		Install 12" PVC Watermain	5280	L.F.	$ 8.00	$ 42,240.00
		Furnish 12" C900 PVC (Class 165) Watermain	36960	L.F.	$ 14.40	$ 532,224.00
		Install 12" PVC Watermain	36960	L.F.	$ 8.00	$ 295,680.00
		12-inch Road Crossing	6	Lump Sum	$ 1,500.00	$ 9,000.00
		Connection to existing 18-inch Pipe	1	Lump Sum	$ 5,000.00	$ 5,000.00
		PRV Station (New facility and connection to)	1	Lump Sum	$ 6,500.00	$ 6,500.00
		Connection to Pump Station	1	Lump Sum	$ 5,000.00	$ 5,000.00
		12” x 12” x 12” D.I. MJ Tee w/Joint Restraints	2	Each	$ 2,500.00	$ 5,000.00
		12” D.I. MJ 90d bend w/Joint Restraints	8	Each	$ 2,000.00	$ 16,000.00
		12” Gate Valve and Box w/Joint Restraints	10	Each	$ 2,500.00	$ 25,000.00
		Air Release Valve - Manual	15	Each	$ 1,500.00	$ 22,500.00
		Tracer Wire	89760	LF	$ 0.25	$ 22,440.00
		Meter House (Block Building)	1	Lump Sum	$ 75,000.00	$ 75,000.00
		Furnish and Install Booster Pumps (60 HP)	2	Each	$ 20,000.00	$ 40,000.00
		Furnish and Install Instrumentation and Control Panels	1	Lump Sum	$ 50,000.00	$ 50,000.00
		Furnish and Install Electrical	1	Each	$ 20,000.00	$ 20,000.00
		Site Grading	1	Lump Sum	$ 5,000.00	$ 5,000.00
		Gravel Surfacing	100	Ton	$ 25.00	$ 2,500.00
		3 - Wire Barbless Fence	500	L.F.	$ 3.00	$ 1,500.00
		Tubular Steel Swing Gate	1	Each	$ 1,500.00	$ 1,500.00
					Contingencies (10% Construction Costs) =	$242,000
					Opinion of Probable Construction Costs =	**$2,661,000**
					Design and Bid Phase Services =	$106,500
					Resident Engineering and Surveying =	$159,700
					Operation and Maintenance Manual =	$5,000
					Construction Plans of Record =	$7,500
					Total Engineering =	$278,700
					Geotechnical Services =	$6,000
					Crop Reimbursement=	$42,000
					Administration and Legal =	$27,000
					Opinion of Probable Project Cost =	**$2,972,700**

VALUE STUDY - LIFE CYCLE COST ANALYSIS

WORTH (PW) COSTS

"Date: 09/16/14

"PROJECT: **Big Sioux/MCWC/Madison Connection**
"COMPONENT:
"Discount Rate: 4.5%
"Economic Life: 50

			ORIGINAL CONCEPT		Alternate 1		Alternate 2		Alternate 3	
			Estimated Costs	Present Worth	Estimated Costs	Present Worth	Estimated Costs	Present Worth	Estimated Costs	Present Worth
LATERAL COSTS										
A. *12" Suction Piping, Pump Station, 10" Discharge & WBPS*			$0	$0	$2,559,000	$2,559,000		$0		$0
B. *12" Suction Piping, Pump Station, 12" Discharge*				$0		$0	$2,972,700	$2,972,700		$0
C. *No Action*				$0		$0		$0	$0	$0
D.				$0		$0		$0		$0
E.				$0		$0		$0		$0
F.				$0		$0		$0		$0
G.				$0		$0		$0		$0
Total initial/Collateral Costs				$0		$2,559,000		$2,972,700		$0
REPLACEMENT/SALVAGE (Single Expenditures)	Year	PW Factor								
A.										$0
B.										$0
C.										$0
D.										$0
E.										$0
F.										$0
G.										$0
H.										$0
I.										$0
J.										$0
K.										$0
Total Replacement/Salvage Costs										$0
ANNUAL COSTS	Escal. Rate	PWA Factor w/Escal.								
A. *Maintenance*	2.5%	31.748	$0	$0	$20,000	$634,966	$10,000	$317,483		$0
B. *Operations*	2.5%	31.748		$0	$52,800	$1,676,310	$28,300	$898,477		$0
C.		0.000		$0		$0		$0		$0
D.		0.000		$0		$0		$0		$0
E.		0.000		$0		$0		$0		$0
F.		0.000		$0		$0		$0		$0
Total Annual Costs				$0		$2,311,276		$1,215,960		$0
TOTAL PRESENT WORTH COSTS				$0		$4,870,276		$4,188,660		$0
LIFE CYCLE (PW) SAVINGS						**($4,870,276)**		**($4,188,660)**		**$0**

F:\07834-00-00\July 2014_Connection to MCWC\[MCWC-BigSioux Connection CostEst.xlsx]LifeCycle

WRAP Review Sheet
Drinking Water Facilities Funding Application
Applicant: Woodland Hills Sanitary District

Project Title:	Water System Improvements – Phase 1
Funding Requested:	$481,000
Other Proposed Funding:	$780,000 – DWSRF (01) Loan
Total Project Cost:	$1,261,000
Project Description:	Woodland Hills was awarded a DW SRF loan of $780,000 with $480,000 of principal forgiveness in June 2013 for the Phase 1 water system improvement project. The project as proposed included the construction of a ground level water storage tank, installation of 1,800 feet of 4-inch PVC water main, new water meter pits for the entire system, water service line replacements and improvements to the well, well-house, and pump station buildings. The project was bid, and bids came in over the estimate so only a portion of the project was awarded. The district is seeking funding to complete the remaining items in Phase 1 which were unfunded. This work includes the replacement of the remaining service lines and meter pits and improvements to the well, well-house, and pump station buildings. The ground storage tank has been eliminated from phase 1.
Alternatives Evaluated:	"No Action" This alternative would result in the system continuing to experience leaks which have been increasing in regularity, and the water loss of over 40 percent would continue to occur. This alternative was not selected. Regional Water System Connection This alternative was reviewed; however, the closest regional water system is a mile away and the District is at a higher elevation which would require additional booster pumps. The District's water supply is not an issue and connection to the regional system would not fix the primary issue of leaking mainlines and services. This alternative was not selected. Complete System Replacement This alternative would replace 20,500 feet of watermain, install new water services within the right-of-way, install new

water meter pits, construct a new 10,000-gallon storage tank, and make repairs to the existing well, well house, and pump stations. The total cost of this alternative would be $2.3 million and was determined to be too expensive for the District and therefore was not selected.

Intersection Valve Replacement
This alternative would replace and add valves within the distribution system. This would allow leaks to be isolated for repair; however, the watermain and services that are the primary cause of the leaks would remain as they are. This alternative would not stop the water loss issues and with future main replacement with larger lines many of the valves would be unusable in any future project. This alternative was not selected.

Implementation Schedule:	The District anticipates bidding the project in May 2015 with a project completion date of October 2015.
Service Population:	250
Current Domestic Rate:	$52.50 per 5,000 gallons usage plus an $18.16 surcharge for DWSRF (01) loan
Proposed Domestic Rate at Project Completion:	$52.50 per 5,000 gallons usage plus an $18.16 surcharge for DWSRF (01) loan

Interest Rate: 3% Term: 20 years Security: Water Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan Woodland Hills would have to enact a surcharge of approximately $29 per resident. When added to current rate of $70.66/5,000 gallons residents would be paying $99.66/5,000 gallons.

25% Funding Subsidy:	$120,250 subsidy with a loan of $360,750.
Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of $360,750 Woodland Hills would have to enact a surcharge of approximately $21.65 thereby paying a rate of $92.31/5,000 gallons.

50% Funding Subsidy:	240,500 subsidy with a loan of $240,500.
Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of $240,500 Woodland Hills would have to enact a surcharge of approximately $14.45 thereby paying a rate of $85.11/5,000 gallons.

75% Funding Subsidy:	360,750 subsidy with a loan of $120,250.
Coverage at 75% Subsidy:	Based on a 25% subsidy and a loan of $360,750 Woodland Hills would have to enact a surcharge of approximately $7.21 thereby paying a rate of $77.87/5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: DREW HUISKEN

FINANCIAL REVIEW COMPLETED BY: DAVE RUHNKE

RECEIVED
DEC 3 1 2014
Division of Financial & Technical Assistance

Drinking Water Facilities Funding Application

Consolidated Water Facilities Construction Program (CWFCP)
Drinking Water State Revolving Fund Program (DWSRF)

Applicant	Proposed Funding Package		
Woodland Hills Sanitary District	CWFCP / DWSRF		$481,000
Address	Local Cash		
8804 Lark Lane Black Hawk, SD 57718	Other	SRF #1	$780,000
	Other		
Subapplicant	Other		
N/A			
DUNS Number		**TOTAL**	$1,261,000
80.673.192			

Project Title: Water System Improvement Project, Phase I

Description:

The Woodland Hills Sanitary District is located in Meade County and currently serves 102 residential water service users within the Woodland Hills Subdivision. The subdivision is located approximately 3 miles west of Black Hawk, off of Peaceful Pines Road. The existing water distribution system was installed in the 1970s, and many of the system components have reached the end of their design life.

The Board of Water and Natural Resources awarded the Woodland Hills Sanitary District a $780,000 loan ($480,000 in principal forgiveness) in 2013 to complete the proposed project. However, the bids received for the project exceeded the cost estimates, and therefore, only a portion of the project was awarded: the installation of new water main and the replacement of a portion of the water services and meter pits. Construction of these items is currently underway. The District is now seeking financial assistance to complete the remaining, unfunded items in Phase I, which consist of replacement of the remaining service lines and meter pits, replacement of a well pump, a new booster pump, and electrical improvements at the system's mid-level storage tank.

The current drinking water rate is $52.50 per 5,000 gallons of water, plus a project surcharge for the existing loan of $18.16 per user per month.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Randy Alexander, President
Name & Title of Authorized Signatory (Typed)

Randy Alexander
Signature

12/29/14
Date

Professional Consultants

Application Prepared By: Black Hills Council of Local Governments

Contact Person: Ali DeMersseman

Mailing Address: 730 East Watertown Street, Suite 102

City, State, and Zip: Rapid City, SD 57701

Telephone Number: (605) 394-2681 Fax: (605) 394-6140

Email address: ademersseman@tie.net

Consulting Engineering Firm: AE2S

Contact Person: Ted Schultz

Mailing Address: 1560 Concourse Drive

City, State, and Zip: Rapid City, SD 57703

Telephone Number: (605) 341-7800 Fax: (605) 341-7864

Email address: Ted.Schultz@AE2S.com

Legal Counsel's Firm: Hansen and Hubbard

Legal Counsel: Dale Hansen

Mailing Address: PO Box 580

City, State, and Zip: Sturgis, SD 57785

Telephone Number: (605) 347-2551 Fax: (605) 347-4466

Email address: dale@hanslaw-sturgis.com

This section applies only to political subdivisions

Bond Counsel's Firm: Davenport, Evans, Hurwitz & Smith, LLP

Bond Counsel: Doug Hajek

Mailing Address: PO Box 1030

City, State, and Zip: Sioux Falls, SD 57101-1030

Telephone Number: (605) 357-1227 Fax: (605) 335-3639

Email address: dhajek@dehs.com

BUDGET SHEET

Cost Classification	A CWFCP / DWSRF	B DWSRF #1	C	D	E	Total Funds
1. Administrative Expenses						
A. Personal Services						
B. Travel						
C. Legal including Bond Counsel	$8,800.00	$11,250.00				$20,050.00
D. Other						
2. Land, Structure, Right-of-Way						
3. Engineering						
A. Bidding and Design Fees	$37,684.50	$71,926.00				$109,610.50
B. Project Inspection Fees	$37,684.50	$71,926.00				$109,610.50
C. Other						
4. Construction and Project Improvement	$330,192.00	$624,236.00				$954,428.00
5. Equipment						
6. Contractual Services						
7. Other						
8. Other						
9. Subtotal (Lines 1-8)	$414,361.00	$779,338.00				$1,193,699.00
10. Contingencies	$66,038.00					$66,038.00
11. Total (Lines 9 and 10)	$480,399.00	$779,338.00				$1,259,737.00
12. Total %	38.13%	61.87%	0.00%	0.00%	0.00%	100.00%

Columns A - E: Identify each funding source and enter the amounts budgeted by cost category.

Comments:

Method of Financing

Source Header	Secured Funds	Unsecured Funds (Date Anticipated)
Local Cash (Identify Source)		
Other (Explain) SRF #1	$780,000.00	
Other (Explain) SRF #2		$481,000.00 Mar 27, 2015
Other (Explain)		
Other (Explain)		
Other (Explain)		
TOTAL	$780,000.00	$481,000.00

Comments:

7.3.1 Repayment Information

Interest rate and term you are applying for: 3 %, 20 years.

What security is being pledged toward the repayment of this loan?
(Political Subdivisions Only)

- ☐ 1. General Obligation bond (requires bond election)
- ☐ 2. Water Revenue bond
- ☒ 3. Project Surcharge Revenue bond
- ☐ 4. Sales Tax Revenue bond

7.3.2 Documents That Must Be Submitted With The Application

Financial Documents

1. Most recent audit or unaudited financial statement to include specific accounting of pledged funds.
2. Current year's budget.

Planning and Legal Documents

1. Governing user charge ordinance or resolution and its effective date.
2. Resolution of authorized signatory for submission of the Drinking Water SRF application and signing of payment requests. This resolution must also include the maximum loan amount requested, interest rate and term being applied for, description of proposed project, and security pledged towards repayment of the loan.
3. Facilities Plan (8.3.18).
4. Capacity Assessment Worksheets (section 8.3.16).

Items 5-7 apply to Nonprofit Entities only

5. By-laws
6. Articles of Incorporation
7. Certificate of Good Standing from Secretary of State

7.3.3 General Information

The month and day your fiscal year begins: July 1st

Population Served

Current 250 2000 270 1990 295

Top Five Employers Within 30 Miles	Number of Employees	Type of Business
Ellsworth Air Force Base	3,595	Military
Rapid City Regional Hospital	2,650	Medical
Rapid City Area Schools	1,666	Education
City of Rapid City	1,520	Government
SD National Guard	1,013	Military

Please indicate employers within boundary of issuing entity with an asterisk (*).

7.3.4 Drinking Water Utility Information

Current Water Utility Debt

Year	2013						
Purpose	Water system imp.						
Security Pledged	Project surcharge						
Amount	$300,000.00						
Maturity Date (mo/yr)							
Debt Holder	BWNR						
Debt Coverage Requirement	110%						
Avg. Annual Required Payment	$20,001.85						
Outstanding Balance							

Use additional sheets if more room is required to list all current water utility debt.

Drinking Water Utility Cash Flow

	Prior Year	Prior Year	Current Year	Future Year #
Fiscal Year	2012-2013	2013-2014	2014-2015	2016-2017
OPERATING CASH FLOW				
Water Sales	$61,180	$61,338.69	$59,295.00	$61,812.00
Surcharge Fee	$0	$16,598.24	$22,227.84	$22,227.84
Other (Explain) late fees, deposits, other	$2,205	$4,422.14	$1,200.00	$1,200.00
OPERATING PAYMENTS				
Personal Services	($19,696)	($16,219.02)	($14,600.00)	($16,000.00)
Chemical, Material & Supplies	($1,311)	($2,574.34)	($2,865.00)	($3,083.86)
Electric & Other Utilities	($7,833)	($6,448.17)	($6,702.00)	($7,388.96)
Other (Explain) insur., replacement, misc.	($16,303)	($3,212.01)	($8,345.00)	($8,409.53)
NET CASH FROM OPERATIONS	$18,242	$53,905.53	$50,210.84	$50,357.49
NONOPERATING CASH FLOW				
Interest Income	$2.43	$0.00	$0.00	$0.00
Other Revenue (Explain)				
Transfers In (Explain)				
Fixed Asset Sale (Explain)				
Transfers Out (Explain)				
Fixed Asset Purchases (Explain)				
Water Right Purchase (1)	($7,000.00)			
Debt Payment (Principal Only)				($29,844.11)
Debt Payment (Interest Only)				($22,227.39)
Other Expenses (Explain)				
NET CASH FROM NONOPERATING	($6,998)	$0.00	$0.00	($52,071.50)
Net Increase (Decrease) in Cash	$11,244	$53,905.53	$50,210.84	($1,714.01)
Beginning Cash Balance	$39,747	$50,990.94	$104,896.47	$152,663.72
Ending Cash Balance	$50,991	$104,896.47	$155,107.31	$150,949.71
RESTRICTED BALANCE	$7,830	$8,230.00	$8,450.00	$8,450.00
UNRESTRICTED BALANCE	$43,161	$96,666.47	$146,657.31	$142,499.71

Future Year: First full year after project completion.

Restricted Funds Breakdown:

Amount	Anticipated Expense	Method Used to Encumber
$8,450.00	Meter deposits	Motion

Water Fees:

Attach current and proposed rate ordinances or resolutions and rate schedules.

Municipal or Sanitary District - monthly rates at 5,000 gallons (670 cubic feet)

Other Community Water System - monthly rates at 7,000 gallons (935 cubic feet)

Check one: ✓ Incorporated Municipality or Sanitary District

or

____ Other Community Water System

Monthly:	Current Rate	Proposed Rate	# of Accounts	Average use gallons/cubic feet
Domestic	$52.50		102	4320
Business				
Other:				

Are fees based on usage or flat rate? Usage + $18.16/user/month for SRF #1

When is proposed fee scheduled to take effect? N/A

When did the current fee take effect? September 1, 2013

What was the fee prior to the current rate? $51.50/5,000 gallons

Attach current and proposed rate ordinances or resolutions and rate schedules.

Five Largest Customers	Type of Business	% of System Revenues
Soderstrom	Residence	5%
Nicholson	Residence	3%
Cordray	Residence	3%
Katsenstein	Residence	3%
Sheffield	Residence	2%

7.3.5 Property Tax Information

(Complete only if General Obligation bond is pledged to repay your loan.)

Three year valuation trend:

Year	_____	_____	_____
Assessed Valuation	_____	_____	_____
Full & True Valuation	_____	_____	_____

Three year levies and collection trend:

Year	_____	_____	_____
Amount Levied	_____	_____	_____
Collected	_____	_____	_____
Penalties/Interest	_____	_____	_____
Late Payments	_____	_____	_____

Five Largest Taxpayers	Description	Assessed Valuation
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Comments:

List all current debt secured by General Obligation bond:

Year					
Purpose					
Security Pledged					
Amount					
Maturity Date (mo/yr)					
Debt Holder					
Debt Coverage Requirement					
Avg. Annual Required Payment					
Outstanding Balance					

Use additional sheets if more room is required to list all current G.O. debt.

Comments:

7.3.6 Sales Tax Information

(Complete only if sales tax is pledged to repay your loan.)

Sales tax revenue history for the most current fifteen months:

Month/Year	Amount Collected

Comments:

List all current debt secured by sales tax:

Year Issued					
Purpose					
Amount					
Maturity Date (mo/yr)					
Debt Holder					
Debt Coverage Requirement					
Avg. Annual Required Payment					
Outstanding Balance					

Use additional sheets if more room is required to list all current sales tax debt.

Comments:

7.3.7 Facilities Plan Checklist.

Before submitting the application, please take a few moments to complete the following checklist. Addressing these items prior to submitting the application will expedite the review process

Checklist of SRF Facilities Plan Requirements Have the following items been addressed?	
♦ Submission of a Facilities Plan to the department that addresses those items found in section 8.3.18.	×
♦ A public hearing held discussing the project and the use of an SRF loan to finance the project. (See section 8.3.15)	
♦ Minutes of the public hearing prepared and submitted to the department for inclusion into the final Facilities Plan.	
♦ The affidavit of publication of the public hearing received and submitted to the department for inclusion into the final Facilities Plan. (See section 8.3.15)	
♦ The four review agencies contacted and responses received for inclusion into the final Facilities Plan. (See section 8.3.18)	×
♦ The Cultural Resources Effects Assessment Summary and supporting documentation, such as an archaeological survey or Historic Register database search. (See section 8.3.20)	×

7.3.8 Certification of Drinking Water Needs Categories

Identify the loan amount associated with the needs category or categories described below. If the loan addresses needs in more than one category, please break down the total amount into estimated amounts for each category.

Definition	Loan Amount
Transmission/Distribution	$481,000.00
Treatment	
Storage	
Source	
System Purchase	
Restructuring	
1452(k) Loan Activities	
1. To acquire land or a conservation easement for source water protection.	
2. To implement voluntary, incentive-based source water quality protection measures.	
TOTAL	$481,000.00

Woodland Hills Sanitary District

Name of Applicant

Randy [illegible]

Signature of Authorized Representative

12/29/14

Date

7.3.9 Preaward Compliance Review

FORM Approved By OMB: No. 2030-0020 Expires 12-31-2011

United States Environmental Protection Agency
Washington, DC 20460

Preaward Compliance Review Report for All Applicants and Recipients Requesting EPA Financial Assistance

Note : Read instructions on other side before completing form.

I. Applicant/Recipient (Name, Address, State, Zip Code).	DUNS No.
Woodland Hills Sanitary District, 8804 Lark Lane, Black Hawk, SD 57718	80.673.192

II. Is the applicant currently receiving EPA assistance? Yes

III. List all civil rights lawsuits and administrative complaints pending against the applicant/recipient that allege discrimination based on race, color, national origin, sex, age, or disability. (Do not include employment complaints not covered by 40 C.F.R. Parts 5 and 7. See instructions on reverse side.) None

IV. List all civil rights lawsuits and administrative complaints decided against the applicant/recipient within the last year that allege discrimination based on race, color, national origin, sex, age, or disability and enclose a copy of all decisions. Please describe all corrective action taken. (Do not include employment complaints not covered by 40 C.F.R. Parts 5 and 7. See instructions on reverse side.) None

V. List all civil rights compliance reviews of the applicant/recipient conducted by any agency within the last two years and enclose a copy of the review and any decisions, orders, or agreements based on the review. Please describe any corrective action taken. (40 C.F.R. § 7.80(c)(3)). None

VI. Is the applicant requesting EPA assistance for new construction? If no, proceed to VII; if yes, answer (a) and/or (b) below. No

a. If the grant is for new construction, will all new facilities or alterations to existing facilities be designed and constructed to be readily accessible to and usable by persons with disabilities? If yes, proceed to VII; if no, proceed to VI(b).b. If the grant is for new construction and the new facilities or alterations to existing facilities will not be readily accessible to and usable bypersons with disabilities, explain how a regulatory exception (40 C.F.R. § 7.70) applies.

VII.* Does the applicant/recipient provide initial and continuing notice that it does not discriminate on the basis of race, color, national origin, sex,age, or disability in its programs or activities? (40 C.F.R. § 5.140 and § 7.95) No

a. Do the methods of notice accommodate those with impaired vision or hearing? b. Is the notice posted in a prominent place in the applicant's offices or facilities or, for education programs and activities, in appropriate periodicals and other written communication? c. Does the notice identify a designated civil rights coordinator?

VIII.* Does the applicant/recipient maintain demographic data on the race, color, national origin, sex, age, or handicap of the population it serves? (40 C.F.R. § 7.85(a)) No

IX.* Does the applicant/recipient have a policy/procedure for providing access to services for persons with limited English proficiency? (40 C.F.R. Part 7, E.O. 13166) No

X.* If the applicant/recipient is an education program or activity, or has 15 or more employees, has it designated an employee to coordinate its compliance with 40 C.F.R. Parts 5 and 7? Provide the name, title, position, mailing address, e-mail address, fax number, and telephone number of the designated coordinator. N/A

XI* If the applicant/recipient is an education program or activity, or has 15 or more employees, has it adopted grievance procedures that assure the prompt and fair resolution of complaints that allege a violation of 40 C.F.R. Parts 5 and 7? Provide a legal citation or Internet address for, or a copy of, the procedures. N/A

For the Applicant/Recipient I certify that the statements I have made on this form and all attachments thereto are true, accurate and complete. I acknowledge that any knowingly false or misleading statement may be punishable by fine or imprisonment or both under applicable law. I assure that I will fully comply with all applicable civil rights statutes and EPA regulations.

A. Signature of Authorized Official	B. Title of Authorized Official	C. Date
Rady Moore	Woodland Hills Sanitary District Board President	12/29/14

For the U.S. Environmental Protection Agency I have reviewed the information provided by the applicant/recipient and hereby certify that the applicant/recipient has submitted all preawardcompliance information required by 40 C.F.R. Parts 5 and 7; that based on the information submitted, this application satisfies the preaward provisionsof 40 C.F.R. Parts 5 and 7; and that the applicant has given assurance that it will fully comply with all applicable civil rights statutes and EPA regulations.

A. Signature of Authorized EPA Official See ** note on reverse side.	B. Title of Authorized EPA Official	C. Date

EPA Form 4700-4 (Rev. 03/2008). Previous editions are obsolete.

Instructions for EPA FORM 4700-4 (Rev. 03/2008) General

Recipients of Federal financial assistance from the U.S.Environmental Protection Agency must comply with the following statutes and regulations.

Title VI of the Civil Rights Acts of 1964 provides that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. The Act goes on to explain that the statute shall not be construed to authorize action with respect to any employment practice of any employer, employment agency, or labor organization (except where the primary objective of the Federal financial assistance is to provide employment).

Section 13 of the 1972 Amendments to the Federal Water Pollution Control Act provides that no person in the United States shall on the ground of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under the Federal Water Pollution Control Act, as amended. Employment discrimination on the basis of sex is prohibited in all such programs or activities.

Section 504 of the Rehabilitation Act of 1973 provides that no otherwise qualified individual with a disability in the United States shall solely by reason of disability be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. Employment discrimination on the basis of disability is prohibited in all such programs or activities.

The Age Discrimination Act of 1975 provides that no person on the basis of age shall be excluded from participation under any program or activity receiving Federal financial assistance. Employment discrimination is not covered. Age discrimination in employment is prohibited by the Age Discrimination in Employment Act administered by the Equal Employment Opportunity Commission.

Title IX of the Education Amendments of 1972 provides that no person in the United States on the basis of sex shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance. Employment discrimination on the basis of sex is prohibited in all such education programs or activities. Note: an education program or activity is not limited to only those conducted by a formal institution.

40 C.F.R. Part 5 implements Title IX of the Education Amendments of 1972.

40 C.F.R. Part 7 implements Title VI of the Civil Rights Act of 1964, Section 13 of the 1972 Amendments to the Federal Water Pollution Control Act, and Section 504 of The Rehabilitation Act of 1973.

The Executive Order 13166 (E.O. 13166) entitled; "Improving Access to Services for Persons with Limited English Proficiency" requires Federal agencies work to ensure that recipients of Federal financial assistance provide meaningful access to their LEP applicants and beneficiaries.

Items

"Applicant" means any entity that files an application or unsolicited proposal or otherwise requests EPA assistance. 40 C.F.R. §§ 5.105, 7.25.

"Recipient" means any entity, other than applicant, which will actually receive EPA assistance. 40 C.F.R. §§ 5.105, 7.25.

"Civil rights lawsuits and administrative complaints" means any lawsuit or administrative complaint alleging discrimination on the basis of race, color, national origin, sex, age, or disability pending or decided against the applicant and/or entity which actually benefits from the grant, but excluding employment complaints not covered by40 C.F.R. Parts 5 and 7. For example, if a city is the named applicant but the grant will actually benefit the Department of Sewage, civil rights lawsuits involving both the city and the Department of Sewage should be listed.

"Civil rights compliance review" means any review assessing the applicant's and/or recipient's compliance with laws prohibiting discrimination on the basis of race, color, national origin, sex, age, or disability.

Submit this form with the original and required copies of applications, requests for extensions, requests for increase of funds, etc. Updates of information are all that are required after the initial application submission.

If any item is not relevant to the project for which assistance is requested, write "NA" for "Not Applicable."

In the event applicant is uncertain about how to answer any questions, EPA program officials should be contacted for clarification.

* Questions VII – XI are for informational use only and will not affect an applicant's grant status. However, applicants should answer all questions on this form. (40 C.F.R. Parts 5 and 7).

** Note: Signature appears in the Approval Section of the EPA Comprehensive Administrative Review For Grants/Cooperative Agreements & Continuation/Supplemental Awards form.

Approval indicates, in the reviewer's opinion, questions I – VI of Form 4700-4 comply with the preaward administrative requirements for EPA assistance.

"Burden Disclosure Statement"

EPA estimates public reporting burden for the preparation of this form to average 30 minutes per response. This estimate includes the time for reviewing instructions, gathering and maintaining the data needed and completing and reviewing the form. Send comments regarding the burden estimate, including suggestions for reducing this burden, to
U.S. EPA, Attn: Collection Strategies Division (MC 2822T), Office of Information Collection, 1200 Pennsylvania Ave., NW, Washington, D.C. 20460; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

The information on this form is required to enable the U.S.Environmental Protection Agency to determine whether applicants and prospective recipients are developing projects, programs and activities on a nondiscriminatory basis as required by the above statutes and regulations.

7.3.10 Certification Regarding Debarment, Suspension, and Other Responsibility Matters

The prospective participant certifies to the best of its knowledge and belief that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within a three year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and

(d) Have not within a three year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

I understand that a false statement on this certification may be grounds for rejection of this proposal or termination of the award. In addition, under 18 U.S.C. §1001, a false statement may result in a fine of up to $10,000 or imprisonment for up to 5 years, or both.

Randy Alexander, President

Name & Title of Authorized Representative

Randy Alexander 12/29/14

Signature of Authorized Representative Date

____ I am unable to certify to the above statements. Attached is my explanation

RECEIVED
APR - 1 2013
Division of Financial
& Technical Assistance

Woodland Hills Sanitary District

Meade County, South Dakota

Preliminary Engineering Report and Facility Plan for Drinking Water State Revolving Fund Application

Water System Improvements Project, Phase 1

Prepared By:

Theodore F. Schultz, P.E.

We Know Water.

cetec

1560 Concourse Drive
Rapid City, SD 57703
Ph: (605) 341-7800
www.CETECENGINEERING.com

March 29, 2013

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APPENDICES

A. Water Usage and Production Records
B. Water Storage and Production Needs
C. Detailed Cost Estimate Breakdowns
D. Photos of Existing Facilities and Proposed Improvements

1. INTRODUCTION

1.1 Background Information

The Woodland Hills Sanitary District owns and operates a public water supply system serving the Woodland Hills Subdivision. Ed Striebel with Clearwater Consulting & Water Management currently operates and maintains the system, which was installed in the 1970's. The system was constructed from east to west as the development was completed.

The Sanitary District is located in Meade County approximately 3 miles west of Black Hawk, South Dakota off of Peaceful Pines Road. The system currently serves 101 existing homes and expansion is limited to 2 to 3 empty lots at this time. Figure 1 identifies the legal boundary and description of the Sanitary District.

The District has experienced substantial water loss through leaks and limited improvements have been made to the original system. The system has reached the end of its life in many cases and requires replacement.

1.2 Purpose and Scope

CETEC Engineering was contacted to consult on system upgrades as approved by the Sanitary District Board. The existing system and conditions have been evaluated and options presented to the Board. Short and long-term improvement options have been identified. The monthly user costs and funding options have been presented to the Sanitary District Board for consideration.

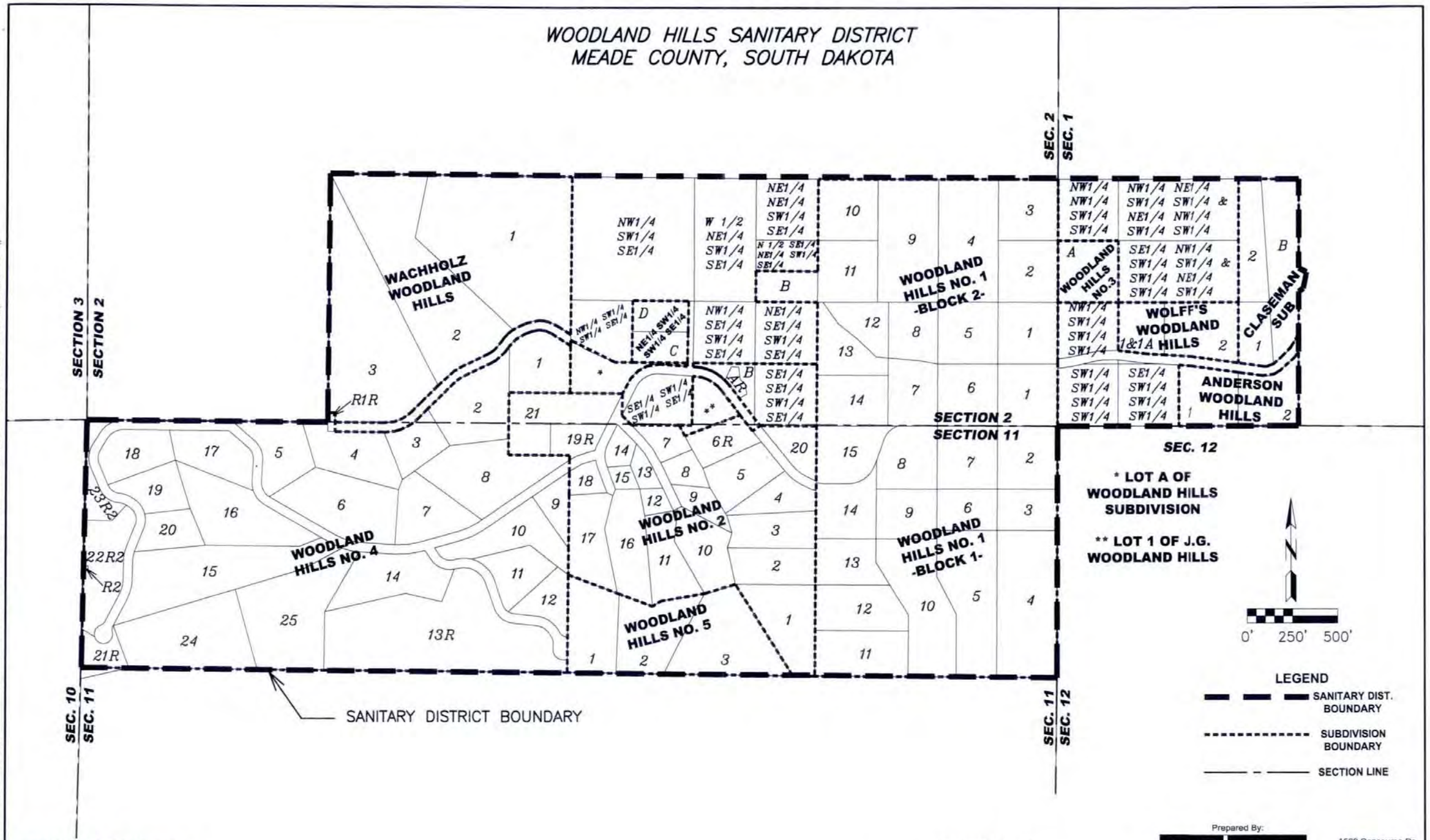
1.3 System Funding

System funding is presented as a Drinking Water State Revolving Fund Loan through the South Dakota Department of Environment and Natural Resources. The loans are 3.0% interest at 20-year term.

1.4 Existing System

The existing water system layout is shown in Figure 2. The figure was developed from system maps and operator information. A detailed survey of the existing waterlines and curb stops will be required prior to design. The actual locations of the facilities will determine final designs.

WOODLAND HILLS SANITARY DISTRICT
MEADE COUNTY, SOUTH DAKOTA



WOODLAND HILLS SANITARY DISTRICT IS LOCATED IN SECTIONS 1, 2, AND 11 OF T02N, R06E, BHM. MEADE COUNTY, SOUTH DAKOTA

FIGURE 1
SANITARY DISTRICT BOUNDARY

Prepared By:
cetec ENGINEERING SERVICES, INC.
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Phone: (605) 341-7800
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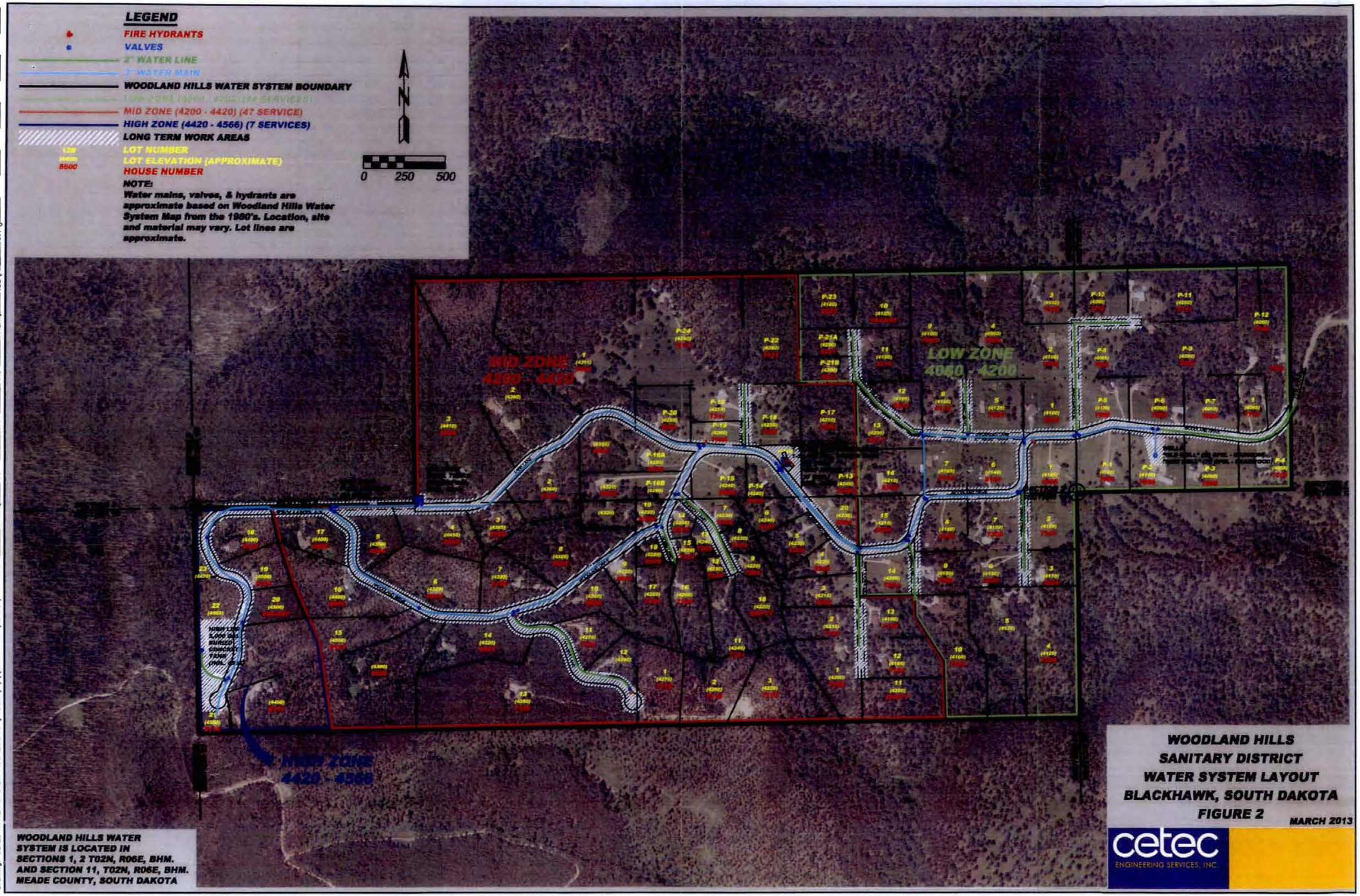
www.cetecengineering.com
Date: 03/29/13

March 29, 2013 1:17:03 p.m.
Drawing: EXHIBIT.DWG (Prudich) (\\MAIN-DATA\CETEC\PROJECTS & PROPOSALS\08125.00 -- 08125.01 WOODLAND HILLS WATER\DISTRICT MAP\)


LEGEND
FIRE HYDRANTS
VALVES
2" WATER LINE
3" WATER MAIN
WOODLAND HILLS WATER SYSTEM BOUNDARY
LOW ZONE (4040 - 4200) (44 SERVICES)
MID ZONE (4200 - 4420) (47 SERVICE)
HIGH ZONE (4420 - 4566) (7 SERVICES)
LONG TERM WORK AREAS
LOT NUMBER
LOT ELEVATION (APPROXIMATE)
HOUSE NUMBER
NOTE:
Water mains, valves, & hydrants are approximate based on Woodland Hills Water System Map from the 1980's. Location, site and material may vary. Lot lines are approximate.
N
0 250 500
MID ZONE
4200 - 4420
LOW ZONE
4040 - 4200
HIGH ZONE
4420 - 4566
WOODLAND HILLS WATER SYSTEM IS LOCATED IN SECTIONS 1, 2 T02N, R06E, BHM. AND SECTION 11, T02N, R06E, BHM. MEADE COUNTY, SOUTH DAKOTA
WOODLAND HILLS
SANITARY DISTRICT
WATER SYSTEM LAYOUT
BLACKHAWK, SOUTH DAKOTA
FIGURE 2
MARCH 2013
cetec
ENGINEERING SERVICES, INC.

2. NEED FOR PROJECT

2.1 Water Supply

A single well provides water for the system. The backup well is not operational and is not available in an emergency under any conditions. The New Well is metered and treated with chlorine at the well house. The Old Well is currently not operational, but can be upgraded to serve as a backup well and provide flow when necessary. Both wells are located at 4100 Woodland Hills Drive. Water production records are located in Appendix A. The wells will provide adequate water for the system, but require upgrades.

Information regarding each well is below:

Old Well

The "old well" was completed into the Madison aquifer in 1972. The old well is approximately 736 feet deep and is cased to an unknown depth. A 15 horsepower submersible pump is set at approximately 660 feet below the surface. This well is a backup source of water, but is currently not operational. The well production available is approximately 20 gpm.

New Well

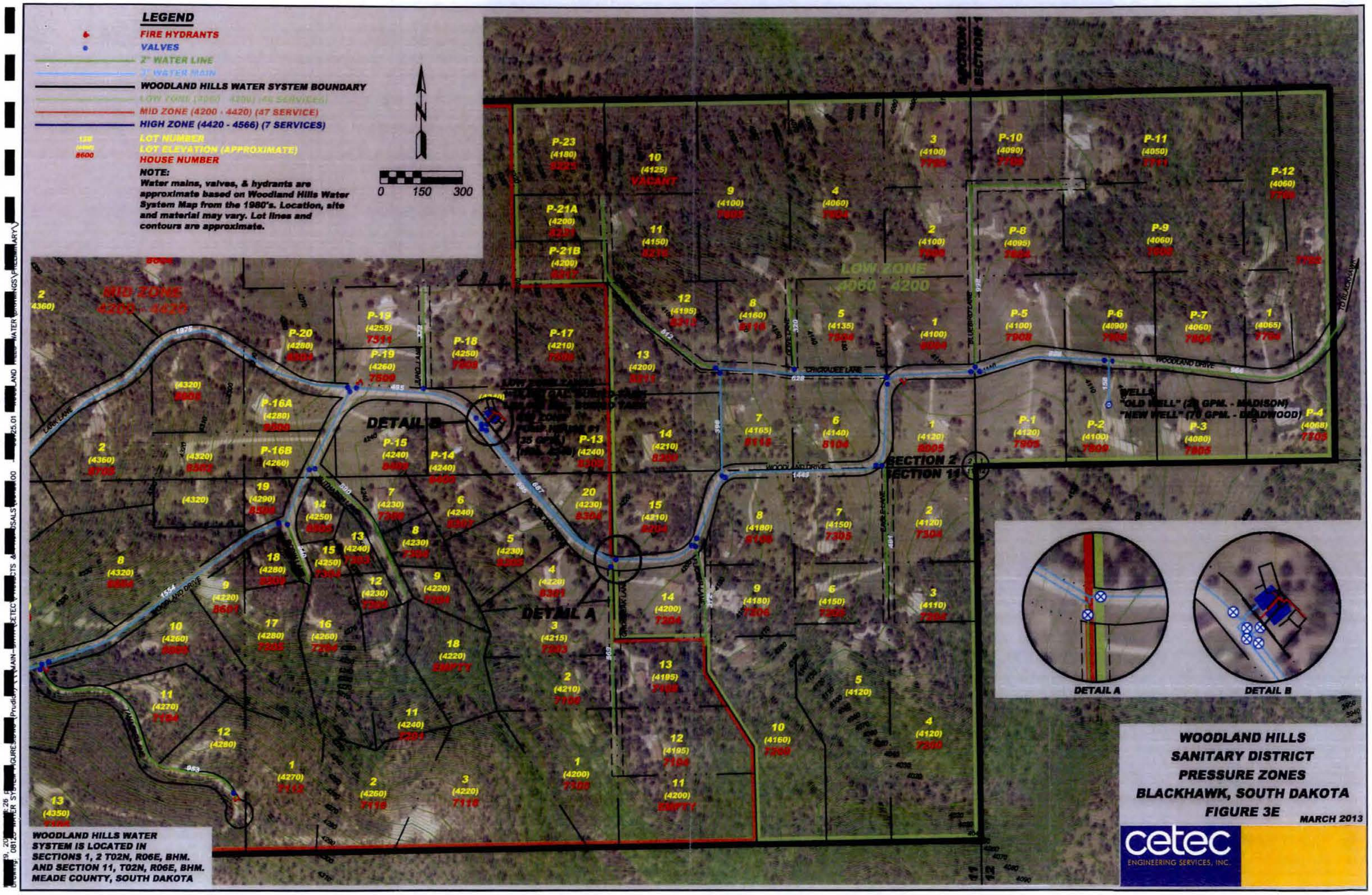
The "new well" was completed into the Deadwood formation. The new well is approximately 950 feet deep with a 7-inch diameter casing that is 850 feet deep. A 20 horsepower submersible pump is set 714 feet below the surface and this well is the primary source of water for the development. The well production is estimated at approximately 70 gpm.

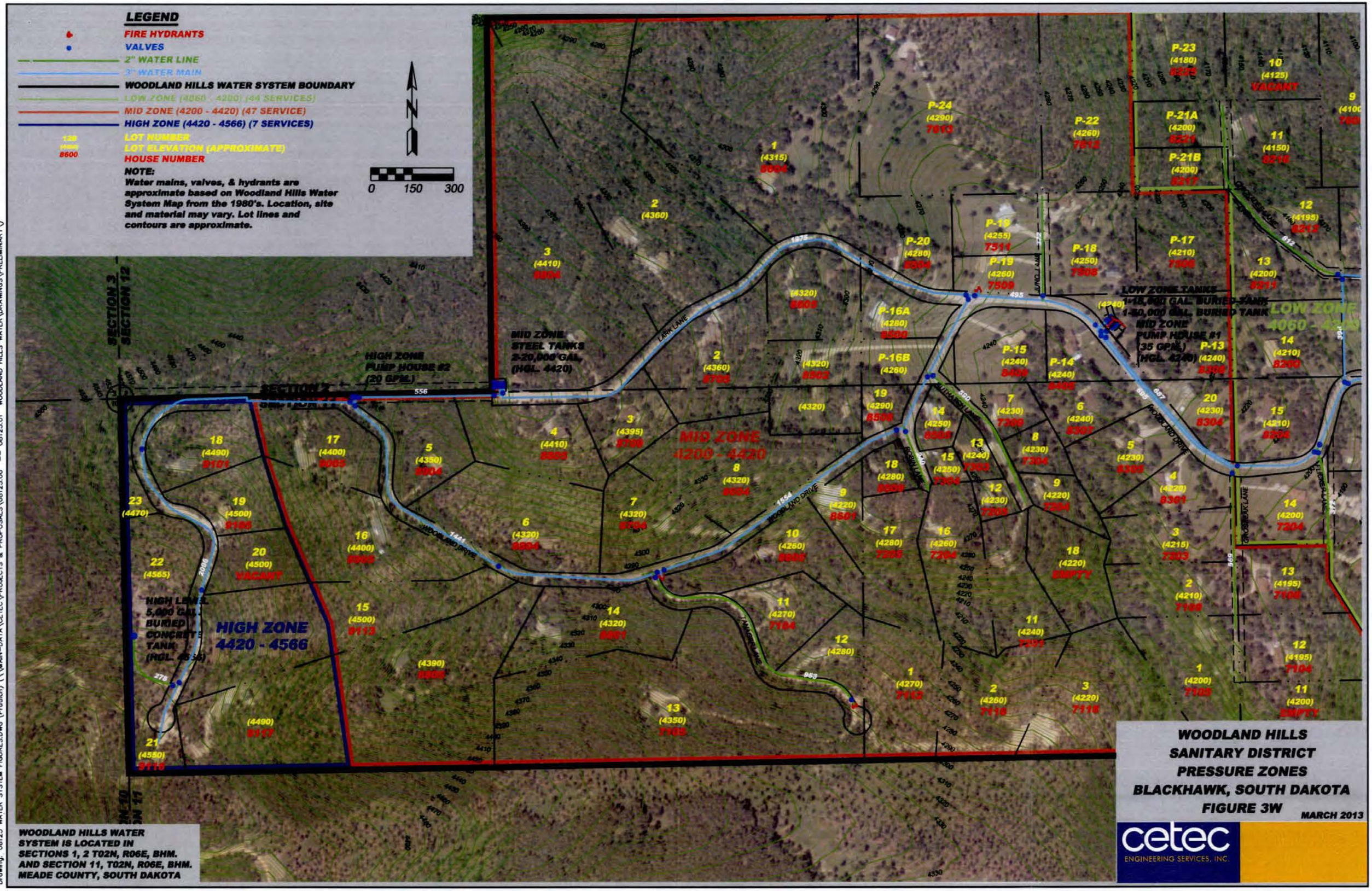
2.2 Pressure Zones

The existing system pressure zones and system layouts are shown on Figures 3E and 3W. Water storage and production needs are shown in Appendix B.

Low Zone (HGL EL: 4240' to 4060') Serves 42 Homes

2 tanks – Fed directly from well
Gravity distribution
1 – 18,000-gallon buried tank
1 – 50,000-gallon buried tank


LEGEND
FIRE HYDRANTS
VALVES
2" WATER LINE
3" WATER MAIN
WOODLAND HILLS WATER SYSTEM BOUNDARY
LOW ZONE (3960 - 4200) (46 SERVICES)
MID ZONE (4200 - 4420) (47 SERVICE)
HIGH ZONE (4420 - 4566) (7 SERVICES)
LOT NUMBER
LOT ELEVATION (APPROXIMATE)
HOUSE NUMBER
NOTE:
Water mains, valves, & hydrants are approximate based on Woodland Hills Water System Map from the 1980's. Location, site and material may vary. Lot lines and contours are approximate.
N
0 150 300
MID ZONE 4200 - 4420
LOW ZONE 4060 - 4200
DETAIL B
DETAIL A
SECTION 2
SECTION 11
WELLS
"OLD WELL" (20 GPM. - MADISON)
"NEW WELL" (70 GPM. - DEADWOOD)
WOODLAND DRIVE
CRICKADEE LANE
BLUEBIRD LANE
LARK LANE
TO BLACKHAWK
DETAIL A
DETAIL B
WOODLAND HILLS WATER SYSTEM IS LOCATED IN SECTIONS 1, 2 T02N, R06E, BHM. AND SECTION 11, T02N, R06E, BHM. MEADE COUNTY, SOUTH DAKOTA
WOODLAND HILLS SANITARY DISTRICT PRESSURE ZONES BLACKHAWK, SOUTH DAKOTA
FIGURE 3E
MARCH 2013
cetec ENGINEERING SERVICES, INC.


LEGEND
FIRE HYDRANTS
VALVES
2" WATER LINE
3" WATER MAIN
WOODLAND HILLS WATER SYSTEM BOUNDARY
LOW ZONE (4060 - 4200) (44 SERVICES)
MID ZONE (4200 - 4420) (47 SERVICE)
HIGH ZONE (4420 - 4566) (7 SERVICES)
LOT NUMBER
LOT ELEVATION (APPROXIMATE)
HOUSE NUMBER
NOTE:
Water mains, valves, & hydrants are approximate based on Woodland Hills Water System Map from the 1980's. Location, site and material may vary. Lot lines and contours are approximate.
0 150 300
SECTION 3
SECTION 12
SECTION 2
SECTION 11
HIGH ZONE PUMP HOUSE #2 (20 GPM.)
MID ZONE STEEL TANKS 2-20,000 GAL. (HGL. 4420)
HIGH LEVEL 5,000 GAL. BURIED CONCRETE TANK (HGL. 4566)
HIGH ZONE 4420 - 4566
MID ZONE 4200 - 4420
LOW ZONE 4060 - 4200
LOW ZONE TANKS 1-10,000 GAL. BURIED TANK 1-50,000 GAL. BURIED TANK
MID ZONE PUMP HOUSE #1 (35 GPM.) (HGL. 4240)
WOODLAND DRIVE
LARK LANE
LUNDY LANE
PROSPECTING DRIVE
GROSBEAK LANE
FLICKER LANE
WOODLAND HILLS WATER SYSTEM IS LOCATED IN SECTIONS 1, 2 T02N, R06E, BHM. AND SECTION 11, T02N, R06E, BHM. MEADE COUNTY, SOUTH DAKOTA
WOODLAND HILLS SANITARY DISTRICT PRESSURE ZONES BLACKHAWK, SOUTH DAKOTA FIGURE 3W
MARCH 2013
cetec ENGINEERING SERVICES, INC.

Mid Zone (HGL EL: 4420' to 4200') Serves 54 Homes

1 pump – Pump House 1 – 35 gpm (operated 3 – 4 hours per day)

2 tanks – Fed by Pump House 1

Gravity distribution

2 – 20,000-gallon tanks

- Building between tanks needs to be replaced. To be completed by District with volunteer forces.
- Piping between tanks needs to be buried

High Zone (HGL EL: 4565' to 4400') Serves 9 Homes

1 pump – Pump House 2 – 20 gpm (operated 1 – 1.3 hours per day)

1 tank – Fed by Pump House 2

Gravity distribution

1 – 5,000-gallon underground tank (J&D Precast)

- Recently repaired and sealed with epoxy
- Pump Station buildings are in need of updating and repairs.

Homes near tank elevation have in-home booster pumps.

2.3 Pipeline and Water Distribution

The distribution piping generally consists of 1970's vintage 2" and 3" PVC or polybutylene/polyethylene piping. The system piping has generally reached the design life of approximately 40 years and leaks are occurring on a frequent basis. The system has many dead end lines and limited flushing options. Water services have also had many leaks and generally do not come to the ground surface immediately where they could be detected.

The existing distribution system consists of PVC and Polybutylene piping, which still consists of mostly original piping. There are two flushing hydrants on the system. There is approximately 21,000 linear feet of 2" and 3" distributions mains in the system. Most of the system isolation valves are curb stops, but recent repairs include 4" gate valves in the system. Replacement and upsizing of the water mains is recommended to at least 4" PVC with flushing or fire hydrants on the system. The System Board is electing to construct 4" water main with flushing hydrants on this system. The costs to upgrade the system to meet available fire flow standards for water main sizes, storage, and other improvements exceeds the financial capacity of the system.

Pressure Zone	No. DU
Low Level Zone	45
Mid Level Zone	49
High Level Zone	7
No. DU:	101

2.4 Water Services

The system includes approximately 101 water services and water meters are read by homeowners and submitted. The water service lines and taps have included a large source of leaks on the system.

Low Level Zone: 10,000 linear feet
Mid Level Zone: 8,600 linear feet
High Level Zone: 2,400 linear feet

3. DESCRIPTION OF PROPOSED SYSTEM

3.1 Proposed System Layout

The proposed system improvements and layouts are identified on Figures 4E and 4W and are detailed in the cost estimates in Appendix C. Photos of existing facilities and proposed improvements are shown in Appendix D.

3.2 Recommended Improvements

3.2.1 Wells

Water systems are recommended to have at least two sources of water and this well can serve as a backup well for the system. Improvements are recommended to upgrade this well for reliability purposes.

Old Well Upgrades
Replace drop pipe, pump, 15-20 HP motor, wire, check valves, bypass discharge line, splash block/concrete discharge pad.

New Well Upgrades
New Water Meter with Sensus Read Head, exhaust fan,

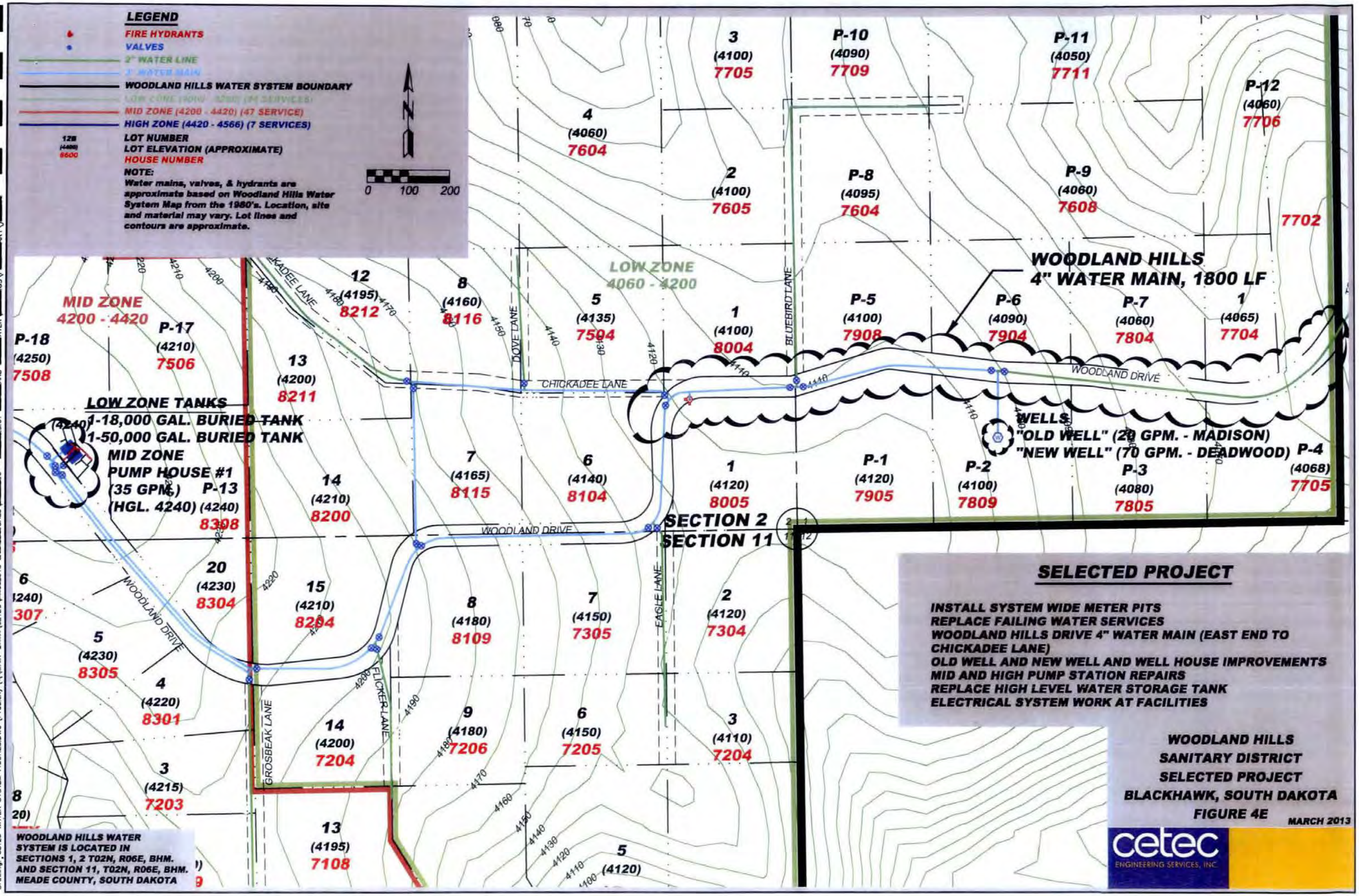
SCADA System Upgrades
Telemetry control system upgrades are recommended and include: Control panel with LCD display, automatic dialer, radio, antenna, etc.

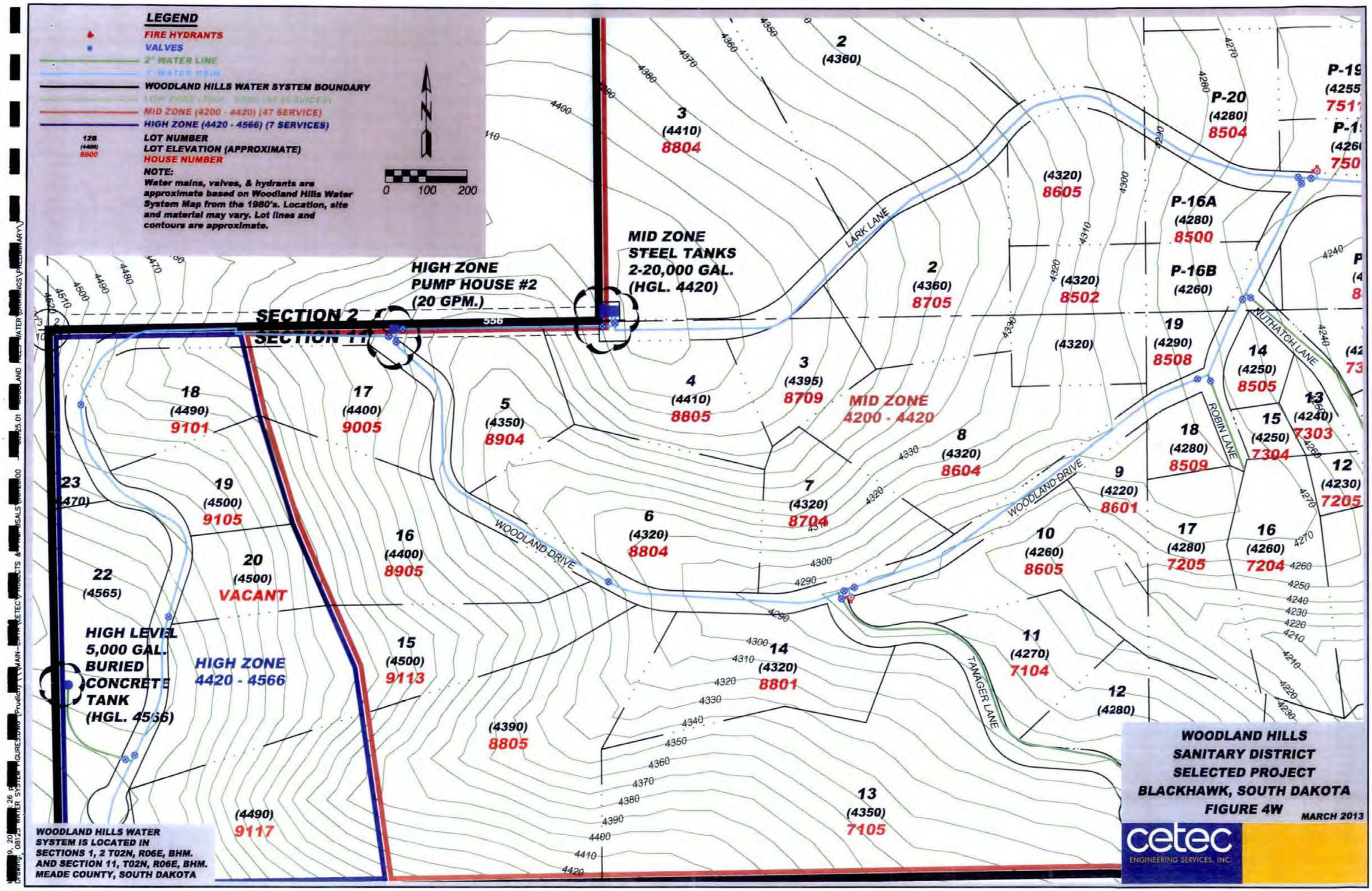
3.2.2 Water Meter Pits

Installation of water meter pits at the property line is recommended to help in the elimination of water leaks and to notify customers with water leaks. Below grade water meter pits with backflow preventers and radio read head units are recommended to provide the ability to read meters instantly in the system and to avoid water losses on the customer side. Water meter diagrams are shown in Appendix D.

3.2.3 Water Services

Water service replacement is recommended on the system. The Association is responsible for water services from the water main to the curb stop at the property line. The homeowner's are responsible for the service line from the property line to the house. In many cases the length of service line is extensive from the property line to the house due to lot size. The water service from the main to the lot line has been included for replacement. Diagrams are shown in Appendix D.


LEGEND
FIRE HYDRANTS
VALVES
2" WATER LINE
3" WATER MAIN
WOODLAND HILLS WATER SYSTEM BOUNDARY
LOW ZONE (4060 - 4200) (44 SERVICES)
MID ZONE (4200 - 4420) (47 SERVICE)
HIGH ZONE (4420 - 4566) (7 SERVICES)
128
(4400)
6600
LOT NUMBER
LOT ELEVATION (APPROXIMATE)
HOUSE NUMBER
NOTE:
Water mains, valves, & hydrants are approximate based on Woodland Hills Water System Map from the 1980's. Location, site and material may vary. Lot lines and contours are approximate.
0 100 200
LOW ZONE
4060 - 4200
MID ZONE
4200 - 4420
WOODLAND HILLS
4" WATER MAIN, 1800 LF
LOW ZONE TANKS
1-18,000 GAL. BURIED TANK
1-50,000 GAL. BURIED TANK
MID ZONE
PUMP HOUSE #1
(35 GPM.)
(HGL. 4240)
WELLS
"OLD WELL" (20 GPM. - MADISON)
"NEW WELL" (70 GPM. - DEADWOOD)
SECTION 2
SECTION 11
CHICKADEE LANE
WOODLAND DRIVE
DOVE LANE
BLUEBIRD LANE
EAGLE LANE
FLICKER LANE
GROSBEAK LANE
P-10 (4090) 7709
P-11 (4050) 7711
P-12 (4060) 7706
P-9 (4060) 7608
P-8 (4095) 7604
P-5 (4100) 7908
P-6 (4090) 7904
P-7 (4060) 7804
P-4 (4068) 7705
P-3 (4080) 7805
P-2 (4100) 7809
P-1 (4120) 7905
P-18 (4250) 7508
P-17 (4210) 7506
P-13 (4240) 8308
WOODLAND HILLS WATER SYSTEM IS LOCATED IN SECTIONS 1, 2 T02N, R06E, BHM. AND SECTION 11, T02N, R06E, BHM. MEADE COUNTY, SOUTH DAKOTA
SELECTED PROJECT
INSTALL SYSTEM WIDE METER PITS
REPLACE FAILING WATER SERVICES
WOODLAND HILLS DRIVE 4" WATER MAIN (EAST END TO CHICKADEE LANE)
OLD WELL AND NEW WELL AND WELL HOUSE IMPROVEMENTS
MID AND HIGH PUMP STATION REPAIRS
REPLACE HIGH LEVEL WATER STORAGE TANK
ELECTRICAL SYSTEM WORK AT FACILITIES
WOODLAND HILLS
SANITARY DISTRICT
SELECTED PROJECT
BLACKHAWK, SOUTH DAKOTA
FIGURE 4E
MARCH 2013
cetec
ENGINEERING SERVICES, INC.


LEGEND
FIRE HYDRANTS
VALVES
2" WATER LINE
WOODLAND HILLS WATER SYSTEM BOUNDARY
MID ZONE (4200 - 4420) (47 SERVICE)
HIGH ZONE (4420 - 4566) (7 SERVICES)
128
(4400)
8500
LOT NUMBER
LOT ELEVATION (APPROXIMATE)
HOUSE NUMBER
NOTE:
Water mains, valves, & hydrants are approximate based on Woodland Hills Water System Map from the 1980's. Location, site and material may vary. Lot lines and contours are approximate.
N
0 100 200
HIGH ZONE
PUMP HOUSE #2
(20 GPM.)
MID ZONE
STEEL TANKS
2-20,000 GAL.
(HGL. 4420)
SECTION 2
SECTION 11
556
MID ZONE
4200 - 4420
HIGH ZONE
4420 - 4566
HIGH LEVEL
5,000 GAL.
BURIED
CONCRETE
TANK
(HGL. 4566)
WOODLAND DRIVE
LARK LANE
NUTHATCH LANE
ROBIN LANE
TANAGER LANE
P-20
(4280)
8504
P-16A
(4280)
8500
P-16B
(4260)
18
(4490)
9101
17
(4400)
9005
5
(4350)
8904
4
(4410)
8805
3
(4395)
8709
2
(4360)
8705
(4320)
8605
(4320)
8502
(4320)
19
(4290)
8508
14
(4250)
8505
13
(4240)
7303
15
(4250)
7304
12
(4230)
7205
23
(4470)
19
(4500)
9105
20
(4500)
VACANT
22
(4565)
16
(4400)
8905
15
(4500)
9113
(4390)
8805
(4490)
9117
6
(4320)
8804
7
(4320)
8704
8
(4320)
8604
9
(4220)
8601
10
(4260)
8605
11
(4270)
7104
12
(4280)
13
(4350)
7105
14
(4320)
8801
18
(4280)
8509
17
(4280)
7205
16
(4260)
7204
3
(4410)
8804
2
(4360)
WOODLAND HILLS WATER SYSTEM IS LOCATED IN SECTIONS 1, 2 T02N, R06E, BHM. AND SECTION 11, T02N, R06E, BHM. MEADE COUNTY, SOUTH DAKOTA
WOODLAND HILLS
SANITARY DISTRICT
SELECTED PROJECT
BLACKHAWK, SOUTH DAKOTA
FIGURE 4W
MARCH 2013
cetec
ENGINEERING SERVICES, INC.

3.2.4 Water Mains

The District has selected the primary water main from the well to be replaced. The line along Woodland Hills Drive from the east boundary to Chickadee Lane is 1,800 LF and is the oldest pipe in the system. Experience with leaks and the age identified it as the highest priority. Additional main replacement is needed in future phases.

3.2.5 Water Facilities

Water facilities, including: wells, pump, stations, electrical, and SCADA systems all require upgrades to improve operations, redundancy, and reliability. The cost estimates for the improvements are identified in Appendix C. The improvements are required to provide ventilation, heat, system control, and electrical upgrades to the well and pump stations.

3.2.6 Water Storage

The existing precast concrete tank is 5,000 gallons and has become cracked and concrete is flaking off the interior. The tank size is recommended to be 10,000 gallons and replacement is recommended.

3.3 Summary of System Evaluation and Proposed Repairs

- Large system leaks exist based on monthly loss calculations and problems found in the field with leaks on the water service lines, taps, and water mains. Water loss is estimated at 40% to 50% at the present time. Customer meters could be installed to allow homeowners the ability to monitor water usage and to also allow for leak analysis via water balance between well production and customer usage.

- Meter Pits and curb stops at the property line are recommended on the entire system.

- Polybutylene piping within the system has resulted in water service line leaks. Pipe of this material is known to experience problems with leaks especially at the age of that within the Woodland Hills water system. Replacement of service lines is recommended. The Low Zone experiences the highest frequency of problems and new 4" piping and services in the Low Zone is one of the highest priorities.

- Upgrades to the Old Well are recommended to provide for a backup water source and assist the Main Well when necessary. Additional piping and metering are recommended at the well house.

- Weather related damage to Mid and High pump houses has occurred. Upgrades are recommended to ensure proper heating/insulation for equipment during the

winter months. Recent upgrades to the Mid Zone pump station has eliminated problems with suction and pump failure.

- Upgrades to the piping system between the Mid Zone tanks are recommended. The existing building is in need of repair; however, it is recommended that the pipes be installed within a vault to avoid freezing problems. The District is completing this item with volunteers.

- Freezing issues have occurred along Lark Drive due to shallow bury depths. Trench rock was likely encountered during original installation.

- Replacement of the High Level precast concrete storage tank is recommended due to condition, cracks, and age.

- Electrical control system connections will be required to allow for completion of the work scheduled in the project.

3.4 Selected Project Cost Breakdown

2014 Water System Project		2014 Costs
Water Meter Pits	$	214,292
Water Services	$	283,193
Woodland Hills Drive to Chickadee (1,800 LF)	$	144,729
Well and Well House Improvements	$	61,146
Mid and High Pump Station Repairs	$	13,053
High Level Water Storage Tank	$	31,525
Electrical Systems	$	20,150
Legal and Bond Counsel	$	11,912
Project Costs	**$**	**780,000**

Detailed cost estimate is located in Appendix C.

4. DESIGN PARAMETERS

4.1 Planning Service Area

The planning service area is located within the Woodland Hills Sanitary District Boundary shown in Figure 1. The area consists of 104 platted lots with 101 lots being developed with a residential water customer. The system does not anticipate expansion.

4.2 Water Usage

4.2.1 Water Production and Usage

Water production usage has been recorded for 2007 to 2013. The water production data is shown in Appendix A. The average water production ranges from 150 to 463 gallons per dwelling unit per day.

The peak day production is typically 800 to 925 gallons per day per dwelling unit. These values are fairly typical, but also include substantial water loss.

4.2.2 Water Loss/Unaccounted for Water

The unaccounted for water within the water system has ranged from 20% to 72% as shown in the monthly water records. The typical average water loss is approximately 42% and is dependent on leaks, repairs, and found problems. The water loss and leaks are the largest problem within the water system. Loss should be in the 10% to 20% range.

4.3 Population Trend

The Woodland Hills population has ranged from 250 people to 295 people over the last 25 years. The subdivision has 101 homes with an estimated 2.5 to 2.75 people per dwelling unit. The population is stable and is not expected to experience much change over the next 20 years.

Year:	Population
1990:	295
2000:	270
2013:	250

4.4 Design Period

The project design period is estimated at 40-75 years. The water main products are expected to last over 50 years with proper maintenance and possible minor leaks or repairs. The wells, pump stations, and other facilities are expected to last 20-40 years depending on component. Individual components such as well pumps and motors may fail within 5-10 years depending on the water quality and other acts of God.

This project will not complete the entire system improvements and at least two more major phases of work are expected that may cost nearly $1 million dollars each to replace additional water mains and other facilities. The exact scope of future phases will be determined following the Phase 1 work. Additional experience and knowledge of the buried water system conditions will provide information on necessary future improvements. The water user increaser is substantial and additional work is not affordable to the residents.

5. COST ESTIMATES

5.1 Project Costs Breakdown

Construction Costs:	$	624,236
Engineering, Design and Bidding:	$	71,926
Construction Engineering and Inspection:	$	71,926
Land Acquisition / Easements:	$	0.00
Legal and Bond Counsel:	$	11,250
Total Costs:	$	780,000

Contingencies included in each item. Refer to Appendix C.

5.2 Selected Project Costs – Phase System Upgrades.

CETEC has conducted site visits and interviews with the operator and Board to determine known issues. Several meetings have been held with the Board and a presentation was made to the full membership. Comments were received and incorporated into the selected project plan which constructs $780,000 in improvements to the system. The largest need within the system is replacement of the distribution system starting within the Low Zone and water service line replacement.

The distribution system has few valves and leaks do not surface to the limestone geology. The distribution piping and service line piping were poorly installed and materials are low quality and aging. The following items of work have been estimated and included in the project. Costs will be dependent upon conditions found underground and will be affected by the bidding climate at the time of bid. The costs include engineering design, bidding, and construction inspection costs. The improvements will begin with replacement of the east section of the Woodland Hills water main, water services, and meter pits.

Selected Project

2014 Water System Project		**2014 Costs**
Water Meter Pits	$	214,292
Water Services	$	283,193
Woodland Hills Drive to Chickadee (1800 LF)	$	144,729
Well and Well House Improvements	$	61,146
Mid and High Pump Station Repairs	$	13,053
High Level Water Storage Tank	$	31,525
Electrical Systems	$	20,150
Legal and Bond Counsel	$	11,912
Project Costs	**$**	**780,000**

5.3 Annual Operation & Maintenance Costs

The annual operation and maintenance costs have been included in the BHCOLG financial package. The Phase 1 repairs are expected to resolve some of the water loss issues and service line repairs should be minimized. Costs to repair these facilities will be diverted to fund future projects and cover any additional operational costs. Operational costs are not expected to change substantially. The only additional cost will be water quality testing for the old well. These costs will be minimized as it will be used under backup well testing requirements.

5.4 User Rate Impacts

User rate impacts are estimated at $47.20 per month per user as identified in the Black Hills Council of Local Governments financial statement. This cost is being added to the monthly water bill as a surcharge. This will increase water bills to approximately $100 per month, typically.

6. OTHER ALTERNATIVES CONSIDERED

Woodland Hills Water System Summary of Alternatives and Goals

6.1 Water System Improvement Goals

The major existing system problems include: numerous water service line leaks, numerous distribution leaks, shallow water lines at 4 ft, large rock backfill, no bedding, poor quality distribution system pipe materials, aging facilities, and minimal backup source. Many of the system components have reached their design life. Some of the goals and results of the proposed project are listed below.

Project Goals:

- Replace failing distribution system components and eliminate leaks.
- Provide safe drinking water in conformance with EPA standards.
- Provide valving and system improvements to allow the system to continue to function.
- Improve system reliability for supply and distribution.
- Provide adequate supply if main new well is out of service.
- Reduce customer service interruptions and remove failing system components.
- Increase distribution flows during peak periods.
- Reduce water loss.
- Increase system production.
- Improve water operation controls and efficiencies.

6.2 Evaluation of Possible Alternatives for Water System Improvements

6.2.1 Do Nothing. Repair leaks and upgrade facilities upon failure.

a. Requires annual unknown maintenance costs to repair leaks. This is the current mode of operation and issues are ongoing. The number of major leaks is increasing each year. The cost of repairing leaks is dependent on time to find the leak and the cause of the leak. Each leak situation is unique, but may range from $2,000 to $20,000 depending on the extent of the replacement needed.

b. Causes water outages and reduces efficiencies. Repairs are done under emergency mode and large areas of the system are out of service until problem is found.

c. Water loss of 40% or more is not resolved.

d. Avoids or delays large capital expenditures.

e. System is at the end of its expected design life and system is failing quickly.

f. Meters in need of replacement and no meter reading system is in-place.

g. Private side service line leaks are not identified. Leaks continue. System continues to pump water that leaks into the geological formations.

h. This option is not preferred by the District and is a reactionary method to minimizing issues. Often unplanned repairs cost much more than planned repairs that can be bid and constructed to lessen impact to customers.

6.2.2 Regional Water System Connection.

a. No viable connection in close proximity. The system is bounded by the USFS on the west and this system is higher in elevation than any nearby system on the east.

b. Regionalization does not eliminate the need to replace distribution and service lines. The major problem is failing distribution and service lines. These lines are still needed even in the event a regional supply connection would be made.

c. Small suburban systems to the east are in similar condition and do not have adequate supplies to service the District. They are also on lower hydraulic gradelines.

d. The largest nearby regional system is the Black Hawk Water User District and the nearest water main is over 1 mile to the east on Peaceful Pines Road. The Woodland Hills hydraulic gradeline is 550 ft. higher than the closest BHWUD hydraulic gradeline. This length and elevation cause this connection to unfeasible.

e. Any connections would require distribution connections, bulk meter pit, and a booster system to lift the water into the current hydraulic gradeline. These are all costs that do not benefit the District and do not replace existing distribution and service lines.

f. Costs to complete any connection would exceed $300,000 on top of costs already planned within the District boundary. This option has been eliminated.

6.2.3 Large Complete System Upgrade Project.

a. Completion of all proposed improvements reduces leaks, replaces aging equipment, increases flow, and reduces water production costs.

b. Requires high capital expense and results in high monthly water bills.

c. Project would provide new water meters, new water services, new distribution system, and facility upgrades.

d. Estimated cost of major project upgrade completed in one project is $2.25 Million dollars or more. This cost would add approximately $130 to each monthly water bill. This option has been eliminated due to the high cost and affordability to the customers. The District has elected to phase in improvements to lessen financial impact to customers and this option has not been selected.

Complete System Upgrade	2014 Costs
Water Meter Pits	$ 214,292
Water Services	$ 283,193
Water Mains	$ 1,647,338
Facility Repairs and Improvements	$ 149,469
Project Costs	**$ 2,294,292**

6.2.4 Valves at Intersections.

a. Replace only valve clusters and portions water lines at intersections. The only benefit would be in controlling the system during repairs or isolation of leaks during investigation.

b. No replacement of water services of major distribution system components.

c. No facility improvements.

d. This option ties into existing water lines that are too shallow or still require future replacement. This option is not the most efficient way to replace the distribution system and will only allow for additional control during repairs of leaks within the system.

e. The estimated cost to add approximately 25-30 valves is estimated at $50,000. The value of this improvement would likely be lost or partially lost upon future distribution replacements. This option provides limited benefits and has been eliminated.

6.2.5 Phasing System Upgrades.

a. Delays completion of all system improvements.

b. Provides completion of many of the major problem areas and provides a foundation of solid distribution system, service line replacements, major facility improvements, and allows metering to help determine leak locations.

c. Allows for funding alternatives and reduces capital expense.

d. A financial audit and communication with the customers has been completed to determine debt capacity.

e. Construction improvements reduce maintenance costs and reduce large repair costs.

f. This option begins steps to replace the aging system and establishes a priority list of improvements. Project is more affordable to customers and provides largest benefit for the cost.

g. The District has selected a project to that identifies the highest priorities and replaces system components at an estimated cost of $780,000. This option has been selected by the District Board.

7. IMPLEMENTATION SCHEDULE

Woodland Hills Sanitary District Water System Improvements, Phase 1

*SDDENR State Revolving Fund Schedule:

March 20, 2013:..... Public Hearing

April 1, 2013:..... Facility Plan and Loan Application Submitted

June 2013:..... SRF Loan Hearing at BWNR

Aug/Sept 2013:..... Board Approval to Accept Loan and Proceed

September 2013:..... Project Survey and Design Begin

December 2013:..... Preliminary Plans and Specifications Submitted

Feb/March 2014..... Final Plans and Specifications Submitted Bidding

March/April 2014:..... Bidding

May 2014:..... Begin Construction

June 2015:..... Complete Construction

Note:* ***Any funding delays will extend each deadline 3 months or more. If the schedule is delayed the construction will likely be completed in the spring/early summer of 2015.*

Appendix A

Water Usage and Production Records

Woodland Hills Water System Improvements Project

2007-10 Water Usage and Production Records

Month	Monthly Gallons Sold	Gallons Sold per Day	Gallons Sold per DU per Day	Monthly Gallons Pumped	Gallons Pumped per Day	Gallons Pumped per DU per Day	Unacct Water %
5/31/2007	501310	16171	155	1147700	37023	356	56%
6/30/2007	709712	23657	227	1222000	40733	392	42%
7/31/2007	**911281**	**29396**	**283**	1491600	**48116**	**463**	39%
8/31/2007	727712	23475	226	1282700	41377	398	43%
9/30/2007	561581	18719	180	1155900	38530	370	51%
10/31/2007	447628	14440	139	1072600	34600	333	58%
11/30/2007	402836	13428	129	1073400	35780	344	62%
12/31/2007	347518	11210	108	1080400	34852	335	68%
1/31/2008	335699	10829	104	744500	24016	231	55%
2/29/2008	316572	10916	105	429400	14807	142	26%
3/31/2008	347895	11222	108	474200	15297	147	27%
4/30/2008	392891	13096	126	529400	17647	170	26%
5/31/2008	385676	12441	120	512800	16542	159	25%
Magnitude of	430264	14342	138	493300	16443	158	13%
Priority (1-10)	617205	19910	191	679700	21926	211	9%
1/9/1900	674182	21748	209	847700	27345	263	20%
1/8/1900	491591	16386	158	629800	20993	202	22%
1/8/1900	417135	13456	129	562100	18132	174	26%
1/7/1900	372922	12431	120	701300	23377	225	47%
1/6/1900	378818	12220	117	788800	25445	245	52%
1/31/2009	343135	11069	106	1033000	33323	320	67%
2/28/2009	302833	10815	104	960600	34307	330	68%
3/31/2009	371250	11976	115	1264900	40803	392	71%
4/30/2009	388232	12941	124	1182600	39420	379	67%
5/31/2009	457370	14754	142	1224400	39497	380	63%
6/30/2009	436138	14538	140	1020600	34020	327	57%
7/31/2009	667412	21529	207	1063100	34294	330	37%
8/31/2009	596765	19250	185	766700	24732	238	22%
9/30/2009	510703	17023	164	676300	22543	217	24%
10/31/2009	360429	11627	112	509200	16426	158	29%
11/30/2009	357635	11921	115	505000	16833	162	29%
12/31/2009	388668	12538	121	859700	27732	267	55%
1/31/2010	322821	10414	100	739900	23868	229	56%
2/28/2010	315269	11260	108	483700	17275	166	35%
3/31/2010	348725	11249	108	558000	18000	173	38%
Averages	*455366*	*14926*	*144*	*850486*	*27887*	*268*	*Gallons per day*
Averages		*10.4*	*0.10*		*19.4*	*0.19*	*Gallons per minute*
Peak Month	**911281**	**29396**	**283**	**1491600**	**48116**	**463**	**Gallons per day**
Peak Month		**20.4**	**0.20**		**33.4**	**0.32**	**Gallons per minute**

Unaccounted Water Loss Average 42%

Woodland Hills Water System Improvements Project

2010-13 Water Usage and Production Records

Month	Monthly Gallons Sold	Gallons Sold per Day	Gallons Sold per DU per Day	Monthly Gallons Pumped	Gallons Pumped per Day	Gallons Pumped per DU per Day	Unacct Water %
4.30.10	345,930	11159	107	609100	19648	189	43%
5.31.10	373,766	12459	120	722700	24090	232	48%
6.30.10	426,876	13770	132	756100	24390	235	44%
7.31.10	543,388	17529	169	950200	30652	295	43%
8.31.10	718,894	23963	230	1058600	35287	339	32%
9.30.10	486,046	15679	151	840900	27126	261	42%
10.31.10	387,770	12926	124	736500	24550	236	47%
11.30.10	327,617	10568	102	701000	22613	217	53%
12.31.10	336,631	10859	104	805500	25984	250	58%
1.31.11	298,540	10294	99	710800	24510	236	58%
2.28.11	288,562	9308	90	391700	12635	121	26%
3.31.11	323,633	10788	104	418300	13943	134	23%
4.30.11	320,396	10335	99	443900	14319	138	28%
5.31.11	371,461	12382	119	493200	16440	158	25%
6.30.11	417,489	13467	129	594500	19177	184	30%
7.31.11	629,127	20294	195	822600	26535	255	24%
8.31.11	622,730	20758	200	808100	26937	259	23%
9.30.11	530,967	17128	165	733600	23665	228	28%
10.31.11	408,588	13620	131	852300	28410	273	52%
11.30.11	331,978	10709	103	795900	25674	247	58%
12.31.11	302,546	9760	94	898700	28990	279	66%
1.31.12	327,519	11697	112	873600	31200	300	63%
2.29.12	306,692	9893	95	397700	12829	123	23%
3.30.12	404,652	13488	130	517500	17250	166	22%
4.30.12	395,144	12747	123	573300	18494	178	31%
5.31.12	418,650	13955	134	652300	21743	209	36%
6.30.12	636,122	20520	197	870600	28084	270	27%
7.31.12	777,015	25065	241	1120800	36155	348	31%
8.31.12	758,781	25293	243	1142300	38077	366	34%
9.30.12	634,637	20472	197	1026400	33110	318	38%
10.31.12	402,654	13422	129	1248400	41613	400	68%
11.30.12	351,390	11335	109	1280900	41319	397	73%
12.31.12	353,132	11391	110	1198000	38645	372	71%
1.31.13	371,384	13264	128	722000	25786	248	49%
2.28.13	339,543	10953	105	685700	22119	213	50%
Averages	*436,293*	*14321*	*138*	*784391*	*25771*	*248*	*Gallons per day*
Averages		*9.9*	*0.10*		*17.9*	*0.17*	*Gallons per minute*
Peak Month	**777,015**	**25065**	**241**	**1280900**	**41319**	**397**	**Gallons per day**
Peak Month		**17.4**	**0.17**		**28.7**	**0.28**	**Gallons per minute**

Unaccounted Water Loss Average 42%

Appendix B

Water Storage and Production Needs

Woodland Hills Water System Improvements Project

Estimated Water Storage Needs (Gallons)

Period	System Gallons per Day	Low Zone	Mid Zone	High Zone
Average Day	27,872	12,060	13,400	2,412
Peak Month	48,152	20,835	23,150	4,167
Peak Day	96,304	41,670	46,300	8,334

System Storage - 3 Average Days	83,616
System Storage - 1 Peak Day:	96,304
Existing Total System Storage:	113,000

Overall system storage meets design recommendations.

Low Zone - 3 Average Days:	36,180
Low Zone - 1 Peak Day:	41,670
Existing Low Zone Storage:	68,000

Low Zone storage meets design recommendations.

Mid Zone - 3 Average Days:	40,200
Mid Zone - 1 Peak Day:	46,300
Existing Mid Zone Storage:	40,000

Mid Zone storage is near design recommendations

High Zone - 3 Average Days:	7,236
High Zone - 1 Peak Day:	8,334
Existing High Zone Storage:	5,000

High Zone storage is lower than design recommendations.
Consider larger 8,000 to 10,000 gallon storage upon tank replacement.

Note: Fire Flow Storage Not Considered.
Assume water storage needs of 3 average days or 1 peak day.

Woodland Hills Water System Improvements Project

Estimated Water Production Needs

Parameter	Daily Water Production per DU	Daily Projected Production for 104 DU	System Production GPM	Low Zone Production GPM	Mid Zone Production GPM	High Zone Production GPM
Average Day	268	27,872	**19**	8	9	2
Peak Month	463	48,152	**33**	14	16	3
Peak Day	926	96,304	**67**	29	32	6

Note: These estimates include an average of 39% water loss.

Parameter	Daily Water Usage per DU	Daily Projected Usage for 104 DU	System Usage GPM	Low Zone Production GPM	Mid Zone Production GPM	High Zone Production GPM
Average Day	144	14,976	10	5	5	1
Peak Month	283	29,432	20	9	10	2
Peak Day	566	58,864	41	18	20	4

Note: These estimates include an average of 0% water loss.

Assume system supply needs of 1.25 safety factor x 67 gpm = 84 gpm

Pressure Zone	No. DU	%/Zone
Low Level Zone	45	**43%**
Mid Level Zone	50	**48%**
High Level Zone	9	*9%*
No. DU:	104	

Appendix C

Detailed Cost Estimate Breakdowns

Woodland Hills Water System Improvements Project

Water Services and Meters
Estimate of Probable 2014 Cost

Water Meter Pits

Item No.	Item Description	Estimated Quantity	Units	Unit Price	Total
1	3/4" Water Meter and Wire	104	EA	$ 130	$ 13,520
2	MXU Radio Transmitter	104	EA	$ 135	$ 14,040
3	15"x72"x1" Meter Pit, Coil, BV, Dual Check	104	EA	$ 510	$ 53,040
4	15" Locking Lid	104	EA	$ 80	$ 8,320
5	15" Insulation Disc	104	EA	$ 50	$ 5,200
6	Precast Concrete Blocks	104	EA	$ 25	$ 2,600
7	4"x4"x8' Treated Wood Post	104	EA	$ 15	$ 1,560
8	1" Clean Rock	104	EA	$ 15	$ 1,560
9	Meter Pit Assembly, Excavation & Installation	104	EA	$ 525	$ 54,600
10	Site Restoration	104	EA	$ 100	$ 10,400
	Estimated Cost for Meter Pits			**$ 1,585**	**$ 164,840**
	Construction Contingency, 5% Inflation & Professional Fees (30%)				$ 49,452
	Total Water Meter Pit Costs				**$ 214,292**

Short Side Water Service Lines

Item No.	Item Description	Estimated Quantity	Units	Unit Price	Total
1	1" Poly Water Service Piping Open Cut (Short)	1040	LF	$ 20	$ 20,800
2	4" x 1" Tapping Saddle and Corporation Stop	52	EA	$ 200	$ 10,400
3	1" Curb Stop and Box	52	EA	$ 275	$ 14,300
4	Reconnect Water Service	52	EA	$ 100	$ 5,200
5	Site Restoration	53	EA	$ 101	$ 5,353
	Estimated Cost for Short Water Service Lines				**$ 56,053**
	Construction Contingency, 5% Inflation & Professional Fees (30%)				$ 16,816
	Total Short Side Water Service Line Costs (52)				**$ 72,869**

Average Water Meter Pit Costs	$ 2,061
Average Short Side Water Service Line Costs	$ 701

Long Side Water Service Lines

Item No.	Item Description	Estimated Quantity	Units	Unit Price	Total
1	Open Cut - 1" Poly Water Service Piping (Long)	3000	LF	$ 12	$ 36,000
2	4" x 1" Tapping Saddle and Corporation Stop	52	EA	$ 200	$ 10,400
3	1" Curb Stop and Box	52	EA	$ 275	$ 14,300
4	Reconnect Water Service	52	EA	$ 100	$ 5,200
5	Site Restoration	52	EA	$ 100	$ 5,200
6.1	Open Cut - Asphalt Removal (32 SY/Crossing)	1664	SY	$ 7	$ 11,648
6.2	Open Cut - Asphalt Replacement (10 Tons/Crossing)	520	TON	$ 120	$ 62,400
6.3	Open Cut - Base Course (12 Tons/Crossing)	624	TON	$ 20	$ 12,480
6.4	Open Cut - Temporary Gravel Crossing (4 Tons/Crossing)	208	TON	$ 20	$ 4,160
7A	Directional Drilling Alternate Comparison Below				
	Estimated Cost for Long Water Service Lines				**$ 161,788**
	Construction Contingency, 5% Inflation & Professional Fees (30%)				$ 48,536
	Total Long Side Water Service Line Costs (52)				**$ 210,324**

Average Water Meter Pit Costs	$ 2,061
Average Long Side Water Service Line Costs	$ 2,022
Total Estimated Cost for Each Long Side New Water Service Line and Meter Pit within ROW	**$ 4,083**

(Note this includes only service lines within ROW and does not include private service lines. Assumed 1/2 Long 1/2 Short.)

Comparison of Open Cut Alternate vs. Directional Drilling Price Range - Both Bid for Lowest Cost Alternate

6.1-6.4	Alternate Open Cut Long Water Service Line Average	3000	LF	$ 30.23	$ 90,688
7A	Alternate Directional Drilling Long Water Service Low	3000	LF	$ 20	$ 60,000
7A	Alternate Directional Drilling Long Water Service High	3000	LF	$ 32	$ 96,000

Survey and Final Design necessary to establish length, conditions, cost, and final quantities.
Costs may be saved depending on bid prices of directional drilling.

Woodland Hills Water System Improvements Project

Water Services and Meters
Estimate of Probable 2014 Cost

Water Meter Pits

Item No.	Item Description	Estimated Quantity	Units	Unit Price	Total
1	3/4" Water Meter and Wire	104	EA	$ 130	$ 13,520
2	MXU Radio Transmitter	104	EA	$ 135	$ 14,040
3	15"x72"x1" Meter Pit, Coil, BV, Dual Check	104	EA	$ 510	$ 53,040
4	15" Locking Lid	104	EA	$ 80	$ 8,320
5	15" Insulation Disc	104	EA	$ 50	$ 5,200
6	Precast Concrete Blocks	104	EA	$ 25	$ 2,600
7	4"x4"x8' Treated Wood Post	104	EA	$ 15	$ 1,560
8	1" Clean Rock	104	EA	$ 15	$ 1,560
9	Meter Pit Assembly, Excavation & Installation	104	EA	$ 525	$ 54,600
10	Site Restoration	104	EA	$ 100	$ 10,400
	Estimated Cost for Meter Pits			**$ 1,585**	**$ 164,840**
	Construction Contingency, 5% Inflation & Professional Fees (30%)				$ 49,452
	Total Water Meter Pit Costs				**$ 214,292**

Short Side Water Service Lines

Item No.	Item Description	Estimated Quantity	Units	Unit Price	Total
1	1" Poly Water Service Piping Open Cut (Short)	1040	LF	$ 20	$ 20,800
2	4" x 1" Tapping Saddle and Corporation Stop	52	EA	$ 200	$ 10,400
3	1" Curb Stop and Box	52	EA	$ 275	$ 14,300
4	Reconnect Water Service	52	EA	$ 100	$ 5,200
5	Site Restoration	53	EA	$ 101	$ 5,353
	Estimated Cost for Short Water Service Lines				**$ 56,053**
	Construction Contingency, 5% Inflation & Professional Fees (30%)				$ 16,816
	Total Short Side Water Service Line Costs (52)				**$ 72,869**

Average Water Meter Pit Costs	$ 2,061
Average Short Side Water Service Line Costs	$ 701

Long Side Water Service Lines

Item No.	Item Description	Estimated Quantity	Units	Unit Price	Total
1	Open Cut - 1" Poly Water Service Piping (Long)	3000	LF	$ 12	$ 36,000
2	4" x 1" Tapping Saddle and Corporation Stop	52	EA	$ 200	$ 10,400
3	1" Curb Stop and Box	52	EA	$ 275	$ 14,300
4	Reconnect Water Service	52	EA	$ 100	$ 5,200
5	Site Restoration	52	EA	$ 100	$ 5,200
6.1	Open Cut - Asphalt Removal (32 SY/Crossing)	1664	SY	$ 7	$ 11,648
6.2	Open Cut - Asphalt Replacement (10 Tons/Crossing)	520	TON	$ 120	$ 62,400
6.3	Open Cut - Base Course (12 Tons/Crossing)	624	TON	$ 20	$ 12,480
6.4	Open Cut - Temporary Gravel Crossing (4 Tons/Crossing)	208	TON	$ 20	$ 4,160
7A	Directional Drilling Alternate Comparison Below				
	Estimated Cost for Long Water Service Lines				**$ 161,788**
	Construction Contingency, 5% Inflation & Professional Fees (30%)				$ 48,536
	Total Long Side Water Service Line Costs (52)				**$ 210,324**

Average Water Meter Pit Costs	$ 2,061
Average Long Side Water Service Line Costs	$ 2,022
Total Estimated Cost for Each Long Side New Water Service Line and Meter Pit within ROW	**$ 4,083**

(Note this includes only service lines within ROW and does not include private service lines. Assumed 1/2 Long 1/2 Short.)

Comparison of Open Cut Alternate vs. Directional Drilling Price Range - Both Bid for Lowest Cost Alternate

6.1-6.4	Alternate Open Cut Long Water Service Line Average	3000	LF	$ 30.23	$ 90,688
7A	Alternate Directional Drilling Long Water Service Low	3000	LF	$ 20	$ 60,000
7A	Alternate Directional Drilling Long Water Service High	3000	LF	$ 32	$ 96,000

Survey and Final Design necessary to establish length, conditions, cost, and final quantities.
Costs may be saved depending on bid prices of directional drilling.

Woodland Hills Water System Improvements Project
Facility Improvements List
Estimate of Probable 2014 Cost

Existing Well Repairs/Upgrades

Item No.	Item Description	Estimated Quantity	Units	Unit Price	Total
1	Bypass Valve/Discharge Pipe	1	LS	$ 1,600.00	$ 1,600.00
2	Drop Pipe Old Well	660	LF	$ 22.00	$ 14,520.00
3	Well Pump15-20 HP Motor Old Well	1	LS	$ 8,000.00	$ 8,000.00
4	Pull Pump and Mobilization	1	LS	$ 1,750.00	$ 1,750.00
5	Well Disinfection	1	LS	$ 600.00	$ 600.00
6	Wire and Airline	660	LF	$ 6.50	$ 4,290.00
7	Check Valves	3	EA	$ 425.00	$ 1,275.00
8	Concrete Discharge Pad/Pipe	1	LS	$ 1,500.00	$ 1,500.00
9	3" Meter	1	LS	$ 2,500.00	$ 2,500.00
10	Exhaust Fans	1	LS	$ 900.00	$ 900.00
11	Mechanical Piping	1	LS	$ 1,600.00	$ 1,600.00
12	Miscellaneous Repairs	1	LS	$ 1,500.00	$ 1,500.00
13	General Conditions/Mobilization	1	LS	$ 7,000.00	$ 7,000.00
				Well Subtotal	$ 47,035.00
				Construction Contingency, 5% Inflation & Professional Fees (30%)	$ 14,111
				Well and Well House Improvements	**$ 61,146**

Existing Pump Station Repairs

Item No.	Item Description	Estimated Quantity	Units	Unit Price	Total
1	High Level Pump Station Electrical	1	EA	$ 5,000.00	$ 5,000.00
2	High Level Pump Station Building	1	EA	$ 2,500.00	$ 2,500.00
3	High Level Meter	1	EA	$ 291.00	$ 291.00
4	High Level Mechanical Piping and Valve	1	LS	$ 1,250.00	$ 1,250.00
5	General Conditions/Mobilization	1	LS	$ 1,000.00	$ 1,000.00
				Subtotal Pump Station Repairs	$ 10,041.00
				Construction Contingency, 5% Inflation & Professional Fees (30%)	$ 3,012
				Mid and High Pump Station Repairs	**$ 13,053**

High Level Water Storage Tank

Item No.	Item Description	Estimated Quantity	Units	Unit Price	Total
1	Piping	75	LF	$ 22.00	$ 1,650.00
2	High Level New 10,000 Gal Tank	1	EA	$ 15,000.00	$ 15,000.00
3	Remove High Level 5,000 Gal Tank	1	EA	$ 2,500.00	$ 2,500.00
4	Valves	2	EA	$ 800.00	$ 1,600.00
5	Site Restoration	1	EA	$ 1,500.00	$ 1,500.00
6	Miscellaneous Repairs	1	LS	$ 1,000.00	$ 1,000.00
7	General Conditions/Mobilization	1	LS	$ 1,000.00	$ 1,000.00
				Subtotal Water Storage Tanks	$ 24,250.00
				Construction Contingency, 5% Inflation & Professional Fees (30%)	$ 7,275
				High Level Water Storage Tank	**$ 31,525**

Electrical Systems

Item No.	Item Description	Estimated Quantity	Units	Unit Price	Total
1	Reset existing control systems	1	EA	$ 1,000.00	$ 1,000.00
2	Reconnect float systems and wiring	3	EA	$ 1,000.00	$ 3,000.00
3	Reset Existing Radio & Antenna	5	EA	$ 2,000.00	$ 10,000.00
4	Pressure Switch	1	EA	$ 500.00	$ 500.00
5	Miscellaneous Controls/Programming	1	LS	$ 1,000.00	$ 1,000.00
				Subtotal Electrical Systems	$ 15,500.00
				Construction Contingency, 5% Inflation & Professional Fees (30%)	$ 4,650
				Electrical Systems	**$ 20,150**

Woodland Hills Water System Improvements Project
Facility Improvements List
Estimate of Probable 2014 Cost

Existing Well Repairs/Upgrades

Item No.	Item Description	Estimated Quantity	Units	Unit Price	Total
1	Bypass Valve/Discharge Pipe	1	LS	$ 1,600.00	$ 1,600.00
2	Drop Pipe Old Well	660	LF	$ 22.00	$ 14,520.00
3	Well Pump15-20 HP Motor Old Well	1	LS	$ 8,000.00	$ 8,000.00
4	Pull Pump and Mobilization	1	LS	$ 1,750.00	$ 1,750.00
5	Well Disinfection	1	LS	$ 600.00	$ 600.00
6	Wire and Airline	660	LF	$ 6.50	$ 4,290.00
7	Check Valves	3	EA	$ 425.00	$ 1,275.00
8	Concrete Discharge Pad/Pipe	1	LS	$ 1,500.00	$ 1,500.00
9	3" Meter	1	LS	$ 2,500.00	$ 2,500.00
10	Exhaust Fans	1	LS	$ 900.00	$ 900.00
11	Mechanical Piping	1	LS	$ 1,600.00	$ 1,600.00
12	Miscellaneous Repairs	1	LS	$ 1,500.00	$ 1,500.00
13	General Conditions/Mobilization	1	LS	$ 7,000.00	$ 7,000.00
				Well Subtotal	$ 47,035.00
				Construction Contingency, 5% Inflation & Professional Fees (30%)	$ 14,111
				Well and Well House Improvements	**$ 61,146**

Existing Pump Station Repairs

Item No.	Item Description	Estimated Quantity	Units	Unit Price	Total
1	High Level Pump Station Electrical	1	EA	$ 5,000.00	$ 5,000.00
2	High Level Pump Station Building	1	EA	$ 2,500.00	$ 2,500.00
3	High Level Meter	1	EA	$ 291.00	$ 291.00
4	High Level Mechanical Piping and Valve	1	LS	$ 1,250.00	$ 1,250.00
5	General Conditions/Mobilization	1	LS	$ 1,000.00	$ 1,000.00
				Subtotal Pump Station Repairs	$ 10,041.00
				Construction Contingency, 5% Inflation & Professional Fees (30%)	$ 3,012
				Mid and High Pump Station Repairs	**$ 13,053**

High Level Water Storage Tank

Item No.	Item Description	Estimated Quantity	Units	Unit Price	Total
1	Piping	75	LF	$ 22.00	$ 1,650.00
2	High Level New 10,000 Gal Tank	1	EA	$ 15,000.00	$ 15,000.00
3	Remove High Level 5,000 Gal Tank	1	EA	$ 2,500.00	$ 2,500.00
4	Valves	2	EA	$ 800.00	$ 1,600.00
5	Site Restoration	1	EA	$ 1,500.00	$ 1,500.00
6	Miscellaneous Repairs	1	LS	$ 1,000.00	$ 1,000.00
7	General Conditions/Mobilization	1	LS	$ 1,000.00	$ 1,000.00
				Subtotal Water Storage Tanks	$ 24,250.00
				Construction Contingency, 5% Inflation & Professional Fees (30%)	$ 7,275
				High Level Water Storage Tank	**$ 31,525**

Electrical Systems

Item No.	Item Description	Estimated Quantity	Units	Unit Price	Total
1	Reset existing control systems	1	EA	$ 1,000.00	$ 1,000.00
2	Reconnect float systems and wiring	3	EA	$ 1,000.00	$ 3,000.00
3	Reset Existing Radio & Antenna	5	EA	$ 2,000.00	$ 10,000.00
4	Pressure Switch	1	EA	$ 500.00	$ 500.00
5	Miscellaneous Controls/Programming	1	LS	$ 1,000.00	$ 1,000.00
				Subtotal Electrical Systems	$ 15,500.00
				Construction Contingency, 5% Inflation & Professional Fees (30%)	$ 4,650
				Electrical Systems	**$ 20,150**

Woodland Hills Water System Improvements Project
Facility Improvements List
Estimate of Probable 2014 Cost

Existing Well Repairs/Upgrades

Item No.	Item Description	Estimated Quantity	Units	Unit Price	Total
1	Bypass Valve/Discharge Pipe	1	LS	$ 1,600.00	$ 1,600.00
2	Drop Pipe Old Well	660	LF	$ 22.00	$ 14,520.00
3	Well Pump15-20 HP Motor Old Well	1	LS	$ 8,000.00	$ 8,000.00
4	Pull Pump and Mobilization	1	LS	$ 1,750.00	$ 1,750.00
5	Well Disinfection	1	LS	$ 600.00	$ 600.00
6	Wire and Airline	660	LF	$ 6.50	$ 4,290.00
7	Check Valves	3	EA	$ 425.00	$ 1,275.00
8	Concrete Discharge Pad/Pipe	1	LS	$ 1,500.00	$ 1,500.00
9	3" Meter	1	LS	$ 2,500.00	$ 2,500.00
10	Exhaust Fans	1	LS	$ 900.00	$ 900.00
11	Mechanical Piping	1	LS	$ 1,600.00	$ 1,600.00
12	Miscellaneous Repairs	1	LS	$ 1,500.00	$ 1,500.00
13	General Conditions/Mobilization	1	LS	$ 7,000.00	$ 7,000.00
				Well Subtotal	$ 47,035.00
				Construction Contingency, 5% Inflation & Professional Fees (30%)	$ 14,111
				Well and Well House Improvements	**$ 61,146**

Existing Pump Station Repairs

Item No.	Item Description	Estimated Quantity	Units	Unit Price	Total
1	High Level Pump Station Electrical	1	EA	$ 5,000.00	$ 5,000.00
2	High Level Pump Station Building	1	EA	$ 2,500.00	$ 2,500.00
3	High Level Meter	1	EA	$ 291.00	$ 291.00
4	High Level Mechanical Piping and Valve	1	LS	$ 1,250.00	$ 1,250.00
5	General Conditions/Mobilization	1	LS	$ 1,000.00	$ 1,000.00
				Subtotal Pump Station Repairs	$ 10,041.00
				Construction Contingency, 5% Inflation & Professional Fees (30%)	$ 3,012
				Mid and High Pump Station Repairs	**$ 13,053**

High Level Water Storage Tank

Item No.	Item Description	Estimated Quantity	Units	Unit Price	Total
1	Piping	75	LF	$ 22.00	$ 1,650.00
2	High Level New 10,000 Gal Tank	1	EA	$ 15,000.00	$ 15,000.00
3	Remove High Level 5,000 Gal Tank	1	EA	$ 2,500.00	$ 2,500.00
4	Valves	2	EA	$ 800.00	$ 1,600.00
5	Site Restoration	1	EA	$ 1,500.00	$ 1,500.00
6	Miscellaneous Repairs	1	LS	$ 1,000.00	$ 1,000.00
7	General Conditions/Mobilization	1	LS	$ 1,000.00	$ 1,000.00
				Subtotal Water Storage Tanks	$ 24,250.00
				Construction Contingency, 5% Inflation & Professional Fees (30%)	$ 7,275
				High Level Water Storage Tank	**$ 31,525**

Electrical Systems

Item No.	Item Description	Estimated Quantity	Units	Unit Price	Total
1	Reset existing control systems	1	EA	$ 1,000.00	$ 1,000.00
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3	Reset Existing Radio & Antenna	5	EA	$ 2,000.00	$ 10,000.00
4	Pressure Switch	1	EA	$ 500.00	$ 500.00
5	Miscellaneous Controls/Programming	1	LS	$ 1,000.00	$ 1,000.00
				Subtotal Electrical Systems	$ 15,500.00
				Construction Contingency, 5% Inflation & Professional Fees (30%)	$ 4,650
				Electrical Systems	**$ 20,150**

Woodland Hills Water System Improvements Project

Estimate of Probable 2014 Cost

4" Water Main Reconstruction Costs Based on 1,000 Linear Feet

Item No.	Item Description	Estimated Quantity	Units	Unit Price	Total
1	4" PVC Water Main & Fittings	1000	LF	$ 20.00	$ 20,000.00
2	4" Gate Valves	4	EA	$ 900.00	$ 3,600.00
3	2" Flushing Hydrants w/Curb Stop	1	EA	$ 1,750.00	$ 1,750.00
4	Road Crossings	2	EA	$ 1,250.00	$ 2,500.00
5	Driveway Crossings	5	EA	$ 1,500.00	$ 7,500.00
6	Restoration	1000	LF	$ 5.00	$ 5,000.00
7	Erosion Control	1000	LF	$ 2.00	$ 2,000.00
8	Traffic Control	1000	LF	$ 0.50	$ 500.00
9	Chip Seal or 2" Gravel	1000	LF	$ 3.50	$ 3,500.00
10	Trees	1000	LF	$ 1.00	$ 1,000.00
11	Rock Excavation Unknown (3.5'Wx2'D)	1000	LF	$ 10.00	$ 10,000.00
12	Incidental Work	1000	LF	$ 1.50	$ 1,500.00
13	General Conditions/Mobilization	1000	LF	$ 3.00	$ 3,000.00
	Estimated Cost for 4" Water Main				**$ 61,850**
	Construction Contingency, 5% Inflation & Professional Fees (30%)				$ 18,555
	Total 4" Water Main Costs				**$ 80,405**
	Total Estimated 4" Water Main Costs Per Foot				**$ 80.41**

Low Level Zone Distribution System Area:

Woodland Hills Drive Area 4" Water Mains (Low Zone Tanks to East)

Woodland Drive to Chickadee 1800 ft $ 144,729

4" Water Main with Flushing Hydrants selected this project.

Woodland Hills Water System Improvements

Replacement of all 2" and 3" existing water lines with 4" PVC Water Main

Estimate of Probable 2014 Cost at $80.41 per Linear Foot

Low Level Zone Distribution System Area:

Woodland Hills Drive Area 4" Water Mains (Low Zone Tanks to East)

East Woodland Drive to Chickadee	1800 ft	$	144,729
Woodland Dr. Chickadee to Lark Lane	3300 ft	$	265,337
Grosbeak Lane	569 ft	$	45,750
Flicker Lane	372 ft	$	29,911
Eagle Lane	491 ft	$	39,479
Chickadee to Woodland Loop	398 ft	$	32,001
Chickadee Lane	1440 ft	$	115,783
Dove Lane	320 ft	$	25,730
Bluebird Lane	998 ft	$	80,244
Extra Length/Well Line	500 ft	$	40,203
Total Low Level Zone Distribution Piping	**10188 ft**	**$**	**819,166**

Mid Level Zone Distribution System Area:

Lark Lane and Woodland Hills Drive Area 4" Water Mains (Low Zone Tanks to West)

Lark Lane to Mid Level Tanks	1975 ft	$	158,800
Lark Lane to Pump House 2	556 ft	$	44,705
Woodland Drive Mid Level to Lark Lane	2995 ft	$	240,813
Juno Lane	372 ft	$	29,911
Nuthatch Lane	590 ft	$	47,439
Robin Lane	210 ft	$	16,885
Tanager Lane	953 ft	$	76,626
Extra Length	200 ft	$	16,081
Total Mid Level Zone Distribution Piping	**7851 ft**	**$**	**631,260**

High Level Zone Distribution System Area:

Lark Lane/Woodland Hills Drive to West High Level Tank

Woodland/Lark Lane to High Level Tank	2374 ft	$	190,881
Extra Length	75 ft	$	6,030
Total High Level Zone Distribution Piping	**2449 ft**	**$**	**196,912**
Total Length of 4" Woodland Distribution System	**20488 ft**	**$**	**1,647,338**

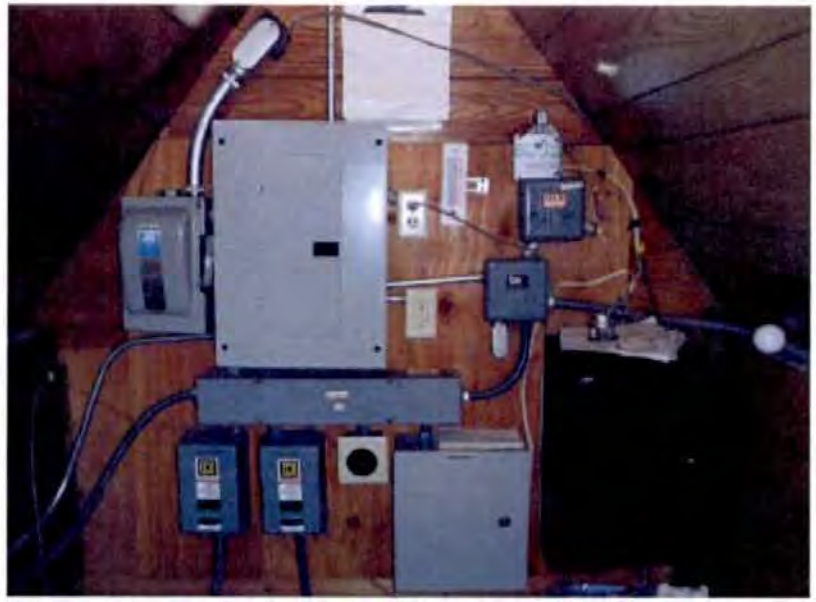
Appendix D

Photos of Existing Facilities
and
Proposed Improvements

Existing System
- Well House

- Old Well (1972): 15-20 gpm – Repairs necessary to be reliable back up
- New Well (1991): 70-85 gpm – Improvements recommended
- Piping, pump, motor, discharge valve, pipe, meter, mechanical piping, SCADA, etc.

Existing System
- Mid-Zone Pump House



- Pumps 45 gpm from Low-Level Buried Storage to Green Steel Mid-Level Storage
- New pitless adapter submersible pump installed by District in 2011.SCADA, etc. recommended

Existing System
- Low-Level Zone
Buried Concrete Water Storage (68,000-Gallon)

- Repairs recommended:
  - Check valve / piping
  - Overflow improvements
  - SCADA

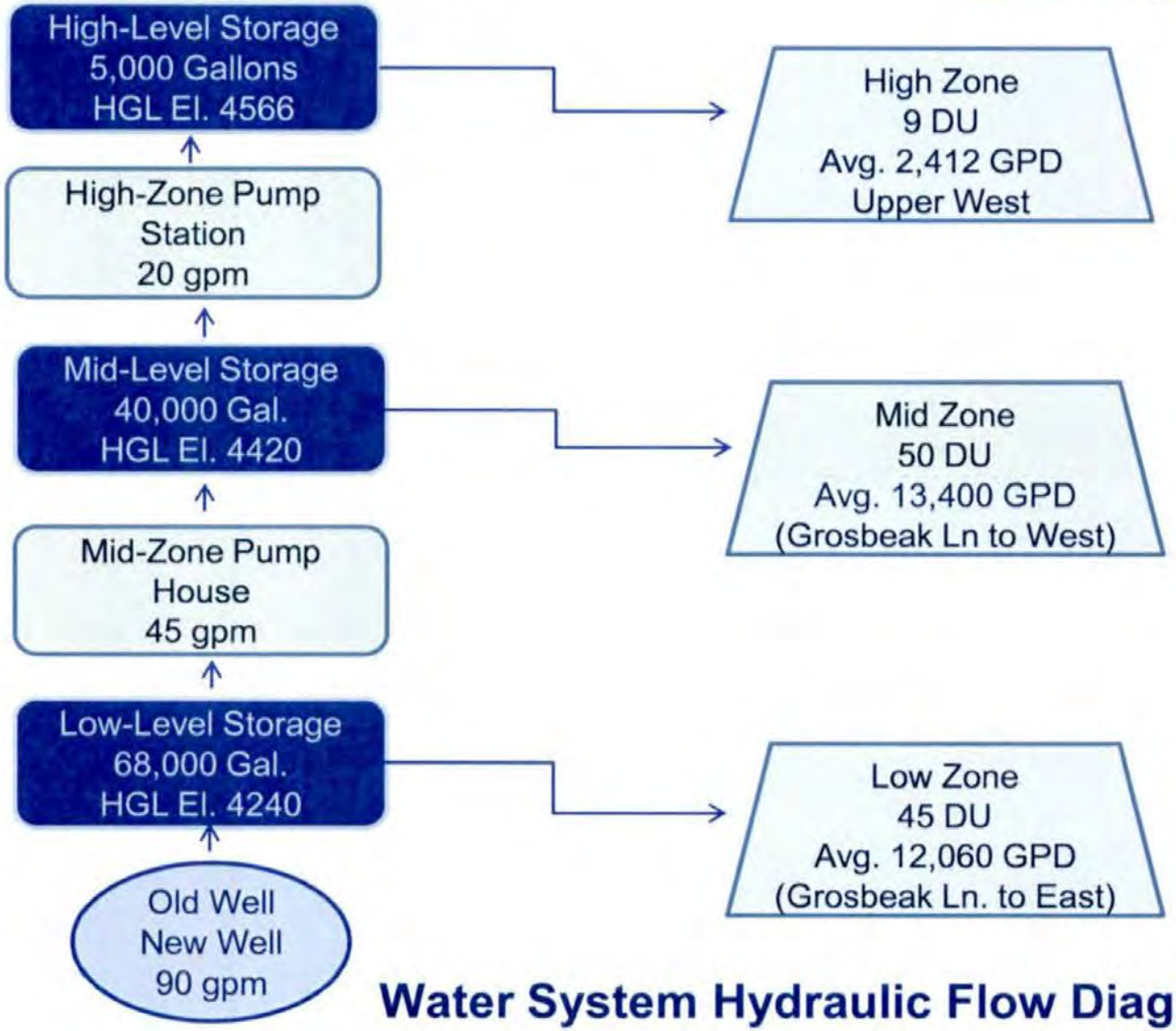
Existing System
- High-Level Pump House (Simplex)

- Pumps 20 gpm from Mid-Level Zone to High-Level Storage
- Add 2nd Pump
- Replace Piping
- Repair Building
- Add Meter

Existing System
- High-Level Zone
Precast Water Storage Tank (5,000-Gallon)

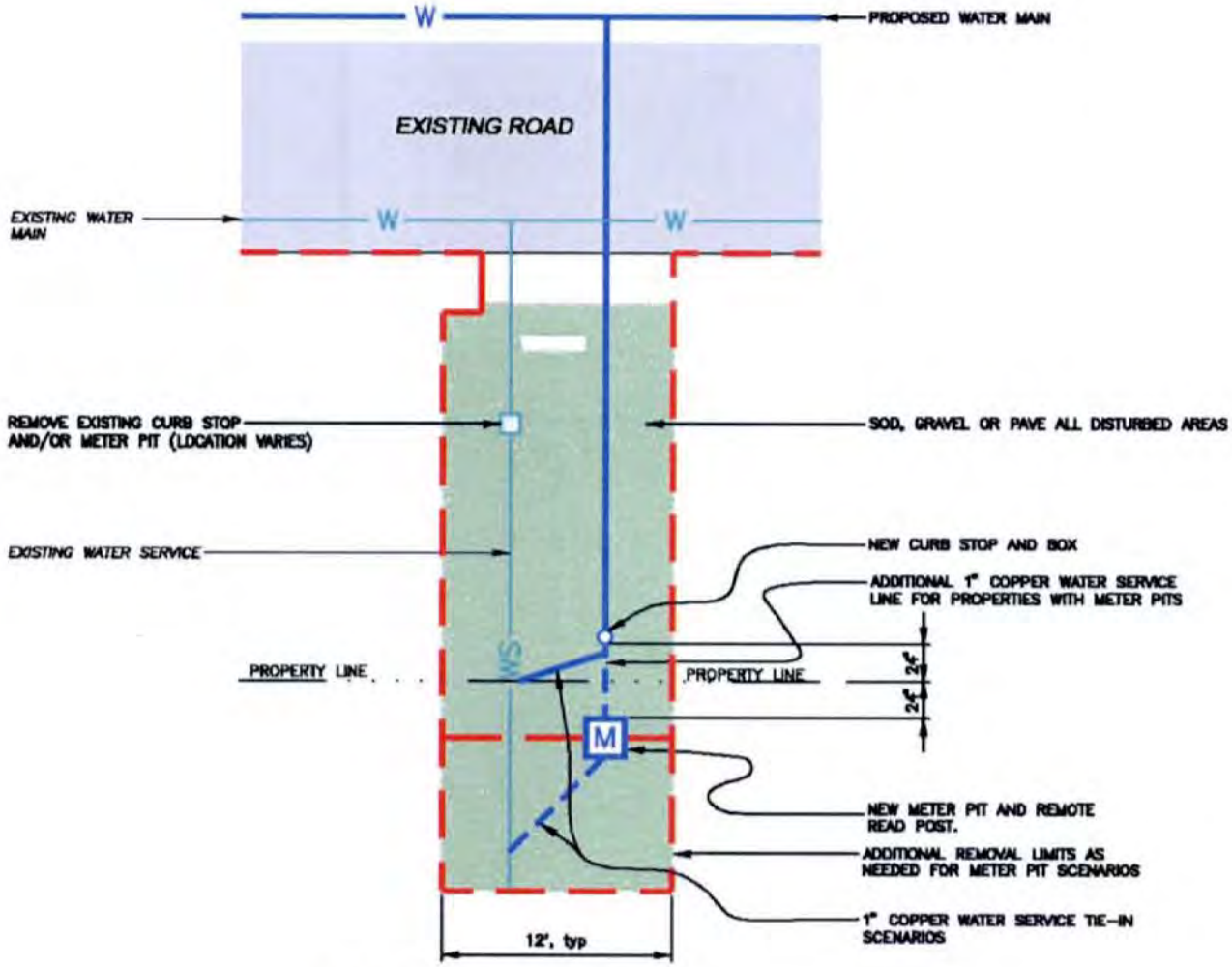
- Replace with new 10,000-Gallon Storage.
- Concrete Scaling Problems. Cracks in existing concrete. Security issues.
- Relocate to new location nearby.

Existing System
- Water Storage continued...



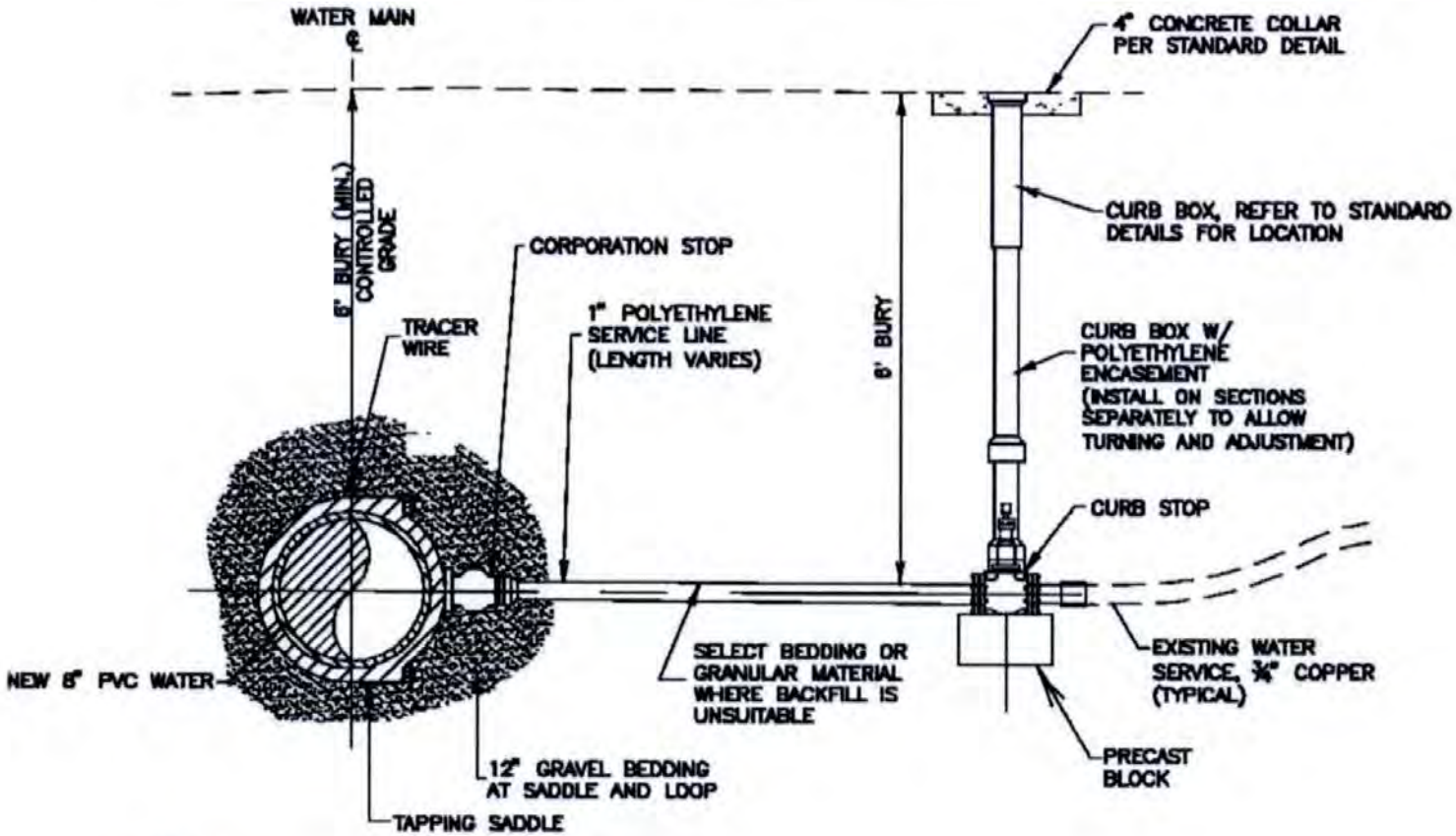
Water System Hydraulic Flow Diagram

Water Services Example



WATER SERVICE SCENARIO
SCALE: 1"=10'

Water Services Example



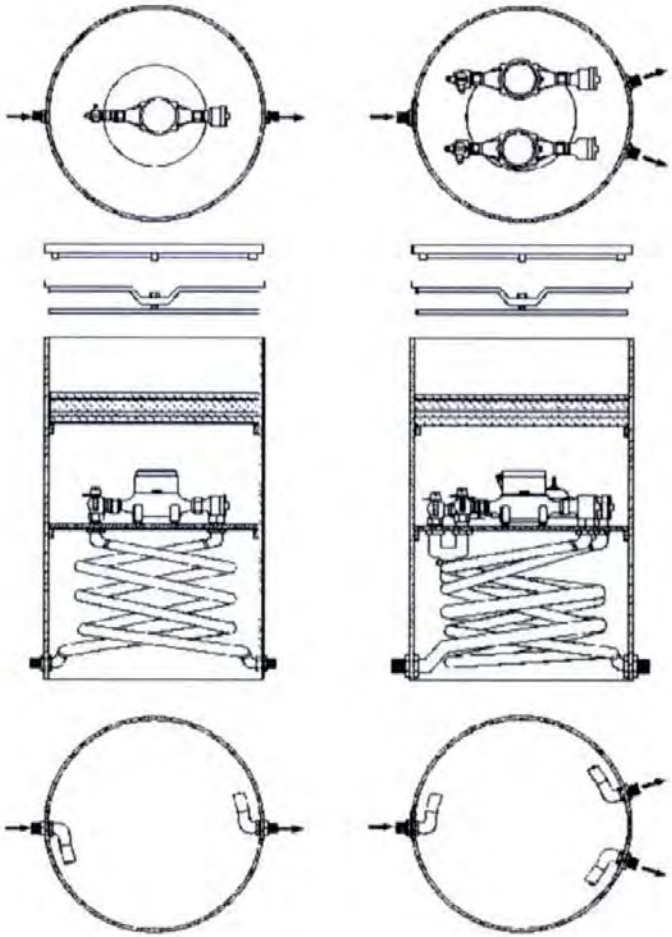
NOTES
1. BURY DEPTH IS 6'-0" MINIMUM. REFER TO PLAN GRADES.
2. REFER TO PLANS FOR SIZING.
3. REFER TO SPECIFICATIONS FOR ADDITIONAL INFORMATION.

TYPICAL WATER SERVICE CONNECTION DETAIL

NOT TO SCALE

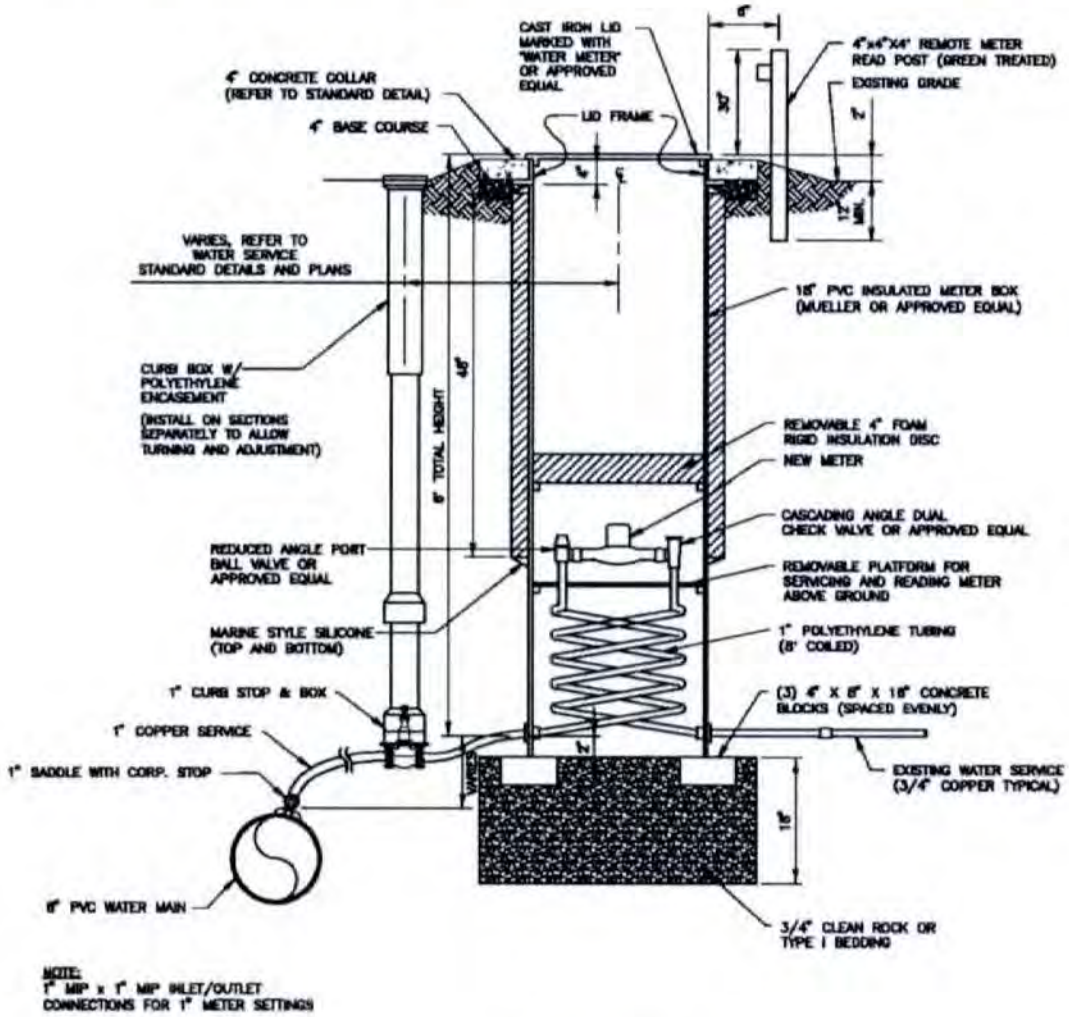
Water Meter Pits

- Installation of water meter pits at the property line is recommended.
- Below grade water meter pits with backflow preventers and radio read head units are recommended.
- Meters provide the ability to read meters instantly in the system.



8F-PVC/BOXES/VAULTS

Water Meter Pits



NOTE:
1" MIP x 1" MIP INLET/OUTLET CONNECTIONS FOR 1" METER SETTINGS

WATER METER PIT
NOT TO SCALE

WRAP Review Sheet
Drinking Water Facilities Funding Application
Applicant: City of Tyndall

Project Title:	Water Distribution and Storage System Upgrades
Funding Requested:	$1,570,000
Other Proposed Funding:	$5,330 - Local Cash
Total Project Cost:	$1,575,330
Project Description:	Construction of a new 200,000-gallon water tower and replacement of water main located throughout the city.
Alternatives Evaluated:	The No Action alternative was evaluated for water storage and distribution. The No Action alternative was rejected in both cases since it does not address the problems with aging infrastructure. A new 200,000-gallon water tower is the chosen water storage alternative. The existing tower was constructed in 1906 and is not at an elevation to provide optimum pressures throughout the city. The recommended distribution alternative is to replace all the cast iron pipe and selected asbestos concrete pipe throughout the city. This will address water loss issues associated with aging pipe. An alternative to replace all of the asbestos concrete pipe as well was evaluated and determined to be not cost effective.
Implementation Schedule:	Tyndall anticipates bidding the project in August 2015 with a project completion date of October 2016.
Service Population:	1057
Current Domestic Rate:	$43.00 per 5,000 gallons usage
Proposed Domestic Rate at Project Completion:	$43.00 per 5,000 gallons usage

Interest Rate: 2.25% Term: 30 years Security: Water Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan Tyndall would have to enact a surcharge of approximately $12.24. When added to current rate of $43/5,000 gallons residents would be paying $55.24/5,000 gallons.

25% Funding Subsidy:	$392,500 subsidy with a loan of $1,177,500
Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of $1,177,500 Tyndall would have to enact a surcharge of approximately $9.18 thereby paying a rate $52.18/5,000 gallons.

50% Funding Subsidy:	$785,000 subsidy with a loan of $785,000
Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of $785,000 Tyndall would have to enact a surcharge of approximately $6.12 thereby paying a rate $49.12/5,000 gallons.

75% Funding Subsidy:	$1,177,500 subsidy with a loan of $392,500
Coverage at 75% Subsidy:	Based on a 75% subsidy and a loan of $392,500 Tyndall would have to enact a surcharge of approximately $3.06 thereby paying a rate $46.06/5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: ERIC MEINTSMA

FINANCIAL REVIEW COMPLETED BY: ELAYNE LANDE

RECEIVED

SD EForm - 2126LD V2 JAN 2 0 2015

Division of Financial & Technical Assistance

Drinking Water Facilities Funding Application

Consolidated Water Facilities Construction Program (CWFCP)
Drinking Water State Revolving Fund Program (DWSRF)

Applicant	Proposed Funding Package	
City of Tyndall		
Address	CWFCP / DWSRF	$1,570,000
	Local Cash	$5,330
PO Box 29 Tyndall, South Dakota 57066	Other	
	Other	
Subapplicant	Other	
N/A		
DUNS Number		
17-037-5398	**TOTAL**	$1,575,330

Project Title: Comprehensive Water Distribution and Storage System Upgrades

Description:

The City of Tyndall with the assistance of its consulting engineering firm has identified the need for a comprehensive upgrade to its water distribution and storage infrastructure. The improvements identified by the City's engineers total $4.7 million which are beyond the community's financial capabilities at this time. Therefore, the engineering firm (SPN) was charged with prioritizing the repairs to note those of critical importance. Those improvements deemed necessary comprise the project before you. The proposed project includes replacement of the existing water tower with a 200,000 gallon single pedestal elevated reservoir. This alternative is further discussed in Section 4.5.2 on pages 42 and 43 of the attached Facilities Plan. The final element of the project addresses the existing distribution system infrastructure and calls for replacement of specific sections of water main as detailed within Section 4.6.2 on pages 48-50. The engineers have identified replacement of the remaining Cast Iron Pipe (CIP) within the distribution system as well as replacing the Asbestos Concrete Pipe (ACP) from the proposed tower to a PVC main on Main Street as critical to the distribution system's functionality.

Please refer to the attached Facilities Plan for a more detailed project description.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Dave Vavruska, Mayor — David Vavruska — 12-29-14

Name & Title of Authorized Signatory (Typed) — Signature — Date

Professional Consultants

Application Prepared By: Planning and Development District III

Contact Person: Brian McGinnis

Mailing Address: PO Box 687

City, State, and Zip: Yankton, South Dakota 57078

Telephone Number: 605-665-4408 Fax: 605-665-0303

Email address: brian.mcginnis@districtiii.org

Consulting Engineering Firm: Schmucker, Paul, Nohr Associates

Contact Person: Terry Aaker

Mailing Address: PO Box 398

City, State, and Zip: Mitchell, South Dakota 57301

Telephone Number: 605-996-7761 Fax: 605-996-0015

Email address: taaker@spn-assoc.com

Legal Counsel's Firm: Zieser and Rothchadl

Legal Counsel: Lisa Rothchadl

Mailing Address: 1719 Main Street

City, State, and Zip: Tyndall, South Dakota 57066

Telephone Number: 605-589-3333 Fax: 605-589-3334

Email address: lazrlaw@hcinet.net

This section applies only to political subdivisions

Bond Counsel's Firm: Davenport, Evans, Hurwitz, & Smith LLP

Bond Counsel: Douglas Hajek

Mailing Address: 513 South Main Avenue

City, State, and Zip: Sioux Falls, South Dakota 57101-1030

Telephone Number: 605-357-1227 (Direct) Fax: 605-335-3639

Email address: dhajek@dehs.com

BUDGET SHEET

Cost Classification	A CWFCP / DWSRF	B LOCAL	C	D	E	Total Funds
1. Administrative Expenses						
A. Personal Services	$9,900.00					$9,900.00
B. Travel						
C. Legal including Bond Counsel	$15,000.00					$15,000.00
D. Other						
2. Land, Structure, Right-of-Way						
3. Engineering						
A. Bidding and Design Fees	$79,500.00					$79,500.00
B. Project Inspection Fees	$79,000.00					$79,000.00
C. Other	$3,000.00					$3,000.00
4. Construction and Project Improvement	$1,262,330.00					$1,262,330.00
5. Equipment						
6. Contractual Services						
7. Other						
8. Other						
9. Subtotal (Lines 1-8)	$1,448,730.00					$1,448,730.00
10. Contingencies	$121,270.00	$5,330.00				$126,600.00
11. Total (Lines 9 and 10)	$1,570,000.00	$5,330.00				$1,575,330.00
12. Total %	99.66%	0.34%	0.00%	0.00%	0.00%	100.00%

Columns A - E: Identify each funding source and enter the amounts budgeted by cost category.

Comments:

Method of Financing

Source Header		Secured Funds	Unsecured Funds (Date Anticipated)
Local Cash (Identify Source)	RESERVES	$5,330.00	
Other (Explain)	DENR		$1,570,000.00 Mar 31, 2015
Other (Explain)			
Other (Explain)			
Other (Explain)			
Other (Explain)			
TOTAL		$5,330.00	$1,570,000.00

Comments:

7.3.4 Drinking Water Utility Information

Current Water Utility Debt

Year		2013					
Purpose	Waterlines	Water Meters					
Security Pledged	Revenues	Revenues					
Amount	$849,330.82	$100,000.00					
Maturity Date (mo/yr)	10/2035	08/2023					
Debt Holder	1st National (DENR)	National Rural					
Debt Coverage Requirement	110%	100%					
Avg. Annual Required Payment	$40,640.36	$11,587.32					
Outstanding Balance	$662,400.72	$87,588.30					

Use additional sheets if more room is required to list all current water utility debt.

7.3.1 Repayment Information

Interest rate and term you are applying for: 2.25 %, 30 years.

What security is being pledged toward the repayment of this loan?
(Political Subdivisions Only)

- ☐ 1. General Obligation bond (requires bond election)
- ☐ 2. Water Revenue bond
- ☒ 3. Project Surcharge Revenue bond
- ☐ 4. Sales Tax Revenue bond

7.3.2 Documents That Must Be Submitted With The Application

Financial Documents

1. Most recent audit or unaudited financial statement to include specific accounting of pledged funds.
2. Current year's budget.

Planning and Legal Documents

1. Governing user charge ordinance or resolution and its effective date.
2. Resolution of authorized signatory for submission of the Drinking Water SRF application and signing of payment requests. This resolution must also include the maximum loan amount requested, interest rate and term being applied for, description of proposed project, and security pledged towards repayment of the loan.
3. Facilities Plan (8.3.18).
4. Capacity Assessment Worksheets (section 8.3.16).

Items 5-7 apply to Nonprofit Entities only

5. By-laws
6. Articles of Incorporation
7. Certificate of Good Standing from Secretary of State

7.3.3 General Information

The month and day your fiscal year begins: January 1

Population Served

Current 1,057 2000 1,236 1990 1,128

Top Five Employers Within 30 Miles	Number of Employees	Type of Business
Avera Sacred Heart Hospital	730	Healthcare
Mickelson Center Neurosciences	500	Healthcare
Kolberg Pioneer Incorporated	380	Manufacturing
First National Bank Card Center	270	Financial
Mike Dufree State Prison	240	Corrections

Please indicate employers within boundary of issuing entity with an asterisk (*).

Drinking Water Utility Cash Flow

	Prior Year	Prior Year	Current Year	Future Year #
Fiscal Year	2012	2013	2014	2016
OPERATING CASH FLOW				
Water Sales	$238,558	$233,892.00	$228,520.00	$257,500.00
Surcharge Fee				
Other (Explain)				
OPERATING PAYMENTS				
Personal Services				
Chemical, Material & Supplies				
Electric & Other Utilities	($114,668)	($148,051.00)	($151,739.90)	($172,831.67)
Other (Explain)				
NET CASH FROM OPERATIONS	$123,890	$85,841.00	$76,780.10	$84,668.33
NONOPERATING CASH FLOW				
Interest Income	$106.00	$270.00	$350.00	$154.50
Other Revenue (Explain)				
Capital Contributions	$17,112.00	$100,000.00	$75,000.00	$0.00
Transfers In (Explain)				
Fixed Asset Sale (Explain)				
Transfers Out (Explain)				
Fixed Asset Purchases (Explain)	($22,701.00)	($19,326.00)		($50,000.00)
Water Lines and materials			($175,018.00)	
Debt Payment (Principal Only)	($88,021.00)	($30,316.98)	($35,536.72)	($72,493.99)
Debt Payment (Interest Only)	($20,679.00)	($19,979.07)	($21,518.55)	($56,575.42)
Other Expenses (Explain)				
NET CASH FROM NONOPERATING	($114,183)	$30,647.95	($156,723.27)	($178,914.91)
Net Increase (Decrease) in Cash	$9,707	$116,488.95	($79,943.17)	($94,246.58)
Beginning Cash Balance	$108,322	$118,030.00	$234,518.95	$158,068.92
Ending Cash Balance	$118,029	$234,518.95	$154,575.78	$63,822.34
RESTRICTED BALANCE	$100,000	$225,000.00	$153,000.00	$62,900.00
UNRESTRICTED BALANCE	$18,029	$9,518.95	$1,575.78	$922.34

Future Year: First full year after project completion.

Restricted Funds Breakdown:

Amount	Anticipated Expense	Method Used to Encumber
$100,000.00	Future System Upgrades	Council Action

Water Fees:

Attach current and proposed rate ordinances or resolutions and rate schedules.

Municipal or Sanitary District - monthly rates at 5,000 gallons (670 cubic feet)

Other Community Water System - monthly rates at 7,000 gallons (935 cubic feet)

Check one: ✓ Incorporated Municipality or Sanitary District

or

___ Other Community Water System

Monthly:	Current Rate	Proposed Rate	# of Accounts	Average use gallons/cubic feet
Domestic	$43.00	$43.00	440	5,000
Business	$43.00	$43.00	100	8,500
Other:				

Are fees based on usage or flat rate? Usage

When is proposed fee scheduled to take effect? N/A

When did the current fee take effect? 01/20/2010

What was the fee prior to the current rate? $24.00

Attach current and proposed rate ordinances or resolutions and rate schedules.

Five Largest Customers	Type of Business	% of System Revenues
Good Samaritan Center	Senior Citizen Home	5%
Bon Homme District 4-2	Education	4%
St. Michael's Hospital	Medical	3%
Heritage Apartments	Housing	2%

7.3.7 Facilities Plan Checklist.

Before submitting the application, please take a few moments to complete the following checklist. Addressing these items prior to submitting the application will expedite the review process

Checklist of SRF Facilities Plan Requirements

Have the following items been addressed?

- Submission of a Facilities Plan to the department that addresses those items found in section 8.3.18. _____
- A public hearing held discussing the project and the use of an SRF loan to finance the project. (See section 8.3.15) _____
- Minutes of the public hearing prepared and submitted to the department for inclusion into the final Facilities Plan. _____
- The affidavit of publication of the public hearing received and submitted to the department for inclusion into the final Facilities Plan. (See section 8.3.15) _____
- The four review agencies contacted and responses received for inclusion into the final Facilities Plan. (See section 8.3.18) _____
- The Cultural Resources Effects Assessment Summary and supporting documentation, such as an archaeological survey or Historic Register database search. (See section 8.3.20) _____

7.3.8 Certification of Drinking Water Needs Categories

Identify the loan amount associated with the needs category or categories described below. If the loan addresses needs in more than one category, please break down the total amount into estimated amounts for each category.

Definition	Loan Amount
Transmission/Distribution	$382,330.00
Treatment	
Storage	$1,187,670.00
Source	
System Purchase	
Restructuring	
1452(k) Loan Activities	
1. To acquire land or a conservation easement for source water protection.	
2. To implement voluntary, incentive-based source water quality protection measures.	
TOTAL	$1,570,000.00

City of Tyndall

Name of Applicant

David Varnella

Signature of Authorized Representative

12-29-14

Date

7.3.9 Preaward Compliance Review

FORM Approved By OMB: No. 2030-0020 Expires 12-31-2011

United States Environmental Protection Agency
Washington, DC 20460

Preaward Compliance Review Report for All Applicants and Recipients Requesting EPA Financial Assistance

Note : Read instructions on other side before completing form.

I. Applicant/Recipient (Name, Address, State, Zip Code).	DUNS No.
City of Tyndall, South Dakota PO Box 29, Tyndall, South Dakota 57066	17-037-5398

II. Is the applicant currently receiving EPA assistance? No

III. List all civil rights lawsuits and administrative complaints pending against the applicant/recipient that allege discrimination based on race, color, national origin, sex, age, or disability. (Do not include employment complaints not covered by 40 C.F.R. Parts 5 and 7. See instructions on reverse side.) N/A

IV. List all civil rights lawsuits and administrative complaints decided against the applicant/recipient within the last year that allege discrimination based on race, color, national origin, sex, age, or disability and enclose a copy of all decisions. Please describe all corrective action taken. (Do not include employment complaints not covered by 40 C.F.R. Parts 5 and 7. See instructions on reverse side.) N/A

V. List all civil rights compliance reviews of the applicant/recipient conducted by any agency within the last two years and enclose a copy of the review and any decisions, orders, or agreements based on the review. Please describe any corrective action taken. (40 C.F.R. § 7.80(c)(3)). N/A

VI. Is the applicant requesting EPA assistance for new construction? If no, proceed to VII; if yes, answer (a) and/or (b) below.

a. If the grant is for new construction, will all new facilities or alterations to existing facilities be designed and constructed to be readily accessible to and usable by persons with disabilities? If yes, proceed to VII; if no, proceed to VI(b).b. If the grant is for new construction and the new facilities or alterations to existing facilities will not be readily accessible to and usable bypersons with disabilities, explain how a regulatory exception (40 C.F.R. § 7.70) applies. Public Utilities exception to include underground facilities and elevated storage reservoirs

VII.* Does the applicant/recipient provide initial and continuing notice that it does not discriminate on the basis of race, color, national origin, sex,age, or disability in its programs or activities? (40 C.F.R. § 5.140 and § 7.95) Yes

a. Do the methods of notice accommodate those with impaired vision or hearing? Yes b. Is the notice posted in a prominent place in the applicant's offices or facilities or, for education programs and activities, in appropriate periodicals and other written communication? Yes c. Does the notice identify a designated civil rights coordinator? Yes

VIII.* Does the applicant/recipient maintain demographic data on the race, color, national origin, sex, age, or handicap of the population it serves? (40 C.F.R. § 7.85(a)) Yes

IX.* Does the applicant/recipient have a policy/procedure for providing access to services for persons with limited English proficiency? (40 C.F.R. Part 7, E.O. 13166) Yes

X.* If the applicant/recipient is an education program or activity, or has 15 or more employees, has it designated an employee to coordinate its compliance with 40 C.F.R. Parts 5 and 7? Provide the name, title, position, mailing address, e-mail address, fax number, and telephone number of the designated coordinator. N/A

XI* If the applicant/recipient is an education program or activity, or has 15 or more employees, has it adopted grievance procedures that assure the prompt and fair resolution of complaints that allege a violation of 40 C.F.R. Parts 5 and 7? Provide a legal citation or Internet address for, or a copy of, the procedures. N/A

For the Applicant/Recipient I certify that the statements I have made on this form and all attachments thereto are true, accurate and complete. I acknowledge that any knowingly false or misleading statement may be punishable by fine or imprisonment or both under applicable law. I assure that I will fully comply with all applicable civil rights statutes and EPA regulations.

A. Signature of Authorized Official	B. Title of Authorized Official	C. Date
David Varneska	Mayor	12-29-14

For the U.S. Environmental Protection Agency I have reviewed the information provided by the applicant/recipient and hereby certify that the applicant/recipient has submitted all preawardcompliance information required by 40 C.F.R. Parts 5 and 7; that based on the information submitted, this application satisfies the preaward provisionsof 40 C.F.R. Parts 5 and 7; and that the applicant has given assurance that it will fully comply with all applicable civil rights statutes and EPA regulations.

A. Signature of Authorized EPA Official See ** note on reverse side.	B. Title of Authorized EPA Official	C. Date

7.3.10 Certification Regarding Debarment, Suspension, and Other Responsibility Matters

The prospective participant certifies to the best of its knowledge and belief that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within a three year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and

(d) Have not within a three year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

I understand that a false statement on this certification may be grounds for rejection of this proposal or termination of the award. In addition, under 18 U.S.C. §1001, a false statement may result in a fine of up to $10,000 or imprisonment for up to 5 years, or both.

Dave Vavruska, Mayor

Name & Title of Authorized Representative

David Vavruska 12-29-14

Signature of Authorized Representative Date

____ I am unable to certify to the above statements. Attached is my explanation

City of Tyndall
Elevated Reservoir and Distribution Improvements
Drinking Water State Revolving Fund Application
Attachments

1. Financial Documents

a) 2011-2012 Audit and 2013 Audit Pages
b) 2014 and 2015 Municipal Budget

2. Planning and Legal Documents

a) Rate Ordinance
b) Authorizing Resolution
c) Facilities Plan
d) Capacity Assessment
e) Financial Spreadsheet

2011-2012 Audit and 2013 Audit Pages

MUNICIPALITY OF TYNDALL
TYNDALL, SOUTH DAKOTA

AUDIT REPORT

FOR THE YEAR JANUARY 1, 2011 TO DECEMBER 31, 2011
AND
FOR THE YEAR JANUARY 1, 2012 TO DECEMBER 31, 2012

Schoenfish & Co., Inc.
CERTIFIED PUBLIC ACCOUNTANTS
P.O. Box 247
105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

MUNICIPAL OFFICIALS
DECEMBER 31, 2012

MAYOR:

Dave Vavruska

GOVERNING BOARD:

Mark Stoebner, President
Kevin Ranek, Vice-President
Denise Campbell
Bonnie Davis
Ross Hudson
Jane Larson

FINANCE OFFICER:

Linda F. Pesek

ATTORNEY:

Lisa Rothschadl

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Schoenfish & Co., Inc.

CERTIFIED PUBLIC ACCOUNTANTS
Phone: 605-928-7241
FAX No.: 605-928-1441
P.O. Box 247
105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Governing Board
Municipality of Tyndall
Tyndall, South Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each *major fund*, of the Municipality of Tyndall, South Dakota (Municipality), as of December 31, 2012 and for each of the years in the biennial period then ended, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements and have issued our report thereon dated May 24, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Municipality's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control. Accordingly, we do not express an opinion on the effectiveness of the Municipality's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Current Audit Findings, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Municipality's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Current Audit Findings as item 2012-01 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Municipality's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and

material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Current Audit Findings as item 2012-02.

Municipality's Response to Findings

The Municipality's responses to the findings identified in our audit are described in the accompanying Schedule of Current Audit Findings. The Municipality's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Municipality's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. As required by South Dakota Codified Law 4-11-11, this report is a matter of public record and its distribution is not limited.

Schoenfish & Co., Inc.

Schoenfish & Co., Inc.
Certified Public Accountants
May 24, 2013

SCHEDULE OF PRIOR AUDIT FINDINGS

PRIOR OTHER AUDIT FINDINGS:

Internal Control Over Revenues

Finding Number 2010-01:

A material weakness in internal controls was noted due to a lack of proper segregation of duties for revenues. This comment has not been corrected and is restated as current audit finding number 2012-01.

SCHEDULE OF CURRENT AUDIT FINDINGS

CURRENT AUDIT FINDINGS:

Internal Control – Related Findings – Material Weakness:

Finding Number 2012-01:
A material weakness in internal controls was noted due to a lack of proper segregation of duties existed for the revenues. This is the seventh consecutive audit in which a similar deficiency has occurred.

Criteria:
Proper segregation of duties results in increased reliability of reported financial data and decreased potential for the loss of public assets.

Condition:
The Finance Officer and Office Assistant process all revenue transactions from beginning to end. They also receive money, issue receipts, record receipts, post receipts in the accounting records, prepare bank deposits, reconcile bank statements, and prepare financial statements.

Effect:
As a result, there is an increased likelihood that errors could occur and not be detected in a timely manner by employees in the ordinary course of performing their duties.

Recommendation:
1. We recommend that the Municipality of Tyndall officials be cognizant of this lack of segregation of duties for revenues and attempt to provide compensating internal controls whenever, and wherever, possible and practical.

Management's Response:
The Municipality of Tyndall Mayor, Dave Vavruska, is the contact person responsible for the corrective action plan for this comment. This comment is due to the size of the Municipality of Tyndall, which precludes staffing at a level sufficient to provide an ideal environment for internal controls. We are aware of this problem and are attempting to provide compensating controls.

Compliance – Related Findings:

Finding Number 2012-02:
The Municipality of Tyndall purchased playground equipment without advertising for competitive bids as required by SDCL 5-18A-14. This is the first audit in which a similar deficiency has occurred.

Criteria:
SDCL 5-18A-14 states in part, "a contract for the purchase of supplies or services, other than professional services, that involves the expenditure of twenty-five thousand dollars or more, the purchasing agency shall advertise for bids or proposals."

Condition:
We examined several instances which required bidding and found that the above mentioned instance was improper. The Municipality entered into a contract with My Turn Playsystems for $74,265.00 without evidence of receiving competitive bids.

SCHEDULE OF CURRENT AUDIT FINDINGS
(Continued)

Effect:
The lack of bidding in this instance may have caused the entity to pay more for the equipment than it would have had competitive bids been obtained.

Recommendation:
2. We recommend that all expenditures for equipment over $25,000 be bid as required by law.

Management's Response:
The Municipality of Tyndall Mayor, Dave Vavruska, is the contact person responsible for the corrective action plan for this comment. We will monitor all anticipated expenditures which may exceed the bid limit. We will advertise for bids if it is probable that the expenditure may exceed the bid limit.

CLOSING CONFERENCE

The audit findings and recommendations were discussed with the officials during the course of the audit and with the mayor and the finance officer on June 4, 2013.

Schoenfish & Co., Inc.
CERTIFIED PUBLIC ACCOUNTANTS
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FAX No.: 605-928-1441
P.O. Box 247
105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

INDEPENDENT AUDITOR'S REPORT

Governing Board
Municipality of Tyndall
Tyndall, South Dakota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each major fund, of the Municipality of Tyndall, South Dakota, (Municipality) as of December 31, 2012 and for each of the years in the biennial period then ended, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

The Municipality's management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting standards generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate

discretely presented component units, and each major fund, of the Municipality of Tyndall as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for each of the years in the biennial period then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules, on pages 42 through 45, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Municipality has omitted the Management's Discussion and Analysis (MD&A) that the accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standard Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical contest. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2013 on our consideration of the Municipality's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Municipality's internal control over financial reporting and compliance.

Schoenfish & Co., Inc.

Schoenfish & Co., Inc.
Certified Public Accountants
May 24, 2013

MUNICIPALITY OF TYNDALL
STATEMENT OF NET POSITION
December 31, 2012

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS:				
Cash and Cash Equivalents	251,537.48	1,052,563.74	1,304,101.22	22,730.78
Investments		300,000.00	300,000.00	
Accounts Receivable, Net	50,470.85	140,892.72	191,363.57	44.25
Inventories		135,576.93	135,576.93	
Other Assets			0.00	87.40
Restricted Assets:				
Cash and Cash Equivalents			0.00	1,170,555.85
Capital Assets:				
Land and Construction Work in Progress	25,201.75	129,703.00	154,904.75	39,276.00
Other Capital Assets, Net of Depreciation	1,983,055.70	3,737,308.64	5,720,364.34	783,281.40
TOTAL ASSETS	2,310,265.78	5,496,045.03	7,806,310.81	2,015,975.68
LIABILITIES :				
Accounts Payable			0.00	8,596.12
Other Current Liabilities		14,375.00	14,375.00	6,400.95
Noncurrent Liabilities:				
Due Within One Year	7,112.81	55,556.72	62,669.53	36,832.03
Due in More than One Year	47,816.52	1,335,994.53	1,383,811.05	245,766.91
TOTAL LIABILITIES	54,929.33	1,405,926.25	1,460,855.58	297,596.01
NET POSITION:				
Net Investment in Capital Assets	1,953,328.12	2,475,460.39	4,428,788.51	539,958.46
Restricted for:				
Other Purposes			0.00	1,170,555.85
Unrestricted	302,008.33	1,614,658.39	1,916,666.72	7,865.36
TOTAL NET POSITION	2,255,336.45	4,090,118.78	6,345,455.23	1,718,379.67
TOTAL LIABILITIES AND NET POSITION	2,310,265.78	5,496,045.03	7,806,310.81	2,015,975.68

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF TYNDALL
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2012

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Primary Government:								
Governmental Activities:								
General Government	93,543.69	10,520.00	17,752.52		(65,271.17)		(65,271.17)	
Public Safety	165,017.96	16.25			(165,001.71)		(165,001.71)	
Public Works	261,836.23	5,741.25	43,951.25	7,436.00	(204,707.73)		(204,707.73)	
Health and Welfare	68,906.73	91,538.08			22,631.35		22,631.35	
Culture and Recreation	131,455.21	6,384.46			(125,070.75)		(125,070.75)	
Conservation and Development	*5,287.50*				*(5,287.50)*		*(5,287.50)*	
*Interest on Long-term Debt	3,818.50				(3,818.50)		(3,818.50)	
Total Governmental Activities	729,865.82	114,200.04	61,703.77	7,436.00	(546,526.01)		(546,526.01)	
Business-type Activities:								
Water	224,948.90	256,683.73				31,734.83	31,734.83	
Sewer	149,054.71	157,910.64				8,855.93	8,855.93	
Light Plant	1,100,439.43	1,029,399.07				(71,040.36)	(71,040.36)	
Total Business-type Activities	1,474,443.04	1,443,993.44	0.00	0.00		(30,449.60)	(30,449.60)	
Total Primary Government	2,204,308.86	1,558,193.48	61,703.77	7,436.00	(546,526.01)	(30,449.60)	(576,975.61)	
Component Units:								
Housing and Redevelopment Commission	187,316.20	169,866.25						(17,449.95)
General Revenues:								
Taxes:								
Property Taxes					270,159.43		270,159.43	
Sales Taxes					257,194.20		257,194.20	
State Shared Revenues					11,095.99		11,095.99	
Unrestricted Investment Earnings					283.87	2,936.28	3,220.15	30,162.18
Miscellaneous Revenue					8,066.20		8,066.20	
Total General Revenues					546,799.69	2,936.28	549,735.97	30,162.18
Change in Net Position					273.68	(27,513.32)	(27,239.64)	12,712.23
Net Position - Beginning					2,255,062.77	4,117,632.10	6,372,694.87	1,705,667.44
NET POSITION - ENDING					2,255,336.45	4,090,118.78	6,345,455.23	1,718,379.67

* The Municipality does not have interest expense related to the functions presented above. This amount includes indirect interest expense on general long-term debt.

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF TYNDALL
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2012

	General Fund
ASSETS:	
Cash and Cash Equivalents	251,537.48
Taxes Receivable--Delinquent	13,843.82
Accounts Receivable, Net	28,891.03
Special Assessments Receivable--Current	663.60
Special Assessments Receivable--Delinquent	1,100.00
Special Assessments Receivable--Deferred	5,972.40
TOTAL ASSETS	302,008.33
LIABILITIES AND FUND BALANCES:	
Liabilities:	
Deferred Revenue	50,470.85
Total Liabilities	50,470.85
Fund Balances:	
Committed for Day Care Center	2,827.51
Assigned for Next Year's Budget	124,757.00
Unassigned	123,952.97
Total Fund Balances	251,537.48
TOTAL LIABILITIES AND FUND BALANCES	302,008.33

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF TYNDALL
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2012

Total Fund Balances - Governmental Funds	251,537.48
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	2,008,257.45
Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the funds.	(54,929.33)
Assets such as taxes receivable (delinquent), special assessments receivable (current, delinquent, and deferred), and other receivables are not available to pay for current period expenditures and therefore are deferred in the funds.	50,470.85
Net Position - Governmental Activities	2,255,336.45

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF TYNDALL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2012

	General Fund
Revenues:	
Taxes:	
General Property Taxes	266,621.69
General Sales and Use Taxes	257,194.20
Amusement Taxes	120.00
Tax Deed Revenue	1,180.20
Penalties and Interest on Delinquent Taxes	1,041.38
Licenses and Permits	5,274.00
Intergovernmental Revenue:	
Federal Grants	11,752.52
State Grants	6,000.00
State Shared Revenue:	
Bank Franchise Tax	506.49
Motor Vehicle Commercial Prorate	2,935.81
Liquor Tax Reversion	8,245.92
Motor Vehicle Licenses	11,277.93
Local Government Highway and Bridge Fund	26,888.50
State Payments in Lieu of Taxes	2,343.58
County Shared Revenue:	
County Road Tax	2,849.01
Charges for Goods and Services:	
Highways and Streets	5,741.25
Culture and Recreation	6,384.46
Ambulance	86,880.68
Fines and Forfeits:	
Court Fines and Costs	16.25
Miscellaneous Revenue:	
Investment Earnings	283.87
Rentals	5,246.00
Special Assessments	900.00
Liquor Operating Agreement Income	8,066.20
Total Revenue	717,749.94

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF TYNDALL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2012

	General Fund
Expenditures:	
General Government:	
Legislative	26,937.73
Elections	27.53
Financial Administration	31,548.81
Other	28,218.62
Total General Government	86,732.69
Public Safety:	
Police	112,897.51
Fire	25,976.45
Total Public Safety	138,873.96
Public Works:	
Highways and Streets	224,462.23
Total Public Works	224,462.23
Health and Welfare:	
Health	449.88
Humane Society	150.00
Ambulance	54,504.85
Total Health and Welfare	55,104.73
Culture and Recreation:	
Recreation	35,263.47
Parks	48,392.98
Libraries	26,669.76
Total Culture and Recreation	110,326.21
Conservation and Development:	
Economic Opportunity	1,880.50
Total Conservation and Development	1,880.50
Debt Service	9,395.00
Capital Outlay	141,761.00
Total Expenditures	768,536.32
Net Change in Fund Balances	(50,786.38)
Fund Balance - Beginning	302,323.86
FUND BALANCE - ENDING	251,537.48

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF TYNDALL
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities
For the Year Ended December 31, 2012

Net Change in Fund Balances - Total Governmental Funds	(50,786.38)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	33,094.00
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	5,576.50
The fund financial statement governmental fund property tax accruals differ from the government-wide statement property tax accruals in that the fund financial statements require the amounts to be "available".	1,196.16
Governmental funds report special assessments as revenue when cash is received, but the statement of activities includes special assessments as revenue when the lien attaches to the benefited property.	6,536.00
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	4,657.40
Change in Net Position of Governmental Activities	273.68

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF TYNDALL
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2012

	Enterprise Funds			
	Water Fund	Sewer Fund	Light Fund	Totals
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	118,029.53	425,144.36	509,389.85	1,052,563.74
Investments			300,000.00	300,000.00
Accounts Receivable, Net	20,189.99	15,092.49	105,610.24	140,892.72
Inventory of Supplies	31,747.34	19,644.81	84,184.78	135,576.93
Total Current Assets	169,966.86	459,881.66	999,184.87	1,629,033.39
Noncurrent Assets:				
Capital Assets:				
Land	1,500.00	54,350.00	825.00	56,675.00
Buildings	6,000.00		129,000.00	135,000.00
Improvements Other Than Buildings	2,514,343.93	3,320,915.21	593,860.00	6,429,119.14
Machinery and Equipment	14,440.00	30,450.00	162,828.50	207,718.50
Construction Work in Progress			73,028.00	73,028.00
Less: Accumulated Depreciation	(845,901.60)	(1,490,534.10)	(698,093.30)	(3,034,529.00)
Total Noncurrent Assets	1,690,382.33	1,915,181.11	261,448.20	3,867,011.64
TOTAL ASSETS	1,860,349.19	2,375,062.77	1,260,633.07	5,496,045.03
LIABILITIES:				
Current Liabilities:				
Customer Deposits			14,375.00	14,375.00
Bonds Payable Current:				
Revenue	23,125.17	32,431.55		55,556.72
Total Current Liabilities	23,125.17	32,431.55	14,375.00	69,931.72
Noncurrent Liabilities:				
Bonds Payable:				
Revenue	686,109.46	649,885.07		1,335,994.53
Total Noncurrent Liabilities	686,109.46	649,885.07	0.00	1,335,994.53
NET POSITION:				
Net Investment in Capital Assets	981,147.70	1,232,864.49	261,448.20	2,475,460.39
Unrestricted	169,966.86	459,881.66	984,809.87	1,614,658.39
Total Net Position	1,151,114.56	1,692,746.15	1,246,258.07	4,090,118.78
TOTAL LIABILITIES AND NET POSITION	1,860,349.19	2,375,062.77	1,260,633.07	5,496,045.03

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF TYNDALL
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2012

	Enterprise Funds			
	Water Fund	Sewer Fund	Light Fund	Totals
Operating Revenue:				
Charges for Goods and Services		94,280.64	1,029,399.07	1,123,679.71
Revenue Dedicated to Servicing Debt	256,683.73	63,630.00		320,313.73
Total Operating Revenue	256,683.73	157,910.64	1,029,399.07	1,443,993.44
Operating Expenses:				
Personal Services			107,615.01	107,615.01
Other Current Expense	149,855.42	33,558.05	59,882.07	243,295.54
Materials (Cost of Goods Sold)			883,849.35	883,849.35
Depreciation	54,414.20	92,681.00	18,714.00	165,809.20
Total Operating Expenses	204,269.62	126,239.05	1,070,060.43	1,400,569.10
Operating Income (Loss)	52,414.11	31,671.59	(40,661.36)	43,424.34
Nonoperating Revenue (Expense):				
Investment Earnings	106.44	426.71	2,403.13	2,936.28
Interest Expense and Fiscal Charges	(20,679.28)	(22,815.66)		(43,494.94)
Gain (Loss) on Disposition of Assets			(30,379.00)	(30,379.00)
Total Nonoperating Revenue (Expense)	(20,572.84)	(22,388.95)	(27,975.87)	(70,937.66)
Change in Net Position	31,841.27	9,282.64	(68,637.23)	(27,513.32)
Net Position - Beginning	1,119,273.29	1,683,463.51	1,314,895.30	4,117,632.10
NET POSITION - ENDING	1,151,114.56	1,692,746.15	1,246,258.07	4,090,118.78

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF TYNDALL
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2012

	Enterprise Funds			
	Water Fund	Sewer Fund	Light Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Receipts from Customers	255,610.19	157,270.30	1,030,192.77	1,443,073.26
Cash Payments to Employees for Services			(107,615.01)	(107,615.01)
Cash Payments to Suppliers of Goods and Services	(131,607.38)	(34,979.69)	(936,144.52)	(1,102,731.59)
Net Cash Provided (Used) by Operating Activities	124,002.81	122,290.61	(13,566.76)	232,726.66
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of Capital Assets	(22,701.00)	(9,338.00)	(104,637.50)	(136,676.50)
Principal Paid on Capital Debt	(71,021.32)	(31,398.58)		(102,419.90)
Interest Paid on Capital Debt	(20,679.28)	(22,815.66)		(43,494.94)
Net Cash Provided (Used) by Capital and Related Financing Activities	(114,401.60)	(63,552.24)	(104,637.50)	(282,591.34)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Earnings	106.44	426.71	2,403.13	2,936.28
Net Cash Provided (Used) by Investing Activities	106.44	426.71	2,403.13	2,936.28
Net Increase (Decrease) in Cash and Cash Equivalents	9,707.65	59,165.08	(115,801.13)	(46,928.40)
Balances - Beginning	108,321.88	365,979.28	625,190.98	1,099,492.14
Balances - Ending	118,029.53	425,144.36	509,389.85	1,052,563.74
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating Income (Loss)	52,414.11	31,671.59	(40,661.36)	43,424.34
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	54,414.20	92,681.00	18,714.00	165,809.20
Change in Assets and Liabilities:				
Receivables	(1,073.54)	(640.34)	(266.30)	(1,980.18)
Inventories	18,248.04	(1,421.64)	7,586.90	24,413.30
Customer Deposits			1,060.00	1,060.00
Net Cash Provided (Used) by Operating Activities	124,002.81	122,290.61	(13,566.76)	232,726.66

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF TYNDALL
STATEMENT OF NET ASSETS
December 31, 2011

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS:				
Cash and Cash Equivalents	302,323.86	1,082,394.47	1,384,718.33	15,448.17
Investments		300,000.00	300,000.00	
Accounts Receivable, Net	38,081.29	138,912.54	176,993.83	37.60
Inventories		159,990.23	159,990.23	
Other Assets			0.00	78.36
Restricted Assets:				
Cash and Cash Equivalents		17,097.67	17,097.67	1,177,510.53
Capital Assets:				
Land and Construction in Progress	38,701.75	56,675.00	95,376.75	39,276.00
Other Capital Assets, Net of Depreciation	1,936,461.70	3,869,848.34	5,806,310.04	805,978.96
TOTAL ASSETS	2,315,568.60	5,624,918.25	7,940,486.85	2,038,329.62
LIABILITIES :				
Accounts Payable			0.00	8,831.56
Other Current Liabilities		13,315.00	13,315.00	6,943.53
Noncurrent Liabilities:				
Due Within One Year	6,822.84	76,419.93	83,242.77	34,288.15
Due in More than One Year	53,682.99	1,417,551.22	1,471,234.21	282,598.94
TOTAL LIABILITIES	60,505.83	1,507,286.15	1,567,791.98	332,662.18
NET ASSETS:				
Invested in Capital Assets, Net of Related Debt	1,914,657.62	2,432,552.19	4,347,209.81	528,367.87
Restricted for:				
Debt Service		17,097.67	17,097.67	
Other Purposes			0.00	1,177,510.53
Unrestricted (Deficit)	340,405.15	1,667,982.24	2,008,387.39	(210.96)
TOTAL NET ASSETS	2,255,062.77	4,117,632.10	6,372,694.87	1,705,667.44
TOTAL LIABILITIES AND NET ASSETS	2,315,568.60	5,624,918.25	7,940,486.85	2,038,329.62

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF TYNDALL
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Primary Government:								
Governmental Activities:								
General Government	91,672.77	9,666.75			(82,006.02)		(82,006.02)	
Public Safety	168,523.52	107.50			(168,416.02)		(168,416.02)	
Public Works	275,065.77	843.00	36,477.67	300.00	(237,445.10)		(237,445.10)	
Health and Welfare	62,419.57	84,474.54		26,029.50	48,084.47		48,084.47	
Culture and Recreation	142,840.10	19,518.75		30,000.00	(93,321.35)		(93,321.35)	
Conservation and Development	7,652.58		11,170.00		3,517.42		3,517.42	
*Interest on Long-term Debt	2,834.70				(2,834.70)		(2,834.70)	
Total Governmental Activities	751,009.01	114,610.54	47,647.67	56,329.50	(532,421.30)		(532,421.30)	
Business-type Activities:								
Water	194,721.20	232,729.89				38,008.69	38,008.69	
Sewer	135,347.81	158,771.96				23,424.15	23,424.15	
Light Plant	1,073,991.03	1,088,799.47				14,808.44	14,808.44	
Total Business-type Activities	1,404,060.04	1,480,301.32	0.00	0.00		76,241.28	76,241.28	
Total Primary Government	2,155,069.05	1,594,911.86	47,647.67	56,329.50	(532,421.30)	76,241.28	(456,180.02)	
Component Units:								
Housing and Redevelopment Commission	184,722.57	172,376.47						(12,346.10)
General Revenues:								
Taxes:								
Property Taxes					256,528.69		256,528.69	
Sales Taxes					271,463.95		271,463.95	
State Shared Revenues					10,120.15		10,120.15	
Unrestricted Investment Earnings					405.86	4,466.24	4,872.10	31,366.13
Miscellaneous Revenue					29,804.44		29,804.44	
Total General Revenues					568,323.09	4,466.24	572,789.33	31,366.13
Change in Net Assets					35,901.79	80,707.52	116,609.31	19,020.03
Net Assets - Beginning					2,219,160.98	4,036,924.58	6,256,085.56	1,686,647.41
NET ASSETS - ENDING					2,255,062.77	4,117,632.10	6,372,694.87	1,705,667.44

* The Municipality does not have interest expense related to the functions presented above. This amount includes indirect interest expense on general long-term debt.

The notes to the financial statements are an integral part of this statement

MUNICIPALITY OF TYNDALL
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2011

	General Fund
ASSETS:	
Cash and Cash Equivalents	302,323.86
Taxes Receivable--Delinquent	12,647.66
Accounts Receivable, Net	24,233.63
Special Assessments Receivable--Current	500.00
Special Assessments Receivable--Delinquent	700.00
TOTAL ASSETS	340,405.15
LIABILITIES AND FUND BALANCES:	
Liabilities:	
Deferred Revenue	38,081.29
Total Liabilities	38,081.29
Fund Balances:	
Committed for Day Care	1,885.11
Unassigned	300,438.75
Total Fund Balances	302,323.86
TOTAL LIABILITIES AND FUND BALANCES	340,405.15

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF TYNDALL
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets
December 31, 2011

Total Fund Balances - Governmental Funds	302,323.86
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,975,163.45
Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the funds.	(60,505.83)
Assets such as taxes receivable (delinquent), special assessments (current and delinquent), and other receivables are not available to pay for current period expenditures and therefore are deferred in the funds.	38,081.29
Net Assets - Governmental Activities	2,255,062.77

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF TYNDALL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2011

	General Fund
Revenues:	
Taxes:	
General Property Taxes	252,622.55
General Sales and Use Taxes	271,463.95
Amusement Taxes	204.00
Tax Deed Revenue	1,748.46
Penalties and Interest on Delinquent Taxes	960.39
Licenses and Permits	5,020.75
Intergovernmental Revenue:	
Federal Grants	41,170.00
State Grants	26,029.50
State Shared Revenue:	
Bank Franchise Tax	208.99
Motor Vehicle Commercial Prorate	3,145.28
Liquor Tax Reversion	7,749.07
Motor Vehicle Licenses	9,330.02
Local Government Highway and Bridge Fund	21,153.36
County Shared Revenue:	
County Road Tax	2,849.01
Other Intergovernmental Revenues	2,162.09
Charges for Goods and Services:	
Highways and Streets	843.00
Culture and Recreation	19,518.75
Ambulance	79,374.07
Fines and Forfeits:	
Court Fines and Costs	107.50
Miscellaneous Revenue:	
Investment Earnings	405.86
Rentals	4,646.00
Other	29,804.44
Total Revenue	780,517.04
Expenditures:	
General Government:	
Legislative	29,740.85
Elections	19.34
Financial Administration	30,198.32
Other	25,671.26
Total General Government	85,629.77

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF TYNDALL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2011

	General Fund
Expenditures (Continued):	
Public Safety:	
Police	111,861.22
Fire	26,840.30
Total Public Safety	138,701.52
Public Works:	
Highways and Streets	232,299.77
Total Public Works	232,299.77
Health and Welfare:	
Health	2,544.29
Humane Society	63.97
Ambulance	47,667.31
Total Health and Welfare	50,275.57
Culture and Recreation:	
Recreation	36,093.01
Parks	57,529.36
Libraries	29,746.73
Total Culture and Recreation	123,369.10
Conservation and Development:	
Economic Opportunity	4,245.58
Total Conservation and Development	4,245.58
Debt Service	9,395.00
Capital Outlay	152,486.00
Total Expenditures	796,402.31
Net Change in Fund Balances	(15,885.27)
Fund Balance - Beginning	318,209.13
FUND BALANCE - ENDING	302,323.86

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF TYNDALL
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities
For the Year Ended December 31, 2011

Net Change in Fund Balances - Total Governmental Funds	(15,885.27)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	38,833.00
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	6,560.30
The fund financial statement governmental fund property tax accruals differ from the government-wide statement property tax accruals in that the fund financial statements require the amounts to be "available".	993.29
Governmental funds report special assessments as revenue when cash is received, but the statement of activities includes special assessments as revenue when the lien attaches to the benefited property.	300.00
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	5,100.47
Change in Net Assets of Governmental Activities	35,901.79

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF TYNDALL
BALANCE SHEET
PROPRIETARY FUNDS
December 31, 2011

	Enterprise Funds			
	Water Fund	Sewer Fund	Light Fund	Totals
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	91,224.21	365,979.28	625,190.98	1,082,394.47
Investments			300,000.00	300,000.00
Accounts Receivable, Net	19,116.45	14,452.15	105,343.94	138,912.54
Inventory of Supplies	49,995.38	18,223.17	91,771.68	159,990.23
Total Current Assets	160,336.04	398,654.60	1,122,306.60	1,681,297.24
Noncurrent Assets:				
Restricted Cash and Cash Equivalents	17,097.67			17,097.67
Capital Assets:				
Land	1,500.00	54,350.00	825.00	56,675.00
Buildings	6,000.00		129,000.00	135,000.00
Improvements Other Than Buildings	2,491,642.93	3,311,577.21	763,141.00	6,566,361.14
Machinery and Equipment	14,440.00	30,450.00	144,369.00	189,259.00
Less: Accumulated Depreciation	(791,487.40)	(1,397,853.10)	(831,431.30)	(3,020,771.80)
Total Noncurrent Assets	1,739,193.20	1,998,524.11	205,903.70	3,943,621.01
TOTAL ASSETS	1,899,529.24	2,397,178.71	1,328,210.30	5,624,918.25
LIABILITIES:				
Current Liabilities:				
Customer Deposits			13,315.00	13,315.00
Bonds Payable Current:				
Revenue	45,021.35	31,398.58		76,419.93
Total Current Liabilities	45,021.35	31,398.58	13,315.00	89,734.93
Noncurrent Liabilities:				
Bonds Payable:				
Revenue	735,234.60	682,316.62		1,417,551.22
Total Noncurrent Liabilities	735,234.60	682,316.62	0.00	1,417,551.22
NET ASSETS:				
Invested in Capital Assets, Net of Related Debt	941,839.58	1,284,808.91	205,903.70	2,432,552.19
Restricted Net Assets, Restricted for:				
Revenue Bond Debt Service	17,097.67			17,097.67
Unrestricted Net Assets	160,336.04	398,654.60	1,108,991.60	1,667,982.24
Total Net Assets	1,119,273.29	1,683,463.51	1,314,895.30	4,117,632.10
TOTAL LIABILITIES AND NET ASSETS	1,899,529.24	2,397,178.71	1,328,210.30	5,624,918.25

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF TYNDALL
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended December 31, 2011

	Enterprise Funds			
	Water Fund	Sewer Fund	Light Fund	Totals
Operating Revenue:				
Charges for Goods and Services	232,729.89	94,571.96	1,088,799.47	1,416,101.32
Revenue Dedicated to Servicing Debt		64,200.00		64,200.00
Total Operating Revenue	232,729.89	158,771.96	1,088,799.47	1,480,301.32
Operating Expenses:				
Personal Services		847.00	108,507.31	109,354.31
Other Current Expense	117,797.78	19,387.10	61,134.60	198,319.48
Materials (Cost of Goods Sold)			877,386.12	877,386.12
Depreciation	54,226.20	91,298.00	26,963.00	172,487.20
Total Operating Expenses	172,023.98	111,532.10	1,073,991.03	1,357,547.11
Operating Income (Loss)	60,705.91	47,239.86	14,808.44	122,754.21
Nonoperating Revenue (Expense):				
Investment Earnings	118.21	378.45	3,969.58	4,466.24
Interest Expense and Fiscal Charges	(22,697.22)	(23,815.71)		(46,512.93)
Total Nonoperating Revenue (Expense)	(22,579.01)	(23,437.26)	3,969.58	(42,046.69)
Change in Net Assets	38,126.90	23,802.60	18,778.02	80,707.52
Net Assets - Beginning	1,081,146.39	1,659,660.91	1,296,117.28	4,036,924.58
NET ASSETS - ENDING	1,119,273.29	1,683,463.51	1,314,895.30	4,117,632.10

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF TYNDALL
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2011

	Enterprise Funds			
	Water Fund	Sewer Fund	Light Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Receipts from Customers	233,028.26	158,728.71	1,104,834.06	1,496,591.03
Cash Payments to Employees for Services		(847.00)	(108,507.31)	(109,354.31)
Cash Payments to Suppliers of Goods and Services	(133,296.68)	(19,590.28)	(948,179.38)	(1,101,066.34)
Net Cash Provided (Used) by Operating Activities	99,731.58	138,291.43	48,147.37	286,170.38
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of Capital Assets		(7,235.00)		(7,235.00)
Principal Paid on Capital Debt	(84,135.77)	(30,398.53)		(114,534.30)
Interest Paid on Capital Debt	(22,697.22)	(23,815.71)		(46,512.93)
Net Cash Provided (Used) by Capital and Related Financing Activities	(106,832.99)	(61,449.24)	0.00	(168,282.23)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Cash Received for Interest	118.21	378.45	3,969.58	4,466.24
Net Cash Provided (Used) by Investing Activities	*118.21*	*378.45*	*3,969.58*	*4,466.24*
Net Increase (Decrease) in Cash and Cash Equivalents	(6,983.20)	77,220.64	52,116.95	122,354.39
Balances - Beginning	115,305.08	288,758.64	573,074.03	977,137.75
Balances - Ending	108,321.88	365,979.28	625,190.98	1,099,492.14
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating Income (Loss)	60,705.91	47,239.86	14,808.44	122,754.21
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	54,226.20	91,298.00	26,963.00	172,487.20
Change in Assets and Liabilities:				
Receivables	298.37	(43.25)	15,644.59	15,899.71
Inventories	(15,498.90)	(203.18)	(9,658.66)	(25,360.74)
Customer Deposits			390.00	390.00
Net Cash Provided (Used) by Operating Activities	99,731.58	138,291.43	48,147.37	286,170.38

The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Financial Reporting Entity:

The reporting entity of the Municipality of Tyndall (Municipality) consists of the primary government (which includes all of the funds, organizations, institutions, agencies, departments, and offices that make up the legal entity, plus those funds for which the primary government has a fiduciary responsibility, even though those fiduciary funds may represent organizations that do not meet the criteria for inclusion in the financial reporting entity); those organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The Municipality is financially accountable if its Governing Board appoints a voting majority of another organization's governing body and it has the ability to impose its will on that organization, or there is a potential for that organization to provide specific financial benefits to, or impose specific financial burdens on, the Municipality (primary government). The Municipality may also be financially accountable for another organization if that organization is fiscally dependent on the Municipality.

The Housing and Redevelopment Commission of the Municipality of Tyndall, South Dakota (Commission) is a proprietary fund-type, discretely-presented component unit. The five members of the Commission are appointed by the Mayor, with the approval of the Governing Board, for five-year, staggered terms. The Commission elects its own chairperson and recruits and employs its own management personnel and other workers. The Governing Board, though, retains the statutory authority to approve or deny or otherwise modify the Commission's plans to construct low-income housing units, or to issue debt, which gives the Governing Board the ability to impose its will on the Commission. Separately issued financial statements of the Housing and Redevelopment Commission may be obtained from: Tyndall Housing and Redevelopment Commission, P.O. Box 476, Tyndall, SD 57066.

b. Basis of Presentation:

Government-wide Financial Statements:

The Statement of Net Assets/Net Position and Statement of Activities display information about the reporting entity as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities and discretely presented component units. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Discretely presented component units are legally separate organizations that meet criteria, as described in Note 1.a., above, and may be classified as either governmental or business-type activities. See the discussion of individual component units in Note 1.a., above.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the Municipality and for each function of the Municipality's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by recipients of goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Municipality or it meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined, or
3. Management has elected to classify one or more governmental or enterprise funds as major for consistency in reporting from year to year, or because of public interest in the fund's operations.

The funds of the Municipality financial reporting entity are described below:

Governmental Funds:

General Fund – the General Fund is the general operating fund of the Municipality. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is always a major fund.

Proprietary Funds:

Enterprise Funds – enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues, earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Water Fund – financed primarily by user charges, this fund accounts for the construction and operation of the municipal waterworks system and related facilities. (SDCL 9-47-1) This is a major fund.

Sewer Fund – financed primarily by user charges, this fund accounts for the construction and operation of the municipal sanitary sewer system and related facilities. (SDCL 9-48-2) This is a major fund.

Light Fund – financed primarily by user charges, this fund accounts for the construction and operation of the municipal electrical system and related facilities. (SDCL 9-39-1 and 9-39-26) This is a major fund.

c. Measurement Focus and Basis of Accounting:

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Measurement Focus:

Government-wide Financial Statements:

In the government-wide Statement of Net Assets/Net Position and Statement of Activities, governmental, business-type, and component unit activities are presented using the economic resources measurement focus, applied on the accrual basis of accounting.

Fund Financial Statements:

In the fund financial statements, the "current financial resources" measurement focus and the modified accrual basis of accounting are applied to governmental fund types, while the "economic resources" measurement focus and the accrual basis of accounting are applied to the proprietary and fiduciary fund types.

Basis of Accounting:

Government-wide Financial Statements:

In the government-wide Statement of Net Assets/Net Position and Statement of Activities, governmental, business-type, and component unit activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues and related assets are recorded when earned (usually when the right to receive cash vests); and, expenses and related liabilities are recorded when an obligation is incurred (usually when the obligation to pay cash in the future vests).

Fund Financial Statements:

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues, including property taxes, generally are recognized when they become measurable and available. "Available" means resources are collected or to be collected soon enough after the end of the fiscal year that they can be used to pay the bills of the current period. The accrual period does not exceed one bill-paying cycle, and for the Municipality of Tyndall, the length of that cycle is 30 days. The revenues which are accrued at December 31, 2012 are ambulance billings.

Under the modified accrual basis of accounting, receivables may be measurable but not available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Reported deferred revenues are those where asset recognition criteria have been met but for which revenue recognition criteria have not been met.

Expenditures are generally recognized when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which are recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

d. Deposits and Investments:

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short-term investments with a term to maturity at date of acquisition of three months or less. Investments in open-end mutual fund shares, or similar investments in external investment pools, are also considered to be cash equivalents.

Investments classified in the financial statements consist entirely of certificates of deposit whose term to maturity at date of acquisition exceeds three months, and/or those types of investment authorized by South Dakota Codified Laws (SDCL) 4-5-6.

e. Capital Assets:

Capital assets include land, buildings, machinery and equipment, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for significantly greater number of years than most capital assets.

The accounting treatment over capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

Capital assets are recorded at historical cost. Donated capital assets are valued at their estimated fair value on the date donated. Reported cost values include ancillary charges necessary to place the asset into its intended location and condition for use. Subsequent to initial capitalization, improvements or betterments that are significant and which extend the useful life of a capital asset are also capitalized.

Infrastructure assets used in general government operations consisting of certain improvements other than buildings, including roads, bridges, sidewalks, drainage systems, and lighting systems, acquired prior to January 1, 2004, were not required to be capitalized by the Municipality. Infrastructure assets acquired since January 1, 2004 are recorded at cost, and classified as "Improvements Other than Buildings."

For governmental activities Capital Assets, construction-period interest is not capitalized, in accordance with USGAAP, while for capital assets used in business-type activities/proprietary fund's operations, construction period interest is capitalized in accordance with USGAAP.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the government-wide Statement of Activities, except for that portion related to common use assets for which allocation would be unduly complex, and which is reported as Unallocated Depreciation, with net capital assets reflected in the Statement of Net Assets/Net Position. Accumulated depreciation is reported on the government-wide Statement of Net Assets/Net Position and on each proprietary fund's Statement of Net Assets/Net Position/Balance Sheet.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are as follows:

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land and land rights	$ -	- - N/A - -	- - N/A - -
Improvements other than buildings	$ 5,000.00	Straight-line	15-50 yrs.
Buildings	$ 5,000.00	Straight-line	33-50 yrs.
Machinery & Equipment	$ 5,000.00	Straight-line	5-10 yrs.
Infrastructure	$ 5,000.00	Straight-line	30-50 yrs.
Utility property and improvements	$ 5,000.00	Straight-line	15-50 yrs.

Land is an inexhaustible capital asset and is not depreciated.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as Capital Outlay expenditures of the appropriate governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for on the accrual basis, the same as in the government-wide statements.

f. Long-Term Liabilities:

The accounting treatment of long-term liabilities depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term liabilities to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term liabilities primarily consist of an RECD loan and SRF loans.

In the fund financial statements, debt proceeds are reported as revenues (other financing sources), while payments of principal and interest are reported as expenditures when they become due. The accounting for proprietary fund long-term debt is on the accrual basis, the same in the fund statements as in the government-wide statements.

g. Program Revenues:

Program revenues derive directly from the program itself or from parties other than the Municipality's taxpayers or citizenry, as a whole. Program revenues are classified into three categories, as follows:

1. Charges for services – These arise from charges to customers, applicants, or others who purchase, use, or directly benefit from the goods, services, or privileges provided, or are otherwise directly affected by the services.

2. Program-specific operating grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program.

3. Program-specific capital grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for the acquisition of capital assets for use in a particular program.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

h. Proprietary Funds Revenue and Expense Classifications:

In the proprietary fund's Statement of Revenues, Expenses and Changes in Fund Net Assets/Net Position, revenues and expenses are classified in a manner consistent with how they are classified in the Statement of Cash Flows. That is, transactions for which related cash flows are reported as capital and related financing activities, noncapital financing activities, or investing activities are not reported as components of operating revenues and expenses.

i. Cash and Cash Equivalents:

For the purposes of the proprietary fund's Statement of Cash Flows, the Municipality considers all highly liquid investments as deposits (including restricted assets) with a term to maturity of three months or less, at date of acquisition, to be cash equivalents.

j. Equity Classifications:

Government-wide Statements:

Equity is classified as net assets and is displayed in three components.

1. Net Investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation (if applicable) and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

2. Restricted net assets/net position – Consists of net assets/net position with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.

3. Unrestricted net assets/net position – All other net assets/net position that do not meet the definition of "restricted" or "net investment in capital assets."

Fund Financial Statements:

Governmental fund equity is classified as fund balance, and may distinguish between "Nonspendable", "Restricted", "Committed", "Assigned" and "Unassigned" components. Proprietary fund equity is classified the same as in the government-wide financial statements.

k. Application of Net Assets/Net Position:

It is the Municipality's policy to first use restricted net assets/net position, prior to the use of unrestricted net assets/net position, when an expense is incurred for purposes for which both restricted and unrestricted net assets/net position are available.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

I. Fund Balance Classification Policies and Procedures:

In accordance with Government Accounting Standards Board (GASB) No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Municipality classifies governmental fund balances as follows:

- Nonspendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Finance Officer.
- Unassigned – includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The Municipality uses restricted/committed amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the Municipality would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The Municipality does not have a formal minimum fund balance policy.

2. DEPOSITS AND INVESTMENTS CREDIT RISK, CONCENTRATIONS OF CREDIT RISK AND INTEREST RATE RISK

The Municipality follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by statutes. These restrictions are summarized below:

Deposits – The Municipality's cash deposits are made in qualified public depositories as defined by SDCL 4-6A-1, 9-22-6, 9-22-6.1 and 9-22-6.2, and may be in the form of demand or time deposits. Qualified depositories are required by SDCL 4-6A-3 to maintain at all times, segregated from their other assets, eligible collateral having a value equal to at least 100 percent of the public deposit accounts which exceed deposit insurance such as the FDIC and NCUA. In lieu of pledging eligible securities, a qualified public depository may furnish irrevocable standby letters of credit issued by Federal Home Loan Banks accompanied by written evidence of that bank's public debt rating which may not be less than "AA" or a qualified public depository may furnish a corporate surety bond of a corporation authorized to do business in South Dakota.

Investments – In general, SDCL 4-5-6 permits municipal funds to be invested only in (a) securities of the United States and securities guaranteed by the United States Government either directly or indirectly; or (b) repurchase agreements fully collateralized by securities described in (a) above; or in shares of an open-end, no-load fund administered by an investment company whose investments are in securities described in (a) above and repurchase agreements described in (b) above. Also, SDCL 4-5-9 requires investments to be in the physical custody of the political subdivision or may be deposited in a safekeeping account with any bank or trust company designated by the political subdivision as its fiscal agent.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Credit Risk – State law limits eligible investments for the Municipality, as discussed above. The Municipality has no investment policy that would further limit its investment choices.

Concentration of Credit Risk – The Municipality places no limit on the amount that may be invested in any one issuer.

Interest Rate Risk – The Municipality does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Assignment of Investment Income – State law allows income from deposits and investments to be credited to either the General Fund or the fund making the investment. The Municipality's policy is to credit all income from investments to the fund making the investment.

3. RECEIVABLES AND PAYABLES

Receivables and payables are not aggregated in these financial statements. The Municipality expects all receivables to be collected within one year.

4. INVENTORY

Inventory in the enterprise funds consists of expendable supplies held for consumption. Supplies are recorded at cost.

Government-wide Financial Statements:

In the government-wide financial statements, inventory is recorded as an asset at the time of purchase and charged to expense as it is consumed.

Fund Financial Statements:

In the fund financial statements, inventory is recorded as an asset at the time of purchase and charged to expense as it is consumed. Material supply inventories are offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

5. PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied on or before October 1 and payable in two installments on or before April 30 and October 31 of the following year.

The Municipality is permitted by several state statues to levy varying amounts of taxes per $1,000 of taxable valuation on taxable property in the Municipality.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

6. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the two years ended December 31, 2012, is as follows:

	Balance 01/01/2011	Increases	Decreases	Balance 12/31/2012
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	25,201.75			25,201.75
Construction Work in Progress	0.00	115,075.00	(115,075.00)	0.00
Total, not being depreciated	25,201.75	115,075.00	(115,075.00)	25,201.75
Capital Assets, being Depreciated:				
Buildings	1,036,562.65	174,103.00	(7,100.00)	1,203,565.65
Improvements Other Than Buildings	1,041,278.05			1,041,278.05
Machinery and Equipment	594,861.00	120,144.00		715,005.00
Total, being Depreciated	2,672,701.70	294,247.00	(7,100.00)	2,959,848.70
Less Accumulated Depreciation for:				
Buildings	(323,650.00)	(68,420.00)	7,100.00	(384,970.00)
Improvements Other Than Buildings	(111,924.00)	(54,948.00)		(166,872.00)
Machinery and Equipment	(325,999.00)	(98,952.00)		(424,951.00)
Total Accumulated Depreciation	(761,573.00)	(222,320.00)	7,100.00	(976,793.00)
Total Capital Assets, being depreciated, net	1,911,128.70	71,927.00	0.00	1,983,055.70
Governmental Activity Capital Assets, Net	1,936,330.45	187,002.00	(115,075.00)	2,008,257.45

Depreciation expense was charged to functions as follows:

Governmental Activities:	2011	2012
General Government	6,043.00	6,811.00
Public Safety	29,822.00	26,144.00
Public Works	42,766.00	37,374.00
Culture and Recreation	19,471.00	21,129.00
Health and Welfare	12,144.00	13,802.00
Conservation and Development	3,407.00	3,407.00
Total Depreciation Expense - Governmental Activities	113,653.00	108,667.00

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

	Balance 01/01/2011	Increases	Decreases	Balance 12/31/2012
Business-Type Activities:				
Capital Assets, not being Depreciated:				
Land	56,675.00			56,675.00
Construction Work in Progress	0.00	73,028.00		73,028.00
Total, not being depreciated	56,675.00	73,028.00	0.00	129,703.00
Capital Assets, being Depreciated:				
Buildings	135,000.00			135,000.00
Improvements Other Than Buildings	6,559,126.14	52,424.00	(182,431.00)	6,429,119.14
Machinery and Equipment	189,259.00	18,459.50		207,718.50
Total, being Depreciated	6,883,385.14	70,883.50	(182,431.00)	6,771,837.64
Less Accumulated Depreciation for:				
Buildings	(135,000.00)			(135,000.00)
Improvements Other Than Buildings	(2,584,865.80)	(311,855.40)	152,052.00	(2,744,669.20)
Machinery and Equipment	(128,418.80)	(26,441.00)		(154,859.80)
Total Accumulated Depreciation	(2,848,284.60)	(338,296.40)	152,052.00	(3,034,529.00)
Total Capital Assets, being depreciated, net	4,035,100.54	(267,412.90)	(30,379.00)	3,737,308.64
Business-Type Activity Capital Assets, Net	4,091,775.54	(194,384.90)	(30,379.00)	3,867,011.64

Depreciation expense was charged to functions as follows:

Business-Type Activities:	2011	2012
Water	54,226.20	54,414.20
Sanitary Sewer	91,298.00	92,681.00
Electricity	26,963.00	18,714.00
Total Depreciation Expense - Business-Type Activities	172,487.20	165,809.20

Construction Work in Progress at December 31, 2012 is composed of the following:

Project Name	Project Authorization	Expended through 12/31/2012	Committed	Required Future Financing
Load Management System Upgrade	$ 250,000.00	$ 73,028.00	$ 176,972.00	$0.00

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

7. CHANGES IN COMPONENT UNIT CAPITAL ASSETS

A summary of changes in component unit capital assets for the two years ended December 31, 2012 is as follows:

	Balance 1/1/2011	Additions	Deletions	Balance 12/31/2012
Land	39,276.00			39,276.00
Buildings	1,340,544.77	18,058.93		1,358,603.70
Improvements Other than Buildings	148,949.68	323,068.30		472,017.98
Furnishings and Equipment	116,928.24	6,106.92		123,035.16
TOTAL	1,645,698.69	347,234.15	0.00	1,992,932.84

8. LONG-TERM DEBT

A summary of changes in long-term debt follows:

	Beginning Balance 01/01/11	Additions	Deletions	Ending Balance 12/31/2012	Due Within One Year
Primary Government:					
Governmental Activities:					
Debt Payable:					
Notes Payable	67,066.13		12,136.80	54,929.33	7,112.81
Total Governmental Activities	67,066.13	0.00	12,136.80	54,929.33	7,112.81
Business-Type Activities:					
Debt Payable:					
Revenue - SRF Drinking Water	24,814.16		24,814.16	0.00	0.00
Revenue - SRF Drinking Water	753,791.35		44,556.72	709,234.63	23,125.17
Revenue - SRF Clean Water	744,113.73		61,797.11	682,316.62	32,431.55
Revenue Notes Payable	85,786.21		85,786.21	0.00	0.00
Total Business-Type Activities	1,608,505.45	0.00	216,954.20	1,391,551.25	55,556.72
TOTAL PRIMARY GOVERNMENT	1,675,571.58	0.00	229,091.00	1,446,480.58	62,669.53
Component Unit:					
Mortgage Payable:					
Revenue	348,815.67		66,216.73	282,598.94	36,832.03
TOTAL COMPONENT UNIT	348,815.67	0.00	66,216.73	282,598.94	36,832.03

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Debt payable at December 31, 2012 is comprised of the following:

Revenue Debt:

Water System Revenue Bonds, Final Maturity Date October 1, 2035, 2.5% Interest Rate, Paid by Water Fund	$ 709,234.63
Sanitary Sewer Revenue Bonds, Final Maturity Date February 15, 2029, 3.25% Interest Rate, Paid by the Sewer Fund	$ 682,316.62
Rural Development Note for Daycare, Final Maturity Date October 1, 2019, 4.250% Interest Rate, Paid by the General Fund	$ 54,929.23

The annual requirements to amortize all debt outstanding as of December 31, 2012 are as follows:

Annual Requirements to Maturity for Long-Term Debt
December 31, 2012

Year Ending December 31	Water System Revenue Bonds - SRF Drinking Water #2		Water System Revenue Bonds - SRF Clean Water #1	
	Principal	Interest	Principal	Interest
2013	23,125.17	17,515.19	32,431.55	21,782.69
2014	23,708.74	16,931.62	33,498.48	20,715.76
2015	24,307.03	16,333.33	34,600.53	19,613.71
2016	24,920.44	15,719.92	35,738.82	18,475.42
2017	25,549.31	15,091.05	36,914.57	17,299.67
2018-2022	137,749.36	65,452.44	203,608.23	67,462.97
2023-2027	156,029.78	47,172.02	239,377.33	31,693.87
2028-2032	176,736.13	26,465.47	66,147.11	1,620.69
2033-2037	117,108.67	4,812.41		
Totals	709,234.63	225,493.45	682,316.62	198,664.78

Year Ending December 31	Rural Development Note for Daycare		Totals	
	Principal	Interest	Principal	Interest
2013	7,112.81	2,282.19	62,669.53	41,580.07
2014	7,415.10	1,979.90	64,622.32	39,627.28
2015	7,730.25	1,664.75	66,637.81	37,611.79
2016	8,058.78	1,336.22	68,718.04	35,531.56
2017	8,401.28	993.72	70,865.16	33,384.44
2018-2022	16,211.11	901.11	357,568.70	133,816.52
2023-2027			395,407.11	78,865.89
2028-2032			242,883.24	28,086.16
2033-2037			117,108.67	4,812.41
Totals	54,929.33	9,157.89	1,446,480.58	433,316.12

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

9. CONDUIT DEBT

In the past, the Municipality has issued revenue bonds to provide financial assistance to certain private-sector entities for the acquisition and/or construction of facilities deemed to be in the public interest. These bonds are secured by the property being financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities is retained by the private-sector entity served by the bond issuance. Neither the Municipality, the State of South Dakota, nor any other political subdivision of the state is obligated in any manner for the repayment of these conduit debt issues. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2012, there was one series of conduit bonds outstanding, with an aggregate unpaid principal amount of $792,382.54.

10. OPERATING COMMITMENT

In 2005, the Municipality of Tyndall entered into an operating commitment with B-Y Water to provide water to the Municipality. A charge of $3.00 per 1,000 gallons of water consumed is paid by the Municipality to B-Y Water. The Municipality will not acquire ownership of any of these water facilities through these payments. Payments are made from the Municipality's Water Fund.

11. RESTRICTED NET ASSETS/NET POSITION

Restricted net assets/net position for the two years ended December 31, 2012 were as follows:

Major Funds:	12/31/2011	12/31/2012
Water Fund:		
Debt Service	17,097.67	0.00
Total Restricted Net Assets/Net Position	17,097.67	0.00

These balances are restricted due to federal grant and statutory requirements.

12. RETIREMENT PLAN

All employees, except for part-time employees, participate in the South Dakota Retirement System (SDRS), a cost-sharing, multiple employer public employee retirement system established to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provide retirement, disability and survivor benefits. The right to receive retirement benefits vests after three years of credited service. Authority for establishing, administering and amending plan provision are found in South Dakota Codified Law 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501–1098 or by calling (605) 773-3731.

General employees are required by state statute to contribute 6 percent of their salary to the plan, while public safety and judicial employees contribute at 8 percent and 9 percent, respectively. State statute also requires the employer to contribute an amount equal to the employee's contribution. State statue also requires the employer to make an additional contribution in the amount of 6.2 percent for any compensation exceeding the maximum taxable amount for social security for general employees only. The Municipality's share of contributions to the SDRS for the fiscal years ended December 31, 2012, 2011, and 2010 were $15,520.41, $15,252.62, and $15,074.91, respectively, equal to the required contributions each year.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

13. SIGNIFICANT CONTINGENCIES – LITIGATION

At December 31, 2012, the Municipality was not involved in any significant litigation.

14. RISK MANAGEMENT

The Municipality is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ended December 31, 2012, the Municipality managed its risks as follows:

Employee Health Insurance:
The Municipality purchases health insurance for its employees from a commercial insurance carrier. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

Liability Insurance:
The Municipality purchases liability insurance for risks related to torts; theft or damage to property; and errors and omissions of public officials from a commercial insurance carrier. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

Worker's Compensation:
The Municipality purchases liability insurance for worker's compensation from a commercial carrier. Settled claims resulting from these risks have not exceeded the liability coverage over the past three years.

Unemployment Benefits:
The Municipality provides coverage for unemployment benefits by paying into the Unemployment Compensation Fund established by state law and managed by the State of South Dakota.

REQUIRED SUPPLEMENTARY INFORMATION
MUNICIPALITY OF TYNDALL
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Taxes:				
General Property Taxes	270,138.00	270,138.00	266,621.69	(3,516.31)
General Sales and Use Taxes	250,000.00	250,000.00	257,194.20	7,194.20
Amusement Taxes	200.00	200.00	120.00	(80.00)
Tax Deed Revenue	400.00	400.00	1,180.20	780.20
Penalties & Interest on Delinquent Taxes	0.00	0.00	1,041.38	1,041.38
Licenses and Permits	4,400.00	4,400.00	5,274.00	874.00
Intergovernmental Revenue:				
Federal Grants	0.00	0.00	11,752.52	11,752.52
State Grants	20,000.00	20,000.00	6,000.00	(14,000.00)
State Shared Revenue:				
Bank Franchise Tax	500.00	500.00	506.49	6.49
Motor Vehicle Commercial Prorate	3,500.00	3,500.00	2,935.81	(564.19)
Liquor Tax Reversion	7,500.00	7,500.00	8,245.92	745.92
Motor Vehicle Licenses	8,500.00	8,500.00	11,277.93	2,777.93
Local Government Highway and Bridge Fund	21,000.00	21,000.00	26,888.50	5,888.50
State Payments in Lieu of Taxes	0.00	0.00	2,343.58	2,343.58
County Shared Revenue:				
County Road Tax	2,850.00	2,850.00	2,849.01	(0.99)
Charges for Goods and Services:				
Highways and Streets	200.00	200.00	5,741.25	5,541.25
Culture and Recreation	7,500.00	7,500.00	6,384.46	(1,115.54)
Ambulance	80,000.00	80,000.00	86,880.68	6,880.68
Fines and Forfeits:				
Court Fines and Costs	100.00	100.00	16.25	(83.75)
Miscellaneous Revenue:				
Investment Earnings	500.00	500.00	283.87	(216.13)
Rentals	4,001.00	4,001.00	5,246.00	1,245.00
Special Assessments	0.00	0.00	900.00	900.00
Other	15,000.00	15,000.00	8,066.20	(6,933.80)
Total Revenue	696,289.00	696,289.00	717,749.94	21,460.94

REQUIRED SUPPLEMENTARY INFORMATION
MUNICIPALITY OF TYNDALL
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Positive (Negative)
Expenditures:				
General Government:				
Legislative	26,100.00	26,950.00	26,937.73	12.27
Contingency	25,000.00	25,000.00		
Amount Transferred		(20,750.00)		4,250.00
Elections	700.00	700.00	27.53	672.47
Financial Administration	34,350.00	34,350.00	31,548.81	2,801.19
Other	98,475.00	113,575.00	113,574.62	0.38
Total General Government	184,625.00	179,825.00	172,088.69	7,736.31
Public Safety:				
Police	116,800.00	151,800.00	112,897.51	38,902.49
Fire	33,000.00	33,000.00	25,976.45	7,023.55
Total Public Safety	149,800.00	184,800.00	138,873.96	45,926.04
Public Works:				
Highways and Streets	239,700.00	274,700.00	272,667.23	2,032.77
Health and Welfare:				
Health	2,500.00	2,500.00	449.88	2,050.12
Humane Society	150.00	150.00	150.00	0.00
Ambulance	64,850.00	64,850.00	54,504.85	10,345.15
Total Health and Welfare	67,500.00	67,500.00	55,104.73	12,395.27
Culture and Recreation:				
Recreation	35,600.00	35,600.00	35,263.47	336.53
Parks	48,800.00	56,600.00	56,592.98	7.02
Libraries	38,000.00	38,200.00	26,669.76	11,530.24
Total Culture and Recreation	122,400.00	130,400.00	118,526.21	11,873.79
Conservation and Development:				
Economic Development and Assistance (Industrial Development)	10,000.00	10,000.00	0.00	10,000.00
Economic Opportunity	5,940.00	5,940.00	1,880.50	4,059.50
Total Conservation and Development	15,940.00	15,940.00	1,880.50	14,059.50
Debt Service	9,400.00	9,400.00	9,395.00	5.00
Total Expenditures	789,365.00	862,565.00	768,536.32	94,028.68
Net Change in Fund Balances	(93,076.00)	(166,276.00)	(50,786.38)	115,489.62
Fund Balance - Beginning	302,323.86	302,323.86	302,323.86	0.00
FUND BALANCE - ENDING	209,247.86	136,047.86	251,537.48	115,489.62

REQUIRED SUPPLEMENTARY INFORMATION
MUNICIPALITY OF TYNDALL
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Taxes:				
General Property Taxes	257,508.00	257,508.00	252,622.55	(4,885.45)
General Sales and Use Taxes	200,000.00	200,000.00	271,463.95	71,463.95
Amusement Taxes	200.00	200.00	204.00	4.00
Tax Deed Revenue	0.00	0.00	1,748.46	1,748.46
Penalties & Interest on Delinquent Taxes	250.00	250.00	960.39	710.39
Licenses and Permits	5,900.00	5,900.00	5,020.75	(879.25)
Intergovernmental Revenue:				
Federal Grants	30,000.00	30,000.00	41,170.00	11,170.00
State Grants	0.00	26,030.00	26,029.50	(0.50)
State Shared Revenue:				
Bank Franchise Tax	6,000.00	6,000.00	208.99	(5,791.01)
Motor Vehicle Commercial Prorate	1,500.00	1,500.00	3,145.28	1,645.28
Liquor Tax Reversion	7,000.00	7,000.00	7,749.07	749.07
Motor Vehicle Licenses	7,000.00	7,000.00	9,330.02	2,330.02
Local Government Highway and Bridge Fund	16,000.00	16,000.00	21,153.36	5,153.36
Other	3,000.00	3,000.00	0.00	(3,000.00)
County Shared Revenue:				
County Road Tax	2,850.00	2,850.00	2,849.01	(0.99)
Other Intergovernmental Revenues	0.00	0.00	2,162.09	2,162.09
Charges for Goods and Services:				
Highways and Streets	1,000.00	1,000.00	843.00	(157.00)
Culture and Recreation	7,500.00	7,500.00	19,518.75	12,018.75
Ambulance	65,000.00	65,000.00	79,374.07	14,374.07
Fines and Forfeits:				
Court Fines and Costs	100.00	100.00	107.50	7.50
Miscellaneous Revenue:				
Investment Earnings	1,000.00	1,000.00	405.86	(594.14)
Rentals	4,000.00	4,000.00	4,646.00	646.00
Other	9,000.00	9,000.00	29,804.44	20,804.44
Total Revenue	624,808.00	650,838.00	780,517.04	129,679.04

REQUIRED SUPPLEMENTARY INFORMATION
MUNICIPALITY OF TYNDALL
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Positive (Negative)
Expenditures:				
General Government:				
Legislative	30,600.00	30,600.00	29,740.85	859.15
Contingency	25,000.00	25,000.00		
Amount Transferred		(25,000.00)		0.00
Elections	700.00	700.00	19.34	680.66
Financial Administration	32,950.00	32,950.00	30,198.32	2,751.68
Other	22,500.00	72,695.00	56,918.26	15,776.74
Total General Government	111,750.00	136,945.00	116,876.77	20,068.23
Public Safety:				
Police	116,300.00	116,300.00	111,861.22	4,438.78
Fire	36,200.00	36,200.00	26,840.30	9,359.70
Total Public Safety	152,500.00	152,500.00	138,701.52	13,798.48
Public Works:				
Highways and Streets	220,900.00	253,900.00	239,049.77	14,850.23
Health and Welfare:				
Health	0.00	8,000.00	7,725.29	274.71
Humane Society	150.00	150.00	63.97	86.03
Ambulance	63,150.00	89,180.00	75,637.31	13,542.69
Total Health and Welfare	63,300.00	97,330.00	83,426.57	13,903.43
Culture and Recreation:				
Recreation	37,150.00	37,150.00	36,093.01	1,056.99
Parks	149,600.00	183,600.00	138,867.36	44,732.64
Libraries	31,500.00	31,500.00	29,746.73	1,753.27
Total Culture and Recreation	218,250.00	252,250.00	204,707.10	47,542.90
Conservation and Development:				
Economic Development and Assistance (Industrial Development)	5,000.00	5,000.00	0.00	5,000.00
Economic Opportunity	5,940.00	5,940.00	4,245.58	1,694.42
Total Conservation and Development	10,940.00	10,940.00	4,245.58	6,694.42
Debt Service	9,400.00	9,400.00	9,395.00	5.00
Total Expenditures	787,040.00	913,265.00	796,402.31	116,862.69
Net Change in Fund Balances	(162,232.00)	(262,427.00)	(15,885.27)	246,541.73
Fund Balance - Beginning	318,209.13	318,209.13	318,209.13	0.00
FUND BALANCE - ENDING	155,977.13	55,782.13	302,323.86	246,541.73

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

Schedules of Budgetary Comparisons for the General Fund
and for each major Special Revenue Fund with a legally required budget.

NOTE 1. Budgets and Budgetary Accounting

The Municipality followed these procedures in establishing the budgetary data reflected in the financial statements:

1. At the first regular board meeting in September of each year or within ten days thereafter, the Governing Board introduces the annual appropriation ordinance for the ensuing fiscal year.

2. After adoption by the Governing Board, the operating budget is legally binding and actual expenditures for each purpose cannot exceed the amounts budgeted, except as indicated in number 4.

3. A line item for contingencies may be included in the annual budget. Such a line item may not exceed 5 percent of the total municipal budget and may be transferred by resolution of the Governing Board to any other budget category that is deemed insufficient during the year.

4. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows the adoption of supplemental budgets.

5. Unexpected appropriations lapse at year end unless encumbered by resolution of the Governing Board.

   Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund and special revenue funds.

   The Municipality did not encumber any amounts at December 31, 2011 or 2012.

6. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds.

7. Budgets for the General Fund and special revenue funds are adopted on a basis consistent with the accounting principles generally accepted in the United States (USGAAP).

NOTE 2. GAAP/Budgetary Accounting Basis Differences

The financial statements prepared in conformity with USGAAP present capital outlay expenditure information in a separate category of expenditures. Under the budgetary basis of accounting, capital outlay expenditures are reported within the function to which they relate. For example, the purchase of a new fire truck would be reported as a capital outlay expenditure on the Governmental Funds Statement of Revenue, Expenditures and Changes in Fund Balances, however, in the Budgetary RSI Schedule, the purchase of a fire truck would be reported as an expenditure of the Public Safety/Fire Department function of government, along with all other current Fire Department related expenditures.

MUNICIPALITY OF TYNDALL
STATEMENT OF NET POSITION
December 31, 2013

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS:				
Cash and Cash Equivalents	274,437.01	961,284.69	1,235,721.70	
Investments		300,000.00	300,000.00	
Accounts Receivable, Net	61,044.04	192,493.87	253,537.91	
Due from Component Unit			0.00	
Internal Balances			0.00	
Inventories		137,468.64	137,468.64	
Other Assets			0.00	
Restricted Assets:				
Cash and cash equivalents	0.00		0.00	
Investments			0.00	
Capital Assets:				
Land, Improvements and Construction in Progress	32,751.75	372,156.25	404,908.00	
Other Capital Assets, Net of Depreciation	1,955,611.71	3,593,469.44	5,549,081.15	
TOTAL ASSETS	2,323,844.51	5,556,872.89	7,880,717.40	0.00
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred Charge on Refunding			0.00	
Other Deferred Outflows of Resources			0.00	
TOTAL DEFERRED OUTFLOWS OF RESOURCES	0.00	0.00	0.00	0.00
LIABILITIES :				
Accounts Payable			*0.00*	
Other Current Liabilities		14,275.00	14,275.00	
Unearned Revenue			0.00	
Noncurrent Liabilities:				
Due Within One Year	7,060.50	66,022.94	73,083.44	
Due in More than One Year	40,808.33	1,366,775.08	1,407,583.41	
TOTAL LIABILITIES	47,868.83	1,447,073.02	1,494,941.85	0.00
DEFERRED INFLOWS OF RESOURCES:				
Other Deferred Inflows of Resources			0.00	
TOTAL DEFERRED INFLOWS OF RESOURCES	0.00	0.00	0.00	0.00
NET POSITION:				
Net Investment in Capital Assets	1,940,494.63	2,532,827.67	4,473,322.30	
Restricted for: (See Note ____)				
Capital Projects Purposes			0.00	
Debt Service Purposes			0.00	
Permanently Restricted Purposes				
Expendable			0.00	
Non-Expendable			0.00	
Other Purposes			0.00	
Unrestricted (Deficit)	335,481.05	1,576,972.20	1,912,453.25	
TOTAL NET POSITION	2,275,975.68	4,109,799.87	6,385,775.55	0.00
TOTAL LIABILITIES & NEW POSITION	2,323,844.51	5,556,872.89	7,880,717.40	

Exhibit II

MUNICIPALITY OF _TYNDALL
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Primary Government:								
Governmental Activities:								
General Government	98,100.05	4,077.25		35,203.00	(58,819.80)		(58,819.80)	
Public Safety	219,392.54				(219,392.54)		(219,392.54)	
Public Works	296,905.47	9,537.92	45,540.35	12,797.40	(229,029.80)		(229,029.80)	
Health and Welfare	69,556.41	102,194.76			32,638.35		32,638.35	
Culture and Recreation	141,693.85	11,325.00		3,824.00	(126,544.85)		(126,544.85)	
Conservation and Development	5,587.15	4,750.00		3,650.00	2,812.85		2,812.85	
Intergovernmental Expenditures				500.00	500.00		500.00	
Miscellaneous Expenditures	11,575.15				(11,575.15)		(11,575.15)	
**Depreciation Expense - Unallocated					0.00		0.00	
*Interest on Long-term Debt	2,334.50				(2,334.50)		(2,334.50)	
Total Governmental Activities	845,145.12	131,884.93	45,540.35	55,974.40	(611,745.44)		(611,745.44)	
Business-type Activities:								
Water	215,192.28	234,162.45				18,970.17	18,970.17	
Sewer	181,819.68	156,423.16				(25,396.52)	(25,396.52)	
Light Plant	1,211,817.48	1,234,898.11				23,080.63	23,080.63	
						0.00	0.00	
Total Business-type Activities	1,608,829.44	1,625,483.72	0.00	0.00		16,654.28	16,654.28	
Total Primary Government	2,453,974.56	1,757,368.65	45,540.35	55,974.40	(611,745.44)	16,654.28	(595,091.16)	
Component Units:								
Housing and Redevelopment Commission								0.00
General Revenues:								
Taxes:								
Property Taxes					280,906.60		280,906.60	
Sales Taxes					271,911.71		271,911.71	
State Shared Revenues					8,709.11		8,709.11	
Grants and Contributions not Restricted to Specific Programs							0.00	
Unrestricted Investment Earnings					394.65	2,681.01	3,075.66	
Miscellaneous Revenue					10,056.22		10,056.22	
Special Items							0.00	
Extraordinary Items							0.00	
Transfers							0.00	
Total General Revenues, Special Items, Extraordinary Items and Transfers					571,978.29	2,681.01	574,659.30	0.00
Change in Net Position					(39,767.15)	19,335.29	(20,431.86)	0.00
Net Position-Beginning					2,255,336.45	4,090,118.78	6,345,455.23	
Adjustments:								
To balance					107,466.06	345.80	107,811.86	
Adjusted Net Position-Beginning					2,362,802.51	4,090,464.58	6,453,267.09	0.00
NET POSITION - ENDING					2,323,035.36	4,109,799.87	6,432,835.23	0.00

* The Municipality does not have interest expense related to the functions presented above. This amount includes indirect interest expense on general long-term debt.

** This amount excludes the depreciation that is included in the direct expenses of the various functions. See Note XX.

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF TYNDALL
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2013

	Enterprise Funds			
	Water Fund	Sewer Fund	Light Plant Fund	Totals
Operating Revenue:				
370/380 Charges for Goods and Services		92,606.84	1,234,898.11	1,327,504.95
Revenue Dedicated to Servicing Debt	234,564.57	63,760.00		298,324.57
380.05 Lottery Sales				0.00
367 Contributions and Donations				0.00
369 Miscellaneous				0.00
Total Operating Revenue	234,564.57	156,366.84	1,234,898.11	1,625,829.52
Operating Expenses:				
410 Personal Services			108,975.63	108,975.63
420 Other Current Expense	147,185.28	65,300.53	56,752.43	269,238.24
426.2 Materials (Cost of Goods Sold)			932,448.51	932,448.51
453 Amortization				0.00
457 Depreciation	48,250.20	93,562.00	10,052.00	151,864.20
Total Operating Expenses	195,435.48	158,862.53	1,108,228.57	1,462,526.58
Operating Income (Loss)	39,129.09	(2,495.69)	126,669.54	163,302.94
Nonoperating Revenue (Expense):				
330 Operating Grants				0.00
361 Investment Earnings	270.29	648.41	1,762.31	2,681.01
362 Rental Revenue				0.00
442 Interest Expense (Enter as Negative)	(18,747.26)	(21,782.69)		(40,529.95)
(492)366 Gain (Loss) on Disposition of Assets	(1,009.54)	(1,174.46)	(103,588.91)	(105,772.91)
(429)369.01 Other	0.00			0.00
Total Nonoperating Revenue (Expense)	(19,486.51)	(22,308.74)	(101,826.60)	(143,621.85)

MUNICIPALITY OF TYNDALL
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2013

	Enterprise Funds			
	Water Fund	Sewer Fund	Light Plant Fund	Totals
Income (Loss) Before Contributions, Special Items, Extraordinary Items and Transfers	19,642.58	(24,804.43)	24,842.94	19,681.09
391.07 Capital Contributions				0.00
391.1 Transfers In				0.00
511 Transfers Out (Enter as Negative)				0.00
391.06/(514) Special Items				0.00
391.05/(515) Extraordinary Items				0.00
Change in Net Position	19,642.58	(24,804.43)	24,842.94	19,681.09
Net Position - Beginning	1,151,114.56	1,692,746.15	1,246,258.07	4,090,118.78
Adjustments:				
				0.00
				0.00
Adjusted Net Position - Beginning	1,151,114.56	1,692,746.15	1,246,258.07	4,090,118.78
NET POSITION - ENDING	1,170,757.14	1,667,941.72	1,271,101.01	4,109,799.87

MUNICIPALITY OF TYNDALL
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2013

	Enterprise Funds					
	Water Fund	Sewer Fund	Light Plant Fund	Fund	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash Receipts from Customers	233,892.16	154,999.76	1,080,728.55		1,469,620.47	
Cash Receipts for Interfund Services Provided					0.00	
Other Operating Cash Receipts					0.00	
Cash Payments to Employees for Services			(108,975.63)		(108,975.63)	
Cash Payments to Suppliers of Goods and Services	(148,050.82)	(65,300.53)	(991,092.65)		(1,204,444.00)	
Cash Payments for Interfund Services Used					0.00	
Other Operating Cash Payments					0.00	
Net Cash Provided (Used) by Operating Activities	*85,841.34*	*89,699.23*	(19,339.73)	0.00	156,200.84	0.00
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Operating Subsidies					0.00	
Transfers In					0.00	
Transfers Out					0.00	
Net Cash Provided (Used) by Noncapital Financing Activities	0.00	0.00	0.00	0.00	0.00	0.00
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Proceeds from Capital Debt					0.00	
Capital Contributions	100,000.00				100,000.00	
Purchase of Capital Assets (Enter as Negative)	(19,326.14)	(8,025.00)	(223,127.11)		(250,478.25)	
Proceeds from Sale of Capital Assets						
Principal Paid on Capital Debt (Enter as Negative)	(26,721.15)	(32,431.55)			(59,152.70)	
Interest Paid on Capital Debt (Enter as Negative)	(18,747.26)	(21,782.69)				
Other Receipts (Payments)					0.00	
Net Cash Provided (Used) by capital and related financing Activities	35,205.45	(62,239.24)	(223,127.11)	0.00	(209,630.95)	0.00
CASH FLOWS FROM INVESTING ACTIVITIES:						
Purchase of Investment Securities (Enter as a Negative)					0.00	
Proceeds from Sales and Maturities of Investments					0.00	
Cash Received for Interest	270.29	648.41	1,762.31		2,681.01	
Net Cash Provided (Used) by Investing Activities	270.29	648.41	1,762.31	0.00	2,681.01	0.00
Net Increase (Decrease) in Cash and Cash Equivalents	121,317.08	28,108.40	(240,704.53)	0.00	(50,749.10)	0.00
Balances - Beginning	118,029.53	425,144.36	509,389.85		1,052,563.74	
Balances- Ending	239,346.61	453,252.76	268,685.32	0.00	1,001,814.64	0.00

MUNICIPALITY OF TYNDALL
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2013

	Enterprise Funds					
	Water Fund	Sewer Fund	Light Plant Fund	Fund	Totals	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Operating Income (Loss)	39,129.09	(2,495.69)	126,669.54		163,302.94	
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:						
Depreciation Expense	48,250.20	93,562.00	10,052.00		151,864.20	
Change in Assets and Liabilities:						
Receivables	(672.41)	(592.09)	(50,480.65)		(51,745.15)	
Inventories	0.00	0.00	(1,891.71)		(1,891.71)	
Accounts and Other Payables					0.00	
Accrued Wages Payable					0.00	
Accrued Leave Payable					0.00	
Customer Deposits			(100.00)		(100.00)	
Net Cash Provided (Used) by Operating Activities	86,706.88	90,474.22	84,249.18	0.00	261,430.28	0.00
Noncash Investing, Capital and Financing Activities:						
Loss on Disposal of Capital Assets Not Affecting Operating Income						
Other						

2014 and 2015 Municipal Budget

Ordinance No. 632 - 2014 Annual Appropriation Ordinance

Be it ordained by the City of Tyndall, SD that the following sums are appropriated to meet the obligations of the municipality during the fiscal year 2014.

410 GENERAL GOVERNMENT	**General Fund**
411 Mayor & Council	$26,750.00
411.5 Contingency	$25,000.00
413 Elections	$500.00
414.1 Attorney	$2,500.00
414.2 Auditor	$32,700.00
419.2 Public Buildings	$28,245.00
Total General Government	$115,695.00
420 PUBLIC SAFETY	
421 Police	$123,700.00
422 Fire Department	$34,300.00
Total Public Safety	$158,000.00
430 PUBLIC WORKS	
431 Streets	$281,600.00
Total Public Works	$281,600.00
440 HEALTH & WELFARE	
441 West Nile	$1,000.00
444 Animal Control	$150.00
446 Ambulance	$77,925.00
Total Health & Welfare	$79,075.00
450 CULTURE & RECREATION	
451 Pool	$37,650.00
452 Park	$86,800.00
455 Library	$33,700.00
Total Culture & Recreation	$158,150.00
460 CONSERVATION & DEVELOPMENT	**General Fund**
465.1 Economic Development	$20,000.00
466.1 Daycare Facility	$12,340.00
Total Conservation & Development	$32,340.00
Total Appropriations	**$824,860.00**

Section II

The following designates the fund or funds that money derived from the following sources is applied to.

Cash Applied	$115,056.00
310 Taxes	$559,403.00
320 Licenses & Permits	$3,300.00
330 Intergovernmental Revenue	$41,850.00
340 Charges For Goods & Services	$85,900.00
360 Miscellaneous Revenue	$19,351.00
Total Means of Finance	$824,860.00
General Fund Tax Levy 2013 Pay 2014	**$295,403.00**

Proprietory Funds	**WATER**	**SEWER**	**LIGHTS**
Beginning Unrestricted Cash	$120,000.00	$425,000.00	$800,000.00
Estimated Revenue	$226,400.00	$154,400.00	$2,787,500.00
Total Available	$346,400.00	$579,400.00	$3,587,500.00
Less Appropriations	-$188,000.00	-$86,420.00	-$1,846,200.00
Estimated Surplus	$158,400.00	$492,980.00	$1,741,300.00
Balance	$158,400.00	$492,980.00	$1,741,300.00
Less Estimated Surplus Retained	$158,400.00	$492,980.00	$1,741,300.00
Estimated Surplus to be Transferred to Gov't Funds	$0.00	$0.00	$0.00

SECTION 3

The Finance Officer is directed to certify the following dollar amount of tax levies made in this Ordinance to the County Auditor: $295403.00

David Vavruska, Mayor

ATTEST:

Linda F Pesek, Finance Officer

Placed upon its first reading August 5, 2013
Placed upon its second reading September 3, 2013
Approved this 3rd day of September, 2013
Published this 11th day of September, 2013

Ordinance No. 636 - 2015 Annual Appropriation Ordinance	
Be it ordained by the City of Tyndall, SD that the following sums are appropriated to meet the obligations of the municipality during the fiscal year 2015.	
410 GENERAL GOVERNMENT	**General Fund**
411 Mayor & Council	$34,700.00
411.5 Contingency	$25,000.00
413 Elections	$700.00
414.1 Attorney	$2,000.00
414.2 Auditor	$33,700.00
419.2 Public Buildings	$30,600.00
Total General Government	$126,700.00
420 PUBLIC SAFETY	
421 Police	$120,700.00
422 Fire Department	$39,500.00
Total Public Safety	$160,200.00
430 PUBLIC WORKS	
431 Streets	$350,900.00
Total Public Works	$350,900.00
440 HEALTH & WELFARE	
441 West Nile	$1,000.00
444 Animal Control	$150.00
446 Ambulance	$79,600.00
Total Health & Welfare	$80,750.00
450 CULTURE & RECREATION	
451 Pool	$42,500.00
452 Park	$100,600.00
455 Library	$36,800.00
Total Culture & Recreation	$179,900.00
460 CONSERVATION & DEVELOPMENT	
465.1 Economic Development	$25,000.00
466.1 Daycare Facility	$13,340.00
Total Conservation & Development	$38,340.00
Total Appropriations	**$936,790.00**

Section II

The following designates the fund or funds that money derived from the following sources is applied to.

Cash Applied	$163,914.00
310 Taxes	$581,150.00
320 Licenses & Permits	$3,400.00
330 Intergovernmental Revenue	$78,350.00
340 Charges For Goods & Services	$90,800.00
360 Miscellaneous Revenue	$19,176.00
Total Means of Finance	$936,790.00
General Fund Tax Levy 2014 Pay 2015	**$312,000.00**

Proprietory Funds	**WATER**	**SEWER**	**LIGHTS**
Beginning Unrestricted Cash	$120,000.00	$425,000.00	$800,000.00
Estimated Revenue	$251,300.00	$154,600.00	$1,475,000.00
Total Available	$371,300.00	$579,600.00	$2,275,000.00
Less Appropriations	-$218,000.00	-$89,920.00	-$1,824,000.00
Estimated Surplus	$153,300.00	$489,680.00	$451,000.00
Balance	$153,300.00	$489,680.00	$451,000.00
Less Estimated Surplus Retained	$153,300.00	$489,680.00	$451,000.00
Estimated Surplus to be Transferred to Gov't Funds	$0.00	$0.00	$0.00

SECTION 3

The Finance Officer is directed to certify the following dollar amount of tax levies made in this Ordinance to the County Auditor: $312,000.00

David Vavruska, Mayor

ATTEST:

Linda F Pesek, Finance Officer

Placed upon its first reading August 13, 2014
Placed upon its second reading September 3, 2014
Approved this 3rd day of September, 2014
Published this 10th day of September, 2014

ORDINANCE NO. 607

AN ORDINANCE AMENDING ORDINANCE NO. 557 OF THE WATER REGULATIONS OF THE REVISED ORDINANCES OF THE CITY OF TYNDALL, SOUTH DAKOTA, OF 1956

BE IT ORDAINED by the City of Tyndall, that Ordinance No. 607 which Ordinance is an amendment to Chapter 6.02 of Water Regulations of the revised ordinances of the City of Tyndall, South Dakota of 1956, be amended in part as follows, to-wit:

(8) On and after the 15th day of October, 1984, the water rates shall be collected monthly, and shall be due and payable for the prior month on the 1st day of each of the following month, to-wit:

It shall be the duty of the superintendent of public utilities to have all water meters within the City of Tyndall read each month, the rate to be charged for water measured and registered shall be as follows, to-wit:

RESIDENTIAL AND COMMERCIAL WATER RATES PER MONTH

From 0 gallons to 2000 gallons used	Rate $19.00
3000 gallons used	Rate $25.00
4000 gallons used	Rate $32.50
5000 gallons used	Rate $43.00
Over 5000 gallons used	Rate $43.00 plus $4.50 per 1000 gallons used over 5000 gallons

RATES FOR USERS OUTSIDE THE CITY PER MONTH

From 0 gallons to 2000 gallons used	Rate $22.00
3000 gallons used	Rate $28.75
4000 gallons used	Rate $37.00
5000 gallons used	Rate $48.50
Over 5000 gallons used	Rate $48.50 plus $5.25 per 1000 gallons used over 5000 gallons

_____

Richard McCann, Mayor

_____

Linda F. Pesek, Finance Officer

Placed upon its first reading December 7, 2009

Placed upon its second reading December 30, 2009

Approve this 30th day of December, 2009

Published this January 6, 2010

Authorizing Resolution

**AUTHORIZING RESOLUTION # 14-12

RESOLUTION APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE, AUTHORIZING THE EXECUTION AND SUBMITTAL OF THE APPLICATION, AND DESIGNATING A REPRESENTATIVE TO CERTIFY AND SIGN PAYMENT REQUESTS.

WHEREAS, The ***City of Tyndall*** **(the "*CITY*")** has identified the need to replace its existing elevated storage reservoir; and

WHEREAS, the ***CITY*** has determined that financial assistance will be necessary to undertake the Project and an application for financial assistance to the South Dakota Board of Water and Natural Resources (the "***BOARD***") has been prepared; and

WHEREAS, it is necessary to designate an authorized representative to execute and submit the Application on behalf of the ***CITY*** and to certify and sign payment requests in the event financial assistance is awarded for the Project,

NOW THEREFORE, BE IT RESOLVED,

1. The **CITY hereby** approves the submission of an Application for financial assistance in an amount not to exceed ***$1,570,000*** to the South Dakota Board of Water and Natural Resources for the Project.

2. The **Mayor** is hereby authorized to execute the Application and submit it to the South Dakota Board of Water and Natural Resources, and to execute and deliver such other documents and perform all acts necessary to effectuate the Application for financial assistance.

3. The **Mayor** is hereby designated as the authorized representative of the City to do all things on its behalf to certify and sign payment requests in the event financial assistance is awarded for the Project.

Dated this 29th day of December 2014

ADOPTED:

David Vavruska

Dave Vavruska, Mayor

ATTEST:

Linda L. Pesek

Linda Pesek, Finance Officer

RECEIVED

JAN 2 0 2015

Division of Financial
& Technical Assistance

8.3.16 Capacity Assessment Worksheets for Public Water Systems

Department of Environment and Natural Resources

Revised January 2007

Introduction

Because you are in the process of applying for a Drinking Water State Revolving Fund (DWSRF) loan, it is necessary for you to complete the following worksheets. The Safe Drinking Water Act requires that a system applying for a DWSRF loan must demonstrate that it has financial, managerial, and technical capacity. What exactly does that mean?

- ***Technical capacity*** - the physical infrastructure of the water system, including but not limited to the source water adequacy, infrastructure adequacy, and technical knowledge. In other words, does your treatment system work the way it is supposed to? Are you providing the safest and cleanest water possible and required by law to your customers right now, and will you be able to in the future?

- ***Managerial capacity*** - the management structure of the water system, including but not limited to ownership accountability, staffing and organization, and effective linkages. In simpler terms, do you have a capable and trained staff? Do you have an effective management structure?

- ***Financial capacity*** - the financial resources of the water system, including but not limited to the revenue sufficiency, credit worthiness, and fiscal controls. Basically, does your system have a budget and enough revenue coming in to cover costs, repairs, and replacements?

If it is determined that your system does NOT have the required capacity, you may still qualify for a DWSRF loan if it is going to be used to ensure that your system will have the necessary capacity. If you have questions while completing the following worksheets, please call our office at **(605) 773-3754** , and we will be happy to help.

After DENR receives these worksheets, we will study them and other information located in our files to make a determination whether or not your public water system has the technical, financial, and managerial capacity.to be eligible to apply for a DWSRF loan. A final report will be available upon completion of the analysis.

Applicant: Tyndall

Prepared by: Dick Jones
Bob Brattmiller

Phone #: 605-589-3491
Date: 1-12-15

Glossary of Terms

Contaminant: Any physical, chemical, biological, or radiological substance or matter in water;

Disinfectant: Any oxidant, including chlorine, chlorine dioxide, chloramine, and ozone, that is added to water in any part of the treatment or distribution process and that is intended to kill or inactivate pathogenic microorganisms;

Disinfectant contact time: The time in minutes that it takes for water to move from the point of disinfectant application or the previous point of disinfectant residual measurement to a point before or at the point where residual disinfectant concentration is measured;

Filtration: A process for removing particulate matter from the water by passing the water through porous media;

Ground Water: The supply of fresh water found beneath the surface of the ground, usually in aquifers, which is often used for supplying wells and springs;

Ground Water Under the Direct Influence of Surface Water: Any water beneath the surface of the ground with a significant occurrence of insects, macroorganisms, algae, or large-diameter pathogens such a *Giardia lamblia* ; or any water with significant and relatively rapid shifts in water quality characteristics such as turbidity, temperature, conductivity, or pH which closely correlate to climatological or surface water conditions;

Maximum Contaminant Level (MCLs): The maximum permissible level of a contaminant in water delivered to any user of a public water system. MCLs are enforceable standards;

mg/L: milligrams per liter - equivalent to parts per million;

µg/L: micrograms per liter - equivalent to parts per billion;

NTU: nephelometric turbidity unit;

psi: pounds per square inch

Surface Water: All water that is open to the atmosphere and subject to surface runoff;

Turbidity: A cloudy condition in water due to suspended silt or organic matter; and

Waiver: A process used by the Department of Environment and Natural Resources that allows a public water system to reduce or eliminate monitoring for a particular chemical.

The Technical Portion of your System

Your Water Supply

Please check the appropriate box: *Yes*, *No*, or *Unknown* for each section. Please try to determine the answer to every question. ***If a section or question does not apply to your system, please check NA for not applicable.***

Water Supply and Existing Demands	**Yes**	**No**	**Unknown**	**NA**
Do you know how much water you pump on an average day? ***Amount:*** 110,000 gpd	☒	☐	☐	☐
Do you know how much water you pump on a peak day? ***Amount:*** 178,000	☒	☐	☐	☐
Do you know the maximum amount of water you can pump from your source? ***Amount:*** 212,000	☒	☐	☐	☐
Is your source capacity higher than your peak day demand? ***Percentage higher or lower:*** 17%	☒	☐	☐	☐
Can you meet peak demand without pumping at peak capacity for extended periods? ***Longest time pumping at peak demand:***	☒	☐	☐	☐
Have you been able to provide adequate volumes of water during drought cycles?	☒	☐	☐	☐
Have you had to restrict usage at any time for any reason? ***Please specify:***	☐	☒	☐	☐
Does your system have an emergency or supplemental water supply? ***Please specify:*** WELLS	☒	☐	☐	☐
Do you have an Emergency Response Plan that will allow you to meet system demand during a drought or shortage, such as the loss of the largest source? ***If yes, please attach.***	☐	☐	☒	☐
Water Demand	**Yes**	**No**	**Unknown**	**NA**
Do you know whether your system demands will be growing, declining, or remain stable over the next ten years? ***Please check:*** ☒ ***growing,*** ☐ ***declining, or*** ☐ ***stable.***	☒	☐	☐	☐
Does your source have additional water available for appropriation?	☐	☐	☒	☐
Do you have a water right? ***Water right permit number(s):*** ?	☒	☐	☐	☐
If you have large commercial, industrial, or irrigation users, do you know their long-term plans and understand their needs?	☐	☒	☐	☐
Purchased Water	**Yes**	**No**	**Unknown**	**NA**
If you purchase water from another system or a wholesaler, do you know their long-term plans?	☐	☒	☐	☐
Do you have a contract to purchase water? ***If yes, with whom?*** B-Y WATER	☒	☐	☐	☐
Are you currently staying within your contract?	☒	☐	☐	☐
Are you knowledgeable about other demands being placed on the same water source that you are using?	☐	☒	☐	☐

Alternative Sources	Yes	No	Unknown	NA
Are alternative water sources possibly available to you?	☐	☐	☒	☐
Are you knowledgeable of the characteristics and costs of using alternative sources?	☒	☐	☐	☐
Water Source	**Yes**	**No**	**Unknown**	**NA**
Do you know the depth of your well? ***Depth*** 160 Ft	☒	☐	☐	☐
Do you know the geologic name of the aquifer system from which your water is drawn? ***If yes, geologic name:*** _____	☐	☒	☐	☐
Are all abandoned water sources properly managed and disconnected to prevent accidental contamination or problems with current water system facilities?	☒	☐	☐	☐

Treatment - Microbiological Contamination

Is your system using surface water or ground water under the influence of surface water? ☒ **yes** ☐ **no**

(If you checked "no", skip to the next section - Ground Water Systems – unless your water system requires treatment other than just disinfection.)

Surface Water Systems

Filtration Plant Condition	Yes	No	Unknown	NA
Is your filter plant in good physical condition (free from spalling concrete, peeling paint)?	☐	☐	☐	☒
If constructed more than 20 years ago, have treatment processes been upgraded to meet current standards?	☐	☐	☐	☒
Are repair parts available?	☐	☐	☐	☒
Do you have redundancy (back-ups/automatic switch-overs) for all major mechanical units? ***If no, list units you do NOT have redundancy for:*** _____	☐	☐	☐	☒
Can your plant achieve a filtered water turbidity of 0.3 NTU?	☐	☐	☐	☒
Do you have on-line continuous turbidimeters on each filter?	☐	☐	☐	☒
Have you adopted a turbidity goal lower than the standard? ***If yes, list goal:*** _____	☐	☐	☐	☒
Do you have the capability to add coagulant before the filter?	☐	☐	☐	☒

Ground Water Systems

Ground Water Under the Influence of Surface Water	Yes	No	Unknown	NA
Is your water free from variations in turbidity and temperature after storm events?	☐	☐	☒	☐
Well Construction and Protection				

Do you know when your well was constructed? ***List year:*** 1963 - 1982	☐	☐	☐	☒
Is your well(s) constructed according to current South Dakota regulations?	☐	☐	☐	☒
Do you have a source water protection plan?	☐	☐	☐	☒
Is your wellhead finished with a pitless adapter that will prevent contamination from surface water?	☐	☐	☐	☒

Disinfection

Do you disinfect? ☐ **yes** ☒ **no** ***(If "no", skip to the Infrastructure - Pumping section)***

Disinfection	**Yes**	**No**	**Unknown**	**NA**
Do you regularly inspect and maintain your disinfection / chlorination equipment? ***Type of Equipment:*** _____ ***How often?*** _____ ***Disinfectant used:*** _____	☐	☐	☐	☒
Do you have back-up equipment? ***Type:*** _____	☐	☐	☐	☒
Do you have adequate contact time following disinfection and before the first user in the distribution system (30 minutes for ground water systems)? ***Contact time:*** _____	☐	☐	☐	☒
Can you detect a chlorine residual at taps at the ends of the distribution system? ***Free Chlorine Residual:*** _____ ***Total Chlorine Residual:*** _____ (if using chloramines)	☐	☐	☐	☒

Disinfection By-Products

Treatment for the Control of Disinfection By-Products	**Yes**	**No**	**Unknown**	**NA**
If you treat surface water, are you already practicing or could you adopt "enhanced coagulation" in your current plant?	☐	☐	☐	☒
If you treat surface water, could you still meet current contact-time requirements if disinfection were not allowed before sedimentation?	☐	☐	☐	☒

Treatment - Security

Treatment Security	**Yes**	**No**	**Unknown**	**NA**
Has the system implemented procedures to improve security of its facilities? (i.e. limiting access to sensitive sites, protecting computer and control equipment etc.)	☐	☐	☐	☒
Are chemicals used for treatment properly stored and secure?	☐	☐	☐	☒
Does the water system track chemical usage? (i.e. a sudden	☐	☐	☐	☒

increase in usage may signal potential contamination or tampering.

Infrastructure - Pumping

Condition of Pumping Equipment	**Yes**	**No**	**Unknown**	**NA**
Do you routinely inspect for signs of pump or pump motor problems? ***How often:*** DAILY	☒	☐	☐	☐
Once diagnosed, are problems corrected in a timely enough manner to avoid crisis financing, costly repairs, and unscheduled downtime?	☒	☐	☐	☐
Do you hire a qualified pump contractor to perform an inspection of all pumping equipment, identify potential problems, and perform maintenance, on an annual basis?	☐	☒	☐	☐
Standby/Emergency Power Equipment	**Yes**	**No**	**Unknown**	**NA**
Is there sufficient standby/emergency power capacity to supply 100% of the average daily demand of the system (excluding fire demand)?	☐	☐	☒	☐
Are any existing standby/emergency power equipment, controls and switches tested or exercised routinely under load conditions, for at least 30 minutes at a time?	☐	☐	☐	☒
Has the local electric utility been made aware of the standby/emergency power provisions made by the water system, so that they can reinforce and safeguard the electrical facilities serving the water operations?	☒	☐	☐	☐

Infrastructure - Storage

Storage Capacity	**Yes**	**No**	**Unknown**	**NA**
Does the system have sufficient gravity-flow (non-pumped) or emergency generator-supported pumping capability to ensure adequate distribution storage to provide safe and adequate service for up to 24 hours without power? ***If no, how long:*** _____	☐	☒	☐	☐
Is there reserve capacity in the tank for fire protection support? ***Amount:*** 36,000	☒	☐	☐	☐
Security Measures	**Yes**	**No**	**Unknown**	**NA**
Are any openings, such as vent pipes, screened to protect against the entrance of small animals, birds, and small insects?	☒	☐	☐	☐
Are access hatches locked?	☒	☐	☐	☐
Is the tank and the immediate surrounding area fenced?	☒	☐	☐	☐
Control Systems				
Is there a high and low water level signal system to control the pumps?	☒	☐	☐	☐

Is there a drain valve or hydrant to allow for draining of the tank?	☒	☐	☐	☐
Tank Maintenance				
Is the tank inspected at least every three years by a qualified tank contractor for evidence of corrosion or pitting, leakage, and structural weakness?	☐	☒	☐	☐
Is the tank contractor capable of analyzing the coating of paint on the interior and exterior surfaces of the tank to determine if it contains lead or other hazardous materials?	☒	☐	☐	☐

Infrastructure - Distribution

System Maintenance	**Yes**	**No**	**Unknown**	**NA**
Do you have an accurate map of your distribution system that indicates main sizes and valve locations?	☒	☐	☐	☐
Does the operator routinely flush, test, and maintain the hydrants in the system? ***How often:*** SPRING AND FALL	☒	☐	☐	☐
Are the locations of valves in the mains and curb stops on the service lines precisely known?	☒	☐	☐	☐
Does the system keep a log of distribution system breaks to identify weak areas in the system?	☐	☒	☐	☐
Are histories, locations, size, and type of mains and service lines detailed on records in a secure area?	☒	☐	☐	☐
Are all valves exercised and lubricated periodically?	☒	☐	☐	☐
Is the system free of severe "water hammer" problems?	☐	☒	☐	☐
Are meter pits, pressure regulating valves, altitude valves, blow-offs, and other appurtenances maintained on a regular basis?	☐	☐	☐	☒
Unaccounted-for Water	**Yes**	**No**	**Unknown**	**NA**
Is unaccounted-for water in the water system monitored and analyzed each month?	☒	☐	☐	☐
Is the unaccounted-for water less than 15 percent of the total water delivered to the mains? ***List percentage of unaccounted for water:*** 38 %	☐	☒	☐	☐
	Yes	**No**	**Unknown**	**NA**
Are the normal operating pressures in the distribution system between 25 psi and 125 psi? ***Normal operating pressure:*** 45 psi	☒	☐	☐	☐
Do you have a routine leak detection and repair program?	☐	☒	☐	☐
Are all sources of supply and customers metered?	☒	☐	☐	☐
Are the meters calibrated and tested routinely to ensure their accuracy and reliability?	☐	☒	☐	☐
Water Quality in Distribution System	**Yes**	**No**	**Unknown**	**NA**
Does your system have an active cross-connection control program?	☐	☐	☐	☒

Are any inspections for cross-connections performed?	☐	☐	☐	☒
Is there a program for installing and testing backflow prevention devices where potential contamination is present?	☐	☐	☐	☒
Is there a program to eliminate "dead-ends" in the mains, where feasible?	☒	☐	☐	☐
Construction Standards	**Yes**	**No**	**Unknown**	**NA**
Are the majority of your mains 6 inches in diameter or larger? ***List percentage:*** 98%	☒	☐	☐	☐
Is there a program to gradually replace sub-standard sized mains?	☒	☐	☐	☐
Are there suitable rights-of-way and easements provided to the water system for expansion, maintenance, and replacement of mains and services?	☒	☐	☐	☐
Is there sufficient earth cover (six feet) to protect the mains from frost damage or heavy loads, if driven over?	☒	☐	☐	☐
Are materials of mains designed and selected to resist corrosion, electrolysis, and deterioration?	☒	☐	☐	☐
Distribution System Problems	**Yes**	**No**	**Unknown**	**NA**
Do you receive any complaints regarding water quality (taste, odor, color, etc.)? ***List number of complaints/year:*** 5 ***Most common complaint:*** Color	☒	☐	☐	☐
Can you maintain adequate pressure in the distribution system under all conditions of flow?	☐	☒	☐	☐

The Management Portion of your System

Please mark the appropriate box: *Yes*, *No*, or *Unknown* for each section. Please try to determine the answer to every question. ***If a section does not apply to your system, please write NA for not applicable.***

Operation & Maintenance

Operations Staff	**Yes**	**No**	**Unknown**	**NA**
Does the person operating your system have current water treatment plant and water distribution operator certification credentials from DENR? ***If yes, list classification(s):*** CLASS 1 distribution CLASS 2 distribution and treatment	☒	☐	☐	☐
Does your operator receive additional training on an ongoing basis to keep current on new developments in the field?	☒	☐	☐	☐
Future Operational Demands	**Yes**	**No**	**Unknown**	**NA**
Does your water system obtain any regular or occasional technical assistance from outside sources, such as DENR, your engineer, other utilities or organizations specifically dedicated to providing technical assistance? ***If yes, who*** Engineers SPN - DENR	☒	☐	☐	☐

Management & Administration

Who's in Charge?	**Yes**	**No**	**Unknown**	**NA**
Is there a clear plan of organization and control among the people responsible for management and operation of the system?	☒	☐	☐	☐
Does your system have written personnel policies and job descriptions signed by the employees?	☐	☒	☐	☐
Are the limits of the operator's authority clearly known?	☒	☐	☐	☐
Does everyone involved in operations know who is responsible for each area?	☒	☐	☐	☐
Is someone responsible for scheduling work?	☒	☐	☐	☐
Security	**Yes**	**No**	**Unknown**	**NA**
Does the system have procedures for handling new and terminated employees (i.e. collecting keys, changing locks and computer passwords)?	☒	☐	☐	☐
Rules and Standards	**Yes**	**No**	**Unknown**	**NA**
Do you have explicit rules and standards for system modifications?	☒	☐	☐	☐
Do you have rules governing new hook-ups?	☒	☐	☐	☐
Do you have a water main extension policy?	☐	☒	☐	☐
Do you have standard construction specifications to be followed?	☒	☐	☐	☐

	Yes	No	Unknown	NA
Do you have measures to assure cross-connection control and backflow prevention?	☒	☐	☐	☐
Do you have policies or rules describing customer rights and responsibilities?	☒	☐	☐	☐
Regulatory Compliance Program	**Yes**	**No**	**Unknown**	**NA**
Do you fully understand monitoring requirements and have a scheduling mechanism to assure compliance?	☒	☐	☐	☐
Do you know how to obtain clarification or explanation of requirements?	☒	☐	☐	☐
Do you have a mechanism to obtain the most recent information on regulatory requirements?	☒	☐	☐	☐
Do you maintain adequate records to document compliance? ***If yes, for how long?*** 10 YRS	☒	☐	☐	☐
Did your system have any violations of the primary drinking water standards in the last year?	☐	☒	☐	☐
Did your system have any monitoring or reporting violations in the last year?	☐	☒	☐	☐
Do you know what to do in the event of a violation?	☒	☐	☐	☐
Emergencies	**Yes**	**No**	**Unknown**	**NA**
Do you have an Emergency Response Plan?	☒	☐	☐	☐
Is there a contingency for making emergency interconnections to neighboring systems, and do you know they will work if needed?	☐	☒	☐	☐
Does everyone involved in operations know what they are to do in the event of contamination from a toxic hazardous waste spill in your source water or a main break or a tank failure?	☒	☐	☐	☐
Do you have a clear chain-of-command protocol for emergency action?	☒	☐	☐	☐
Is someone responsible for emergency operations, for communications with state regulators, for customer relations, for media relations? ***If yes, who (title):*** MAYOR, Supr.	☒	☐	☐	☐
Safety	**Yes**	**No**	**Unknown**	**NA**
Do you have a safety program defining measures to be taken if someone is injured?	☒	☐	☐	☐
Has the entire staff been properly trained in the location and use of safety equipment?	☒	☐	☐	☐
Does everyone understand the risks and safety measures involved in handling water treatment chemicals?	☐	☐	☐	☒
Do you have written operating procedures for both routine and emergency system operations?	☐	☐	☒	☐
Are you fully aware of Occupational Safety and Health Administration (OSHA) confined space (such as trenches/manholes) regulations?	☒	☐	☐	☐
Does the system work with customers to promote their awareness of security?	☒	☐	☐	☐
Does the system have a communication plan to alert customers of a natural or intentional threat to public health?	☒	☐	☐	☐

Maintenance	**Yes**	**No**	**Unknown**	**NA**
Do you have a planned maintenance management system -- a system for scheduling routine preventive maintenance (line flushing, pumps, meters, storage tanks, etc.)?	☒	☐	☐	☐
Do you have a system for assuring adequate inventory of essential spare parts and back-up equipment?	☒	☐	☐	☐
Do you have relationships with contractors and equipment vendors to assure prompt priority service?	☒	☐	☐	☐
Do you have records and data management systems for system operating and maintenance data, for regulatory compliance data, and for system management and administration?	☒	☐	☐	☐
Management Capability	**Yes**	**No**	**Unknown**	**NA**
Are you getting the outside services and technical assistance you need? Do you have adequate legal counsel, insurance, engineering advice, technical/operations assistance, rate case preparation, and financial advice?	☒	☐	☐	☐

The Financial Portion of your System

Please mark the appropriate box: *Yes, No,* or *Unknown* for each section. Please try to determine the answer to every question. ***If a section does not apply to your system, please write NA for not applicable.***

Financial Planning Mechanisms	**Yes**	**No**	**Unknown**	**NA**
Does your system develop and follow an annual budget that is approved by the governing body?	☒	☐	☐	☐
Does the governing body review a monthly summary of revenues and expenses of the utility system?	☒	☐	☐	☐
Do you have within the annual budget separate reserve accounts for equipment replacement, capital improvement, depreciation or security upgrades? ***If so, list accounts:*** capital improvement	☒	☐	☐	☐
Does the system have reserve funds available in the event of an emergency?	☒	☐	☐	☐
Do you have a capital budget or capital improvement plan that projects future capital investment needs some distance (at least five years) into the future?	☐	☒	☐	☐
Do you have a process for scheduling and committing to capital projects?	☐	☒	☐	☐
Does your planning process take account of all the potential capital needs suggested by your answers to the technical questions in these worksheets?	☐	☒	☐	☐
Does your long-term planning incorporate analysis of alternative strategies that might offer cost saving to customers, such as consolidation with other nearby systems or sharing of operations and management expenses with other nearby systems?	☐	☒	☐	☐
Rates/Billing - Are they Adequate?	**Yes**	**No**	**Unknown**	**NA**
Do you regularly review your rates? ***How often?***	☒	☐	☐	☐
Do you have a plan in place for periodic increases in rates?	☐	☒	☐	☐
Is the rate structure based on metered watered use? ***List rates per 1000 gallons:*** $22.00 + 6.00 next 1000 + 7.50 next 1000 + 10.50 next 1000 + 4.50/1000 over 5000 (i.e. $22 minimum plus $2.50/1000 gallons)	☒	☐	☐	☐
Does the rate per 1000 gallons change as consumption increases? ***If so, please describe:*** see above question	☒	☐	☐	☐
Does the rate structure assure proportionality among users?	☒	☐	☐	☐
Do you have procedures for billing and collection?	☒	☐	☐	☐
Is your billing collection rate greater than 95%?	☒	☐	☐	☐
Do you have collection procedures specifically for delinquent accounts?	☒	☐	☐	☐

Financial Planning Mechanisms - Are they Adequate?	Yes	No	Unknown	NA
Does your system have audited financial statements prepared by a certified public accountant (CPA)?	☒	☐	☐	☐
Does your water system income exceed operating expenses (including debt service)?	☒	☐	☐	☐
Does your water utility support other enterprise funds or the general fund?	☐	☒	☐	☐
Does your system require revenues from other enterprise funds or the general fund for normal operations?	☐	☒	☐	☐
Do you employ standardized accounting and tracking systems?	☒	☐	☐	☐
Do you track budget performance?	☒	☐	☐	☐
Do you keep records to substantiate depreciation of fixed assets and accounting for reserve funds?	☒	☐	☐	☐
Are financial management recordkeeping systems organized?	☒	☐	☐	☐
Are controls exercised over expenditures?	☒	☐	☐	☐
Are controls exercised to keep from exceeding your budget?	☒	☐	☐	☐
Are there purchasing procedures?	☒	☐	☐	☐
Did your system's governing body review this assessment before returning it to the South Dakota Department of Environment and Natural Resources?	☒	☐	☐	☐

6.8.14. Financial Spreadsheet

Applicant: City of Tyndall
Completed by: Linda F Pesek, Finance Office and Brian McGinnis PDDIII
Date: 12/31/2014 **REVISED 01/23/15**

4 Year Projections	Last Year Actual	Current Year Budget Year 1 Projected	Year 2 Projected	Year 3 Projected	Year 4 Projected
Enter Year:	**2013**	**2014**	**2015**	**2016**	**2017**
1. Beginning Cash on Hand	$ 118,030.00	$ 239,347.00	$ 170,991.10	$ 211,071.51	$ 139,181.33
2. Cash Receipts:					
a. Unmetered Water Revenue	$ -	$ -	$ -	$ -	$ -
b. Metered Water Revenue	$ 233,892.00	$ 228,520.00	$ 250,000.00	$ 257,500.00	$ 265,225.00
c. Other Water Revenue	$ -	$ -	$ -	$ -	$ -
d.Total Water Revenues (2a thru 2c)	$ 233,892.00	$ 228,520.00	$ 250,000.00	$ 257,500.00	$ 265,225.00
e. Connection Fees	$ -	$ -	$ -	$ -	$ -
f. Interest and Dividend Income	$ 270.00	$ 350.00	$ 150.00	$ 154.50	$ 159.14
g. Other Income	$ -	$ -	$ -	$ -	$ -
h.Total Cash Revenues (2d thru 2g)	$ 234,162.00	$ 228,870.00	$ 150.00	$ 154.50	$ 159.14
i. Transfers in/Additional Rev Needed	$ -	$ -	$ -	$ -	$ -
j. Loans, Grants or other Cash Injection	$ -	$ 75,000.00	$ 77,250.00	$ 79,567.50	$ 81,954.53
Please specify	$ -	$ -	$ -	$ -	$ -
National Rural Water loan	$ 100,000.00	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -
3. Total Cash Receipts (2h thru 2j)	$ 334,162.00	$ 303,870.00	$ 250,150.00	$ 257,654.50	$ 265,384.14
4. Total Cash Available (1+3)	$ 452,192.00	$ 543,217.00	$ 421,141.10	$ 468,726.01	$ 404,565.47
5. Operating Expenses					
a. Salaries and wages	$ -	$ -	$ -	$ -	$ -
b. Employee Pensions and Benefits	$ -	$ -	$ -	$ -	$ -
c. Purchased Water	$ 122,218.00	$ 128,328.90	$ 134,745.35	$ 141,482.61	$ 148,556.74
d. Purchased Power	$ 2,500.00	$ 2,625.00	$ 2,756.25	$ 2,894.06	$ 3,038.77
e. Fuel for Power Production	$ -	$ -	$ -	$ -	$ -
f. Chemicals	$ -	$ -	$ -	$ -	$ -
g. Materials and Supplies	$ 1,100.00		$ 5,000.00	$ 5,250.00	$ 5,512.50
h. Contractual Services - Engineering	$ -	$ -	$ -	$ -	$ -
i. Contractual Services - Other	$ -	$ -	$ -	$ -	$ -
j. Rental of Equipment/Real Property	$ -	$ -	$ -	$ -	$ -
k. Transportation Expenses	$ -	$ -	$ 500.00	$ 525.00	$ 551.25
l. Laboratory	$ -	$ -	$ -	$ -	$ -
m. Insurance	$ 1,500.00	$ 3,786.00	$ 4,000.00	$ 4,200.00	$ 4,410.00
n. Regulatory Commission Expenses	$ -	$ -	$ -	$ -	$ -
o. Repairs/Maintenance	$ 5,000.00	$ 5,000.00	$ 5,000.00	$ 5,250.00	$ 5,512.50
p. Miscellaneous	$ 15,733.00	$ 12,000.00	$ 12,600.00	$ 13,230.00	$ 13,891.50
q.Total Cash 0&M Expenses (5a thru 5p)	$ 148,051.00	$ 151,739.90	$ 164,601.60	$ 172,831.67	$ 181,473.26
r. Replacement Expenditures				$ -	$ -
s.Total OM&R Expenditures (5q+r)	$ 148,051.00	$ 151,739.90	$ 164,601.60	$ 172,831.67	$ 181,473.26
t. Loan Principal and Loans	$ 26,721.00	$ 26,721.00	$ 26,721.00	$ 98,026.00	$ 98,026.00
u. Loan Interest Payments	$ 18,747.00	$ 18,747.00	$ 18,747.00	$ 58,687.00	$ 58,687.00
v. Transfers Out	$ -	$ -	$ -	$ -	$ -
w. Capital Purchases (specify):	$ 19,326.00		$ -	$ -	$ -
Water Lines for Business Expansions	$ -	$ 175,018.00	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -
x. Other	$ -	$ -	$ -	$ -	$ -
6. Total Cash Paid Out (5s thru 5x)	$ 212,845.00	$ 372,225.90	$ 210,069.60	$ 329,544.67	$ 338,186.26
7. Ending Cash Position (4 - 6)	$ 239,347.00	$ 170,991.10	$ 211,071.51	$ 139,181.33	$ 66,379.21
8. Number of Customer Accounts	$ 575	$ 577	$ 577	$ 577	$ 577
9. Average Annual User Charge per Account (2d/8)	$ 406.77	$ 396.05	$ 433.28	$ 446.27	$ 459.66
10. Coverage Ratio (2h-5s)/(5t+5u)	8.4062	8.3709	3.6235	1.1038	1.1590
11. Operating Ratio (2d/5s)	1.5798	1.5060	1.5188	1.4899	1.4615
12. Additions to Reserve Funds for the Year					
a. Debt Service Reserve	$ 5,000.00	$ 5,000.00	$ 5,000.00	$ 15,000.00	$ 15,000.00
b. Bond Retirement Reserve	$ -	$ -	$ -	$ -	$ -
c. Capital Improvement Reserve	$ -	$ -	$ 100,000.00	$ 100,000.00	$ 100,000.00
d. Replacement Reserve	$ -	$ -	$ 25,000.00	$ 25,000.00	$ 25,000.00
e. Other	$ -	$ -	$ -	$ -	$ -
13. Total Reserves (12a thru 12e)	$ 5,000.00	$ 5,000.00	$ 130,000.00	$ 140,000.00	$ 140,000.00
14. Year End Operating Cash (7-13)	$ 5,000.00	$ 5,000.00	$ 130,000.00	$ 140,000.00	$ 140,000.00

Revenues Projected at 3% Per Annum

Expenses Projected at 5% Per Annum

Financial Spreadsheet

6.8.14. Financial Spreadsheet

Applicant: City of Tyndall
Completed by: Linda F Pesek, Finance Office and Brian McGinnis PDDIII
Date: 12/31/2014 **REVISED 02/10/15**

4 Year Projections	Last Year Actual	Current Year Budget Year 1 Projected	Year 2 Projected	Year 3 Projected	Year 4 Projected
Enter Year:	2013	2014	2015	2016	2017
1. Beginning Cash on Hand	$ 118,030.00	$ 234,518.95	$ 154,575.78	$ 158,068.92	$ 63,822.33
2. Cash Receipts:					
a. Unmetered Water Revenue	$ -	$ -	$ -	$ -	$ -
b. Metered Water Revenue	$ 233,892.00	$ 228,520.00	$ 250,000.00	$ 257,500.00	$ 265,225.00
c. Other Water Revenue	$ -	$ -	$ -	$ -	$ -
d.Total Water Revenues (2a thru 2c)	$ 233,892.00	$ 228,520.00	$ 250,000.00	$ 257,500.00	$ 265,225.00
e. Connection Fees	$ -	$ -	$ -	$ -	$ -
f. Interest and Dividend Income	$ 270.00	$ 350.00	$ 150.00	$ 154.50	$ 159.14
g. Other Income	$ -	$ -	$ -	$ -	$ -
h.Total Cash Revenues (2d thru 2g)	$ 234,162.00	$ 228,870.00	$ 150.00	$ 154.50	$ 159.14
i. Transfers in/Additional Rev Needed	$ -	$ -	$ -	$ -	$ -
j. Loans, Grants or other Cash Injection	$ -	$ 75,000.00	$ -	$ -	$ -
Please specify	$ -	$ -	$ -	$ -	$ -
National Rural Water loan	$ 100,000.00	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -
3. Total Cash Receipts (2h thru 2j)	$ 334,162.00	$ 303,870.00	$ 250,150.00	$ 257,654.50	$ 265,384.14
4. Total Cash Available (1+3)	$ 452,192.00	$ 538,388.95	$ 404,725.78	$ 415,723.42	$ 329,206.47
5. Operating Expenses					
a. Salaries and wages	$ -	$ -	$ -	$ -	$ -
b. Employee Pensions and Benefits	$ -	$ -	$ -	$ -	$ -
c. Purchased Water	$ 122,218.00	$ 128,328.90	$ 134,745.35	$ 141,482.61	$ 148,556.74
d. Purchased Power	$ 2,500.00	$ 2,625.00	$ 2,756.25	$ 2,894.06	$ 3,038.77
e. Fuel for Power Production	$ -	$ -	$ -	$ -	$ -
f. Chemicals	$ -	$ -	$ -	$ -	$ -
g. Materials and Supplies	$ 1,100.00		$ 5,000.00	$ 5,250.00	$ 5,512.50
h. Contractual Services - Engineering	$ -	$ -	$ -	$ -	$ -
i. Contractual Services - Other	$ -	$ -	$ -	$ -	$ -
j. Rental of Equipment/Real Property	$ -	$ -	$ -	$ -	$ -
k. Transportation Expenses	$ -	$ -	$ 500.00	$ 525.00	$ 551.25
l. Laboratory	$ -	$ -	$ -	$ -	$ -
m. Insurance	$ 1,500.00	$ 3,786.00	$ 4,000.00	$ 4,200.00	$ 4,410.00
n. Regulatory Commission Expenses	$ -	$ -	$ -	$ -	$ -
o. Repairs/Maintenance	$ 5,000.00	$ 5,000.00	$ 5,000.00	$ 5,250.00	$ 5,512.50
p. Miscellaneous	$ 15,733.00	$ 12,000.00	$ 12,600.00	$ 13,230.00	$ 13,891.50
q.Total Cash O&M Expenses (5a thru 5p)	$ 148,051.00	$ 151,739.90	$ 164,601.60	$ 172,831.67	$ 181,473.26
r. Replacement Expenditures				$ -	$ -
s.Total OM&R Expenditures (5q+r)	$ 148,051.00	$ 151,739.90	$ 164,601.60	$ 172,831.67	$ 181,473.26
t. Loan Principal and Loans	$ 30,316.98	$ 35,536.72	$ 35,536.72	$ 72,493.99	$ 72,493.99
u. Loan Interest Payments	$ 19,979.07	$ 21,518.55	$ 21,518.55	$ 56,575.42	$ 56,575.42
v. Transfers Out	$ -	$ -	$ -	$ -	$ -
w. Capital Purchases (specify):	$ 19,326.00		$ 25,000.00	$ 50,000.00	$ 50,000.00
Water Lines for Business Expansions	$ -	$ 175,018.00	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -
x. Other	$ -	$ -	$ -	$ -	$ -
6. Total Cash Paid Out (5s thru 5x)	$ 217,673.05	$ 383,813.17	$ 246,656.87	$ 351,901.08	$ 360,542.67
7. Ending Cash Position (4 - 6)	$ 234,518.95	$ 154,575.78	$ 158,068.92	$ 63,822.33	$ (31,336.20)
8. Number of Customer Accounts	$ 575	$ 577	$ 577	$ 577	$ 577
9. Average Annual User Charge per Account (2d/8)	$ 406.77	$ 396.05	$ 433.28	$ 446.27	$ 459.66
10. Coverage Ratio (2h-5e)/(5t+5u)	7.5993	6.6709	2.8876	1.3403	1.4072
11. Operating Ratio (2d/5s)	1.5798	1.5060	1.5188	1.4899	1.4615
12. Additions to Reserve Funds for the Year					
a. Debt Service Reserve	$ 5,000.00	$ 3,000.00	$ 5,700.00	$ 12,900.00	$ 12,900.00
b. Bond Retirement Reserve	$ -	$ -	$ -	$ -	$ -
c. Capital Improvement Reserve	$ 120,000.00	$ 120,000.00	$ 125,000.00	$ 40,000.00	$ -
d. Replacement Reserve	$ 100,000.00	$ 30,000.00	$ 25,000.00	$ 10,000.00	$ -
e. Other	$ -	$ -	$ -	$ -	$ -
13. Total Reserves (12a thru 12e)	$ 225,000.00	$ 153,000.00	$ 155,700.00	$ 62,900.00	$ 12,900.00
14. Year End Operating Cash (7-13)	$ 225,000.00	$ 153,000.00	$ 155,700.00	$ 62,900.00	$ 12,900.00

Revenues Projected at 3% Per Annum
Expenses Projected at 5% Per Annum

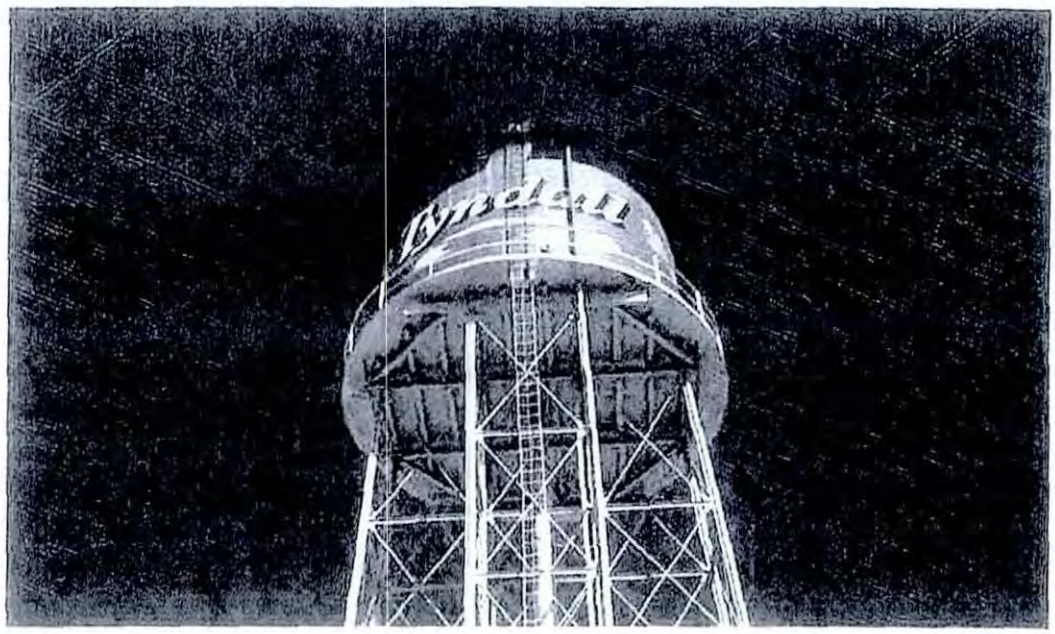
FACILITY PLAN
FOR
WATER SYSTEM EVALUATION
IN
TYNDALL, SOUTH DAKOTA

SPN PROJECT #13222

SEPTEMBER 2014

SPN & Associates
ENGINEERS-PLANNERS- SURVEYORS
2100 NORTH SANBORN BLVD, P.O. BOX 398
MITCHELL, SOUTH DAKOTA 57301
PHONE 605-996-7761 FAX 605-996-0015

FACILITY PLAN
FOR
WATER SYSTEM EVALUATION
IN
TYNDALL, SOUTH DAKOTA



SPN #13222

September 2014

I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly Registered Professional Engineer under the laws of the State of South Dakota.

By _____

Registration Number SD #4726

Date _____

SCHMUCKER, PAUL, NOHR & ASSOCIATES
CONSULTING ENGINEERS - SURVEYORS
2100 NORTH SANBORN BLVD, PO BOX 398
MITCHELL, SOUTH DAKOTA 57301

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1 INTRODUCTION

1.1 PURPOSE

The City of Tyndall has requested the engineering firm of Schmucker, Paul, Nohr and Associates (SPN) to complete an evaluation of the condition and adequacy of its existing water distribution system facilities. The intent of the study is to investigate the City's existing water distribution system to identify and quantify problems that exist within this system.

The results of the complete study are presented in this Facility Plan. The Facility Plan contains the information on which the City Council of Tyndall can make cost-effective decisions. The City Council will, after appropriate public input, determine what its best options are to make any needed improvements that are identified in the Facility Plan.

1.2 SCOPE

The scope of the study authorized by the City Council includes the following work to be performed by SPN and Associates:

1) Complete an analysis of requirements of governmental authorities having jurisdiction to approve the design of the project and participate in consultations with such authorities.
2) Complete an analysis of the existing water distribution system relating to quantity and quality, compliance with existing and proposed drinking water standards, water losses in the system, identification of system age, evaluation of current water pressures and fire flow capacities and evaluate current and future needs.
3) Complete a general economic analysis and comparison of various alternatives.
4) Prepare a written report, with maps and sketches, setting forth the findings and recommendations of the Preliminary Study, provide Tyndall with ten (10) copies of said report and meet with Tyndall to review said report.

5) Assist in the presentation of the findings and recommendations of the Preliminary Study at not more than one (1) public hearing.

2 COMMUNITY DESCRIPTION

2.1 GENERAL INFORMATION

The City of Tyndall is located along SD Highway 50 in central Bon Homme County, South Dakota, as indicated on Figure 2.1-1. Tyndall is approximately 30 miles northwest of Yankton, the regional trade center for the area. The city was incorporated in 1879 and has an aldermanic type of government, consisting of a Mayor and six council members. These elected representatives hire and oversee staff that manages the day-to-day activities and municipal enterprises undertaken by the City.

2.2 POPULATION CHARACTERISTICS

Tyndall's population is 1,067 according to the 2010 census. The most recent Census Bureau data available at the time of this report indicates that Tyndall's median age was 44.9 years as compared to the state's median age of 36.9. At the time census data was gathered, 24.4% of its population was age 65 and over. In comparison, the state's population that is age 65 and over is 14.3%.

Data from the U.S Census Bureau, 2008-2012 American Community Survey indicates that the community's median household income is $40,114 which is about $8,977 lower than the state's median household income of $49,091. Data from the U.S Census Bureau, 2008-2012 American Community Survey also indicated that about 9.6% of the population living in the community had incomes at or below the poverty level.

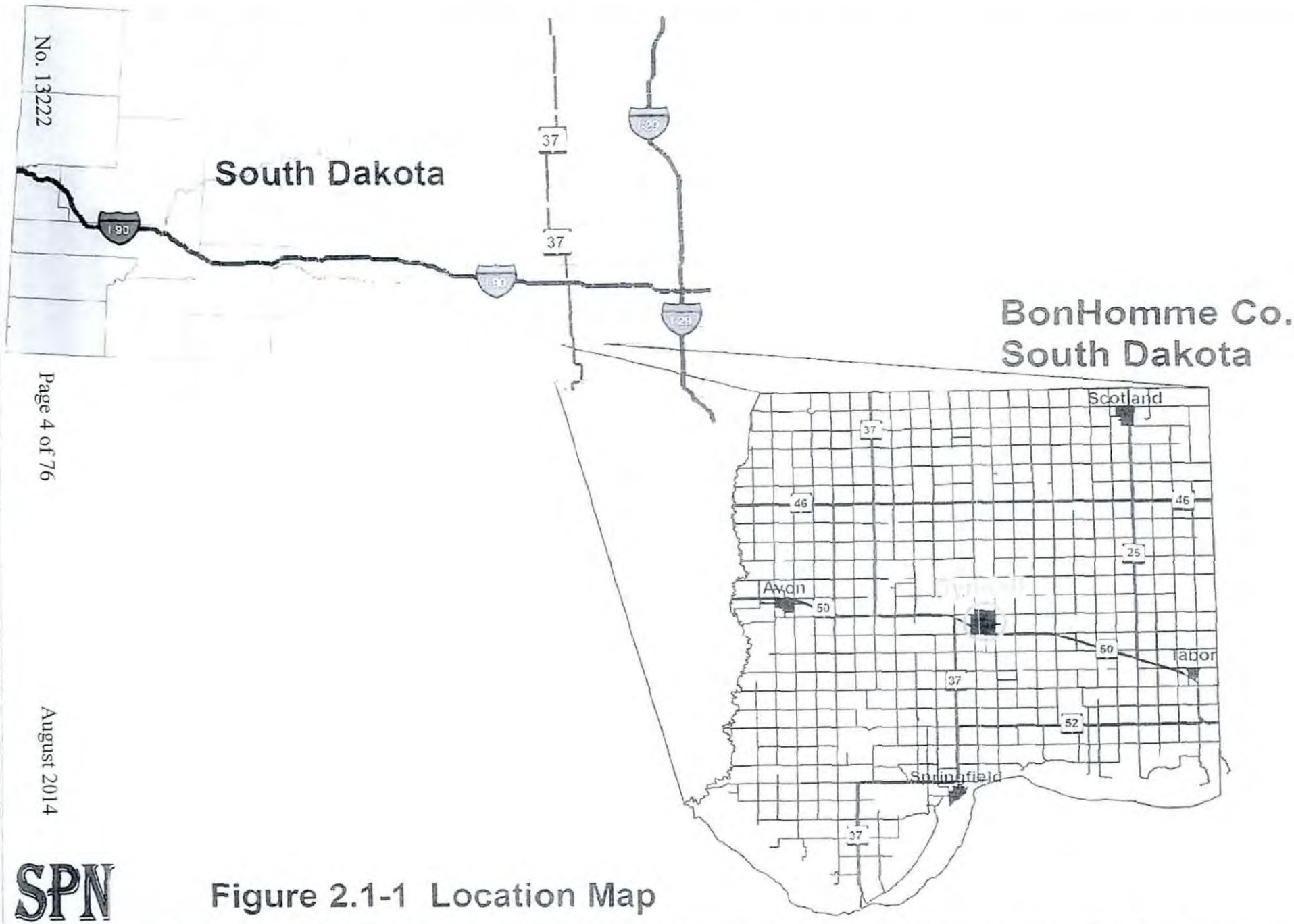


Figure 2.1-1 Location Map

2.3 POPULATION PROJECTIONS

The 2010 Census Bureau data shows the population for Tyndall to be 1,067. Table 2.3-1 and Figure 2.3-1 indicate census bureau population data from 1890 to 2010 as well as the estimated population for the community through the year 2040. As shown by the historical data, the population had remained relatively steady for nearly 70 years before a nearly 14% decline between 2000 and 2010. Since a couple of new businesses have recently begun construction within the City, the population is again expected to stabilize with a potential for a small gain for the coming years. The data shown in Table 2.3-1 is shown graphically in Figure 2.3-1.

Table 2.3-1 Historic and Projected Population

Year	Population	Year	Population
1890	569	1970	1245
1900	1167	1980	1253
1910	1107	1990	1201
1920	1405	2000	1239
1930	1287	2010	1067
1940	1289	2020 (Est.)	1080
1950	1292	2030 (Est.)	1095
1960	1262	2040 (Est.)	1110

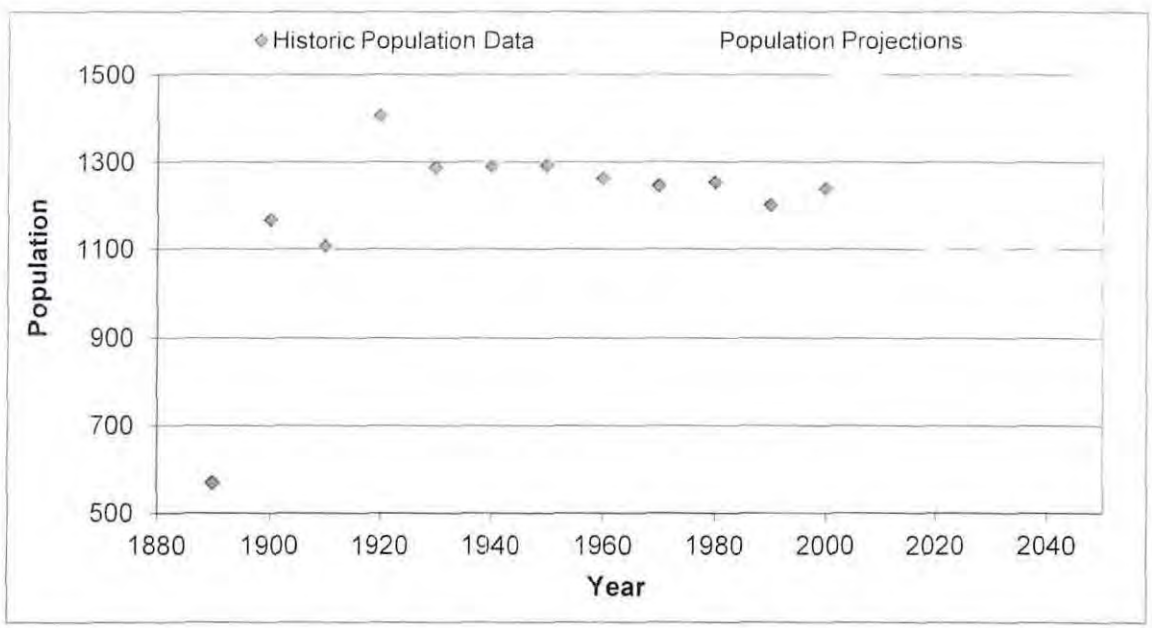


Figure 2.3-1 Historic and Projected Population

2.4 TOPOGRAPHY / CLIMATE

Tyndall lies in a nearly level to gently rolling area with numerous small closed depressions and sloughs. The soil in the area has been identified as belonging to the Clarno-Crossplain-Davison Association. The Clarno soils are deep, moderately well drained and located on the higher parts of the landscape. The Crossplain soils are deep, somewhat poorly drained and located in the low lying areas or swales. Davison soils lie within the areas between the Clarno and Crossplain soils. The Davison soils are also deep and considered moderately well drained.

The area's climate is generally described as a continental climate. Winters are relatively long and cold while summers are fair and hot. Most of the precipitation occurs during the warm period of late spring and early summer. Approximately 80% of the total annual precipitation falls between April and September. Normal precipitation for the area is approximately 24 inches annually. Average annual evaporation between March and October is about 36 to 38 inches. Average temperatures range from 21° F in the winter to around 73° F in the summer.

2.5 ENVIRONMENTAL REVIEW INFORMATION

As part of the environmental assessment requirement for the facility planning process, the project sponsor is required to contact various state and federal agencies. Environmental assessment letters have been sent to the following agencies. It is expected that no adverse environmental impacts will occur due to construction taking place on previously disturbed areas.

2.5.1 Historic and Archaeological Sites

Upon completion of an application for funding through one or more various funding agencies, a letter will be sent to the funding agency describing the proposed project location and construction activities as well as a general description of the existing conditions as found within the project limits.

An internet search for historic properties in the area was completed on nps.gov and history.sd.gov. The following historic structures have been identified in Tyndall:

- George Lehr House, 201 East Lawler Ave.
- Bon Homme County Courthouse, Walnut and Washington St.
- Carnegie Public Library, State and Main St.
- William Metzgers New Emporium, 1610 Main St.
- ZCBJ Hall, Nebraska and Washington St.

These structures should not be impacted by any proposed work by the City since work will be planned in City rights-of-way.

2.5.2 Floodplains and Wetlands

2.5.2.1 Flood Hazard Evaluation

The U.S. Army Corps of Engineers was contacted for the purpose of soliciting input on the proposed improvements. Correspondence related to this contact will be placed in Appendix A upon receipt. The Federal Emergency Management Agency (FEMA) website was searched for a flood hazard evaluation. No flood hazard map has been prepared for Tyndall as shown in Figure 2.2.

Figure 2.5.2.1-1 Flood Hazard Map

2.5.2.2 Wetlands

The U.S. Army Corps of Engineers, the U.S. Fish and Wildlife Service and the South Dakota Department of Game, Fish and Parks were contacted for the purpose of soliciting input related to potential impacts on wetlands. Correspondence related to these contacts will be placed in Appendix A upon receipt. A wetland map was created on the US Fish and Wildlife website for Tyndall and is shown in Figure 2.5.2.2. No impact on wetlands is expected due to this project since the work is planned in City rights-of-way.

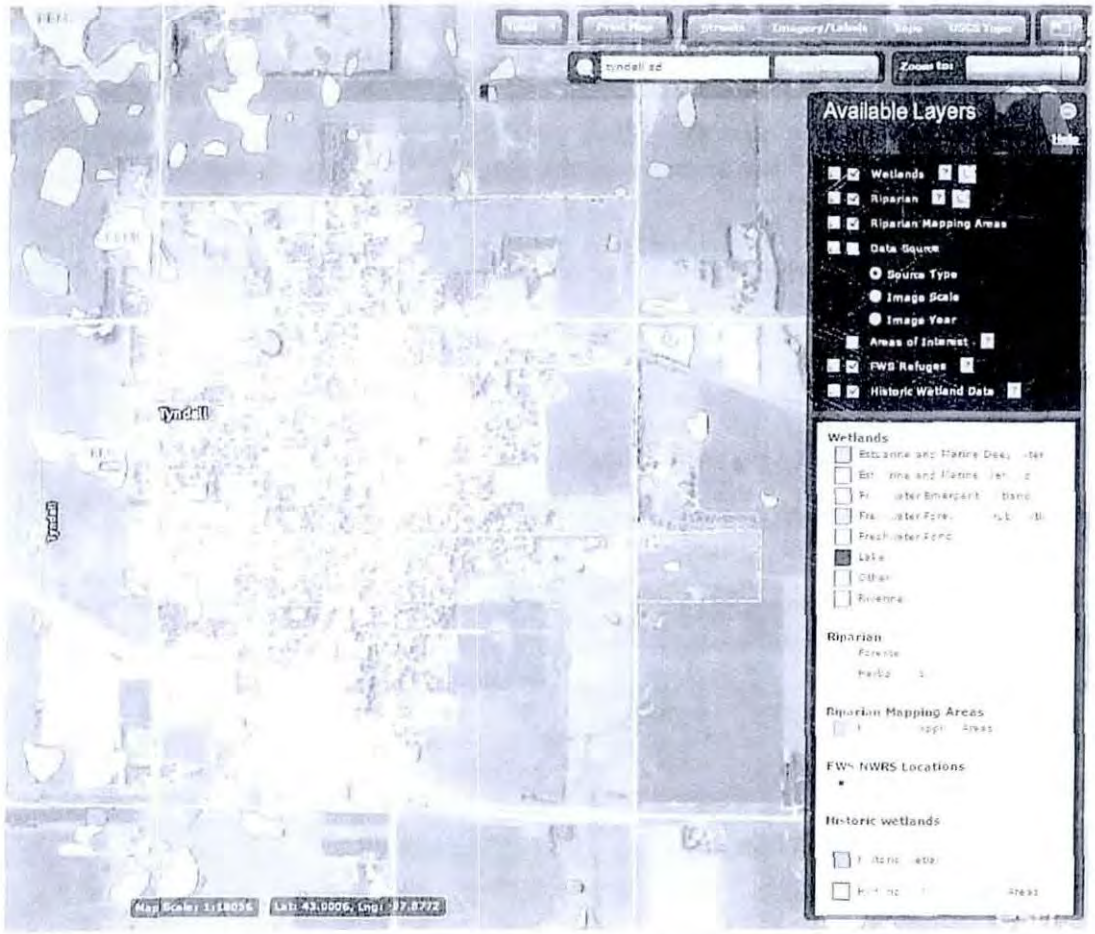


Figure 2.5.2.2-1 Wetland Map

2.5.3 Agricultural Lands

The U.S. Department of Agriculture State Soil Scientist was contacted for the purpose of soliciting input on the proposed improvements. Correspondence related to this contact will be placed in Appendix A upon receipt. No impact on agricultural lands is expected due to this project.

2.5.4 Wild and Scenic Rivers

Research indicates that there are no designated wild and scenic rivers in the area. Therefore, the proposed improvements will have no impact on this resource.

2.5.5 Fish and Wildlife Protection

2.5.5.1 Endangered Species

The U.S. Fish and Wildlife Service and the South Dakota Department of Game, Fish and Parks were contacted for the purpose of soliciting input related to potential impacts on endangered species which might result from construction of the proposed improvements. There are many endangered species in the area. The endangered species identified on the SD Game, Fish and Parks Department website is quite lengthy. There is no list available for just the surrounding area. Therefore, refer to the agencies' determination regarding the effect of endangered species on this project.

2.5.5.2 Critical Habitat

The U.S. Fish and Wildlife Service and the South Dakota Department of Game, Fish and Parks were contacted for the purpose of soliciting input related to potential impacts on critical wildlife habitats which might result from construction of the proposed improvements. Correspondence related to these contacts will be placed in Appendix A upon receipt. No effect on this resource is expected since the project will take place in City rights-of-way.

2.5.6 Water Quality and Quantity

The South Dakota Department of Environment and Natural Resources was contacted for the purpose of soliciting review and comments related to potential impact on water quality and quantity that could result from the proposed project. Correspondence related to this contact will be placed in Appendix A upon receipt. No adverse effect on water quality or quantity is expected due to this project.

2.6 DIRECT AND INDIRECT IMPACTS

Negative environmental impacts which may be expected during a project of this nature include, but are not necessarily limited to, soil erosion, noise pollution, traffic obstruction, and increased surface runoff due to trench dewatering operations. However, such impacts are temporary and will not significantly affect the environment over the long term.

Positive environmental impacts include enhanced human health and safety and more efficient delivery and treatment of municipal water. Such impacts are of long-term value to the residents of Tyndall and Bon Homme County.

2.7 MITIGATION ADVERSE IMPACTS

Adverse impacts will be minimized to the greatest extent possible by the implementation of accepted cautionary measures. Temporary and permanent erosion control will be included in construction contracts. Appropriate permits will be secured prior to the discharge of any trench dewatering or storm waters, and protection of public health, safety and welfare will be incorporated into the specifications and contract documents. Additionally, should any permanent adverse impacts result from the project, mitigating measures will be followed to the satisfaction of the appropriate review agency.

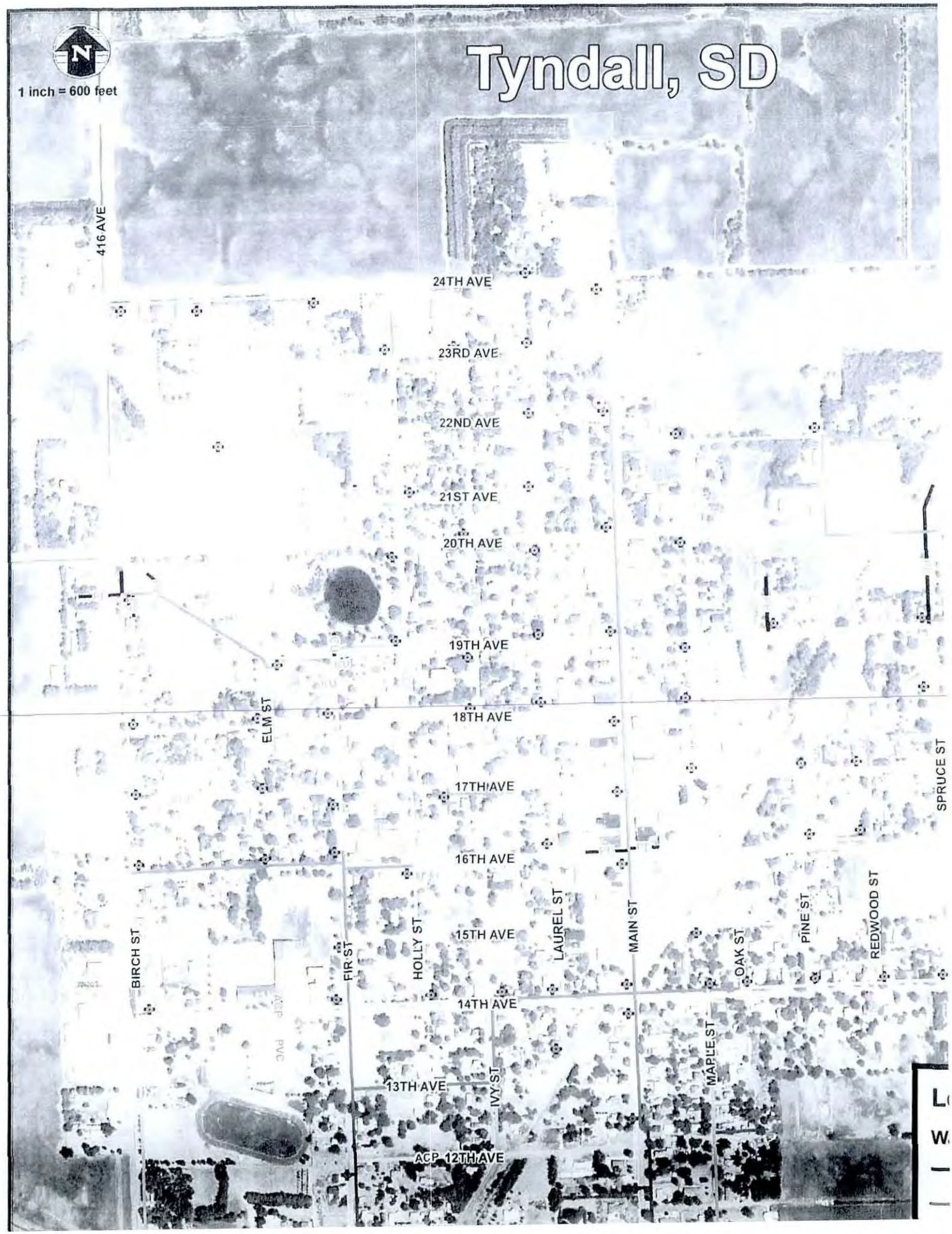
3 EVALUATION OF EXISTING WATER SYSTEM

3.1 GENERAL INFORMATION

The City of Tyndall currently provides water service to approximately 540 connections of which 100 are businesses or commercial. The City currently purchases 100% of its domestic demand from Bon Homme – Yankton Water District (B-Y). The water from B-Y enters a ground storage reservoir and then is pumped through a booster station into the distribution system. Figure 3.1-1 shows the existing water distribution system. The DENR evaluated the water system most recently in June 2013. The inspection report is included in Appendix B. The most recent Water Quality Report is in Appendix C.

According to available information there are several types and sizes of water main used throughout the distribution system. The approximate total length of each size and type of pipe four inches and larger in the water distribution system is listed below.

Polyvinyl Chloride (PVC) Pipe	4-inch – 420 feet
	6-inch – 30,600 feet
	8-inch – 16,500 feet
Cast Iron Pipe (CIP)	6-inch – 610 feet
Asbestos Cement Pipe (ACP) or Transite	4-inch –820 feet
	6-inch – 19,010 feet
	8-inch – 730 feet
	10-inch – 2,800 feet


Tyndall, SD
1 inch = 600 feet
N
416 AVE
24TH AVE
23RD AVE
22ND AVE
21ST AVE
20TH AVE
19TH AVE
18TH AVE
17TH AVE
16TH AVE
15TH AVE
14TH AVE
13TH AVE
ACP 12TH AVE
ELM ST
BIRCH ST
FIR ST
HOLLY ST
IVY ST
LAUREL ST
MAIN ST
MAPLE ST
OAK ST
PINE ST
REDWOOD ST
SPRUCE ST
ACP
PVC

3.2 WATER DEMAND

To evaluate the City of Tyndall's potential to meet the needs of the future, a review of past water usage records was completed. The process used to estimate future water demand included a determination of the current average per capita demand combined with a projection of the future population. Records of water usage from January 2008 through December 2013 were obtained and utilized to create Table 3.2-1.

The sources and methods used to develop the information presented in Table 3.2-1 are described by the following:

- Water purchased per month is based on data provided by the City of Tyndall.
- Water usage billed per month is based on data provided by the City of Tyndall.
- The percentage of unaccounted-for water per month and year is calculated by dividing the difference between the water purchased and the water billed by the water purchased.
- Monthly precipitation data for 2008-2013 is from the National Climatic Data Center Tyndall Station.
- Per capita per day usage for each month is calculated by dividing the water purchased by the population and the days per month.
- The daily water purchased and billed for each year was calculated by dividing the sum of the water for each month by the days in that period.

Table 3.2-1 Water Use Records

	2008					2009					
Month	Purchased (Gallons)	Billed (Gallons)	Unaacc. for %	Precip (in)	Purchased (gpcpd)	Purchased (Gallons)	Billed (Gallons)	Unaacc. for %	Precip (in)	Purchased (gpcpd)	Purchase (Gallons)
January	2,414,000	2,404,000	0.4%*	0.45	73	2,343,000	2,087,000	10.9%*	0.29	71	2,702,00
February	2,306,000	2,148,000	6.9%*	0.73	77	2,186,000	1,963,000	10.2%*	0.83	73	1,923,00
March	2,428,000	2,098,000	13.6%*	1.13	73	2,684,000	1,978,000	26.3%*	0.51	81	2,265,00
April	2,196,000	2,176,000	0.9%*	2.18	69	3,183,000	2,173,000	31.7%*	2.13	99	2,431,00
May	3,014,000	2,253,000	25.2%*	5.93	91	3,109,000	2,440,000	21.5%*	1.78	94	2,780,00
June	3,329,000	2,380,000	28.5%*	2.84	104	3,286,000	2,646,000	19.5%*	4.40	103	2,954,00
July	4,150,000	3,534,000	14.8%*	1.56	125	3,554,000	2,702,000	24.0%*	2.86	107	3,111,00
August	4,316,000	3,714,000	13.9%*	0.48	130	2,903,000	3,098,000	-6.7%*	4.45	88	3,105,00
September	3,366,000	3,469,100	-3.1%*	2.19	105	3,470,000	2,855,000	17.7%*	0.52	108	2,644,00
October	2,722,000	2,486,000	8.7%*	5.63	82	2,202,000	2,433,000	-10.5%*	4.44	67	2,544,00
November	2,752,000	2,119,000	23.0%*	1.08	86	2,200,000	2,214,000	-0.6%*	0.00	69	2,496,00
December	2,752,000	2,137,000	22.3%*	0.88	83	2,374,000	1,913,000	19.4%*	1.50	72	2,222,00
Total	35,745,000	30,918,100	13.5%*	25.08		33,494,000	28,502,000	14.9%*	23.71		31,177,00
Average Day	97,664	84,476				91,764	78,088				85,18
Average (gpcpd)	92	79				86	73				8

Table 3.2-1 Water Use Records (Continued)

	2011					2012					
Month	Purchased (Gallons)	Billed (Gallons)	Unaacc. for %	Precip (in)	Purchased (gpcpd)	Purchased (Gallons)	Billed (Gallons)	Unaacc. for %	Precip (in)	Purchased (gpcpd)	Purchased (Gallons)
January	2,285,000	1,990,000	12.9%*	1.23	69	2,384,000	1,926,000	19.2%*	0.55	72	2,206,000
February	2,315,000	2,209,000	4.6%*	0.9	77	2,041,000	1,998,000	2.1%*	1.45	68	2,137,000
March	2,174,000	1,911,000	12.1%*	1.03	66	2,360,000	2,077,000	12.0%*	0.38	71	2,672,000
April	2,104,000	1,946,000	7.5%*	3.14	66	2,698,000	2,366,000	12.3%*	3.48	84	2,469,000
May	2,882,000	2,217,000	23.1%*	3.64	87	3,291,000	2,336,000	29.0%*	3.96	99	3,519,000
June	2,959,000	2,925,000	1.1%*	3.39	92	3,719,000	3,107,000	16.5%*	0.80	116	3,419,000
July	3,501,000	2,807,000	19.8%*	1.35	106	5,875,000	4,434,000	24.5%*	0.67	178	3,764,000
August	3,793,000	3,753,000	1.1%*	2.51	115	4,463,000	4,833,000	-8.3%*	0.74	135	3,299,000
September	3,072,000	2,894,000	5.8%*	0.26	96	4,044,000	4,016,000	0.7%*	0.18	126	4,470,000
October	3,211,000	2,606,000	18.8%*	1.65	97	3,462,000	3,371,000	2.6%*	1.06	105	2,989,000
November	2,268,000	2,527,000	-11.4%*	0.14	71	2,435,000	2,098,000	13.8%*	0.45	76	2,266,000
December	2,251,000	2,041,000	9.3%*	0.3	68	2,646,000	1,928,000	27.1%*	0.92	80	2,997,000
Total	32,815,000	29,826,000	9.1%*	19.54		39,418,000	34,490,000	12.5%*	14.64		36,207,000
Average Day	89,904	81,715				107,699	94,235				99,197
Average (gpcpd)	84	77				101	88				93

Average Water Purchased Per Year	34,809,333	Gal
Average Water Billed Per Year	30,310,850	Gal
Average Per Capita Usage (Based on Purchased Water)	89	gpcpd
Average Per Capita Usage (Based on Billed Water)	78	gpcpd
Average Percentage of Unaccounted for Water	12.81%	
Maximum Purchased Month	5,875,000	Gal
Average Day Purchased	95,368	Gal
Maximum Billed Month	4,833,000	Gal
Average Day Billed	83,043	Gal

Table 3.2-1 indicates that the purchased per capita water usage ranges from 64 gpcpd during February 2010 to 178 gpcpd during July 2012. The average per capita water usage based on purchased data for the period of January 2008 through December 2013 was determined to be approximately 89 gpcpd which is typical for communities in South Dakota. For the purpose of this report, 90 gpcpd will be utilized as the average per capita per day water usage.

Table 3.2-1 indicates that the water losses in the system average 12.8% since January 1, 2008. The typical reasons for losses in the system are leaks, slow or malfunctioning meters, fire fighting and water used at non-metered locations. The city-operated facilities are the only known non-metered locations. The City is in the process of replacing water and electric meters throughout the City. While the overall water loss is below the generally accepted standard of 15%, the loss for 2013 was nearly 18% and conversations with City officials indicate the water loss occurring in 2014 is even greater. The City should make attempts to determine the cause(s) of the increase in water loss to reduce the water loss to an acceptable level.

A significant increase in water usage is noticeable during the growing months of May through September. It should be noted that above-average precipitation during these months typically lessens the increase in water usage just as the below-normal precipitation typically magnifies the increase in water usage. The lack of usage for the summer months of the wet year of 2010 is a stark contrast to the increased usage for the summer months of 2012 which was a very dry year.

3.3 PROJECTION OF WATER DEMAND

Future water demand projections are the basis for establishing the water distribution system capacity and storage. These projections are based on historical data of per capita water flows and population projections to determine peak day and peak hour demands to ensure that the system is capable of meeting the future demands of the City. As shown in Section 2.3 the population of Tyndall is expected to stabilize or show a slight increase. The projected population of 1,110 for the year 2040 is used for determining the future

water demands. As discussed in Section 3.2 an average day per capita demand of 90 gpd will be utilized.

To meet the peak day water usage that may occur in the future, a peaking factor is generally determined. Smaller cities have a greater fluctuation than larger cities, but these fluctuations generally occur over a shorter period of time. As can be seen in Table 3.2-1, the water use in a city such as Tyndall is largely dependent on the climate and the amount of lawn watering. Our experience has shown that the ratio of average day to peak day ranges from 2.0 to 3.0 average day water usage for communities in South Dakota. It is our opinion that the peaking factor for the peak day water demand should be 3.0 to cover lawn watering and other summertime uses. This number can be justified by taking the maximum day meter reading from B-Y Rural Water's supply meter to the City of Tyndall during July of 2012 of approximately 275,000 gpd and dividing it by the average day usage during 2008-2013 of 95,368 gpd which results in a peak day to average day ratio of 2.88 to 1. Since this data is limited at best, utilizing the slightly higher value of 3.0 is justified in our opinion. A peaking factor of 3.0 will be used throughout the remainder of the report. The result is a peak day water demand of 299,700 gpd (1,110 people x 90 gpcpd x 3.0).

It must be noted at this point that an attempt has been made to determine design flow parameters as accurately as possible but if any error is to be made in the selection, it must be on the high side to ensure an adequate supply of water for the City throughout the design period.

3.4 WATER SOURCES

3.4.1 B-Y Water District

The City of Tyndall is under contract with the B-Y Water District (B-Y) to supply water at a maximum of 275 gpm over a 16-hour period or 264,000 gpd which is slightly less than the calculated peak day of 299,700 gpd. B-Y indicated that they are willing to sell the City as much water as they need as long as the water is available. B-Y's first priority

is their rural customers and after that as long as the water is available they are willing to sell water beyond the contract amounts.

The purchase of the current demand rate of water from B-Y costs the City $3.10 per thousand gallons delivered by B-Y.

3.4.2 Existing Wells

The City had utilized two wells until 2005 when they were connected to the B-Y Water District. The wells are located approximately seven miles southwest of Tyndall. The City of Tyndall currently has water right permits #1075-3 and 4839-3 for the wells. The wells are not being used to supply drinking water but are pumped annually for maintenance. Information about the wells was taken from the SD Public System Data and is shown in the following table.

Table 3.4.2-1 Well Information

Well #	Date Constructed	Diameter (in)	Depth (ft)	Pump Rate (gpm)
1	1963	16	160	180
2-NEW	1982	16	160	275

3.5 EXISTING STORAGE FACILITIES

The City currently has two water storage facilities. In the southernmost portion of the City is a 212,000-gallon ground storage reservoir. Located in the north central portion of the City is an approximately 71,000-gallon elevated tank.

3.5.1 Existing Ground Storage Reservoir

The 212,000-gallon glass lined bolted reservoir, shown in Figure 3.5.1-1, was constructed in 1992 and is in good condition. A new booster station was also constructed in 1992. Improvements to the controls, including a variable frequency drive for the booster pump, were completed in September 2010. As such, the booster station is generally considered to be in good condition with the drawback that there is only one pump.

Figure 3.5.1-1 212,000-Gallon Ground Storage Reservoir

3.5.2 Existing Elevated Storage Reservoir

The existing 71,000-gallon elevated storage reservoir is shown in Figure 3.5.2-1. The tower is of legged construction with a welded steel tank setting on top of a platform at the upper end of the legs. An extensive search of the City records could not determine the exact age of the existing tower, but City officials believe that the tower was originally constructed in 1906 with a wood tank on top of the stand as shown in Figure 3.5.2-2. Records indicate that the tank blew down in 1962 and was reassembled with a steel tank,

but wood structured roof. A new steel roof, structural repairs and painting were completed in 1993.

In 2000 the tank was repainted and four of the 12 legs underwent structural repairs to approximately four feet of the bottom section as shown in Figure 3.5.2-3. The remaining legs received repairs to the lower leg system as shown in Figure 3.5.2-4. H&H Tank Inc. completed an inspection of the elevated storage reservoir in 2008. They discovered pitting and deterioration of the steel surfaces which required attention. Coating repair patches were completed at that time, but repair of the severe pitting was not completed. The concrete footings for the water tower legs have deterioration which is shown in Figure 3.5.2-4. The condition of the tower control building is poor as shown in Figure 3.5.2-5. There is little doubt that the water tower is at the end of its useful life and needs to be replaced.

Figure 3.5.2-1 71,000-Gallon Elevated Storage Reservoir

Figure 3.5.2-2 Tyndall Elevated Storage Reservoir - 1941

Figure 3.5.2-3 Repaired Tower Leg

Figure 3.5.2-4 Repaired Tower Leg

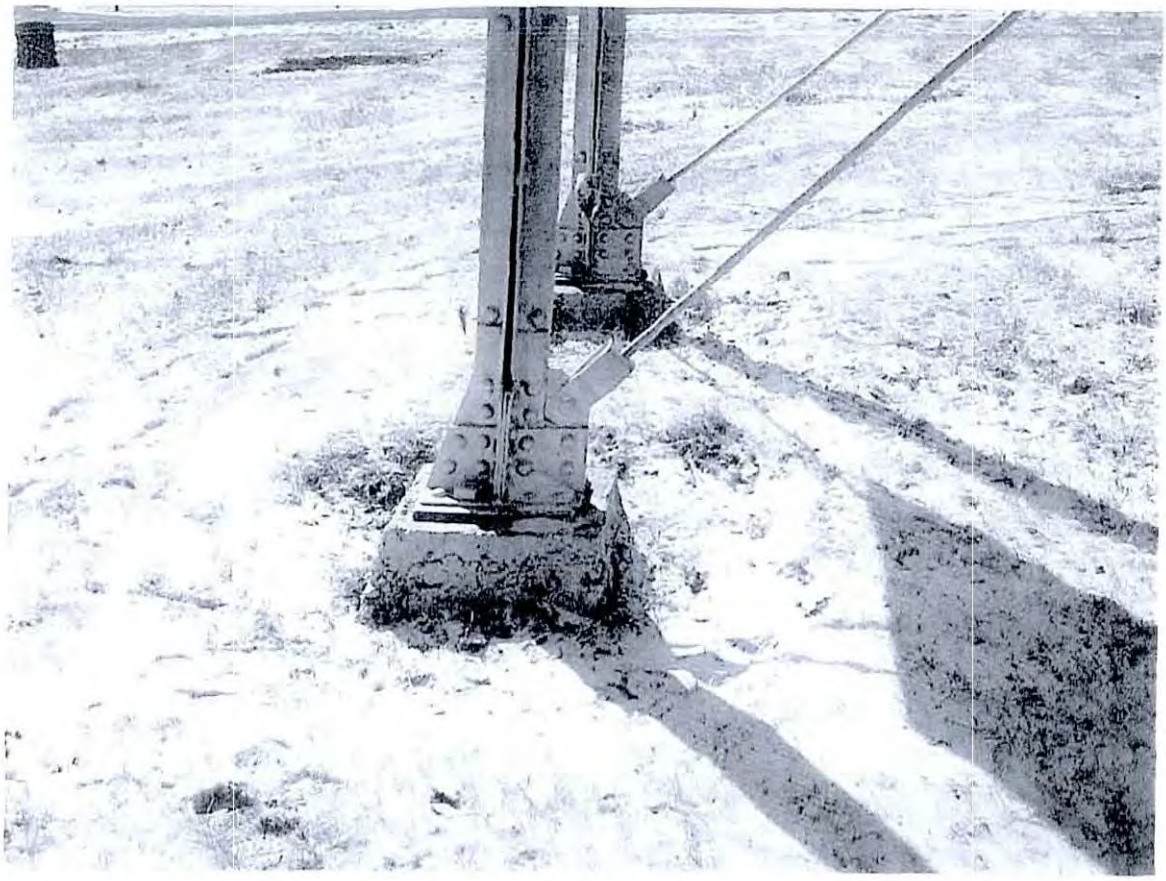


Figure 3.5.2-5 Deteriorating Concrete Footings

Figure 3.5.2-6 Deteriorating Tower Control Shed

3.6 CAPACITY EVALUATION

Water storage establishes the pressure(s) for the distribution system; provides a means for equalizing operating pressures during high demand periods; provides emergency storage to temporarily offset the effects of downtime for pump repairs, pipeline repairs and power outages; and provides fire protection. Ground storage reservoirs cannot provide any of these attributes unless they are constructed away from the distribution area on a hill or by pumping with a standby or back-up power source. As a result, ground storage is often referred to as dead storage. This is not to say that ground storage doesn't have its place or usefulness in a water system. Ground storage tanks are cheaper to construct than elevated storage tanks; however, the cost of pumping facilities and the pumping cost must be added to the cost of the ground storage tank. In some circumstances, the water supply is such that pumping is required to increase the pressure to a desirable range and/or supply is at a slow constant rate such that ground storage and pumping facilities are utilized to reduce the overall size of the elevated tank required.

There is not a defined method for determining the volume of elevated storage for water distribution systems. Standards such as the Ten State Standards say that if fire flow is to be provided, the flow guidelines established by the International Standards Organization (ISO) should be met. Thus, at 1,500 gpm, a two-hour fire event requires 180,000 gallons for the downtown area.

Equalization and emergency storage are the other factors in determining the volume of water required or desired. Equalization storage is required to supply the varying demands throughout each day. Figure 3.6-1 illustrates a typical variation of water demand over a peak day. During those times that the water usage is shown to be over 100% of the supply rate, the system's storage must provide the additional water to meet the demands. Mays states that storage for equalization with constant rate pumps typically ranges from 10% to 25% of the peak day water demand. The higher end of the range is for communities with high ratios of average day to peak day water usage. Since the selected peak day to average day ratio for Tyndall is at the high-range of the typical range of 2.0 to 3.0, the high end of the range of the required equalization storage, or 25%, is selected

for the desired equalization storage. The projected peak day water demand is 299,700 gpd and results in an equalization storage volume of approximately 74,925 gallons (299,700 gpd x .25).

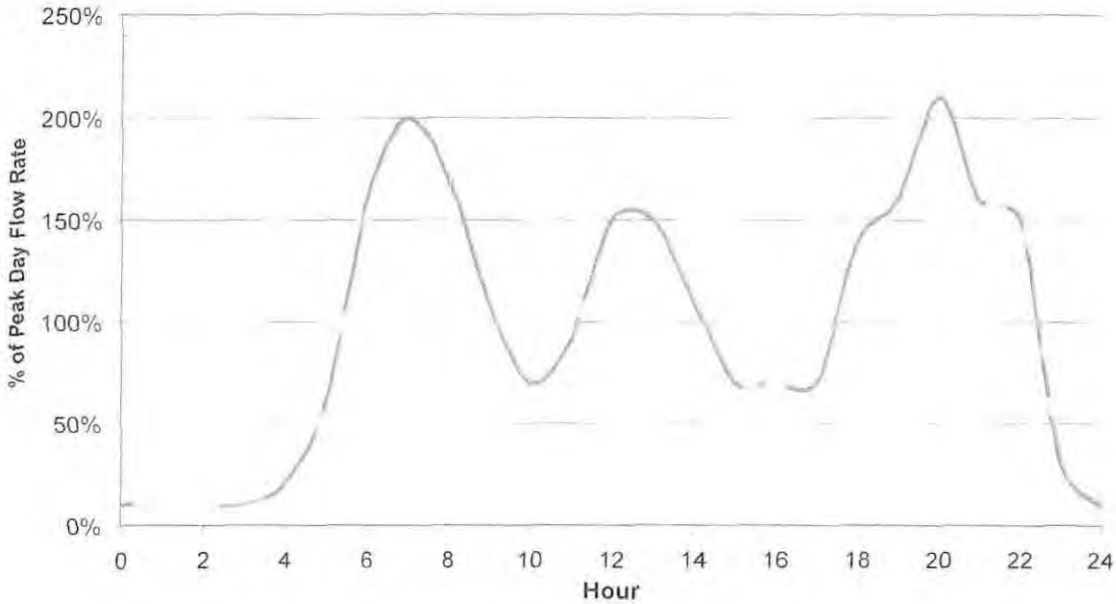


Figure 3.6-1 Water Demand Pattern Used in Model

Emergency storage is essentially the storage that a community feels comfortable with based on the reliability of the power supply and its water system in general. Emergency storage equal to the average day usage is commonly used for the emergency storage volume and is utilized in this report. The future average day water demand is 99,900 gallons (1110 people x 90 gpcpd).

The total required water storage for a community is generally considered to be the equalization storage plus the larger of fire or emergency storage (Mays 2000). The total storage generally considered as needed for a community would then be 254,925 gallons (74,925 + 180,000); however, the funding agencies currently don't consider fire protection as an eligible expense. As such, the total water storage evaluated for this report is the average daily use (emergency storage) plus the equalization storage. The City of Tyndall should currently have elevated storage of at least 174,825 gallons

(74,925+ 99,900) which is significantly higher than the current elevated storage of 71,000 gallons.

3.7 BOOSTER PUMP STATION

The City of Tyndall's water system consists of a substantial amount of ground storage (212,000 gallons). As discussed in the previous paragraphs, ground storage is often referred to as dead storage since the water in this type of storage lacks the energy to be of any benefit to the system's users unless pumps are utilized to add head or pressure (energy) to the water stored in them. Currently, the water supplied by B-Y flows into the ground storage reservoir. With the use of one pump the water in the ground storage reservoir is pumped to the distribution system. There is no back-up power for the pump station; therefore, the City would be without water if the power was out for an extended period of time. Pictures of the booster pump station are shown in the following figures.

Figure 3.7-1 Booster Station

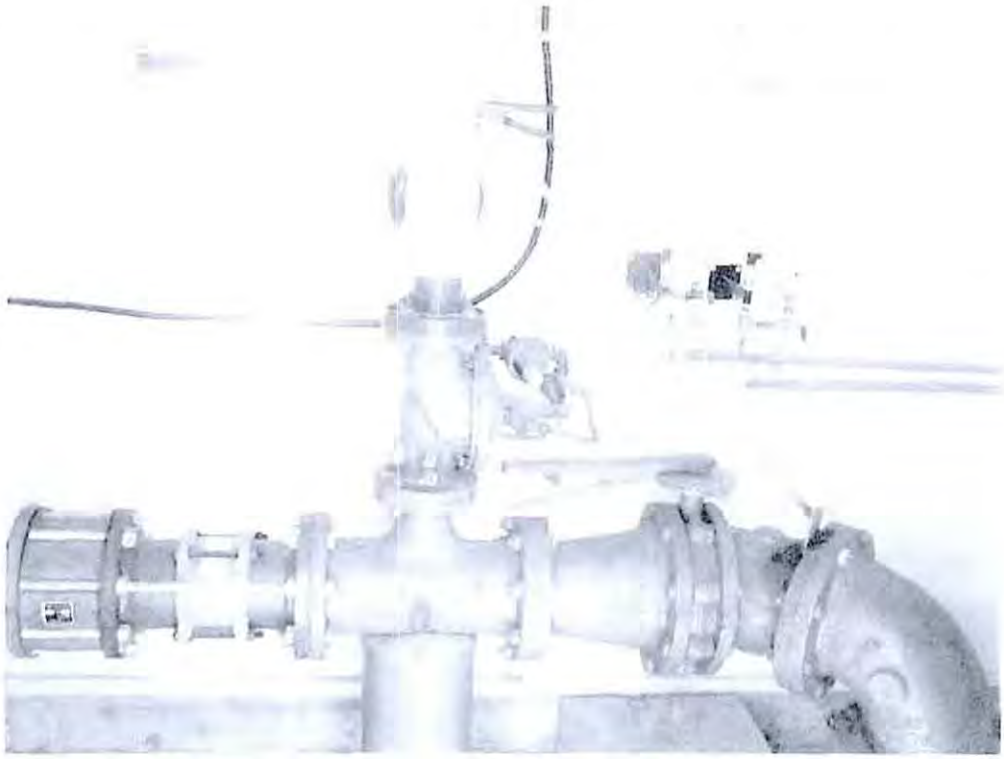


Figure 3.7-2 Booster Station

Under emergency conditions B-Y Water can directly supply the City with water, but the supply would not meet peak conditions of capacity or pressure. As such, it is recommended that the City obtain a back-up pump and make provisions for back-up power.

3.8 DISTRIBUTION SYSTEM

Tyndall's water distribution is shown in Figure 3.1-1. The distribution system consists of a total of approximately 71,450 ft of four-inch to 10-inch pipe. Approximately 47,500 ft is PVC, 610 ft is CIP and 23,350 ft is ACP. Over half of the system has been updated to PVC pipe. CIP becomes brittle with age and, typically, the inside of CIP will build up scale over time reducing the inside diameter and capacity of the pipe.

The ACP has generally outlived its useful life and may begin to cause problems. Problems include brittle pipe that is susceptible to breaks and health concerns relating to asbestos materials. According to the Environmental Protection Agency (EPA) asbestos is a fibrous material with high tensile strength and therefore was used in cement products.

The decay or breakdown of this asbestos-containing cement allows asbestos to enter the drinking water. The EPA further states that asbestos may cause an increased risk of such health problems as developing benign intestinal polyps, lung disease, lung cancer, asbestosis and mesothelioma.

Hydraulically, ACP also has a negative effect on the water distribution system. The roughness coefficient is extremely low with pipe that is 40 years old. Calculations completed by SPN show that an 8-inch ACP is equal to a 7-inch PVC pipe and 6-inch ACP is equal to 5.3-inch PVC pipe. This roughness makes a substantial difference with fire flows.

Currently, the existing system appears to have nine dead ends of four-inch and larger water mains. Without looping and multi-directional flow of water in the distribution system, water is supplied, for the most part, through a long single pipeline. In this type of distribution system, total water usage decreases the closer one gets toward the end of the lines. This results in decreased movement of water in the pipe and the possibility of exceptionally long retention times of the water in various segments of the pipe. Long retention times in a pipe can have a detrimental effect on the quality of the water in the pipe such as:

- A decrease in the disinfection levels in the water;
- An increase in the potential for the formation of carcinogenic disinfection process by-products; and
- An increased potential for the formation of biological growth.

All but one of these dead ends have a fire hydrant at the end. Fire hydrants allow the lines to be properly flushed to maintain water quality

3.8.1 Hydrants

The SD Department of Environment and Natural Resources (SD DENR), which is the state regulatory agency for public water supplies, requires that fire hydrants be served by water mains with a minimum diameter of six inches. Figure 3.1-1 shows the current

main sizes of the City's distribution system. Based on information provided by the City there are approximately 90 hydrants that the City flushes twice a year. The City replaces hydrants as problems develop or removes outdated hydrants as the budget will allow.

3.8.2 Hydraulic Evaluation

A hydraulic evaluation of the water system was conducted using the KY Pipe 2012 hydraulic computer model. This model utilizes the Hazen-Williams formula and commonly accepted friction factors for the pipeline material being considered to calculate head loss due to pipe friction and resulting flows and pressures. Two types of hydraulic analyses were performed with the KY Pipe 2012 hydraulic program to evaluate the City of Tyndall's distribution system. The first type is a general system analysis which provides a snapshot of the system at the set parameters. The second type is a fire flow analysis which predicts the fire flow from selected fire hydrants. All analyses were utilized to obtain a representation of the existing distribution system and to allow accurate recommendations to be made that will improve the existing conditions.

Any hydraulic evaluation can find the existing water system to be inadequate by simply making the requirements very stringent. In the same manner, generally all systems are adequate to meet the average day demands. Deficiencies in a system are typically not apparent until system demands increase to provide the peak day and peak hour flows. The reason for this is that the flow rate in a pipeline significantly affects the downstream pressures. The friction loss, or the pressure loss, in a pipe is a function of the square of the velocity. Therefore, as the flow rate and corresponding velocity in a pipe increase, the resulting friction increases exponentially. As the flow rate increases above 2 feet per second, the corresponding friction loss begins to climb rapidly with a velocity of 5 feet per second, generally considered the maximum desired flow rate. As a result, it is common practice to evaluate the overall system deficiencies in a distribution system based on peak hour and peak day flows.

3.8.3 Modeled Flow Rates

The total water demand for the City consists of two main components. First, the non-residential use is modeled by distributing demands that represent the City's watering of parks, schools, hospitals and other non-residential high-use water users throughout the water distribution model. The other component consists of a residential flow rate which is modeled at each metered connection. Two sets of modeled system demands are created to place different loading conditions on the model:

- Peak Hour Demand

  Mays states that the peak hour to average day flow ratio typically ranges from 2.0 to 7.0:1. It is our opinion that the peak hour to average day ratio should be modeled as 6.3. This number was obtained by taking the highest usage in Figure 3.5-3 of 210% and multiplying that by peak day usage and dividing it by the average usage (2.1 x 299,700 / 99,900). Typically, the water demand in a system is concentrated over 16 hours in the day since water use is minimized during the night. Therefore, based on the current average day per capita pumped usage of 90 gpcpd, a 16-hour pumping day and the projected population of 1,110 the total modeled peak hour flow rate is estimated to be 656 gpm (90 x 1,110 x 6.3 / 16 / 60). This flow will be utilized in the general analysis with the tower set at mid-level to evaluate the distribution system's hydraulic capacity to maintain adequate water pressure during this high-use period.

- Peak Day Demand

  The peak day demand in the models was set to approximately 312 gpm (299,700 / 16 / 60) based on the current population, per capita usage, estimated peaking factor and a 16-hour day. An estimated variation of the peak day's usage over the course of the day including the peak hour is utilized in the extended period simulation to evaluate the system's overall hydraulic capacity.

3.8.4 Pressure Analysis

To check the water system for low-pressure problems, hydraulic models are created with the following assumptions made:

- The peak hour demand is placed on the model according to Section 3.8.3.
- The operating elevation of the water tower is set to the mid-tank level which is approximately an elevation of 1,520 feet above mean sea level.
- The booster pump is not operating.

SD DENR Recommended Design Criteria states in Section 8.4.2:

> *"A water distribution system shall be designed so as to provide a pressure of 20 pounds per square inch at each service outlet or connection under any or all conditions or demands that can be placed on the system. Under normal conditions, minimum pressures should be approximately 60 psi and not less than 35 psi."*

Section 7.3.1 of the Recommended Standards for Water Works by the Committee of the Great Lakes further recommends a minimum working pressure of 35 psi with a normal working pressure of 60 to 80 psi. The AWWA Distribution System Handbook by Mays states on page 3.8 that low operating pressures of less than 30 psi can result in annoying reductions in water flow when more than one water-using device is in service. The new minimum desired by many residents is 40 psi as that pressure is typically required to properly operate lawn sprinkler systems. Based on the references above, the recommended pressures for services are shown in Table 3.8.4-1.

Table 3.8.4-1 Recommended Pressures

Condition	Service Pressure Criteria (psi)
Maximum Pressure	60-80
Minimum Pressure During Peak Day	30-40
Minimum Pressure During Peak Hour	30
Minimum Pressure During Fire Flow	20

To check the water system for low-pressure problems, a high demand is simulated. The basis for the model in Figure 3.8.4-1 is that each meter is using an average of 1.04 gpm (564 gpm / 540 connections plus individual node demands of 10 gpm and 20 gpm for the school; 32 gpm for the football field; 10 gpm for the hospital; 5 gpm for Tyndall Housing Authority; and 5 gpm and 10 gpm for the nursing home). Figure 3.8.4-1 indicates that the operating pressures are at or slightly above the minimum recommended pressure of 40 psi in the east and southwest parts of the community. However, there are pressures below 40 psi in the northwest and west parts of the community. This coincides with reports from the City about low pressure complaints from the hospital on its second floor. The hospital is located at the intersection of 16th Avenue and Fir Street.

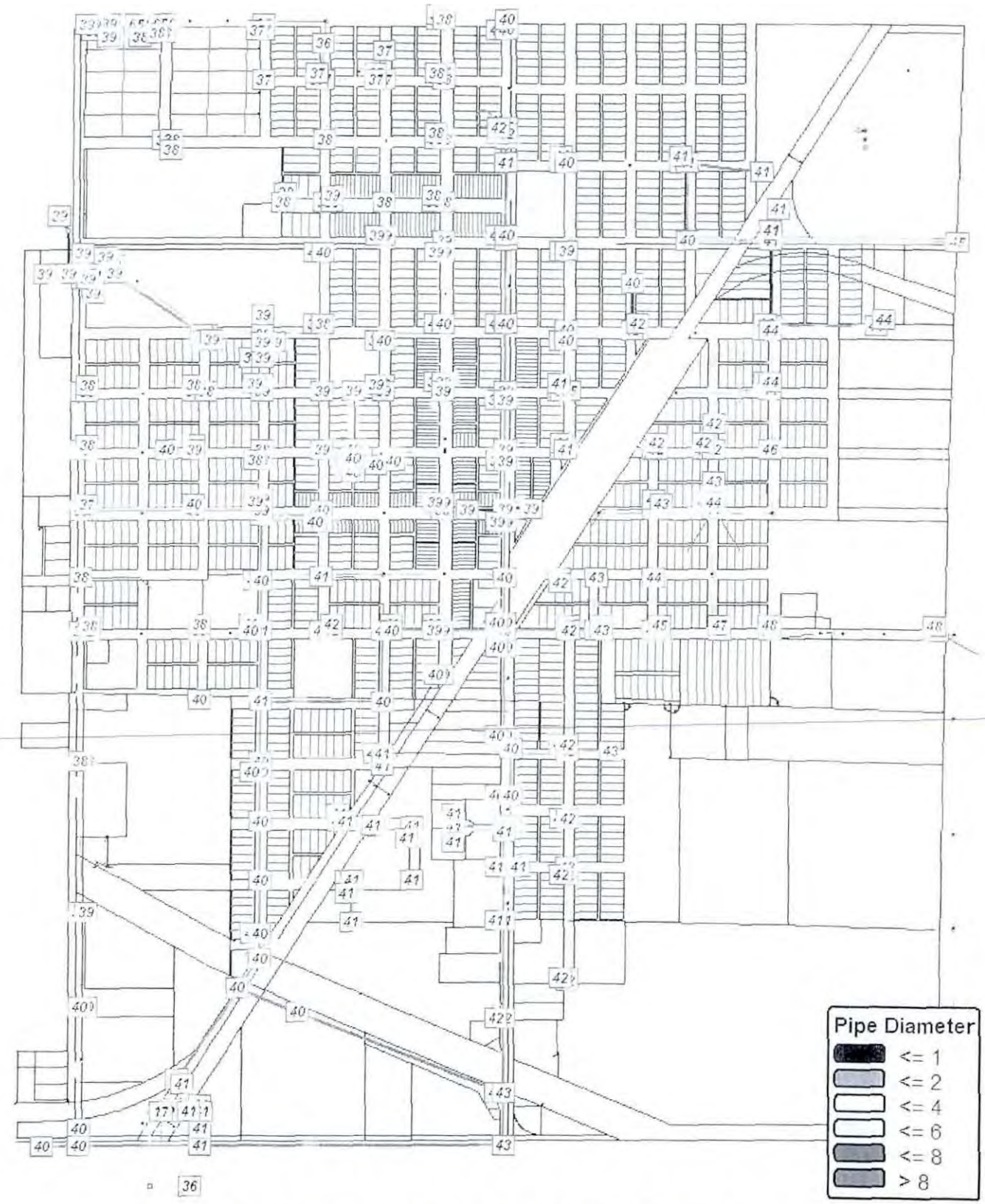


Figure 3.8.4-1 Pressure Analysis under Peak Hour Demand

3.8.5 Fire Flow Simulation

In order to check the water system for low flow problems, hydraulic models are created with the following assumptions made:

- The peak day demand of 0.49 gallons per meter (266 gpm / 540 connections plus individual node demands of 5 gpm and 10 gpm for the school; 16 gpm for the football field; 5 gpm for the hospital; 3 gpm for the Tyndall Housing Authority; and 2 gpm and 5 gpm for the nursing home) is placed on the model according to Section 3.7.3.
- The operating level of the tower is set to the mid-tank level.
- The booster station pump is not running.
- The minimum residual pressure is set at 20 psi.

Main pipelines are to deliver the needed fire flow to each hydrant in accordance with the ISO guidelines. The ISO guidelines are based on a number of variables including size of structure, construction material, occupancy, exposure and connections to other structures. For one- and two-family dwellings not exceeding two stories in height, the following needed fire flows are required:

Distance Between Buildings	Fire Flow Requirement
Over 100 feet	500 gpm
31 to 100 feet	750 gpm
11 to 30 feet	1,000 gpm
10 feet or less	1,500 gpm

As for the business district, the needed fire flow would be variable for each structure and an inspection and analysis of each structure would be required. Rather than performing these inspections and analyses, a minimum needed fire flow of 1,500 gpm is sought for business and school areas.

As can be seen in the fire flow analyses shown in the figure, the flows are below 500 gpm (the minimum by ISO) in the outer portions of the community. However, the flows are around 900 gpm in the business district. The low flow can be expected with the large

amount of asbestos cement pipe still in use throughout the system. The ACP inhibits the fire flows because of the roughness coefficient of the inside of the pipe.

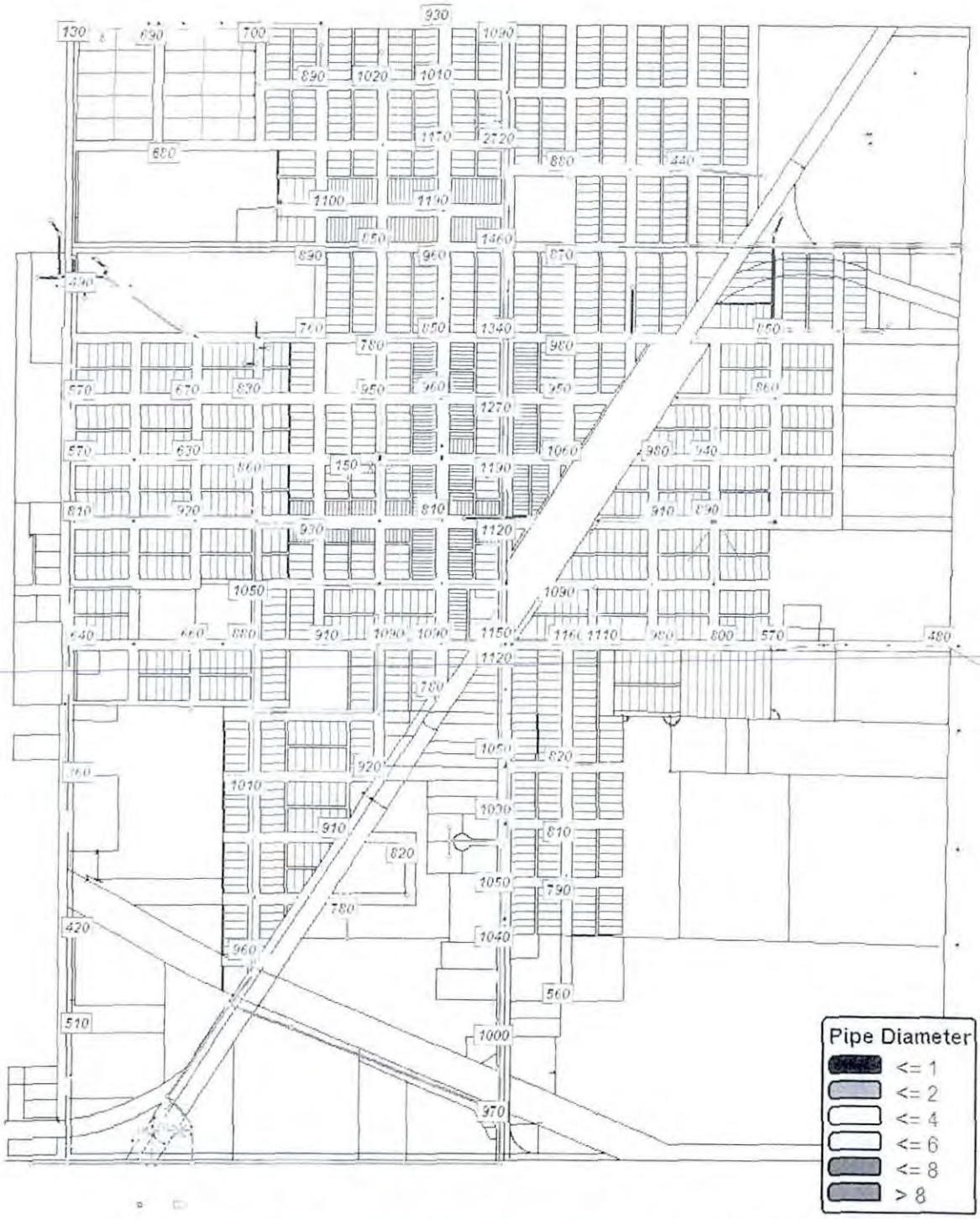


Figure 3.8.5-1 Fire Flow Analysis under Peak Day Demand

3.9 FUTURE CONDITIONS

Information related to project need and the planning areas are found in Section 3.1 of this report. Specific information on population projections is found in Section 2.3. Land use is not expected to change significantly in the immediate vicinity of the City.

Due to the importance of conserving water, money and energy, various means for reducing wastewater flows and water usage are recommended. By using faucet aerators, reduced flush toilets, and limited flow showerheads, wastewater flow and water use can be reduced.

4 DEVELOPMENT AND EVALUATION OF ALTERNATIVES

4.1 GENERAL

The alternatives developed for the City of Tyndall were composed to demonstrate some options available to fix the identified deficiencies in the water system.

4.2 CAUTIONARY NOTES CONCERNING COST ESTIMATES

The opinions of probable cost provided with the following alternatives reflect the anticipated costs for administration, engineering design, construction, contingencies, construction observation, and other costs related to completion of the project. The costs as presented are based on an analysis and comparison of projects of similar size and scope. The actual construction and project costs will vary on an individual project basis. The actual bid cost will reflect the bidder's evaluation of construction problems, weather, soils and difficulty of work. Thus, the engineer cannot be held responsible for the accuracy of the estimates made in this report as the engineer has no control over the contractors' bid costs.

Changes in materials, equipment and energy costs, as well as availability of other construction work at the time of the bid opening, could substantially influence actual project cost. Construction costs will also vary somewhat based on the quantity of items necessary to construct the project. The quantities and costs contained in this report are preliminary estimates based on our best judgment without field measurements. Final quantities and opinions of probable cost and final construction costs must be based upon final design.

Different funding sources have different requirements for some non-construction items. Therefore, actual costs of non-construction items should be considered tentative at this time and subject to later modifications and adjustments as current situations and funding sources dictate. Further, inasmuch as the period of construction cannot be accurately predicted, the costs as presented in this report have not been adjusted to reflect projected inflation factors. Therefore, it is important that the estimate of costs as presented be reviewed and updated periodically to reflect construction cost trends.

4.3 EQUIVALENT UNIFORM ANNUAL COST

The alternatives relating to Tyndall's water system that were evaluated are described in the following sections. In addition to an opinion of cost for each alternative discussed in this section, a breakdown of the estimated equivalent uniform annual cost (EUAC) is also given. The EUAC not only takes the capital costs into account when evaluating the options but also looks at the salvage value of the components and the expected annual operation and maintenance costs. The result is a comparison of the alternatives on an overall basis throughout a design life of 30 years. As a result, the EUAC may show that the lowest capital cost alternative is not the lowest cost alternative. This situation would occur when options have a low capital cost but high operation and maintenance costs. The terms and values utilized in performing the EUAC are given in Table 4.3-1.

Table 4.3-1 Equivalent Uniform Annual Cost Terminology and Values Used

Term	Definition	Value Used
Interest = I	Annual interest rate	3.00%
Salvage Value = SV	Value of component at end of 30-year design life	0% or 60%
Present Worth = PW	Present worth (equal to opinion of cost for that item)	Variable
Net Present Worth of Salvage Value = PWSV	Present worth of salvage value	41.2%
Net Present Worth of Capital Costs = NPW	Present worth less the present worth of the salvage value	Variable
Net Present Worth of Annual Costs	Present worth of annual costs over the 20-year design life	1960%
Equivalent Uniform Annual Costs = EUAC	Annual cost of total present worth of capital and annual costs	5.10%
Design Life	Length of time facilities are projected to operate and/or meet design parameters	30 years

4.4 WATER SOURCE

Tyndall purchases 100% of its domestic demand from B-Y Water with a contract flow rate of 275 gpm There are no negative water quality characteristics of Tyndall's water source.

Tyndall's current water allotment of 265,000 gallons per 16-hour day from B-Y does not meet the needs for a peak day and should the City experience days with consecutive high demand, the City may experience some water shortage problems. With that in mind the City may want to consider one of the following alternatives.

4.4.1 Water Source Alternative 1: Do Nothing

The first alternative for a water source is to do nothing. This alternative does not correct the defective problem; however, because the City has not experienced any problems with water shortage and B-Y is willing to supply extra water as long as it is available, this is currently a viable recommended option. However, the City should strongly consider pursuing one of the other alternatives to ensure that water shortage problems are not experienced in the future.

4.4.2 Water Source Alternative 2: Increase Daily Allotment

The City should consider increasing their daily flow allotment from the B-Y Water District to prevent water shortages during extended periods of high water demand. The City could also consider an emergency rate should periods of high demand occur.

4.4.3 Water Source Alternative 3: Supplement with Existing Wells

Supplementing water supply with water from their existing wells is another option. By using the existing wells the City can help meet the demands of high water usage without increasing contract amounts with B-Y. However, due to water quality concerns, no further consideration is given to this alternative.

4.4.4 Water Source Alternative 4: Establish Water Restrictions

The City could consider establishing watering restrictions to ensure that they do not experience water shortage during periods of high demand. These restrictions could be set up as permanent restrictions or as emergency status when it appears that water shortage could become a problem.

4.5 WATER STORAGE

The City's current elevated storage reservoir is at the end of its useful life and needs to be replaced. The existing elevated storage reservoir is also too small to meet the water demands of the City.

4.5.1 Water Storage Alternative 1: Do Nothing

The first alternative for the water storage is to do nothing. This alternative will not address the negative characteristics of the City's water storage facilities. Therefore, this alternative will not be discussed any further.

4.5.2 Water Storage Alternative 2: New Water Tower

The required volume of water was shown to be 174,825 gallons. The next larger standard size tank closest to this volume is 200,000 gallons. The obvious location of the new tank is near the current 71,000-gallon tank which is located on one of the higher elevations within Tyndall and fits well with the existing distribution piping. This is an opportune time to construct a tank with a higher elevation to obtain increased pressure. Minimum recommended pressures of 60 psi throughout the system will be the goal.

As a result, the recommendation is to construct a 200,000-gallon single pedestal water tower. The mid-water level of the tower would be raised 40 feet to an approximate elevation of 1,560 feet. The larger tank size would add 12 feet of operational depth resulting in a minimum water elevation of approximately 1,545 feet. The elevation of the base of the existing tank is assumed to be 1,422 feet. A new booster pump and a spare pump will be required to fill the new tank at the higher elevation and are included in the cost estimate.

The cost for this alternative is shown in the following table. The pressure and fire flow analyses resulting from the new elevated water reservoir are provided in Figure 4.5.2-1 and Figure 4.5.2-2.

Table 4.5.2-1 Cost Estimate for Storage Alternative 2

Item	Description	Quantity	Unit Price	Total Cost
1	Mobilization	1 LS	$ 71,700.00	$71,700.00
2	200,000-Gallon Water Tower	1 LS	$800,000.00	$800,000.00
3	12" Water Main	100 LF	$100.00	$10,000.00
4	12" x 12" x 6" Tee	1 EA	$2,500.00	$2,500.00
5	12" x 8" x 8" Tee	1 LF	$2,500.00	$2,500.00
6	8" x 6" Reducer	1 EA	$950.00	$950.00
7	6" Hydrant Lead	15 LF	$50.00	$750.00
8	12" Gate Valve with Box	1 EA	$3,000.00	$3,000.00
9	8" Gate Valve with Box	2 EA	$2,000.00	$4,000.00
10	Fire Hydrant Assembly	1 EA	$3,500.00	$3,500.00
11	Connect to Existing 6" Main	1 EA	$1,200.00	$1,200.00
12	Connect to Existing 8" Main	1 EA	$1,500.00	$1,500.00
13	Booster Station Pump with Spare Pump	1 EA	$25,000.00	$25,000.00
14	Demolition of Old Tank	1 EA	$25,000.00	$25,000.00
15	Seed, Fertilize and Mulch	1,200 SY	$1.50	$1,800.00
16	Chain Link Fencing	300 LF	$50.00	$15,000.00
			Subtotal	$968,400.00
			Contingencies (10%)	$97,600.00
			Construction Total	$1,066,000.00
			Administration & Legal	$19,000.00
			Design Engineering	$50,000.00
			Soil Borings	$3,000.00
			Bidding and Contract Documents	$5,000.00
			Construction Engineering	$50,000.00
			Total Probable Project Cost	$1,193,000.00

Table 4.5.2-2 EUAC for Storage Alternative 2

A. Construction Cost

Item	Cost	SV	PW SV	NPW
Mobilization	$71,700.00	$0.00	$0.00	$71,700.00
200,000-Gallon Water Tower	$800,000.00	$480,000.00	$265,764.36	$534,235.64
12" Water Main	$10,000.00	$6,000.00	$3,322.05	$6,677.95
12" x 12" x 6" Tee	$2,500.00	$1,500.00	$830.51	$1,669.49
12" x 8" x 8" Tee	$2,500.00	$1,500.00	$830.51	$1,669.49
8" x 6" Reducer	$950.00	$570.00	$315.60	$634.40
6" Hydrant Lead	$750.00	$450.00	$249.15	$500.85
12" Gate Valve with Box	$3,000.00	$1,800.00	$996.62	$2,003.38
8" Gate Valve with Box	$4,000.00	$2,400.00	$1,328.82	$2,671.18
Fire Hydrant Assembly	$3,500.00	$2,100.00	$1,162.72	$2,337.28
Connect to Existing 6" Main	$1,200.00	$0.00	$0.00	$1,200.00
Connect to Existing 8" Main	$1,500.00	$0.00	$0.00	$1,500.00
Booster Station Pump with Spare Pump	$25,000.00	$0.00	$0.00	$25,000.00
Demolition of Old Tank	$25,000.00	$0.00	$0.00	$25,000.00
Seed, Fertilize and Mulch	$1,800.00	$1.00	$0.55	$1,799.45
Chain Link Fencing	$15,000.00	$9,000.00	$4,983.08	$10,016.92
Capital Costs	$224,600.00	$0.00	$0.00	$224,600.00
Total Construction Cost	$1,193,000.00	$505,320.00	$279,780.00	$913,220.00

B. Operation and Maintenance Costs for Proposed Construction

Item	Annual Cost	NPW
Labor	$2,000.00	$29,754.95
Cleaning & Inspection (Elevated Tower)	$1,000.00	$14,877.47
Water Tower Painting	$9,700.00	$144,311.51
Miscellaneous	$500.00	$7,438.74
Subtotal	$13,200.00	$196,382.67

C. Equivalent Uniform Annual Cost

NPW Construction Cost	$913,220.00
NPW of O & M Costs	$196,382.67
Total Net Present Worth	$1,109,602.67
Equivalent Uniform Annual Cost	$74,582.73

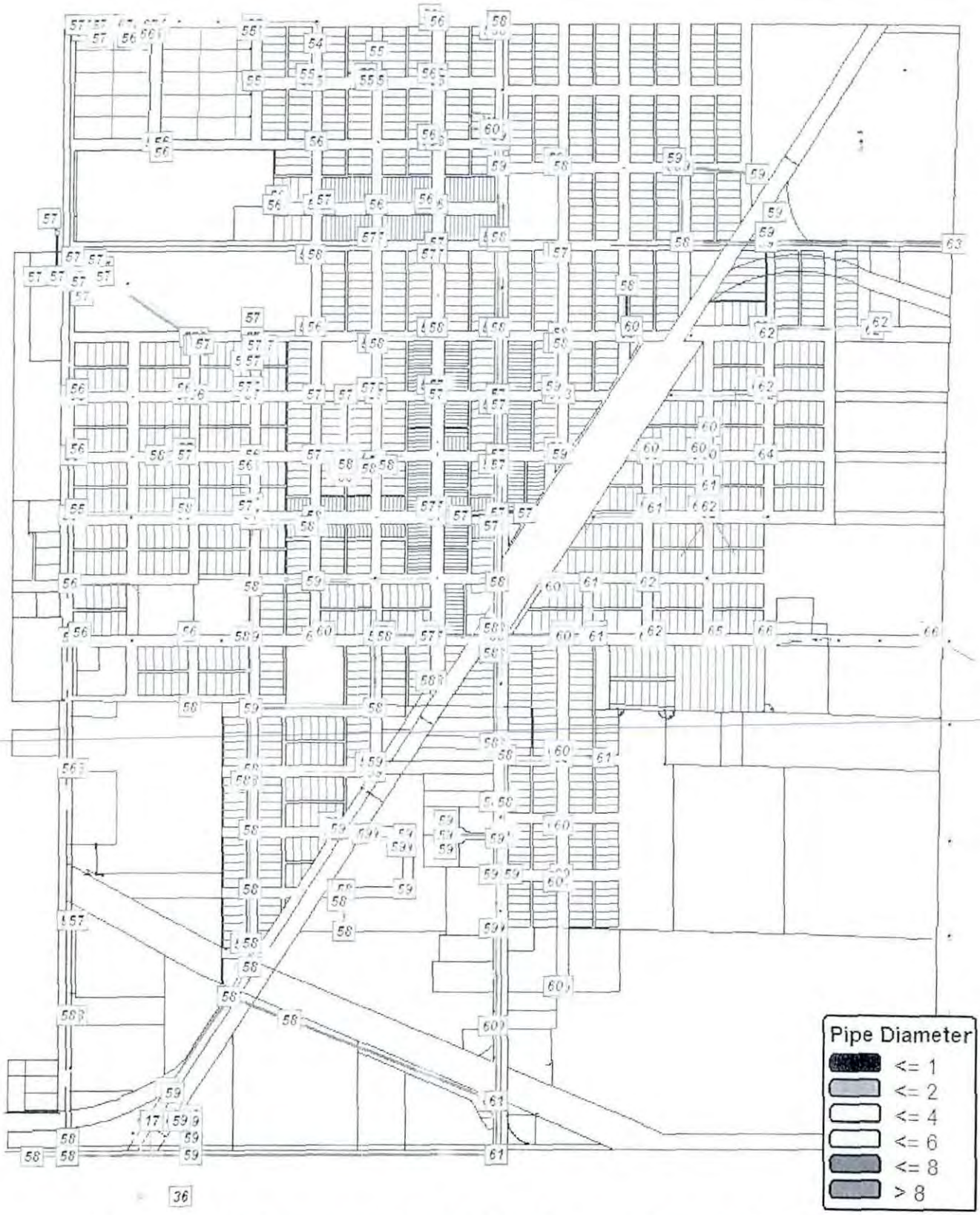


Figure 4.5.2-1 Pressure Analysis for Water Storage Alternative 2

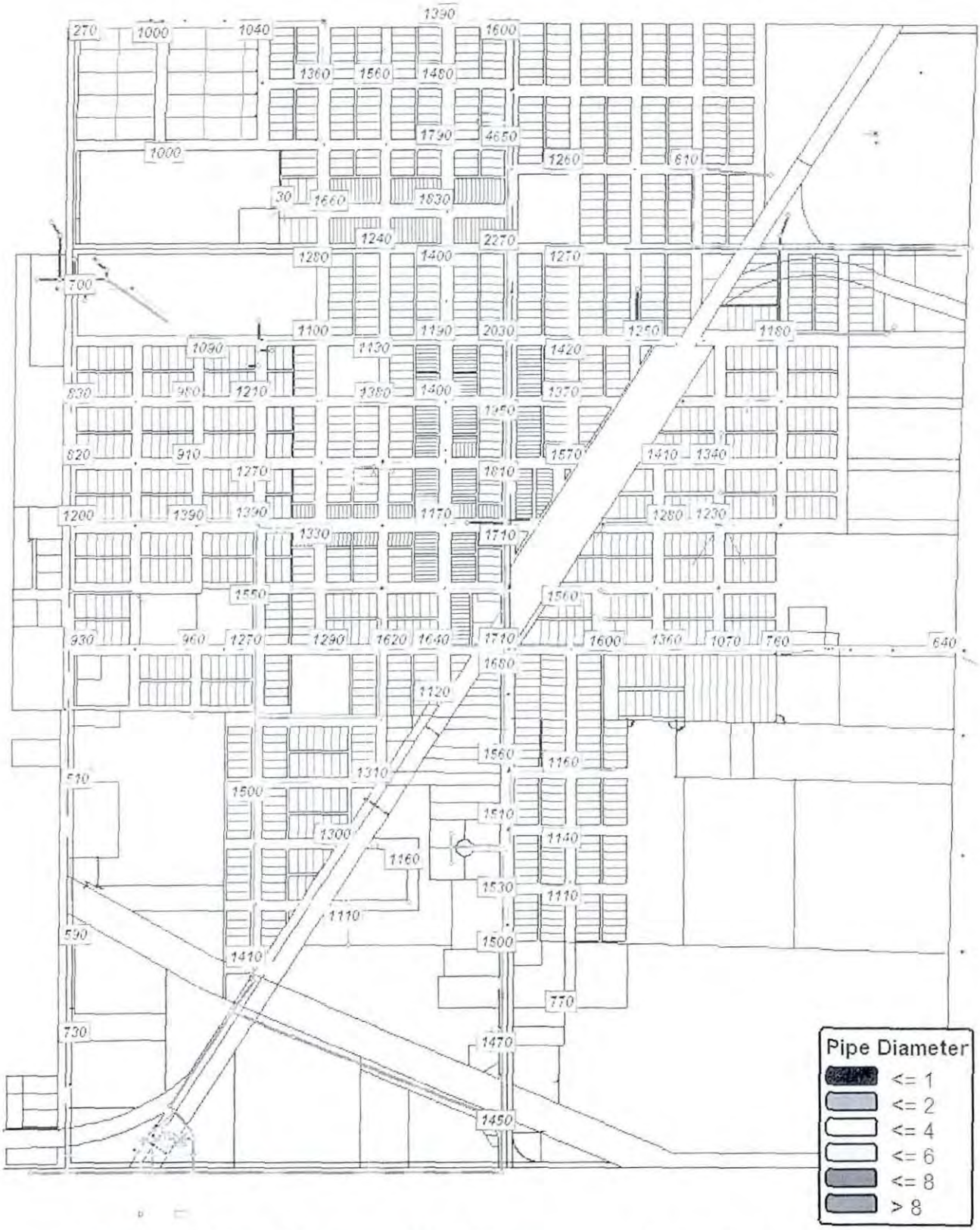


Figure 4.5.2-2 Fire Flow Analysis for Water Storage Alternative 2

4.5.3 Water Storage Alternative 3: Remove Reservoir and Booster Station

With the construction of a new water tower as described in Water Storage Alternative 2, Water Storage Alternative 3 considers removing the booster station and ground storage reservoir from the distribution system. The required storage calculations discussed in previous sections do not consider the ground storage reservoir because of the fact that it is considered "dead" storage. By using the ground storage and booster station the City of Tyndall is removing the energy or pressure that B-Y has already put into the water just to pump the energy back into the water for placement into the distribution system. The booster station and ground storage reservoir could be considered an unnecessary expense for the City of Tyndall.

SPN and Associates has discussed with B-Y in the past the option of filling the water tower directly with B-Y's pressure. B-Y indicated that, at the time the City was being connected to the B-Y system, the small size of the existing water tower required a larger pipe size be brought to Tyndall in order to meet the demands of the City. It was decided at that time the cost of a larger pipe exceeded the expense of operating the ground storage reservoir and pump station.

B-Y was again contacted to verify if they could indeed supply the pressures and flow to operate in conjunction with the proposed elevated tank. B-Y indicated that they would need to complete a full system evaluation and if the evaluation found it possible to directly supply the new elevated tank, B-Y would require a new contract with Tyndall. With B-Y only able to commit to the current pressure of approximately 45 psi this option cannot fill the proposed tank; therefore, the removal of the ground storage and booster station is not an option and will not be discussed any further.

4.6 WATER DISTRIBUTION

The negative characteristics of Tyndall's water distribution system are summarized below:

- The CIP and ACP have outlived their useful life expectancy.
- The ACP and CIP create a large amount of head/pressure losses in the system. This reduces the pressure and fire flow to the system.
- Areas of the system have dead-end lines which result in low fire flows.

4.6.1 Water Distribution Alternative 1: Do Nothing

The first alternative for water distribution system improvements is to do nothing. This alternative will not help address any of the negative characteristics of the system. As a result, the "do nothing" alternative is not considered as an acceptable alternative.

4.6.2 Water Distribution Alternative 2: Replace CIP and Selected ACP

Water Distribution Alternative 2 recommends replacing all the CIP; replacing the ACP pipe from the new water tower to a connection with existing PVC pipe on Main Street; and the completion of a loop from the north side of SD Highway 50 to the south side of SD Highway 50 on Birch Street. The replacement of all of the CIP alleviates a major concern for pipe failure due to outdated pipe. The ACP removal and replacement will allow the elevated tank to be connected to existing PVC pipe previously installed on Main Street improvement projects. This alternative not only replaces some of the ACP, but will also significantly improve flow from the tank to the distribution system for peak day usage and fire flows.

The location of the proposed improvements is shown in Figure 4.6.2-1. The cost estimate for Distribution Alternative 2 is shown in Table 4.6.2-1 and Table 4.6.2-2.

Tyndall, SD

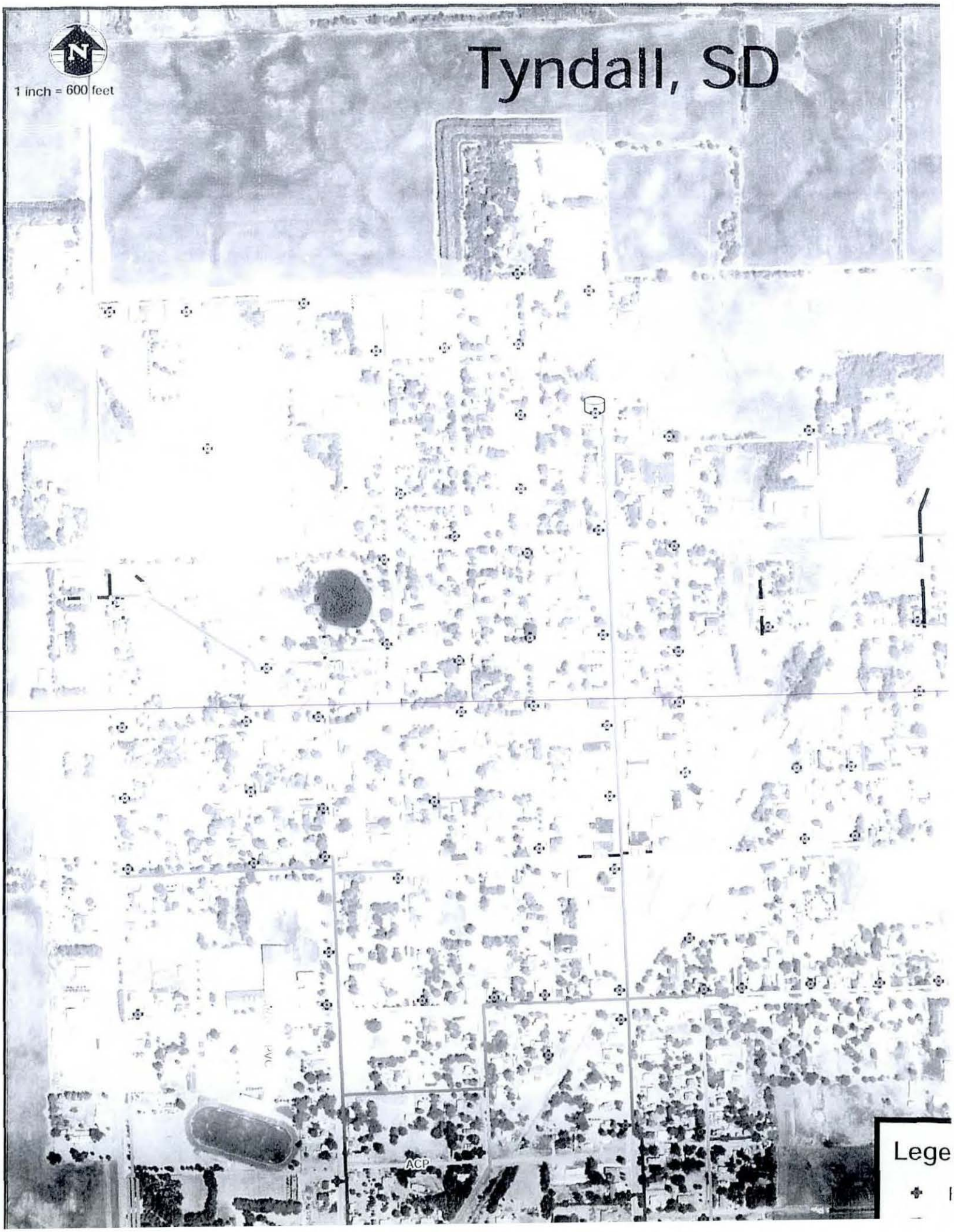


Table 4.6.2-1 Cost Estimate for Distribution Alternative 2

Item	Description	Quantity	Unit Price	Total Cost
1	Mobilization	1 LS	$22,000.00	$22,000.00
2	Remove and Dispose of Existing Surface	2,800 SY	$4.50	$12,600.00
3	Full Depth Saw-cut	1,300 LF	$5.00	$6,500.00
4	6" Water Main	1,600 LF	$28.00	$44,800.00
5	10" Water Main	750 LF	$40.00	$30,000.00
5	Directional Bore 10" Encasement Pipe	300 LF	$100.00	$30,000.00
6	Furnish & Install Fire Hydrant	3 EA	$3,500.00	$10,500.00
7	Furnish & Install Fire Hydrant Lead	114 LF	$28.00	$3,192.00
8	Furnish & Install 6" Gate Valve w/Box	6 EA	$1,300.00	$7,800.00
9	Furnish & Install 10" Gate Valve w/Box	3 EA	$2,250.00	$6,750.00
9	Furnish & Install 6" MJ Tee	1 EA	$500.00	$500.00
10	Furnish & Install 10" MJ Tee	1 EA	$1,000.00	$1,000.00
10	Furnish & Install 1" Corp Stop/Service Saddle	18 EA	$325.00	$5,850.00
11	Furnish & Install 1" Curb Stop w/Box	18 EA	$375.00	$6,750.00
12	Furnish & Install 1" Service Line	720 LF	$22.00	$15,840.00
13	Connect to Existing Service	18 EA	$225.00	$4,050.00
14	Connect to Existing Water Main	4 EA	$1,200.00	$4,800.00
15	Asphalt Surface (3")	500 SY	$110.00	$55,000.00
16	Gravel Base Course (8")	1,300 TN	$20.00	$26,000.00
			Subtotal	$293,930.00
			Contingencies (10%)	$29,000.00
			Construction Total	$322,930.00
			Administration & Legal	$5,900.00
			Design Engineering	$20,500.00
			Bidding and Contract Documents	$4,000.00
			Construction Engineering	$29,000.00
			Total Probable Project Cost	$382,330.00

Table 4.6.2-2 EUAC for Distribution Alternative 2

A. Construction Cost

Item	Cost	SV	PW SV	NPW
Mobilization	$22,000.00	$0.00	$0.00	$22,000.00
Remove and Dispose of Existing Surface	$12,600.00	$0.00	$0.00	$12,600.00
Full Depth Saw-cut	$6,500.00	$0.00	$0.00	$6,500.00
6" Water Main	$44,800.00	$26,880.00	$14,882.80	$29,917.20
10" Water Main	$30,000.00	$18,000.00	$9,966.16	$20,033.84
Directional Bore 10" Encasement Pipe	$30,000.00	$18,000.00	$9,966.16	$20,033.84
Furnish & Install Fire Hydrant	$10,500.00	$6,300.00	$3,488.16	$7,011.84
Furnish & Install Fire Hydrant Lead	$3,192.00	$1,915.20	$1,060.40	$2,131.60
Furnish & Install 6" Gate Valve w/Box	$7,800.00	$4,680.00	$2,591.20	$5,208.80
Furnish & Install 10" Gate Valve w/Box	$6,750.00	$4,050.00	$2,242.39	$4,507.61
Furnish & Install 6" MJ Tee	$500.00	$300.00	$166.10	$333.90
Furnish & Install 10" MJ Tee	$1,000.00	$600.00	$332.21	$667.79
Furnish & Install 1" Corp Stop/Service Saddle	$5,850.00	$3,510.00	$1,943.40	$3,906.60
Furnish & Install 1" Curb Stop w/Box	$6,750.00	$4,050.00	$2,242.39	$4,507.61
Furnish & Install 1" Service Line	$15,840.00	$9,504.00	$5,262.13	$10,577.87
Connect to Existing Service	$4,050.00	$0.00	$0.00	$4,050.00
Connect to Existing Water Main	$4,800.00	$0.00	$0.00	$4,800.00
Asphalt Surface (3")	$55,000.00	$33,000.00	$18,271.30	$36,728.70
Gravel Base Course (8")	$26,000.00	$15,600.00	$8,637.34	$17,362.66
Capital Costs	$88,400.00	$0.00	$0.00	$88,400.00
Total Construction Cost	$382,330.00	$146,390.00	$81,050.00	$301,280.00

B. Operation and Maintenance Costs for Proposed Construction

Item	Annual Cost	NPW
Labor	$500.00	$7,438.74
Materials	$500.00	$7,438.74
Miscellaneous	$500.00	$7,438.74
Subtotal	$1,500.00	$22,316.21

C. Equivalent Uniform Annual Cost

NPW Construction Cost	$301,280.00
NPW of O & M Costs	$22,316.21
Total Net Present Worth	$323,596.21
Equivalent Uniform Annual Cost	$21,750.75

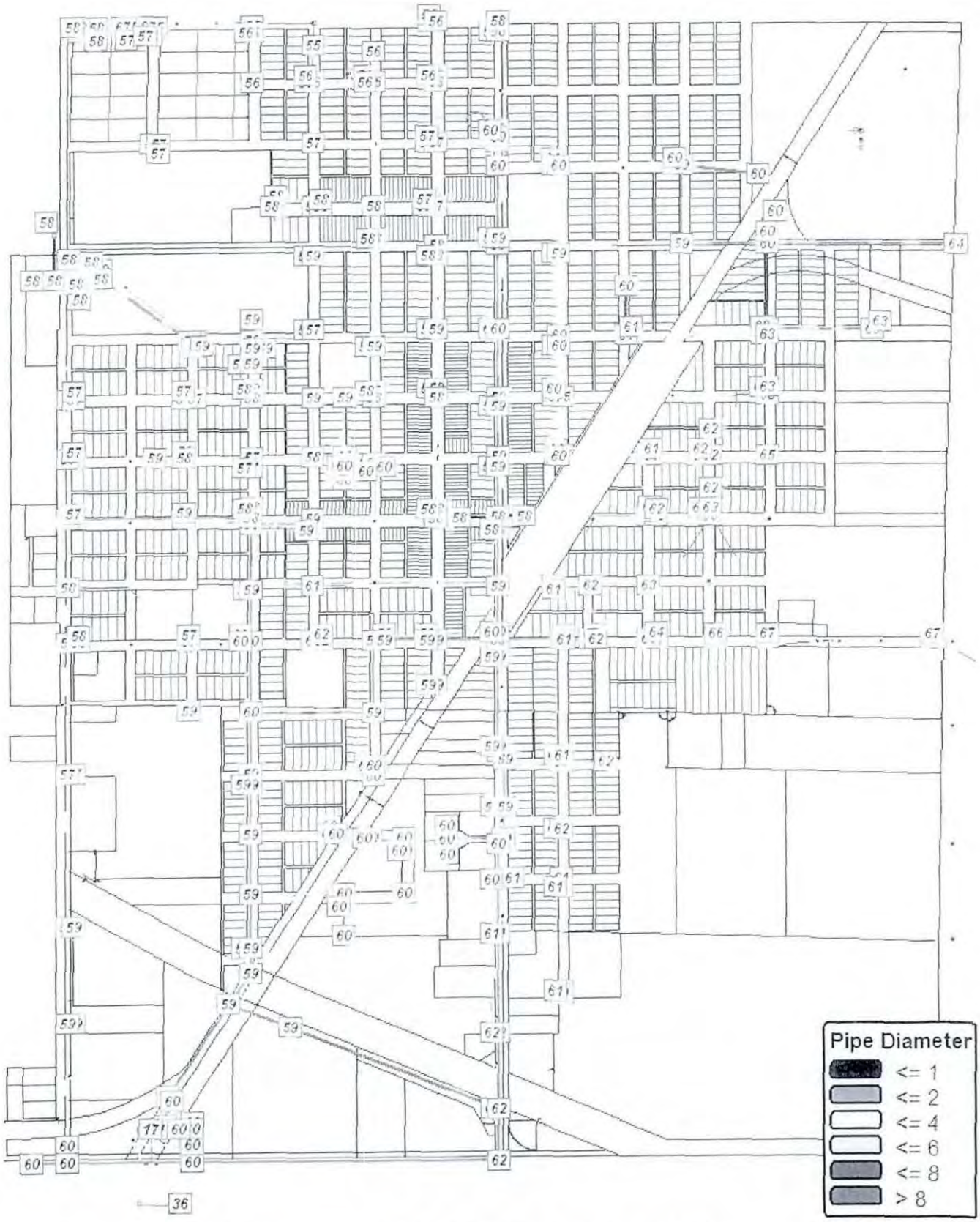


Figure 4.6.2-2 Pressure Analysis for Distribution Alternative 2

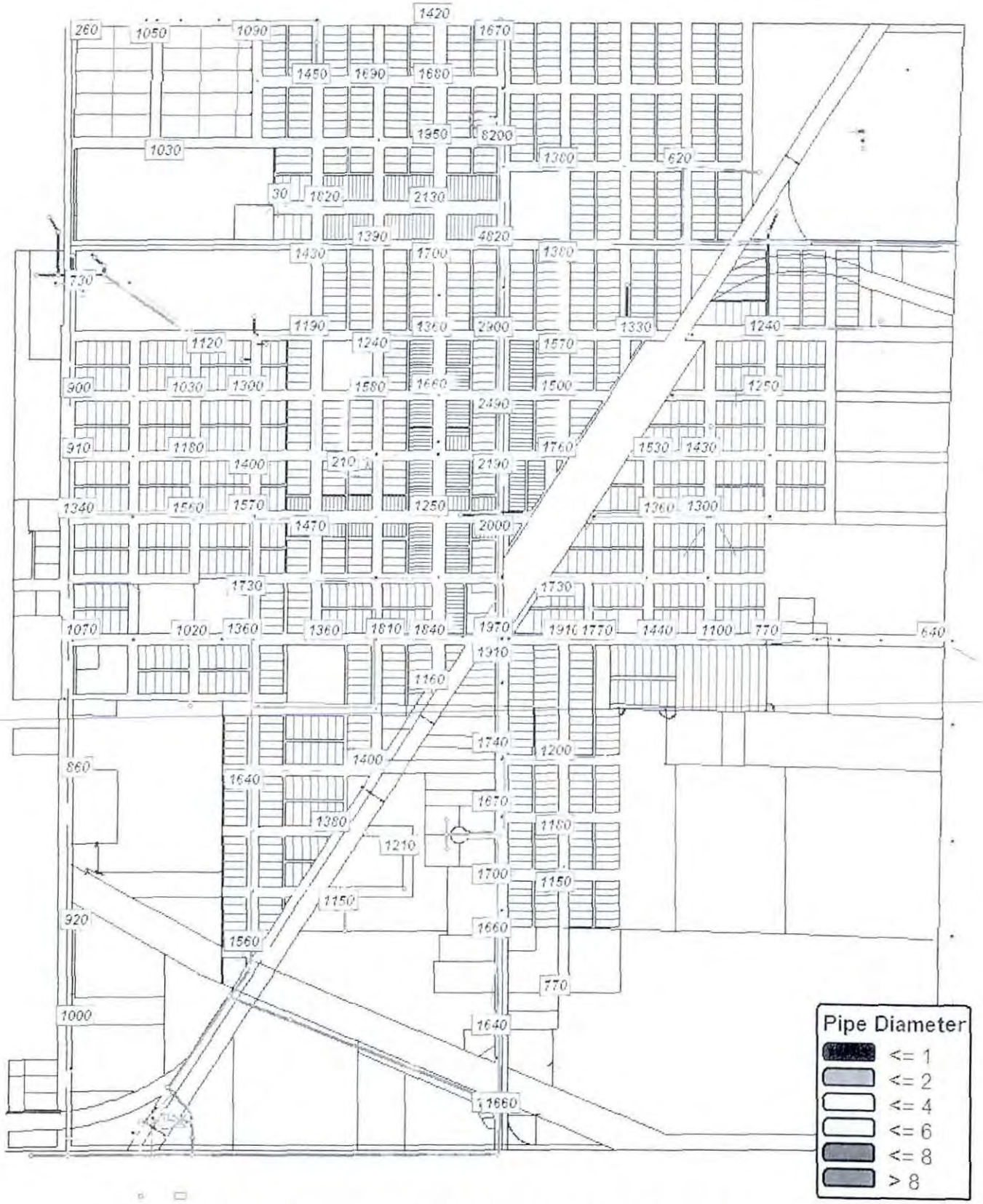


Figure 4.6.2-3 Fire Flow Analysis for Distribution Alternative 2

4.6.3 Water Distribution Alternative 3: Replace Remaining ACP

Water Distribution Alternative 3 recommends that all of the remaining ACP be replaced with PVC. As discussed previously, the ACP is a health concern and has outlived its useful life. The proposed PVC pipe will increase the pressures throughout the entire system and show a drastic improvement to the fire flow. The removal of the ACP also benefits the entire community by eliminating the health concerns of asbestos pipe within the City's distribution system. The cost estimate for Distribution Alternative 3 is shown in the following table.

The location of the proposed improvements is shown in Figure 4.6.3-1. The cost estimate and EUAC for Distribution Alternative 3 are shown in Table 4.6.3-1 and Table 4.6.3-2. Hydraulic and fire flow analyses were also completed with the same conditions as discussed in Section 3.7.3.

Tyndall, SD

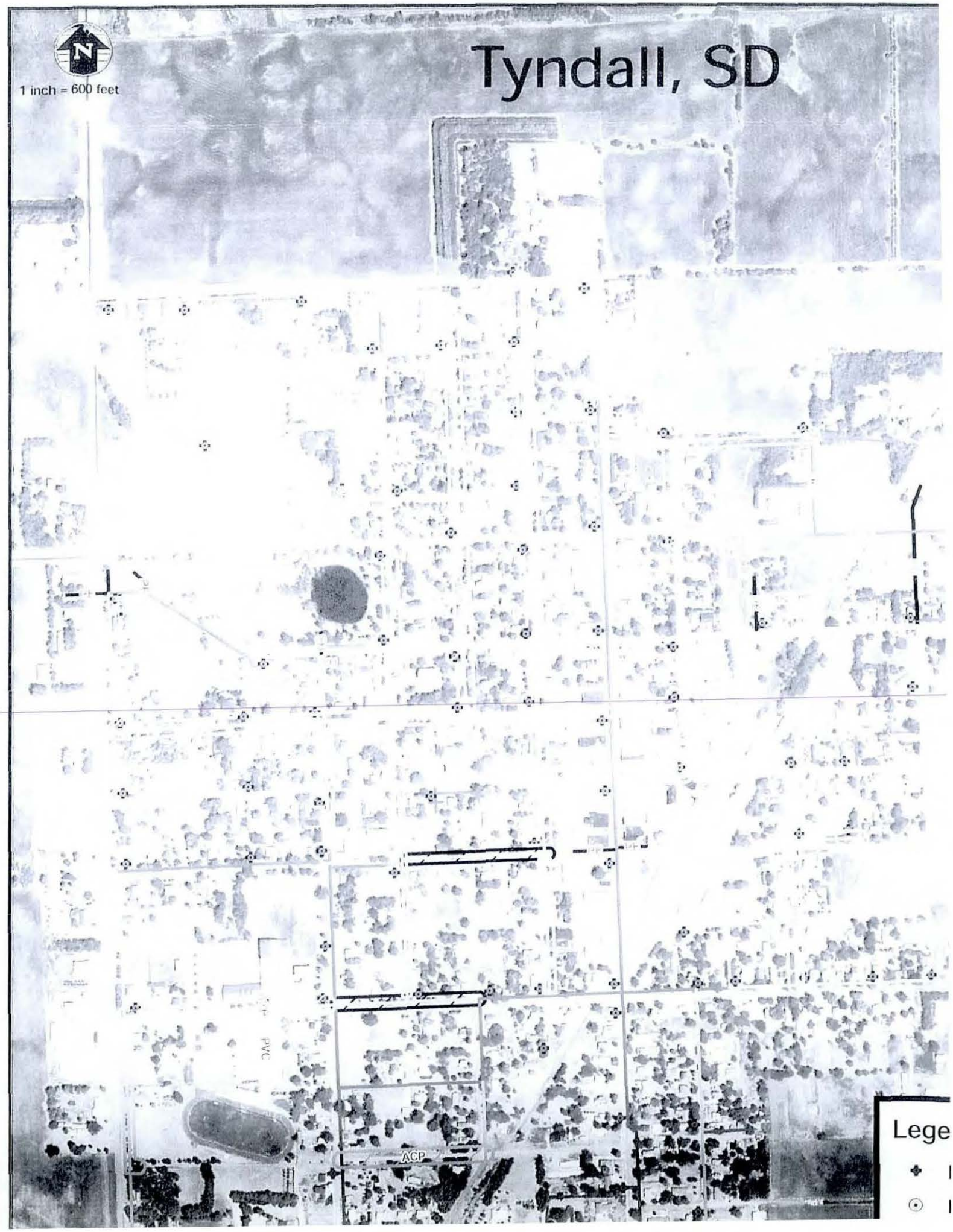


Table 4.6.3-1 Cost Estimate for Distribution Alternative 3

Item	Description	Quantity	Unit Price	Total Cost
1	Mobilization	1 LS	$249,000.00	$249,000.00
2	Remove and Dispose of Existing Surface	30,200 SY	$4.50	$135,900.00
3	Full Depth Saw-cut	22,650 LF	$5.00	$113,250.00
4	8" Water Main	6,000 LF	$32.00	$192,000.00
5	6" Water Main	16,650 LF	$28.00	$466,200.00
6	Furnish & Install Fire Hydrant	34 EA	$3,500.00	$119,000.00
7	Remove and Dispose of Existing Hydrant	34 EA	$300.00	$10,200.00
8	Furnish & Install Fire Hydrant Lead	1,020 LF	$28.00	$28,560.00
9	Furnish & Install 8" Gate Valve w/Box	15 EA	$1,750.00	$26,250.00
10	Furnish & Install 6" Gate Valve w/Box	32 EA	$1,300.00	$41,600.00
11	Furnish & Install 6" MJ Cross	6 EA	$700.00	$4,200.00
12	Furnish & Install 6" MJ Tee	55 EA	$500.00	$27,500.00
13	Furnish & Install 1" Corp Stop/Service Saddle	230 EA	$325.00	$74,750.00
14	Furnish & Install 1" Curb Stop w/Box	230 EA	$375.00	$86,250.00
15	Furnish & Install 1" Service Line	9,200 LF	$22.00	$202,400.00
16	Connect to Existing Service	230 EA	$225.00	$51,750.00
17	Connect to Existing Water Main	46 EA	$1,200.00	$55,200.00
18	Asphalt Surface (3")	5,300 TN	$110.00	$583,000.00
19	Gravel Base Course (8")	13,200 TN	$20.00	$264,000.00
			Subtotal	$2,731,010.00
			Contingencies (10%)	$273,000.00
			Construction Total	$3,004,010.00
			Administration & Legal	$54,600.00
			Design Engineering	$135,000.00
			Bidding and Contract Documents	$10,000.00
			Construction Engineering	$190,000.00
			Total Probable Project Cost	$3,393,610.00

Table 4.6.3-2 EUAC for Distribution Alternative 3

A. Construction Cost

Item	Cost	SV	PW SV	NPW
Mobilization	$249,000.00	$0.00	$0.00	$249,000.00
Remove and Dispose of Existing Surface	$135,900.00	$0.00	$0.00	$135,900.00
Full Depth Saw-cut	$113,250.00	$0.00	$0.00	$113,250.00
8" Water Main	$192,000.00	$115,200.00	$63,783.45	$128,216.55
6" Water Main	$466,200.00	$279,720.00	$154,874.18	$311,325.82
Furnish & Install Fire Hydrant	$119,000.00	$71,400.00	$39,532.45	$79,467.55
Remove and Dispose of Existing Hydrant	$10,200.00	$0.00	$0.00	$10,200.00
Furnish & Install Fire Hydrant Lead	$28,560.00	$17,136.00	$9,487.79	$19,072.21
Furnish & Install 8" Gate Valve w/Box	$26,250.00	$15,750.00	$8,720.39	$17,529.61
Furnish & Install 6" Gate Valve w/Box	$41,600.00	$24,960.00	$13,819.75	$27,780.25
Furnish & Install 6" MJ Cross	$4,200.00	$2,520.00	$1,395.26	$2,804.74
Furnish & Install 6" MJ Tee	$27,500.00	$16,500.00	$9,135.65	$18,364.35
Furnish & Install 1" Corp Stop/Service Saddle	$74,750.00	$44,850.00	$24,832.36	$49,917.64
Furnish & Install 1" Curb Stop w/Box	$86,250.00	$51,750.00	$28,652.72	$57,597.28
Furnish & Install 1" Service Line	$202,400.00	$121,440.00	$67,238.38	$135,161.62
Connect to Existing Service	$51,750.00	$0.00	$0.00	$51,750.00
Connect to Existing Water Main	$55,200.00	$0.00	$0.00	$55,200.00
Asphalt Surface (3")	$583,000.00	$349,800.00	$193,675.78	$389,324.22
Gravel Base Course (8")	$264,000.00	$158,400.00	$87,702.24	$176,297.76
Capital Costs	$662,600.00	$0.00	$0.00	$662,600.00
Total Construction Cost	$3,393,610.00	$1,269,430.00	$702,850.00	$2,690,760.00

B. Operation and Maintenance Costs for Proposed Construction

Item	Annual Cost	NPW
Labor	$500.00	$7,438.74
Materials	$500.00	$7,438.74
Miscellaneous	$500.00	$7,438.74
Subtotal	$1,500.00	$22,316.21

C. Equivalent Uniform Annual Cost

NPW Construction Cost	$2,690,760.00
NPW of O & M Costs	$22,316.21
Total Net Present Worth	$2,713,076.21
Equivalent Uniform Annual Cost	$182,361.34

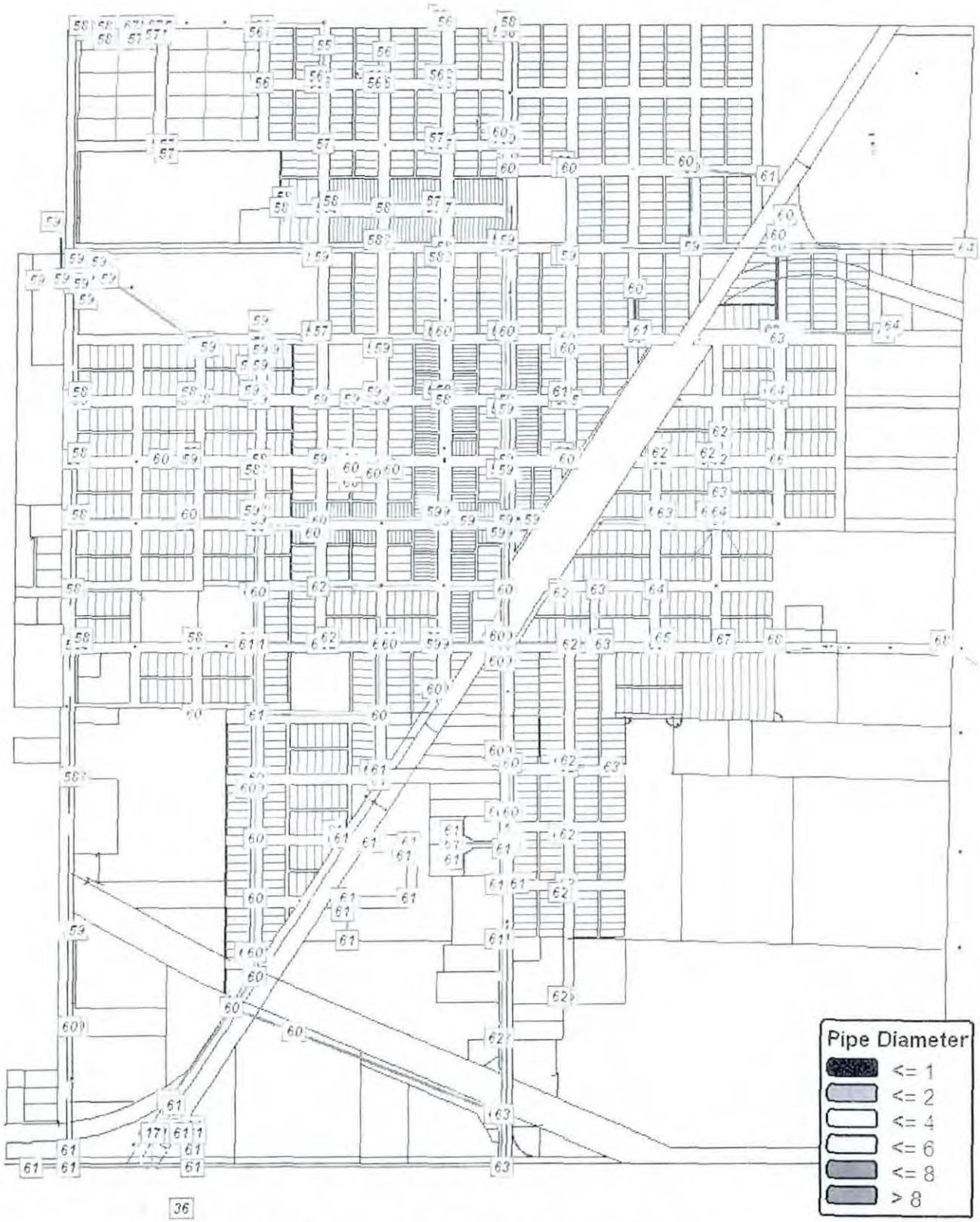


Figure 4.6.3-2 Pressure Analysis for Distribution Alternative 3

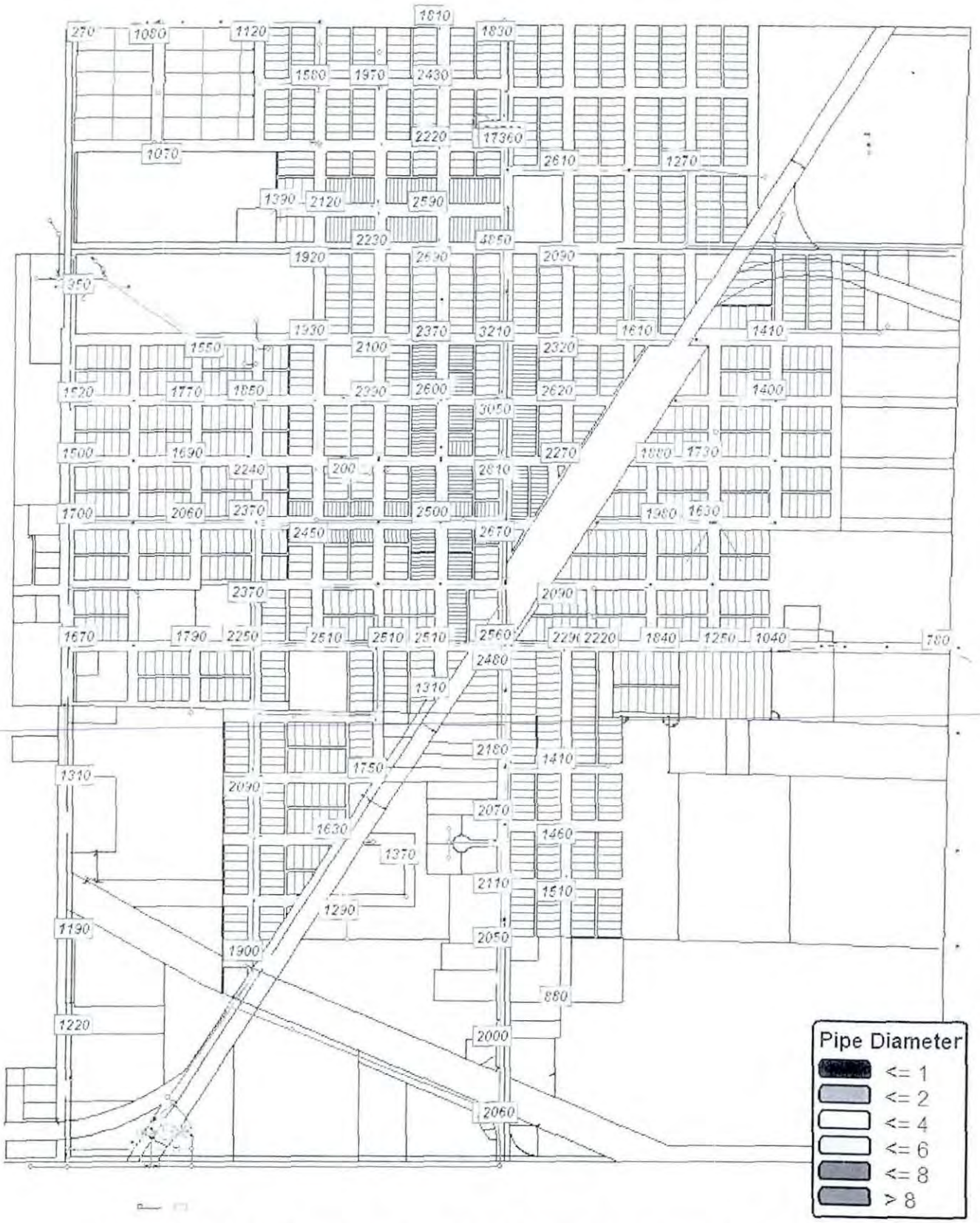


Figure 4.6.3-3 Fire Flow Analysis for Distribution Alternative 3

5 SELECTION OF ALTERNATIVES

5.1 WATER SOURCE

Water Source Alternative 1 (Do Nothing) is recommended because the Cit experienced any problems with water shortage during previous high deman and B-Y is currently willing to supply additional water, if available.

Water Source Alternative 2 (Increase Daily Allotment) is recommended. The City should begin discussions with B-Y on increasing their contract amount.

Water Source Alternative 3 (Supplement with Existing Wells) is not recommended. The potable use of the water from the wells is not recommended due to water quality issues.

Water Source Alternative 4 (Establish Water Restrictions) is not recommended at this time; however, if the City begins to experience water shortages during periods of high demand, the City could consider restricting water use for residents watering lawns.

5.2 WATER STORAGE

Water Storage Alternative 1 (Do Nothing) is not recommended because it will not address the existing, outdated elevated water reservoir or increase the water pressure throughout the distribution system.

Water Storage Alternative 2 (New Water Tower) is recommended. This alternative provides adequate storage and pressure for the water system and replaces the existing water tower which has surpassed its useful life expectancy.

Water Storage Alternative 3 (Removal Reservoir and Booster Station) is not recommended because B-Y cannot commit to providing adequate pressure to fill the proposed water tower.

5.3 WATER DISTRIBUTION

Water Distribution Alternative 1 (Do Nothing) is not recommended because it will not address negative characteristics of the system.

Water Distribution Alternative 2 (Replace CIP and Selected ACP) is recommended. This alternative will increase the pressure and fire flow throughout the system by eliminating a critical portion of ACP near the water tower. This alternative will loop one area with long dead-end pipes and it will replace all of the CIP.

Water Distribution Alternative 3 (Replace Remaining ACP) is not recommended. This alternative would be a huge financial burden to the City of Tyndall. It is recommended, however, that the City consider developing a Master Plan to begin replacing the existing ACP pipe over time.

5.4 IMPACT ON USER FEES

A summary of the costs associated with all of the alternatives that were chosen is given in Table 5.4-1.

Table 5.4-1 Summary of Costs

	Recommended for Current Project	Recommended for Future Project
Water Storage		
New 200,000-Gallon Elevated Water Tower	$1,193,000.00	
Water Distribution		
Replace the CIP and Critical ACP & Looping	$382,330.00	
Replace all Remaining ACP		$3,126,810
Total Project Cost	$1,575,330.00	$3,126,810

As part of the cost analysis of the recommended improvements, the estimated impact on the monthly user fees has been calculated. Financial data supplied by the City of Tyndall was used to determine the current operational status of the funds. The current water rate is shown in Table 5.4-2. The fee for a 5,000-gallon user is $43.00.

Table 5.4-2 Current Water Rates

RESIDENTIAL AND COMMERCIAL WATER RATES: PER MONTH	
Description	Rate
0 gallons to 2,000 gallons used	$19.00
3,000 gallons used	$25.00
4,000 gallons used	$32.50
5,000 gallons used	$43.00
Over 5,000 gallons used: $43.00 plus $4.50 per 1,000 gallons used over 5,000 gallons.	

The operation and maintenance costs are expected to remain the same. Table 5.4-3 summarizes the financial data that is used to determine the current and proposed operational status of the water fund with the recommended improvements. The water fund is shown to require additional revenue and requires a monthly increase in user fees based on the City funding the project with 100% loan. The loan payments are based on a DENR State Revolving Loan, 30-year term and an interest rate of 3.00%.

The short-lived asset replacement value was obtained from Table 5.4-4. This table indicates how much the City needs to budget annually in order to replace the booster station pump and recoat the water tower.

Table 5.4-5 breaks down different grant/loan combinations and shows how the water rates will be affected. The City would need to raise its monthly user rates if they received a grant for 50% of the total project.

The actual rates will be dependent upon the actual grant and loan funding that would be obtained.

Table 5.4-3 Operation of the Water Fund

Gross Revenue from Water Fees	$235,000.00
Water Purchase	$150,000.00
Proposed O & M Cost	$14,500.00
Retirement of Current Debt	$53,000.00
Short-Lived Asset Replacement	$10,995.05
Other Cost (Water Administration)	$0.00
Net Income	**$6,504.95**
Retirement of Debt Incurred with This Project	$80,372.17
Amount to Be Set Aside for Debt Reserves	$8,037.22
Remaining Surplus/Deficit After Project	**-$81,904.43**
Increase of Water Charge	$12.64
Number of Accounts	540
Added Revenue	$81,907.20
Surplus After Increase in Water Charge	**$2.77**

Table 5.4-4 Short-Lived Asset Replacement Schedule

Expenses	Year											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2(
Water Tank Painting	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,(
Pump Replacement	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,(
Annual Total to Be Budgeted	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,(

Table 5.4-5 Water Rate Analysis for SRF Funding

Funding Percentages	0/100	10/90	20/80	30/70	40/60	50/50	60/40	70/30	
grant/loan	grant/loan	grant/loan	grant/loan	grant/loan	grant/loan	grant/loan	grant/loan	grant/loan	
Annual O & M	$14,500	$14,500	$14,500	$14,500	$14,500	$14,500	$14,500	$14,500	
Grant Amount	$0	$157,533	$315,066	$472,599	$630,132	$787,665	$945,198	$1,102,731	$
Loan Amount	$1,575,330	$1,417,797	$1,260,264	$1,102,731	$945,198	$787,665	$630,132	$472,599	
Annual Loan Payment	$80,372	$72,335	$64,298	$56,261	$48,223	$40,186	$32,149	$24,112	
Debt Reserves	$8,037	$7,233	$6,430	$5,626	$4,822	$4,019	$3,215	$2,411	
Water Purchase	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	
Existing Debt Costs	$53,000	$53,000	$53,000	$53,000	$53,000	$53,000	$53,000	$53,000	
Short-Lived Asset Replacement	$10,995	$10,995	$10,995	$10,995	$10,995	$10,995	$10,995	$10,995	
Total Annual Costs	$316,904	$308,063	$299,223	$290,382	$281,541	$272,700	$263,859	$255,018	
Annual Revenue	$235,000	$235,000	$235,000	$235,000	$235,000	$235,000	$235,000	$235,000	
Surplus/Deficit After Project	-$81,904	-$73,063	-$64,223	-$55,382	-$46,541	-$37,700	-$28,859	-$20,018	
Minimum Water Rate Increase	$12.64	$11.28	$9.91	$8.55	$7.18	$5.82	$4.45	$3.09	
Current Water Rate for 5,000 gal.	$43.00	$43.00	$43.00	$43.00	$43.00	$43.00	$43.00	$43.00	
Proposed Rate for 5,000 gal.	$55.64	$54.28	$52.91	$51.55	$50.18	$48.82	$47.45	$46.09	

The City could also apply for a Rural Development Grant/Loan combination for 40 years and 3.25% interest. The City would have to raise its monthly user rates in order to balance the water fund with all loan dollars. However, the City could receive grant dollars with the Rural Development funding package. Table 5.4-6 breaks down different grant/loan combinations and shows how the water rates will be affected with a Rural Development grant/loan. The City would need to raise its monthly user fees if they received a grant from various sources for 50% of the total project.

Table 5.4-6 Water Rate Analysis for Rural Development Funding

Funding Percentages	0/100	10/90	20/80	30/70	40/60	50/50	60/40	70/30
grant/loan	grant/loan	grant/loan	grant/loan	grant/loan	grant/loan	grant/loan	grant/loan	grant/loan
Annual O & M	$14,500	$14,500	$14,500	$14,500	$14,500	$14,500	$14,500	$14,500
Grant Amount	$0	$157,533	$315,066	$472,599	$630,132	$787,665	$945,198	$1,102,731
Loan Amount	$1,575,330	$1,417,797	$1,260,264	$1,102,731	$945,198	$787,665	$630,132	$472,599
Annual Loan Payment	$70,890	$63,801	$56,712	$49,623	$42,534	$35,445	$28,356	$21,267
Debt Reserves	$7,089	$6,380	$5,671	$4,962	$4,253	$3,544	$2,836	$2,127
Water Purchase	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000
Existing Debt Costs	$53,000	$53,000	$53,000	$53,000	$53,000	$53,000	$53,000	$53,000
Short-Lived Asset Replacement	$10,995	$10,995	$10,995	$10,995	$10,995	$10,995	$10,995	$10,995
Total Annual Costs	$306,474	$298,676	$290,878	$283,080	$275,282	$267,484	$259,687	$251,889
Annual Revenue	$235,000	$235,000	$235,000	$235,000	$235,000	$235,000	$235,000	$235,000
Surplus/Deficit After Project	-$71,474	-$63,676	-$55,878	-$48,080	-$40,282	-$32,484	-$24,687	-$16,889
Minimum Water Rate Increase	$11.03	$9.83	$8.62	$7.42	$6.22	$5.01	$3.81	$2.61
Current Water Rate for 5,000 gal.	$43.00	$43.00	$43.00	$43.00	$43.00	$43.00	$43.00	$43.00
Proposed Rate for 5,000 gal.	$54.03	$52.83	$51.62	$50.42	$49.22	$48.01	$46.81	$45.61

5.5 CAPITAL FINANCING PLAN

The City of Tyndall will make applications to state and federal resources for loan and grant assistance to complete the project during the upcoming construction season.

5.6 ENVIRONMENTAL EVALUATION

The City of Tyndall has requested comments from concerned federal agencies. The correspondence related to these inquiries will be placed in Appendix A upon receipt.

5.7 VIEWS OF THE PUBLIC AND CONCERNED INTEREST GROUPS

The City of Tyndall is planning to conduct a public hearing on the proposed project. Information related to the hearing will be submitted after it is conducted.

6 SELECTED PLAN, DESCRIPTION AND IMPLEMENTATION ARRANGEMENTS

6.1 JUSTIFICATION AND DESCRIPTION OF SELECTED PLAN

The alternatives chosen for the rehabilitation of the water system were chosen because they will remedy the current problems of the system.

6.2 DESIGN OF SELECTED PLAN

The design of the improvements to the water system will provide enhanced flexibility in operation and will be designed in accordance with the SD DENR design criteria and the accepted principles and standards for the design of the water distribution system.

6.3 ENVIRONMENTAL IMPACTS OF SELECTED PLAN

Environmental information gathered thus far does not indicate that any state or federal agencies will have environmental concerns related to the project or its proposed construction.

6.4 ARRANGEMENT FOR IMPLEMENTATION

This report provides information to describe the proposed project and to support the Council's decision to proceed with it as quickly as possible. Final design will be completed by the City of Tyndall's consultant and approved by the Department of Environment and Natural Resources as it is definitely a "work of significance". Cost estimates have been prepared and are referenced elsewhere in this document.

The project will be bid in accordance with state statutes that govern municipal corporations and will be constructed by the lowest responsible bidder. Table 6.4-1 shows the anticipated schedule.

Table 6.4-1 Schedule

Facility Plan Submitted to Funding Agencies	October 1, 2014
Environmental Review Completed	October 31, 2014
Funding Agency Approval of Facility Plan	October 31, 2014
Final Funding Package Complete	March 30, 2015
Begin Design	April 9, 2015
Plans & Specifications Submitted to DENR	June 8, 2015
Plans & Specifications Approved by DENR	July 8, 2015
Advertisement for Bids	July 10, 2015
Open Bids	August 1, 2015
Award Bids	August 7, 2015
Begin Construction	September 4, 2015
Construction Complete	September 1, 2016
Project Close-out	October 1, 2016

6.5 LAND ACQUISITION

No land acquisition will be required for the water system improvements as all work will be completed in existing street rights-of-way, on City property or in easements that have already been or will be obtained.

6.6 INTERAGENCY AGREEMENTS

No operating agreements with other agencies are needed as the City of Tyndall owns, operates and maintains its municipal water system. Loan documents will have to be executed with the appropriate lender but as Tyndall is a municipal corporation, it has the legal authority to enter into such agreements. Tyndall's attorney will advise the Council on any legal matters related to this issue.

7 FINANCING OPTIONS

7.1 GENERAL

Financing any major construction project is difficult for a community that has limited resources. "Routine" community needs such as the improvements to streets, equipment replacement, correction of drainage problems, and water system issues cannot be neglected. These needs must be met and projects relating to addressing them must continue to be financed.

These "routine" types of projects frequently consume all or nearly all available community financial resources just to maintain an acceptable level of service. Consequently, to finance major capital improvement projects, other methods of obtaining capital must be investigated.

7.2 PAY-AS-YOU-GO

For small communities, the most common method of financing needed improvements is the "pay-as-you-go" method. This method obtains revenue from general taxation, fees, service charges, special funds and/or special assessments. The advantages of this method are:

1) No interest payments; and
2) Greater budget flexibility.

Disadvantages of this method are:

1) Inequities between age groups (older citizens pay for a share of the project and younger citizens who may not have paid any of the costs realize greater benefits simply because of greater life spans);

2) Difficulty in generating large amounts of capital that is often required for large scale capital improvements; and

3) Large scale capital improvements often cannot be constructed efficiently by phased construction.

7.3 RESERVE FUNDS

A variation of the "pay-as-you-go" method is using reserve fund financing. Communities using this method accumulate funds in advance for construction of needed capital improvements. This accumulation may be the result of surplus operating funds that are allowed to remain in the operating budget from year to year. These funds are often "earmarked" for a specific purpose. It may also be revenues from a certain percentage of the water or sewer rates that are specifically placed in a depreciation account. Financing projects in this manner is often attractive to communities.

This method can have its drawbacks. The most obvious drawback is that the fund has to have been established for some time to allow it to generate sufficient capital for a project that is needed today. Also, good management is required to ensure that the investment pays an adequate return. If the interest generated on the investment is not greater than the inflation rate, then gains in the accumulation of the fund may be lost to inflation.

7.4 SALES TAXES

Sales taxes can also be used to finance capital improvements. State statutes allow a City to dedicate sales tax revenues to capital improvement construction. A long-range plan can be developed to allow capital improvements to be constructed in phases. As revenue is generated each year, a segment of the overall plan is constructed. This method of constructing capital improvement projects is being used successfully by many communities.

7.5 BONDS

Another method of generating revenue for capital improvements is through the sale of bonds on the private bond market. Three different types of bonds are frequently used to finance capital improvement projects. Each has different requirements and will need the involvement of the City Attorney. The three types are General Obligation (GO), revenue and special assessment.

7.5.1 GENERAL OBLIGATION BONDS

General Obligation bonds always require a bond election with a 60% majority because General Obligation bonds pledge the taxing authority of the City to repay the bond. As they are backed by the taxing authority of the City, General Obligation bonds frequently offer a lower interest rate than revenue bonds.

7.5.2 REVENUE BONDS

Revenue bonds, which pledge revenues (that is, user fees) generated from the project, are often sold to finance capital improvement projects. They, like special assessment bonds, do not require a bond election but with any action of a governmental body, the enabling ordinance that must be approved by the Council can be referred. Sales tax revenues can be and are frequently used to repay both revenue and general obligation bonds.

7.5.3 SPECIAL ASSESSMENT BONDS

Special assessment bonds have a limited payback period. Assessment for principal and interest repayment are levied against and collected from adjacent property owners over a given period of years. The special assessments are collected with property tax payments. Street improvements are frequently financed through the use of special assessment bonds.

7.6 LEASE-PURCHASE

Local financial institutions are becoming interested in financing community improvements through lease-purchase programs. This interest appears to be the result of recently passed federal legislation that provides tax advantages to financial institutions that participate in community improvement efforts. Lease-purchase plans can also use sales tax revenues to provide the vehicle for repayment.

7.7 OTHER SOURCES OF FINANCING

All of the previously discussed methods of financing rely on 100% local funding. Often it is difficult, if not impossible, for a community to finance projects with 100% local funding. Fortunately, there are other resources and programs available that can be used in conjunction with local funding to assist communities in financing projects such as the one being considered by the City.

7.8 FEDERALLY FUNDED LOANS / GRANTS

Federal agencies such as the US Department of Agriculture's Rural Development / Rural Utility Service (RD / RUS) has both grant and loan funds available for financing community improvements. RD / RUS requires a preliminary engineering report and pre-application, along with certain other information, before it can invite a community to submit a full application for project funding.

While the RD / RUS is the primary federal agency that funds local projects, there are other federal agencies that do assist local communities under "special" circumstances. These agencies include, but are not limited to, the Federal Emergency Management Agency (FEMA), the Economic Development Administration (EDA) and the US Department of Housing and Urban Development (HUD). However, these federal agencies normally do not become involved in funding local projects unless there has been a declared disaster or a major economic development activity is imminent.

7.9 STATE FINANCED LOANS / GRANTS

The State of South Dakota has several programs that can provide financial assistance for community facility improvements. The programs are operated through various departments of state government. Some are financed with 100% state resources, some use a combination of state and federal funds and some are federal "pass-through" funds.

7.10 DENR PROGRAMS

The Department of Environment and Natural Resources (DENR) has a low interest loan and grant program known as the Consolidated Water Facilities Construction Program (CWFCP). This program was established in 1986 by combining several existing grant and loan programs. It is funded entirely with state financing and is designed to provide financial assistance through grants and loans for water and wastewater projects throughout the state.

DENR also operates the State Revolving Fund (SRF) loan program. It began in 1987 as a result of amendments to the Federal Clean Water Act. This program was designed to replace the EPA, the federal construction grants program. EPA had, for a number of

years, provided grants directly to communities to construct and/or rehabilitate wastewater treatment and collection systems. The funding from the construction grants program has been made available to the state. The federal funds are to be used in combination with state funds to create a revolving loan program that will be self-perpetuating. SRF funds are targeted specifically to wastewater treatment and collection systems, storm drain systems and other construction activities that will improve surface and groundwater quality.

7.11 GOED PROGRAM

The Governor's Office of Economic Development (GOED) administers the Community Development Block Grant (CDBG) program. This program utilizes the US Department of Housing and Urban Development (HUD) small cities program funding. CDBG funds may be used for a variety of community development activities, including water and sewer system renovations and rehabilitation. The emphasis of this program is to provide benefits for low and moderate income people. Information supplied by GOED indicates that most communities can probably qualify for funds from this program; however, an income survey may be necessary.

7.12 SUMMARY OF FUNDING OPTIONS

No existing program will provide a 100% grant to finance a project. Most of the programs (both state and federal) require or strongly recommend that the applicant provide some local funding. Low interest loans and grant offers are frequently "packaged" with available local funds to completely finance capital improvement project activities. DENR also has minimum rate requirements that must be met by a community for it to be eligible for grant funding under the CWFCP. The department is recommending that the minimum rate for municipal wastewater is $17.00 and water is $20.00 per month for 5,000 gallons of water used. If a community does not have its rates at or above this level, it will not be eligible for grant assistance from the consolidated program.

7.13 FUNDING RECOMMENDATIONS

Given the cost of construction of a project of this scope and the limited amount of local finances available, it is recommended that the community should:

1. Make application to place this project on the State Water Facilities Plan.

2. Evaluate its own financial resources, rate structure and various funding sources available to construct capital improvement projects to see if rate increases or other funding options may be used to finance all or part of the proposed project.

3. Complete applications for financial assistance to programs such as the CWFCP, CDBG Program, and/or USDA's Rural Development / Rural Utility Service Water and Sewer Program when the project is approved for the State Water Facilities Plan.

The process of completing applications for financial assistance could begin when an application to the State Water Facilities Plan is submitted. Early application for financial assistance could speed the process of obtaining financing for project construction as obtaining financing can be a lengthy process.

8 REFERENCES

Committee of Great Lakes – Upper Missouri River Council of State Public Health and Environmental Managers, (1997). Recommended Standards for Water Works (Albany, NY: Health Education Services), pp.

http://www.epa.gov/safewater/standards.html.

Mays, Larry W., (2000). Water Distribution Systems Handbook, (New York, NY: McGraw Hill), pp.

National Environmental Satellite, Data, and Information Service, *Climatological Data, Monthly Summary for South Dakota*, 22 Sept. 2003 < http://nndc.noaa.gov/?http://ols.ncdc.noaa.gov/cgi-bin/nndc/gensub.cgi>.

Soil Conservation Service, South Dakota Agricultural Experiment Station. Soil Survey of Bon Homme County South Dakota. South Dakota: National Cooperative Soil Survey.

South Dakota Department of Environment and Natural Resources, (May 1990). *Recommended Design Criteria Manual for Water Works*, Pierre, SD: Division of Environmental Regulation.

United States Environmental Protection Agency, *Drinking Water Contaminants* http://www.epa.gov/safewater/contaminants/index.html, May 20, 2009.

United States Environmental Protection Agency, *Ground Water & Drinking Water* http://www.epa.gov/safewater/contaminants/dw_contamfs/asbestos.html, May 20, 2009.

United States Environmental Protection Agency, *Asbestos* http://www.epa.gov/asbestos/pubs/help.html, May 20, 2009.

Appendix A

Environmental Assessment Correspondence

Appendix B

SD DENR Water System Evaluation

DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182

denr.sd.gov

July 3, 2013

Re: Tyndall (EPA ID# 0337)

THE HONORABLE DAVID VAVRUSKA
CITY OF TYNDALL
PO BOX 29
TYNDALL SD 57066

Dear Mayor Vavruska:

The Department of Environment and Natural Resources (DENR) performed an on site evaluation of your drinking water system June 6, 2013. Based on the information obtained during that visit, we have some recommendations and requirements to assist you with maintaining compliance with regulations, improving operations and providing public health protection. The requirements and recommendations are as follows:

REQUIREMENTS FOR TYNDALL

1. Larry and Robert hold Class II Water Distribution certificates and Joe Vavruska holds a Class I Water Distribution certificate. We encourage them to continue to attend training to maintain their certifications and to further their training. Larry, Robert and Joe must attend classes/training to achieve 15 contact hours every three years to maintain their certificates. The classes put on by the South Dakota Association of Rural Water Systems are an opportunity for operators to learn new rules written by EPA, ask questions, learn necessary skills and attain needed contact hours. Contact the South Dakota Rural Water Association at PO Box 287 (203 Center Street West), Madison, SD 57042, 605-556-7219 for information on training classes. For information on the operator certification program contact Rob Kittay with the Drinking Water Program, 523 E. Capitol Avenue, Pierre, SD 57501, 605-773-4208.

2. Potable water that is flushed, discharged or that overflows into a storm sewer that drains to waters of the state is considered a point source discharge and is subject to state regulation. This includes overflows from treatment and storage systems, filter backwash and settling basins, disinfection and flushing of potable water lines, storage system disinfection and water line breaks and leak repairs. The "Water Treatment Plant General Permit" is specifically designed for this purpose.

The permit application can be accessed and completed online at http://denr.sd.gov/des/sw/wtppermit.aspx. For additional information or to determine if your water system needs or already holds this permit, contact DENR's Surface Water Quality Program at (605) 773-3351 or write the DENR-SWQ, 523 East Capitol Avenue, Pierre, SD 57501-3181.

3. State Plumbing Code requires a double check valve on all standard service connections. Existing plumbing connections are grandfathered in; however, if any work is done, such as installing a meter or pressure pump, it must include a double check valve. An approved backflow preventor will prevent back siphoning of potential contaminants into the water supply if a negative pressure is created.

RECOMMENDATIONS FOR TYNDALL

4. DENR recommends the total chlorine residual of the water be tested and the result recorded a couple of times each week from different locations in the distribution system. A residual of at least 1.5 mg/L should be detectable in your distribution system at all times.

5. Accurate records should be kept concerning operation and maintenance activities relating to the water and water system components. See attached quick reference guide on record keeping. Some examples of records we recommend keeping in addition to those in the chart above include:

   - Main Break Information – when the main was installed, pipe material and size, frequency and location of breaks.
   - Chlorine Residual Field Tests – date, time, location and result of test.
   - Complaints and actions taken to address them.
   - Valve Location/Inspection/Exercise Activities - All working valves be inspected annually, including examining the condition of the valve box, operating the valve and lubricating where required. Valve records should be kept to aid in planning, operation and maintenance and locating. Maintenance records verify the operator's ability to isolate main features and maintain fire flows.
   - Main Flushing Activities - Mains should be flushed once or twice a year. Flushing will improve your water quality, reduce complaints due to taste and odor, restore the carrying capacity of the mains and help eliminate the nutrients that coliform bacteria need to grow.
   - Main/Hydrant/Valve Replacement.
   - All Maintenance/Security Activities.
   - Paperwork/Correspondence.
   - Equipment Repairs/Purchases.
   - Master/Individual Meter Readings.

6. SDWARN (South Dakota Water/Wastewater Agency Response Network) is a utility created and driven mutual aid/assistance program. It is a means of receiving help from and giving help to neighboring water/wastewater utilities when responding to and/or recovering from an emergency. SDWARN is an insurance policy a member utility can use when the inevitable flood, ice storm,

blizzard, fire or even a human-caused event occurs and a utility needs assistance in response and recovery activities. All utilities, no matter their size, are invited to join because all have something to offer. The WARN fact sheet provides answers to questions that you may have. To become a member of South Dakota WARN, a signed mutual aid agreement must be submitted to the steering committee chairman. The mutual aid agreement means to address the administrative and legal issues prior to an event/disaster so focus can be completely on response and recovery. I encourage you to take this idea and opportunity to your utility's governing body for consideration. Membership is not a requirement but there are benefits and advantages to membership. A fact sheet and a mutual aid agreement are included for your consideration.

For technical assistance contact the Department of Environment and Natural Resources' Drinking Water Program at 523 East Capitol, Pierre, SD 57501, (605) 773-3754 or the South Dakota Rural Water Association at PO Box 287 (203 Center Street West), Madison, SD. 57042. (605) 556-7219. The West River office for the South Dakota Rural Water Association is at 1140 N. Main, Suite 5, Spearfish, SD 57783, 605-642-4031.

Representatives of your water system are invited to attend seminars and training courses sponsored by the DENR and the South Dakota Association of Rural Water Systems (SDARWS). Contact the SDARWS at 556-7219 or write them at PO Box 287 (203 Center Street West), Madison, SD. 57042.

Please acknowledge that you have received this report by indicating corrective actions taken. If you have questions or comments concerning the on-site evaluation, please call the Drinking Water Program in Pierre at 773-3754 or 1-800-438-3367.

Sincerely,

Barbara Friedeman

Barbara Friedeman
Drinking Water Program

cc: Larry Chester, Utilities Manager
Linda Pesek, Finance Officer

South Dakota Department of Environment and Natural Resources
Drinking Water Program
Public Water System On-Site Evaluation Report

System Name: Tyndall
Address: PO Box 29
Tyndall, SD 57066-0029

EPA ID #: 0337

County: Bon Homme

Person Contacted: Larry Chester
Address: PO Box 29
Tyndall, SD 57066-0029

Work phone: (605)589-3481
Home phone:
Cell phone: (605)464-0261
Fax:
E-mail: tyndalsd@heartlandpower.org

Inspected By: Barbara Friedeman

Date of Inspection: 6/6/13 (mm/dd/yy)

Type of System: (check one)
X Community Water System
____ Non-Transient Non-Community

Population: Total Population Served: 1,067 System Population: 1,067

Number of Service Connections: 537 Susceptibility to contamination of water source: high

Sources of Water: Water data from year: 2012

Own Source(s):	NA	Total produced:	NA	% of total:	#VALUE!
Bulk Supplier:	Bon Homme-Yankton RWS (0865)	Total purchased:	39,418,000	% of total:	100.0%
Contracted flow rate?:	265 gpm				
		Total Annual Use:	39,418,000		100.0%

Water Sold to: NA
(bulk connections only)

How much water can this system supply? 265 gpm (maximum flow rate, gpm)
What major factor limits system's ability to supply water? Problems only if BY is down for more than a day.

yes	no	n/a	unk	note	
☑	☐	☐	☐	☐	1 Is there an up-to-date map or schematic of system?
☑	☐	☐	☐	☐	2 Is the system capable of meeting demand at all times (excluding fire flow)?
☑	☐	☐	☐	☐	3 Is good housekeeping evident throughout the system?

Comments:

Water Usage

yes	no	n/a	unk	note		
☑	☐	☐	☐	☐	4 Are all customers metered?	
					5 If not, what entities are not metered?	One connection as city park.
					6 Total gallons billed:	34490000
					7 Calculated water loss:	12.5%
yes	no	n/a	unk	note	8 Peak month and amount used	Jul-12 — 5,875,000 gallons
☑	☐	☐	☐	☐	9 Does the system track unaccounted-for water?	

Comments:

Water Sources

City of Tyndall EPA ID: 0337

Name	Year Built	Diameter (in)	Depth (ft)	GPM	Status	ID
#2-NEW	1981	8	160	275	Emergency	1
#1	1963	8	160	180	Emergency	2
B-Y RWS	2005			265	Permanent	6

Name	Water Right #	Aquifer	Location Description	ID
#2-NEW	4839-3	CHOTEAU AQ.		1
#1	1075-3	CHOTEAU AQ.		2
B-Y RWS			Meter pit by ground steel tank.	6

yes	no	n/a	unk	note		
☐	☐	☑	☐	☐	1	Has a Source Water Protection Plan been developed? Date: _____
☐	☐	☑	☐	☐	2	Is the wellhead/pumphouse protected from unauthorized personnel?
☐	☐	☑	☐	☐	3	Are there any sources of contamination with 1/4 mile?
☐	☐	☑	☐	☐	4	Are pesticides, herbicides, fertilizers applied in the area of the well(s)?
☐	☐	☑	☐	☐	5	Is a pressure gauge provided at each source?
☐	☐	☑	☐	☐	6	Is a sample tap provided for raw water?
☐	☐	☑	☐	☐	7	Can flow be measured from each well?
☐	☐	☑	☐	☐	8	Is the well house(s) kept clean, in good repair and not used to store hazardous material?

Comments: Wells exercised periodically. They have not been used for drinking since BY connection. Still connected by three valves to drinking water system though.

Storage

City of Tyndall EPA ID: 0337

Description	Service Date	Location	ID
Elevated Steel 75000	2011	Corner of W. Currier and N. Pearl Streets.	4
Ground Steel 210000	2012	Willow Street and 304th Street.	5

yes	no	n/a	unk	note	
☐	☑	☐	☐	☐	1 Is the area surrounding the ground-level storage structures graded in a manner that will prevent surface water from standing within 50 feet?
☑	☐	☐	☐	☐	2 Do overflows and drains have free fall discharges which are screened and are brought down to an elevation between 12 and 24 inches above the ground?
☑	☐	☐	☐	☐	3 Do the overflows and/or drains discharge to a splash pad or drainage inlet structure that is not connected to a storm or sanitary sewer?
☑	☐	☐	☐	☐	4 Do the storage reservoirs have a watertight roof or cover and are they sloped so that water will drain?
☑	☐	☐	☐	☐	5 Are storage structures designed so that they can be isolated from the distribution system without necessitating loss of pressure in the distribution system?
☐	☑	☐	☐	☐	6 Is leakage evident at the time of inspection?
☑	☐	☐	☐	☐	7 Are the storage structures vented?
☑	☐	☐	☐	☐	8 Are vents properly protected/screened?
☑	☐	☐	☐	☐	9 Are covers and hatches locked?
☑	☑	☐	☐	☑	10 Is there separate inlet and outlet piping?
☑	☐	☐	☐	☐	11 Does the drain allow for removal of accumulated silt?
☐	☑	☐	☐	☐	12 Are there any weather related problems (freezing, etc.)?
☑	☐	☐	☐	☐	13 Is there a control system to maintain level?
☑	☐	☐	☐	☐	14 Are there high and low level alarms?
					15 Are tanks filled automatically, manually or both? Automatically
☑	☑	☐	☐	☑	16 Is there a service contract for cleaning/inspecting the tanks?
☑	☐	☐	☐	☐	17 Are the tanks disinfected after being cleaned or inspected? How?
☑	☐	☐	☐	☐	18 Are the storage structures secure from unauthorized access?
☑	☑	☐	☐	☑	19 Is the area fenced?
					20 What other steps have been taken to address security? Fencing and ladder closure.

Comments: Elevated tank due to be cleaned this year. (10)Yes on ground and no on elevated. (19)Ground steel tank is fenced, elevated is not. (16)Ground tank cleaned locally. (14)Alarm will call Larry.

Distribution System

City of Tyndall EPA ID: 0337

Main sizes and types: 6" and 8" PVC; 6", 8" and 10" AC. Replaced 700' of 4" AC with 6" PVC two years ago.

yes	no	n/a	unk	note	
☑	☐	☐	☐	☐	1 Is the water system capable of providing sufficient water during maximum demand conditions (excluding fire flow) to maintain a minimum pressure of 20 psi within the system measured at the consumer's tap?
					2 What is normal operating pressure? 48 psi
☑	☐	☐	☐	☐	3 Are there areas with chronic low pressure problems?
☑	☐	☐	☐	☐	4 Is an adequate map (shows valve locations, line sizes, etc) of the distribution system maintained?
☑	☐	☐	☐	☐	5 Is there a main flushing program? If yes, how often? twice/year
☑	☐	☐	☐	☐	6 Are all dead-end water mains equipped with a means to flush?
☐	☑	☐	☐	☐	7 Any plans to eliminate dead-ends (via looping of mains, etc.)?
☑	☐	☐	☐	☐	8 Are valves exercised regularly? If yes, how often? twice/year
☐	☑	☐	☐	☐	9 Are there fire hydrants on mains less than 6 inches in diameter?
☑	☐	☐	☐	☐	10 Does the system disinfect after pipe repairs or new pipe installation?
☐	☐	☑	☐	☐	11 Is the location and nature of each repair documented?
☐	☑	☐	☐	☐	12 Does the system utilize a conservation program at any time?
☑	☐	☐	☐	☐	13 Is the system adequately protected from freezing?
☑	☐	☐	☐	☐	14 Are water and sewer mains separated by a horizontal distance of 10 feet or greater?
☐	☐	☑	☐	☐	15 Is there a cross connection control program?
☐	☐	☑	☐	☐	16 Are audits conducted to check for cross connections in the system?
☐	☑	☐	☐	☐	17 Are backflow preventers installed on all consumer connections?
☐	☐	☑	☐	☐	18 Is the bulk water loading station designed with back flow prevention and appropriate air gap device to prevent contamination?
☐	☑	☐	☐	☐	19 Does the system contain any pressure reducing valves?
☑	☐	☐	☐	☐	20 For systems using chloramines, can you measure a total chlorine residual level of at least 0.5 mg/l in your distribution system at all times?
☐	☐	☑	☐	☐	21 For systems using chlorine, can you measure a free chlorine residual level of at least 0.3 mg/l in your distribution system at all times?
					22 How often do you take chlorine readings in the distribution system? Twice per month with bacteriological samples.

Comments (please indicate the question number):

Facilities Equipment

City of Tyndall EPA ID: 0337

yes	no	n/a	unk	note		
☑	☐	☐	☐	☐	1	Are any pumps used in the system? If so, describe: One centrifugal pump moves water from the ground steel tank to the distribution system and elevated tank.
☑	☐	☐	☐	☐	2	Are backup pumps available?
☐	☑	☐	☐	☐	3	Is any equipment located in a pit?
☑	☐	☐	☐	☐	4	Do you have contacts with contractors and equipment vendors to assure prompt service and spare parts availability?
☑	☐	☐	☐	☐	5	Do you use a qualified pump contractor to inspect pump equipment?
☑	☐	☐	☐	☐	6	Is food grade lubrication used in all water facilities equipment?
☑	☐	☐	☐	☐	7	Is backup power available in the event of a power loss?
☑	☐	☐	☐	☐	8	Is equipment protected from unauthorized entry or vandalism?
☐	☑	☐	☐	☐	9	Are the facilities and equipment subject to weather related problems?
☐	☐	☑	☐	☐	10	Is there a floor drain? Where does it drain to?
☐	☐	☑	☐	☐	11	Is there adequate spill containment in chemical room?

Comments (please indicate the question number): Record gallons received, hour meter and tank levels from SCADA in the pumphouse.

Monitoring/Reporting - Distribution

City of Tyndall EPA ID: 0337

yes	no	n/a	unk	note	
					1 Are the following sampling site plans up to date?
☑	☐	☐	☐	☐	- Bacteriological
☑	☐	☐	☐	☐	- Lead and copper
☑	☐	☐	☐	☐	- Disinfection By Products (DBP)
☑	☐	☐	☐	☐	2 Are microbiological sampling sites (as approved by DENR) being rotated on a monthly basis for routine sampling?
☑	☐	☐	☐	☑	3 Does the system have a waiver for asbestos sampling?
					4 Which of the following records are kept regarding the system?
yes	no	n/a	unk	note	Operational Data:
☑	☐	☐	☐	☐	Flow meter readings:
☑	☐	☐	☐	☐	Electrical usage:
☐	☐	☑	☐	☐	Chemical usage:
☑	☐	☐	☐	☐	Hour meter readings:
☑	☐	☐	☐	☐	Storage or reservoir levels:
					Sampling data:
☑	☐	☐	☐	☐	- Chlorine residual testing
☑	☐	☐	☐	☐	- Bacteriological sampling
☐	☐	☑	☐	☐	- Fluoride levels
☐	☐	☑	☐	☐	- Asbestos sampling results
☑	☐	☐	☐	☐	- Lead and Copper sampling results
☑	☐	☐	☐	☐	- DBP Monitoring
					Other:
					Maintenance Data:
☐	☑	☐	☐	☐	Water main repairs:
☐	☑	☐	☐	☐	Main flushing dates:
☐	☑	☐	☐	☐	Valve exercising dates:
☐	☑	☐	☐	☐	Equipment service:
					Other:

Testing and Testing Equipment

Test kits present at system: Color Q colorimeter

yes	no	n/a	unk	note	
☑	☐	☐	☐	☐	5 Are up to date reagents present?

Tests and frequency performed by operator: Total chlorine tested twice per month.

Survey test results: Not tested during my visit.

City of Tyndall EPA ID: 0337

Bacteriological Monitoring

Bacteriological sampling and analysis: April 1, 2012 to April 1, 2013

A	Samples submitted:	24
B	Samples required:	Two Samples Each Month.
C	Survey samples:	0
D	Safe samples:	24
E	Unsafe samples:	0
F	Repeat samples:	0

Lead and Copper Monitoring

(These values are calculated from available data. Check correspondence for verification.)

A	Date Last Tested:	August 23, 2012	
B	Samples required:	10	
C	Sampling Frequency	Triennially	
D	Date Due Next	2015	
E	Lead - 90% Level	1.1	Action Level - 15 ug/l
F	Copper 90% Level	0.02	Action Level - 1.3 mg/l

Disinfectant Residual Monitoring

Residual sampling and analysis: April 1, 2012 to April 1, 2013

A	Samples submitted:	24	
B	Samples required:	Two Samples Each Month.	
C	Last Qtr Cl Residual:	2.48	mg/l
D	Running Annual Average:	2.26	mg/l
E	Date of last DBP test:	August 25, 2004	
F	THM - Qtr Average:	19	ug/l
G	Haa5 - Qtr Average:	0	ug/l

Asbestos

A	Date of last test:	Waiver - Testing Not Required	
B	Asbestos Result:		million fibers per liter

Comments (3)Asbestos waiver good through 12/31/2019.

Managerial Capacity

City of Tyndall EPA ID: 0337

Certification Level of Water System: Distribution: I Treatment: NA

Certification Levels: Very Small Water System (VSWS) Water Distribution (WD) I - IV
Small Water Treatment System (SWTS) Water Treatment (WT) I - IV

yes	no	n/a	unk	note		
☑	☐	☐	☐	☐	1	Does the water system have a governing body? (city council, housing association, district, etc.) City Council
					2	How often does the governing body meet to review water system data? Monthly
☑	☐	☐	☐	☐	3	Are all personnel that make water quality and quantity decisions certified?
☑	☐	☐	☐	☐	4	Is an operator certified at the level of the system available at all times?

Operator Name and Number	Water	Distribution	WW	Collection	Pond	SWTS	VSWS
Robert Brattmiller (759)	II	II	I	I	I		
Larry Chester (1355)	I	II		II	I		
Joe Vavruska (2146)		I		I			

yes	no	n/a	unk	note		
☑	☐	☐	☐	☐	5	Do you feel you have received adequate training?
☑	☐	☐	☐	☐	6	Is the number of people adequate to operate the water system?
☑	☐	☐	☐	☐	7	Do you maintain records to document compliance (up to 10 years)?
☑	☐	☐	☐	☐	8	Does the system have a written Emergency Response Plan?
☐	☑	☐	☐	☐	9	Does the system have operations and/or maintenance manuals?
☑	☐	☐	☐	☐	10	Do you know what to do in the event of a violation?
☐	☑	☐	☐	☐	11	Have there been any MCL violations or compliance orders for the system in the last 12 months?
☐	☐	☑	☐	☐	12	If so, is there a compliance plan?
☑	☐	☐	☐	☐	13	Is someone responsible for emergency operations, communications and customer relations? Who? Larry Chester
☐	☑	☐	☐	☐	14	Are routine operation and maintenance records kept?
☑	☐	☐	☐	☐	15	Is the system aware of all required sampling for the year?
☑	☐	☐	☐	☐	16	Does the system have current "as built" engineering drawings of the system facilities?
☐	☑	☐	☐	☐	17	Do you keep records of complaints and the actions taken to address each one?
					18	How many complaints do you receive on average each year? _____
					19	What is general nature of complaints (taste, odor, color, pressure)? Low pressure, air in water.
☑	☐	☐	☐	☐	20	Has the latest edition of the Consumer Confidence Report been distributed?

☑ ☐ ☐ ☐ ☐ 21 Is a copy of the latest Consumer Confidence Report Available?

☐ ☑ ☐ ☐ ☐ 22 Have any changes been made since the last survey in the management, operations, personnel, budget, etc?

If so, what? _____

☑ ☐ ☐ ☐ ☐ 23 Have the recommendations from the previous survey been addressed?

Comments (please indicate the question number): _____

_____

_____

_____

_____

_____

Financial Capacity

City of Tyndall EPA ID: 0337

yes	no	n/a	unk	note	
☑	☐	☐	☐	☐	1 Does the public water system have an annual budget?
☑	☐	☐	☐	☐	2 Does the water system income exceed operating expenses (including debt service)?
☑	☐	☐	☐	☐	3 Does the water system track budget performance?
☑	☐	☐	☐	☐	4 Does the water system have audited financial statements?
☑	☐	☐	☐	☐	5 Are water revenues kept in a separate account?
☐	☑	☐	☐	☐	6 Is some of the water revenue set aside in reserve funds for future capital improvement projects?
☐	☑	☐	☐	☐	7 Is there a capital improvement long range plan (up to 5 years)?
☐	☑	☐	☐	☐	8 Are the water system rates reviewed on at least an annual basis?
☐	☑	☐	☐	☐	9 Is there a plan for rate increases?
☑	☐	☐	☐	☐	10 Is the rate structure based on metered water use? List rates: _____ (example: $22 minimum plus $1.75/1000 gallons)
☑	☐	☐	☐	☐	11 Are there procedures in place to handle delinquent accounts?
☐	☑	☐	☐	☐	12 Are more than 5% of your customer accounts delinquent?
☑	☐	☐	☐	☐	13 Are controls available to limit over-expenditures?
☑	☐	☐	☐	☐	14 Are there purchasing procedures?
☑	☐	☐	☐	☐	15 Does the system utilize computer software (accounting or otherwise) to maintain its financial records?

Comments (please indicate the question number): 0-2000 gallons = $19, up to 3000 gallons = $25, up to 4000 gallons = $32.50, up to 5000 gallons = $43. Anything over 5000 gallons is an additional $4.50 per 1000 gallons.

Violations and Significant Deficiencies

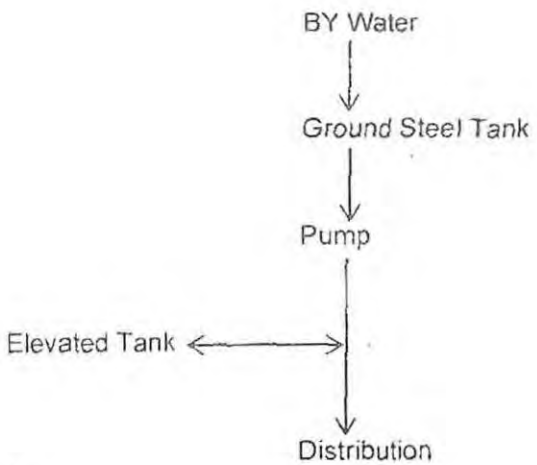
City of Tyndall EPA ID: 0337

Violations From April 1, 2008 To April 1, 2013

Violation Type	Parameter	Date	Status
No Violations			

Significant Deficiency	Date Identified	Date Corrected
None		

Flow Diagram



Appendix C

Water Quality Report

You can contact us by calling
(605)589-3481 or write us at
PO Box 29
Tyndall SD 57066-0029

City of Tyndall

2013 Drinking Water Report

It's your tap water!

EPA ID: 0337

Water Quality

Last year, the City of Tyndall monitored your drinking water for possible contaminants. This brochure is a snapshot of the quality of the water that we provided last year. Included are details about where your water comes from, what it contains, and how it compares to Environmental Protection Agency (EPA) and state standards. We are committed to providing you with information because informed customers are our best allies.

Water Source

We serve more than 1,067 customers an average of 108,000 gallons of water per day. Our water is surface water that we purchase from another water system. The state has performed an assessment of our source water and they have determined that the relative susceptibility rating for the Tyndall public water supply system is high.

For more information about your water and information on opportunities to participate in public meetings, call (605)589-3481 and ask for Linda Pesek.

Additional Information

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally-occurring minerals, and can pick up substances resulting from the presence of animals or from human activity.

Contaminants that may be present in source water include:

- *Microbial contaminants*, such as viruses and bacteria, which may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.
- *Inorganic contaminants*, such as salts and metals, which can be naturally-occurring or result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.
- *Pesticides and herbicides*, which may come from a variety of sources such as agriculture, urban stormwater runoff, and residential uses.
- *Organic chemical contaminants*, including synthetic and volatile organic chemicals, which are by-products of industrial processes and petroleum production, and can also come from gas stations, urban stormwater runoff, and septic systems.
- *Radioactive contaminants*, which can be naturally-occurring or be the result of oil and gas production and mining activities.

In order to ensure that tap water is safe to drink, EPA prescribes regulations which limit the amount of certain contaminants in water provided by public water systems. FDA regulations establish limits for contaminants in bottled water which must provide the same protection for public health.

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the Environmental Protection Agency's Safe Drinking Water Hotline (800-426-4791).

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. EPA/CDC guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants can be obtained by calling the Environment Protection Agency's Safe Drinking Water Hotline (800-426-4791).

If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. The City of Tyndall public water supply system is responsible for providing high quality drinking water, but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at *http://www.epa.gov/safewater/lead.*

Detected Contaminants

The attached table lists all the drinking water contaminants that we detected during the 2013 calendar year. The presence of these contaminants in the water does not necessarily indicate that the water poses a health risk. Unless otherwise noted, the data presented in this table is from testing done January 1 – December 31, 2013 The state requires us to monitor for certain contaminants less than once per year because the concentrations of these contaminants are not expected to vary significantly from year to year. Some of the data, though representative of the water quality, is more than one year old.

'em ɔɹ :hases 100% of their water from Bon Homme-Yankton RWS (0865).

minants For Tyndall (EPA ID 0337)

e:

el of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.

vel of a contaminant that is allowed in drinking water. MCLs are set as close to the MCLGs as feasible using the best available treatment technology.

nt which, when exceeded, triggers treatment or other requirements which a water system must follow. For Lead and Copper, 90% of the samples must be below the AL.

ded to reduce the level of a contaminant in drinking water. For turbidity, 95% of samples must be less than 0.3 NTU.

on absorbed by the body)

**pCi/l: picocuries per liter(a measure of radioactivity)*
**ppm: parts per million, or milligrams per liter(mg/l)*
**ppb: parts per billion, or micrograms per liter(ug/l)*

**ppt: parts per trillion, or nanograms per liter*
**ppq: parts per quadrillion, or picograms per liter*
**pspm: positive samples per month*

'est Sites > ction Level	Date Tested	Highest Level Allowed (AL)	Ideal Goal	Units	Major Source of Contaminant
0	08/16/12	AL=1.3	0	ppm	Corrosion of household plumbing systems; erosion of natural deposits; leaching from wood preservatives.
0	08/16/12	AL=15	0	ppb	Corrosion of household plumbing systems; erosion of natural deposits.

Range	Date Tested	Highest Level Allowed (MCL)	Ideal Goal (MCLG)	Units	Major Source of Contaminant
	05/13/13	6	6	ppb	Discharge from petroleum refineries; fire retardants; ceramics; electronics; solder.
	05/13/13	10	NA	ppb	Erosion of natural deposits; runoff from orchards; runoff from glass and electronics production wastes.
	05/13/13	2	2	ppm	Discharge of drilling wastes; discharge from metal refineries; erosion of natural deposits.
	05/13/13	100	100	ppb	Discharge from steel and pulp mills; erosion of natural deposits.
0.95 - 1.30	01/02/13	4	4	ppm	Erosion of natural deposits; water additive which promotes strong teeth; discharge from fertilizer and aluminum factories.
	09/17/13	60	0	ppb	By-product of drinking water chlorination.
ND - 42.4	08/29/11	60	0	ppb	By-product of drinking water chlorination.
	05/13/13	50	50	ppb	Discharge from petroleum and metal refineries; erosion of natural deposits; discharge from mines.
	09/17/13	80	0	ppb	By-product of drinking water chlorination.
ND - 74.9	06/06/11	80	0	ppb	By-product of drinking water chlorination.

t questions regarding this information to Mr Larry Chester with the Tyndall public water system at (605)589-3481.

* Bon Homme-Yankton RWS (0865) test result.

WRAP Review Sheet
Drinking Water Facilities Funding Application
Applicant: Town of Buffalo

Project Title:	Buffalo Drinking Water System Improvements
Funding Requested:	$1,695,000
Other Proposed Funding:	$0
Total Project Cost:	$1,695,000
Project Description:	The proposed project is to replace all existing cast iron pipe (CIP) and asbestos cement pipe (ACP) watermain with 15,758 LF of 6" PVC watermain and 3,100 LF of 8" PVC watermain. Additionally, 18,858 LF of street repair, 60 valve replacements, 20 hydrant replacements/additions, and 200 service connection replacements will be completed by this project.
Alternatives Evaluated:	"Do Nothing Alternative" was evaluated but not recommended since health and safety concerns would not be addressed and an adequate water supply may not be available to users. The facilities plan evaluated three alternatives that addressed replacing existing watermains. "Replace CIP and ACP Watermain Alternative" would replace all cast iron pipe and asbestos cement pipe watermains with 6 and 8-inch PVC watermains while replacing valves, replacing/adding fire hydrants, and repairing the street. This alternative was evaluated and selected since it had the greatest reduction in future maintenance costs. "Replace 4-inch Watermain Alternative" would replace all 4-inch watermains with 6-inch PVC watermains while replacing valves, replacing/adding fire hydrants, and repairing the street. This alternative was evaluated but not recommended because it did not have the greatest reduction in future maintenance costs. "Replace CIP Watermain Alternative" would replace all cast iron pipe watermains with 6-inch PVC watermains while

	replacing valves, replacing/adding fire hydrants, and repairing the street. This alternative was evaluated but not recommended because it did not have the greatest reduction in future maintenance costs.
Implementation Schedule:	The town of Buffalo anticipates bidding the project in May, 2015 with a project completion date of August, 2016.
Service Population:	
Current Domestic Rate:	$20.00 per 5,000 gallons usage
Proposed Domestic Rate at Project Completion:	TBD

Interest Rate: 2.25% Term: 30 years Security: Water Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan Buffalo would have to enact a surcharge of approximately $29.25. When added to current rate of $20/5,000 gallons residents would be paying $49.25/5,000 gallons.

25% Funding Subsidy:	$423,750 subsidy with a loan of $1,271,250.
Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of $1,271,250 Buffalo would have to enact a surcharge of approximately $21.85 thereby paying a rate of $41.85/5,000 gallons.

50% Funding Subsidy:	847,500 subsidy with a loan of $847,500.
Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of $847,500 Buffalo would have to enact a surcharge of approximately $14.57 thereby paying a rate of $34.57/5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: NICK NELSON

FINANCIAL REVIEW COMPLETED BY: DAVE RUHNKE

BLACK HILLS COUNCIL
OF LOCAL GOVERNMENTS

RECEIVED
JAN - 2 2015
Division of Financial
& Technical Assistance

December 30, 2014

Andy Bruels, Natural Resources Engineer
SD DENR
Joe Foss Building
523 E Capitol
Pierre SD 57501

Dear Andy,

Enclosed please find a Drinking Water Facilities Funding Application being submitted under the January 1, 2015 submittal round for the Town of Buffalo's Water System Improvements Project. As we discussed, the signature documents included are copies. The original signed documents will be sent separately as soon as I receive them from the Town.

Also, the public hearing will be held later this winter with the minutes being provided at that time. And the Environmental Assessment letters have also not been included – but will be provided at a later time.

Please contact me if there is anything further you need regarding this application or if you have questions.

Thanks,

Bill Lass

Bill Lass, Planner

Encl.

Drinking Water Facilities Funding Application

Consolidated Water Facilities Construction Program (CWFCP)
Drinking Water State Revolving Fund Program (DWSRF)

Applicant	Proposed Funding Package	
Town of Buffalo		
Address	CWFCP / DWSRF	$1,695,000
	Local Cash	
PO Box 82 Buffalo, SD 57720-0082	Other	
	Other	
Subapplicant	Other	
N/A		
DUNS Number		
137405531	**TOTAL**	$1,695,000

Project Title: Buffalo Water System Improvements

Description:

The proposed project is to replace all existing cast iron and asbestos cement water main with 6 to 8" PVC pipe. Also, fire hydrants and valves will be replaced or added. Project specifics are: 15,758 LF of 6" PVC main, 3,100 LF of 8" PVC main, 18,858 LF of street repair, 60 valves, 20 new or replaced hydrants, 200 service connections, boring, pipe crosses & tees & bends, related work, engineering, contingency, and administration.

Water main replacement will occur in various areas in and near the town. The final segments as well as the quantities and materials are estimates and will vary upon final design. Funding availability or bid prices could require a reduction in project scope. (Refer to attached feasibility study for full engineering details.)

The proposed project will solve multiple problems associated with the age and condition of existing water main. The main to be replaced was installed between 1949 and 1956. The cast iron pipe has failed due to thinning walls thereby resulting in frequent repair. This iron pipe has also led to excessive rust in the water supply. Some of the original mains are only 4-inches in diameter thereby not meeting current sizing standards. Water loss from the aged distribution system is also an ongoing problem. Finally, the system also lacks an adequate number of valves which are needed to isolate locations when doing system repairs.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Gary Johnson, President

Name & Title of Authorized Signatory (Typed)

Gary Johnson 12/29/2014

Signature Date

Professional Consultants

Application Prepared By: Black Hills Council of Local Governments

Contact Person: Bill Lass, Planner

Mailing Address: 730 East Watertown Street

City, State, and Zip: Rapid City, SD 57701

Telephone Number: (605) 394-2681 Fax: (605) 394-6140

Email address: wlass@tie.net

Consulting Engineering Firm: Brosz Engineering, Inc.

Contact Person: Jason Hanson, PE

Mailing Address: 3561 Whitewood Service Rd., Box 636

City, State, and Zip: Sturgis, SD 57785

Telephone Number: 605-347-2722 Fax: 605-347-2822

Email address: jasonh@broszengineering.com

Legal Counsel's Firm: Ginsbach Law

Legal Counsel: Dusty J. Ginsbach

Mailing Address: P.O. Box 365

City, State, and Zip: Buffalo, SD 57720

Telephone Number: 605-641-2457 Fax:

Email address: dustyginsbach@gmail.com

This section applies only to political subdivisions

Bond Counsel's Firm: Meierhenry Sargent LLP

Bond Counsel: Todd Meierhenry

Mailing Address: 315 S. Phillips Ave.

City, State, and Zip: Sioux Falls, SD 57104

Telephone Number: 605-336-3075 Fax: 605-336-2593

Email address: Todd@meierhenrylaw.com

BUDGET SHEET

Cost Classification	A CWFCP / DWSRF	B	C	D	E	Total Funds
1. Administrative Expenses						
A. Personal Services						
B. Travel						
C. Legal including Bond Counsel	$4,000.00					$4,000.00
D. Other						
2. Land, Structure, Right-of-Way						
3. Engineering						
A. Bidding and Design Fees	$62,500.00					$62,500.00
B. Project Inspection Fees	$62,500.00					$62,500.00
C. Other						
4. Construction and Project Improvement	$1,487,390.00					$1,487,390.00
5. Equipment						
6. Contractual Services						
7. Other						
8. Other						
9. Subtotal (Lines 1-8)	$1,616,390.00					$1,616,390.00
10. Contingencies	$78,000.00					$78,000.00
11. Total (Lines 9 and 10)	$1,694,390.00					$1,694,390.00
12. Total %	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%

Columns A - E: Identify each funding source and enter the amounts budgeted by cost category.

Comments:

Method of Financing

Source Header	Secured Funds	Unsecured Funds (Date Anticipated)
Local Cash (Identify Source)		
Other (Explain) CWFCP and/or DWSRF		$1,695,000.00 March, 2015
Other (Explain)		
Other (Explain)		
Other (Explain)		
Other (Explain)		
TOTAL		$1,695,000.00

Comments:

7.3.1 Repayment Information

Interest rate and term you are applying for: 2.25 %, 30 years.

What security is being pledged toward the repayment of this loan?
(Political Subdivisions Only)

- ☐ 1. General Obligation bond (requires bond election)
- ☐ 2. Water Revenue bond
- ☒ 3. Project Surcharge Revenue bond
- ☐ 4. Sales Tax Revenue bond

7.3.2 Documents That Must Be Submitted With The Application

Financial Documents

1. Most recent audit or unaudited financial statement to include specific accounting of pledged funds.
2. Current year's budget.

Planning and Legal Documents

1. Governing user charge ordinance or resolution and its effective date.
2. Resolution of authorized signatory for submission of the Drinking Water SRF application and signing of payment requests. This resolution must also include the maximum loan amount requested, interest rate and term being applied for, description of proposed project, and security pledged towards repayment of the loan.
3. Facilities Plan (8.3.18).
4. Capacity Assessment Worksheets (section 8.3.16).

Items 5-7 apply to Nonprofit Entities only

5. By-laws
6. Articles of Incorporation
7. Certificate of Good Standing from Secretary of State

7.3.3 General Information

The month and day your fiscal year begins: 1/1

Population Served

Current 330 2000 380 1990 488

Top Five Employers Within 30 Miles	Number of Employees	Type of Business
Harding County School District	43	School
Continental Resources	35	Oil and Gas Drilling
Olson Construction	34	Construction
Harding County	32	County Government
Ace in the Hole	18	Construction

Please indicate employers within boundary of issuing entity with an asterisk (*).

7.3.4 Drinking Water Utility Information

Current Water Utility Debt

Year	The Town has no	debt currently.					
Purpose							
Security Pledged							
Amount							
Maturity Date (mo/yr)							
Debt Holder							
Debt Coverage Requirement							
Avg. Annual Required Payment							
Outstanding Balance							

Use additional sheets if more room is required to list all current water utility debt.

Drinking Water Utility Cash Flow

	Prior Year	Prior Year	Current Year	Future Year #
Fiscal Year	2012	2013	2014	2015
OPERATING CASH FLOW				
Water Sales	$53,791	$59,167.00	$58,732.00	$60,500.00
Surcharge Fee				
Other (Explain) meter deposits	$350	$625.00	$410.00	
connection fees		$1,105.00	$423.00	$500.00
OPERATING PAYMENTS				
Personal Services	($17,863)	($18,152.00)	($16,846.00)	($18,100.00)
Chemical, Material & Supplies	($16,069)	($16,374.00)	($13,697.00)	($23,550.00)
Electric & Other Utilities	($7,524)	($7,011.00)	($6,773.00)	($7,000.00)
Other (Explain) laboratory,insurance,misc,				
main replacement,capital purchases	($1,753)	($16,220.00)	($16,927.00)	
NET CASH FROM OPERATIONS	$10,932	$3,140.00	$5,322.00	$12,350.00
NONOPERATING CASH FLOW				
Interest Income				
Other Revenue (Explain)				
Note: S-Sheet Updated 12/22/14, 12:25 PM				
Transfers In (Explain)				
Fixed Asset Sale (Explain)				
Transfers Out (Explain)				
Fixed Asset Purchases (Explain)				
Debt Payment (Principal Only)				
Debt Payment (Interest Only)				
Other Expenses (Explain)				
meter deposit refunds	($235.00)	($401.00)	($292.00)	
NET CASH FROM NONOPERATING	($235)	($401.00)	($292.00)	
Net Increase (Decrease) in Cash	$10,697	$2,739.00	$5,030.00	$12,350.00
Beginning Cash Balance	$71,270	$81,967.00	$84,706.00	$89,736.00
Ending Cash Balance	$81,967	$84,706.00	$89,736.00	$102,086.00
RESTRICTED BALANCE	$46,448	$51,672.00	$56,790.00	$56,790.00
UNRESTRICTED BALANCE	$35,519	$33,034.00	$32,946.00	$45,296.00

Future Year: First full year after project completion.

Drinking Water Utility Cash Flow

	Prior Year	Prior Year	Current Year	Future Year #
Fiscal Year			Future - 2016	Future - 2017
OPERATING CASH FLOW				
Water Sales			$62,900.00	$65,400.00
Surcharge Fee				
Other (Explain)				
connection fees			$500.00	$500.00
OPERATING PAYMENTS				
Personal Services			($19,800.00)	($21,600.00)
Chemical, Material & Supplies			($15,700.00)	($16,400.00)
Electric & Other Utilities			($7,200.00)	($7,400.00)
Other (Explain) laboratory,insurance,misc,			($6,750.00)	($10,400.00)
main replacement, capital purchases				
NET CASH FROM OPERATIONS			$13,950.00	$10,100.00
NONOPERATING CASH FLOW				
Interest Income				
Other Revenue (Explain)				
Transfers In (Explain)				
Fixed Asset Sale (Explain)				
Transfers Out (Explain)				
Fixed Asset Purchases (Explain)				
Debt Payment (Principal Only)			($44,187.00)	($45,181.00)
Debt Payment (Interest Only)			($41,952.00)	($40,957.00)
Other Expenses (Explain)				
NET CASH FROM NONOPERATING			($86,139.00)	($86,138.00)
Net Increase (Decrease) in Cash			($72,189.00)	($76,038.00)
Beginning Cash Balance			$102,086.00	$29,897.00
Ending Cash Balance			$29,897.00	($46,141.00)
RESTRICTED BALANCE			$56,790.00	$56,790.00
UNRESTRICTED BALANCE			($26,893.00)	($102,931.00)

Future Year: First full year after project completion.

Drinking Water Utility Cash Flow – Footnotes

1. Debt Payment (Principal) and Debt Payment (Interest) reflect projected 2016 and 2017 debt service (plus 10%) for the proposed SRF loan of $1,695,000 at 2.25% for 30 years (assuming no grant or principal forgiveness).

2. The 2016 and 2017 Restricted Balance was hypothetically kept the same as the 2015 level in order to show the full impact of the proposed loan debt service on the water fund.

3. No rate increase (other than an approximately 4% inflationary increase reflected in existing City Ordinance) has been reflected for future years. If an increase to $25/5,000 gal.'s per user per month is proposed then approximately an additional $14,700 in water revenue would be generated ($5 x 245 users x 12 months).

Restricted Funds Breakdown:

Amount	Anticipated Expense	Method Used to Encumber
$6,790.00	Water Meter Deposits	Town Board Action
$45,000.00	Water Reserve Fund	Town Board Action

Water Fees:

Attach current and proposed rate ordinances or resolutions and rate schedules.

Municipal or Sanitary District - monthly rates at 5,000 gallons (670 cubic feet)

Other Community Water System - monthly rates at 7,000 gallons (935 cubic feet)

Check one: ✓ Incorporated Municipality or Sanitary District

or

___ Other Community Water System

Monthly:	Current Rate	Proposed Rate	# of Accounts	Average use gallons/cubic feet
Domestic	$19.10		187	
Business	$19.10		42	
Other: out-of-town	$19.10		16	

Are fees based on usage or flat rate? Usage. Rates will rise to at least State-mini-

When is proposed fee scheduled to take effect? mum of $25 as part of this project.

When did the current fee take effect? Ordinance adopted 2006. Rates adjusted yearly.

What was the fee prior to the current rate? $18.30 in 2013

Attach current and proposed rate ordinances or resolutions and rate schedules.

Five Largest Customers	Type of Business	% of System Revenues
H&L Super Value	Grocery Store (1,517,000 gal./yr.)	10%
Harding Co. High School Football Field	Athletic Field (1,503,000 gal./yr.)	10%
Tipperary Motel	Motel (646,000 gal./yr.)	4%
No. 3 Saloon	Bar & Restaurant (411,000 gal./yr.)	3%
Harding Co. School Gym	Gymnasium (392,000 gal./yr.)	3%

7.3.5 Property Tax Information

(Complete only if General Obligation bond is pledged to repay your loan.)

Three year valuation trend:

Year	_____	_____	_____
Assessed Valuation	_____	_____	_____
Full & True Valuation	_____	_____	_____

Three year levies and collection trend:

Year	_____	_____	_____
Amount Levied	_____	_____	_____
Collected	_____	_____	_____
Penalties/Interest	_____	_____	_____
Late Payments	_____	_____	_____

Five Largest Taxpayers	Description	Assessed Valuation
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Comments:

General Obligation Bond is not proposed.

List all current debt secured by General Obligation bond:

Year					
Purpose					
Security Pledged					
Amount					
Maturity Date (mo/yr)					
Debt Holder					
Debt Coverage Requirement					
Avg. Annual Required Payment					
Outstanding Balance					

Use additional sheets if more room is required to list all current G.O. debt.

Comments:

General Obligation Bond is not proposed.

7.3.6 Sales Tax Information

(Complete only if sales tax is pledged to repay your loan.)

Sales tax revenue history for the most current fifteen months:

Month/Year	Amount Collected

Comments:

Sales Tax Bond is not proposed.

List all current debt secured by sales tax:

Year Issued					
Purpose					
Amount					
Maturity Date (mo/yr)					
Debt Holder					
Debt Coverage Requirement					
Avg. Annual Required Payment					
Outstanding Balance					

Use additional sheets if more room is required to list all current sales tax debt.

Comments:

Sales Tax Bond is not proposed.

7.3.7 Facilities Plan Checklist.

Before submitting the application, please take a few moments to complete the following checklist. Addressing these items prior to submitting the application will expedite the review process

Checklist of SRF Facilities Plan Requirements	
Have the following items been addressed?	
♦ Submission of a Facilities Plan to the department that addresses those items found in section 8.3.18.	×
♦ A public hearing held discussing the project and the use of an SRF loan to finance the project. (See section 8.3.15)	×
♦ Minutes of the public hearing prepared and submitted to the department for inclusion into the final Facilities Plan.	×
♦ The affidavit of publication of the public hearing received and submitted to the department for inclusion into the final Facilities Plan. (See section 8.3.15)	×
♦ The four review agencies contacted and responses received for inclusion into the final Facilities Plan. (See section 8.3.18)	×
♦ The Cultural Resources Effects Assessment Summary and supporting documentation, such as an archaeological survey or Historic Register database search. (See section 8.3.20)	×

7.3.8 Certification of Drinking Water Needs Categories

Identify the loan amount associated with the needs category or categories described below. If the loan addresses needs in more than one category, please break down the total amount into estimated amounts for each category.

Definition	Loan Amount
Transmission/Distribution	$1,695,000.00
Treatment	
Storage	
Source	
System Purchase	
Restructuring	
1452(k) Loan Activities	
1. To acquire land or a conservation easement for source water protection.	
2. To implement voluntary, incentive-based source water quality protection measures.	
TOTAL	$1,695,000.00

Town of Buffalo

Name of Applicant

Gary Johnson

Signature of Authorized Representative

12/29/2014

Date

7.3.9 Preaward Compliance Review

FORM Approved By OMB: No. 2030-0020 Expires 12-31-2011

United States Environmental Protection Agency
Washington, DC 20460

Preaward Compliance Review Report for All Applicants and Recipients Requesting EPA Financial Assistance

Note : Read instructions on other side before completing form.

I. Applicant/Recipient (Name, Address, State, Zip Code).	DUNS No.
Town of Buffalo, PO Box 82, Buffalo SD 57720-0082	137405531

II. Is the applicant currently receiving EPA assistance? No.

III. List all civil rights lawsuits and administrative complaints pending against the applicant/recipient that allege discrimination based on race, color, national origin, sex, age, or disability. (Do not include employment complaints not covered by 40 C.F.R. Parts 5 and 7. See instructions on reverse side.) None.

IV. List all civil rights lawsuits and administrative complaints decided against the applicant/recipient within the last year that allege discrimination based on race, color, national origin, sex, age, or disability and enclose a copy of all decisions. Please describe all corrective action taken. (Do not include employment complaints not covered by 40 C.F.R. Parts 5 and 7. See instructions on reverse side.) None.

V. List all civil rights compliance reviews of the applicant/recipient conducted by any agency within the last two years and enclose a copy of the review and any decisions, orders, or agreements based on the review. Please describe any corrective action taken. (40 C.F.R. § 7.80(c)(3)). None.

VI. Is the applicant requesting EPA assistance for new construction? If no, proceed to VII; if yes, answer (a) and/or (b) below. Yes.

a. If the grant is for new construction, will all new facilities or alterations to existing facilities be designed and constructed to be readily accessible to and usable by persons with disabilities? If yes, proceed to VII; if no, proceed to VI(b).b. If the grant is for new construction and the new facilities or alterations to existing facilities will not be readily accessible to and usable bypersons with disabilities, explain how a regulatory exception (40 C.F.R. § 7.70) applies. Regulatory exception applies: improvements consist of mechanical equipment (pipes, etc.) w/no public access needed.

VII.* Does the applicant/recipient provide initial and continuing notice that it does not discriminate on the basis of race, color, national origin, sex,age, or disability in its programs or activities? (40 C.F.R. § 5.140 and § 7.95) Yes (with job advertisements and certain legal notices).

a. Do the methods of notice accommodate those with impaired vision or hearing? No. b. Is the notice posted in a prominent place in the applicant's offices or facilities or, for education programs and activities, in appropriate periodicals and other written communication? Yes. c. Does the notice identify a designated civil rights coordinator? No.

VIII.* Does the applicant/recipient maintain demographic data on the race, color, national origin, sex, age, or handicap of the population it serves? (40 C.F.R. § 7.85(a)) No, but data is available via Census Bureau statistics.

IX.* Does the applicant/recipient have a policy/procedure for providing access to services for persons with limited English proficiency? (40 C.F.R. Part 7, E.O. 13166) This will be considered as part of policy manual currently under development by the Town.

X.* If the applicant/recipient is an education program or activity, or has 15 or more employees, has it designated an employee to coordinate its compliance with 40 C.F.R. Parts 5 and 7? Provide the name, title, position, mailing address, e-mail address, fax number, and telephone number of the designated coordinator. N/A (less than 15 employees).

XI* If the applicant/recipient is an education program or activity, or has 15 or more employees, has it adopted grievance procedures that assure the prompt and fair resolution of complaints that allege a violation of 40 C.F.R. Parts 5 and 7? Provide a legal citation or Internet address for, or a copy of, the procedures. N/A (less than 15 employees).

For the Applicant/Recipient I certify that the statements I have made on this form and all attachments thereto are true, accurate and complete. I acknowledge that any knowingly false or misleading statement may be punishable by fine or imprisonment or both under applicable law. I assure that I will fully comply with all applicable civil rights statutes and EPA regulations.

A. Signature of Authorized Official	B. Title of Authorized Official	C. Date
Dan Johnson	Town Board President	12/29/14

For the U.S. Environmental Protection Agency I have reviewed the information provided by the applicant/recipient and hereby certify that the applicant/recipient has submitted all preawardcompliance information required by 40 C.F.R. Parts 5 and 7; that based on the information submitted, this application satisfies the preaward provisionsof 40 C.F.R. Parts 5 and 7; and that the applicant has given assurance that it will fully comply with all applicable civil rights statutes and EPA regulations.

A. Signature of Authorized EPA Official See ** note on reverse side.	B. Title of Authorized EPA Official	C. Date

EPA Form 4700-4 (Rev. 03/2008). Previous editions are obsolete.

7.3.10 Certification Regarding Debarment, Suspension, and Other Responsibility Matters

The prospective participant certifies to the best of its knowledge and belief that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within a three year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and

(d) Have not within a three year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

I understand that a false statement on this certification may be grounds for rejection of this proposal or termination of the award. In addition, under 18 U.S.C. §1001, a false statement may result in a fine of up to $10,000 or imprisonment for up to 5 years, or both.

Gary Johnson, Town Board President

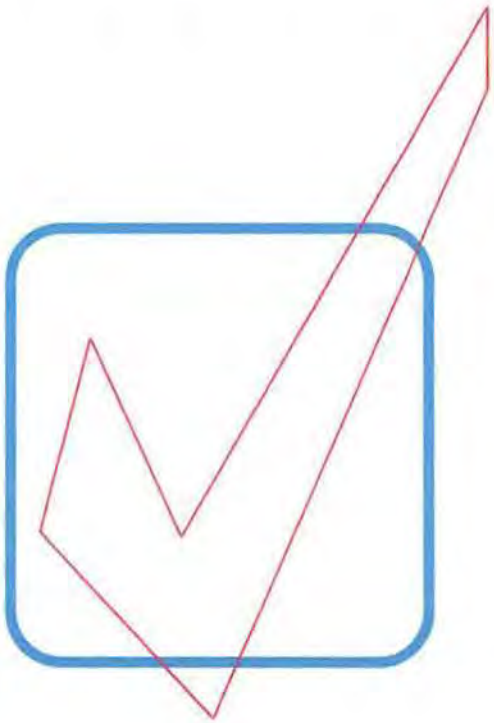
Name & Title of Authorized Representative

Gary Johnson 12/29/2014

Signature of Authorized Representative Date

___ I am unable to certify to the above statements. Attached is my explanation

8.3.16 Capacity Assessment Worksheets for Public Water Systems



Department of Environment and Natural Resources

Revised January 2007

Introduction

Because you are in the process of applying for a Drinking Water State Revolving Fund (DWSRF) loan, it is necessary for you to complete the following worksheets. The Safe Drinking Water Act requires that a system applying for a DWSRF loan must demonstrate that it has financial, managerial, and technical capacity. What exactly does that mean?

- ***Technical capacity*** - the physical infrastructure of the water system, including but not limited to the source water adequacy, infrastructure adequacy, and technical knowledge. In other words, does your treatment system work the way it is supposed to? Are you providing the safest and cleanest water possible and required by law to your customers right now, and will you be able to in the future?

- ***Managerial capacity*** - the management structure of the water system, including but not limited to ownership accountability, staffing and organization, and effective linkages. In simpler terms, do you have a capable and trained staff? Do you have an effective management structure?

- ***Financial capacity*** - the financial resources of the water system, including but not limited to the revenue sufficiency, credit worthiness, and fiscal controls. Basically, does your system have a budget and enough revenue coming in to cover costs, repairs, and replacements?

If it is determined that your system does NOT have the required capacity, you may still qualify for a DWSRF loan if it is going to be used to ensure that your system will have the necessary capacity. If you have questions while completing the following worksheets, please call our office at **(605) 773-3754** , and we will be happy to help.

After DENR receives these worksheets, we will study them and other information located in our files to make a determination whether or not your public water system has the technical, financial, and managerial capacity to be eligible to apply for a DWSRF loan. A final report will be available upon completion of the analysis.

Applicant: Town of Buffalo

Prepared by: Technical & Management: Greg Ginsbach (Water Superintendent), Financial: Diane Haivala (Finance Officer)

Phone #: Greg G.:605-375-3371 Diane H.: 605-375-3130

Date: 12/14

Glossary of Terms

Contaminant: Any physical, chemical, biological, or radiological substance or matter in water;

Disinfectant: Any oxidant, including chlorine, chlorine dioxide, chloramine, and ozone, that is added to water in any part of the treatment or distribution process and that is intended to kill or inactivate pathogenic microorganisms;

Disinfectant contact time: The time in minutes that it takes for water to move from the point of disinfectant application or the previous point of disinfectant residual measurement to a point before or at the point where residual disinfectant concentration is measured;

Filtration: A process for removing particulate matter from the water by passing the water through porous media;

Ground Water: The supply of fresh water found beneath the surface of the ground, usually in aquifers, which is often used for supplying wells and springs;

Ground Water Under the Direct Influence of Surface Water: Any water beneath the surface of the ground with a significant occurrence of insects, macroorganisms, algae, or large-diameter pathogens such a *Giardia lamblia* ; or any water with significant and relatively rapid shifts in water quality characteristics such as turbidity, temperature, conductivity, or pH which closely correlate to climatological or surface water conditions;

Maximum Contaminant Level (MCLs): The maximum permissible level of a contaminant in water delivered to any user of a public water system. MCLs are enforceable standards;

mg/L: milligrams per liter - equivalent to parts per million;

µg/L: micrograms per liter - equivalent to parts per billion;

NTU: nephelometric turbidity unit;

psi: pounds per square inch

Surface Water: All water that is open to the atmosphere and subject to surface runoff;

Turbidity: A cloudy condition in water due to suspended silt or organic matter; and

Waiver: A process used by the Department of Environment and Natural Resources that allows a public water system to reduce or eliminate monitoring for a particular chemical.

The Technical Portion of your System

Your Water Supply

Please check the appropriate box: *Yes*, *No*, or *Unknown* for each section. Please try to determine the answer to every question. ***If a section or question does not apply to your system, please check NA for not applicable.***

Water Supply and Existing Demands	**Yes**	**No**	**Unknown**	**NA**
Do you know how much water you pump on an average day? ***Amount:*** 50,000 gal.	☑	☐	☐	☐
Do you know how much water you pump on a peak day? ***Amount:*** 100,000 gal./day	☑	☐	☐	☐
Do you know the maximum amount of water you can pump from your source? ***Amount:*** 151,200 gal./day	☑	☐	☐	☐
Is your source capacity higher than your peak day demand? ***Percentage higher or lower:*** 30% higher	☑	☐	☐	☐
Can you meet peak demand without pumping at peak capacity for extended periods? ***Longest time pumping at peak demand:*** 2 days	☑	☐	☐	☐
Have you been able to provide adequate volumes of water during drought cycles?	☑	☐	☐	☐
Have you had to restrict usage at any time for any reason? ***Please specify:***	☐	☑	☐	☐
Does your system have an emergency or supplemental water supply? ***Please specify:*** Well #7 on standby.	☑	☐	☐	☐
Do you have an Emergency Response Plan that will allow you to meet system demand during a drought or shortage, such as the loss of the largest source? ***If yes, please attach.***	☐	☑	☐	☐
Water Demand	**Yes**	**No**	**Unknown**	**NA**
Do you know whether your system demands will be growing, declining, or remain stable over the next ten years? ***Please check:*** ☐ ***growing,*** ☐ ***declining, or*** ☐ ***stable.***	☑	☐	☐	☐
Does your source have additional water available for appropriation?	☑	☐	☐	☐
Do you have a water right? ***Water right permit number(s):*** active wells:1163-1,1178A-1&B-1 abandoned wells:1176-1, 1163-1. Standby well: 1691.1	☑	☐	☐	☐
If you have large commercial, industrial, or irrigation users, do you know their long-term plans and understand their needs?	☐	☑	☐	☐
Purchased Water	**Yes**	**No**	**Unknown**	**NA**
If you purchase water from another system or a wholesaler, do you know their long-term plans?	☐	☑	☐	☐
Do you have a contract to purchase water? ***If yes, with whom?***	☐	☑	☐	☐
Are you currently staying within your contract?	☐	☑	☐	☐
Are you knowledgeable about other demands being placed on the same water source that you are using?	☐	☑	☐	☐

Alternative Sources	Yes	No	Unknown	NA
Are alternative water sources possibly available to you?	☐	☑	☐	☐
Are you knowledgeable of the characteristics and costs of using alternative sources?	☐	☐	☐	☑
Water Source	**Yes**	**No**	**Unknown**	**NA**
Do you know the depth of your well? ***Depth*** 90',105', 105'	☑	☐	☐	☐
Do you know the geologic name of the aquifer system from which your water is drawn? ***If yes, geologic name:*** Hell Creek	☑	☐	☐	☐
Are all abandoned water sources properly managed and disconnected to prevent accidental contamination or problems with current water system facilities?	☑	☐	☐	☐

Treatment - Microbiological Contamination

Is your system using surface water or ground water under the influence of surface water? ☐ **yes** ☑ **no**

(If you checked "no", skip to the next section - Ground Water Systems – unless your water system requires treatment other than just disinfection.)

Surface Water Systems

Filtration Plant Condition	Yes	No	Unknown	NA
Is your filter plant in good physical condition (free from spalling concrete, peeling paint)?	☐	☐	☐	☑
If constructed more than 20 years ago, have treatment processes been upgraded to meet current standards?	☐	☐	☐	☑
Are repair parts available?	☐	☐	☐	☑
Do you have redundancy (back-ups/automatic switch-overs) for all major mechanical units? ***If no, list units you do NOT have redundancy for:***	☐	☐	☐	☑
Can your plant achieve a filtered water turbidity of 0.3 NTU?	☐	☐	☐	☑
Do you have on-line continuous turbidimeters on each filter?	☐	☐	☐	☑
Have you adopted a turbidity goal lower than the standard? ***If yes, list goal:*** at least weekly	☐	☐	☐	☑
Do you have the capability to add coagulant before the filter?	☐	☐	☐	☑

Ground Water Systems

Ground Water Under the Influence of Surface Water	Yes	No	Unknown	NA
Is your water free from variations in turbidity and temperature after storm events?	☑	☐	☐	☐
Well Construction and Protection				

Do you know when your well was constructed? ***List year:*** '56,'59,'67	☑	☐	☐	☐
Is your well(s) constructed according to current South Dakota regulations?	☐	☐	☑	☐
Do you have a source water protection plan?	☐	☑	☐	☐
Is your wellhead finished with a pitless adapter that will prevent contamination from surface water?	☐	☐	☐	☑

Disinfection

Do you disinfect? ☑ **yes** ☐ **no** ***(If "no", skip to the Infrastructure - Pumping section)***

Disinfection	**Yes**	**No**	**Unknown**	**NA**
Do you regularly inspect and maintain your disinfection / chlorination equipment? ***Type of Equipment:*** Stenner Pumps ***How often?*** at least weekly ***Disinfectant used:*** AZONE 15	☑	☐	☐	☐
Do you have back-up equipment? ***Type:*** _____	☐	☑	☐	☐
Do you have adequate contact time following disinfection and before the first user in the distribution system (30 minutes for ground water systems)? ***Contact time:*** 15 minutes	☐	☑	☐	☐
Can you detect a chlorine residual at taps at the ends of the distribution system? ***Free Chlorine Residual:*** .4 ***Total Chlorine Residual:*** _____ (if using chloramines)	☑	☐	☐	☐

Disinfection By-Products

Treatment for the Control of Disinfection By-Products	**Yes**	**No**	**Unknown**	**NA**
If you treat surface water, are you already practicing or could you adopt "enhanced coagulation" in your current plant?	☐	☐	☐	☑
If you treat surface water, could you still meet current contact-time requirements if disinfection were not allowed before sedimentation?	☐	☐	☐	☑

Treatment - Security

Treatment Security	**Yes**	**No**	**Unknown**	**NA**
Has the system implemented procedures to improve security of its facilities? (i.e. limiting access to sensitive sites, protecting computer and control equipment etc.)	☑	☐	☐	☐
Are chemicals used for treatment properly stored and secure?	☑	☐	☐	☐
Does the water system track chemical usage? (i.e. a sudden	☑	☐	☐	☐

increase in usage may signal potential contamination or tampering.

Infrastructure - Pumping

Condition of Pumping Equipment	**Yes**	**No**	**Unknown**	**NA**
Do you routinely inspect for signs of pump or pump motor problems? ***How often:*** weekly	☑	☐	☐	☐
Once diagnosed, are problems corrected in a timely enough manner to avoid crisis financing, costly repairs, and unscheduled downtime?	☑	☐	☐	☐
Do you hire a qualified pump contractor to perform an inspection of all pumping equipment, identify potential problems, and perform maintenance, on an annual basis?	☐	☑	☐	☐
Standby/Emergency Power Equipment	**Yes**	**No**	**Unknown**	**NA**
Is there sufficient standby/emergency power capacity to supply 100% of the average daily demand of the system (excluding fire demand)?	☑	☐	☐	☐
Are any existing standby/emergency power equipment, controls and switches tested or exercised routinely under load conditions, for at least 30 minutes at a time?	☐	☑	☐	☐
Has the local electric utility been made aware of the standby/emergency power provisions made by the water system, so that they can reinforce and safeguard the electrical facilities serving the water operations?	☑	☐	☐	☐

Infrastructure - Storage

Storage Capacity	**Yes**	**No**	**Unknown**	**NA**
Does the system have sufficient gravity-flow (non-pumped) or emergency generator-supported pumping capability to ensure adequate distribution storage to provide safe and adequate service for up to 24 hours without power? ***If no, how long:***	☑	☐	☐	☐
Is there reserve capacity in the tank for fire protection support? ***Amount:*** 150,000 gal.	☑	☐	☐	☐
Security Measures	**Yes**	**No**	**Unknown**	**NA**
Are any openings, such as vent pipes, screened to protect against the entrance of small animals, birds, and small insects?	☑	☐	☐	☐
Are access hatches locked?	☑	☐	☐	☐
Is the tank and the immediate surrounding area fenced?	☑	☐	☐	☐
Control Systems				
Is there a high and low water level signal system to control the pumps?	☑	☐	☐	☐

Is there a drain valve or hydrant to allow for draining of the tank?	☑	☐	☐	☐
Tank Maintenance				
Is the tank inspected at least every three years by a qualified tank contractor for evidence of corrosion or pitting, leakage, and structural weakness?	☑	☐	☐	☐
Is the tank contractor capable of analyzing the coating of paint on the interior and exterior surfaces of the tank to determine if it contains lead or other hazardous materials?	☑	☐	☐	☐

Infrastructure - Distribution

System Maintenance	**Yes**	**No**	**Unknown**	**NA**
Do you have an accurate map of your distribution system that indicates main sizes and valve locations?	☑	☐	☐	☐
Does the operator routinely flush, test, and maintain the hydrants in the system? ***How often:*** Annually. (next Q. on valves :100% mains, 95% curb).	☑	☐	☐	☐
Are the locations of valves in the mains and curb stops on the service lines precisely known?	☑	☐	☐	☐
Does the system keep a log of distribution system breaks to identify weak areas in the system?	☑	☐	☐	☐
Are histories, locations, size, and type of mains and service lines detailed on records in a secure area?	☑	☐	☐	☐
Are all valves exercised and lubricated periodically?	☑	☐	☐	☐
Is the system free of severe "water hammer" problems?	☑	☐	☐	☐
Are meter pits, pressure regulating valves, altitude valves, blow-offs, and other appurtenances maintained on a regular basis?	☐	☐	☐	☑
Unaccounted-for Water	**Yes**	**No**	**Unknown**	**NA**
Is unaccounted-for water in the water system monitored and analyzed each month?	☐	☐	☐	☐
Is the unaccounted-for water less than 15 percent of the total water delivered to the mains? ***List percentage of unaccounted for water:*** _____%	☐	☐	☐	☐
	Yes	**No**	**Unknown**	**NA**
Are the normal operating pressures in the distribution system between 25 psi and 125 psi? ***Normal operating pressure:*** 65 psi	☑	☐	☐	☐
Do you have a routine leak detection and repair program?	☐	☑	☐	☐
Are all sources of supply and customers metered?	☐	☑	☐	☐
Are the meters calibrated and tested routinely to ensure their accuracy and reliability?	☐	☑	☐	☐
Water Quality in Distribution System	**Yes**	**No**	**Unknown**	**NA**
Does your system have an active cross-connection control program?	☐	☑	☐	☐

Are any inspections for cross-connections performed?	☐	☑	☐	☐
Is there a program for installing and testing backflow prevention devices where potential contamination is present?	☐	☑	☐	☐
Is there a program to eliminate "dead-ends" in the mains, where feasible?	☑	☐	☐	☐
Construction Standards	**Yes**	**No**	**Unknown**	**NA**
Are the majority of your mains 6 inches in diameter or larger? ***List percentage:*** 75%	☑	☐	☐	☐
Is there a program to gradually replace sub-standard sized mains?	☐	☑	☐	☐
Are there suitable rights-of-way and easements provided to the water system for expansion, maintenance, and replacement of mains and services?	☑	☐	☐	☐
Is there sufficient earth cover (six feet) to protect the mains from frost damage or heavy loads, if driven over?	☑	☐	☐	☐
Are materials of mains designed and selected to resist corrosion, electrolysis, and deterioration?	☑	☐	☐	☐
Distribution System Problems	**Yes**	**No**	**Unknown**	**NA**
Do you receive any complaints regarding water quality (taste, odor, color, etc.)? ***List number of complaints/year:*** _____ ***Most common complaint:*** color	☑	☐	☐	☐
Can you maintain adequate pressure in the distribution system under all conditions of flow?	☑	☐	☐	☐

The Management Portion of your System

Please mark the appropriate box: *Yes*, *No*, or *Unknown* for each section. Please try to determine the answer to every question. ***If a section does not apply to your system, please write NA for not applicable.***

Operation & Maintenance

Operations Staff	**Yes**	**No**	**Unknown**	**NA**
Does the person operating your system have current water treatment plant and water distribution operator certification credentials from DENR? ***If yes, list classification(s):*** color Distribution-1, Treatment-1	☑	☐	☐	☐
Does your operator receive additional training on an ongoing basis to keep current on new developments in the field?	☑	☐	☐	☐
Future Operational Demands	**Yes**	**No**	**Unknown**	**NA**
Does your water system obtain any regular or occasional technical assistance from outside sources, such as DENR, your engineer, other utilities or organizations specifically dedicated to providing technical assistance? ***If yes, who*** Rural Water	☑	☐	☐	☐

Management & Administration

Who's in Charge?	**Yes**	**No**	**Unknown**	**NA**
Is there a clear plan of organization and control among the people responsible for management and operation of the system?	☑	☐	☐	☐
Does your system have written personnel policies and job descriptions signed by the employees?	☐	☑	☐	☐
Are the limits of the operator's authority clearly known?	☑	☐	☐	☐
Does everyone involved in operations know who is responsible for each area?	☑	☐	☐	☐
Is someone responsible for scheduling work?	☑	☐	☐	☐
Security	**Yes**	**No**	**Unknown**	**NA**
Does the system have procedures for handling new and terminated employees (i.e. collecting keys, changing locks and computer passwords)?	☑	☐	☐	☐
Rules and Standards	**Yes**	**No**	**Unknown**	**NA**
Do you have explicit rules and standards for system modifications?	☐	☑	☐	☐
Do you have rules governing new hook-ups?	☑	☐	☐	☐
Do you have a water main extension policy?	☐	☑	☐	☐
Do you have standard construction specifications to be followed?	☐	☑	☐	☐

	Yes	No	Unknown	NA
Do you have measures to assure cross-connection control and backflow prevention?	☑	☐	☐	☐
Do you have policies or rules describing customer rights and responsibilities?	☑	☐	☐	☐
Regulatory Compliance Program	**Yes**	**No**	**Unknown**	**NA**
Do you fully understand monitoring requirements and have a scheduling mechanism to assure compliance?	☑	☐	☐	☐
Do you know how to obtain clarification or explanation of requirements?	☑	☐	☐	☐
Do you have a mechanism to obtain the most recent information on regulatory requirements?	☑	☐	☐	☐
Do you maintain adequate records to document compliance? ***If yes, for how long?*** 10 years	☑	☐	☐	☐
Did your system have any violations of the primary drinking water standards in the last year?	☐	☑	☐	☐
Did your system have any monitoring or reporting violations in the last year?	☐	☑	☐	☐
Do you know what to do in the event of a violation?	☑	☐	☐	☐
Emergencies	**Yes**	**No**	**Unknown**	**NA**
Do you have an Emergency Response Plan?	☑	☐	☐	☐
Is there a contingency for making emergency interconnections to neighboring systems, and do you know they will work if needed?	☐	☑	☐	☐
Does everyone involved in operations know what they are to do in the event of contamination from a toxic hazardous waste spill in your source water or a main break or a tank failure?	☑	☐	☐	☐
Do you have a clear chain-of-command protocol for emergency action?	☑	☐	☐	☐
Is someone responsible for emergency operations, for communications with state regulators, for customer relations, for media relations? ***If yes, who (title):*** Greg Ginsbach	☑	☐	☐	☐
Safety	**Yes**	**No**	**Unknown**	**NA**
Do you have a safety program defining measures to be taken if someone is injured?	☑	☐	☐	☐
Has the entire staff been properly trained in the location and use of safety equipment?	☑	☐	☐	☐
Does everyone understand the risks and safety measures involved in handling water treatment chemicals?	☑	☐	☐	☐
Do you have written operating procedures for both routine and emergency system operations?	☑	☐	☐	☐
Are you fully aware of Occupational Safety and Health Administration (OSHA) confined space (such as trenches/manholes) regulations?	☑	☐	☐	☐
Does the system work with customers to promote their awareness of security?	☐	☑	☐	☐
Does the system have a communication plan to alert customers of a natural or intentional threat to public health?	☑	☐	☐	☐

Maintenance	Yes	No	Unknown	NA
Do you have a planned maintenance management system -- a system for scheduling routine preventive maintenance (line flushing, pumps, meters, storage tanks, etc.)?	☑	☐	☐	☐
Do you have a system for assuring adequate inventory of essential spare parts and back-up equipment?	☑	☐	☐	☐
Do you have relationships with contractors and equipment vendors to assure prompt priority service?	☑	☐	☐	☐
Do you have records and data management systems for system operating and maintenance data, for regulatory compliance data, and for system management and administration?	☑	☐	☐	☐
Management Capability	**Yes**	**No**	**Unknown**	**NA**
Are you getting the outside services and technical assistance you need? Do you have adequate legal counsel, insurance, engineering advice, technical/operations assistance, rate case preparation, and financial advice?	☑	☐	☐	☐

The Financial Portion of your System

Please mark the appropriate box: *Yes*, *No*, or *Unknown* for each section. Please try to determine the answer to every question. ***If a section does not apply to your system, please write NA for not applicable.***

Financial Planning Mechanisms	**Yes**	**No**	**Unknown**	**NA**
Does your system develop and follow an annual budget that is approved by the governing body?	☑	☐	☐	☐
Does the governing body review a monthly summary of revenues and expenses of the utility system?	☑	☐	☐	☐
Do you have within the annual budget separate reserve accounts for equipment replacement, capital improvement, depreciation or security upgrades? ***If so, list accounts:*** 1. Meter Deposits, 2. Water equipment or projects.	☑	☐	☐	☐
Does the system have reserve funds available in the event of an emergency?	☑	☐	☐	☐
Do you have a capital budget or capital improvement plan that projects future capital investment needs some distance (at least five years) into the future?	☐	☑	☐	☐
Do you have a process for scheduling and committing to capital projects?	☑	☐	☐	☐
Does your planning process take account of all the potential capital needs suggested by your answers to the technical questions in these worksheets?	☑	☐	☐	☐
Does your long-term planning incorporate analysis of alternative strategies that might offer cost saving to customers, such as consolidation with other nearby systems or sharing of operations and management expenses with other nearby systems?	☐	☑	☐	☐
Rates/Billing - Are they Adequate?	**Yes**	**No**	**Unknown**	**NA**
Do you regularly review your rates? ***How often?*** Yearly.	☑	☐	☐	☐
Do you have a plan in place for periodic increases in rates?	☑	☐	☐	☐
Is the rate structure based on metered watered use? ***List rates per 1000 gallons:*** $11.50 min. + $1.90/1,000 gal's. (i.e. $22 minimum plus $2.50/1000 gallons)	☑	☐	☐	☐
Does the rate per 1000 gallons change as consumption increases? ***If so, please describe:***	☐	☑	☐	☐
Does the rate structure assure proportionality among users?	☑	☐	☐	☐
Do you have procedures for billing and collection?	☑	☐	☐	☐
Is your billing collection rate greater than 95%?	☑	☐	☐	☐
Do you have collection procedures specifically for delinquent accounts?	☑	☐	☐	☐

Financial Planning Mechanisms - Are they Adequate?	Yes	No	Unknown	NA
Does your system have audited financial statements prepared by a certified public accountant (CPA)?	☐	☑	☐	☐
Does your water system income exceed operating expenses (including debt service)?	☑	☐	☐	☐
Does your water utility support other enterprise funds or the general fund?	☐	☑	☐	☐
Does your system require revenues from other enterprise funds or the general fund for normal operations?	☐	☑	☐	☐
Do you employ standardized accounting and tracking systems?	☑	☐	☐	☐
Do you track budget performance?	☑	☐	☐	☐
Do you keep records to substantiate depreciation of fixed assets and accounting for reserve funds?	☑	☐	☐	☐
Are financial management recordkeeping systems organized?	☑	☐	☐	☐
Are controls exercised over expenditures?	☑	☐	☐	☐
Are controls exercised to keep from exceeding your budget?	☑	☐	☐	☐
Are there purchasing procedures?	☑	☐	☐	☐
Did your system's governing body review this assessment before returning it to the South Dakota Department of Environment and Natural Resources?	☑	☐	☐	☐

8.3.16.1 Financial Spreadsheet

Complete the financial spreadsheet on the following page using the guidance presented on the reverse side of the form.

GUIDELINES:

This cash flow projection form provides a systematic method of estimating cash receipts, disbursements and balances. The entries listed on the form will not necessarily apply to every PWS, and some entries may not be included which would be pertinent to each PWS. It is suggested, therefore, that the form be adapted to each particular PWS, with appropriate changes in the entries as may be required.

Procedure: Most of the entries on the form are self-explanatory; however, the following suggestions are offered to simplify the procedure:

(1) First gather the audited financial statements, internally prepared statements or budgets and other information for the current year and the two prior years. Include the most recent audited financial statement with your self-assessment report.

(2) Complete the columns for the prior two years using actual data from your audited financial statements, if available, or your internally prepared financial statements. Keep in mind, for purposes of this analysis, it is important to use **cash** receipts and disbursements. ***Suggestion: Round amounts to the nearest dollar.***

(3) Complete the current year's column using the most recent budget information. Include all expenditures incurred by the utility.

(4) Complete the form using the suggestions in the partial form below for each entry. Be sure to include any expenditures resulting from planned plant improvement and estimate the impact of inflation on all expenditures.

(5) Item #1 (Beginning Cash on Hand) plus Item #3 (Total Cash Receipts) minus Item #6 (Total Cash Paid Out) should equal Item #7 (Ending Cash Position).

(6) Item #13 (Total Added to Reserves) plus Item #14 (Operating Cash) should equal Item #7 (Ending Cash Position).

(7) Item #1 (Beginning Cash on Hand) should equal Item #14 (Ending Cash Position) from the prior financial period.

(8) Items #8 & 9 are used together to determine the impact of the rate structure on the equivalent residential user. If industrial or business customers contribute a significant portion of the revenues, these amounts should be looked at separately. Consideration should be given to design a rate structure so that each

category of user pays its proportional share of the costs of operating and maintaining the PWS.

(9) Item #10 is used to determine to what extent a PWS's net operating income is able to cover its debt service requirements.

(10)Item #11 is used to determine to what extent a PWS's rate structure produces revenues sufficient to cover operating expenses.

(11)Item #14 is the operating cash balance at year end. The operating cash balance at the end of any financial period should be adequate to meet the cash requirements for a minimum of one month. If there is too little cash, additional cash may have to be injected or expenditures may have to be reduced. If there is excessive cash on hand, the money should be invested or otherwise deposited into interest bearing accounts (e.g., set up reserves for replacement or capital improvements, etc.)

Financial Spreadsheet

Applicant: Town of Buffalo, SD
Completed by: Diane Haivala, Finance Officer/Bill Lass, BHCOLG
Date: 12/18/14 (p. 1 of 4)

4 Year Projections	Last Year Actual	Current Year Budget Year 1 Projected	Year 2 Projected	Year 3 Projected	Year 4 Projected
Enter Year:	2012				
1. Beginning Cash on Hand	$64,937				
2. Cash Receipts:					
a. Unmetered Water Revenue	$1,495				
b. Metered Water Revenue	$52,296				
c. Other Water Revenue					
d. Total Water Revenues (2a through 2c)	$53,791				
e. Connection Fees					
f. Interest and Dividend Income					
g. Other Income					
h. Total Cash Revenues (2d through 2g)	$53,791				
i. Transfers in/Additional Rev Needed					
j. Loans, Grants or other Cash					
Please specify					
Meter Deposits	$350				
3. Total Cash Receipts (2h through 2j)	$54,141				
4. Total Cash Available (1+3)	$119,078				
5. Operating Expenses					
a. Salaries and wages	$14,703				
b. Employee Pensions and Benefits	$3,160				
c. Purchased Water					
d. Purchased Power	$7,524				
e. Fuel for Power Production					
f. Chemicals	$6,864				
g. Materials and Supplies	$5,047				
h. Engineering Services					
i. Contractual Services – Other					
j. Equip. Rent/Real Property					
k. Transportation Expenses					
l. Laboratory	$383				
m. Insurance	$833				
n. Regulatory Commission Expenses					
o. Advertising					
p. Miscellaneous	$537				
q. Total Cash O&M Expenses (5a through 5p)	$39,051				
r. Replacement Expenditures	$1,667				
s. Total OM&R Expenditures (5q+5r)	$40,718				
t. Loan Principal/Capital Lease Payments					
u. Loan Interest Payments					
v. Transfers Out					
w. Capital Purchases (specify):					
'12:trailer&chemical tank,shoring	$2,491				
Meter Dep. Refunds	$235				
x. Other					
6. Total Cash Paid Out (5s through 5x)	$43,444				
7. Ending Cash Position (4 - 6)	$75,634				

Financial Spreadsheet

Applicant: Town of Buffalo
Completed by: Diane Haivala, Finance Officer/Bill Lass, BHCOLG
Date: 12/18/14 (p. 2 of 4)

4 Year Projections	Last Year Actual	Current Year Budget Year 1 Projected	Year 2 Projected	Year 3 Projected	Year 4 Projected
8. Number of Customer Accounts	240	242			
9. Avg Annual User Charge Account (2d/8)	$224	$0	$0	$0	$0
10. Coverage Ratio (2h-5s)/(5t+5u)	0.0	0.0	0.0	0.0	0.0
11. Operating Ratio (2d/5s)	1.3	0.0	0.0	0.0	0.0
12. Additions to Reserve Funds for the Year:					
a. Debt Service Reserve					
b. Bond Retirement Reserve					
c. Capital Improvement Reserve					
d. Replacement Reserve	$40,000				
e. Other	$115				
13. Total Reserves (12a through 12e)	$40,115				
14. Year End Operating Cash (7 - 13)	$35,519				

Financial Spreadsheet

Applicant: Town of Buffalo, SD
Completed by: Diane Haivala, Finance Officer/Bill Lass, BHCOLG
Date: 12/18/14 (p. 3 of 4)

4 Year Projections	Last Year Actual	Current Year Budget Year 1 Projected	Year 2 Projected	Year 3 Projected	Year 4 Projected
Enter Year:	2013	2014	2015	2016	2017
1. Beginning Cash on Hand	$35,519	$33,034	$32,946	$45,296	($26,893)
2. Cash Receipts:					
a. Unmetered Water Revenue	$6,745	$2,102	$2,200	$2,300	$2,400
b. Metered Water Revenue	$52,422	$56,045	$58,300	$60,600	$63,000
c. Other Water Revenue		$585			
d. Total Water Revenues (2a through 2c)	$59,167	$58,732	$60,500	$62,900	$65,400
e. Connection Fees	$1,105	$423	$500	$500	$500
f. Interest and Dividend Income					
g. Other Income					
h. Total Cash Revenues (2d through 2g)	$60,272	$59,155	$61,000	$63,400	$65,900
i. Transfers in/Additional Rev Needed					
j. Loans, Grants or other Cash					
Please specify					
Meter Deposits	$625	$410			
3. Total Cash Receipts (2h through 2j)	$60,897	$59,565	$61,000	$63,400	$65,900
4. Total Cash Available (1+3)	$96,416	$92,599	$93,946	$108,696	$39,007
5. Operating Expenses					
a. Salaries and wages	$14,957	$12,743	$13,100	$14,000	$15,000
b. Employee Pensions and Benefits	$3,195	$4,103	$5,000	$5,800	$6,600
c. Purchased Water					
d. Purchased Power	$7,011	$6,773	$7,000	$7,200	$7,400
e. Fuel for Power Production					
f. Chemicals	$7,698	$9,692	$10,000	$10,200	$10,400
g. Materials and Supplies	$8,676	$4,005	$5,000	$5,500	$6,000
h. Engineering Services					
i. Contractual Services – Other					
j. Equip. Rent/Real Property	$100				
k. Transportation Expenses					
l. Laboratory	$362	$2,208	$400	$500	$4,000
m. Insurance	$810	$771	$850	$900	$1,000
n. Regulatory Commission Expenses					
o. Advertising					
p. Miscellaneous	$555	$204	$300	$350	$400
q. Total Cash O&M Expenses (5a through 5p)	$43,364	$40,499	$41,650	$44,450	$50,800
r. Replacement Expenditures	$14,393	$9,038	$7,000	$5,000	$5,000
s. Total OM&R Expenditures (5q+5r)	$57,757	$49,537	$48,650	$49,450	$55,800
t. Loan Principal/Capital Lease Payments				$44,187	$45,181
u. Loan Interest Payments				$41,952	$40,957
v. Transfers Out					
w. Capital Purchases (specify):					
'14:pump replace, de-icer unit		$4,706			
Meter Deposit Refunds	$401	$292			
x. Other					
6. Total Cash Paid Out (5s through 5x)	$58,158	$54,535	$48,650	$135,589	$141,938
7. Ending Cash Position (4 - 6)	$38,258	$38,064	$45,296	($26,893)	($102,931)

Financial Spreadsheet

Applicant: Town of Buffalo
Completed by: Diane Haivala, Finance Officer/Bill Lass, BHCOLG
Date: 12/18/14 (p. 4 of 4) Also see attached notes page.

4 Year Projections	Last Year Actual	Current Year Budget Year 1 Projected	Year 2 Projected	Year 3 Projected	Year 4 Projected
8. Number of Customer Accounts	240	242	245	245	245
9. Avg Annual User Charge Account (2d/8)	$247	$243	$247	$257	$267
10. Coverage Ratio (2h-5s)/(5t+5u)	0.0	0.0	0.0	0.2	0.1
11. Operating Ratio (2d/5s)	1.0	1.2	1.2	1.3	1.2
12. Additions to Reserve Funds for the Year:					
a. Debt Service Reserve					
b. Bond Retirement Reserve					
c. Capital Improvement Reserve					
d. Replacement Reserve	$5,000	$5,000			
e. Other	$224	$118			
13. Total Reserves (12a through 12e)	$5,224	$5,118			
14. Year End Operating Cash (7 - 13)	$33,034	$32,946	$45,296	($26,893)	($102,931)

Financial Spreadsheet – Footnotes

1. Line 5-r "Replacement Expenditures represents funds spent primarily on water main replacement and/or leak repairs.

2. Figures for 2014 are projected year-end numbers.

3. Line 12e pertains to the meter deposit fund.

4. Lines 5t and 5u represent projected principal and interest payments (+10%) on proposed $1,695,000 SRF loan at 2.25% for 30 years.

5. Lab expenses (line 5l) are higher in 2014 and 2017 due to increased testing requirements at 3-year intervals.

6. Note: The Year 2016 and 2017 years show year-end deficits due to the assumption that all of the requested financing will be awarded as loan and assuming no rate increase other than inflationary adjustments. However, if it is assumed that rates are increased to $25/5,000 gallons per user per month then approximately $14,700 in additional water revenue would be generated annually ($5 per user for 245 users) for ending balances of -$12,893 and -$88,231 for 2016 and 2017 respectively.

4 Year Projections	Last Year Actual	Current Year Budget	Year 2 Projected	Year 3 Projected	Year 4 Projected
1. Beginning Cash on Hand	For the prior period and the current year budget, use the actual cash balance. For all other years, cash on hand should equal item #14 from previous period.				
2. Cash Receipts:					
a. Unmetered Water Revenue	All cash received/estimated for water supplied to residential, commercial, industrial and public customers where the customer charge is not based on quantity, i.e., its based on diameter of service pipe, room, foot of frontage or other type units.				
b. Metered Water Revenue	all cash received/estimated for water supplied to residential, commercial, industrial and public customers where the charge is based on quantity of water delivered.				
c. Other Water Revenue	Other cash received/estimated from sale of water, e.g., sales for irrigation, sales for resale, inter- municipal sales, advalorem taxes (OM&R portion) etc.				
d. Total Water Revenues (2a through 2c)	**Self-explanatory**				
e. Connection Fees	All cash received/estimated for connection of customer service during the year.				
f. Interest and Dividend Income	All cash received/estimated on interest income from securities, loans, notes, etc., whether the securities are carried as investments or included in sinking or reserve accounts.				
g. Other Income	Other revenues collected/estimated during the period (e.g., disconnection or change in service fees, Profit on materials billed to customers, servicing of customer lines, late payment fees, rents, sales of assets, advalorem taxes (infrastructure portion) etc.).				
h. Total Cash Revenues (2d through 2g)	**Self-explanatory**				
i. Transfers in/Additional Rev Needed	Includes transfers from other funds w/i the municipality or can be used as a "plug" figure when determining the additional cash needed to cover cash needs.				
j. Loans, Grants or other Cash Injection	Includes loans or grants from financial institutions, inter-municipal loans, state or federal sources.				
3. Total Cash Receipts (2h through 2j)	**Self-explanatory**				
4. Total Cash Available (1+3)	**Self-explanatory**				
5. Operating Expenses	Use actual amounts paid when completing the prior year. Estimate the amounts for projected years based on prior year amounts, trends and other known variables (including those related to needs identified in the self-assessment.				
a. Salaries and wages	Cash expenditures made/estimated for salaries, bonuses and other consideration for work related to the O&M of the facility, including administration, and compensation for officers, directors, etc.				
b. Employee Pensions and Benefits	Paid vacations, paid sick leave, health insurance, unemployment insurance, pension plan, etc.				
c. Purchased Water	Amounts paid/estimated for cost of water purchased for resale.				
d. Purchased Power	Amounts paid/estimated for all electrical power for the utility.				
e. Fuel for Power Production	Amounts paid/estimated for fuel purchased for the production of power to operate pumps, etc.				
f. Chemicals	Amounts paid/estimated for chemicals used in the treatment and distribution.				
g. Materials and Supplies	Amounts paid/estimated for materials and supplies used for O&M of the PWS other than those under contractual services.				
h. Contractual Services – Engineering	Amounts paid/estimated to outside engineers to perform ongoing engineering work for the facility.				
i. Contractual Services - Other	Amounts paid/estimated for costs of outside accounting, legal, managerial, and other services.				
j. Rental of Equipment/Real Property	Amounts paid/estimated for costs associated w/the rental of equipment, buildings and real property.				
k. Transportation Expenses	Amounts paid/estimated for automobile, truck, equipment, and other vehicle use and maintenance.				
l. Laboratory	Self-explanatory				
m. Insurance	Amounts paid/estimated for vehicle, liability, workers' compensation and other insurance.				
n. Regulatory Commission Expenses	Amounts paid/estimated for rate cases and other activities with a regulatory commission				
o. Advertising	Amounts paid/estimated for informational, instructional and other advertising.				
p. Miscellaneous	Amounts paid/estimated for all expenses not included elsewhere (e.g. permit fees, training, etc.).				
q. Total Cash O&M Expenses (5a through 5p)	**Total of lines 5a through 5p.**				
r. Replacement Expenditures	Amounts paid/estimated for replacement of equipment to maintain system integrity.				
s. Total OM&R Expenditures (5q+r)					
t. Loan Principal/Capital Lease Payments	Include cash payments made/estimated for principal on all loans, including vehicle and equipment purchases on time payments and capital lease payments.				
u. Loan Interest Payments	Self-explanatory				

v. Transfers Out	Include cash transfers made/estimated to funds or entities outside the PWS.
w. Capital Purchases (specify):	Amount of cash outlays/estimates for items such as equipment, building, vehicle purchases, and leasehold improvements that were not a part of the initial design of the PWS infrastructure.
6. Total Cash Paid Out (5s through 5x)	Self-explanatory
7. Ending Cash Position (4 – 6)	Self-explanatory
8. Number of Customer Accounts	Use most recent system data or expected increases.
9. Ave User Charge per Customer (2d/8)	Self-explanatory
10. Coverage Ratio (2h-5s)/(5t+5u)	Measure of the sufficiency of net operating profit to cover the debt service requirements of the system. A bond covenant might require this to meet or exceed certain limits (e.g. 1.25)
11. Operating Ratio (2d/5s)	Measure of whether operating revenues are sufficient to cover OM&R expenses. An operating ratio of 1.0 is the bare Minimum for a self-supporting facility. With debt service requirements, the operating ratio would have to be higher.
12. Additions to Reserve Funds for the Year:	Do not include depreciation as a reserve unless there is actually a "depreciation' reserve that has cash set-aside for future expansion. **Include only amounts that are added to the reserve funds for the year (i.e., do not include accrued interest on CDs).**
a. Debt Service Reserve	Funds specifically set-aside to meet debt service requirements or requirements set forth in a loan Convenant/bond indenture.
b. Bond Retirement Reserve	Funds specifically set aside to retire debt as it is scheduled.
c. Capital Improvement Reserve	Funds specifically set aside to meet long-term objectives for major facility expansion, improvement and/or the construction of a new facility.
d. Replacement Reserve	Funds specifically set aside for the future replacement of equipment needed to maintain the integrity of the facility over its useful life.
e. Other	Other cash set-aside for reserve.
13. Total Added to Reserves (12a through 12e)	**Total of lines 12a through 12e.**
14. Year End Operating Cash (7-13)	**All non-reserved cash.**

RESOLUTION NO. 06-2014

RESOLUTION AUTHORIZING AN APPLICATION FOR FINANCIAL ASSISTANCE, AUTHORIZING THE EXECUTION AND SUBMITTAL OF THE APPLICATION, AND DESIGNATING AN AUTHORIZED REPRESENTATIVE TO CERTIFY AND SIGN PAYMENT REQUESTS.

WHEREAS, the Town of Buffalo (the "Town") has determined it is necessary to proceed with improvements to its municipal water System, including but not limited to water main replacement (the "Project");

WHEREAS, the Town has determined that financial assistance will be necessary to undertake the Project and an application for financial assistance to the South Dakota Board of Water and Natural Resources (the "Board") will be prepared; and

WHEREAS, it is necessary to designate an authorized representative to execute and submit the Application on behalf of the Town and to certify and sign payment requests in the event financial assistance is awarded for the Project.

NOW THEREFORE BE IT RESOLVED by the Town as follows:

1. The Town hereby approves the submission of an Application for financial assistance in an amount not to exceed $ 1,695,000.00 to the South Dakota Board of Water and Natural Resources for the Project.

2. The Town Board President is hereby authorized to execute the Application and submit it to the South Dakota Board of Water and Natural Resources, and to execute and deliver such other documents and perform all acts necessary to effectuate the Application for financial assistance.

3. The Town Board President is hereby designated as the authorized representative of the Town to do all things on its behalf to certify and sign payment requests in the event financial assistance is awarded for the Project.

Adopted at Buffalo, South Dakota, this 29 day of December 2014.

APPROVED:

Gary Johnson

Town Board President,
Town of Buffalo

(Seal)

Attest: Duane Hawala
Town Finance Officer

Exhibit I

MUNICIPALITY OF BUFFALO
STATEMENT OF FUND CASH BALANCES
ALL FUNDS
31-Dec-13

	General Fund	Enterprise Funds: Water Fund	Sewer Fund	Liquor Fund	Solid Waste Fund	Total
Cash Assets:						
Cash in Checking Accounts	600,699.11	76,375.28	54,695.52	34,727.56	16,247.46	782,744.93
Change and Petty Cash	150.00			2,870.00		3,020.00
Passbook Savings						0.00
Savings Certificates	40,000.00	2,000.00				42,000.00
Lottery Cash Out Tickets				1,025.00		1,025.00
						0.00
						0.00
						0.00
101 FUND CASH BALANCES (Note 1)	640,849.11	78,375.28	54,695.52	38,622.56	16,247.46	828,789.93

Municipal funds are deposited or invested with the following depositories:

PIONEER BANK & TRUST	824,744.93
MUNICIPAL OFFICE	150.00
BUFFALO MUNICIPAL BAR & LIQUOR STORE	~~4,045.10~~ 3895.00
	~~828,940.03~~ 828789.93

Note 1: These amounts must equal the amounts stated on the bottom line of Exhibit II, page 3.

MUNICIPALITY OF BUFFALO
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
ALL FUNDS
For the Year Ended December 31, 2013

		Enterprise Funds				
	General Fund	Water Fund	Sewer Fund	Liquor Fund	Solid Waste Fund	Total
Receipts (Source):						
311 Property Taxes	99,920.88					99,920.88
313 Sales Tax	176,762.25					176,762.25
316 911 Telephone Surcharge						0.00
311-319 Other Taxes (319)	189.28					189.28
320 Licenses and Permits	3,504.00					3,504.00
331 Federal Grants						0.00
335.1 Bank Franchise Tax	913.47					913.47
335.2 Motor Vehicle Commercial						0.00
Prorate	4,006.82					4,006.82
335.3 Liquor Tax Reversion	2,447.84					2,447.84
335.4 Motor Vehicle Licenses (5%)	14,393.81					14,393.81
335.6 Fire Insurance Premium						0.00
Reversion						0.00
335.7 Liquor License Reversion						0.00
335.8 Local Government Highway						0.00
and Bridge Fund	4,413.36					4,413.36
338.1 County Road Tax (25%)	1,188.00					1,188.00
338.2 County Highway and Bridge						0.00
Reserve Tax (25%)						0.00
338.3 County Wheel Tax						0.00
331-339 Other Intergovernmental						0.00
Revenue (339)	11,123.66					11,123.66
341-349 Charges for Goods and						0.00
Services (341)	249.83					249.83
351-359 Fines and Forfeits (351)	60.00					60.00
361 Investment Earnings	3,022.79					3,022.79
362 Rentals						0.00
363-369 Other Revenues (369)	6,652.55					6,652.55

MUNICIPALITY OF BUFFALO
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
ALL FUNDS
For the Year Ended December 31, 2013
(continued)

	General Fund	Enterprise Funds: Water Fund	Sewer Fund	Liquor Fund	Solid Waste Fund	Total
ENTERPRISE FUNDS						
380 Enterprise Operating Revenue		60,897.42	35,690.54	165,652.86	49,455.75	311,696.57
Surcharge as Security for Debt						0.00
380.05 Lottery Revenues				21,671.86		21,671.86
330 Operating Grants						0.00
Total Receipts	328,848.54	60,897.42	35,690.54	187,324.72	49,455.75	662,216.97
Disbursements (Function):						
411-419 General Government (414)	66,250.20					66,250.20
421 Police	57,591.68					57,591.68
422 Fire	4,561.76					4,561.76
423-429 Other Public Safety (429)						0.00
431 Highways and Streets (includes snow removal & street lights)	34,773.51					34,773.51
432 Sanitation (includes garbage & rubble sites)						0.00
437 Cemeteries						0.00
433-439 Other Public Works (435)						0.00
441-449 Health and Welfare (441)	3,880.37					3,880.37
451-459 Culture-Recreation (451)	10,485.39					10,485.39
461-469 Conservation and Development (465)						0.00
470 Debt Service						0.00
480 Intergovernmental Expenditures						0.00
490-492 Miscellaneous (492)	460.52					460.52

MUNICIPALITY OF BUFFALO
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
ALL FUNDS
For the Year Ended December 31, 2013
(continued)

		Enterprise Funds				
	General Fund	Water Fund	Sewer Fund	Liquor Fund	Solid Waste Fund	Total
ENTERPRISE FUNDS						
410 Personal Services		18151.43	18451.48	48434.83	9168.02	94,205.76
420 Other Expenses		24812.76	3840.15	30290.37	42532.76	101,476.04
426 Supplies and Materials		15193.52	808.23	92524.55	1713.21	110,239.51
Total Disbursements	178003.43	58157.71	23099.86	171249.75	53413.99	483924.74
39101 Transfers In	222875.00	5000.00	11000.00	196000.00		434,875.00
51100 Transfers Out	(211850.00)	(5000.00)	(11000.00)	(204975.00)		(432,825.00)
391.2 Money Received From Borrowing						0.00
391.07 Capital Contributions (Grants)						0.00
						0.00
						0.00
Subtotal of Receipts, Disbursements and Transfers	161870.11	2739.71	12590.68	7099.97	(3958.24)	180342.23
Fund Cash Balance, January 1, 2013	478757.20	75635.57	42104.84	34272.59	20205.70	650,975.90
Adjustments:						
Correction 2012	221.80					221.80
2012 Cash Out Lottery Tickets				(2750.00)		(2,750.00)
						0.00
Restated Fund Cash Balance, January 1, 2013	478979.00	75635.57	42104.84	31522.59	20205.70	648447.70
FUND CASH BALANCE, DECEMBER 31, 2013	640849.11	78375.28	54695.52	38622.56	16247.46	828,789.93

Exhibit III

MUNICIPALITY OF BUFFALO
STATEMENT OF CHANGES IN LONG-TERM DEBT
For the Year Ended December 31, 2013

	General Long-Term Debt			Enterprise	
	General Obligation Bonds	Special Assessment Bonds	Other	Revenue Bonds	Total
Debt Payable, January 1, 2013					0.00
Add New Issues:					
					0.00
					0.00
					0.00
Less Debt Retired					0.00
DEBT PAYABLE, DECEMBER 31, 2013	0.00	0.00	0.00	0.00	0.00
	(23101)	(23103)	(23900)	(23102)	

Note: Amounts reported do not include interest.

ORDINANCE 189

AN ORDINANCE MAKING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JANUARY 01, 2014 AND ENDING DECEMBER 31, 2014, AND LEVYING THE PROPERTY TAX FOR THE YEAR 2013.

BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF BUFFALO, SOUTH DAKOTA:

Section 1: That the following sums of money, or as much thereof as may be authorized by law, as may be needed or deemed neccessary to defray all expenses and liabilities of the Town, be and the same is hereby appropriated for the year commencing on the 1st day of January, 2014, and ending the 31st day of December 2014.

Tax-supported Funds:

GENERAL:

410 General Government			
411	Legislative	6900.00	
411.5	Contingency	3000.00	
412	Executive	4100.00	
413	Elections	1000.00	
414	Financial Administration	42231.00	
419	General Government Buildings	21300.00	
Total General Government			78531.00
420 Public Safety			
421	Police	59495.00	
422	Fire	6450.00	
Total Public Safety			65945.00
430 Public Works			
431	Highways and Streets	72285.00	
Total Public Works			72285.00
440 Health and Welfare			
441	Health	3950.00	
Total Health and Welfare			3950.00
450 Culture and Recreation			
451	Recreation	2400.00	
452	Parks	13575.00	
438	Museum	1200.00	
Total Culture and Recreation			17175.00
460 Conservation and Development			
465	Economic Development	1000.00	
Total Culture and Development			1000.00
TOTAL TAX-SUPPORTING FUNDS:			**238886.00**

PUBLIC SERVICE ENTERPRISE FUNDS:

601 Liquor Fund	174075.00
602 Water Fund	54960.00
604 Sewer Fund	28785.00

612 Solid Waste Fund	53900.00	
TOTAL PUBLIC SERVICE ENTERPRISE FUNDS:		**311720.00**
TOTAL 2014 APPROPRIATIONS:		**550606.00**

BE IT FURTHER ORDAINED by the Board of Trustees of the Town of Buffalo, South Dakota:

Section 2: The following summary by fund of the appropriated amounts and the means of financing them.

	Liquor Fund	Water Fund	Sewer Fund	Solid Waste Fund
Estimated Unencumbered Cash	0.	0..	0.	
Estimated Revenue	180100.	55000.	35000.	54000.
TOTAL AVAILABLE	180100.	55000.	35000.	54000.
Less Appropriations	174075.	54960.	28785.	53900.
ESTIMATED SURPLUS	6025.	40.	6215.	100.
Less Est. Surplus Retained	25.	40.	6215.	100.
EST. SURPLUS TO BE TRANSFERRED TO GENERAL	**6000.**	**0.**	**0.**	**0.**

TAX SUPPORTED FUND APPROPRIATIONS:		238886.00
Means of Finance:		
Bank Franchise	930.00	
Cable Franchise	1500.00	
General Licenses/Roads	33000.00	
Sales Tax	88900.00	
Liquor Tax Reversion	2500.00	
Interest Earned	3000.00	
Liquor Transfer	6000.00	
NECESSARY GENERAL TAX LEVY NEEDED:		**103056.00**

Tom Hines
PRESIDENT, BOARD OF TRUSTEES

ATTEST:
Duane Havala
FINANCE OFFICER

Placed upon its 1st reading: September 10, 2013
Placed upon its 2nd reading: September 23, 2013
Approved: September 23, 2013
Published: September 27, 2013

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ORDINANCE 168

AN ORDINANCE REVISING ORDINANCE NO. 152 PROSCRIBING RATES FOR THE MUNICIPAL WATER SYSTEM.

BE IT ORDAINED BY THE TOWN OF BUFFALO:

A: The minimum monthly Water System charges shall be $8.75 for the flat-rate accounts and the following monthly Water System Charges are hereby established in the monthly amount per meter:

GALLONS	PRICE
0 - 1000	$ 8.75

For each additional thousand gallons, or fraction thereof, there shall be a cost of $1.25.

B: All water meters shall be read on the 5th day of each month and water charges remitted to the Town Finance Officer, not later than the 20th of the month. Water charges received after the 20th of the month shall be subject to a charge of 20% of the past due bill.

C: Implementation of 4% Rate Increase. For purposes of all water rate increases, the Finance Officer shall calculate a 4% rate increase for each year beginning in 2007 and round the increase to the nearest 10 cents. (As an example, in 2007, the calculated rate increase for residential water would be $.350. The Finance Officer shall round the increase to $.40)

PRESIDENT, BOARD OF TRUSTEES

ATTEST:

FINANCE OFFICER

(SEAL)

Placed upon its first reading: September 12, 2006
Placed upon its second reading: October 11, 2006
Published: October 18, 2006
Approval: October 11, 2006

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of ordinance 168

4% Rate increase

2/1/2008	minimum $9.10	1.30
2/1/2009	minimum 9.50	1.40
2/1/2010	minimum 9.90	1.50
2/1/2011	minimum 10.30	1.60
2/1/2012	minimum 10.70	1.70
2/1/2013	min. $11.10	1.80
2/1/2014	min. $11.50	1.90
2/1/2015	min. $12.00	$2.00/1000

Loan Amortization Schedule

	Enter values
Loan amount	$ 1,695,000.00
Annual interest rate	2.25 %
Loan period in years	30
Number of payments per year	1
Start date of loan	1/1/2015
Optional extra payments	$ -

	Loan summary
Scheduled payment	$ 78,307.88
Scheduled number of payments	30
Actual number of payments	30
Total early payments	$ -
Total interest	$ 654,236.55

Lender name: SD-BWNR (New Costs)

Pmt. No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
1	1/1/2016	$ 1,695,000.00	$ 78,307.88	$ -	$ 78,307.88	$ 40,170.38	$ 38,137.50	$ 1,654,829.62	$ 38,137.50
2	1/1/2017	$ 1,654,829.62	$ 78,307.88	$ -	$ 78,307.88	$ 41,074.22	$ 37,233.67	$ 1,613,755.40	$ 75,371.17
3	1/1/2018	$ 1,613,755.40	$ 78,307.88	$ -	$ 78,307.88	$ 41,998.39	$ 36,309.50	$ 1,571,757.01	$ 111,680.66
4	1/1/2019	$ 1,571,757.01	$ 78,307.88	$ -	$ 78,307.88	$ 42,943.35	$ 35,364.53	$ 1,528,813.66	$ 147,045.20
5	1/1/2020	$ 1,528,813.66	$ 78,307.88	$ -	$ 78,307.88	$ 43,909.58	$ 34,398.31	$ 1,484,904.08	$ 181,443.50
6	1/1/2021	$ 1,484,904.08	$ 78,307.88	$ -	$ 78,307.88	$ 44,897.54	$ 33,410.34	$ 1,440,006.53	$ 214,853.84
7	1/1/2022	$ 1,440,006.53	$ 78,307.88	$ -	$ 78,307.88	$ 45,907.74	$ 32,400.15	$ 1,394,098.80	$ 247,253.99
8	1/1/2023	$ 1,394,098.80	$ 78,307.88	$ -	$ 78,307.88	$ 46,940.66	$ 31,367.22	$ 1,347,158.13	$ 278,621.21
9	1/1/2024	$ 1,347,158.13	$ 78,307.88	$ -	$ 78,307.88	$ 47,996.83	$ 30,311.06	$ 1,299,161.31	$ 308,932.27
10	1/1/2025	$ 1,299,161.31	$ 78,307.88	$ -	$ 78,307.88	$ 49,076.76	$ 29,231.13	$ 1,250,084.55	$ 338,163.40
11	1/1/2026	$ 1,250,084.55	$ 78,307.88	$ -	$ 78,307.88	$ 50,180.98	$ 28,126.90	$ 1,199,903.57	$ 366,290.30
12	1/1/2027	$ 1,199,903.57	$ 78,307.88	$ -	$ 78,307.88	$ 51,310.05	$ 26,997.83	$ 1,148,593.51	$ 393,288.13
13	1/1/2028	$ 1,148,593.51	$ 78,307.88	$ -	$ 78,307.88	$ 52,464.53	$ 25,843.35	$ 1,096,128.98	$ 419,131.49
14	1/1/2029	$ 1,096,128.98	$ 78,307.88	$ -	$ 78,307.88	$ 53,644.98	$ 24,662.90	$ 1,042,484.00	$ 443,794.39
15	1/1/2030	$ 1,042,484.00	$ 78,307.88	$ -	$ 78,307.88	$ 54,851.99	$ 23,455.89	$ 987,632.01	$ 467,250.28
16	1/1/2031	$ 987,632.01	$ 78,307.88	$ -	$ 78,307.88	$ 56,086.16	$ 22,221.72	$ 931,545.84	$ 489,472.00
17	1/1/2032	$ 931,545.84	$ 78,307.88	$ -	$ 78,307.88	$ 57,348.10	$ 20,959.78	$ 874,197.74	$ 510,431.78
18	1/1/2033	$ 874,197.74	$ 78,307.88	$ -	$ 78,307.88	$ 58,638.44	$ 19,669.45	$ 815,559.30	$ 530,101.23
19	1/1/2034	$ 815,559.30	$ 78,307.88	$ -	$ 78,307.88	$ 59,957.80	$ 18,350.08	$ 755,601.50	$ 548,451.32
20	1/1/2035	$ 755,601.50	$ 78,307.88	$ -	$ 78,307.88	$ 61,306.85	$ 17,001.03	$ 694,294.65	$ 565,452.35
21	1/1/2036	$ 694,294.65	$ 78,307.88	$ -	$ 78,307.88	$ 62,686.26	$ 15,621.63	$ 631,608.39	$ 581,073.98
22	1/1/2037	$ 631,608.39	$ 78,307.88	$ -	$ 78,307.88	$ 64,096.70	$ 14,211.19	$ 567,511.70	$ 595,285.17
23	1/1/2038	$ 567,511.70	$ 78,307.88	$ -	$ 78,307.88	$ 65,538.87	$ 12,769.01	$ 501,972.83	$ 608,054.18
24	1/1/2039	$ 501,972.83	$ 78,307.88	$ -	$ 78,307.88	$ 67,013.50	$ 11,294.39	$ 434,959.33	$ 619,348.57
25	1/1/2040	$ 434,959.33	$ 78,307.88	$ -	$ 78,307.88	$ 68,521.30	$ 9,786.58	$ 366,438.03	$ 629,135.15
26	1/1/2041	$ 366,438.03	$ 78,307.88	$ -	$ 78,307.88	$ 70,063.03	$ 8,244.86	$ 296,375.00	$ 637,380.01
27	1/1/2042	$ 296,375.00	$ 78,307.88	$ -	$ 78,307.88	$ 71,639.45	$ 6,668.44	$ 224,735.55	$ 644,048.45
28	1/1/2043	$ 224,735.55	$ 78,307.88	$ -	$ 78,307.88	$ 73,251.34	$ 5,056.55	$ 151,484.22	$ 649,105.00
29	1/1/2044	$ 151,484.22	$ 78,307.88	$ -	$ 78,307.88	$ 74,899.49	$ 3,408.39	$ 76,584.73	$ 652,513.39
30	1/1/2045	$ 76,584.73	$ 78,307.88	$ -	$ 76,584.73	$ 74,861.57	$ 1,723.16	$ -	$ 654,236.55

8.3.20 CULTURAL RESOURCES EFFECTS ASSESSMENT SUMMARY

Applicant Town of Buffalo, SD **Project Contact** Mr. Gary Johnson, Town President

Address PO Box 82, Buffalo, SD 57720-0082 **Telephone Number** 605-375-3130

Legal Location of Project (also refer to attached maps) -

Various locations located within the following general legal description: the SE1/4 of Section 19, the SW1/4 of Section 20, the SW1/4 of the SE1/4 of Section 20, the W1/2 of Section 29, the West1/2 of the NE1/4 of Section 29, and the E1/2 of Section 30, all in T19N, R5E.

City Buffalo, SD **County** Harding **Project No.**_____

Project Description:

The proposed project is to replace all existing cast iron and asbestos cement water main with 6 to 8" PVC pipe. Also, fire hydrants and valves will be replaced or added. Project specifics are: 15,758 LF of 6" PVC main, 3,100 LF of 8" PVC main, 18,858 LF of street repair, 60 valves, 20 new or replaced hydrants, 200 service connections, boring, pipe crosses & tees & bends, related work, engineering, contingency, and administration.

Water main replacement will occur in various areas in or just outside the community. The final segments as well as the above quantities and materials are estimates and will vary upon final design. Funding availability or bid prices could require a reduction in project scope. (Refer to attached feasibility study for full engineering details.)

The proposed project will solve multiple problems associated with the age and condition of existing water main. The main to be replaced was installed between 1949 and 1956. The cast iron pipe has failed due to thinning walls thereby resulting in frequent repair. This iron pipe has also led to excessive rust in the water supply. Some of the original mains are only 4-inches in diameter thereby not meeting current sizing standards. Water loss from the aged distribution system is also an ongoing problem. Finally, the system also lacks an adequate number of valves which are needed to isolate locations when doing system repairs.

For projects that involve new construction on vacant land please include information as to what previously occupied the site and whether that site has any known historic or archaeological significance.

All land to be affected by the project has been previously disturbed with no known historic or archaeological significance. The project will primarily involve the replacement of existing underground water main and related water system appurtenances. Therefore, the project will encompass only previously-disturbed land primarily located within public roads or rights-of-way.

Please describe below or attach information supporting the determination of effect.

As noted above, all land to be affected by the project has been previously disturbed. Further, preliminary consultation with the SD SHPO (refer to attached e-mail) has revealed that no records search or Cultural Resources Inventory report should be needed.

A map showing the project location is required. Drawings or photographs may also be helpful. (Refer to attached maps).

Please indicate the effect the project will have on cultural resources based on the review performed:

X_____ No Historic Properties Affected: There are no historic properties present or the undertaking will not affect any properties eligible for or listed in the National Register of Historic Preservation.

_____ No Adverse Effect: This property is listed in or eligible for the National Register of Historic Places. This project will have no adverse effect upon the historic significance of the property because the proposed undertaking meets the Secretary of the Interior's Standards for the Treatment of Historic Properties.

_____ Adverse Effect: This property is listed in or eligible for eligible for the National Register of Historic Places. This project will have an adverse effect upon the historic significance of the property. (Attach proposed mitigation measures that may minimize the adverse effect.)

Prepared by: Bill Lass, Senior Planner_____ Date: 12/19/14

DETERMINATION OF EFFECTS

I have reviewed the project description and the information provided concerning historical and cultural effects of this project. Based on that review, the Department of Environment and Natural Resources concurs with the applicant's determination of the effects that the construction of this project will have on historical or cultural resources. Additionally, if historical or cultural resources are discovered during project construction, the contractor is required to cease construction and notify the State Historical Preservation Officer.

Approved by: _____ Date _____

SD Department of Environment and Natural Resources

File: Buffalo-Water-Cultural assessment-12-17-14-WGL.doc

William Lass

From: Rubingh, Amy [Amy.Rubingh@state.sd.us]
Sent: Wednesday, December 10, 2014 11:44 AM
To: William Lass
Subject: RE: Proposed Water Project in Buffalo, SD

Categories: Printed and Filed

Hi Bill,

I would agree that if the project is just going to take place in previously disturbed areas then you can forgo the records check. Just make sure to clearly note that everything was previously disturbed.

Thanks, Amy

From: William Lass [mailto:wlass@tie.net]
Sent: Wednesday, December 10, 2014 9:59 AM
To: Rubingh, Amy
Subject: Proposed Water Project in Buffalo, SD

Good Morning Amy,

I am forwarding my message from last week (below) to you again as I have not heard back from you. If you could let me know on this, I'd appreciate it.

Thanks,

Bill Lass.

From: William Lass
Sent: Tuesday, December 2, 2014 3:32 PM
To: 'Amy.Rubingh@state.sd.us'
Subject: Proposed Water Project in Buffalo, SD

Hello Amy,

I am working with the Town of Buffalo, SD in preparing a funding application (SRF) to the DENR for a proposed water line replacement project. The project involves *replacement* of main (no new routes) so all work will take place within previously-disturbed corridors most of which is in road rights-of-way and all in the city limits. Is it correct to assume that under these circumstances no records search or archaeological survey is needed?

TOWN OF BUFFALO
HARDING COUNTY S. DAK.
SECTION 29 & 30, T 19 N, R 5 E

3561 Whitewood Rd. Box 636 Sturgis, SD 57785 PH: 605.347.2722 Brosz ENGINEERING, INC. ARCHITECTURE ENGINEERING SURVEYING	SHEET DESCRIPTION: Vicinity Map PROJECT NAME: Buffalo Water Facilities Plan PROJECT NO.: S14-S821	REVISION / DATE 1 ____ xx/xx/xx 2 ____ ___ 3 ____ ___ 4 ____ ___	DESIGNED BY: JTH DRAWN BY: JTH DATE PRINTED: 12/29/14	20 OF 24

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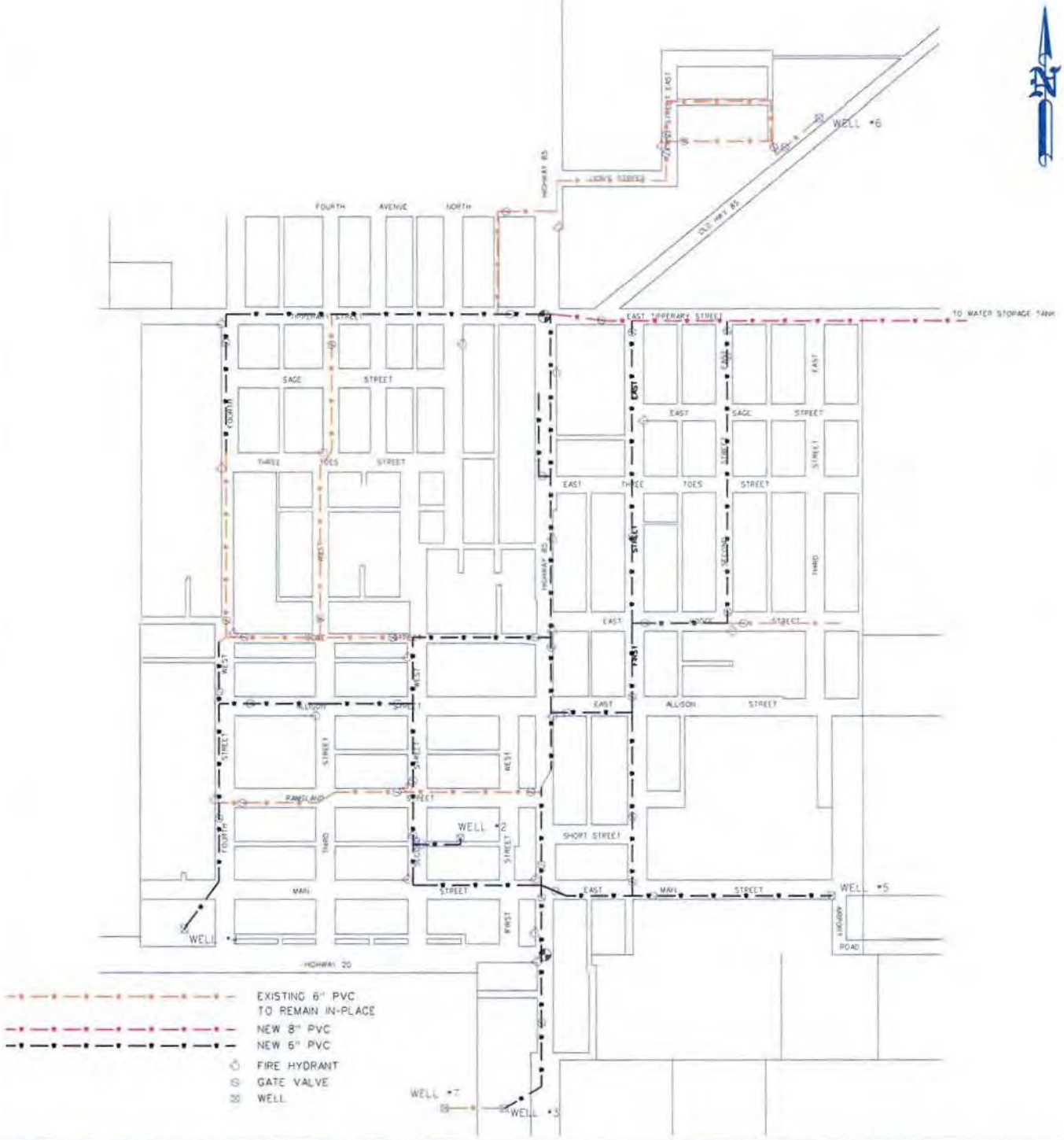
TOWN OF BUFFALO

HARDING COUNTY S. DAK.

SECTION 29 & 30, T 19 N, R 5 E

APPENDIX C

ALTERNATE I



3551 Whitewood Rd. Box 636 Sturgis, SD 57785 PH: 605.347.2722 BROSZ ENGINEERING, INC. ARCHITECTURE ENGINEERING SURVEYING	SHEET DESCRIPTION: Water System Improvements - Alternate I	REVISION / DATE	DESIGNED BY: JTH
	PROJECT NAME: Buffalo Water Facilities Plan	1 xx/xx/xx	DRAWN BY: JTH
	PROJECT NO.: S14-S821	2	DATE PRINTED: 12/16/14
		3	
		4	

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STUDY FOR WATER SYSTEM IMPROVEMENTS 2014

FOR

TOWN OF BUFFALO

HARDING COUNTY, SOUTH DAKOTA

PREPARED FOR

TOWN OF BUFFALO

PREPARED BY

3561 Whitewood Rd. • Box 636
Sturgis, SD 57785
Ph: 605.347.2722
BROSZ ENGINEERING, INC.
ARCHITECTURE ENGINEERING SURVEYING

DECEMBER, 2014

FOR WATER SYSTEM IMPROVEMENTS

REPORT PREPARED FOR
THE TOWN OF BUFFALO

I hereby certify that this plan was prepared by me or under my direct supervision and that I am a duly Registered Professional Engineer under the laws of the State of South Dakota

Jason Hanson, PE	12/29/14	7107
Number	Date	Registration

Brosz Engineering, Inc.
Sturgis, South Dakota
December 2014

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1.0 GENERAL

1.1 INTRODUCTION

The Town of Buffalo provides water to approximately 185 urban hookups, 42 commercial hookups and 13 rural hookups outside of the Town limits. The Town is the County seat of Harding County, with a population of approximately 346 people. Improvements to the Buffalo water distribution system are needed to ensure that the water quality and quantity provided to the residents is protected. The distribution system should be upgraded to meet the minimum criteria set in the Recommended Standards for Water Works published by the Great Lakes - Upper Mississippi River Board of State and Provincial Public Health & Environmental Managers.

1.2 PURPOSE

The purpose of this report is to:

- Identify alternatives and scope of improvements to be considered,
- Document the need for improvements to the distribution system,
- Present an estimate of the probable costs for those improvements, and
- Provide an implementation plan for the design and construction of those improvements.

1.3 ORGANIZATION OF THIS REPORT

This report is organized into a total of 7 sections. The topics covered in each of the sections are summarized as follows:

Section 1	Introduction and Purpose
Section 2	Project Planning Area
Section 3	Existing Facilities
Section 4	Need for the Project
Section 5	Alternatives Considered
Section 6	Evaluation of Alternatives
Section 7	Conclusions

2.0 PROJECT PLANNING AREA

2.1 LOCATION

The Town of Buffalo, located in the northwestern corner of South Dakota, is a rural community serving a large farming and ranching community. The community includes many farmers and ranchers in the Harding County, South Dakota and Carter County, Montana areas. The Town is the County Seat of Harding County.

2.2 ENVIRONMENTAL RESOURCES PRESENT

The existing facilities are located inside the corporate limits of the Town. Environmental resources that must be considered in project planning are as follows:

- There are no significant impacts to prime or important farmland since the waterlines are buried.
- Wetlands occur near the facilities, but it is unlikely that any impact to wetlands will occur since the facilities are located under paved streets or in road right-of-ways.
- The 100/500 year floodplain is not impacted since the waterlines are buried.
- Cultural resources are unlikely to be impacted as the improvements would be in areas that have been previously disturbed.
- Endangered species may migrate through the area but do not stay in the area for long during migration.

2.3 GROWTH AREAS AND POPULATION TRENDS

The population of Buffalo is shown in the table below.

YEAR	POPULATION
1980	453
1990	488
2000	380
2010	330
2012	346

The increase from 1980 to 1990 can be attributed to the development of oil fields in Harding County. After 1990 oil production began to fall as did the population of the surrounding area. The recent increase in population can be attributed to an increase in oil development in the area again. There is also a spillover of workers from the Bakken oil field in North Dakota. There is presently an new subdivision being planned in town to cater to the oil field workers. With new

technology, the drilling in Harding County is increasing again. As of the end of 2014 the price of oil is down and this may lead to a reduction of drilling in the area and in North Dakota.

In comparing the population trend with those towns in southern North Dakota of similar size, a growth rate of one to two percent per year can be predicted. This shows in the increase in population between 2010 and 2012.

While the overall trend is a decreasing population, the reemergence of oil field work in Harding County and North Dakota have led to an increase in population in the short term. It is believed that the population will remain steady due to oil field and related work.

Therefor the value that will be used for the projected population for year 2033 is the 2010 census population of 330 persons. The potential of oil development and the uncertainty of oil prices, can both lead to an accelerated or decreased growth. For this reason, flexibility in planning for future water supply, including wells, distribution, treatment and storage needs must be included in the decision-making process.

3.0 EXISTING FACILITIES

3.1 General: The Town of Buffalo owns, maintains and operates the existing water system. The Town is served by a group of 3 active wells and 1 standby well that deliver water to the Town and water tank. The Town's distribution system consists of asbestos concrete (Transite) pipe, cast iron pipe and PVC pipe.

3.2 Distribution System: The existing distribution system serves the Town and the surrounding area and is available to all users. The system consists of four, six and eight inch water mains. A tabulation of approximate lengths of various pipe sizes and materials is shown below.

INVENTORY OF WATER DISTRIBUTION SYSTEM PIPE MATERIAL			
PIPE MATERIALS	PIPE SIZE	QUANTITY	% OF TOTAL
Cast Iron Pipe	6"	4,741'	18%
	4"	4,188'	16%
Asbestos Cement (Transite) Pipe	8"	3,100'	12%
	6"	5,106'	19%
	4"	1,723'	6%
PVC Pipe	6"	7,847'	29%
DISTRIBUTION SYSTEM TOTALS		26,705'	100%

The quantities listed do not include service lines or fire hydrant leads.

The existing distribution system consisting of the cast iron and asbestos cement pipe was installed from 1949 to 1956. The existing PVC pipe was installed in the 1970's and the 1980's.

The Town has reported that the exact condition of the cast iron and asbestos cement pipe is unknown and exact locations, type and sizing of the existing pipe is not definite.

There are currently 21 fire hydrants located throughout the distribution system. .

3.3 Water Storage System: Water storage for the Town of Buffalo is provided by a 200,000 gallon elevated ground tank, which was built in 1956. The tank was cleaned and inspected in 2014. No problems or concerns were discovered with the tank.

3.3 Wells: Well #1 and #2 served the Town until 1956. Well #1 was replaced in 1956 with well #3. Additional wells have been added, well #4, in 1959, well #5 in 1967, well #6 in 1976 and well #7 in 1999. Currently well #1, #2 and #6 have been capped and abandoned with wells #3, #4 and #5 serving the Town. Well #7 serves as a standby well.

3.4 CONDITION OF FACILITIES

3.4.1 Suitability for Continued Use

Wells: When well #7 is in operation the quality of the water is affected. The "slime" growth , is actually rust which stains whatever the water comes in contact with. Well #7 has been tested and the results show that there is very little iron at the well. The Town's operator has conferred with various agencies and has concluded that the water from well #7 is not the cause of this problem. It is believed that the increase in the system's pressure, that is produced when well #7 is in use, causes a layer of rust to be removed from the existing cast iron pipe and that the replacement of this pipe will alleviate the problem.

Pipe: The Town has reported that the exact condition of the cast iron and asbestos cement pipe is unknown. The recent repairs to the system have been to the cast iron pipe. The 60 year old cast iron pipe has failed due to a thinning of the walls. There appears to be no problems with the asbestos cement pipe or PVC pipe. The Town is currently budgeting $11,000.00, for the year 2014, to maintaining their aging system.

Storage tank: As stated previously, the tank was inspected in 2014 and no defects were found.

Valves: The system lacks an adequate number of valves to isolate locations when repairs are necessary.

Fire Hydrants: Many of the existing fire hydrants are in need of replacement as they are over 60 years old. Additional fire protection should be added.

Meters: The majority of the services have water meters. The few services without meters are charged a flat rate. There are no large unexplained water losses, so it is assumed that the amount of water lost to system leakage is very minimal.

3.4.2 Adequacy of Water Supply

Wells #3, #4 and #5 produce 35 gal./min. each and well #7 produces 65 gal./min. Due to the way well #7 affects the water quality this well is used very little. Using wells #3 thru #5 will produce approximately 105 gal./min. Running these three wells 12 hours per day, allowing 12 hours per day for the well to recharge, will produce 75,600 gal./day. This is more than adequate to cover the current peak usage of 68,400 gal./day, occurring in the month of August. Using well #7 along with wells #3 thru #5, the total production would increase to 122,400 gal./day running 12 hours per day. By incorporating well #7 into the usage, the run time for the wells could be reduced down to around 7 to 8 hours per day. It is believed that with the replacement of all or most of the cast iron pipe, well #7 could be used on a regular basis, ensuring an adequate water supply for the current users or any future increase in users.

The only recent shortage of water was in 1987 and was caused by fire fighting efforts at a nearby forest.

The wells currently use a SCADA system to automatically turn the wells on and off.

3.4.3 The Treatment, Storage and Distribution Capabilities.

Disinfection: The water is treated with chlorine at each well.

Storage: Storage is provided by a 200,000 gallon ground level water tank. The Town is able to supply water to residents both inside and outside of the Town limits.

Distribution: The existing distribution system consists of 4", 6" and 8" mains. The water main materials consist of PVC, cast iron and asbestos cement. The 4" mains are under sized for fire protection. Most of the maintenance required by the distribution system is in the cast iron mains.

3.4.4 Compliance with Safe Drinking Water Act and applicable State requirements.

The Town has a certified operator and is in compliance with the Safe Drinking Water Act and applicable State requirements.

3.5 FINANCIAL STATUS OF ANY OPERATING CENTRAL FACILITIES

The Towns 2014 and 2015 rate schedule is shown below.

WATER RATE SCHEDULE			
Minimum Monthly Charge is $11.50 for flat-rate accounts in 2014. Minimum Monthly Charge is $12.00 for flat-rate accounts in 2015.			
Monthly Amount Per Meter			
GALLONS	RATE 2014	RATE 2015	
0-1000	$11.50	$12.00	
1001-2000	$13.40	$14.00	
2001-3000	$15.30	$16.00	
3001-4000	$17.20	$18.00	
4001-5000	$19.10	$20.00	
5001-6000	$21.00	$22.00	
6001-7000	$22.90	$24.00	
7001-8000	$24.80	$26.00	
8001-9000	$26.70	$28.00	
9001-10000	$28.60	$30.00	
10001-11000	$30.50	$32.00	
11001-12000	$32.40	$34.00	
12001-13000	$34.30	$36.00	
13001-14000	$36.20	$38.00	
14001-15000	$38.10	$40.00	
15001-16000	$40.00	$42.00	
16001-17000	$41.90	$44.00	
17001-18000	$43.80	$46.00	
18001-19000	$45.70	$48.00	
19001-20000	$47.60	$50.00	
20001 AND ABOVE	$1.90 for each additional thousand gallon used in 2014. $2.00 in 2015		

The monthly water use and income is show below.

MONTHLY WATER USEAGE IN 2014							
MONTH	TYPE	# OF ACCTS.	GALLONS	METERED DOLLARS	NONMETERED DOLLARS	MONTHLY GALLONS	MONTHLY INCOME
JANUARY	Out of City Limits	15	60088	$ 225.25			
	Commercial	41	361000	$ 810.85	77.70		
	Residential	178	899410	$ 2,880.95	22.20	1320498	$ 3,847.10
FEBRUARY	Out of City Limits	18	79350	$ 296.00			
	Commercial	42	375000	$ 1,063.80	80.50		
	Residential	179	684800	$ 3,002.50	23.00	1139150	$ 4,708.68
MARCH	Out of City Limits	15	56175	$ 252.30			
	Commercial	41	342000	$ 991.50	80.50		
	Residential	166	605360	$ 2,844.80	23.00	1003535	$ 4,096.64
APRIL	Out of City Limits	14	73088	$ 284.60			
	Commercial	41	280000	$ 873.70	80.50		
	Residential	178	601000	$ 2,852.30	23.00	954088	$ 4,198.96
MAY	Out of City Limits	16	57044	$ 263.80			
	Commercial	41	338000	$ 976.20	80.50		
	Residential	176	632000	$ 2,920.70	23.00	1027044	$ 4,575.12
JUNE	Out of City Limits	15	71000	$ 280.80			
	Commercial	41	511000	$ 1,318.30	80.50		
	Residential	180	703000	$ 3,086.40	23.00	1285000	$ 4,837.03
JULY	Out of City Limits	14	59000	$ 256.10			
	Commercial	44	400000	$ 1,120.90	80.50		
	Residential	180	877640	$ 3,415.30	23.00	1336640	$ 4,677.17
AUGUST	Out of City Limits	15	112000	$ 356.80			
	Commercial	43	622000	$ 1,540.70	80.50		
	Residential	180	1318320	$ 4,239.70	23.00	2052320	$ 6,545.75
SEPTEMBER	Out of City Limits	15	95000	$ 324.50			
	Commercial	43	593000	$ 1,497.10	80.50		
	Residential	183	1031160	$ 3,721.20	23.00	1719160	$ 5,415.11
OCTOBER	Out of City Limits	14	107000	$ 337.70			
	Commercial	43	528000	$ 1,367.90	80.50		
	Residential	182	713080	$ 3,115.00	23.00	1348080	$ 4,699.05
NOVEMBER	Out of City Limits	13	75000	$ 276.90			
	Commercial	42	356000	$ 1,031.50	80.50		
	Residential	185	585000	$ 2,968.60	23.00	1016000	$ 5,118.00
DECEMBER	Out of City Limits	13	76000	$ 300.00			
	Commercial	42	346000	$ 1,243.00	80.50		
	Residential	185	600000	$ 3,150.00	23.00	1022000	$ 5,275.00
TOTALS			**15223515**	**$ 55,487.65**	**1238.40**	**15223515**	**$ 57,993.61**

Expenses for the year are shown below.

YEAR	2012	2013
Payroll	13,683.00	13,896.00
Payroll Exp.	1,019.00	1,060.00
Retirement	866.00	834.00
Insurance	3,126.00	3,170.00
Professional	537.00	525.00
Analysis	383.00	362.00
Maintenance	13,526.00	29,335.00
Utilities	7,523.00	7,011.00
Capital Outlay	2,490.00	0.00
TOTALS	$43,153.00	$56,193.00

The system generates very little income. The current rates are not sufficient to run and repair the distribution system and are not sufficient to pay for the needed upgrades.

The Town, by way of Ordinances, has established a 4% rate increase annually to help cover expenses for the water distribution system. The system is no longer subsidized by other Town income.

The Town has no existing debts and carries a reserve account currently of $45,000.00.

4.0 NEED FOR PROJECT

4.1 HEALTH AND SAFETY

Currently, the quality of the Town's water is fine. The water from each well is tested every three years. Results of the most recent tests are shown below.

Town of Buffalo			
WATER WELL TEST			
Well No.	3	4	5
ALKALINITY	610/15	602/16	504/10
CHLORIDE	22	16	17
FLOURIDE	0.48	0.45	0.40
NITRATE	<0.2	<0.2	<0.2
PH	8.53	8.6	8.47
CONDUCTIVITY	1820	1740	1310
SULFATES	310	285	166
TDS	1117	1078	799
CALCIUM	4.1	2.6	1.5
MAGNESIUM	1.7	1	0.6
HARDNESS	17	11	6
POTASSIUM	1.9	1.9	1.5
SODIUM	423	398	300
IRON	0.06	0.07	0.03
MANGANESE	0.04	0.03	0.02
LANGER	0.376	0.216	-0.321
BICARBONATE	708	695	590
ARSENIC	<0.005 FOR COMPOSITE SAMPLE		
CARBONATE	18	19	12
LANGLIER INDEX	0.28	0.15	-0.26
NITRITE	<0.02	<0.02	<0.02

4.2 SYSTEM O&M

The Town has a Certified Operator to run the system, has complied with the Safe Drinking Water Act and applicable State requirements and has demonstrated the capability to operate and maintain a water distribution system.

Improvements to the distribution system will save the ever increasing maintenance cost and the need for frequent repairs to be made to the system. Replacing the 4 inch water mains, adding valves and fire hydrants will make the system much more efficient.

The Town of Buffalo's public water system has the opportunity to take a proactive stance toward the protection of their vital water supply. Instead of maintaining an aging distribution system that needs increasing repairs, the Town may plan for alternative actions so that implementation can be budgeted in advance.

4.3 Growth

The current population trends in the Town of Buffalo, as with most rural areas, indicate that the population is likely to stay the same or decrease. However, unknown circumstances can result in accelerated or decreased growth.

Impacts to water rates are calculated using the present number of accounts of 245 and for a decrease in accounts to 200.

5.0 ALTERNATIVES CONSIDERED

5.1 DEVELOPMENT OF ALTERNATIVES

The major purpose of this report is to assess improvements to the water distribution system to ensure that an adequate water supply is maintained and the water quality in the distribution system is protected. The Town of Buffalo's public water system has the opportunity to take a proactive stance toward the protection of their vital water supply. Instead of maintaining an aging distribution system that needs increasing repairs, the Town may plan for alternative actions so that implementation can be budgeted in advance.

The impacts to the environment for each alternative will be limited as follows:

No wetlands will be disturbed as the improvements will be within paved streets.

No significant impacts are expected to floodplains as the waterline will be buried.

Since the pipes are buried, there will be no significant impact on the prime or important farmland.

Endangered species may migrate through the area but do not stay in the area for long during migration. There is little that can be done to reduce disturbance besides ceasing construction at sites where the species have been observed. Any endangered species sightings will be reported.

A Department of the Army 404 Permit Application will be completed. It is believed that a Nation Wide Permit will be obtained as no wetlands or waters of the U.S. will be filled or drained.

Cultural resources are unlikely to be impacted as the improvements would be in areas that have been disturbed. Verification on historic sites will be requested from the South Dakota State Office of Cultural Preservation. In the event that archaeological or historical resources are unearthed during construction excavation, the immediate stoppage of work will be dictated by the contract specifications.
The replacement of the existing waterlines will be inside the corporate limits of the Town. No new easements or land will need to be obtained.

5.2 Water System Improvements Needed

The existing cast iron pipe is approximately 60 years old, has needed frequent repairs and is becoming thin walled. To avert the high maintenance cost, minimize water losses and eliminate the need for frequent repairs having to be made to the system, these sections need to be replaced. The existing 4 inch water mains do not meet the minimum criteria set in the Recommended Standards for Water Works published by the Great Lakes Upper - Mississippi River Board of State Public Health & Environmental Managers.

The improvements necessary to the distribution system were evaluated the following ways:

The first alternative is to replace all of the existing cast iron and asbestos cement waterlines with PVC pipe and replace and add fire hydrants and valves.

The second alternative is to replace the existing 4 inch water mains with a new 6 inch PVC pipe and replace and add fire hydrants and valves on these sections.

The third alternative is to replace all the existing cast iron water mains with 6 inch PVC pipe and replace and add fire hydrants and valves on these sections.

The fourth alternative is the do nothing alternative.

ALTERNATIVE I

Description: Replace all of the existing cast iron and asbestos cement waterlines with a minimum 6 inch PVC pipe. Replace and add fire hydrants and valves to make for a more efficient system.

Design Criteria: The Town of Buffalo will continue to operate, maintain and test the system in compliance with the Safe Drinking Water Act and applicable State requirements. All materials installed will be required to meet the current American Society for Testing Materials or American Water Works Association standards. This alternative will ensure a safe and adequate supply of water for the current and future users.

Cost Estimate: The cost associated with Alternate I is shown below:

Replace all AC and CI Pipe						
6" PVC	15758	Ft	$	28.00	$	441,224.00
8" PVC	3100	Ft	$	32.00	$	99,200.00
Street Repair	18,858	Ft	$	27.00	$	509,166.00
Valves	60	Each	$	1,200.00	$	72,000.00
Fire Hydrants	20	Each	$	3,800.00	$	76,000.00
Connect Service	200	Each	$	1,000.00	$	200,000.00
6"x6" Cross	3	Each	$	800.00	$	2,400.00
6"x8" Tee	3	Each	$	800.00	$	2,400.00
6"x6" Tee	40	Each	$	700.00	$	28,000.00
6" Bend	10	Each	$	700.00	$	7,000.00
Boring	500	Ft	$	100.00	$	50,000.00
Estimated Construction Cost					$	1,487,390.00
Engineering Cost					$	125,000.00
Contingency					$	82,000.00
Estimated Total Cost					$	1,694,390.00

Estimated effects on water rates are calculated assuming that the Town is eligible for grants and/or loans from the State Revolving Fund. The number of accounts used are the current accounts of 245 and an estimated decrease in accounts to 200.

Effects on Water Rates Using 245 Accounts (2.25% Interest for 30 years)					
	SRF Loan	Grant and SRF Loan			
Estimated Cost	$ 1,694,390.00	$ 1,694,390.00	$ 1,694,390.00	$ 1,694,390.00	$ 1,694,390.00
Grant %	0%	10%	20%	30%	40%
Grant Amount	$ -	$ 169,439.00	$ 338,878.00	$ 508,317.00	$ 677,756.00
Local Share	$ 1,694,390.00	$ 1,524,951.00	$ 1,355,512.00	$ 1,186,073.00	$ 1,016,634.00
Debt Reirement +10%	$ 86,107.67	$ 77,496.91	$ 68,886.14	$ 60,275.37	$ 51,664.60
Number of Accounts	245	245	245	245	245
Cost/Account	$ 29.29	$ 26.36	$ 23.43	$ 20.50	$ 17.57

Effects on Water Rates Using 200 Accounts (2.25% Interest for 30 years)					
	SRF Loan	Grant and SRF Loan			
Estimated Cost	$ 1,694,390.00	$ 1,694,390.00	$ 1,694,390.00	$ 1,694,390.00	$ 1,694,390.00
Grant %	0%	10%	20%	30%	40%
Grant Amount	$ -	$ 169,439.00	$ 338,878.00	$ 508,317.00	$ 677,756.00
Local Share	$ 1,694,390.00	$ 1,524,951.00	$ 1,355,512.00	$ 1,186,073.00	$ 1,016,634.00
Debt Reirement +10%	$ 86,107.67	$ 77,496.91	$ 68,886.14	$ 60,275.37	$ 51,664.60
Number of Accounts	200	200	200	200	200
Cost/Account	$ 35.88	$ 32.29	$ 28.70	$ 25.11	$ 21.53

Advantages/Disadvantages: This alterative provides the most fire protection, the largest reduction in maintenance cost and makes the system the most efficient. It is assumed the removal of the cast iron pipe will allow well #7 to be used without affecting the quality of the water. This alternative has the greatest affect on the water rates, which may or may not be affordable for all residents. Alternative I may not be within the Towns financial resources.

ALTERNATIVE II

Description: The second alternative is to replace the existing 4 inch water mains with a new 6 inch PVC pipe and replace and add fire hydrants and valves on these sections.

Design Criteria: The Town of Buffalo will continue to operate, maintain and test the system in compliance with the Safe Drinking Water Act and applicable State requirements. All materials installed will be required to meet the current American Society for Testing Materials or American Water Works Association standards.

Cost Estimate: The cost associated with Alternate II is shown below:

Replace all 4" AC and 4" CI Pipe						
6" PVC	5911	Ft	$	28.00	$	165,508.00
Street Repair	5911	Ft	$	32.00	$	189,152.00
Valves	10	Each	$	1,200.00	$	12,000.00
Fire Hydrants	5	Each	$	3,800.00	$	19,000.00
Connect Service	40	Each	$	1,000.00	$	40,000.00
6"x6" Cross	1	Each	$	800.00	$	800.00
6"x6" Tee	15	Each	$	700.00	$	10,500.00
6" Bend	3	Each	$	700.00	$	2,100.00
Boring	100	Ft	$	100.00	$	10,000.00
Estimated Construction Cost					$	449,060.00
Engineering Cost					$	50,000.00
Contingency					$	36,000.00
Estimated Total Cost					$	535,060.00

Estimated effects on water rates are calculated assuming that the Town is eligible for grants and/or loans from the State Revolving Fund. The number of accounts used are the current accounts of 245 and an estimated decrease in accounts to 200.

Effects on Water Rates Using 245 Accounts (2.25% Interest for 30 years)					
	SRF Loan	Grant and SRF Loan			
Estimated Cost	$ 535,060.00	$ 535,060.00	$ 535,060.00	$ 535,060.00	$ 535,060.00
Grant %	0%	10%	20%	30%	40%
Grant Amount	$ -	$ 53,506.00	$ 107,012.00	$ 160,518.00	$ 214,024.00
Local Share	$ 535,060.00	$ 481,554.00	$ 428,048.00	$ 374,542.00	$ 321,036.00
Debt Reirement +10%	$ 27,191.36	$ 24,472.23	$ 21,753.09	$ 19,033.95	$ 16,314.82
Number of Accounts	245	245	245	245	245
Cost/Account	$ 9.25	$ 8.32	$ 7.40	$ 6.47	$ 5.55

Effects on Water Rates Using 200 Accounts (2.25% Interest for 30 years)					
	SRF Loan	Grant and SRF Loan			
Estimated Cost	$ 535,060.00	$ 535,060.00	$ 535,060.00	$ 535,060.00	$ 535,060.00
Grant %	0%	10%	20%	30%	40%
Grant Amount	$ -	$ 53,506.00	$ 107,012.00	$ 160,518.00	$ 214,024.00
Local Share	$ 535,060.00	$ 481,554.00	$ 428,048.00	$ 374,542.00	$ 321,036.00
Debt Reirement +10%	$27,191.36	$24,472.23	$21,753.09	$19,033.95	$16,314.82
Number of Accounts	200	200	200	200	200
Cost/Account	$ 11.33	$ 10.20	$ 9.06	$ 7.93	$ 6.80

Advantages/Disadvantages: Alternative II is within the Towns financial and operational resources and ability to comply with regulatory requirements. This alternative has the least effect on the water rates. This alterative provides some additional fire protection, but the smallest reduction in maintenance cost. It is assumed, since ,all of the cast iron pipe is not removed, well #7 will continue to affect the quality of the water.

ALTERNATIVE III

Description: The third alternative is to replace the existing cast iron water mains with a new 6 inch PVC pipe and replace and add fire hydrants and valves on these sections.

Design Criteria: The Town of Buffalo will continue to operate, maintain and test the system in compliance with the Safe Drinking Water Act and applicable State requirements. All materials installed will be required to meet the current American Society for Testing Materials or American Water Works Association standards.

Cost Estimate: The cost associated with Alternate III is shown below:

Replace all CI Pipe						
6" PVC	8929	Ft	$	28.00	$	250,012.00
Street Repair	8929	Ft	$	32.00	$	285,728.00
Valves	30	Each	$	1,200.00	$	36,000.00
Fire Hydrants	10	Each	$	3,800.00	$	38,000.00
Connect Service	50	Each	$	1,000.00	$	50,000.00
6"x6" Cross	2	Each	$	800.00	$	1,600.00
6"x8" Tee	1	Each	$	800.00	$	800.00
6"x6" Tee	20	Each	$	700.00	$	14,000.00
6" Bend	1	Each	$	700.00	$	700.00
Boring	500	Ft	$	100.00	$	50,000.00
Estimated Construction Cost					$	726,840.00
Engineering Cost					$	60,000.00
Contingency					$	42,000.00
Estimated Total Cost					$	828,840.00

Estimated effects on water rates are calculated assuming that the Town is eligible for grants and/or loans from the State Revolving Fund. The number of accounts used are the current accounts of 245 and an estimated decrease in accounts to 200.

Effects on Water Rates Using 245 Accounts (2.25% Interest for 30 years)					
	SRF Loan	Grant and SRF Loan			
Estimated Cost	$ 828,840.00	$ 828,840.00	$ 828,840.00	$ 828,840.00	$ 828,840.00
Grant %	0%	10%	20%	30%	40%
Grant Amount	$ -	$ 82,884.00	$ 165,768.00	$ 248,652.00	$ 331,536.00
Local Share	$ 828,840.00	$ 745,956.00	$ 663,072.00	$ 580,188.00	$ 497,304.00
Debt Reirement +10%	$ 42,121.05	$ 37,908.94	$ 33,696.84	$ 29,484.73	$ 25,272.63
Number of Accounts	245	245	245	245	245
Cost/Account	$ 14.33	$ 12.89	$ 11.46	$ 10.03	$ 8.60

Effects on Water Rates Using 200 Accounts (2.25% Interest for 30 years)					
	SRF Loan	Grant and SRF Loan			
Estimated Cost	$ 828,840.00	$ 828,840.00	$ 828,840.00	$ 828,840.00	$ 828,840.00
Grant %	0%	10%	20%	30%	40%
Grant Amount	$ -	$ 82,884.00	$ 165,768.00	$ 248,652.00	$ 331,536.00
Local Share	$ 828,840.00	$ 745,956.00	$ 663,072.00	$ 580,188.00	$ 497,304.00
Debt Reirement +10%	$ 42,121.05	$ 37,908.94	$ 33,696.84	$ 29,484.73	$ 25,272.63
Number of Accounts	200	200	200	200	200
Cost/Account	$ 17.55	$ 15.80	$ 14.04	$ 12.29	$ 10.53

Advantages/Disadvantages: Alternative III is within the Towns financial and operational resources and ability to comply with regulatory requirements. This alterative provides some additional fire protection, greatly reduces maintenance cost and makes the system the more efficient. It is assumed the removal of the cast iron pipe will allow well #7 to be used without affecting the quality of the water.

ALTERNATIVE 4

This is the Do Nothing Alternative. If no improvements are made to Buffalo's system the public health and safety concerns will not be addressed and an adequate water supply may not be available to the users. Buffalo will continue to spend their limited resources on maintaining a failing system that will exert unnecessary demands on the system.

6.0 EVALUATION OF THE ALTERNATIVES:

Long term cost, future upgrades and the continued maintenance, as well as maintaining a certified operator need to be evaluated with the Alternatives. The Town of Buffalo has demonstrated the capability to operate and maintain a water distribution system to meet State requirements. Ultimately, the feasibility of the water project will be judged by the ability of the users to pay for the improvement. The planning is being initiated by the Town to research the State Water Plan process and funding options to help fund the improvements. Some State and Federal grants and loan financing options are available with the alternatives. The current rates are not sufficient to run and repair the distribution system and likewise are not sufficient to pay for the needed improvements.

Each alternative has advantages and disadvantages and the Town of Buffalo's costs for supplying water will vary from year to year. Buffalo should compare the estimated impact to water rate for each alternative and propose a fee schedule for each alternative. This will allow the Town to consider the overall cost to the users when deciding which alternative to pursue. A public hearing than should be held to allow the public to participate in the decision making process.

Implementation Schedule for the Chosen Alternative

December 2014	Town to determine which alternative will be chosen and propose a fee schedule sufficient to operate and replace the distribution system. Complete the application for the State Water Plan, continue to research and apply for additional funding sources.
January 2014	Hold public hearing to allow for public input in the decision.
February 2015	State Water Plan would determine funding options for the chosen alternative.
February 2015	Begin design for the improvements to the water distribution system.
May 2015	Advertise and bid the improvements to the water distribution system.
June-October 2015	Construction of the improvements to the water distribution system.

7.0 CONCLUSIONS.

It is recommended that Alternative I be constructed in the near future as this alternative will provide the greatest reduction in future maintenance cost. This would hinge on public support of this option as well as available funding options. If Alternative I proves to be too large of a burden to the public, strong consideration should be given to, at a minimum, construct Alternative III, which replaces all of the cast iron pipe and eliminates a large maintenance concern. Consideration should also be given to replace the remaining 4 inch asbestos pipe if funding becomes available.

It is recommended to research and apply for State and Federal grant and loan financing options. With these possible grants and loans the Town of Buffalo should set future water rates sufficient to run and repair the distribution system and allow for a future financial reserve to pay for needed upgrades and maintenance of the water system.

The Town of Buffalo's public water systems has the opportunity to take a proactive stance toward the protection of their vital water supply. Instead of maintaining an aging distribution system that needs increasing repairs, the Town may plan for alternative actions so that implementation can be budgeted in advance.

TOWN OF BUFFALO
HARDING COUNTY S. DAK.
SECTION 29 & 30, T 19 N, R 5 E

Brosz Engineering, Inc. Architecture Engineering Surveying — 356 Whitewood Rd, Box 636, Sturgis, SD 57785, PH: 605.347.2722	SHEET DESCRIPTION: Vicinity Map	REVISION	DATE	DESIGNED BY: JTH
	PROJECT NAME: Buffalo Water Facilities Plan	1	xx/xx/xx	DRAWN BY: JTH
	PROJECT NO.: S14-S821	2		DATE PRINTED: 12/29/14
		3		
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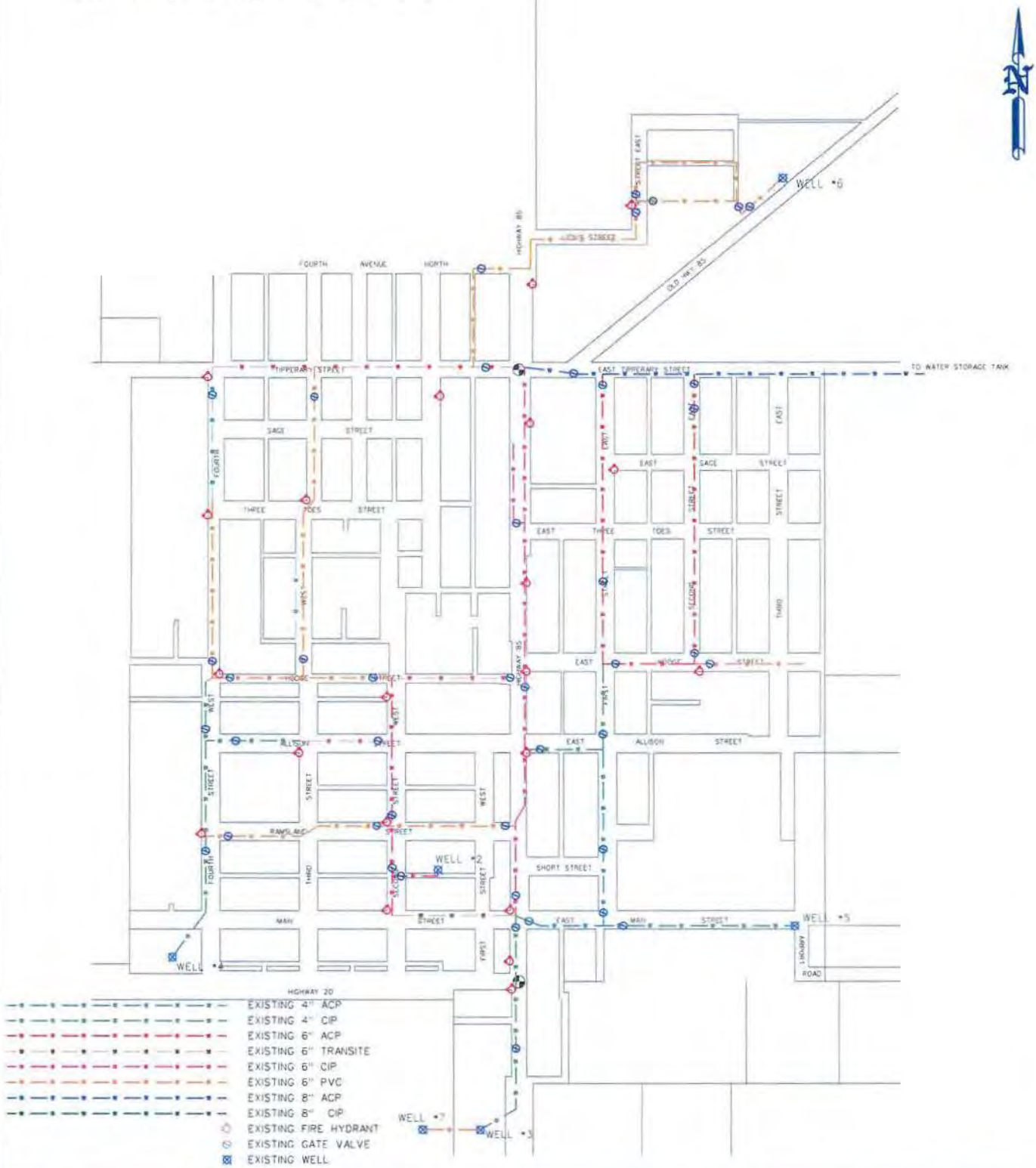
TOWN OF BUFFALO

HARDING COUNTY S. DAK.

SECTION 29 & 30, T 19 N, R 5 E

APPENDIX B

WATER SYSTEM LAYOUT



3551 Whitewood Rd, Box 636
Sturgis, SD 57785
PH: 605.347.2722
Brosz ENGINEERING, INC.
ARCHITECTURE ENGINEERING SURVEYING

SHEET DESCRIPTION: Existing Water Distribution System

PROJECT NAME: Buffalo Water Facilities Plan

PROJECT NO.: S14-S821

	REVISION	DATE
1		xx/xx/xx
2		
3		
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DESIGNED BY: JTH

DRAWN BY: JTH

DATE PRINTED: 12/16/14

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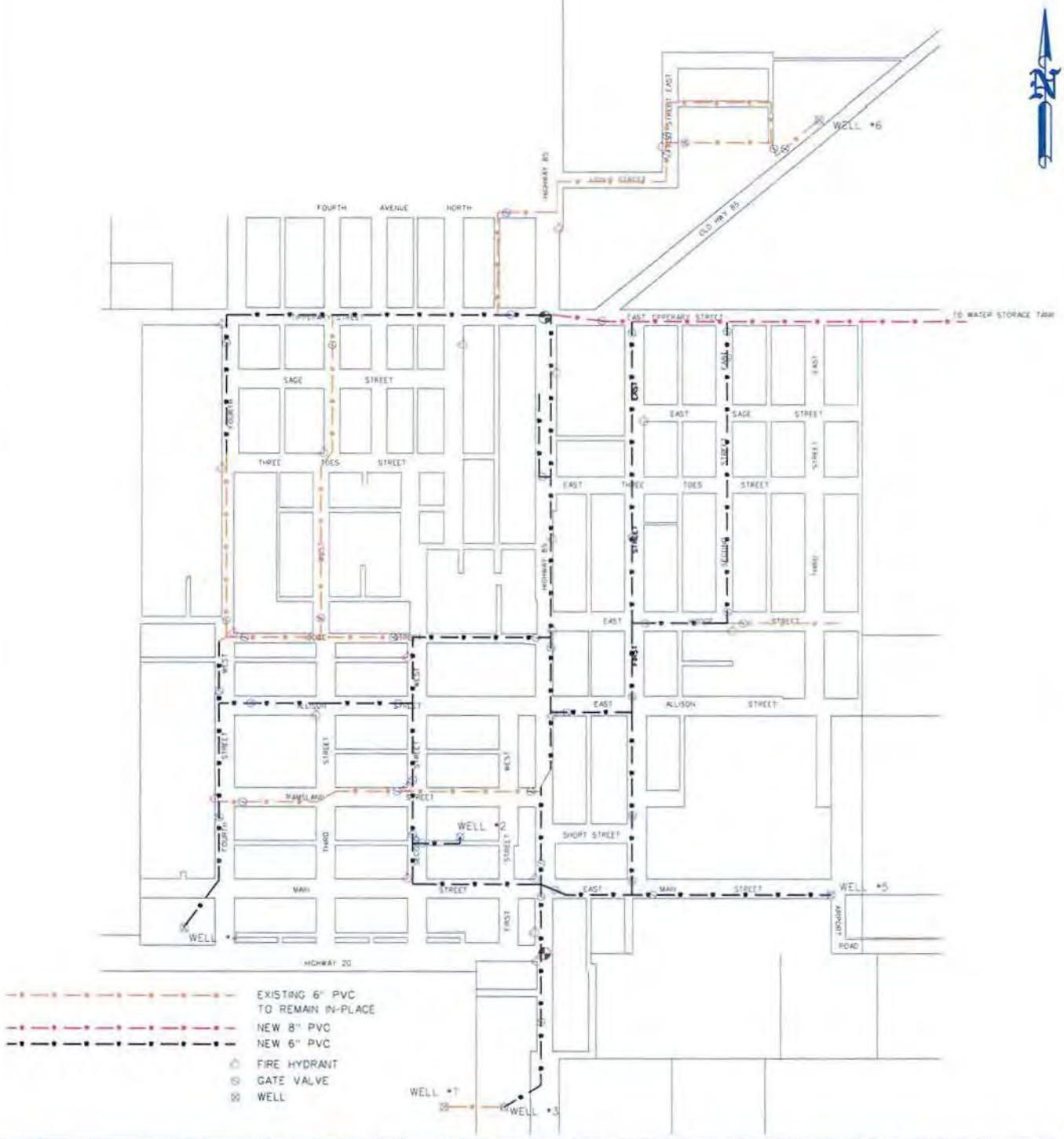
TOWN OF BUFFALO

HARDING COUNTY S. DAK.

SECTION 29 & 30, T 19 N, R 5 E

APPENDIX C

ALTERNATE I



Brosz Engineering, Inc. Architecture. Engineering. Surveying. 3561 Whitewood Rd. Box 636 Sturgis, SD 57785 Ph: 605.347.2722	SHEET DESCRIPTION: Water System Improvements - Alternate I	REVISION	DATE	DESIGNED BY: JTH
	PROJECT NAME: Buffalo Water Facilities Plan	1	xx/xx/xx	DRAWN BY: JTH
	PROJECT NO.: S14-S821	2		DATE PRINTED: 12/16/14
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TOWN OF BUFFALO

HARDING COUNTY S. DAK.

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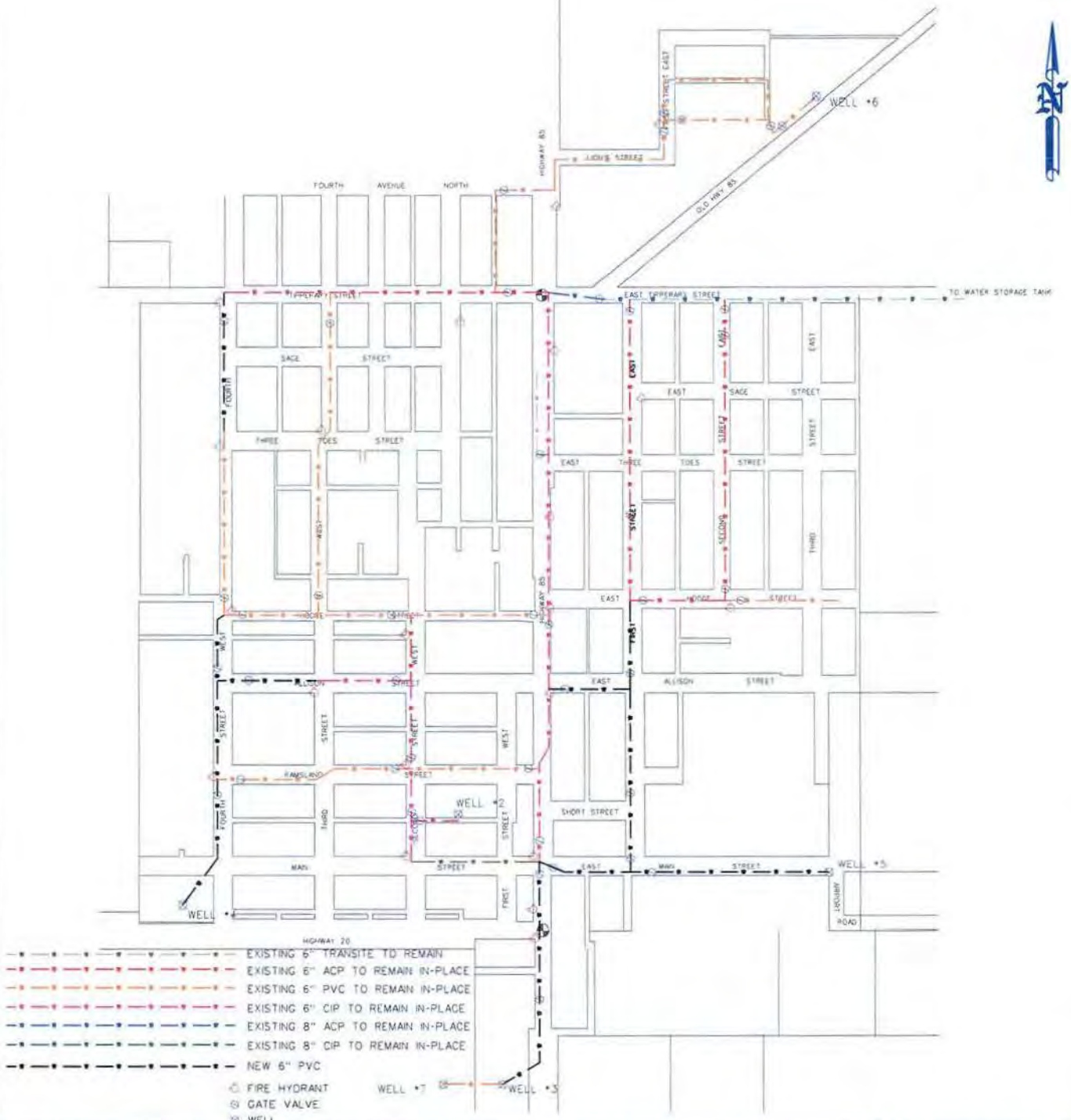
APPENDIX D

ALTERNATE II



Brosz Engineering, Inc. — Architecture Engineering Surveying, 3551 Whitewood Rd. Box 636, Sturgis, SD 57785, PH: 605.347.2722	SHEET DESCRIPTION: Water System Improvements - Alternate II	REVISION / DATE	DESIGNED BY: JTH	23
	PROJECT NAME: Buffalo Water Facilities Plan	1 — xx/xx/xx	DRAWN BY: JTH	OF
	PROJECT NO.: S14-S821	2 — 3 — 4 —	DATE PRINTED: 12/16/14	24

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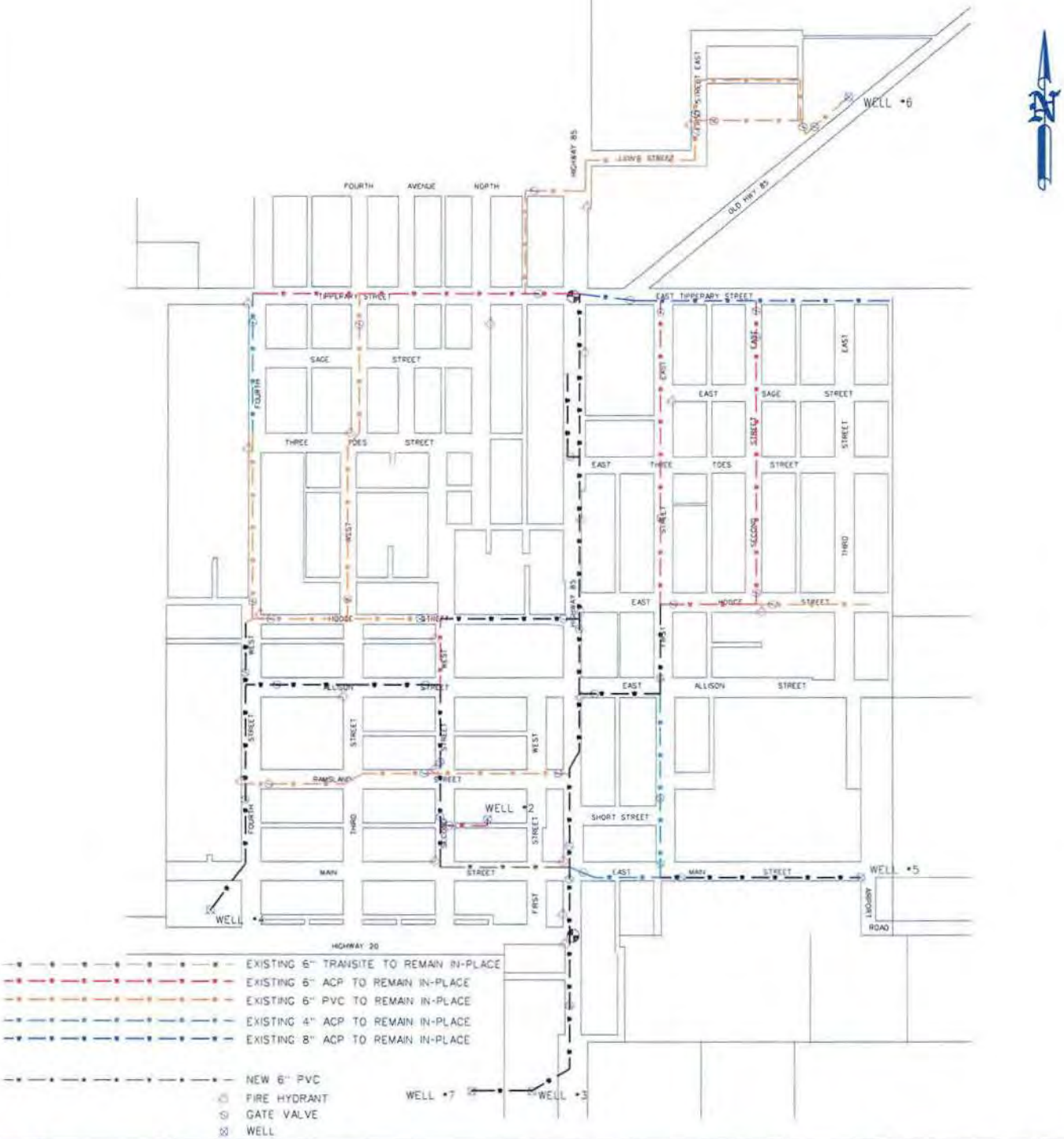
TOWN OF BUFFALO

HARDING COUNTY S. DAK.

SECTION 29 & 30, T 19 N, R 5 E

APPENDIX E

ALTERNATE III



Brosz Engineering, Inc. — Architecture Engineering Surveying — 3561 Willowood Rd, Box 626, Sturgis, SD 57785, PH: 605.347.2722	SHEET DESCRIPTION: Water System Improvements - Alternate III	REVISION / DATE: 1 — xx/xx/xx; 2; 3; 4	DESIGNED BY: JTH
	PROJECT NAME: Buffalo Water Facilities Plan		DRAWN BY: JTH
	PROJECT NO.: S14-S821		DATE PRINTED: 12/16/14

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STUDY FOR WATER SYSTEM IMPROVEMENTS 2014

FOR

TOWN OF BUFFALO

HARDING COUNTY, SOUTH DAKOTA

PREPARED FOR

TOWN OF BUFFALO

PREPARED BY

3561 Whitewood Rd. • Box 636
Sturgis, SD 57785
Ph: 605.347.2722
Brosz
ENGINEERING, INC.
ARCHITECTURE ENGINEERING SURVEYING

DECEMBER, 2014

FOR WATER SYSTEM IMPROVEMENTS

REPORT PREPARED FOR
THE TOWN OF BUFFALO

I hereby certify that this plan was prepared by me or under my direct supervision and that I am a duly Registered Professional Engineer under the laws of the State of South Dakota

Jason Hanson, PE	12/29/14	7107
Number	Date	Registration

Brosz Engineering, Inc.
Sturgis, South Dakota
December 2014

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1.0 GENERAL

1.1 INTRODUCTION

The Town of Buffalo provides water to approximately 185 urban hookups, 42 commercial hookups and 13 rural hookups outside of the Town limits. The Town is the County seat of Harding County, with a population of approximately 346 people. Improvements to the Buffalo water distribution system are needed to ensure that the water quality and quantity provided to the residents is protected. The distribution system should be upgraded to meet the minimum criteria set in the Recommended Standards for Water Works published by the Great Lakes - Upper Mississippi River Board of State and Provincial Public Health & Environmental Managers.

1.2 PURPOSE

The purpose of this report is to:

- Identify alternatives and scope of improvements to be considered,
- Document the need for improvements to the distribution system,
- Present an estimate of the probable costs for those improvements, and
- Provide an implementation plan for the design and construction of those improvements.

1.3 ORGANIZATION OF THIS REPORT

This report is organized into a total of 7 sections. The topics covered in each of the sections are summarized as follows:

Section 1	Introduction and Purpose
Section 2	Project Planning Area
Section 3	Existing Facilities
Section 4	Need for the Project
Section 5	Alternatives Considered
Section 6	Evaluation of Alternatives
Section 7	Conclusions

2.0 PROJECT PLANNING AREA

2.1 LOCATION

The Town of Buffalo, located in the northwestern corner of South Dakota, is a rural community serving a large farming and ranching community. The community includes many farmers and ranchers in the Harding County, South Dakota and Carter County, Montana areas. The Town is the County Seat of Harding County.

2.2 ENVIRONMENTAL RESOURCES PRESENT

The existing facilities are located inside the corporate limits of the Town. Environmental resources that must be considered in project planning are as follows:

- There are no significant impacts to prime or important farmland since the waterlines are buried.
- Wetlands occur near the facilities, but it is unlikely that any impact to wetlands will occur since the facilities are located under paved streets or in road right-of-ways.
- The 100/500 year floodplain is not impacted since the waterlines are buried.
- Cultural resources are unlikely to be impacted as the improvements would be in areas that have been previously disturbed.
- Endangered species may migrate through the area but do not stay in the area for long during migration.

2.3 GROWTH AREAS AND POPULATION TRENDS

The population of Buffalo is shown in the table below.

YEAR	POPULATION
1980	453
1990	488
2000	380
2010	330
2012	346

The increase from 1980 to 1990 can be attributed to the development of oil fields in Harding County. After 1990 oil production began to fall as did the population of the surrounding area. The recent increase in population can be attributed to an increase in oil development in the area again. There is also a spillover of workers from the Bakken oil field in North Dakota, There is presently an new subdivision being planned in town to cater to the oil field workers. With new

technology, the drilling in Harding County is increasing again. As of the end of 2014 the price of oil is down and this may lead to a reduction of drilling in the area and in North Dakota.

In comparing the population trend with those towns in southern North Dakota of similar size, a growth rate of one to two percent per year can be predicted. This shows in the increase in population between 2010 and 2012.

While the overall trend is a decreasing population, the reemergence of oil field work in Harding County and North Dakota have led to an increase in population in the short term. It is believed that the population will remain steady due to oil field and related work.

Therefor the value that will be used for the projected population for year 2033 is the 2010 census population of 330 persons. The potential of oil development and the uncertainty of oil prices, can both lead to an accelerated or decreased growth. For this reason, flexibility in planning for future water supply, including wells, distribution, treatment and storage needs must be included in the decision-making process.

3.0 EXISTING FACILITIES

3.1 General: The Town of Buffalo owns, maintains and operates the existing water system. The Town is served by a group of 3 active wells and 1 standby well that deliver water to the Town and water tank. The Town's distribution system consists of asbestos concrete (Transite) pipe, cast iron pipe and PVC pipe.

3.2 Distribution System: The existing distribution system serves the Town and the surrounding area and is available to all users. The system consists of four, six and eight inch water mains. A tabulation of approximate lengths of various pipe sizes and materials is shown below.

INVENTORY OF WATER DISTRIBUTION SYSTEM PIPE MATERIAL			
PIPE MATERIALS	PIPE SIZE	QUANTITY	% OF TOTAL
Cast Iron Pipe	6"	4,741'	18%
	4"	4,188'	16%
Asbestos Cement (Transite) Pipe	8"	3,100'	12%
	6"	5,106'	19%
	4"	1,723'	6%
PVC Pipe	6"	7,847'	29%
DISTRIBUTION SYSTEM TOTALS		26,705'	100%

The quantities listed do not include service lines or fire hydrant leads.

The existing distribution system consisting of the cast iron and asbestos cement pipe was installed from 1949 to 1956. The existing PVC pipe was installed in the 1970's and the 1980's.

The Town has reported that the exact condition of the cast iron and asbestos cement pipe is unknown and exact locations, type and sizing of the existing pipe is not definite.

There are currently 21 fire hydrants located throughout the distribution system. .

3.3 Water Storage System: Water storage for the Town of Buffalo is provided by a 200,000 gallon elevated ground tank, which was built in 1956. The tank was cleaned and inspected in 2014. No problems or concerns were discovered with the tank.

3.3 Wells: Well #1 and #2 served the Town until 1956. Well #1 was replaced in 1956 with well #3. Additional wells have been added, well #4, in 1959, well #5 in 1967, well #6 in 1976 and well #7 in 1999. Currently well #1, #2 and #6 have been capped and abandoned with wells #3, #4 and #5 serving the Town. Well #7 serves as a standby well.

3.4 CONDITION OF FACILITIES

3.4.1 Suitability for Continued Use

Wells: When well #7 is in operation the quality of the water is affected. The "slime" growth , is actually rust which stains whatever the water comes in contact with. Well #7 has been tested and the results show that there is very little iron at the well. The Town's operator has conferred with various agencies and has concluded that the water from well #7 is not the cause of this problem. It is believed that the increase in the system's pressure, that is produced when well #7 is in use, causes a layer of rust to be removed from the existing cast iron pipe and that the replacement of this pipe will alleviate the problem.

Pipe: The Town has reported that the exact condition of the cast iron and asbestos cement pipe is unknown. The recent repairs to the system have been to the cast iron pipe. The 60 year old cast iron pipe has failed due to a thinning of the walls. There appears to be no problems with the asbestos cement pipe or PVC pipe. The Town is currently budgeting $11,000.00, for the year 2014, to maintaining their aging system.

Storage tank: As stated previously, the tank was inspected in 2014 and no defects were found.

Valves: The system lacks an adequate number of valves to isolate locations when repairs are necessary.

Fire Hydrants: Many of the existing fire hydrants are in need of replacement as they are over 60 years old. Additional fire protection should be added.

Meters: The majority of the services have water meters. The few services without meters are charged a flat rate. There are no large unexplained water losses, so it is assumed that the amount of water lost to system leakage is very minimal.

3.4.2 Adequacy of Water Supply

Wells #3, #4 and #5 produce 35 gal./min. each and well #7 produces 65 gal./min. Due to the way well #7 affects the water quality this well is used very little. Using wells #3 thru #5 will produce approximately 105 gal./min. Running these three wells 12 hours per day, allowing 12 hours per day for the well to recharge, will produce 75,600 gal./day. This is more than adequate to cover the current peak usage of 68,400 gal./day, occurring in the month of August. Using well #7 along with wells #3 thru #5, the total production would increase to 122,400 gal./day running 12 hours per day. By incorporating well #7 into the usage, the run time for the wells could be reduced down to around 7 to 8 hours per day. It is believed that with the replacement of all or most of the cast iron pipe, well #7 could be used on a regular basis, ensuring an adequate water supply for the current users or any future increase in users.

The only recent shortage of water was in 1987 and was caused by fire fighting efforts at a nearby forest.

The wells currently use a SCADA system to automatically turn the wells on and off.

3.4.3 The Treatment, Storage and Distribution Capabilities.

Disinfection: The water is treated with chlorine at each well.

Storage: Storage is provided by a 200,000 gallon ground level water tank. The Town is able to supply water to residents both inside and outside of the Town limits.

Distribution: The existing distribution system consists of 4”, 6” and 8” mains. The water main materials consist of PVC, cast iron and asbestos cement. The 4” mains are under sized for fire protection. Most of the maintenance required by the distribution system is in the cast iron mains.

3.4.4 Compliance with Safe Drinking Water Act and applicable State requirements.

The Town has a certified operator and is in compliance with the Safe Drinking Water Act and applicable State requirements.

3.5 FINANCIAL STATUS OF ANY OPERATING CENTRAL FACILITIES

The Towns 2014 and 2015 rate schedule is shown below.

WATER RATE SCHEDULE			
Minimum Monthly Charge is $11.50 for flat-rate accounts in 2014. Minimum Monthly Charge is $12.00 for flat-rate accounts in 2015.			
Monthly Amount Per Meter			
GALLONS	RATE 2014	RATE 2015	
0-1000	$11.50	$12.00	
1001-2000	$13.40	$14.00	
2001-3000	$15.30	$16.00	
3001-4000	$17.20	$18.00	
4001-5000	$19.10	$20.00	
5001-6000	$21.00	$22.00	
6001-7000	$22.90	$24.00	
7001-8000	$24.80	$26.00	
8001-9000	$26.70	$28.00	
9001-10000	$28.60	$30.00	
10001-11000	$30.50	$32.00	
11001-12000	$32.40	$34.00	
12001-13000	$34.30	$36.00	
13001-14000	$36.20	$38.00	
14001-15000	$38.10	$40.00	
15001-16000	$40.00	$42.00	
16001-17000	$41.90	$44.00	
17001-18000	$43.80	$46.00	
18001-19000	$45.70	$48.00	
19001-20000	$47.60	$50.00	
20001 AND ABOVE	$1.90 for each additional thousand gallon used in 2014. $2.00 in 2015		

The monthly water use and income is show below.

MONTHLY WATER USEAGE IN 2014							
MONTH	TYPE	# OF ACCTS.	GALLONS	METERED DOLLARS	NONMETERED DOLLARS	MONTHLY GALLONS	MONTHLY INCOME
JANUARY	Out of City Limits	15	60088	$ 225.25			
	Commercial	41	361000	$ 810.85	77.70		
	Residential	178	899410	$ 2,880.95	22.20	1320498	$ 3,847.10
FEBRUARY	Out of City Limits	18	79350	$ 296.00			
	Commercial	42	375000	$ 1,063.80	80.50		
	Residential	179	684800	$ 3,002.50	23.00	1139150	$ 4,708.68
MARCH	Out of City Limits	15	56175	$ 252.30			
	Commercial	41	342000	$ 991.50	80.50		
	Residential	166	605360	$ 2,844.80	23.00	1003535	$ 4,096.64
APRIL	Out of City Limits	14	73088	$ 284.60			
	Commercial	41	280000	$ 873.70	80.50		
	Residential	178	601000	$ 2,852.30	23.00	954088	$ 4,198.96
MAY	Out of City Limits	16	57044	$ 263.80			
	Commercial	41	338000	$ 976.20	80.50		
	Residential	176	632000	$ 2,920.70	23.00	1027044	$ 4,575.12
JUNE	Out of City Limits	15	71000	$ 280.80			
	Commercial	41	511000	$ 1,318.30	80.50		
	Residential	180	703000	$ 3,086.40	23.00	1285000	$ 4,837.03
JULY	Out of City Limits	14	59000	$ 256.10			
	Commercial	44	400000	$ 1,120.90	80.50		
	Residential	180	877640	$ 3,415.30	23.00	1336640	$ 4,677.17
AUGUST	Out of City Limits	15	112000	$ 356.80			
	Commercial	43	622000	$ 1,540.70	80.50		
	Residential	180	1318320	$ 4,239.70	23.00	2052320	$ 6,545.75
SEPTEMBER	Out of City Limits	15	95000	$ 324.50			
	Commercial	43	593000	$ 1,497.10	80.50		
	Residential	183	1031160	$ 3,721.20	23.00	1719160	$ 5,415.11
OCTOBER	Out of City Limits	14	107000	$ 337.70			
	Commercial	43	528000	$ 1,367.90	80.50		
	Residential	182	713080	$ 3,115.00	23.00	1348080	$ 4,699.05
NOVEMBER	Out of City Limits	13	75000	$ 276.90			
	Commercial	42	356000	$ 1,031.50	80.50		
	Residential	185	585000	$ 2,968.60	23.00	1016000	$ 5,118.00
DECEMBER	Out of City Limits	13	76000	$ 300.00			
	Commercial	42	346000	$ 1,243.00	80.50		
	Residential	185	600000	$ 3,150.00	23.00	1022000	$ 5,275.00
TOTALS			**15223515**	**$ 55,487.65**	**1238.40**	**15223515**	**$ 57,993.61**

Expenses for the year are shown below.

YEAR	2012	2013
Payroll	13,683.00	13,896.00
Payroll Exp.	1,019.00	1,060.00
Retirement	866.00	834.00
Insurance	3,126.00	3,170.00
Professional	537.00	525.00
Analysis	383.00	362.00
Maintenance	13,526.00	29,335.00
Utilities	7,523.00	7,011.00
Capital Outlay	2,490.00	0.00
TOTALS	$43,153.00	$56,193.00

The system generates very little income. The current rates are not sufficient to run and repair the distribution system and are not sufficient to pay for the needed upgrades.

The Town, by way of Ordinances, has established a 4% rate increase annually to help cover expenses for the water distribution system. The system is no longer subsidized by other Town income.

The Town has no existing debts and carries a reserve account currently of $45,000.00.

4.0 NEED FOR PROJECT

4.1 HEALTH AND SAFETY

Currently, the quality of the Town's water is fine. The water from each well is tested every three years. Results of the most recent tests are shown below.

Town of Buffalo			
WATER WELL TEST			
Well No.	3	4	5
ALKALINITY	610/15	602/16	504/10
CHLORIDE	22	16	17
FLOURIDE	0.48	0.45	0.40
NITRATE	<0.2	<0.2	<0.2
PH	8.53	8.6	8.47
CONDUCTIVITY	1820	1740	1310
SULFATES	310	285	166
TDS	1117	1078	799
CALCIUM	4.1	2.6	1.5
MAGNESIUM	1.7	1	0.6
HARDNESS	17	11	6
POTASSIUM	1.9	1.9	1.5
SODIUM	423	398	300
IRON	0.06	0.07	0.03
MANGANESE	0.04	0.03	0.02
LANGER	0.376	0.216	-0.321
BICARBONATE	708	695	590
ARSENIC	<0.005 FOR COMPOSITE SAMPLE		
CARBONATE	18	19	12
LANGLIER INDEX	0.28	0.15	-0.26
NITRITE	<0.02	<0.02	<0.02

4.2 SYSTEM O&M

The Town has a Certified Operator to run the system, has complied with the Safe Drinking Water Act and applicable State requirements and has demonstrated the capability to operate and maintain a water distribution system.

Improvements to the distribution system will save the ever increasing maintenance cost and the need for frequent repairs to be made to the system. Replacing the 4 inch water mains, adding valves and fire hydrants will make the system much more efficient.

The Town of Buffalo's public water system has the opportunity to take a proactive stance toward the protection of their vital water supply. Instead of maintaining an aging distribution system that needs increasing repairs, the Town may plan for alternative actions so that implementation can be budgeted in advance.

4.3 Growth

The current population trends in the Town of Buffalo, as with most rural areas, indicate that the population is likely to stay the same or decrease. However, unknown circumstances can result in accelerated or decreased growth.

Impacts to water rates are calculated using the present number of accounts of 245 and for a decrease in accounts to 200.

5.0 ALTERNATIVES CONSIDERED

5.1 DEVELOPMENT OF ALTERNATIVES

The major purpose of this report is to assess improvements to the water distribution system to ensure that an adequate water supply is maintained and the water quality in the distribution system is protected. The Town of Buffalo's public water system has the opportunity to take a proactive stance toward the protection of their vital water supply. Instead of maintaining an aging distribution system that needs increasing repairs, the Town may plan for alternative actions so that implementation can be budgeted in advance.

The impacts to the environment for each alternative will be limited as follows:

No wetlands will be disturbed as the improvements will be within paved streets.

No significant impacts are expected to floodplains as the waterline will be buried.

Since the pipes are buried, there will be no significant impact on the prime or important farmland.

Endangered species may migrate through the area but do not stay in the area for long during migration. There is little that can be done to reduce disturbance besides ceasing construction at sites where the species have been observed. Any endangered species sightings will be reported.

A Department of the Army 404 Permit Application will be completed. It is believed that a Nation Wide Permit will be obtained as no wetlands or waters of the U.S. will be filled or drained.

Cultural resources are unlikely to be impacted as the improvements would be in areas that have been disturbed. Verification on historic sites will be requested from the South Dakota State Office of Cultural Preservation. In the event that archaeological or historical resources are unearthed during construction excavation, the immediate stoppage of work will be dictated by the contract specifications.
The replacement of the existing waterlines will be inside the corporate limits of the Town. No new easements or land will need to be obtained.

5.2 Water System Improvements Needed

The existing cast iron pipe is approximately 60 years old, has needed frequent repairs and is becoming thin walled. To avert the high maintenance cost, minimize water losses and eliminate the need for frequent repairs having to be made to the system, these sections need to be replaced. The existing 4 inch water mains do not meet the minimum criteria set in the Recommended Standards for Water Works published by the Great Lakes Upper - Mississippi River Board of State Public Health & Environmental Managers.

The improvements necessary to the distribution system were evaluated the following ways:

The first alternative is to replace all of the existing cast iron and asbestos cement waterlines with PVC pipe and replace and add fire hydrants and valves.

The second alternative is to replace the existing 4 inch water mains with a new 6 inch PVC pipe and replace and add fire hydrants and valves on these sections.

The third alternative is to replace all the existing cast iron water mains with 6 inch PVC pipe and replace and add fire hydrants and valves on these sections.

The fourth alternative is the do nothing alternative.

ALTERNATIVE I

Description: Replace all of the existing cast iron and asbestos cement waterlines with a minimum 6 inch PVC pipe. Replace and add fire hydrants and valves to make for a more efficient system.

Design Criteria: The Town of Buffalo will continue to operate, maintain and test the system in compliance with the Safe Drinking Water Act and applicable State requirements. All materials installed will be required to meet the current American Society for Testing Materials or American Water Works Association standards. This alternative will ensure a safe and adequate supply of water for the current and future users.

Cost Estimate: The cost associated with Alternate I is shown below:

Replace all AC and CI Pipe						
6" PVC	15758	Ft	$	28.00	$	441,224.00
8" PVC	3100	Ft	$	32.00	$	99,200.00
Street Repair	18,858	Ft	$	27.00	$	509,166.00
Valves	60	Each	$	1,200.00	$	72,000.00
Fire Hydrants	20	Each	$	3,800.00	$	76,000.00
Connect Service	200	Each	$	1,000.00	$	200,000.00
6"x6" Cross	3	Each	$	800.00	$	2,400.00
6"x8" Tee	3	Each	$	800.00	$	2,400.00
6"x6" Tee	40	Each	$	700.00	$	28,000.00
6" Bend	10	Each	$	700.00	$	7,000.00
Boring	500	Ft	$	100.00	$	50,000.00
Estimated Construction Cost					$	1,487,390.00
Engineering Cost					$	125,000.00
Contingency					$	82,000.00
Estimated Total Cost					$	1,694,390.00

Estimated effects on water rates are calculated assuming that the Town is eligible for grants and/or loans from the State Revolving Fund. The number of accounts used are the current accounts of 245 and an estimated decrease in accounts to 200.

Effects on Water Rates Using 245 Accounts (2.25% Interest for 30 years)					
	SRF Loan	Grant and SRF Loan			
Estimated Cost	$ 1,694,390.00	$ 1,694,390.00	$ 1,694,390.00	$ 1,694,390.00	$ 1,694,390.00
Grant %	0%	10%	20%	30%	40%
Grant Amount	$ -	$ 169,439.00	$ 338,878.00	$ 508,317.00	$ 677,756.00
Local Share	$ 1,694,390.00	$ 1,524,951.00	$ 1,355,512.00	$ 1,186,073.00	$ 1,016,634.00
Debt Reirement +10%	$ 86,107.67	$ 77,496.91	$ 68,886.14	$ 60,275.37	$ 51,664.60
Number of Accounts	245	245	245	245	245
Cost/Account	$ 29.29	$ 26.36	$ 23.43	$ 20.50	$ 17.57

Effects on Water Rates Using 200 Accounts (2.25% Interest for 30 years)					
	SRF Loan	Grant and SRF Loan			
Estimated Cost	$ 1,694,390.00	$ 1,694,390.00	$ 1,694,390.00	$ 1,694,390.00	$ 1,694,390.00
Grant %	0%	10%	20%	30%	40%
Grant Amount	$ -	$ 169,439.00	$ 338,878.00	$ 508,317.00	$ 677,756.00
Local Share	$ 1,694,390.00	$ 1,524,951.00	$ 1,355,512.00	$ 1,186,073.00	$ 1,016,634.00
Debt Reirement +10%	$ 86,107.67	$ 77,496.91	$ 68,886.14	$ 60,275.37	$ 51,664.60
Number of Accounts	200	200	200	200	200
Cost/Account	$ 35.88	$ 32.29	$ 28.70	$ 25.11	$ 21.53

Advantages/Disadvantages: This alterative provides the most fire protection, the largest reduction in maintenance cost and makes the system the most efficient. It is assumed the removal of the cast iron pipe will allow well #7 to be used without affecting the quality of the water. This alternative has the greatest affect on the water rates, which may or may not be affordable for all residents. Alternative I may not be within the Towns financial resources.

ALTERNATIVE II

Description: The second alternative is to replace the existing 4 inch water mains with a new 6 inch PVC pipe and replace and add fire hydrants and valves on these sections.

Design Criteria: The Town of Buffalo will continue to operate, maintain and test the system in compliance with the Safe Drinking Water Act and applicable State requirements. All materials installed will be required to meet the current American Society for Testing Materials or American Water Works Association standards.

Cost Estimate: The cost associated with Alternate II is shown below:

Replace all 4" AC and 4" CI Pipe						
6" PVC	5911	Ft	$	28.00	$	165,508.00
Street Repair	5911	Ft	$	32.00	$	189,152.00
Valves	10	Each	$	1,200.00	$	12,000.00
Fire Hydrants	5	Each	$	3,800.00	$	19,000.00
Connect Service	40	Each	$	1,000.00	$	40,000.00
6"x6" Cross	1	Each	$	800.00	$	800.00
6"x6" Tee	15	Each	$	700.00	$	10,500.00
6" Bend	3	Each	$	700.00	$	2,100.00
Boring	100	Ft	$	100.00	$	10,000.00
Estimated Construction Cost					$	449,060.00
Engineering Cost					$	50,000.00
Contingency					$	36,000.00
Estimated Total Cost					$	535,060.00

Estimated effects on water rates are calculated assuming that the Town is eligible for grants and/or loans from the State Revolving Fund. The number of accounts used are the current accounts of 245 and an estimated decrease in accounts to 200.

Effects on Water Rates Using 245 Accounts (2.25% Interest for 30 years)					
	SRF Loan	Grant and SRF Loan			
Estimated Cost	$ 535,060.00	$ 535,060.00	$ 535,060.00	$ 535,060.00	$ 535,060.00
Grant %	0%	10%	20%	30%	40%
Grant Amount	$ -	$ 53,506.00	$ 107,012.00	$ 160,518.00	$ 214,024.00
Local Share	$ 535,060.00	$ 481,554.00	$ 428,048.00	$ 374,542.00	$ 321,036.00
Debt Reirement +10%	$ 27,191.36	$ 24,472.23	$ 21,753.09	$ 19,033.95	$ 16,314.82
Number of Accounts	245	245	245	245	245
Cost/Account	$ 9.25	$ 8.32	$ 7.40	$ 6.47	$ 5.55

Effects on Water Rates Using 200 Accounts (2.25% Interest for 30 years)					
	SRF Loan	Grant and SRF Loan			
Estimated Cost	$ 535,060.00	$ 535,060.00	$ 535,060.00	$ 535,060.00	$ 535,060.00
Grant %	0%	10%	20%	30%	40%
Grant Amount	$ -	$ 53,506.00	$ 107,012.00	$ 160,518.00	$ 214,024.00
Local Share	$ 535,060.00	$ 481,554.00	$ 428,048.00	$ 374,542.00	$ 321,036.00
Debt Reirement +10%	$27,191.36	$24,472.23	$21,753.09	$19,033.95	$16,314.82
Number of Accounts	200	200	200	200	200
Cost/Account	$ 11.33	$ 10.20	$ 9.06	$ 7.93	$ 6.80

Advantages/Disadvantages: Alternative II is within the Towns financial and operational resources and ability to comply with regulatory requirements. This alternative has the least effect on the water rates. This alterative provides some additional fire protection, but the smallest reduction in maintenance cost. It is assumed, since ,all of the cast iron pipe is not removed, well #7 will continue to affect the quality of the water.

ALTERNATIVE III

Description: The third alternative is to replace the existing cast iron water mains with a new 6 inch PVC pipe and replace and add fire hydrants and valves on these sections.

Design Criteria: The Town of Buffalo will continue to operate, maintain and test the system in compliance with the Safe Drinking Water Act and applicable State requirements. All materials installed will be required to meet the current American Society for Testing Materials or American Water Works Association standards.

Cost Estimate: The cost associated with Alternate III is shown below:

Replace all CI Pipe						
6" PVC	8929	Ft	$	28.00	$	250,012.00
Street Repair	8929	Ft	$	32.00	$	285,728.00
Valves	30	Each	$	1,200.00	$	36,000.00
Fire Hydrants	10	Each	$	3,800.00	$	38,000.00
Connect Service	50	Each	$	1,000.00	$	50,000.00
6"x6" Cross	2	Each	$	800.00	$	1,600.00
6"x8" Tee	1	Each	$	800.00	$	800.00
6"x6" Tee	20	Each	$	700.00	$	14,000.00
6" Bend	1	Each	$	700.00	$	700.00
Boring	500	Ft	$	100.00	$	50,000.00
Estimated Construction Cost					$	726,840.00
Engineering Cost					$	60,000.00
Contingency					$	42,000.00
Estimated Total Cost					$	828,840.00

Estimated effects on water rates are calculated assuming that the Town is eligible for grants and/or loans from the State Revolving Fund. The number of accounts used are the current accounts of 245 and an estimated decrease in accounts to 200.

Effects on Water Rates Using 245 Accounts (2.25% Interest for 30 years)					
	SRF Loan	Grant and SRF Loan			
Estimated Cost	$ 828,840.00	$ 828,840.00	$ 828,840.00	$ 828,840.00	$ 828,840.00
Grant %	0%	10%	20%	30%	40%
Grant Amount	$ -	$ 82,884.00	$ 165,768.00	$ 248,652.00	$ 331,536.00
Local Share	$ 828,840.00	$ 745,956.00	$ 663,072.00	$ 580,188.00	$ 497,304.00
Debt Reirement +10%	$ 42,121.05	$ 37,908.94	$ 33,696.84	$ 29,484.73	$ 25,272.63
Number of Accounts	245	245	245	245	245
Cost/Account	$ 14.33	$ 12.89	$ 11.46	$ 10.03	$ 8.60

Effects on Water Rates Using 200 Accounts (2.25% Interest for 30 years)					
	SRF Loan	Grant and SRF Loan			
Estimated Cost	$ 828,840.00	$ 828,840.00	$ 828,840.00	$ 828,840.00	$ 828,840.00
Grant %	0%	10%	20%	30%	40%
Grant Amount	$ -	$ 82,884.00	$ 165,768.00	$ 248,652.00	$ 331,536.00
Local Share	$ 828,840.00	$ 745,956.00	$ 663,072.00	$ 580,188.00	$ 497,304.00
Debt Reirement +10%	$ 42,121.05	$ 37,908.94	$ 33,696.84	$ 29,484.73	$ 25,272.63
Number of Accounts	200	200	200	200	200
Cost/Account	$ 17.55	$ 15.80	$ 14.04	$ 12.29	$ 10.53

Advantages/Disadvantages: Alternative III is within the Towns financial and operational resources and ability to comply with regulatory requirements. This alterative provides some additional fire protection, greatly reduces maintenance cost and makes the system the more efficient. It is assumed the removal of the cast iron pipe will allow well #7 to be used without affecting the quality of the water.

ALTERNATIVE 4

This is the Do Nothing Alternative. If no improvements are made to Buffalo's system the public health and safety concerns will not be addressed and an adequate water supply may not be available to the users. Buffalo will continue to spend their limited resources on maintaining a failing system that will exert unnecessary demands on the system.

6.0 EVALUATION OF THE ALTERNATIVES:

Long term cost, future upgrades and the continued maintenance, as well as maintaining a certified operator need to be evaluated with the Alternatives. The Town of Buffalo has demonstrated the capability to operate and maintain a water distribution system to meet State requirements. Ultimately, the feasibility of the water project will be judged by the ability of the users to pay for the improvement. The planning is being initiated by the Town to research the State Water Plan process and funding options to help fund the improvements. Some State and Federal grants and loan financing options are available with the alternatives. The current rates are not sufficient to run and repair the distribution system and likewise are not sufficient to pay for the needed improvements.

Each alternative has advantages and disadvantages and the Town of Buffalo's costs for supplying water will vary from year to year. Buffalo should compare the estimated impact to water rate for each alternative and propose a fee schedule for each alternative. This will allow the Town to consider the overall cost to the users when deciding which alternative to pursue. A public hearing than should be held to allow the public to participate in the decision making process.

Implementation Schedule for the Chosen Alternative

December 2014	Town to determine which alternative will be chosen and propose a fee schedule sufficient to operate and replace the distribution system. Complete the application for the State Water Plan, continue to research and apply for additional funding sources.
January 2014	Hold public hearing to allow for public input in the decision.
February 2015	State Water Plan would determine funding options for the chosen alternative.
February 2015	Begin design for the improvements to the water distribution system.
May 2015	Advertise and bid the improvements to the water distribution system.
June-October 2015	Construction of the improvements to the water distribution system.

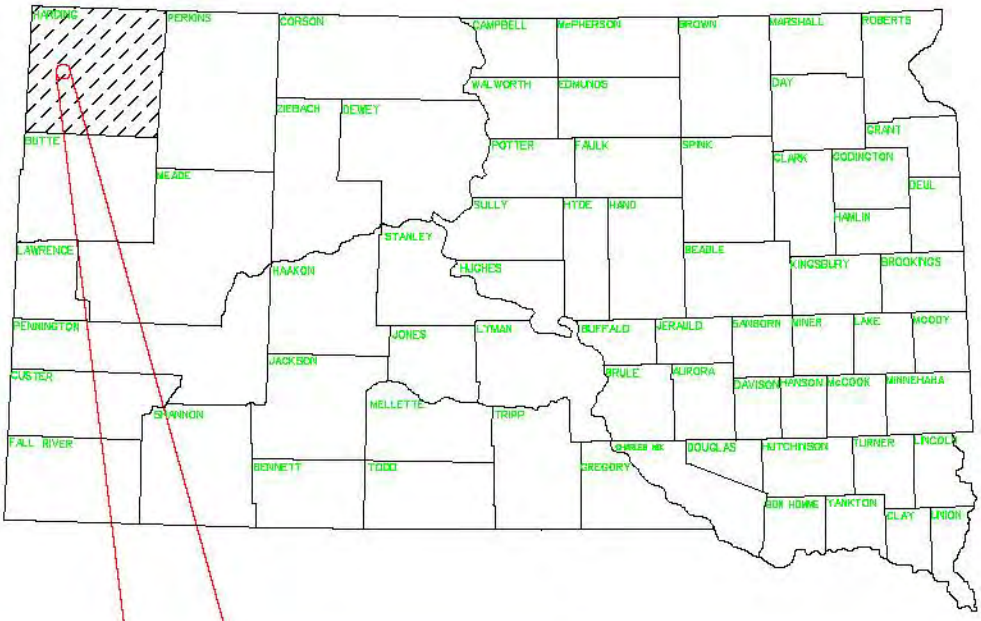
7.0 CONCLUSIONS.

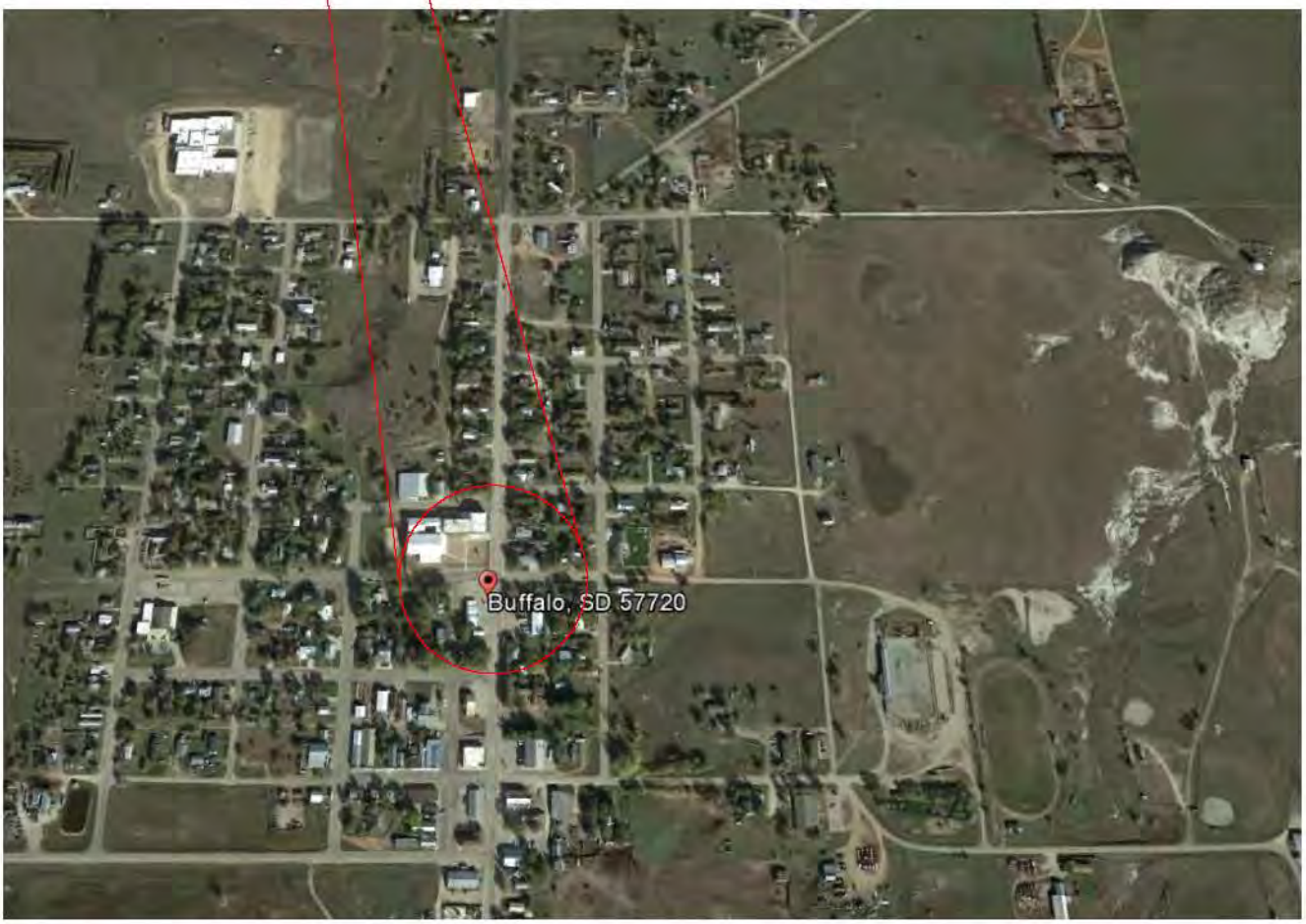
It is recommended that Alternative I be constructed in the near future as this alternative will provide the greatest reduction in future maintenance cost. This would hinge on public support of this option as well as available funding options. If Alternative I proves to be too large of a burden to the public, strong consideration should be given to, at a minimum, construct Alternative III, which replaces all of the cast iron pipe and eliminates a large maintenance concern. Consideration should also be given to replace the remaining 4 inch asbestos pipe if funding becomes available.

It is recommended to research and apply for State and Federal grant and loan financing options. With these possible grants and loans the Town of Buffalo should set future water rates sufficient to run and repair the distribution system and allow for a future financial reserve to pay for needed upgrades and maintenance of the water system.

The Town of Buffalo's public water systems has the opportunity to take a proactive stance toward the protection of their vital water supply. Instead of maintaining an aging distribution system that needs increasing repairs, the Town may plan for alternative actions so that implementation can be budgeted in advance.

TOWN OF BUFFALO
HARDING COUNTY S. DAK.
SECTION 29 & 30, T 19 N, R 5 E





3861 Whitewood Rd. Box 838
Sturgis, SD 57785
PH: 605.347.2722
Brosz ENGINEERING, INC.
ARCHITECTURE ENGINEERING SURVEYING

SHEET DESCRIPTION: Vicinity Map

PROJECT NAME: Buffalo Water Facilities Plan

PROJECT NO.: S14-S821

	REVISION	DATE
1		xx/xx/xx
2		
3		
4		

DESIGNED BY: JTH

DRAWN BY: JTH

DATE PRINTED: 12/29/14

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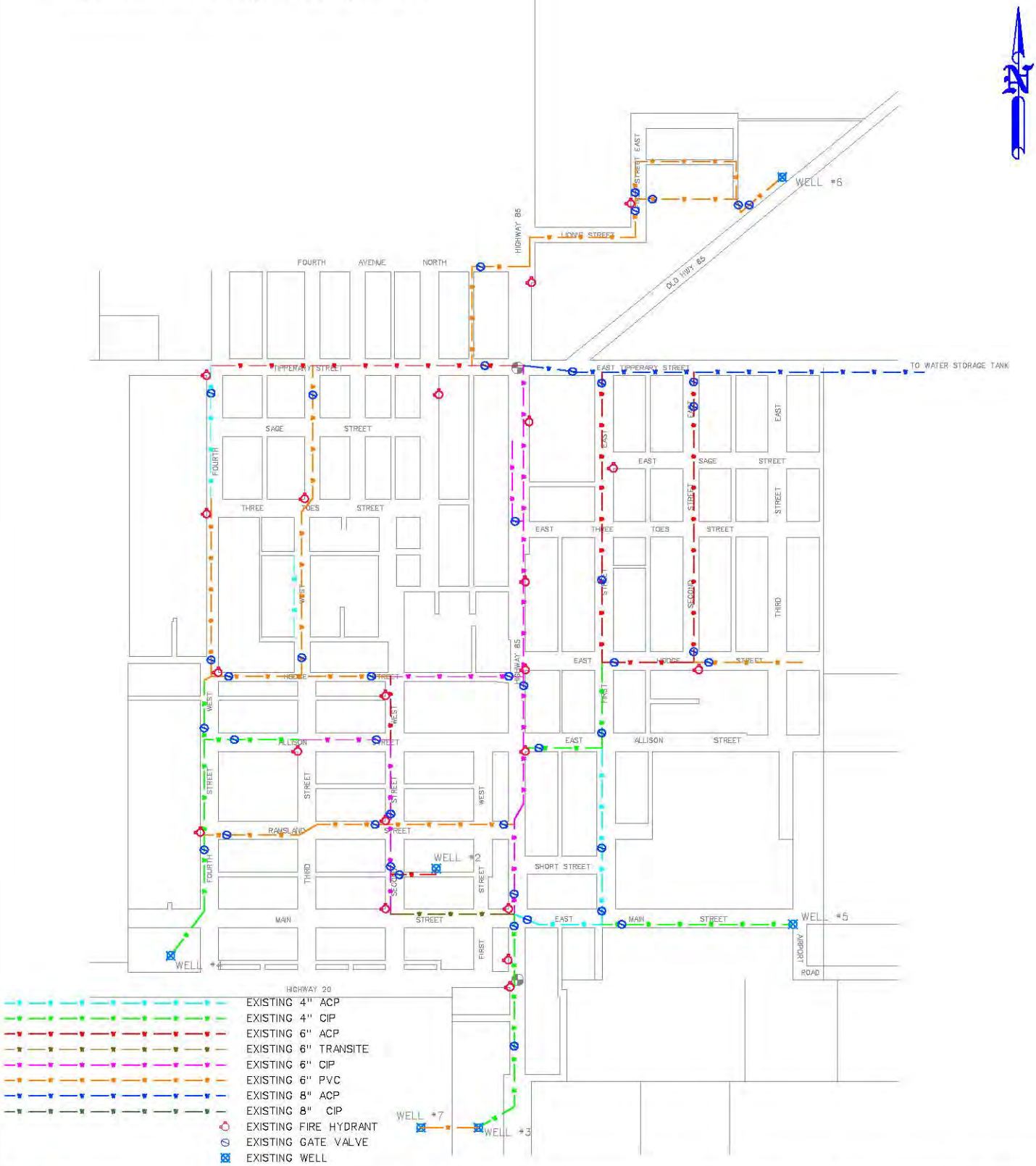
TOWN OF BUFFALO

HARDING COUNTY S. DAK.

SECTION 29 & 30, T 19 N, R 5 E

APPENDIX B

WATER SYSTEM LAYOUT



3581 Whitewood Rd. Box 636
Sturgis, SD 57785
PH: 605.347.2722
Brosz ENGINEERING, INC.
ARCHITECTURE ENGINEERING SURVEYING

SHEET DESCRIPTION: **Existing Water Distribution System**

PROJECT NAME: **Buffalo Water Facilities Plan**

PROJECT NO.: **S14-S821**

REVISION	DATE
1	xx/xx/xx
2	
3	
4	

DESIGNED BY: JTH

DRAWN BY: JTH

DATE PRINTED: 12/16/14

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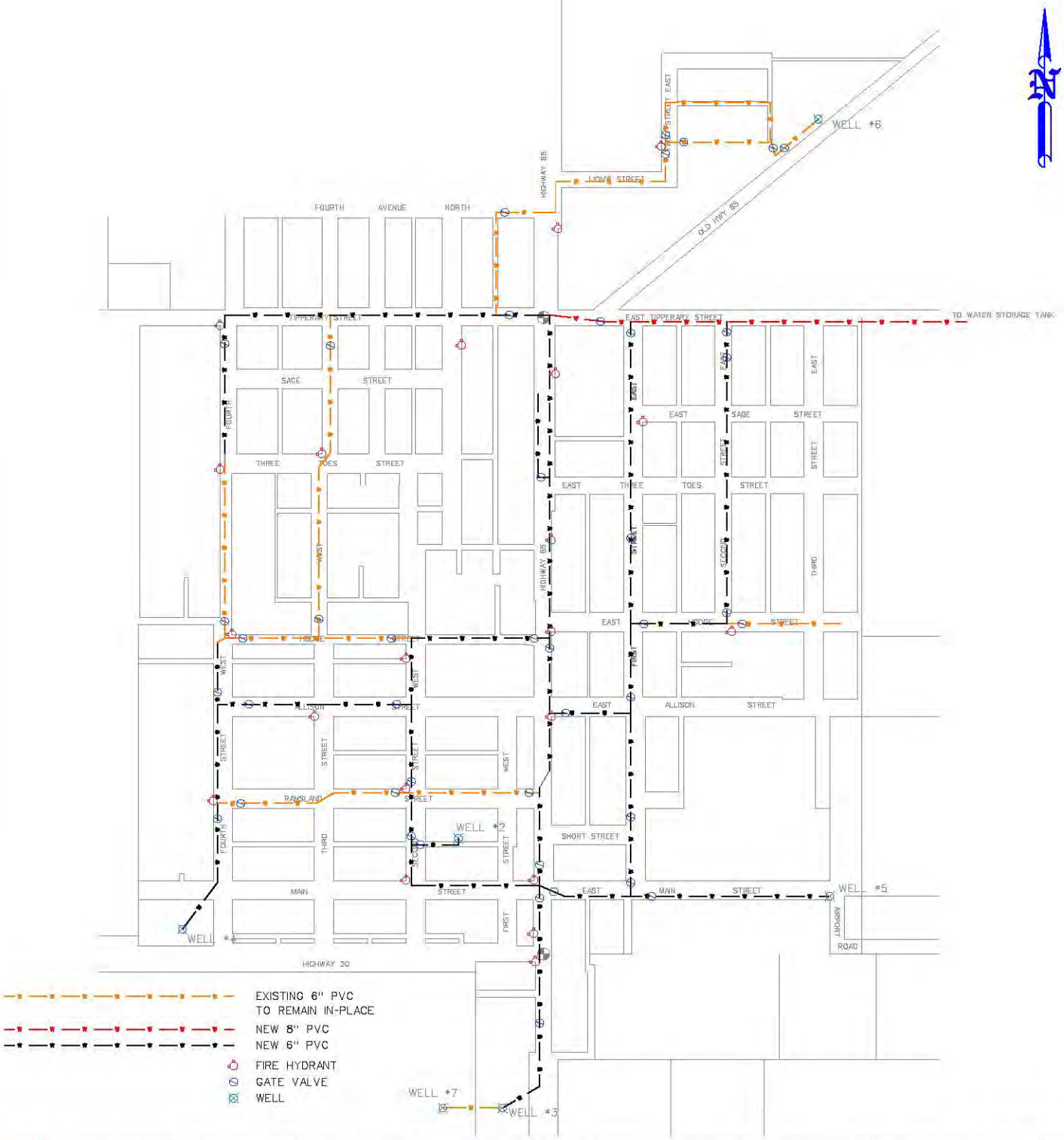
TOWN OF BUFFALO

HARDING COUNTY S. DAK.

SECTION 29 & 30, T 19 N, R 5 E

APPENDIX C

ALTERNATE I



3581 Whitewood Rd. Box 836
Sturgis, SD 57785
PH: 605.347.2722
Brosz ENGINEERING, INC.
ARCHITECTURE ENGINEERING SURVEYING

SHEET DESCRIPTION: Water System Improvements - Alternate I

PROJECT NAME: Buffalo Water Facilities Plan

PROJECT NO.: S14-S821

	REVISION	DATE
1		xx/xx/xx
2		
3		
4		

DESIGNED BY: JTH

DRAWN BY: JTH

DATE PRINTED: 12/16/14

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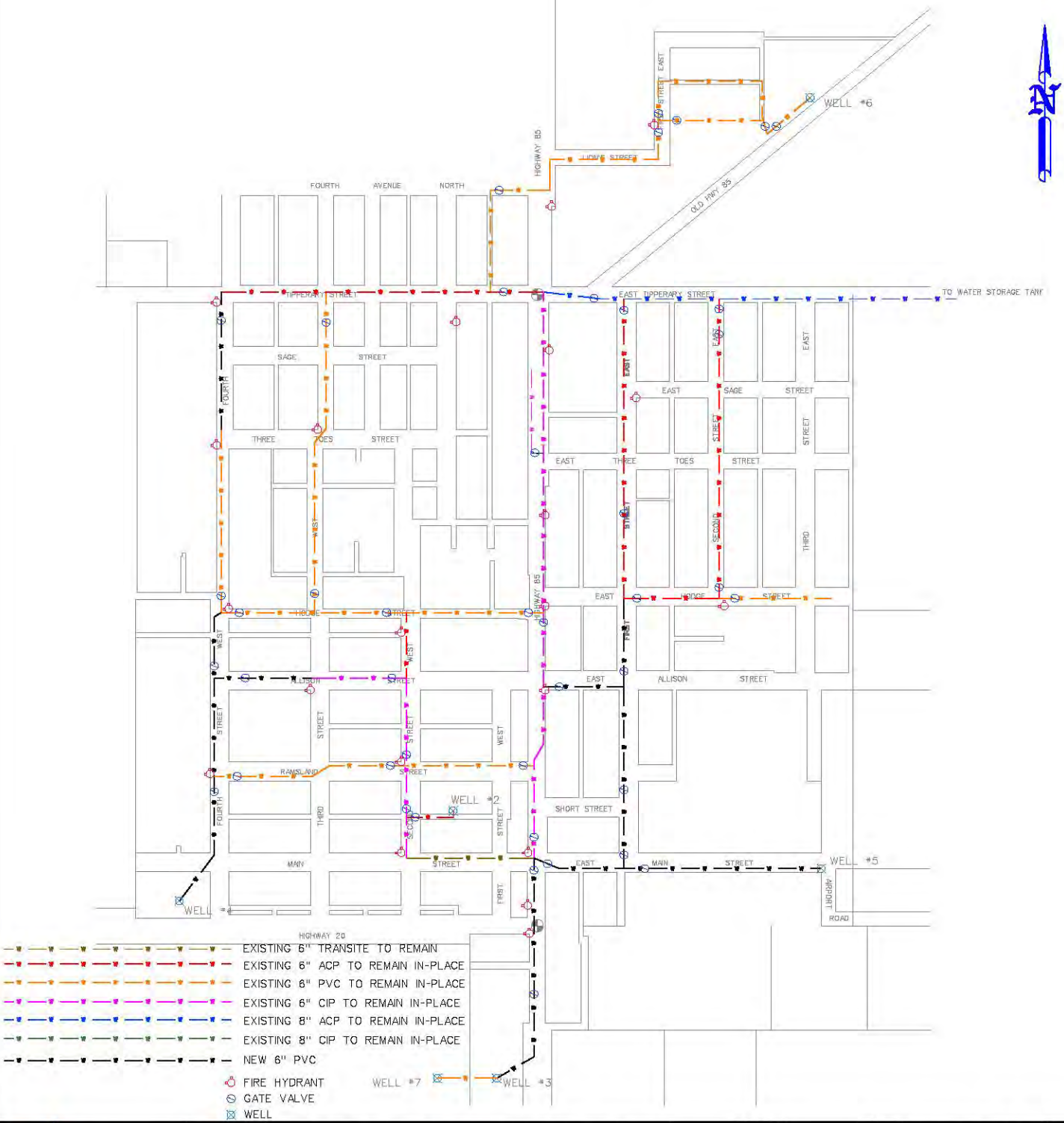
TOWN OF BUFFALO

HARDING COUNTY S. DAK.

SECTION 29 & 30, T 19 N, R 5 E

APPENDIX D

ALTERNATE II



3581 Whitewood Rd. Box 636
Sturgis, SD 57785
PH: 605.347.2722
Brosz ENGINEERING, INC.
ARCHITECTURE ENGINEERING SURVEYING

SHEET DESCRIPTION: Water System Improvements - Alternate II

PROJECT NAME: Buffalo Water Facilities Plan

PROJECT NO.: S14-S821

	REVISION	DATE
1		xx/xx/xx
2		
3		
4		

DESIGNED BY: JTH

DRAWN BY: JTH

DATE PRINTED: 12/16/14

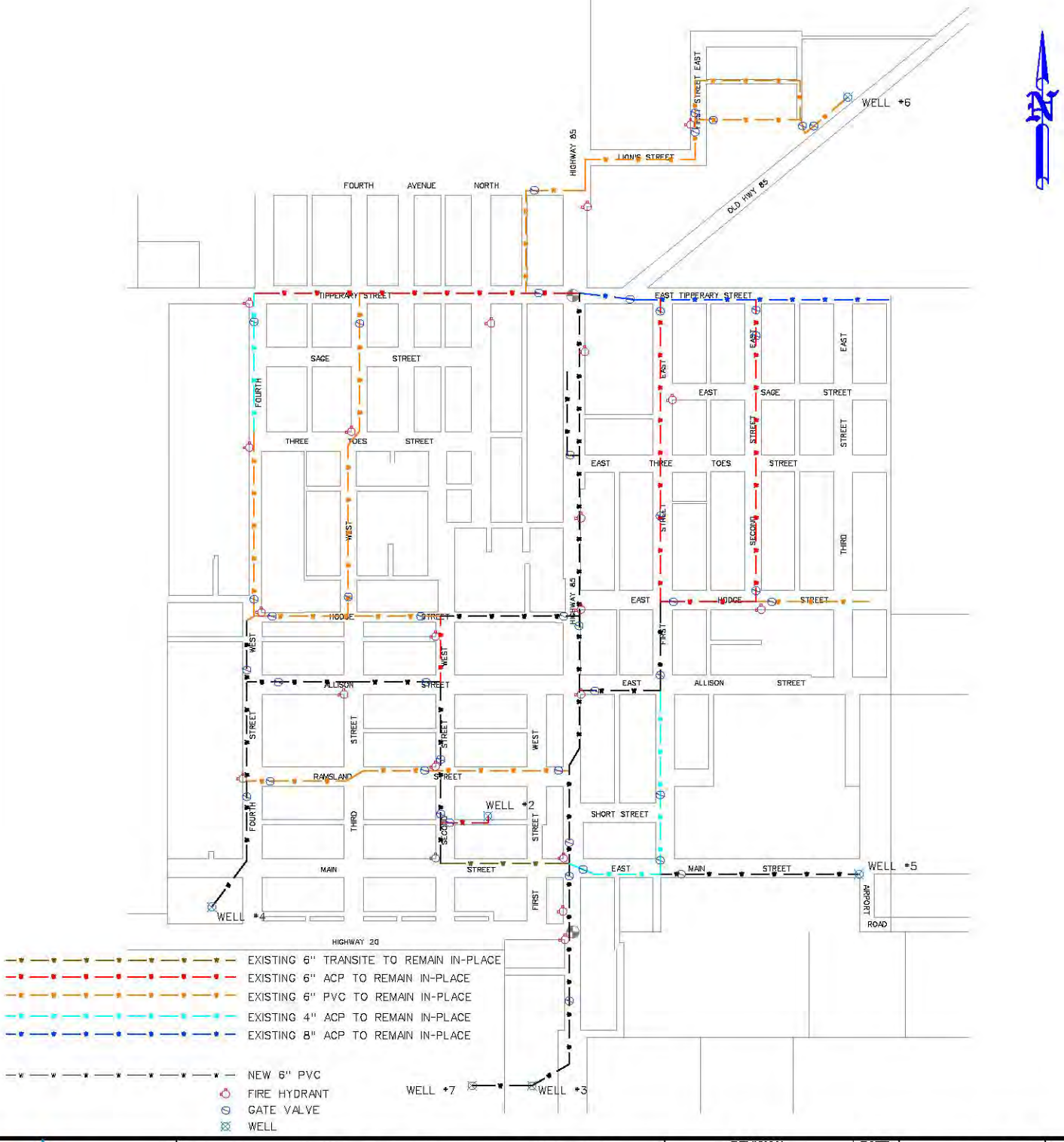
TOWN OF BUFFALO

HARDING COUNTY S. DAK.

SECTION 29 & 30, T 19 N, R 5 E

APPENDIX E

ALTERNATE III



Brosz Engineering, Inc. — Architecture Engineering Surveying — 3561 Whitewood Rd. Box 636, Sturgis, SD 57785, Ph: 605.347.2722	SHEET DESCRIPTION: Water System Improvements - Alternate III	REVISION / DATE	DESIGNED BY: JTH
	PROJECT NAME: Buffalo Water Facilities Plan	1 — xx/xx/xx	DRAWN BY: JTH
	PROJECT NO.: S14-S821	2 —	DATE PRINTED: 12/16/14
		3 —	
		4 —	

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Town of Buffalo
Equivalent Uniform Annual Cost
2/2/2015

Alternate I

Construction Cost

Replace all AC and CI Pipe				
Item	Cost	SV	PW SV	NPW
6" PVC	$ 441,224.00	$ 88,244.80	$ 45,267.82	$ 395,956.18
8" PVC	$ 99,200.00	$ 19,840.00	$ 10,177.52	$ 89,022.48
Street Repair	$ 509,166.00	$ 101,833.20	$ 52,238.40	$ 456,927.60
Valves	$ 72,000.00	$ 14,400.00	$ 7,386.91	$ 64,613.09
Fire Hydrants	$ 76,000.00	$ 15,200.00	$ 7,797.30	$ 68,202.70
Connect Service	$ 200,000.00	$ -	$ -	$ 200,000.00
6"x6" Cross	$ 2,400.00	$ 480.00	$ 246.23	$ 2,153.77
6"x8" Tee	$ 2,400.00	$ 480.00	$ 246.23	$ 2,153.77
6"x6" Tee	$ 28,000.00	$ 5,600.00	$ 2,872.69	$ 25,127.31
6" Bend	$ 7,000.00	$ 1,400.00	$ 718.17	$ 6,281.83
Boring	$ 50,000.00	$ -	$ -	$ 50,000.00
Engineering Cost	$ 125,000.00	$ -	$ -	$ 125,000.00
Miscellaneous	$ 82,000.00	$ -	$ -	$ 82,000.00
Total Construction	$ 1,694,390.00	$ 247,478.00	$ 126,951.28	$ 1,567,438.72

Equivalent Uniform Annual Cost

Replace all AC and CI Pipe				
Item				NPW
NPW Construction Cost				$ 1,567,438.72
Total Net Present Worth				$ 1,567,438.72
Loan Repayment Factor (30 yr Loan @2.25%)				$ 21.65
Equivalent Uniform Annual Cost				$ 72,414.64

Town of Buffalo
Equivalent Uniform Annual Cost
2/2/2015

Alternate II

Construction Cost

Replace all 4" AC and 4" CI Pipe				
Item	Cost	SV	PW SV	NPW
6" PVC	$ 165,508.00	$ 33,101.60	$ 16,980.46	$ 148,527.54
Street Repair	$ 189,152.00	$ 37,830.40	$ 19,406.24	$ 169,745.76
Valves	$ 12,000.00	$ 2,400.00	$ 1,231.15	$ 10,768.85
Fire Hydrants	$ 19,000.00	$ 3,800.00	$ 1,949.32	$ 17,050.68
Connect Service	$ 40,000.00	$ -	$ -	$ 40,000.00
6"x6" Cross	$ 800.00	$ 160.00	$ 82.08	$ 717.92
6"x6" Tee	$ 10,500.00	$ 2,100.00	$ 1,077.26	$ 9,422.74
6" Bend	$ 2,100.00	$ 420.00	$ 215.45	$ 1,884.55
Boring	$ 10,000.00	$ -	$ -	$ 10,000.00
Engineering Cost	$ 50,000.00	$ -	$ -	$ 50,000.00
Miscellaneous	$ 36,000.00	$ -	$ -	$ 36,000.00
Total Construction	$ 535,060.00	$ 79,812.00	$ 40,941.97	$ 494,118.03

Equivalent Uniform Annual Cost

Replace all 4" AC and 4" CI Pipe				
Item				NPW
NPW Construction Cost				$ 494,118.03
Total Net Present Worth				$ 494,118.03
Loan Repayment Factor (30 yr Loan @2.25%)				$ 21.65
Equivalent Uniform Annual Cost				$ 22,827.93

Town of Buffalo
Equivalent Uniform Annual Cost
2/2/2015

Alternate III

Construction Cost

Replace allCI Pipe				
Item	Cost	SV	PW SV	NPW
6" PVC	$ 250,012.00	$ 50,002.40	$ 25,650.24	$ 224,361.76
Street Repair	$ 285,728.00	$ 57,145.60	$ 29,314.55	$ 256,413.45
Valves	$ 36,000.00	$ 7,200.00	$ 3,693.46	$ 32,306.54
Fire Hydrants	$ 38,000.00	$ 7,600.00	$ 3,898.65	$ 34,101.35
Connect Service	$ 50,000.00	$ -	$ -	$ 50,000.00
6"x6" Cross	$ 1,600.00	$ 320.00	$ 164.15	$ 1,435.85
6"x8" Tee	$ 800.00	$ 160.00	$ 82.08	$ 717.92
6"x6" Tee	$ 14,000.00	$ 2,800.00	$ 1,436.34	$ 12,563.66
6" Bend	$ 700.00	$ 140.00	$ 71.82	$ 628.18
Boring	$ 50,000.00	$ -	$ -	$ 50,000.00
Engineering Cost	$ 60,000.00	$ -	$ -	$ 60,000.00
Miscellaneous	$ 42,000.00	$ -	$ -	$ 42,000.00
Total Construction	$ 828,840.00	$ 125,368.00	$ 64,311.29	$ 764,528.71

Equivalent Uniform Annual Cost

Replace all CI Pipe				
Item				NPW
NPW Construction Cost				$ 764,528.71
Total Net Present Worth				$ 764,528.71
Loan Repayment Factor (30 yr Loan @2.25%)				$ 21.65
Equivalent Uniform Annual Cost				$ 35,320.72

WRAP Review Sheet
Drinking Water Facilities Funding Application
Applicant: City of Brandon

Project Title:	Drinking Water System Improvements
Funding Requested:	$12,425,000
Other Proposed Funding:	
Total Project Cost:	$12,425,000
Project Description:	The City proposes to construct two new 1,250,000-gallon water storage tanks to ensure a reliable water supply, adequate system pressures and achieve the recommended storage volume. This project will also loop distribution lines and upsize trunk lines to eliminate bottlenecks, increase flow capacity, and reduce pressure loss.
Alternatives Evaluated:	"No Action Alternative" does not address the demand for additional storage capacity and distribution flow pressures. "New Wells Alternative" proposes to construct one well into Split Rock Creek aquifer and two wells into the Big Sioux aquifer along with a transmission line to connect the wells to the water treatment plant. The City has previously initiated the construction of three new wells using local funds. "New Water Treatment Plant Alternative" would construct a new plant with the same capacity adjacent to the existing treatment plant. A more in depth study is recommended to identify treatment processes, upgrades, and cost estimate. This alternative is not recommended at this time. "New Water Towers Alternative" would construct two new 1,250,000 gallon water towers at the West and East sides of the community in order to increase the system pressure and storage capacity. This alternative is recommended. "Replace ACP Alternative" will replace all of approximately 13,000 feet of asbestos concrete pipe water mains remaining in the City with PVC pipe. This City has started replacing the ACP lines and will continue to incorporate line replacement into future projects.

	"Loop Existing Lines Alternative" proposes to loop existing 8, 12, and 16 inch water main trunk lines to eliminate bottlenecks, increase flow capacity, reduce pressure loss and loop dead end lines. This alternative is recommended.
Implementation Schedule:	TBD
Service Population:	9,532
Current Domestic Rate:	$29.18 per 5,000 gallons usage
Proposed Domestic Rate at Project Completion:	$30.05 per 5,000 gallons usage

Interest Rate: 3% Term: 20 years Security: Water Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan Brandon would have to enact a surcharge of approximately $25.90. When added to current rate of $30.05/5,000 gallons residents would be paying $55.95/5,000 gallons.

25% Funding Subsidy:	$3,106,250 subsidy with a loan of $9,318,750.
Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of $9,318,750 Brandon would have to enact a surcharge of approximately $19.45 thereby paying a rate of $49.50/5,000 gallons.

50% Funding Subsidy:	$6,212,500 subsidy with a loan of $6,212,500.
Coverage at 50% Subsidy:	Based on a 50% subsidy and loan of $6,212,500 Brandon would have to enact a surcharge of approximately $12.95 thereby paying a rate of $43/5,000 gallons.

75% Funding Subsidy:	9,318,750 subsidy with a loan of $3,106,250.
Coverage at 75% Subsidy:	Based on a 75% subsidy and a loan of $3,106,250 Brandon would have to enact a surcharge of approximately $6.50 thereby paying a rate of $36.55/5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: CLAIRE PESCHONG

FINANCIAL REVIEW COMPLETED BY: DAVE RUHNKE

RECEIVED
JAN - 2 2015
Division of Financial & Technical Assistance

SD EForm - 2126LD V2

Drinking Water Facilities Funding Application

Consolidated Water Facilities Construction Program (CWFCP)
Drinking Water State Revolving Fund Program (DWSRF)

Applicant	Proposed Funding Package	
City of Brandon	CWFCP / DWSRF	12,425,000
Address	Local Cash	
PO Box 95 Brandon, SD 57005-00095	Other	
	Other	
Subapplicant	Other	
DUNS Number 556300200	**TOTAL**	12,425,000

Project Title: Brandon Drinking Water System Improvements

Description:

The City of Brandon is seeking funds for improvements to its drinking water system.

The City proposes the construction of two new 1,250,000 gallon water towers to provide adequate storage capacity & pressure. In addition to the City's two existing towers that total 300,000 gallons and an underground 500,000 gallon storage tank, these two new elevated tanks will allow the City to achieve the recommended volume of elevated storage.

The City also proposes the looping of transmission and distribution lines to improve the operation of the system. Existing trunk mains will be upsized to eliminate bottlenecks, new trunk mains will be installed for looping to reduce pressure loss and decrease head loss. The new mains will also loop dead ends in the system. The larger pipe size of the new mains will also reduce head loss.

In addition to the above projects, using local funds, the City of Brandon has previously initiated the construction of three new wells to increase its water supply. The City has also taken steps to raise its water and sewer rates in anticipation of these large projects. The city's rate for 5,000 gallons of drinking water is $30.05. The City has an established reserve fund for its drinking water utility.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Larry Beesley, Mayor, City of Brandon — Larry D. Beesley — 12/19/14

Name & Title of Authorized Signatory (Typed) — Signature — Date

Professional Consultants

Application Prepared By: South Eastern Council of Governments (SECOG)

Contact Person: Kevin Burnison

Mailing Address: 500 N. Western Avenue, Suite 100

City, State, and Zip: Sioux Falls, SD 57104

Telephone Number: (605) 367-5390 Fax: (605) 367-5394

Email address: kevin@secog.org

Consulting Engineering Firm: Stockwell Engineers

Contact Person: Gabe Laber

Mailing Address: 600 N. Main Avenue, Suite 100

City, State, and Zip: Sioux Falls, SD 57104

Telephone Number: (605) 338-6668 Fax: (605) 338-8750

Email address: glaber@stockwellengineers.com Cell (605) 261-0360

Legal Counsel's Firm: Boyce, Greenfield, Pashby,& Welk,LLP

Legal Counsel: Lisa Marso

Mailing Address: 101 N.Phillips Ave. Suite 600

City, State, and Zip: Sioux Falls, SD 57104

Telephone Number: (605) 336-2424 Fax: (605) 334-0618

Email address: lkmarso@bgpw.com

This section applies only to political subdivisions

Bond Counsel's Firm: Meierhenry, Sargent, LLP

Bond Counsel: Todd Meierhenry

Mailing Address: 315 S. Phillips Ave

City, State, and Zip: Sioux Falls, SD 57104

Telephone Number: (605) 336-3075 Fax: (605) 336-2593

Email address: todd@meierhenrylaw.com

BUDGET SHEET

Cost Classification	A CWFCP / DWSRF	B	C	D	E	Total Funds
1. Administrative Expenses						
A. Personal Services						
B. Travel						
C. Legal including Bond Counsel	$200,000.00					$200,000.00
D. Other	$150,000.00					$150,000.00
2. Land, Structure, Right-of-Way	$83,000.00					$83,000.00
3. Engineering						
A. Bidding and Design Fees	$699,000.00					$699,000.00
B. Project Inspection Fees	$698,000.00					$698,000.00
C. Other Testing	$72,000.00					$72,000.00
4. Construction and Project Improvement	$9,150,000.00					$9,150,000.00
5. Equipment						
6. Contractual Services						
7. Other						
8. Other						
9. Subtotal (Lines 1-8)	11,052,000					11,052,000
10. Contingencies	$1,373,000.00					$1,373,000.00
11. Total (Lines 9 and 10)	12,425,000					12,425,000
12. Total %	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%

Columns A - E: Identify each funding source and enter the amounts budgeted by cost category.

Comments: KB Note: reconcile with Public notice & Draft Resolution at $15,811,000.

6

Method of Financing

Source Header	Secured Funds	Unsecured Funds (Date Anticipated)
Local Cash (Identify Source) General Fund		
Other (Explain) CWFCP/DW-SRF		12,425,000 March, 2015
Other (Explain)		
Other (Explain)		
Other (Explain)		
Other (Explain)		
TOTAL		12,425,000

Comments:

7.3.1 Repayment Information

Interest rate and term you are applying for: 3 %, 20 years.

What security is being pledged toward the repayment of this loan?
(Political Subdivisions Only)

- [ ] 1. General Obligation bond (requires bond election)
- [ ] 2. Water Revenue bond
- [x] 3. Project Surcharge Revenue bond
- [ ] 4. Sales Tax Revenue bond

7.3.2 Documents That Must Be Submitted With The Application

Financial Documents

1. Most recent audit or unaudited financial statement to include specific accounting of pledged funds.
2. Current year's budget.

Planning and Legal Documents

1. Governing user charge ordinance or resolution and its effective date.
2. Resolution of authorized signatory for submission of the Drinking Water SRF application and signing of payment requests. This resolution must also include the maximum loan amount requested, interest rate and term being applied for, description of proposed project, and security pledged towards repayment of the loan.
3. Facilities Plan (8.3.18).
4. Capacity Assessment Worksheets (section 8.3.16).

Items 5-7 apply to Nonprofit Entities only

5. By-laws
6. Articles of Incorporation
7. Certificate of Good Standing from Secretary of State

7.3.3 General Information

The month and day your fiscal year begins: January 1

Population Served

Current 9,532 2000 5,693 1990 3,543

Top Five Employers Within 30 Miles	Number of Employees	Type of Business
Sandford Health Systems	8,420	Health Care
Avera Health	6,343	Health Care
John Morrell & Co.	3,300	Meat Processing
Sioux Falls School District	3,000	Education
Wells Fargo	2,858	Financial Services

Please indicate employers within boundary of issuing entity with an asterisk (*).

7.3.4 Drinking Water Utility Information

Current Water Utility Debt

Year	4-1-2000	11-17-2008					
Purpose	Treatment Plant	Stone Ridge Booster					
Security Pledged	Water Revenues 602	Water Rev, 602 Fun					
Amount	$1,877,375.00	$585,000.00					
Maturity Date (mo/yr)	1-1-2015	9-1-2018					
Debt Holder	SD-BWNR	SD-BWNR					
Debt Coverage Requirement	110%	110%					
Avg. Annual Required Payment	$175,707.78	$78,642.38					
Outstanding Balance	$43,926.94	$276,022.65					

Use additional sheets if more room is required to list all current water utility debt.

Brandon DW- Drinking Water Utility Cash Flow for 1-1-2015 App

12-24-2014 Draft

	Prior Year	Prior Year	Current Year	Future Year*
Fiscal Year	2012	2013	2014	2017
OPERATING CASH FLOW				
Water Sales	$ 1,664,777	$ 1,633,332	$ 1,463,730	$ 1,485,000
Other Water Revenue	$ 15,867	$ 17,055	$ 1,000	$ 1,000
Other Water Revenue: Connection Fees			$ 50,000	$ 65,000
Other Water Revenue: Tower Rent, etc			$ 17,500	$ 18,200
OPERATING PAYMENTS				
Personal Services	$ (282,805)	$ (283,956)	$ (359,604)	$ (381,154)
Chemical, Material & Supplies & Elect etc	$ (328,988)	$ (299,853)	$ (445,019)	$ (522,662)
				$ -
				$ -
				$ -
				$ -
				$ -
NET CASH FROM OPERATIONS	$ 1,068,850	$ 1,066,578	$ 727,607	$ 665,384
NONOPERATIONAL CASH FLOW				
Interest Income	$ 2,430	$ 1,701	$ 2,000	$ 1,000
Other Revenue (Explain) Federal Grants				$ -
Long Term Bond Debt -Wells			$ 3,500,000	
Transfers In		$ 312,035		
Recived From Interfund Services	$ 8,122	$ 11,171		
Fixed Asset Sale (Explain)				
Transfers Out (Explain)	$ (2,063,419)	$ (88,613)	$ (15,705)	
Fixed Assets - Wells	$ (277,929)	$ (384,185)	$ (3,765,000)	
Equipment Purchase				
Debt Payment (Principal Only)	$ (206,187)	$ (216,819)	$ (235,103)	$ (531,733)
Debt Payment (Interest Only)	$ (48,319)	$ (41,958)	$ (26,345)	$ (375,320)
Other Expenses - Purchase of securities	$ (2,013)	$ (1,321)		
NET CASH FROM NONOPERATING	$ (2,587,315)	$ (407,990)	$ (540,152)	$ (906,052)
Net Increase (Decrease) in Cash	$ (1,518,465)	$ 658,588	$ 187,455	$ (240,668)
Beginning Cash Balance	$ 1,518,565	$ 100	$ 658,688	$ 1,654,687
Ending Cash Balance	$ 100	$ 658,688	$ 846,143	$ 1,414,019
RESTRICTED BALANCE	$ -	$ -	$ -	$ -
UNRESTRICTED BALANCE	$ 100	$ 658,688	$ 846,143	$ 1,414,019

*Future Year: First full year after project completion

FileName BrandonDrinkingWaterCashFlowDec232014.xlsx

FileLocation P110/Files/Min/Brandon/2014Water&WWaterImprovement

For the purposes of future years:

Projecting 3% increase in operating expenses.
Projecting 0% change in revenues.

Annual Principal Payments	2014	2017
DW-new Drinking Water Loan: 20 yr. 3%		$ (460,812)
DW-01SRF Treatment Plant	(175,708)	
Stone Ridge Booser Station	(59,395)	$ (70,921)
Principal Total	(235,103)	$ (531,733)

Annual Interest Payments	2014	2017
DW-new Drinking Water Loan		$ (367,598)
DW-01SRF Treatment Plant	$ (7,097)	
Stone Ridge Booser Station	$ (19,247)	$ (7,722)
Interest Total	(26,345)	$ (375,320)

Brandon Drinking Water System Improvements Cash Flow Sheets Explanations
12-30-2014

2012 Cash Flow Statement:

1. These numbers are from the 2012 audit report.

2013 Cash Flow Statement:

1. These numbers are from the 2013 audit report.

2014Cash Flow Statement:

1. These numbers are from the 2014 budget.

2017 Cash Flow Statement:

1. These numbers are projections based on operating expenses projected with a 3% increase and projected revenues to have no increase.

Filename BrandonSanSewerCashFlowNotesDec232014 docx
Filelocation P110/Files/Min/Brandon/2014Water&WWaterImprovements/CW-SRF

Restricted Funds Breakdown:

Amount	Anticipated Expense	Method Used to Encumber

Water Fees:

Attach current and proposed rate ordinances or resolutions and rate schedules.

Municipal or Sanitary District - monthly rates at 5,000 gallons (670 cubic feet)

Other Community Water System - monthly rates at 7,000 gallons (935 cubic feet)

Check one: ✓ Incorporated Municipality or Sanitary District

or

___ Other Community Water System

Monthly:	Current Rate	Proposed Rate	# of Accounts	Average use gallons/cubic feet
Domestic	$29.18	$30.05	2,506	6,256 gal/month
Business				
Other: 1" to 1.5" meter	$36.61	$37.71	427	15,973 gal/month

Are fees based on usage or flat rate? Usage.

When is proposed fee scheduled to take effect? 1-2015

When did the current fee take effect? 1-2014

What was the fee prior to the current rate? $28.31

Attach current and proposed rate ordinances or resolutions and rate schedules.

Five Largest Customers	Type of Business	% of System Revenues
Spartan/Crimson Fire	Industrial Manufacturer	2%
Holiday Inn Express BRV, LLC	Motel	1%
Marmen Energy	Manufacturing	1%
Bethany Meadows #2	Health Care/Retirement Communi	1%
Comfort Inn BRV, LLC	Motel	1%

City of Brandon – Drinking Water System Improvements

Appendix A

- Supplemental Signed Application Forms including:

-Certification of Needs Categories,
-EPA Preaward Compliance Review,
-and Certification Regarding Debarment, Suspension, and Other Responsibility Matters.

7.3.8 Certification of Drinking Water Needs Categories

Identify the loan amount associated with the needs category or categories described below. If the loan addresses needs in more than one category, please break down the total amount into estimated amounts for each category.

Definition	Loan Amount
Transmission/Distribution	$5,452,635.00
Treatment	
Storage	$6,972,365.00
Source	$0.00
System Purchase	
Restructuring	
1452(k) Loan Activities	
1. To acquire land or a conservation easement for source water protection.	
2. To implement voluntary, incentive-based source water quality protection measures.	
TOTAL	$12,425,000.00

City of Brandon, Larry Beesley, Mayor, Authorized Rep

Name of Applicant

Larry D. Beesley

Signature of Authorized Representative

12/19/14

Date

7.3.9 Preaward Compliance Review

FORM Approved By OMB: No. 2030-0020 Expires 12-31-2011

United States Environmental Protection Agency
Washington, DC 20460

Preaward Compliance Review Report for All Applicants and Recipients Requesting EPA Financial Assistance

Note : Read instructions on other side before completing form.

I. Applicant/Recipient (Name, Address, State, Zip Code).		DUNS No.
City of Brandon, PO Box 95, Brandon, SD 57005-0095	#7.3.9 For Drinking Water App	556300200

II. Is the applicant currently receiving EPA assistance? No

III. List all civil rights lawsuits and administrative complaints pending against the applicant/recipient that allege discrimination based on race, color, national origin, sex, age, or disability. (Do not include employment complaints not covered by 40 C.F.R. Parts 5 and 7. See instructions on reverse side.) No

IV. List all civil rights lawsuits and administrative complaints decided against the applicant/recipient within the last year that allege discrimination based on race, color, national origin, sex, age, or disability and enclose a copy of all decisions. Please describe all corrective action taken. (Do not include employment complaints not covered by 40 C.F.R. Parts 5 and 7. See instructions on reverse side.) N/A

V. List all civil rights compliance reviews of the applicant/recipient conducted by any agency within the last two years and enclose a copy of the review and any decisions, orders, or agreements based on the review. Please describe any corrective action taken. (40 C.F.R. § 7.80(c)(3)). N/A

VI. Is the applicant requesting EPA assistance for new construction? If no, proceed to VII; if yes, answer (a) and/or (b) below. YES

a. If the grant is for new construction, will all new facilities or alterations to existing facilities be designed and constructed to be readily accessible to and usable by persons with disabilities? If yes, proceed to VII; if no, proceed to VI(b).b. If the grant is for new construction and the new facilities or alterations to existing facilities will not be readily accessible to and usable bypersons with disabilities, explain how a regulatory exception (40 C.F.R. § 7.70) applies.

VII.* Does the applicant/recipient provide initial and continuing notice that it does not discriminate on the basis of race, color, national origin, sex,age, or disability in its programs or activities? (40 C.F.R. § 5.140 and § 7.95) YES

a. Do the methods of notice accommodate those with impaired vision or hearing? Yes b. Is the notice posted in a prominent place in the applicant's offices or facilities or, for education programs and activities, in appropriate periodicals and other written communication? Yes c. Does the notice identify a designated civil rights coordinator? Yes

VIII.* Does the applicant/recipient maintain demographic data on the race, color, national origin, sex, age, or handicap of the population it serves? (40 C.F.R. § 7.85(a)) Yes

IX.* Does the applicant/recipient have a policy/procedure for providing access to services for persons with limited English proficiency? (40 C.F.R. Part 7, E.O. 13166) Yes

X.* If the applicant/recipient is an education program or activity, or has 15 or more employees, has it designated an employee to coordinate its compliance with 40 C.F.R. Parts 5 and 7? Provide the name, title, position, mailing address, e-mail address, fax number, and telephone number of the designated coordinator. Yes Dan Oakland, City HR, City of Brandon, PO Box 95, Brandon, SD 57005 Ph(605) 582-6515 FAX (605) 582-6831 email doakland@cityofbrandon.org

XI* If the applicant/recipient is an education program or activity, or has 15 or more employees, has it adopted grievance procedures that assure the prompt and fair resolution of complaints that allege a violation of 40 C.F.R. Parts 5 and 7? Provide a legal citation or Internet address for, or a copy of, the procedures. City Hall www.brandonsd.com

For the Applicant/Recipient I certify that the statements I have made on this form and all attachments thereto are true, accurate and complete. I acknowledge that any knowingly false or misleading statement may be punishable by fine or imprisonment or both under applicable law. I assure that I will fully comply with all applicable civil rights statutes and EPA regulations.

A. Signature of Authorized Official	B. Title of Authorized Official	C. Date
Larry D. Beesley	Mayor Larry Beesley, City of Brandon	12/19/14

For the U.S. Environmental Protection Agency I have reviewed the information provided by the applicant/recipient and hereby certify that the applicant/recipient has submitted all preawardcompliance information required by 40 C.F.R. Parts 5 and 7; that based on the information submitted, this application satisfies the preaward provisionsof 40 C.F.R. Parts 5 and 7; and that the applicant has given assurance that it will fully comply with all applicable civil rights statutes and EPA regulations.

A. Signature of Authorized EPA Official See ** note on reverse side.	B. Title of Authorized EPA Official	C. Date

EPA Form 4700-4 (Rev. 03/2008). Previous editions are obsolete.

7.3.10 Certification Regarding Debarment, Suspension, and Other Responsibility Matters

DW

The prospective participant certifies to the best of its knowledge and belief that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within a three year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and

(d) Have not within a three year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

I understand that a false statement on this certification may be grounds for rejection of this proposal or termination of the award. In addition, under 18 U.S.C. §1001, a false statement may result in a fine of up to $10,000 or imprisonment for up to 5 years, or both.

Mayor Larry Beesley, City of Brandon

Name & Title of Authorized Representative

Larry D. Beesley 12/19/14

Signature of Authorized Representative Date

___ I am unable to certify to the above statements. Attached is my explanation

Resolution #23-14

CW-SRF FUNDING APPLICATION SPONSORSHIP
DRINKING WATER SYSTEM IMPROVEMENTS PROJECT

WHEREAS, the Brandon City Council has determined the need for a Drinking Water System Improvements Project; and

WHEREAS, loan assistance is necessary to enable the City of Brandon to construct these improvements; and

WHEREAS, the Brandon City Council is desirous of obtaining a $12,425,000 20 year loan, to be repaid with water system revenues, at 3.0% from the Drinking Water State Revolving Fund Program of the South Dakota Department of Environmental and Natural Resources for these improvements.

BE IT RESOLVED by the Brandon City Council that the City Council hereby authorizes the filing of an application, including all understandings and assurances contained therein, for the Drinking Water State Revolving Fund Loan Program, and hereby designates the Mayor to act as signatory in connection with the application, loan agreement, payment requests, and other required forms, and to provide such additional information as may be required by the State of South Dakota.

Adopted this 15th day of December 2014.

ATTEST:

Larry D. Beesley

Larry Beesley, Mayor

Bryan H. Read, City Administrator

RESOLUTION #31-13

WHEREAS, Brandon Municipal Ordinance #14-4-2 states: "The rates and charges for the consumption of utility services furnished by the city, as well as the charges and fees for connections thereto, shall be as determined by the city council from time to time and on file in the office of the municipal finance officer."

THEREFORE LET IT BE RESOLVED, that the following rates are hereby established and become effective for residential and commercial users of the Brandon Water System beginning with the January, 2014 billing.

Meters 1" or smaller,. A base fee of $7.43 plus $4.35 per each thousand gallons or fraction thereof.
Meters 1" to 1.5",..... A base fee of $14.86 plus $4.35 per each thousand gallons or fraction thereof.
Meters 1.5" to 2",..... A base fee of $29.72 plus $4.35 per each thousand gallons or fraction thereof.
Meters 2" to 3",..... A base fee of $66.87 plus $4.35 per each thousand gallons or fraction thereof.

BE IT FURTHER RESOLVED, that rates need to be considered on a regular basis to keep increases to a minimum yet providing enough revenue to insure that the Water Fund is operating in the black.

Dated this 2nd day of December, 2013.

Larry D. Beesley
Mayor

ATTEST:

Dennis E. Olson
Municipal Finance Officer

(SEAL)

Current Water Rates
Effective with January 2014
Billing

RESOLUTION #16-14

WHEREAS, Brandon Municipal Ordinance #14-4-2 states: "The rates and charges for the consumption of utility services furnished by the city, as well as the charges and fees for connections thereto, shall be as determined by the city council from time to time and on file in the office of the municipal finance officer."

THEREFORE LET IT BE RESOLVED, that the following rates are hereby established and become effective for residential and commercial users of the Brandon Water System beginning with the January, 2015 billing.

Meters 1" or smaller,.....	A base fee of $7.65 plus $4.48 per each thousand gallons or fraction thereof.
Meters 1" to 1.5",.....	A base fee of $15.31 plus $4.48 per each thousand gallons or fraction thereof.
Meters 1.5" to 2",.....	A base fee of $30.61 plus $4.48 per each thousand gallons or fraction thereof.
Meters 2" to 3",.....	A base fee of $68.88 plus $4.48 per each thousand gallons or fraction thereof.

BE IT FURTHER RESOLVED, that rates need to be considered on a regular basis to keep increases to a minimum yet providing enough revenue to insure that the Water Fund is operating in the black.

Dated this 17th day of November, 2014.

Larry D. Beesley
Mayor

ATTEST:

Dennis E. Olson
Municipal Finance Officer

(SEAL)

"New" Water Rates

Effective with January 2015 Billing

38	07-01-2009	43,926.94	10,444.81	182.13	846,081.05
39	10-01-2009	43,926.94	10,047.21	879.73	812,201.32
2009 TOTALS:		175,707.76	42,555.84	133,151.92	
40	01-01-2010	43,926.94	9,644.89	34,282.05	777,919.27
41	04-01-2010	43,926.94	9,237.79	34,689.15	743,230.12
42	07-01-2010	43,926.94	8,825.86	35,101.08	708,129.04
43	10-01-2010	43,926.94	8,409.03	35,517.91	672,611.13
2010 TOTALS:		175,707.76	36,117.57	139,590.19	
44	01-01-2011	43,926.94	7,987.26	35,939.68	636,671.45
45	04-01-2011	43,926.94	7,560.47	36,366.47	600,304.98
46	07-01-2011	43,926.94	7,128.63	36,798.31	563,506.67
47	10-01-2011	43,926.94	6,691.64	37,235.30	526,271.37
2011 TOTALS:		175,707.76	29,368.00	146,339.76	
48	01-01-2012	43,926.94	6,249.47	37,677.47	488,593.90
49	04-01-2012	43,926.94	5,802.05	38,124.89	450,469.01
50	07-01-2012	43,926.94	5,349.32	38,577.62	411,891.39
51	10-01-2012	43,926.94	4,891.21	39,035.73	372,855.66 372,855.16
13 2012 TOTALS:		175,707.76	22,292.05	153,415.71	
52	01-01-2013	43,926.94	4,427.86 66	39,499.28	333,356.38
53	04-01-2013	43,926.94	3,958.81 61	39,968.33	293,388.05
54	07-01-2013	43,926.94	3,483.98	40,442.96	252,945.09
55	10-01-2013	43,926.94	3,003.73	40,923.21	212,021.88
2013 TOTALS:		175,707.76	14,873.98	160,833.78	
56	01-01-2014	43,926.94	2,517.76	41,409.18	170,612.70
57	04-01-2014	43,926.94	2,026.02	41,900.92	128,711.78
58	07-01-2014	43,926.94	1,528.45	42,398.49	86,313.29
59	10-01-2014	43,926.94	1,024.98	42,901.96	43,411.33
2014 TOTALS:		175,707.76	7,097.21	168,610.55	
60	01-01-2015	43,926.94	515.61	43,411.33	0.00
2015 TOTALS:		43,926.94	515.61	43,411.33	
TOTALS:		2,635,616.40	758,241.40	1,877,375.00	

NOTICE: This is an estimated loan amortization schedule. Actual amounts may vary if payments are made on different dates or in different amounts.

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602 Fund

Existing Water Debt #1

Treatment Plant

Maturity 1-1-2015

TOTAL P.02

P.1 of 2

(2)

Principal	Loan Date	Maturity	Loan No
$1,877,375.00		01-01-2015	

References in the shaded area are for Lender's use only and do not

Borrower: City of Brandon # 1 Drink Water SRF
PO Box 95
Brandon, SD 57005-0095

L

Post-it® Fax Note 7671	Date 6-12	# of pages > 2
To Judy	From Bill Lee	
Co./Dept. City of Brandon	Co. FUB	
Phone #	Phone # 335-5242	
Fax # 582.6831	Fax #	

PIERRE, SD 57501

Treatment Plant SRF

Disbursement Date:
Interest Rate: 4.750

Repayment Schedule: Installment
Calculation Method: 30/360 US Rule

Payment Number	Payment Date	Payment Amount	Interest Paid **	Principal Paid	Remaining Balance
1	04-01-2000	43,926.94	22,293.82	21,633.12	1,855,741.88
2	07-01-2000	43,926.94	22,036.94	21,890.00	1,833,851.88
3	10-01-2000	43,926.94	21,776.99	22,149.95	1,811,701.93
2000 TOTALS:		131,780.82	66,107.75	65,673.07	
4	01-01-2001	43,926.94	21,513.96	22,412.98	1,789,288.95
5	04-01-2001	43,926.94	21,247.81	22,679.13	1,766,609.82
6	07-01-2001	43,926.94	20,978.49	22,948.45	1,743,661.37
7	10-01-2001	43,926.94	20,705.98	23,220.96	1,720,440.41
2001 TOTALS:		175,707.76	84,446.24	91,261.52	
8	01-01-2002	43,926.94	20,430.23	23,496.71	1,696,943.70
9	04-01-2002	43,926.94	20,151.20	23,775.74	1,673,167.96
10	07-01-2002	43,926.94	19,868.87	24,058.07	1,649,109.89
11	10-01-2002	43,926.94	19,583.18	24,343.76	1,624,766.13
2002 TOTALS:		175,707.76	80,033.48	95,674.28	
12	01-01-2003	43,926.94	19,294.10	24,632.84	1,600,133.29
13	04-01-2003	43,926.94	19,001.58	24,925.36	1,575,207.93
14	07-01-2003	43,926.94	18,705.60	25,221.34	1,549,986.59
15	10-01-2003	43,926.94	18,406.09	25,520.85	1,524,465.74
2003 TOTALS:		175,707.76	75,407.37	100,300.39	
16	01-01-2004	43,926.94	18,103.03	25,823.91	1,498,641.83
17	04-01-2004	43,926.94	17,798.37	26,130.57	1,472,511.26
18	07-01-2004	43,926.94	17,486.07	26,440.87	1,446,070.39
19	10-01-2004	43,926.94	17,172.09	26,754.85	1,419,315.54
2004 TOTALS:		175,707.76	70,557.56	105,150.20	
20	01-01-2005	43,926.94	16,854.37	27,072.57	1,392,242.97
21	04-01-2005	43,926.94	16,532.88	27,394.06	1,364,848.91
22	07-01-2005	43,926.94	16,207.59	27,719.35	1,337,129.56
23	10-01-2005	43,926.94	15,878.41	28,048.53	1,309,081.03
2005 TOTALS:		175,707.76	65,473.25	110,234.51	
24	01-01-2006	43,926.94	15,545.34	28,381.60	1,280,699.43 ✓
25	04-01-2006	43,926.94	15,208.30	28,718.64	1,251,980.79 ✓
26	07-01-2006	43,926.94	14,867.27	29,059.67	1,222,921.12
27	10-01-2006	43,926.94	14,522.19	29,404.75	1,193,516.37 ✓
2006 TOTALS:		175,707.76	60,143.10	115,564.66	
28	01-01-2007	43,926.94	14,173.01	29,753.93	1,163,762.44
29	04-01-2007	43,926.94	13,819.88	30,107.26	1,133,655.18
30	07-01-2007	43,926.94	13,462.15	30,464.79	1,103,190.39
31	10-01-2007	43,926.94	13,100.39	30,826.55	1,072,363.84
2007 TOTALS:		175,707.76	54,555.23	121,152.53	
32	01-01-2008	43,926.94	12,734.32	31,192.62	1,041,171.22
33	04-01-2008	43,926.94	12,363.91	31,563.03	1,009,608.19
34	07-01-2008	43,926.94	11,989.09	31,937.85	977,670.34
35	10-01-2008	43,926.94	11,609.84	32,317.10	945,353.24
2008 TOTALS:		175,707.76	48,697.16	127,010.60	
36	01-01-2009	43,926.94	11,226.07	32,700.87	912,652.37
37	04-01-2009	43,926.94	10,837.75	33,089.19	879,563.18

** INTEREST PAID also includes Administrative Surcharge amounts.

dm. 12/18
6/18
10/1
1/1/08
4/1/08

P. 2 of 2

(1)

Stone Ridge Booster Station		6%			
Payment Dates	Beginning Balance	Principal	Interest	Total Payment	Ending Balance
March 1, 2009	$585,000.00	$21,771.19	$7,020.00	$28,791.19	$563,228.81
September 1, 2009	$563,228.81	$22,424.32	$16,896.86	$39,321.18	$540,804.49
March 1, 2010	$540,804.49	$23,097.05	$16,224.13	$39,321.18	$517,707.44
September 1, 2010	$517,707.44	$23,789.97	$15,531.22	$39,321.19	$493,917.47
March 1, 2011	$493,917.47	$24,503.66	$14,817.52	$39,321.18	$469,413.81
September 1, 2011	$469,413.81	$25,238.77	$14,082.41	$39,321.18	$444,175.04
4 March 1, 2012	$444,175.04	$25,995.94	$13,325.25	$39,321.19	$418,179.10
September 1, 2012	$418,179.10	$26,775.82	$12,545.37	$39,321.19	$391,403.28
March 1, 2013	$391,403.28	$27,579.09	$11,742.10	$39,321.19	$363,824.19
5 September 1, 2013	$363,824.19	$28,406.46	$10,914.73	$39,321.19	$335,417.73
6 March 1, 2014	$335,417.73	$29,258.66	$10,062.53	$39,321.19	$306,159.07
September 1, 2014	$306,159.07	$30,136.42	$9,184.77	$39,321.19	$276,022.65
7 March 1, 2015	$276,022.65	$31,040.51	$8,280.68	$39,321.19	$244,982.14
September 1, 2015	$244,982.14	$31,971.72	$7,349.46	$39,321.18	$213,010.42
8 March 1, 2016	$213,010.42	$32,930.88	$6,390.31	$39,321.19	$180,079.54
September 1, 2016	$180,079.54	$33,918.80	$5,402.39	$39,321.19	$146,160.74
9 March 1, 2017	$146,160.74	$34,936.37	$4,384.82	$39,321.19	$111,224.37
September 1, 2017	$111,224.37	$35,984.46	$3,336.73	$39,321.19	$75,239.91
10 March 1, 2018	$75,239.91	$37,063.99	$2,257.20	$39,321.19	$38,175.92
September 1, 2018	$38,175.92	$38,175.92	$1,145.28	$39,321.20	$0.00
		$585,000.00	$190,893.76	$775,893.76	

Existing Water Debt
Sales Tax Rev Bond
Pd by 602 fund
- Pd by water revenue

little off by what First Nat'l gave me

39,321.19
x 2
78,642.38
Current Annual Required Payment

#2 Maturity
9-1-2018

Paid By Water Revenue

EXTRACT OF MINUTES OF MEETING OF
THE CITY COUNCIL OF THE CITY OF BRANDON
MINNEHAHA COUNTY, SOUTH DAKOTA

A regular meeting of the City Council of the City of Brandon, Minnehaha County, South Dakota, held at the regular meeting room of the Council, said meeting being held on November 17, 2008, at 6:00 o'clock p.m., pursuant to law.

The following members were present: Brooks, Buck, Hammond, Jones, and Mostek. The following were absent: Karber.

Alderman Buck read and presented the following resolution and moved that the same be passed:

RESOLUTION #29-08

RESOLUTION GIVING APPROVAL TO THE ACQUISITION, CONSTRUCTION AND FINANCING OF WATER UTILITY IMPROVEMENT PROJECT, GIVING APPROVAL TO THE ISSUANCE OF SALES TAX REVENUE BONDS TO FINANCE A PORTION OF THE COSTS OF SUCH PROJECT AND AUTHORIZING THE SALE OF SAID SALES TAX REVENUE BONDS

NOW, THEREFORE, BE IT RESOLVED AND ORDAINED by the City Common Council of the City of Brandon as follows:

1. Recitals. The City of Brandon (the "City") desires financing for Water Utility Improvement located within the City (the "Project") which project has been approved prior hereto and copies of plans are on file with the finance officer open to public inspection.

2. Authority. The City is authorized and declares a necessity to issue its Sales Tax Revenue Bonds, Series 2008, to finance the capital improvements pursuant to Section 10-52-2.10 of the South Dakota Codified Laws. Pursuant to Chapter 10-52 of the South Dakota Codified Laws (the "Act") the City proposes to issue municipal non ad valorem revenue bonds (as herein authorized, the Sales Tax Revenue Bonds, Series 2008, or the "Bonds") to finance the Project. The City is authorized by the Sales Tax Act to levy two percent "non ad valorem tax" (as defined by the Act) on the sale, use, storage, and consumption of items taxed under Chapters 10-45 and 10-46 of the South Dakota Laws, subject to certain, as amended, exceptions.

3. Sales Tax Ordinance. The City Common Council has enacted Section 11-1 of the Brandon Municipal Code which constitutes the City's effective Sales Tax Ordinance (the "Sales Tax Ordinance"). The Sales Tax Ordinance has been duly adopted pursuant to the Act and effectively and validly imposes a one percent sales and use tax authorized by the Act within the City.

4. Cost of the Project. The cost of the Project will not exceed $750,000.00. The City proposes to finance not to exceed $706,000 of the Project through the issuance of Sales Tax Revenue Bonds, Series 2008 (the "Bonds").

5. Findings. The City Common Council hereby finds and determines as follows:

   5.1 The Project constitutes improvements which qualify for the financing under and

pursuant to SDCL Chapter 10-52, and the Sales Tax Ordinance; and

5.2 The Sales Tax Revenue Bonds Authorized hereby are being issued to pay costs of the Project which have not been incurred or paid as of the date hereof and/or which the City has heretofore declared its intention to finance with bond proceeds and for which the City has no other available means or source of financing.

5.3 It is in the best interests of the City to authorize the borrowing of funds to pay a portion of the costs of the Project by authorizing and issuing its Sales Tax Revenue Bonds, Series 2008, consistent with the terms approved hereby for an aggregate sum not in excess of the amount of $706,000.

6. Sale of Bonds. It is hereby determined to be necessary and in the best interests of the City and its inhabitants that this City Common Council authorize, issue and sell the Bonds (the "Bonds") in order to finance a portion of the cost of the Project. The Mayor and Finance officer are authorized to negotiate the sale and terms of the Bonds subject to the limitations of the law and this resolution.

7. No Election Required. The Bonds may be issued by the City without an election pursuant to SDCL §10-52-2.10.

8. Form of Bonds. The Bonds shall be prepared in substantially the form on file with the Finance Officer and open to public inspection.

9. Terms of Bonds.

9.1 Date, Amount, Maturities and Interest Rates. The City Common Council hereby authorizes the issuance of the Bonds. The Bonds shall be dated in 2008. The principal amount of the Bonds shall not exceed any statutory or constitutional debt limitation. The Bonds shall have maturities not to exceed twenty (20) years and interest rates not exceeding an average interest rate of 8.00%, all as negotiated by the Mayor and Finance Officer.

9.2 Registration. The City hereby appoints its Finance Officer as paying agent, registrar and transfer agent (the "Registrar") for the Bonds. The City reserves the right to appoint a financial institution as Registrar upon thirty (30) days notice. The effect of registration and the rights and duties of the City and the Registrar with respect thereto shall be as follows:

9.2.1.1 Register. The Registrar shall keep at its office a register (the "Register") in which the Registrar shall provide for the registration of ownership of the Bonds and the registration of transfers and exchanges of the Bonds entitled to be registered, transferred or exchanged. If it is determined that the Bonds be registered in the name of Cede & Co., as nominee of the Depository Trust Corporation ("DTC"), which will act as securities depository for the Bonds, then all terms and conditions of DTC shall be attached to this resolution and incorporated herein as if stated in full.

9.2.1.2 Transfer of Bonds. When a Bond is surrendered for transfer it shall be duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer in form satisfactory to the Registrar; duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner thereof. If the

Bond is properly surrendered as provided above, the Registrar shall authenticate and deliver, in the name of the designated transferee, a new Bond of a like aggregate principal amount and maturity. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until such interest payment date.

9.2.1.3 Exchange of Bonds. Whenever a Bond is surrendered by the registered owner for exchange the Registrar shall authenticate and deliver the new Bond of a like aggregate principal amount and maturity, as required by the registered owner or the owner's attorney in writing.

9.2.1.4 Cancellation. All Bonds surrendered upon any transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the City.

9.2.1.5 Improper or Unauthorized Transfer. When any Bond is presented the Registrar may refuse to transfer the same until satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfer which, in their judgment, are deemed improper or unauthorized.

9.2.1.6 Persons Deemed Owners. The City, Paying Agent and Registrar may treat the person whose name any Bond is at any time registered in the Register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

9.2.1.7 Taxes, Fees and Charges. For every transfer or exchange of Bond, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

9.2.1.8 Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Registrar shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory that such Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to the Registrar, in which the City and the Registrar shall be named as

obliges. All Bonds so surrendered to the Registrar shall be canceled by him and evidence of such cancellation shall be given to the City. If the mutilated, destroyed, stolen or lost certificate has already matured or has been called for redemption in accordance with its terms it shall not be necessary to issue a new Bond prior to payment.

9.3 Preparation and Delivery. The Bonds shall be prepared under the direction of the Finance Officer and shall be executed on behalf of the City by the facsimile or manual signatures of the Mayor and the Finance Officer and countersigned by the facsimile or manual signature of an attorney actually residing in the State of South Dakota and duly licensed to practice therein.

9.4 Security Provisions; Funds and Accounts and Other Covenants and Determinations.

9.4.1 Sales Tax Revenue Bond Fund. The Finance Officer is hereby authorized and directed to establish and shall maintain the Sales Tax Revenue Bond Fund as a separate and special fund in the financial records of the City until all Bonds issued and made payable therefrom, and interest due thereon, have been duly paid or discharged. All collections of the Pledged Revenues, as hereinafter defined, shall be credited, as received, to the Sales Tax Revenue Bond Fund. Within the Sales Tax Revenue Bond Fund are various separate accounts to be maintained by the City.

9.4.3 Pledged Revenues. Pursuant to the Act and the Sales Tax Ordinance, the City has levied the Sales Tax on the sale, use, storage and consumption of items taxes under Section 10-45 and 10-46 of South Dakota Codified Laws, subject to certain exception. The proceeds of the City Sales Tax shall be deposited to the Sales Tax Revenue Bond Fund. The amount of Sales Taxes collected is referred to herein as the "Pledged Revenues". For purposes of this Resolution, "Outstanding Bonds" shall mean these Bonds and any parity lien bonds herebefore or hereafter issued pursuant to this Resolution. The Pledged Revenues and the Sales Tax Revenue Bond Fund shall be used and applied only in the manner and order hereinafter set forth.

9.4.3 Construction Account. There is hereby created and established as an account of the Sales Tax Revenue Bond Fund, a "Construction Account". There shall be credited to the Construction Account the proceeds from the sale of the Bonds remaining after payment of the expenses of issuing the Bonds. All moneys credited to the Construction Account shall be applied solely to the payment of the costs of the Project. For the purposes of this Resolution, "costs of the Project" shall include costs of acquiring, construction, and installing the Project including cost of labor, services, materials and supplies, financial, architectural, engineering, legal, accounting and other professional expenses relating to the Project, the costs of acquisition or properties, rights, easements, or other interest in properties, insurance premiums, and the costs of publishing, posting or mailing notices in connection with the Project. All sums derived from the investment of moneys in the Construction Account shall remain in and become part of such account. Upon completion of the Project and when all costs of the Project have been paid, any balance remaining in the Construction Account shall be credited to the Principal and Interest

Account hereinafter established.

9.4.4 Principal and Interest Account. There is hereby created and established as an account of the Sales Tax Revenue Bond Fund, a "Principal and Interest Account." Immediately upon delivery of the Bonds, there shall be credited to the Principal and Interest Account the amount of any accrued interest received from the Purchaser. Commencing on the first day of the month following the month in which the Bonds are delivered to the Purchaser, there shall be withdrawn from the Sales Tax Revenue Bond Fund, at least monthly and credited to the Principal and Interest Account an amount which will equal at least one-over the number of months between interest payments of the interest becoming due on the next succeeding interest payment date with respect to the Outstanding Bonds issued. Commencing on the first day of the month following the month in which the Bonds are delivered to the Purchaser, there shall be withdrawn from the Sales Tax Revenue Bond Fund at least monthly and credited to the Principal and Interest Account, an amount which will equal at least one over the number of mounts between principal payments of the principal becoming due on the next succeeding principal payment date with respect to the Outstanding Bonds. In all events there shall be credited to the Principal and Interest Account amounts sufficient to pay the principal of and interest on the Outstanding Bonds as the same become due.

9.4.5 Subordinate Lien Bonds. After making the above required payments, any remaining Pledged Revenues shall be used for the payment of the principal of and interest on any additional sales tax revenue bonds having a lien which is subordinate to the lien of the Outstanding Bonds, and for a reserve fund as additional security for the payment of such subordinate lien bonds.

9.4.6 Inter-fund Transfer. So long as the revenues from the Sales Tax are sufficient to make all required deposits to the Principal and Interest Account, the City may deposit the excess revenues from the Sales Tax to the general fund or any other City fund as determined by the City and as permitted by law.

9.4.7 Deposit and Investment of Funds. The Finance Officer shall cause all moneys pertaining to the Fund to be deposited as received with one or more banks which are duly qualified public depositories under the provisions of Chapter 4-6A, South Dakota Codified Laws, in a deposit account or accounts, which shall be maintained separate and apart from all other accounts of the City, so long as any of the Bonds and the interest thereon shall remain unpaid. Any of such moneys not necessary for immediate use may be deposited with such depository banks in savings or time deposits. No moneys shall at any time be withdrawn from such deposit accounts except for the purposes of the Fund as authorized in this Resolution; except that moneys from time to time on hand in the Fund may at any time, in the discretion of this Council, be invested in securities permitted by the provisions of Section 4-5-6, South Dakota Codified Laws, maturing and bearing interest at the times and in the amounts estimated to be required to provide cash when needed for the purposes of the respective accounts. Income received from the deposit or investment of moneys shall be credited to the account from whose moneys the deposit was made or the investment was purchased, and handled and accounted for

in the same manner as other moneys in that account.

9.5 Additional Bonds.

9.5.1 No additional Bonds shall be issued, be made payable from the Pledged Revenues or have a lien upon such revenues or the Sales Tax Revenue Bond Fund which is prior to or superior to the lien of the Bonds authorized herein.

9.5.2 Nothing in this Resolution shall be construed in such manner as to prevent the issuance by the City of additional bonds payable from the Pledged Revenues and constituting a lien upon the Pledged Revenues and the Sales Tax Revenue Bond Fund equal to or on a parity with the lien of the Bonds authorized herein (such additional bonds being referred to herein as "Additional Bonds"), provided (i) the City is current in the payment of principal and interest on the Outstanding Bonds and is current in the accumulations required for the Principal and Interest Account, (ii) the City is in compliance with the covenants herein contained, and either (iii) the Pledged Revenues collected by the City in the list preceding fiscal year (as determined by the City) is sufficient to cover 1.15 times the combined average annual principal and interest requirements on the Outstanding Bonds, and the proposed parity lien bonds, or (iv) the estimated Pledged Revenues to be collected in the fiscal year in which the proposed parity lien bonds will be issued shall be at least equal to 1.15 times the combined average annual principal and interest requirements of the Outstanding Bonds and the proposed parity lien bonds.

9.5.3 Nothing herein shall prevent the City from issuing Bonds payable from the Pledged Revenues and the Sales Tax Revenue Bond fund or having a lien thereon which is junior and subordinate to the lien of the Bonds authorized herein.

9.6 Covenants of the City. The City hereby irrevocably covenants and agrees with each and every holder of the Bonds that so long as any of the Bonds remain outstanding:

9.6.1 It will not amend or repeal the Sales Tax Ordinance relating to the Sales Tax by decreasing the Sales Tax rate or the allocation of revenues thereof to the Sales Tax Revenue Bond Fund, or in any way that would adversely affect the amount of Sales Tax revenues which would otherwise be collected and deposited to the Sales Tax Revenue Bond Fund. However, nothing shall prevent the City from amending the Sales Tax Ordinance in order to make certain changes in the administration, collection or enforcement of the Sales Tax, provided that such changes would not materially adversely affect the owners of the Bonds.

9.6.2 It will administer, enforce, and collect, or cause to be administered, enforced or collected, the Sales Tax authorized by the Sales Tax Ordinance and shall take such necessary action to collect delinquent payments in accordance with law.

9.6.3 It will keep or cause to be kept such books and records showing the proceeds of the Sales Tax, in which complete entries shall be made in accordance with standard principles of accounting, and any owner of any

Bond shall have the right at all reasonable times to inspect the records and accounts relating to the collection and receipts of such Sales Tax.

9.6.4 In the event the Sales Tax of the City is replaced and superseded by the state collected-locally shared sales tax or taxes, or is replaced and superseded in some other manner form other source or sources, the revenues derived by the City from the replacement source or sources, as received by the City shall be appropriated in the same manner as if the City had levied and imposed a sales tax. From and after the date of a replacement, the Outstanding Bonds shall have a first and prior lien, but not necessarily an exclusive lien, upon such replacement revenues to the extent therein specified.

9.7 Defeasance. When all the Bonds issued have been discharged as provided in this section, all pledges, covenants, and other rights granted by this resolution to the registered owners of the Bonds shall cease. The City may discharge its obligations with respect to any Bonds which are due on any date by providing to the Paying Agent on or before that date a sum sufficient for the payment thereof in full; or, if the any Bond should not be paid when due, it may nevertheless be discharged by providing to the Paying Agent a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The City may also discharge its liability with reference to all Bonds which are called for redemption on any date in accordance with their terms by depositing funds with the Paying Agent on or before that date in accordance with their terms by depositing funds with the Paying Agent on or before that date, in an amount equal to the principal, interest, and premium, if any, which are then due thereon, provided that notice of such redemption has been duly given. The City may also at any time discharge this issue of Bonds in its entirety, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a bank qualified by law as an escrow agent for this purpose, cash or Untied States government obligations which are authorized by law to be so deposited, bearing interest payable at such times and at such rates and maturing on such dates as shall be required to provide funds (without an reinvestment) sufficient to pay all principal, interest and premiums, if any, to become due on all Bonds on and before maturity, or, if a Bond has been duly called for redemption, on or before the designated redemption date.

9.8 Tax Matters; Certification of Proceedings and Miscellaneous.

9.8.1 Tax Matters. The City covenants and agrees with the registered owners from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Bonds to become subject to taxation under the Internal Revenue Code of 1986, as amended (the "Code"), and applicable Treasury Regulations (the "Regulations"), and covenants to take any and all actions within its powers to ensure that the interest on the Bonds will not become subject to taxation under the Code and the Regulations. The City will cause to be filed with the Secretary of Treasury an information reporting statement in the form and at the time prescribed by the Code.

9.8.2 The Mayor and Finance Officer, being the officers of the City charged with the responsibility for issuing the Bonds pursuant to this resolution, are authorized and directed to execute and deliver to the purchaser thereof a certificate in accordance with the provisions of Section 148 of the Code.

and Sections 1.103-13, 1.103-14 and 1.103-15 of the Regulations, stating the facts estimates and circumstances in existence on the date of issue and delivery of the Bonds which mike it reasonable to expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be arbitrage bonds within the meaning of the Code and Regulations.

9.8.3 The City recognizes its obligation to comply with the provisions of Section 148(f) of the Code relating to the rebate of certain amounts to the United States, and covenants that it will take or refrain from any actions, the result of which would be to cause the interest on the Bonds to become subject to federal income taxation as a result of the failure to comply with Section 148(f) of the Code and applicable Treasury Regulations. The City will take all actions necessary to comply with the rebate requirement, including making or causing to be made the computations of rebate or penalty amounts. The City will make any payments of rebate or penalty amounts, and will pay the costs of computing any such rebate or penalty amounts.

9.8.4 It is hereby determined that the Bonds are not and will not be "private activity bonds" as defined in Section 141(a) of the Code, and in support of such conclusion the City Common Council covenants, represents, and certifies as follows:

9.8.4.1 none of the proceeds of the Bonds will be used, directly or indirectly, or will be used to replace funds which were used, in any trade or business carried on by any person other than a state or local governmental unit;

9.8.4.2 no direct or indirect payments of the principal of or interest on the Bonds will be derived from payments (whether or not to the City), in respect of property, or borrowed money, used or to be used for a private business use by any person other than a state or local governmental unit;

9.8.4.3 none of the proceeds of the Bonds are to be used. directly or indirectly, to make or finance loans to persons other than a state or local governmental unit; and

9.8.4.4 no user of any facilities or Improvements financed with the proceeds of the Bonds will use the same on any basis other than the same basis as the general public; and no person other than the City will be a user of said, facilities as a result of (i) ownership; (ii) actual or beneficial use pursuant to a lease or a management or incentive payment contract; or (iii) any other arrangement.

The City reasonably anticipates that the amount of tax exempt obligations which will be issued by the City and all entities subordinate to, or treated as one issuer with, the City during calendar year 2008 will not exceed $10,000,000. The Bonds are hereby designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. The City will not designate, or cause any subordinate entity or request any other

governmental entity to designate on its behalf more than $10,000,000 of its obligations as "qualified tax-exempt obligations" in calendar year 2008. The City does not reasonably expect that it or any subordinate entity will issue, and will not request any other governmental entity to issue on its behalf, in calendar year 2008, more than $10,000,000 of obligations which it or any such entity could designate as "qualified tax-exempt obligations".

9.8.5 If the City agrees to comply with all provisions of the Code, which if not complied with by the City, would cause the interest on the Bonds not to be tax-exempt in the hands of a holder who is a natural person, including, if determined to be necessary upon advice of bond counsel, the payment of any rebate amount necessity to preserve such tax exemption pursuant to Section 148 of the Code. The City further agrees: (1) through its officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (2) to consult with bond counsel and to comply with such advice as may be given; (3) to file such forms, statements, and supporting documents as may be required and to do so in a timely manner; and (4) if deemed necessary or advisable by its officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the City in such compliance.

9.9 Certification of Proceedings. The officers of the City are authorized and directed to prepare and furnish to the purchasers of the Bonds certified copies of all proceedings and records of the City relating to the authorization and issuance of the Bonds and such other affidavits and certificates as may reasonably be required to show the facts relating to the legality and marketability of the Bonds as such facts appear from the officer's books and records or are otherwise known to them. All such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the City as to the correctness of the facts recited therein and the action stated therein to have been taken.

Dated this 17th day of November, 2008.

Larry D. Beesley
Larry D. Beesley
Mayor

ATTEST:

Dennis Olson
Finance Officer
Dennis E. Olson

First Reading: November 17, 2008
Published: November 26, 2008
Effective Date: December 16, 2008

RESOLUTION #25-10

WHEREAS, the Brandon City Council approved the sale of bonds for improvements to the Brandon water system, specifically the construction of the Stone Ridge Booster Station and main lines from Redwood Boulevard to the Corson Development Park in the amount of $585,000.00 that were issued on December 19, 2008, and

WHEREAS, "The City of Brandon, by its City governing body, has irrevocably appropriated and pledged the non ad valorem taxes imposed by City Ordinance pursuant to SDCL §10-52-2.10 for the payment of the Bond. The non ad valorem taxes shall be collected and placed into a separate and special fund (the "Bond Fund") to be used and applied in payment of the costs thereof for the payment of principal of and interest on the Bonds issued hereunder and to be used as hereinafter provided. The proceeds of such non ad valorem taxes will be sufficient to provide for the payment of interest upon the Bonds issued hereunder when due and to create a sinking fund to pay the principal thereof as and when the same become due. The non ad valorem taxes shall be imposed and collected in conformance with SDCL §10-45 and §10-46 so long as the Bond remains outstanding.", and

WHEREAS, the City of Brandon wishes to supplement the 470 Debt Retirement Fund (funded by sales tax funds), with funds from the 602 Water Fund.

THEREFORE BE IT RESOLVED, that bonds will be paid from the 470 Debt Retirement Fund but also be supplement in whole or part by payment of special assessments collected and/or a transfer of funds from the 602 Water Fund.

Adopted this 1st day of November, 2010.

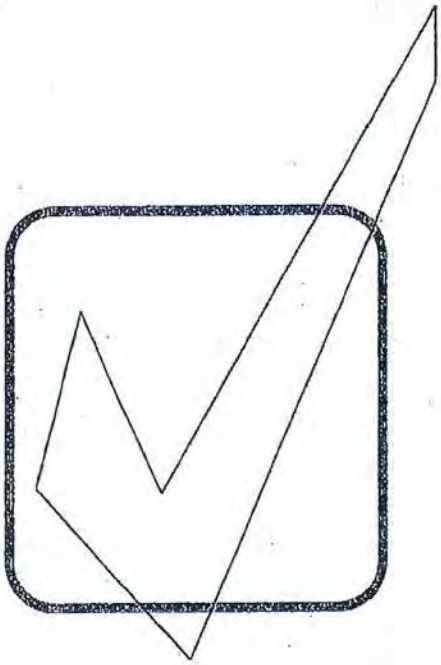
Larry D. Beesley
Mayor

ATTEST:

Dennis E. Olson
Municipal Finance Officer

(SEAL)

8.3.16 Capacity Assessment Worksheets for Public Water Systems



Department of Environment and Natural Resources

Revised January 2007

Introduction

Because you are in the process of applying for a Drinking Water State Revolving Fund (DWSRF) loan, it is necessary for you to complete the following worksheets. The Safe Drinking Water Act requires that a system applying for a DWSRF loan must demonstrate that it has financial, managerial, and technical capacity. What exactly does that mean?

- ***Technical capacity*** - the physical infrastructure of the water system, including but not limited to the source water adequacy, infrastructure adequacy, and technical knowledge. In other words, does your treatment system work the way it is supposed to? Are you providing the safest and cleanest water possible and required by law to your customers right now, and will you be able to in the future?

- ***Managerial capacity*** - the management structure of the water system, including but not limited to ownership accountability, staffing and organization, and effective linkages. In simpler terms, do you have a capable and trained staff? Do you have an effective management structure?

- ***Financial capacity*** - the financial resources of the water system, including but not limited to the revenue sufficiency, credit worthiness, and fiscal controls. Basically, does your system have a budget and enough revenue coming in to cover costs, repairs, and replacements?

If it is determined that your system does NOT have the required capacity, you may still qualify for a DWSRF loan if it is going to be used to ensure that your system will have the necessary capacity. If you have questions while completing the following worksheets, please call our office at **(605) 773-3754** , and we will be happy to help.

After DENR receives these worksheets, we will study them and other information located in our files to make a determination whether or not your public water system has the technical, financial, and managerial capacity to be eligible to apply for a DWSRF loan. A final report will be available upon completion of the analysis.

Applicant: City of Brandon

Prepared by: Gabe Laber
Stockwell Engineers

Phone #: 605 338-6668

Date: 11/26/14

Glossary of Terms

Contaminant: Any physical, chemical, biological, or radiological substance or matter in water;

Disinfectant: Any oxidant, including chlorine, chlorine dioxide, chloramine, and ozone, that is added to water in any part of the treatment or distribution process and that is intended to kill or inactivate pathogenic microorganisms;

Disinfectant contact time: The time in minutes that it takes for water to move from the point of disinfectant application or the previous point of disinfectant residual measurement to a point before or at the point where residual disinfectant concentration is measured;

Filtration: A process for removing particulate matter from the water by passing the water through porous media;

Ground Water: The supply of fresh water found beneath the surface of the ground, usually in aquifers, which is often used for supplying wells and springs;

Ground Water Under the Direct Influence of Surface Water: Any water beneath the surface of the ground with a significant occurrence of insects, macroorganisms, algae, or large-diameter pathogens such a *Giardia lamblia* ; or any water with significant and relatively rapid shifts in water quality characteristics such as turbidity, temperature, conductivity, or pH which closely correlate to climatological or surface water conditions;

Maximum Contaminant Level (MCLs): The maximum permissible level of a contaminant in water delivered to any user of a public water system. MCLs are enforceable standards;

mg/L: milligrams per liter - equivalent to parts per million;

µg/L: micrograms per liter - equivalent to parts per billion;

NTU: nephelometric turbidity unit;

psi: pounds per square inch

Surface Water: All water that is open to the atmosphere and subject to surface runoff;

Turbidity: A cloudy condition in water due to suspended silt or organic matter; and

Waiver: A process used by the Department of Environment and Natural Resources that allows a public water system to reduce or eliminate monitoring for a particular chemical.

The Technical Portion of your System

Your Water Supply

Please check the appropriate box: Yes, *No*, or *Unknown* for each section. Please try to determine the answer to every question. ***If a section or question does not apply to your system, please check NA for not applicable.***

Water Supply and Existing Demands	Yes	No	Unknown	NA
Do you know how much water you pump on an average day? ***Amount:*** 870,000	☒	☐	☐	☐
Do you know how much water you pump on a peak day? ***Amount:*** 2,024,000 future 4,605,000	☒	☐	☐	☐
Do you know the maximum amount of water you can pump from your source? ***Amount:*** 3,168,000	☒	☐	☐	☐
Is your source capacity higher than your peak day demand? ***Percentage higher or lower:*** -31%	☐	☒	☐	☐
Can you meet peak demand without pumping at peak capacity for extended periods? ***Longest time pumping at peak demand:***	☐	☒	☐	☐
Have you been able to provide adequate volumes of water during drought cycles?	☐	☒	☐	☐
Have you had to restrict usage at any time for any reason? ***Please specify:*** water restrictions	☒	☐	☐	☐
Does your system have an emergency or supplemental water supply? ***Please specify:***	☐	☒	☐	☐
Do you have an Emergency Response Plan that will allow you to meet system demand during a drought or shortage, such as the loss of the largest source? ***If yes, please attach.***	☐	☒	☐	☐
Water Demand	**Yes**	**No**	**Unknown**	**NA**
Do you know whether your system demands will be growing, declining, or remain stable over the next ten years? ***Please check:*** ☒ ***growing,*** ☐ ***declining, or*** ☐ ***stable.***	☒	☐	☐	☐
Does your source have additional water available for appropriation?	☒	☒	☐	☐
Do you have a water right? ***Water right permit number(s):*** 5868-3, 5869-3, 6156-3	☒	☐	☐	☐
If you have large commercial, industrial, or irrigation users, do you know their long-term plans and understand their needs?	☒	☐	☐	☐
Purchased Water	**Yes**	**No**	**Unknown**	**NA**
If you purchase water from another system or a wholesaler, do you know their long-term plans?	☐	☐	☐	☒
Do you have a contract to purchase water? ***If yes, with whom?***	☐	☐	☐	☒
Are you currently staying within your contract?	☐	☐	☐	☒
Are you knowledgeable about other demands being placed on the same water source that you are using?	☐	☐	☐	☒

The Technical Portion of your System

Your Water Supply

Please check the appropriate box: Yes, *No*, or *Unknown* for each section. Please try to determine the answer to every question. ***If a section or question does not apply to your system, please check NA for not applicable.***

Water Supply and Existing Demands	Yes	No	Unknown	NA
Do you know how much water you pump on an average day? ***Amount:*** 870,000	☒	☐	☐	☐
Do you know how much water you pump on a peak day? ***Amount:*** 2,024,000 future 4,605,000	☒	☐	☐	☐
Do you know the maximum amount of water you can pump from your source? ***Amount:*** 3,168,000	☒	☐	☐	☐
Is your source capacity higher than your peak day demand? ***Percentage higher or lower:*** -31%	☐	☒	☐	☐
Can you meet peak demand without pumping at peak capacity for extended periods? ***Longest time pumping at peak demand:***	☐	☒	☐	☐
Have you been able to provide adequate volumes of water during drought cycles?	☐	☒	☐	☐
Have you had to restrict usage at any time for any reason? ***Please specify:*** water restrictions	☒	☐	☐	☐
Does your system have an emergency or supplemental water supply? ***Please specify:***	☐	☒	☐	☐
Do you have an Emergency Response Plan that will allow you to meet system demand during a drought or shortage, such as the loss of the largest source? ***If yes, please attach.***	☐	☒	☐	☐
Water Demand	**Yes**	**No**	**Unknown**	**NA**
Do you know whether your system demands will be growing, declining, or remain stable over the next ten years? ***Please check:*** ☒ ***growing,*** ☐ ***declining, or*** ☐ ***stable.***	☒	☐	☐	☐
Does your source have additional water available for appropriation?	☒	☒	☐	☐
Do you have a water right? ***Water right permit number(s):*** 5868-3, 5869-3, 6156-3	☒	☐	☐	☐
If you have large commercial, industrial, or irrigation users, do you know their long-term plans and understand their needs?	☒	☐	☐	☐
Purchased Water	**Yes**	**No**	**Unknown**	**NA**
If you purchase water from another system or a wholesaler, do you know their long-term plans?	☐	☐	☐	☒
Do you have a contract to purchase water? ***If yes, with whom?***	☐	☐	☐	☒
Are you currently staying within your contract?	☐	☐	☐	☒
Are you knowledgeable about other demands being placed on the same water source that you are using?	☐	☐	☐	☒

Alternative Sources	Yes	No	Unknown	NA
Are alternative water sources possibly available to you?	☒	☐	☐	☐
Are you knowledgeable of the characteristics and costs of using alternative sources?	☐	☒	☐	☐
Water Source	**Yes**	**No**	**Unknown**	**NA**
Do you know the depth of your well? ***Depth*** 48, 50, 222, 52, 56, 275	☒	☐	☐	☐
Do you know the geologic name of the aquifer system from which your water is drawn? ***If yes, geologic name:*** Split Rock, Big Sioux	☒	☐	☐	☐
Are all abandoned water sources properly managed and disconnected to prevent accidental contamination or problems with current water system facilities?	☒	☐	☐	☐

Treatment - Microbiological Contamination

Is your system using surface water or ground water under the influence of surface water? ☐ yes ☒ no

(If you checked "no", skip to the next section - Ground Water Systems – unless your water system requires treatment other than just disinfection.)

Surface Water Systems

Filtration Plant Condition	Yes	No	Unknown	NA
Is your filter plant in good physical condition (free from spalling concrete, peeling paint)?	☐	☐	☐	☐
If constructed more than 20 years ago, have treatment processes been upgraded to meet current standards?	☐	☐	☐	☐
Are repair parts available?	☐	☐	☐	☐
Do you have redundancy (back-ups/automatic switch-overs) for all major mechanical units? ***If no, list units you do NOT have redundancy for:***	☐	☐	☐	☐
Can your plant achieve a filtered water turbidity of 0.3 NTU?	☐	☐	☐	☐
Do you have on-line continuous turbidimeters on each filter?	☐	☐	☐	☐
Have you adopted a turbidity goal lower than the standard? ***If yes, list goal:***	☐	☐	☐	☐
Do you have the capability to add coagulant before the filter?	☐	☐	☐	☐

Ground Water Systems

Ground Water Under the Influence of Surface Water	Yes	No	Unknown	NA
Is your water free from variations in turbidity and temperature after storm events?	☒	☐	☐	☐
Well Construction and Protection				

Do you know when your well was constructed? ***List year:*** 1971, 1964, 1980, 1976, 1999	☒	☐	☐	☐
Is your well(s) constructed according to current South Dakota regulations?	☒	☐	☐	☐
Do you have a source water protection plan?	☒	☐	☐	☐
Is your wellhead finished with a pitless adapter that will prevent contamination from surface water?	☒	☐	☐	☐

Disinfection

Do you disinfect? ☒ **yes** ☐ **no** ***(If "no", skip to the Infrastructure - Pumping section)***

Disinfection	Yes	No	Unknown	NA
Do you regularly inspect and maintain your disinfection / chlorination equipment? ***Type of Equipment:*** injection ***How often?*** daily ***Disinfectant used:*** gas	☒	☐	☐	☐
Do you have back-up equipment? ***Type:*** spare parts	☒	☐	☐	☐
Do you have adequate contact time following disinfection and before the first user in the distribution system (30 minutes for ground water systems)? ***Contact time:***	☒	☐	☐	☐
Can you detect a chlorine residual at taps at the ends of the distribution system? ***Free Chlorine Residual:*** 1.11 ***Total Chlorine Residual:*** _____ (if using chloramines)	☒	☐	☐	☐

Disinfection By-Products

Treatment for the Control of Disinfection By-Products	Yes	No	Unknown	NA
If you treat surface water, are you already practicing or could you adopt "enhanced coagulation" in your current plant?	☐	☐	☐	☒
If you treat surface water, could you still meet current contact-time requirements if disinfection were not allowed before sedimentation?	☐	☐	☐	☒

Treatment - Security

Treatment Security	Yes	No	Unknown	NA
Has the system implemented procedures to improve security of its facilities? (i.e. limiting access to sensitive sites, protecting computer and control equipment etc.)	☒	☐	☐	☐
Are chemicals used for treatment properly stored and secure?	☒	☐	☐	☐
Does the water system track chemical usage? (i.e. a sudden	☒	☐	☐	☐

increase in usage may signal potential contamination or tampering.

Infrastructure - Pumping

Condition of Pumping Equipment	Yes	No	Unknown	NA
Do you routinely inspect for signs of pump or pump motor problems? ***How often:*** _____	X			
Once diagnosed, are problems corrected in a timely enough manner to avoid crisis financing, costly repairs, and unscheduled downtime?	X			
Do you hire a qualified pump contractor to perform an inspection of all pumping equipment, identify potential problems, and perform maintenance, on an annual basis?	X			
Standby/Emergency Power Equipment	**Yes**	**No**	**Unknown**	**NA**
Is there sufficient standby/emergency power capacity to supply 100% of the average daily demand of the system (excluding fire demand)?		X		
Are any existing standby/emergency power equipment, controls and switches tested or exercised routinely under load conditions, for at least 30 minutes at a time?	X			
Has the local electric utility been made aware of the standby/emergency power provisions made by the water system, so that they can reinforce and safeguard the electrical facilities serving the water operations?	X			

Infrastructure - Storage

Storage Capacity	Yes	No	Unknown	NA
Does the system have sufficient gravity-flow (non-pumped) or emergency generator-supported pumping capability to ensure adequate distribution storage to provide safe and adequate service for up to 24 hours without power? ***If no, how long:*** _____		X		
Is there reserve capacity in the tank for fire protection support? ***Amount:*** _____		X		
Security Measures	**Yes**	**No**	**Unknown**	**NA**
Are any openings, such as vent pipes, screened to protect against the entrance of small animals, birds, and small insects?	X			
Are access hatches locked?	X			
Is the tank and the immediate surrounding area fenced?		X		
Control Systems				
Is there a high and low water level signal system to control the pumps?	X			

Is there a drain valve or hydrant to allow for draining of the tank?	☒	☐	☐	☐
Tank Maintenance				
Is the tank inspected at least every three years by a qualified tank contractor for evidence of corrosion or pitting, leakage, and structural weakness?	☒	☐	☐	☐
Is the tank contractor capable of analyzing the coating of paint on the interior and exterior surfaces of the tank to determine if it contains lead or other hazardous materials?	☒	☐	☐	☐

Infrastructure - Distribution

System Maintenance	Yes	No	Unknown	NA
Do you have an accurate map of your distribution system that indicates main sizes and valve locations?	☒	☐	☐	☐
Does the operator routinely flush, test, and maintain the hydrants in the system? ***How often:*** yearly	☒	☐	☐	☐
Are the locations of valves in the mains and curb stops on the service lines precisely known?	☒	☐	☐	☐
Does the system keep a log of distribution system breaks to identify weak areas in the system?	☐	☒	☐	☐
Are histories, locations, size, and type of mains and service lines detailed on records in a secure area?	☒	☐	☐	☐
Are all valves exercised and lubricated periodically?	☐	☒	☐	☐
Is the system free of severe "water hammer" problems?	☒	☐	☐	☐
Are meter pits, pressure regulating valves, altitude valves, blow-offs, and other appurtenances maintained on a regular basis?	☒	☐	☐	☐
Unaccounted for Water	**Yes**	**No**	**Unknown**	**NA**
Is unaccounted-for water in the water system monitored and analyzed each month?	☒	☐	☐	☐
Is the unaccounted-for water less than 15 percent of the total water delivered to the mains? ***List percentage of unaccounted for water:*** 14 %	☒	☐	☐	☐
	Yes	**No**	**Unknown**	**NA**
Are the normal operating pressures in the distribution system between 25 psi and 125 psi? ***Normal operating pressure:*** 40 psi	☒	☐	☐	☐
Do you have a routine leak detection and repair program?	☐	☒	☐	☐
Are all sources of supply and customers metered?	☒	☐	☐	☐
Are the meters calibrated and tested routinely to ensure their accuracy and reliability?	☐	☒	☐	☐
Water Quality in Distribution System	**Yes**	**No**	**Unknown**	**NA**
Does your system have an active cross-connection control program?	☒	☐	☐	☐

Are any inspections for cross-connections performed?	☒	☐	☐	☐
Is there a program for installing and testing backflow prevention devices where potential contamination is present?	☐	☒	☐	☐
Is there a program to eliminate "dead-ends" in the mains, where feasible?	☒	☐	☐	☐
Construction Standards	**Yes**	**No**	**Unknown**	**NA**
Are the majority of your mains 6 inches in diameter or larger? ***List percentage:*** _____	☒	☐	☐	☐
Is there a program to gradually replace sub-standard sized mains?	☒	☐	☐	☐
Are there suitable rights-of-way and easements provided to the water system for expansion, maintenance, and replacement of mains and services?	☒	☐	☐	☐
Is there sufficient earth cover (six feet) to protect the mains from frost damage or heavy loads, if driven over?	☒	☐	☐	☐
Are materials of mains designed and selected to resist corrosion, electrolysis, and deterioration?	☒	☐	☐	☐
Distribution System Problems	**Yes**	**No**	**Unknown**	**NA**
Do you receive any complaints regarding water quality (taste, odor, color, etc.)? ***List number of complaints/year:*** 10 ***Most common complaint:*** Color	☒	☐	☐	☐
Can you maintain adequate pressure in the distribution system under all conditions of flow?	☒	☐	☐	☐

The Management Portion of your System

Please mark the appropriate box: *Yes, No,* or *Unknown* for each section. Please try to determine the answer to every question. ***If a section does not apply to your system, please write NA for not applicable.***

Operation & Maintenance

Operations Staff	Yes	No	Unknown	NA
Does the person operating your system have current water treatment plant and water distribution operator certification credentials from DENR? ***If yes, list classification(s):*** II treatment II distribution	☒	☐	☐	☐
Does your operator receive additional training on an ongoing basis to keep current on new developments in the field?	☒	☐	☐	☐
Future Operational Demands	**Yes**	**No**	**Unknown**	**NA**
Does your water system obtain any regular or occasional technical assistance from outside sources, such as DENR, your engineer, other utilities or organizations specifically dedicated to providing technical assistance? ***If yes, who*** _____	☒	☐	☐	☐

Management & Administration

Who is in Charge?	Yes	No	Unknown	NA
Is there a clear plan of organization and control among the people responsible for management and operation of the system?	☒	☐	☐	☐
Does your system have written personnel policies and job descriptions signed by the employees?	☒	☐	☐	☐
Are the limits of the operator's authority clearly known?	☒	☐	☐	☐
Does everyone involved in operations know who is responsible for each area?	☒	☐	☐	☐
Is someone responsible for scheduling work?	☒	☐	☐	☐
Security	**Yes**	**No**	**Unknown**	**NA**
Does the system have procedures for handling new and terminated employees (i.e. collecting keys, changing locks and computer passwords)?	☒	☐	☐	☐
Rules and Standards	**Yes**	**No**	**Unknown**	**NA**
Do you have explicit rules and standards for system modifications?	☒	☐	☐	☐
Do you have rules governing new hook-ups?	☒	☐	☐	☐
Do you have a water main extension policy?	☒	☐	☐	☐
Do you have standard construction specifications to be followed?	☒	☐	☐	☐

	Yes	No	Unknown	NA
Do you have measures to assure cross-connection control and backflow prevention?	☒	☐	☐	☐
Do you have policies or rules describing customer rights and responsibilities?	☐	☒	☐	☐
Regulatory Compliance Program	**Yes**	**No**	**Unknown**	**NA**
Do you fully understand monitoring requirements and have a scheduling mechanism to assure compliance?	☒	☐	☐	☐
Do you know how to obtain clarification or explanation of requirements?	☒	☐	☐	☐
Do you have a mechanism to obtain the most recent information on regulatory requirements?	☒	☐	☐	☐
Do you maintain adequate records to document compliance? ***If yes, for how long?*** 7 years	☒	☐	☐	☐
Did your system have any violations of the primary drinking water standards in the last year?	☐	☒	☐	☐
Did your system have any monitoring or reporting violations in the last year?	☐	☒	☐	☐
Do you know what to do in the event of a violation?	☒	☐	☐	☐
Emergencies	**Yes**	**No**	**Unknown**	**NA**
Do you have an Emergency Response Plan?	☒	☐	☐	☐
Is there a contingency for making emergency interconnections to neighboring systems, and do you know they will work if needed?	☒	☐	☐	☐
Does everyone involved in operations know what they are to do in the event of contamination from a toxic hazardous waste spill in your source water or a main break or a tank failure?	☒	☐	☐	☐
Do you have a clear chain-of-command protocol for emergency action?	☒	☐	☐	☐
Is someone responsible for emergency operations, for communications with state regulators, for customer relations, for media relations? ***If yes, who (title):*** _____	☒	☐	☐	☐
Safety	**Yes**	**No**	**Unknown**	**NA**
Do you have a safety program defining measures to be taken if someone is injured?	☒	☐	☐	☐
Has the entire staff been properly trained in the location and use of safety equipment?	☒	☐	☐	☐
Does everyone understand the risks and safety measures involved in handling water treatment chemicals?	☒	☐	☐	☐
Do you have written operating procedures for both routine and emergency system operations?	☒	☐	☐	☐
Are you fully aware of Occupational Safety and Health Administration (OSHA) confined space (such as trenches/manholes) regulations?	☒	☐	☐	☐
Does the system work with customers to promote their awareness of security?	☒	☐	☐	☐
Does the system have a communication plan to alert customers of a natural or intentional threat to public health?	☒	☐	☐	☐

Maintenance	Yes	No	Unknown	NA
Do you have a planned maintenance management system -- a system for scheduling routine preventive maintenance (line flushing, pumps, meters, storage tanks, etc.)?	X			
Do you have a system for assuring adequate inventory of essential spare parts and back-up equipment?	X			
Do you have relationships with contractors and equipment vendors to assure prompt priority service?	X			
Do you have records and data management systems for system operating and maintenance data, for regulatory compliance data, and for system management and administration?	X			
Management Capability	**Yes**	**No**	**Unknown**	**NA**
Are you getting the outside services and technical assistance you need? Do you have adequate legal counsel, insurance, engineering advice, technical/operations assistance, rate case preparation, and financial advice?	X			

The Financial Portion of your System

Please mark the appropriate box: *Yes*, *No*, or *Unknown* for each section. Please try to determine the answer to every question. ***If a section does not apply to your system, please write NA for not applicable.***

Financial Planning Mechanisms	Yes	No	Unknown	NA
Does your system develop and follow an annual budget that is approved by the governing body?	☑	☐	☐	☐
Does the governing body review a monthly summary of revenues and expenses of the utility system?	☑	☐	☐	☐
Do you have within the annual budget separate reserve accounts for equipment replacement, capital improvement, depreciation or security upgrades? ***If so, list accounts:*** Oam	☑	☐	☐	☐
Does the system have reserve funds available in the event of an emergency?	☑	☐	☐	☐
Do you have a capital budget or capital improvement plan that projects future capital investment needs some distance (at least five years) into the future?	☑	☐	☐	☐
Do you have a process for scheduling and committing to capital projects?	☑	☐	☐	☐
Does your planning process take account of all the potential capital needs suggested by your answers to the technical questions in these worksheets?	☑	☐	☐	☐
Does your long-term planning incorporate analysis of alternative strategies that might offer cost saving to customers, such as consolidation with other nearby systems or sharing of operations and management expenses with other nearby systems?	☑	☐	☐	☐
Rates/Billing: Are they Adequate?	**Yes**	**No**	**Unknown**	**NA**
Do you regularly review your rates? ***How often?*** yearly	☑	☐	☐	☐
Do you have a plan in place for periodic increases in rates?	☑	☐	☐	☐
Is the rate structure based on metered watered use? ***List rates per 1000 gallons:*** $7.65 minimum plus 4.48/1000 (i.e. $22 minimum plus $2.50/1000 gallons)	☑	☐	☐	☐
Does the rate per 1000 gallons change as consumption increases? ***If so, please describe:***	☐	☑	☐	☐
Does the rate structure assure proportionality among users?	☑	☐	☐	☐
Do you have procedures for billing and collection?	☑	☐	☐	☐
Is your billing collection rate greater than 95%?	☐	☐	☑	☐
Do you have collection procedures specifically for delinquent accounts?	☑	☐	☐	☐

Financial Planning Mechanisms: Are they Adequate?	Yes	No	Unknown	NA
Does your system have audited financial statements prepared by a certified public accountant (CPA)?	☑	☐	☐	☐
Does your water system income exceed operating expenses (including debt service)?	☑	☐	☐	☐
Does your water utility support other enterprise funds or the general fund?	☐	☑	☐	☐
Does your system require revenues from other enterprise funds or the general fund for normal operations?	☑	☐	☐	☐
Do you employ standardized accounting and tracking systems?	☑	☐	☐	☐
Do you track budget performance?	☑	☐	☐	☐
Do you keep records to substantiate depreciation of fixed assets and accounting for reserve funds?	☑	☐	☐	☐
Are financial management recordkeeping systems organized?	☑	☐	☐	☐
Are controls exercised over expenditures?	☑	☐	☐	☐
Are controls exercised to keep from exceeding your budget?	☑	☐	☐	☐
Are there purchasing procedures?	☑	☐	☐	☐
Did your system's governing body review this assessment before returning it to the South Dakota Department of Environment and Natural Resources?	☑	☐	☐	☐

8.3.16.1.1

Financial Spreadsheet

Applicant: City of Brandon - Drinking Water

Completed by: SECOG

Date: 12/23/2013

Future Year Exp = 3% growth

Future year rev = 0%

Draft 5 PM 12-23-2014

4 Year Projections	Last Year Actual (from 2013 Audit)	Current Year Budget Year 1 Projected	Year 2 Projected	Year 3 Projected	Year 4 Projected
Enter Year:	2013	2014	2015	2016	2017
1. Beginning Cash on Hand	**$100**	**$658,687**	**$823,154**	**$1,018,144**	**$1,584,604**
2. Cash Receipts:					
a. Unmetered water Revenue					
b. Metered Water Revenue	$1,633,332	$1,463,730	$1,485,000	$1,485,000	$1,485,000
c. Other Water Revenue	$17,055	$1,000	$1,000	$1,000	$1,000
d. Total Water Revenues (2a through 2c)	**$1,650,387**	**$1,464,730**	**$1,486,000**	**$1,486,000**	**$1,486,000**
e. Connection Fees		$50,000	$65,000	$65,000	$65,000
f. Interest and Dividend Income	$1,701	$2,000	$1,000	$1,000	$1,000
g. Other -Rent on Tower Etc		$17,500	$18,200	$18,200	$18,200
h. Total Cash Revenues (2d through 2g)	**$1,652,088**	**$1,534,230**	**$1,570,200**	**$1,570,200**	**$1,570,200**
i. Transfers in/Additional Rev Needed - Interfund loans	$312,035				
j. other reciepts					
Received from Interfund Services	$11,171				
Long Term Bond Debt - wells		$3,500,000			
3. Total Cash Receipts (2h through 2j)	**$1,975,293**	**$5,034,230**	**$1,570,200**	**$1,570,200**	**$1,570,200**
4. Total Cash Available (1+3)	**$1,975,393**	**$5,692,917**	**$2,393,354**	**$2,588,344**	**$3,154,804**
5. Operating Expenses					
a. Salaries and Wages	$283,956	$268,802	$277,699	$286,030	$294,611
b. Employee Pensions and Benefits		$90,802	$81,575	$84,022	$86,543
c. Repairs		$68,000	$75,000	$77,250	$79,568
d. Purchased Power		$118,000	$126,000	$129,780	$133,673
e. Fuel for Power Productin				$0	$0
f. Chemicals, mat'ls, supplies				$0	$0
g. Materials and Supplies	$299,853	$144,000	$140,000	$144,200	$148,526
h. Engineering Services		$10,500	$10,500	$10,815	$11,139
i. Contractual Services - Other				$0	$0
j. Equip. Rent/Real Property		$76,000	$111,000	$114,330	$117,760
k. Transportation Expenses				$0	$0
l. Laboratory				$0	$0
m. Insurance		$12,169	$13,039	$13,430	$13,833
n. Regulatory Commission Expenses				$0 $0	$0 $0
o. Misc		$16,350	$17,120	$17,634	$18,163
p. Paid for Interfund Services				$0	$0
q. Total Cash O&M Expenses (5a through 5p)	**$583,809**	**$804,623**	**$851,933**	**$877,491**	**$903,816**
r. Replacement Expenditures					
s. Total OM&R Expenditures (5q+5r)	**$583,809**	**$804,623**	**$851,933**	**$877,491**	**$903,816**
t. Loan Principal/Capital Lease Payments = P.	$216,819	$249,494	$106,425	$0 $109,618	$0 $531,733
u. Loan Interest Payments	$41,958	$34,941	$16,147	$16,631	$357,320
v. Transfers Out	$88,613	$15,705	$15,705		
w. Capital Purchases: Wells Etc	$384,185	$3,765,000	$385,000		
Due to Other Funds				$0	$0
				$0	$0
x. Other	$1,321			$0	$0
6. Total Cash Paid Out (5s through 5x)	**$1,316,706**	**$4,869,763**	**$1,375,210**	**$1,003,740**	**$1,792,869**
7. Ending Cash Position (4 - 6)	**$658,687**	**$823,154**	**$1,018,144**	**$1,584,604**	**$1,361,935**

Financial Spreadsheet

Applicant: City of Brandon - Drinking Water

Completed by: SECOG

Date: 12/23/2013

4 Year Projections	Last Year Actual	Current Year Budget Year 1 Projected	Year 2 Projected	Year 3 Projected	Year 4 Projected
8. Number of Customer Accounts	2933	2933	2933	2933	2933
9. Avg Annual User Charge Account (2d/8)	$562.70	$499.40	$506.65	$506.65	$506.65
10. Coverage Ratio (2h-5s)/(5t+5u)	4.13	2.57	5.86	5.49	0.75
11. Operating Ratio (2d/5s)	2.83	1.82	1.74	1.69	1.64
12. Additions to Reserve Funds for the Year:					
a. Debt Service Reserve					
b. Bond Retirement Reserve					
c. Capital Improvement Reserve					
d. Replacement Reserve					
e. Other					
13. Total Reserves (12a through 12e)	$0	$0	$0	$0	$0
14. Year End Operating Cash (7 - 13)	**$658,687**	**$823,154**	**$1,018,144**	**$1,584,604**	**$1,361,935**
	2013	2014	2015	2016	2017

File name BrandonDrinkWaterCapAssessFinSpreadDec232014.xls
Filelocation P110/Files/Min/Brandon/2914Water&WWaterImprovements/DW-SRF

CITY OF BRANDON
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

City Council
The City of Brandon
Minnehaha County, South Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brandon, South Dakota, as of December 31, 2012, and for the year then ended, and the related notes to the financial statements, which collectively comprise the City of Brandon's basic financial statements and have issued our report thereon dated July 3, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Brandon's internal control over. Accordingly, we do not express an opinion on the effectiveness of the City of Brandon's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses and significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Current Audit Findings, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Current Audit Findings as item 2012-01 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

City of Brandon, South Dakota's Response to Finding

The City of Brandon's response to the finding identified in our audit is on page 55. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. As required by South Dakota Codified Law 4-11-11 this report is a matter of public record and its distribution is not limited.

Quam & Berglin, P.C

Quam and Berglin, P.C.
Certified Public Accountants

Elk Point, South Dakota

July 3, 2013

CITY OF BRANDON
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS
DECEMBER 31, 2012

STATUS OF PRIOR AUDIT FINDINGS:

The prior audit recommendation 2011-01 has not been corrected and is restated as Current Audit Finding Number 2012-01.

Audit Finding Number 2011-02:
The City failed to prepare, publish or file with the Department of Legislative Audit the annual financial reports for the year ended December 31, 2011 within the required time frame. This finding has been corrected.

CURRENT AUDIT FINDINGS:

Internal Control-Related Findings – Material Weakness:

AUDIT FINDING NUMBER 2012-01:

There is a material weakness resulting from lack of segregation of duties for revenues and expenditures.

Criteria:
In order to achieve proper internal control, it is necessary to have segregation of duties provided between performance, review and record keeping of the tasks related to revenues. Lack of this segregation of duties could adversely affect the organization's ability to record, process, summarize and report financial data consistent with management assertions.

Condition, Cause and Effect:
A material weakness in internal control was reported due to lack of proper segregation of duties for revenues and expenditures resulting in decreased reliability of reported financial data and increased potential for the loss of public assets.

Recommendations:
We recommend that the City of Brandon officials be cognizant of this lack of segregation of duties for revenues and expenditures and attempt to provide compensating controls, whenever and wherever possible and practical.

Corrective Action Plan:
The City of Brandon's officials are aware of this problem, which is a result of the size of the entity which precludes staffing at a level sufficient to provide an ideal environment for internal controls. They have included a response to the finding on page 55.

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INDEPENDENT AUDITOR'S REPORT

City Council
City of Brandon
Minnehaha County, South Dakota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Brandon, South Dakota, as of December 31, 2012 and for the year then ended, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the

respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Brandon as of December 31, 2012 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Schedules listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining Nonmajor Fund Financial Statements listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 3, 2013, on our consideration of the City of Brandon's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Quam & Berglin, P.C.

Quam and Berglin, P.C.
Certified Public Accountants

Elk Point, South Dakota
July 3, 2013

City of Brandon
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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Brandon's annual financial report presents our discussion and analysis of the City of Brandon financial performance during the fiscal year ending December 31, 2012. Please read it in conjunction with the City of Brandon financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

During the year, the City of Brandon revenues generated from charges for services, taxes and other revenues of the governmental programs were $2,090,551 more than the $7,637,417 governmental and business-type program expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, including related notes, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Municipality:

1. The first two statements are government-wide financial statements that provide both long-term and short-term information about the overall financial status of the City of Brandon.
2. The remaining statements are fund financial statements that focus on individual parts of Municipal government, reporting the Municipality's operations in more detail than the government-wide statements.

    A. The governmental fund statements tell how general government services like public safety were financed in the short-term as well as what remains for future spending.

    B. Proprietary fund statements offer short- and long-term financial information about the activities that the Municipality operates like businesses. The City has four proprietary funds – the Water Fund, the Sewer Fund, the Golf Course Fund and the Electrical Fund.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to the required elements, we have included a section with combining statements that provide details about our non-major governmental funds, each of which are added together and presented in a single column in the basic financial statements.

Figure A-2 summarizes the major features of the City of Brandon's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of the overview section of the management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-2

Major Features of the City of Brandon's Government-wide and Fund Financial Statements			
	Government-wide Statements	Fund Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire City government (except fiduciary funds and the fiduciary component units)	The activities of the City that is not proprietary or fiduciary, such as finance office, police, fire and parks.	Activities the City operates similar to private businesses are the water, sewer and electric systems and the golf course.
Required Financial Statements	*Statement of Net Position *Statement of Activities	*Balance Sheet *Statement of Revenues, Expenditures and Changes in Fund Balances	*Balance Sheet *Statement of Revenues, Expenses and Changes in Net Position *Statement of Cash Flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of Inflow/Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City of Brandon's net position and how they have changed. Net position – the difference between the City of Brandon's assets and liabilities – is one way to measure the City of Brandon's financial health or position.

1. Increases or decreases in the City of Brandon's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

2. To assess the overall health of the City you need to consider additional non-financial factors such as changes in the City of Brandon's property tax base and changes in the sales tax revenue base.

The government-wide financial statements of the City are reported in two categories:

1. Governmental Activities -- This category includes the most of the City of Brandon's basic services, such as police, fire, public works, parks department and general administration. Property taxes, sales taxes, charges for services, state and federal grants and interest earnings finance most of these activities.

2. Business-type Activities -- The City charges a fee to customers to help cover the costs of certain services it provides. The City of Brandon's water, sewer, golf course and electrical accounts are included here.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the City of Brandon's most significant funds – not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

1. State Law requires some of the funds.

2. The City Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The City has two kinds of funds:

1. Governmental Funds – Most of the City of Brandon's basic services are included in the governmental funds, which focus on (1) how cash and other financial assets that can readily converted to cash flow in and out and (2) the balances left at the year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City of Brandon's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements, or on the subsequent page, that explains the relationship (or differences) between them.

2. Proprietary Funds – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both short- and long-term financial information. The City of Brandon's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

	Governmental Activities		Business-Type Activities		Totals	
	2011	2012	2011	2012	2011	2012
Current and Other Assets	$ 3,086,572	$ 1,899,074	$ 3,862,591	$ 3,764,818	$ 6,949,163	$ 5,663,892
Capital Assets	18,374,099	19,656,318	16,704,096	17,648,199	35,078,195	37,304,517
Total Assets	21,460,671	21,555,392	20,566,687	21,413,017	42,027,358	42,968,409
Long-Term Debt Outstanding	6,987,916	6,243,435	2,348,955	1,993,943	9,336,871	8,237,378
Other Liabilities	255,735	171,754	205,792	239,765	461,527	411,519
Total Liabilities	7,243,651	6,415,189	2,554,747	2,233,708	9,798,398	8,648,897
Net Positon:						
Net Investment in Capital Assets	11,497,694	13,535,672	14,466,892	15,347,748	25,964,586	28,883,420
Restricted	2,115,542	1,875,744			2,115,542	1,875,744
Unrestricted	603,784	(271,213)	3,545,048	3,831,561	4,148,832	3,560,348
Total Net Position	$ 14,217,020	$ 15,140,203	$ 18,011,940	$ 19,179,309	$ 32,228,960	$34,319,512
Beginning Net Position	$ 13,476,327	$ 14,217,020	$ 17,053,169	$ 18,011,940	$ 30,529,496	$32,228,960
Prior Period Adjustment	265,337				265,337	
Beginning Net Positon	$ 13,741,664	$ 14,217,020	$ 17,053,169	$ 18,011,940	$ 30,794,833	$32,228,960
Increase (Decrease) in Net Positon	$ 475,356	$ 923,183	$ 958,771	$ 1,167,369	$ 1,434,127	$ 2,090,552
Percentage of Increase (Decrease) in Net Position	3.53%	6.49%	5.62%	6.48%	4.70%	6.49%

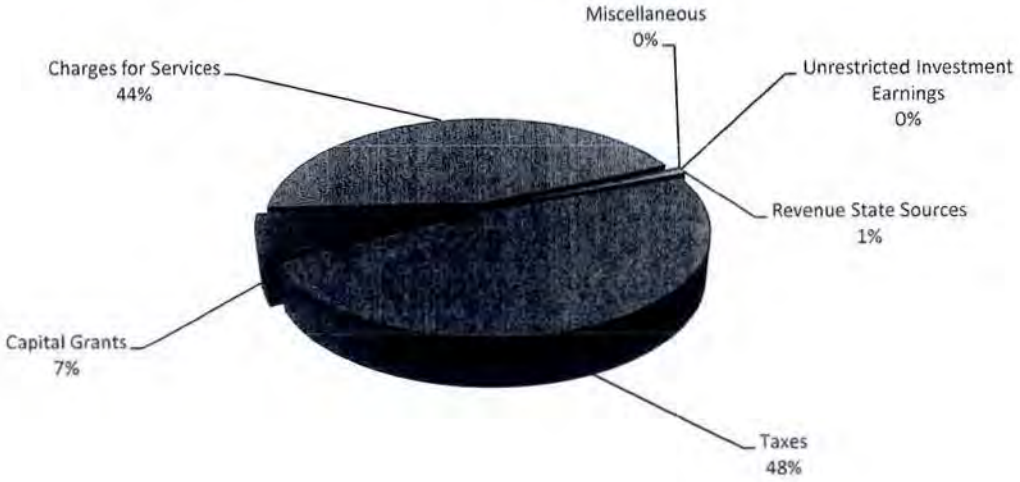
This section explains the differences between the current and prior years' assets, liabilities, and changes in net position.

The Statement of Net position reports all financial and capital resources. The statement presents the assets and liabilities in order of relative liquidity. The liabilities with average maturities greater than one year are reported in two components – the amount due within one year and the amount due in more than one year. The long-term liabilities of the City, consisting of compensated absences payable, sales tax revenue bonds payable, water and revenue bonds payable, and special assessment bonds with governmental commitment have been reported in this manner on the Statement of Net position. The difference between the City of Brandon's assets and liabilities is its net position.

CHANGES IN NET POSITION

The City of Brandon's total revenues (excluding special items) totaled $9,786,339. (See Table A-2.) Most of the City of Brandon's revenue comes from charges for services and taxes; with 44 cents of every dollar raised coming from charges for services and 48 cents of every dollar raised comes from some type of tax. (See Figure A-3). Another 7 cents come from operating and capital grants and contributions and the balance comes from unrestricted investment earnings, state shared revenue and miscellaneous.

FIGURE A-3 SOURCE OF REVENUES



The City of Brandon expenses cover a range of services with 12% from water services and 9% from sewer services, 16% from the golf course. The cost of Public Safety was 19% and Public Works was 17%. Culture and Recreation costs were 9%. General Government costs were 10% and debt service was 3%. Conservation and Development and Health and Welfare were 4% and the remaining balance of 1% was from the electric services. (See Figure A-4)

FIGURE A-4 SOURCE OF EXPENSES

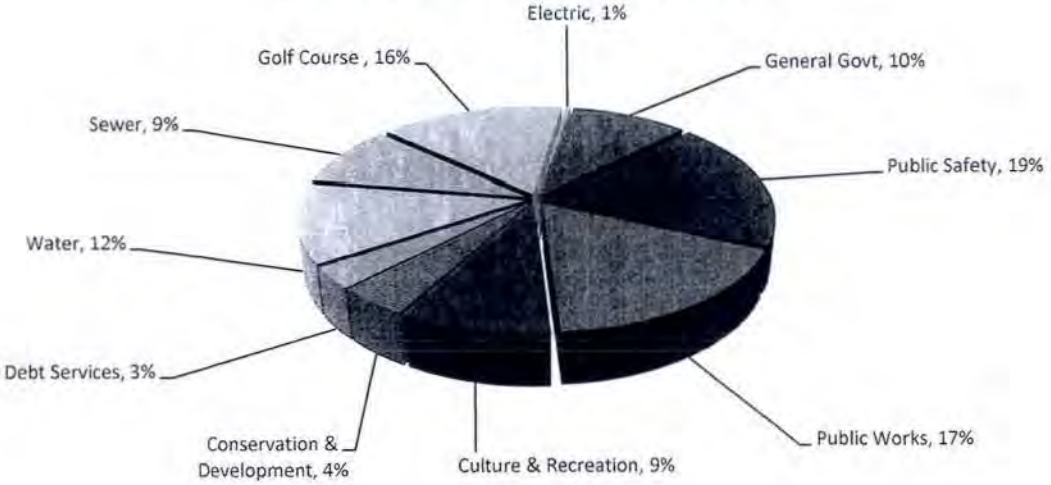


TABLE A-2
CITY OF BRANDON
CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2011	2012	2011	2012	2011	2012
REVENUE:						
Program Revenues:						
Charges for Services	$ 346,874	$ 328,435	$ 3,514,089	$ 3,983,273	$ 3,860,963	$ 4,311,708
Operating Grants and Contributioı	292,454	175,088			292,454	175,088
Capital Grants and Contributions		498,215				498,215
General Revenues:						
Taxes	4,248,064	4,699,626			4,248,064	4,699,626
Revenue State Sources	133,025	58,804			133,025	58,804
Unrestricted Investment Earnings	11,800	5,988	6,896	3,859	18,696	9,847
Miscellaneous	32,027	17,184	14,258	15,867	46,285	33,051
TOTAL REVENUES	5,064,244	5,783,340	3,535,243	4,002,999	8,599,487	9,786,339
EXPENSES:						
General Government	699,309	723,549			699,309	723,549
Public Safety	1,348,021	1,465,382			1,348,021	1,465,382
Public Works	1,305,222	1,316,697			1,305,222	1,316,697
Health & Welfare	5,113	4,529			5,113	4,529
Culture and Recreation	611,264	702,919			611,264	702,919
Conservation & Development	116,334	331,686			116,334	331,686
Debt Services	379,600	285,389			379,600	285,389
Water Services			817,358	910,913	817,358	910,913
Sew er Services			693,857	707,845	693,857	707,845
Golf Course Services			1,166,362	1,188,322	1,166,362	1,188,322
Electric			22,920	31,684	22,920	31,684
TOTAL EXPENSES	4,464,863	4,830,151	2,700,497	2,838,764	7,165,360	7,668,915
Excess (deficiency) Before Special Items and Transfers	599,381	953,189	834,746	1,164,235	1,434,127	2,117,424
Loss on Disposition of Assets		(4,924)		(21,948)		(26,872)
Transfers	(124,025)	(25,082)	124,025	25,082		
Change in Net Postion	475,356	923,183	958,771	1,167,369	1,434,127	2,090,552
Beginning Net Position	13,741,664	14,217,020	17,053,169	18,011,940	30,794,833	32,228,960
NET POSITON-ENDING	$ 14,217,020	$ 15,140,203	$ 18,011,940	$ 19,179,309	$ 32,228,960	$ 34,319,512

FINANCIAL ANALYSIS OF THE CITY OF BRANDON FUNDS

The financial analysis of the City of Brandon funds mirror those highlighted in the analysis of governmental and business-type activities presented above. The City maintains thirteen governmental funds – General Fund; 3rd Cent Sales Tax; 2006 TIF #2(BID) Special Revenue Fund; Brandon Revolving Loan Fund; TIF#1 Debt Service; S.A Park St; S.A Chestnut Blvd; S.A Chestnut Middle Blvd; S.A. Express Ave/French Cr Lift; TIF #2 Convention Center Debt Service; S.A Country Club Drainage; TIF Hemlock Blvd Debt Service Fund; Aspen Blvd Project. The City has four business type funds - Water; Sewer; Golf Course and Electrical.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the City Council revised the City budget. This amendment was for Supplemental appropriations and contingency transfers approved for unanticipated, yet necessary, expenses to provide for items necessary for health and welfare of its citizens.

CAPITAL ASSET ADMINISTRATION

By the end of 2012, the City had $37,304,516 in a broad range of capital assets, including, land, buildings, and various machinery and equipment. (See Table A-3.) This amount represents a net increase (including additions and deductions) of $2,226,322 at a 6% increase over the last year with most of the increase due to construction in progress. Also, land was purchased for projects and expansion of parks.

Table A-3
Capital Assets
(Net of depreciation)

	Governmental Activities		Business-Type Activities		Total Dollar Change	Total % Change
	2011	2012	2011	2012	2011-2012	2011-2012
Land	$ 1,129,952	$ 1,602,615	$ 1,719,941	$ 1,719,941	$ 472,663.10	14%
Buildings	3,568,409	3,472,715	2,850,340	2,754,874	(191,160)	-3%
Improv Other Than Buildings	12,383,518	13,516,931	11,356,285	11,917,980	1,695,108	7%
Machinery & Equipment	1,007,086	956,735	722,691	784,861	11,819	1%
Construction in Progress	285,133	107,321	54,839	470,543	237,892	41%
Total Capital Assets (net)	$ 18,374,098	$ 19,656,317	$ 16,704,096	$ 17,648,199	$ 2,226,322	6%

Below are some projects and purchases that were made in 2012:

New equipment was purchased which included: Volvo BL70B Backhoe loader, JD 5045D Utility Tractor, 2012 Ford F-350, two 60w MTU Generators and a Jacobsen R311 60HP Roughs Mower.

There were some construction projects going on in Brandon in 2012. The major one was the Aspen Blvd Street project. The street and drainage system were re-built on Aspen Blvd from Nicholas to 5th Ave. The total cost of the project was 2.16 million dollars to complete. More water and sewer pipes were replaced with Phase II of Sylvan Circle continuing in 2012. Water and sewer pipes were replaced on Spearfish Dr from Crystal Pl to Sylvan Cir and on Crystal Pl from Needles to Custer Pkwy. Total cost of this project was about 405,000 to complete. This was a much needed improvement for the area. Improvements were made to the Wastewater Ponds. The project was for sludge removal in Pond #1. The project was not completed in 2012 and is one major reason why the construction in progress increased in 2012. The project as of 12/31/12 was at a cost of about 447,000.

Land increased about 14% because of two large land purchases. One land purchase was for the Aspen Blvd Project. A piece of land was needed to expand and improve the drainage system at the intersection of Aspen Blvd and Main Ave. Also, a piece of land was purchased at the south end of Aspen Park with future plans of expanding the ball fields. Both purchases came to about 420,000 to purchase.

LONG-TERM DEBT

At the end of the year the City has $8,268,602 in Sales Tax Revenue Bonds, Water Revenue Bonds and Sewer revenue Bonds and other long term obligations. This is a decrease of over 11% from the previous year as shown on Table A-4 below.

Table A-4
Outstanding Debt and Obligations
(Net of depreciation)

	Governmental Activities		Business-Type Activities		Total Dollar Change	Total % Change
	2011	2012	2011	2012	2011-2012	2011-2012
Compensated Absences	$ 111,512	$ 122,788	$ 111,751	$ 117,441	$ 16,966	7.60%
Special Assessment Bonds	1,197,112	950,017			(247,095)	-20.64%
Sales Tax Revenue bonds	3,335,009	3,002,563			(332,446)	-9.97%
State Revolving Funds	321,654	290,011			(31,643)	-9.84%
Tax Increment Financing Bonds	2,022,630	1,878,055			(144,575)	-7.15%
Water Revenue bonds			970,446	764,259	(206,187)	-21.25%
Golf Course Revenue bonds			1,172,991	1,079,297	(93,694)	-7.99%
Notes Payable			93,766	64,171	(29,595)	-31.56%
Total Outstanding Debt & Obligations	$ 6,987,917	$ 6,243,434	$ 2,348,954	$ 2,025,168	$ (1,068,269)	-11.44%

The City of Brandon had a significant decrease in long-term debt, which was due to retiring over 1.1 million dollars in debt and making no new additional debt in 2012.

REVENUE BONDS AT THE END OF 2012

$1,900,000 - **2001 Golf Course Certificates of Participation** issued to re-fund the addition of nine holes at the Brandon Municipal Golf Course and the construction of a clubhouse facility. Payment is over 20 years with principal payments starting at $58,071 in 2002 to $144,109 in 2021. The net interest cost is 4.9%. Payment will come from revenue from the Golf Course and are due June 1 and December 1 of each year and are taken automatically by the First National Bank Trust Department.

Principal balance, as of 12-31-12..... $1,079,297

$1,877,375 - **2000 (SRF) Water Treatment Plant Loan** to construct a water treatment plant. Payments will be due quarterly over a fifteen year period at a 4.75% interest rate. Payments are $175,708 per year. Bonds are being retired with revenues of the Water Enterprise Fund and are taken automatically by the First National Bank Trust Department.

Principal balance, as of 12-31-12.....$ 372,856

$775,000 - **2003 Eastside Utility Project** to extend water and sewer facilities to the east of Brandon. Payment is over ten years with principal payments starting at $31,501 in 2004 to $46,972 in 2013. The net interest cost is 4.25%. Payment will come from revenue from the debt retirement (sales tax) account and are due June 1 and December 1 of each year. Funds are taken automatically by the First National Bank Trust Dept from the non interest savings account.

Principal balance, as of 12-31-12.....$ 92,967

$560,000.00 - **2005 Fire Hall Project** (Rural Development) to construct a new fire hall. Half is financed with Rural Development the other from the First National Bank. Payment is over thirty years with principal payments beginning at $9,576 and interest payments beginning at $23,800. The net interest cost is 4.25%. Payment will come from revenue from the Second Cent Sales Tax Fund and are due October 12th of each year. Funds are taken automatically from the non interest savings account.

Principal balance, as of 12-31-12.....$ 483,036

$560,000 - **2005 Fire Hall Project** (First National Bank) to construct a new fire hall. Half is financed with Rural Development the other from the First National Bank. Payment is over thirty years with principal payments starting at $4,118 in 2006 to $17,676 in 2035. The net interest cost is 5%. Payment will come from revenue from the Second Cent Sales Tax Fund and are due March 1st and September 1st of each year. Funds are taken automatically by the First National Bank Trust Department from the non interest savings account.

Principal balance, as of 12-31-12.....$ 490,157

$2,500,000 – **2007 Sales Tax Revenue Bond** to construct the Holly Blvd Project. Payment is due in annual installments of $118,482 through 2023 at a 5.5% interest rate. These bonds are being retired with collections from proceeds of Sales Tax. Payments are due on March 1 and September 1 of each year. Funds are taken automatically by the First National Bank Trust Department from the non-interest savings account.

Principal balance, as of 12-31-12..... $ 1,936,404

$585,000 – **2008 Stone Ridge Booster Station** to construct a booster station in the stone ridge development. Payments are due in annual installments of $68,112 in 2009 and $78,642 in 2010-2018 at a 6% interest rate. These bonds are being retired with Water funds revenue. Payments are due on March 1 and September 1 of each year. Funds are taken automatically by the First National Bank Trust Department from the non-interest savings account.

Principal balance, as of 12-31-12..... $ 391,403

$344,925 - **2010 Clean Water Revenue Borrower Bond (SRF) for Bethany Meadows Project** to construct a drainage way are due in quarterly payments of $9,653.70 2011 through 2021 at a 2.25% interest rate. Payments will come from revenue from the Debt Retirement (Sales Tax) fund for drainage improvements. Payments are due on January 15, April 15, July 15, and October 15 of each year. Funds are taken automatically by the First National Bank Trust Department from the non-interest checking account.

Principal balance, as of 12-31-12.....$290,010

SPECIAL ASSESSMENT BONDS

$325,000 - **2004 Park Street and Park Street Drainage Improvement Bonds** due in annual installments of $40,070 through 2014 at a 4% interest rate. These bonds are being retired with collections from property owners through Debt Service Funds for street improvements from Sioux Boulevard to the city limits and drainage improvements from Parkview Addition through the school property and south. Payments are due March 1 and September 1 of each year. The City obligation is $231,646 to be paid over ten years. Funds are taken automatically by the First National Bank Trust Department from the non-interest savings account.

Principal balance, as of 12-31-12.....$ 75,575

$500,000 - **2006 Chestnut Boulevard Street Improvement Bonds** due in annual installments of $61,750 through 2016 at a 5.05% interest rate. These bonds are being retired with collections from property owners through Debt Service Funds for curb, gutter and utility improvements to Chestnut Boulevard. Payments are due on March 1 and September 1 of each year. The City obligation is $272,322 to be paid over ten years. Funds are taken automatically by the First National Bank Trust Department from the non-interest savings account.

Principal balance, as of 12-31-12.....$ 215,000

$550,000 – **2007 Chestnut Boulevard Street Improvement Bonds** due in annual installments of $35,281 through 2017 at a 5% interest rate. These bonds are being retired with collections from property owners through Debt Service Funds for curb, gutter and utility improvements to Chestnut Boulevard. Payments are due on March 1 and September 1 of each year. The City obligation is $236,096 to be paid over ten years. Funds are taken automatically by the First National Bank Trust Department from the non-interest savings account.

Principal balance, as of 12-31-12..... $ 308,781

$ 225,000 – **2008 NE Lift Station and Express Avenue Bonds** due in annual installments through 2018 at a 4.5% interest rate. These bonds are being retired with collections from property owners through Debt Service Funds. Payments are due on March 1 and September 1 of each year. There is no city obligation on this bond. Funds are taken automatically by the First National Bank Trust Department from the non-interest checking account.

Principal balance, as of 12-31-12.....$ 146,665

$ 280,000 – **2009 Country Club Drainage Project** due in annual installments of 15,858 the first year and 18,273 the following years through 2019. These bonds are being retired with collections from property owners through special assessment collections. Payments are due March 1 and September 1 of each year. The city obligation on this bond is 51,284 to be paid over 10 years. Funds are taken automatically by First National Bank from the non-interest checking account.

Principal balance, as of 12-31-12..... $ 203,996

NOTES PAYABLE

$148,400 - **2009 Golf Cart Promissory Note.** Interest rate is 5.3%. Payments are made on a monthly basis at 2,826 per month. This note was for 50 new golf carts purchased by the Brandon Golf course. Funds are taken automatically by First National Bank from the non-interest checking account.

Principal balance, as of 12-31-12.....$ 64,172

$250,000.00 - **2004 TIF #1 Note Payable -** Interest rate is 6.5 % interest. Payments are made annually in December of each year. Interest only for the first three years. Annual interest payments begin at $16,500 with principal payment beginning at $14,400 and increasing in successive years with a balloon payment in 2009 of 221,061.01. Payments are made by check to the First National Bank in Brandon.

Principal balance, as of 12-31-12.....$ 162,524

TAX INCREMENT BONDS

$1,377,900 - **2006 TIF #2 Note**-due in annual installments of $138,025 per year through 2025 at a 7.41% interest rate. These bonds are being retired with collections from a TIF #2 and a BID. This bond is for the construction of the Conference Center. Payments are due on March 1 and September 1 of each year.

Principal balance, as of 12-31-12..... $1,081,327

$750,000 – **2009 TIF #3** Tax Increment Revenue Bond due in annual installments of 69,289 the first year and 68,165 in years 2011 thru 2024. Interest rate is at 4.15%. This bond was for construction of Hemlock Boulevard. Payments are due June 15 of each year.

Principal balance, as of 12-31-12.....$634,204

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City of Brandon continued to experience additional revenues in property taxes from new construction with percentage growth of 3.17% in 2012. Under the state mandated property tax freeze, property taxes are 2.10% for 2012 which was based on the Consumer Price Index (CPI).

One of the primary sources of revenue to the City is based on taxable retail sales in the community (sales tax). The City has experienced an increase in taxable sales of about 16.5% over the prior year due to a boost in the economy and building projects.

The City of Brandon has adopted a General Fund budget for the 2013 fiscal year which will have an increase of 14.83% in expenditures for a total of $5,159,204. The increase is due in part to large projects that are planned for 2013.

CONTACTING THE CITY OF BRANDON FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City of Brandon's finances and to demonstrate the City of Brandon's accountability for the money it receives. If you have questions about this report or need additional information, contact the City of Brandon's Finance Office, PO Box 95-304 Main Ave, Brandon, SD 57005.

CITY OF BRANDON
STATEMENT OF NET POSITION
DECEMBER 31, 2012

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	$ 2,087,300.15	$ 702,076.77	$ 2,789,376.92
Taxes Receivable	27,425.75		27,425.75
Special Assessment Receivable	366,272.02	1,001.21	367,273.23
Accounts Receivable	13,640.29		13,640.29
Utilities Receivable, Net		257,782.82	257,782.82
Notes Receivable	6,525.73		6,525.73
Due From Government	208,438.38	1,324.83	209,763.21
Internal Balances	(1,968,717.21)	1,968,717.21	
Inventories	22,486.93	43,059.02	65,545.95
Investments	749,743.62	771,853.00	1,521,596.62
Prepaid Expenses	789.50	4,220.86	5,010.36
Restricted Assets:			
Restricted Deposits	35,276.56		35,276.56
Noncurrent Assets:			
Special Assessment Receivable	219,643.04	5,006.05	224,649.09
Notes Receivable	86,463.82		86,463.82
Deferred Charges	43,785.62	9,776.30	53,561.92
Capital Assets:			
Land and Construction in Progress	1,709,936.86	2,190,484.14	3,900,421.00
Other Capital Assets, Net of Depreciation	17,946,380.66	15,457,714.72	33,404,095.38
TOTAL ASSETS	21,555,391.72	21,413,016.93	42,968,408.65
LIABILITIES :			
Accounts Payable	28,179.64	35,597.88	63,777.52
Note Payable		31,225.49	31,225.49
Other Current Liabilities	143,574.60	172,942.12	316,516.72
Noncurrent Liabilities:			
Due Within One Year	674,117.40	344,465.07	1,018,582.47
Due in More than One Year	5,569,316.94	1,649,477.85	7,218,794.79
TOTAL LIABILITIES	6,415,188.58	2,233,708.41	8,648,896.99
NET POSITION:			
Net Investment in Capital Assets	13,535,671.55	15,347,747.60	28,883,419.15
Restricted for:			
Debt Service	972,365.35		972,365.35
Capital Improvement and Debt Service	188,822.31		188,822.31
Community Development	679,279.92		679,279.92
SDPAA Insurance Pool Contribution	35,276.56		35,276.56
Unrestricted (Deficit)	(271,212.55)	3,831,560.92	3,560,348.37
TOTAL NET POSITION	$ 15,140,203.14	$ 19,179,308.52	$ 34,319,511.66

The notes to the financial statments are an integral part of this statement.

CITY OF BRANDON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position – Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total
Primary Government:							
Governmental Activities:							
General Government	$ 723,549.11	$ 995.00	$ 20,644.00	$	$ (701,910.11)	$	$ (701,910.11)
Public Safety	1,465,381.97	130,978.59			(1,334,403.38)		(1,334,403.38)
Public Works	1,316,696.63	4,737.50	154,443.52	498,215.51	(659,300.10)		(659,300.10)
Health and Welfare	4,528.50				(4,528.50)		(4,528.50)
Culture and Recreation	702,919.23	111,851.96			(591,067.27)		(591,067.27)
Conservation and Development	331,685.82	79,871.61			(251,814.21)		(251,814.21)
*Interest on Long Term Debt	285,388.99				(285,388.99)		(285,388.99)
Total Governmental Activities	4,830,150.25	328,434.66	175,087.52	498,215.51	(3,828,412.56)		(3,828,412.56)
Business-type Activities:							
Water	910,912.78	1,678,734.03				767,821.25	767,821.25
Sewer	707,845.15	1,084,931.45				377,086.30	377,086.30
Golf Course	1,188,322.37	1,190,573.23				2,250.86	2,250.86
Electric	31,683.82	29,033.78				(2,650.04)	(2,650.04)
Total Business-type Activities	2,838,764.12	3,983,272.49				1,144,508.37	1,144,508.37
Total Primary Government	$ 7,668,914.37	$ 4,311,707.15	$ 175,087.52	$ 498,215.51	(3,828,412.56)	1,144,508.37	(2,683,904.19)
	General Revenues:						
	Taxes:						
	Property Taxes				2,114,476.36		2,114,476.36
	Sales Taxes				2,526,310.79		2,526,310.79
	Gross Receipts Business Tax				58,840.00		58,840.00
	State Shared Revenues				58,803.80		58,803.80
	Unrestricted Investment Earnings				5,987.71	3,858.97	9,846.68
	Miscellaneous Revenue				17,184.15	15,867.00	33,051.15
	Loss on Disposition of Assets				(4,924.82)	(21,948.29)	(26,873.11)
	Transfers In (Out)				(25,082.41)	25,082.41	
	Total General Revenues , Special Items and Transfers				4,751,595.58	22,860.09	4,774,455.67
	Change in Net Position				923,183.02	1,167,368.46	2,090,551.48
	Net Position-Beginning				14,217,020.12	18,011,940.06	32,228,960.18
	NET POSITION - ENDING				$ 15,140,203.14	$ 19,179,308.52	$ 34,319,511.66

* The Municipality does not have interest expense related to functions presented above. This amount includes indirect interest expense on general long-term debt.

The notes to the financial statements are an integral part of this statement

CITY OF BRANDON
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	General Fund	Aspen Blvd Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS:				
Cash and Cash Equivalents	$1,182,284.93	$	$ 905,015.22	$ 2,087,300.15
Taxes Receivable--Delinquent	27,425.75			27,425.75
Accounts Receivable	10,412.29		3,228.00	13,640.29
Special Assessments Receivable--Current	239,423.96		126,848.06	366,272.02
Special Assessments Receivable--Delinquent	1,953.79		9,991.20	11,944.99
Special Assessments Receivable--Deferred	116,924.04		517,861.32	634,785.36
Notes Receivable-Current			6,525.73	6,525.73
Notes Receivable-Noncurrent			86,463.82	86,463.82
Restricted Deposits	35,276.56			35,276.56
Due from Other Funds		392,724.24		392,724.24
Due from Other Governments	195,037.94		13,400.44	208,438.38
Inventory	22,486.93			22,486.93
Investments	575,381.83		174,361.79	749,743.62
Prepaid Expenses	789.50			789.50
TOTAL ASSETS	$2,407,397.52	$ 392,724.24	$ 1,843,695.58	$ 4,643,817.34
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	$ 28,179.64	$	$	$ 28,179.64
Due to Other Funds		2,030,174.53		2,030,174.53
Wages Payable	50,430.94			50,430.94
Taxes Payable	7,321.02			7,321.02
Advances From Water Fund			331,266.92	331,266.92
Deferred Revenue	424,319.06		654,700.58	1,079,019.64
Total Liabilities	510,250.66	2,030,174.53	985,967.50	3,526,392.69
Fund Balances:				
Nonspendable	58,552.99			58,552.99
Restricted			1,185,767.00	1,185,767.00
Assigned	359,960.00			359,960.00
Unassigned	1,478,633.87	(1,637,450.29)	(328,038.92)	(486,855.34)
Total Fund Balances	1,897,146.86	(1,637,450.29)	857,728.08	1,117,424.65
TOTAL LIABILITIES AND FUND BALANCES	$2,407,397.52	$ 392,724.24	$ 1,843,695.58	$ 4,643,817.34

The notes to the financial statements are an integral part of this statement.

CITY OF BRANDON
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2012

Total Fund Balances - Governmental Funds		$ 1,117,424.65
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost of Capital Assets	$ 25,281,634.46	
Accumulated Depreciation	(5,625,316.94)	19,656,317.52
Long-term liabilities are not due and payable in the current period and therefore are not reported in the		(6,243,434.34)
Assets such as taxes receivable (delinquent) and special assessments receivable are not available to pay for current period expenditures and therefore are deferred in the funds.		629,676.07
Accrued interest payable which is not accounted for in the modified accrual basis of accounting but is accounted for in the statement of net position.		(63,566.38)
Deferred charges are recorded as an asset in the statement of net position, but are recorded as an expenditure in the funds.		43,785.62
Net Position - Governmental Funds		$15,140,203.14

The notes to the financial statements are an integral part of this statement.

CITY OF BRANDON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	General Fund	Aspen Blvd Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes:				
General Property Taxes	$ 1,965,084.59	$	$ 151,702.74	$ 2,116,787.33
General Sales and Use Tax	2,333,422.03		192,888.76	2,526,310.79
Gross Receipts Business Tax			58,840.00	58,840.00
Amusement Taxes	1,092.00			1,092.00
Penalties and Interest on Delinquent Taxes	4,494.92			4,494.92
Licenses and Permits	74,536.13			74,536.13
Intergovernmental Revenue:				
Federal Grants	54,227.27			54,227.27
State Grants	5,864.00			5,864.00
State Shared Revenue:				
Bank Franchise Tax	20,913.36			20,913.36
Liquor Tax Reversion	37,890.44			37,890.44
Motor Vehicle Licenses (5%)	32,434.03			32,434.03
Local Government Highway and Bridge Fund	49,018.49			49,018.49
Other	4,215.21			4,215.21
County Shared Revenue:				
County Wheel Tax	8,429.80			8,429.80
Charges for Goods and Services:				
General Government	900.00			900.00
Public Safety	44,358.20			44,358.20
Sanitation	3,600.00			3,600.00
Culture and Recreation	111,851.96			111,851.96
Other	79,631.61			79,631.61
Fines and Forfeits:				
Court Fines and Costs	7,869.05			7,869.05
Miscellaneous Revenue:				
Interest Income	1,362.14		4,625.57	5,987.71
Rentals	95.00			95.00
Special Assessments			342,560.08	342,560.08
Street Assessments	112,056.15			112,056.15
Contributions/Donations from Private Sources	20,874.18			20,874.18
Other	16,343.61			16,343.61
Total Revenue	4,990,564.17		750,617.15	5,741,181.32
Expenditures:				
General Government:				
Legislative	83,528.90			83,528.90
Executive	205,195.42			205,195.42
Elections	60.00			60.00

CITY OF BRANDON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	General Fund	Aspen Blvd Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Financial Administration	201,928.67			201,928.67
Other	59,333.97		138,005.89	197,339.86
Public Safety:				
Police	1,060,020.71			1,060,020.71
Fire	166,183.38			166,183.38
Protective Inspection	148,626.67			148,626.67
Other Protection	15,459.21			15,459.21
Public Works:				
Highways and Streets	522,646.45			522,646.45
Sanitation	432.76			432.76
Transit	131,331.41			131,331.41
Health and Welfare:				
Health	4,011.83			4,011.83
Culture and Recreation:				
Recreation	175,014.10			175,014.10
Parks	341,348.13			341,348.13
Conservation and Development:				
Economic Development and Assistance	315,485.70		16,200.12	331,685.82
Debt Service	686,737.81		523,768.86	1,210,506.67
Capital Outlay	172,991.21	1,622,456.89	429,518.82	2,224,966.92
Total Expenditures	4,290,336.33	1,622,456.89	1,107,493.69	7,020,286.91
Excess of Revenue Over (Under) Expenditures	700,227.84	(1,622,456.89)	(356,876.54)	(1,279,105.59)
Other Financing Sources (Uses):				
Transfer In	30,199.82		20,327.01	50,526.83
Transfer (Out)			(75,609.24)	(75,609.24)
Compensation for Loss/Damage to Capital Assets	5,434.25			5,434.25
Sale of Municipal Property	3,543.23			3,543.23
Total Other Financing Sources (Uses):	39,177.30		(55,282.23)	(16,104.93)
Net Change in Fund balance	739,405.14	(1,622,456.89)	(412,158.77)	(1,295,210.52)
Net Change in Nonspendable Fund Balance	(19,825.61)			(19,825.61)
Fund Balance - Beginning Balance	1,177,567.33	(14,993.40)	1,269,886.85	2,432,460.78
FUND BALANCE- ENDING	$1,897,146.86	$(1,637,450.29)	$ 857,728.08	$1,117,424.65

The notes to the financial statements are an integral part of this statement

CITY OF BRANDON
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

Net Change in Fund Balances - Total Governmental Funds		$ (1,295,210.52)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This was the amount by which capital outlay exceeded depreciation expense in the period.		
Investment in Capital Assets	$ 2,224,966.92	
Depreciation Expense	(928,845.65)	1,296,121.27
Governmental funds report revenues when they meet the available criteria. Because some revenues will not be collected for several months after the city's calendar year ends, they are not considered "available" revenues and are deferred in the governmental funds.		71,771.01
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		847,187.71
financial resources and therefore are not reported as expenditures in governmental funds.		
Change in accrued leave		(11,276.68)
Change in deferred charges		(4,730.19)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This amount represents the change in the amounts accrued.		53,048.33
Supplies acquired are an expenditure on the fund statements when purchased but are expensed on the statement of activities when consumed.		(19,825.61)
In the statement of activities, gains and losses on disposal of assets is reported, whereas in the governmental funds, the proceeds and expenses from the disposal of fixed assets is reflected. The net amount of gains and losses is:		(13,902.30)
Change in Net Position of Governmental Activities		$ 923,183.02

The notes to the financial statements are an integral part of this statement.

CITY OF BRANDON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2012

	Enterprise Funds				
	Water Fund	Sewer Fund	Golf Course Fund	Non Major Enterprise Fund	Totals
ASSETS:					
Current Assets:					
Cash and Cash Equivalents	$ 100.00	$ 699,026.77	$ 2,950.00	$	$ 702,076.77
Utilities Receivable, Net	130,773.51	122,595.08		4,414.23	257,782.82
Special Assessments Receivable--Current		1,001.21			1,001.21
Due from Other Funds	1,994,829.70	35,344.83			2,030,174.53
Due From Government	506.92	359.71	458.20		1,324.83
Prepaid Expense			4,220.86		4,220.86
Inventory of Supplies	10,625.49				10,625.49
Inventory of Stores Purchased for Resale			32,433.53		32,433.53
Investments	590,170.70	181,682.30			771,853.00
Total Current Assets	2,727,006.32	1,040,009.90	40,062.59	4,414.23	3,811,493.04
Noncurrent Assets:					
Special Assessments Receivable--Deferred		5,006.05			5,006.05
Deferred Charges	1,791.62	26.67	7,958.01		9,776.30
Advances to Other Funds	331,266.92				331,266.92
Capital Assets:					
Land	83,986.18	381,304.99	1,254,649.93		1,719,941.10
Buildings	2,431,511.83	281,921.08	1,458,631.69		4,172,064.60
Improvements Other Than Buildings	7,823,782.27	7,882,754.16	859,801.30		16,566,337.73
Machinery and Equipment	1,182,294.00	513,047.40	638,698.76		2,334,040.16
Less: Accumulated Depreciation	(3,486,364.12)	(2,720,982.61)	(1,407,381.04)		(7,614,727.77)
Construction Work in Progress	5,668.60	464,874.44			470,543.04
Total Noncurrent Assets	8,373,937.30	6,807,952.18	2,812,358.65		17,994,248.13
TOTAL ASSETS	$ 11,100,943.62	$ 7,847,962.08	$ 2,852,421.24	$ 4,414.23	$ 21,805,741.17
LIABILITIES:					
Current Liabilities:					
Accounts Payable	$ 3,542.99	$ 23,620.34	$ 7,882.39	$ 552.16	$ 35,597.88
Notes Payable			31,225.49		31,225.49
Due to Other Funds	221,163.91	171,560.33			392,724.24
Due to State			1,825.65		1,825.65
Accrued Interest Payable	12,255.73		1,843.80		14,099.53
Accrued Wages Payable	8,183.09	5,732.03	20,114.61		34,029.73
Accrued Taxes Payable	1,116.99	782.42	2,703.54		4,602.95
Current Portion of Long Term Debt	223,590.11	4,124.18	116,750.78		344,465.07
Revenue Collected in Advance	661.25		117,723.01		118,384.26
Total Current Liabilities	470,514.07	205,819.30	300,069.27	552.16	976,954.80
Noncurrent Liabilities:					
Long-Term Debt	567,751.61	12,373.00	1,069,353.24		1,649,477.85
Total Noncurrent Liabilities	567,751.61	12,373.00	1,069,353.24		1,649,477.85
NET POSITION:					
Net Investment in Capital Assets	7,055,455.91	6,631,359.13	1,660,932.56		15,347,747.60
Unrestricted Net Position	3,007,222.03	998,410.65	(177,933.83)	3,862.07	3,831,560.92
Total Net Position	10,062,677.94	7,629,769.78	1,482,998.73	3,862.07	19,179,308.52
TOTAL LIABILITIES AND NET POSITION	$ 11,100,943.62	$ 7,847,962.08	$ 2,852,421.24	$ 4,414.23	$ 21,805,741.17

The notes to the financial statements are an integral part of this statement.

CITY OF BRANDON
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Enterprise Funds				
	Water Fund	Sewer Fund	Golf Course Fund	Non Major Fund	Totals
Operating Revenue:					
Charges for Goods and Services	$	$ 1,084,931.45	$	$ 29,033.78	$ 1,113,965.23
(Revenues Securing Bond Issues)	1,678,734.03		1,190,573.23		2,869,307.26
Other Income	15,867.00				15,867.00
Total Operating Revenue	1,694,601.03	1,084,931.45	1,190,573.23	29,033.78	3,999,139.49
Operating Expenses:					
Personal Services	278,472.01	207,437.06	513,758.72		999,667.79
Other Current Expense	309,636.52	298,498.94	320,363.33	288.15	928,786.94
Materials (Cost of Goods Sold)			201,057.24	31,395.67	232,452.91
Depreciation	277,362.82	201,909.15	125,145.51		604,417.48
Total Operating Expenses	865,471.35	707,845.15	1,160,324.80	31,683.82	2,765,325.12
Operating Income (Loss)	829,129.68	377,086.30	30,248.43	(2,650.04)	1,233,814.37
Nonoperating Revenue (Expense):					
Investment Earnings	2,430.02	1,344.91	83.95	0.09	3,858.97
Interest Expense and Fiscal Charges	(45,441.43)		(27,997.57)		(73,439.00)
Gain (Loss) on Disposition of Assets		(870.34)	(21,077.95)		(21,948.29)
Total Nonoperating Revenue (Expense)	(43,011.41)	474.57	(48,991.57)	0.09	(91,528.32)
Income (Loss) Before Transfers	786,118.27	377,560.87	(18,743.14)	(2,649.95)	1,142,286.05
Transfers In			20,784.41	4,298.00	25,082.41
Change in Net Position	786,118.27	377,560.87	2,041.27	1,648.05	1,167,368.46
Net Position - Beginning	9,276,559.67	7,252,208.91	1,480,957.46	2,214.02	18,011,940.06
NET POSITION - ENDING	$ 10,062,677.94	$ 7,629,769.78	$ 1,482,998.73	$ 3,862.07	$ 19,179,308.52

The notes to the financial statements are an integral part of this statement.

CITY OF BRANDON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Enterprise Funds				
	Water Fund	Sewer Fund	Golf Course Fund	Non Major Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash Receipts from Customers	$ 1,664,776.60	$ 1,069,249.42	$ 1,193,311.42	$27,309.69	$ 3,954,647.13
Internal Activity-Receipts from Other Funds	8,121.98	9,010.71			17,132.69
Cash Payments to Employees for Services	(282,805.40)	(205,054.00)	(506,117.97)		(993,977.37)
Cash Payments to Suppliers of Goods and Services	(328,988.00)	(290,922.32)	(501,274.57)	(31,607.78)	(1,152,792.67)
Cash Payments for Interfund Services			(3,251.20)		(3,251.20)
Other Receipts (Payments)	15,867.00				15,867.00
Net Cash Provided (Used) by Operating Activities	1,076,972.18	582,283.81	182,667.68	(4,298.09)	1,837,625.58
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Cash Loaned to Other Funds	(2,063,418.96)	(35,344.83)			(2,098,763.79)
Operating Transfers			20,784.41	4,298.00	25,082.41
Net Cash Provided (Used) by Operating Activities	(2,063,418.96)	(35,344.83)	20,784.41	4,298.00	(2,073,681.38)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Purchase of Capital Assets	(277,929.30)	(850,186.51)	(53,203.43)		(1,181,319.24)
Principal Paid on Capital Debt	(206,187.47)		(123,289.13)		(329,476.60)
Interest Paid on Capital Debt	(48,318.67)		(30,943.48)		(79,262.15)
Other Receipts (Payments)		74.47	3,500.00		3,574.47
Net Cash Provided (Used) by Capital and Related Financing Activities	(532,435.44)	(850,112.04)	(203,936.04)		(1,586,483.52)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of Investment Securities	(2,013.18)	(1,112.75)			(3,125.93)
Interest Earnings	2,430.02	1,344.91	83.95	0.09	3,858.97
Net Cash Provided (Used) by Investing Activities	416.84	232.16	83.95	0.09	733.04
Net Increase (Decrease) in Cash and Cash Equivalents	$(1,518,465.38)	$ (302,940.90)	$ (400.00)	$ (0.00)	$(1,821,806.28)
Cash and Cash Equivalents at Beginning of Year	$ 1,518,565.38	$ 1,001,967.67	$ 3,350.00	$ 0.00	$ 2,523,883.05
Cash and Cash Equivalents at End of Year	100.00	699,026.77	2,950.00	0.00	702,076.77
Net Increase (Decrease) in Cash and Cash Equivalents	$(1,518,465.38)	$ (302,940.90)	$ (400.00)	$ 0.00	$(1,821,806.28)

CITY OF BRANDON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012
(continued)

	Enterprise Funds				
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	**Water Fund**	**Sewer Fund**	**Golf Course Fund**	**Non Major Fund**	**Totals**
Operating Income (Loss)	$ 829,129.68	$ 377,086.30	$ 30,248.43	$ (2,650.04)	$ 1,233,814.37
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation/Amortization Expense	277,362.82	201,909.15	125,145.51	0.00	604,417.48
Change in Assets and Liabilities:					
Receivables and Other Receivables	(5,835.45)	(6,671.32)	412.17	(1,724.09)	(13,818.69)
Inventories	(3,965.16)		2,916.09		(1,049.07)
Accounts and Other Payables	(15,386.32)	7,576.62	13,978.71	76.04	6,245.05
Accrued Leave Payable	(4,333.39)	2,383.06	7,640.75		5,690.42
Revenues Collected in Advance			2,326.02		2,326.02
Net Cash Provided (Used) by Operating Activities	$ 1,076,972.18	$ 582,283.81	$ 182,667.68	$ (4,298.09)	$ 1,837,625.58
Noncash Investing, Capital and Financing Activities:					
Loss on Disposal of Capital Assets Not Affecting Operating Income		$ (944.76)	$ (24,577.95)		

The notes to the financial statements are an integral part of this statement

NOTE 1 – Summary of Significant Accounting Policies

a. Financial Reporting Entity

The reporting entity of the City of Brandon consists of the primary government (which includes all of the funds, organizations, institutions, agencies, departments, and offices that make up the legal entity, plus those funds for which the primary government has a fiduciary responsibility, even though those fiduciary funds may represent organizations that do not meet the criteria for inclusion in the financial reporting entity); those organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

b. Basis of Presentation:

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting entity as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by recipients of goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or it meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and

2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined, or

3. Management has elected to classify one or more governmental or enterprise funds as major for consistency in reporting from year to year, or because of public interest in the fund's operations.

The funds of the City financial reporting entity are described below:

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the city. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is always considered to be a major fund.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

The following Special Revenue Funds are not considered major funds: Third Penny Sales Tax Fund, 2006 TIF Special Revenue Fund and Brandon Revolving Loan Fund. These funds are reported on the fund financial statements as "Other Governmental Funds" and are detailed in the combining statement section.

Debt Service Funds - Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

The following Debt Service Funds are not considered major funds: Tax Increment District, Park Street Special Assessment , Chestnut Boulevard Special Assessment, Chestnut Boulevard Middle Special Assessment, Express Avenue/French Creek Special Assessment, TIF Convention Center Debt Service Fund, Country Club (CC) Heights Debt Service Fund and TIF #3 Hemlock Blvd Debt Service Fund. These funds are reported on the fund financial statements as "Other Governmental Funds" and are detailed in the combining statement section.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust Funds).

Aspen Blvd Capital Project Fund: To account for financial resources to be used for the construction of the Aspen Boulevard Project. This is considered a major fund.

The West Holly Street Capital Project Fund is not considered a major fund: This fund is reported on the fund financial statements as "Other Governmental Fund" and is detailed in the combining statement section.

PROPRIETARY FUNDS

Enterprise Funds - Enterprise Funds may be used to report any activity for which a fee is charged to external users for goods or services. Activities are required to be reported as enterprise funds if any one of the following criteria is met. Governments should apply each of these criteria in the context of the activity's principal revenue sources.

a. *The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity. Debt that is secured by a pledge of net revenues from fees and charges and the full faith and credit of a related primary government or component unit-even if that government is not expected to make any payments-is not payable solely from fees and charges of the activity. (Some debt may be secured, in part, by a portion of its own proceeds but should be considered as payable "solely" from the revenues of the activity.)*

b. *Laws or regulations require that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues.*
c. *The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).*

Water Fund - financed primarily by user charges, this fund accounts for the construction and operation of the municipal waterworks system and related facilities. (SDCL 9-47-1) This is a major fund.

Sewer Fund - financed primarily by user charges, this fund accounts for the construction and operation of the municipal sanitary sewer system and related facilities. (SDCL 9-48-2) This is a major fund.

Golf Course Fund - financed by user charges, this fund accounts for the operations of the golf course services. This is a major fund.

Electric Fund - financed by user charges, this fund accounts for the operations of electric services. This is not a major fund.

c. Measurement Focus and Basis of Accounting:

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus.

Measurement Focus:

Government-wide Financial Statements:

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus, applied on the accrual basis of accounting.

Fund Financial Statements:

In the fund financial statements, the "current financial resources" measurement focus and the modified accrual basis of accounting are applied to governmental funds, while the "economic resources" measurement focus and the accrual basis of accounting are applied to the proprietary and fiduciary funds.

Basis of Accounting:

Government-wide Financial Statements:

In the government-wide Statement of Net Position and Statement of Activities, governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues and related assets are recorded when earned (usually when the right to receive cash vests); and, expenses and related liabilities are recorded when an obligation is incurred (usually when the obligation to pay cash in the future vests).

Fund Financial Statements:

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues, including property taxes, are recognized when they become measurable and available. "Available" means resources are collected or to be collected soon enough after the end of the fiscal year that they can be used to pay the bills of the current period. The accrual period does not exceed one bill-paying cycle, and for the City of Brandon, the length of that cycle is 30 days. The revenues which are accrued at December 31, 2012 are amounts due from other governments and customer receivables.

Under the modified accrual basis of accounting, receivables may be measurable but not available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Reported deferred revenues are those where asset recognition criteria have been met but for which revenue recognition criteria have not been met.

Expenditures are generally recognized when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which are recognized when due.

All proprietary and fiduciary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

The enterprise funds and business-type activities do not apply any FASB Statements and Interpretations issued after November 30, 1989.

d. Interfund Eliminations and Reclassifications:

Government-wide Financial Statements:

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified, as follows:

1. In order to minimize the grossing-up effect on assets and liabilities within the governmental and business-type activities columns of the primary government, amounts reported as interfund receivables and payables have been eliminated in the governmental and business-type activities columns, except for the net, residual amounts due between governmental and business-type activities, which are presented as Internal Balances.
2. In order to minimize the doubling-up effect on internal service fund activity, certain "centralized expenses" including an administrative overhead component, are charged as direct expenses to funds or programs in order to show all expenses that are associated with a service, program, department, or fund. When expenses are charged, in this manner, expense reductions occur in the General Fund, so that expenses are reported only in the function to which they relate.

e. Deposits and Investments:

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short-term investments with a term to maturity at date of acquisition of three months or less. Investments in open-end mutual fund shares, or similar investments in external investment pools, are also considered to be cash equivalents.

Investments classified in the financial statements consist primarily of certificates of deposit whose term to maturity at date of acquisition exceeds three months, and/or those types of investment authorized by South Dakota Codified Laws (SDCL) 4-5-6.

f. Capital Assets:

Capital assets include land, buildings, machinery and equipment, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for significantly greater number of years than most capital assets.

The accounting treatment over capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements:

Capital assets are recorded at historical cost, or estimated cost, where actual cost could not be determined. Donated capital assets are valued at their estimated fair value on the date donated. Reported cost values include ancillary charges necessary to place the asset into its intended location and condition for use. Subsequent to initial capitalization, improvements or betterments that are significant and which extend the useful file of a capital asset are also capitalized.

The total December 31, 2012 balance of governmental activities capital assets includes approximately 7.5% for which the costs were determined by estimates of original costs. The total of December 31, 2012 balance of business-type capital assets includes approximately 5.4% for which the costs were determined by estimates of original costs. These estimated costs were established by reviewing applicable historical costs of similar items and basing the estimations thereon.

Infrastructure assets used in general government operations, consisting of certain improvements other than buildings, including roads, bridges, sidewalks, drainage systems, and lighting systems, acquired prior to January 1, 2004, were not required to be capitalized by the City. Infrastructure assets acquired since January 1, 2004 are recorded at cost, and classified as "Improvements Other than Buildings."

For governmental activities capital assets, construction-period interest is not capitalized, in accordance with USGAAP, while for capital assets used in business-type activities/proprietary fund's operations, construction period interest is capitalized in accordance with USGAAP.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the government-wide Statement of Activities with net capital assets reflected in the Statement of Net Position. Accumulated depreciation is reported on the government-wide Statement of Net Position and on each proprietary fund's Statement of Net Position.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are as follows:

	Threshold	Method	Useful Life
Land and land rights	All	NA	NA
Improvements other than buildings	$ 5,000.00	Straight Line	25-75 yrs
Buildings	25,000.00	Straight Line	25-75 yrs
Machinery and Equipment	5,000.00	Straight Line	7-10 yrs
Furniture	5,000.00	Straight Line	7-10 yrs
Infrastructure	All	Straight Line	25-75 yrs

Land is an inexhaustible capital asset and is not depreciated.

Fund Financial Statements:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as Capital Outlay expenditures of the appropriate governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for on the accrual basis, the same as in the government-wide statements.

g. Long-Term Liabilities:

The accounting treatment of long-term liabilities depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term liabilities to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term liabilities primarily consist of state revolving loans, certificates of participation, revenue bonds, special assessment bonds, notes payable, financing (capital acquisition) leases and compensated absences.

In the fund financial statements, debt proceeds are reported as revenues (other financing sources), while payments of principal and interest are reported as expenditures when they become due. The accounting for proprietary fund long-term debt is on the accrual basis, the same in the fund statements as in the government-wide statements.

h. Program Revenues:

Program revenues derive directly from the program itself or from parties other than the City's taxpayers or citizenry, as a whole. Program revenues are classified into three categories, as follows:

1. Charges for services - These arise from charges to customers, applicants, or others who purchase, use, or directly benefit from the goods, services, or privileges provided, or are otherwise directly affected by the services.

2. Program-specific operating grants and contributions - These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program.

3. Program-specific capital grants and contributions - These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for the acquisition of capital assets for use in a particular program.

i. Proprietary Funds Revenue and Expense Classifications:

In the proprietary fund's Statement of Revenues, Expenses, and Changes in Net Position, revenues and expenses are classified in a manner consistent with how they are classified in the Statement of Cash Flows. That is, transactions for which related cash flows are reported as capital and related financing activities, noncapital financing activities, or investing activities are not reported as components of operating revenues or expenses.

j. Cash and Cash Equivalents:

The City pools the cash resources of its funds for cash management purposes. The proprietary funds essentially have access to the entire amount of their cash resources on demand. Accordingly,

each proprietary fund's equity in the cash management pool is considered to be cash and cash equivalents for the purpose of the Statement of Cash Flows.

k. Equity Classifications:

Government-wide Statements:

Equity is classified as Net Position and is displayed in three components:

1. Net Investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation (if applicable) and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

2. Restricted Net Position - Consists of net position with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.

3. Unrestricted Net Position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

Fund Financial Statements:

Governmental fund equity is classified as fund balance, and may distinguish between "Nonspendable", "Restricted", "Committed", "Assigned" and "Unassigned" components. Proprietary fund equity is classified the same as in the government-wide financial statements

l. Application of Net Position:

It is the City's policy to first use restricted net position, prior to the use of unrestricted net position, when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

m. Fund Balance Classification Policies and Procedures:

In accordance with Government Accounting Standards Board (GASB) No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the City classifies governmental fund balances as follows:

- Nonspendable – Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

- Restricted – Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

- Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.

- Assigned – Includes fund balance amounts that are intended to be used for specific purposes that are neither considered, restricted, or committed. Fund Balance may be assigned by the Municipal Council.

- Unassigned – Includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The City uses *restricted/committed* amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the government would first use *committed, then assigned, and lastly unassigned* amounts of unrestricted fund balance when expenditures are made.

The City does have a formal minimum fund balance policy.

A schedule of fund balances is provided as follows:

CITY OF BRANDON
DISCLOSURE OF FUND BALANCES REPORTED ON BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	General Fund	Aspen Blvd Capital Projects Fund	Other Non-Major Governmental Funds	Total Governmental Funds
Fund Balances:				
Nonspendable:				
Inventory	$ 22,486.93	$	$	$ 22,486.93
Prepaid Expenses	789.50			789.50
SDPAA Insurance Pool	35,276.56			35,276.56
Restricted for:				
Debt Service			317,664.77	317,664.77
Capital Improvement and Debt Service			188,822.31	188,822.31
Community Development			679,279.92	679,279.92
Assigned				
For Next Year's Budget	359,960.00			359,960.00
Unassigned	1,478,633.87	(1,637,450.29)	(328,038.92)	(486,855.34)
Total Fund Balances	$ 1,897,146.86	$ (1,637,450.29)	$ 857,728.08	$ 1,117,424.65

NOTE 2 - Deficit Fund Balances/Fund Net Position

As of December 31, 2012, the following funds had deficit fund balances/ retained earnings in the amounts shown:

2006 TIF Special Revenue Fund	$ (84,806.64)
TIF Convention Debt Service Service	(37,612.56)
TIF Hemlock Blvd Debt Service Fund	(205,619.72)
Total Deficit Balances	$ (328,038.92)

In the future, the Governing Board plans to transfer money from the General Fund to correct negative fund balances. During the 2012 year, the Water Fund made advances to the TIF Special Revenue Fund-$88,034.64, to the TIF Convention Debt Service-$37,612.56, and to the TIF Hemlock Blvd. Debt Service-$205,619.72 for a total of $331,266.92. These three funds plan to repay the Water Fund over a three-year period, as tax revenues are received.

NOTE 3 - Deposits and Investments Credit Risk, Concentrations of Credit Risk and Interest Rate Risk

The City follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Statutes impose various restrictions on deposits and investments. These restrictions are summarized below:

Deposits - The City's cash deposits are made in qualified public depositories as defined by SDCL 4-6A-1, 7-20-1, 7-20-1.1 and 7-20-1.2, and may be in the form of demand or time deposits. Qualified depositories are required by SDCL 4-6A-3 to maintain at all times, segregated from their other assets, eligible collateral having a value equal to at least 100 percent of the public deposit accounts which exceed deposit insurance such as the FDIC and NCUA. In lieu of pledging eligible securities, a qualified public depository may furnish irrevocable standby letters of credit issued by Federal Home Loan Banks accompanied by written evidence of that bank's public debt rating which may not be less than "AA" or a qualified public depository may furnish a corporate surety bond of a corporation authorized to do business in South Dakota.

Investments – In general, SDCL 4-5-6 permits City funds to be invested only in (a) securities of the United States and securities guaranteed by the United States Government either directly or indirectly; or (b) repurchase agreements fully collateralized by securities described in (a) above; or in shares of an open-end, no-load fund administered by an investment company whose investments are in securities described in (a) above and repurchase agreements described in (b) above. Also, SDCL 4-5-9 requires investments to be in the physical custody of the political subdivision or may be deposited in a safekeeping account with any bank or trust company designated by the political subdivision as its fiscal agent.

Credit Risk - State law limits eligible investments for the City, as discussed above. The City has no investment policy that would further limit its investment choices.

Interest Rate Risk - The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment -The City places no limit on the amount that may be invested in any one issuer.

Deposits are reported at cost, plus interest, if the account is of the add-on type.

Assignment of Investment Income - State law allows income from deposits and investments to be credited to either the General Fund or the fund making the investment. The City's policy is to credit all income from deposits and investments to the fund making the investment.

NOTE 4 - Receivables and Payables

Receivables and payables are not aggregated in these financial statements. The City expects all receivables to be collected within one year, except for $84,463.82 of receivables related to economic development loans to qualifying businesses reported in the General Fund. This is a summary of Economic Development Loans receivable as of December 31, 2012.

Year Ended Dec 31,	R & T Unit Can 2011 Revolving Loan Fund	Corson Village 2011 Revolving Loan Fund	Total
2013	$ 5,648.84	$ 876.89	$ 6,525.73
2014	5,820.65	912.63	6,733.28
2015	5,997.68	687.21	6,684.89
2016	6,180.11		6,180.11
2017	6,368.08		6,368.08
2018-2030	60,497.46		60,497.46
Total	$ 90,512.82	$ 2,476.73	$ 92,989.55

NOTE 5 - Inventory

Inventory in the General Fund consists of expendable supplies held for consumption. Supply inventories are recorded at cost.

Inventory acquired for resale in the proprietary funds is recorded as an asset when acquired. The consumption of inventories held for resale is charged to expense as it is consumed. Inventories held for resale are recorded at the lower of cost or market, on the first-in, first-out cost flow assumption.

Government-wide Financial Statements:

In the government-wide financial statements, inventory is recorded as an asset at the time of purchase, and charged to expense as it is consumed.

Fund Financial Statements:

In the fund financial statements, purchases of supply inventory items are recorded as an expenditure at the time individual inventory items are purchased. Reported inventories are equally offset by nonspendable fund balance which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

NOTE 6 – Property Taxes

Property taxes are levied on or before October 1, of the year preceding the start of the fiscal year. They attach as an enforceable lien on property, and become due and payable as of the following January 1, the first day of the fiscal year. Taxes are payable in two installments on or before April 30 and October 31 of the fiscal year.

The City is permitted by several state statutes to levy varying amounts of taxes per $1,000 of taxable valuation on taxable real property in the City.

NOTE 7 – Changes in Capital Assets

A summary of changes in general fixed assets for the year ended December 31, 2012 are as follows:

Governmental Activities:	Balance 01/01/12	Increases	Decreases	Balance 12/31/12
Capital Assets, not being Depreciated:				
Land	$ 1,129,952.42	$ 472,663.06	$	$ 1,602,615.48
Construction Work in Progress	285,133.39	14,740.95	(192,552.96)	107,321.38
Total Capital Assets, not being Depreciated	1,415,085.81	487,404.01	(192,552.96)	1,709,936.86
Capital Assets, being Depreciated:				
Buildings	4,333,638.50		(4,719.14)	4,328,919.36
Improvements Other than Buildings	15,370,395.55	1,801,507.67		17,171,903.22
Machinery and Equipment*	2,042,564.14	137,831.95	(109,521.07)	2,070,875.02
TOTAL	21,746,598.19	1,939,339.62	(114,240.21)	23,571,697.60
Less Accumulated Depreciation for:				
Buildings	765,229.57	95,693.99	(4,719.14)	856,204.42
Improvements Other Than Buildings	2,986,877.63	668,095.06		3,654,972.69
Machinery and Equipment	1,035,478.25	165,056.60	(86,395.02)	1,114,139.83
Total Accumulated Depreciation	4,787,585.45	928,845.65	(91,114.16)	5,625,316.94
Total Governmental Activities Capital Assets being Depreciated, Net	16,959,012.74	1,010,493.97	(23,126.05)	17,946,380.66
Governmental Activities Capital Assets, Net	**$ 18,374,098.55**	**$ 1,497,897.98**	**$ (215,679.01)**	**$ 19,656,317.52**

Depreciation Expense was charged to functions as follows:

Governmental Activities:	
General Government	$ 24,219.58
Public Safety	75,092.00
Public Works	642,460.40
Health and Welfare	516.67
Culture and Recreation	186,557.00
Total Depreciation Expense-Governmental Activities	$ 928,845.65

Business-Type Activities:	Balance 1/1/2012	Increases	Decreases	Balance 12/31/2012
Capital Assets, not being Depreciated:				
Land	$ 1,719,941.10	$	$	$ 1,719,941.10
CWIP	54,839.30	452,903.24	(37,199.50)	470,543.04
Total Capital Assets, not being Depreciated	1,774,780.40	452,903.24	(37,199.50)	2,190,484.14
Capital Assets, being Depreciated:				
Buildings	4,172,064.60			4,172,064.60
Improvements Other than Buildings	15,657,180.97	915,456.26	(6,299.50)	16,566,337.73
Machinery and Equipment	2,167,727.04	218,305.53	(51,992.41)	2,334,040.16
TOTAL	21,996,972.61	1,133,761.79	(58,291.91)	23,072,442.49
Less Accumulated Depreciation for:				
Buildings	1,321,724.54	95,466.39		1,417,190.93
Improvements Other Than Buildings	4,300,896.42	353,761.11	(6,299.50)	4,648,358.03
Machinery and Equipment	1,445,036.48	155,189.98	(51,047.65)	1,549,178.81
Total Accumulated Depreciation	7,067,657.44	604,417.48	(57,347.15)	7,614,727.77
Total Business-Type Activities Capital Assets being Depreciated, Net	14,929,315.17	529,344.31	(944.76)	15,457,714.72
Business-Type Activities Capital Assets, Net	**$ 16,704,095.57**	**$ 982,247.55**	**$ 0.00**	**$ 17,648,198.86**

Depreciation Expense was charged to functions as follows:

Business-Type Activities:	
Water	$ 277,362.78
Sewer	201,909.12
Golf Course	125,145.58
Total Depreciation Expense-Business-Type Activities	$ 604,417.48

Construction Work in Progress at December 31, 2012 is composed of the following:

Project Name	Project Authorization	Expended through 12/31/12	Committed
Governmental Activities			
West Holly Blvd Project	$ 1,070,300.00	$ 99,435.43	$ 970,864.57
Pedestrian Trail-Tallgrass	19,900.00	7,885.95	12,014.05
Total Governmental Activities	**1,090,200.00**	**107,321.38**	**982,878.62**
Business-Type Activities:			
WW Treatment Facility Sludge Removal	551,500.00	464,874.44	86,625.56
Water Tower	75,000.00	5,668.60	69,331.40
Total Business-Type Activities	**626,500.00**	**470,543.04**	**155,956.96**
Total Governmental and Business-Type Activities	**$ 1,716,700.00**	**$ 577,864.42**	**$ 1,138,835.58**

NOTE 8 – Changes in Long-term Debt

A summary of the changes in long-term debt for the year ended December 31, 2012 is as follows:

Primary Government:	01/01/12 Beginning Balance	Additions	Retired	12/31/12 Ending Balance	Due within One Year
Governmental Activities:					
Bonds Payable - Revenue	$ 3,335,008.91	$	$ 332,446.01	$ 3,002,562.90	$ 284,214.98
State Revolving Funds	321,654.09		31,643.32	290,010.77	32,361.33
Note Payable	2,022,629.69		144,574.42	1,878,055.27	134,475.35
Special Assessments:	1,197,112.04		247,095.01	950,017.03	192,368.37
Accrued Compensated Absences-Governmental Funds	111,511.69	122,788.37	111,511.69	122,788.37	30,697.37
Total Governmental Activities	6,987,916.42	122,788.37	867,270.45	6,243,434.34	674,117.40
Business-Type Activities:					
Bonds Payable - Revenue	970,446.41		206,187.47	764,258.94	216,819.33
Notes Payable	93,766.30		29,594.80	64,171.50	31,225.49
Certificates of Participation	1,172,990.91		93,694.33	1,079,296.58	98,285.35
Accrued Compensated Absences-Business-Type Funds	111,750.97	117,441.39	111,750.97	117,441.39	29,360.39
Total Business-Type Activities	2,348,954.59	117,441.39	441,227.57	2,025,168.41	375,690.56
Total Primary Government	$ 9,336,871.01	$ 240,229.76	$ 1,308,498.02	$ 8,268,602.75	$ 1,049,807.96

Debt payable at December 31, 2012 is comprised of the following:

	General Long-Term Debt	Enterprise Funds
Certificates of Participation		
2002 Golf Course Improvement Certificates--with a varying interest rate of 3.95% to 6.25% depending on time to maturity. Final Maturity Date of December 2021, Retired by the Golf Course Fund.		$ 1,079,296.58
Revenue Bonds		
Utility Revenue Bond--Series 2003, 4.25% interest, Final Maturity Date of December 2013, 78.35% is retired from General Fund.	$ 92,966.55	$
Sales Tax Revenue Bond--Series 2005A, 5.00% interest, Final Maturity Date of September 2035, Retired by the General Fund.	490,156.91	
Sales Tax Revenue Bond--Series 2005B, 4.25% interest, Final Maturity Date of October 2035, Retired by the General Fund.	483,035.75	
Sales Tax Revenue Bond--Series 2007, 6.00% interest, Final Maturity Date of September 2023, Retired by the General Fund.	1,936,403.69	
Water Improvement Revenue Bonds--Series 1999, 5.0% interest, Final Maturity Date of December 2015, Retired by Water Fund.		372,855.66
Sales Tax Revenue Bond--Series 2008, 6.00% interest, Final Maturity Date of September 2018, Retired by the Water Fund.		391,403.28
TOTAL REVENUE BONDS	$ 3,002,562.90	$ 764,258.94
State Revolving Loan:		
State Revolving Fund Loan; 2.25% Interest, Final Maturity Date of January 15, 2021: Retired by the General Fund.	$ 290,010.77	

	General Long-Term Debt	Enterprise Funds
Special Assessment Bonds		
Park Street Special Assessment Bond-Series 2004, 4.0% interest. Final Maturity date of September 2014, Retired by Debt Service Fund	$ 75,574.98	
Chestnut Blvd. Special Assessment Bond-Series 2006, 5.0% interest. Final Maturity date of September 2016, Retired by Debt Service Fund	215,000.00	
Chestnut Blvd. 2007 Sp. Assessment Bond-Series 2007, 5.0% interest. Final Maturity date of September 2017, Retired by Debt Service Fund	308,780.87	
NE Lift & Express 2008 Sp. Assessment Bond-Series 2008, 4.5% interest. Final Maturity date of September 2018, Retired by Debt Service Fund	146,665.32	
Country Club Heights Sp. Assessment Bond-Series 2009, 4.75% interest. Final Maturity date of March 2019, Retired by Debt Service Fund	203,995.86	
TOTAL SPECIAL ASSESSMENT BONDS	$ 950,017.03	

The Municipality of Brandon agrees that it will, at the expiration of the terms of these issues, or upon earlier call, retire any bonds not normally retired from the proceeds of the special assessments pledged for the retirement of the bonds.

	General Long-Term Debt	Enterprise Funds
Note Payable		
2006 TIF Note --4% interest rate, Final date of maturity December 2025, Retired from TIF Special Revenue and Debt Service Funds.	$ 1,081,327.02	$
2009 TIF Note --415% interest rate, Final date of maturity June 2024, Retired from TIF Special Revenue and Debt Service Funds.	634,203.94	
2009 TIF Note --5.45% interest rate, Final date of maturity December 2014, Retired from TIF Debt Service Fund.	162,524.31	
2009 Promissory Note --5.38% interest rate, Final date of maturity December 2014, Retired from Golf Course Fund.		64,171.50
TOTAL OF NOTES PAYABLE	$ 1,878,055.27	$ 64,171.50

	General Long-Term Debt	Enterprise Funds
Compensated Absences		
Accumulated Liability for Unused Vacation and Sick Leave. Payments to be made by the funds that payroll expenditures are charged to.	$ 122,788.37	$ 117,441.39

The annual requirements to amortize all debt outstanding as of December 31, 2012, except for compensated absences, but including interest payments of $1,586,422 are as follows:

Year Ended Dec 31,	Revenue Bonds		State Revolving Loan		Special Assessments	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	$ 501,034	$ 105,095	$ 32,361	$ 6,253	$ 192,368	$ 43,611
2014	422,342	87,848	33,096	5,519	198,918	34,515
2015	303,919	74,489	33,847	4,768	170,701	25,113
2016	267,579	66,903	34,615	4,000	181,270	16,743
2017	274,960	59,521	156,093	8,020	127,107	7,851
2018-2022	1,147,967	209,870			79,653	2,990
2023-2027	399,416	126,451				
2028-2032	263,294	74,241				
2033-2037	186,312	15,397				
Total	$ 3,766,823	$ 819,814	$ 290,011	$ 28,561	$ 950,017	$ 130,823

Year Ended Dec 31,	Certificates of Participation		Note Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	$ 98,285	$ 22,126	$ 165,700	$ 73,802	$ 989,749	$ 250,887
2014	103,101	20,111	172,760	66,742	930,217	214,734
2015	108,153	17,997	238,858	60,217	855,478	182,585
2016	113,453	15,780	125,593	49,354	722,509	152,780
2017	119,012	13,454	130,225	44,722	807,397	133,569
2018-2022	537,292	28,194	726,863	173,667	2,491,775	414,720
2023-2027			382,227	21,059	781,642	147,509
2028-2032					263,294	74,241
2033-2037					186,312	15,397
Total	$ 1,079,296	$ 117,662	$ 1,942,226	$ 489,562	$ 8,028,373	$ 1,586,422

NOTE 9 – Wastewater Agreement

In November 1994, the City of Brandon entered into a 20-year agreement with the City of Sioux Falls to obtain wastewater treatment services. An annual administrative fee of $2,000 is paid by the City of Brandon to the City of Sioux Falls along with a charge of $0.79 per 1000 gallons of volume of wastewater discharged from the sewer system of Brandon into the Sioux Falls Wastewater Treatment Facility. The annual administrative fee is for the role of implementation and enforcement of an Industrial Pretreatment Program on industrial users in Brandon. Payments are made from the city's Sewer Fund.

NOTE 10 – Restricted Net Position

Restricted net position for the year ended December 31, 2012 was as follows:

Debt Service Funds	$ 972,365.35
Capital Improvement and Debt Service Funds	188,822.31
Community Development	679,279.92
SDPAA Contribution	35,276.56
Total Restricted Net Position	$ 1,875,744.14

These balances are restricted due to federal grant and statutory requirements.

NOTE 11 – Retirement Plan

All employees, except for part-time employees, participate in the South Dakota Retirement System

(SDRS), a cost-sharing, multiple employer public employee retirement system established to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement, disability and survivor's benefits. The right to receive retirement benefits vests after three years of credited service. Authority for establishing, administering and amending plan provisions are found in South Dakota Codified Law 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the SDRS, PO Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

General employees are required by state statute to contribute 6 percent of their salary to the plan, while public safety and judicial employees contribute at 8 percent and 9 percent. State statue also requires the employer to contribute an amount equal to the employee's contribution. State statute also requires the employer to make an additional contribution in the amount of 6.2 percent for any compensation exceeding the maximum taxable amount for social security for general employees only. The city's share of contributions to the SDRS for the fiscal years ended December 31, 2012, 2011, and 2010 were $113,831.74, $109,644.26, and $107,960.87 respectively, equal to the required contributions each year.

NOTE 12 – Risk Management

The city is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ended December 31, 2012, the city managed its risks as follows:

Employee Health Insurance:
The city purchases health insurance for its employees from a commercial insurance carrier. Settled results from these risks have not exceeded the liability coverage during the past three years.

Liability Insurance:
The City joined the South Dakota Public Assurance Alliance (SDPAA), a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. The objective of the SDPASA is to administer and provide risk management services and risk sharing facilities of the members and to defend and protect the members against liability, to advise members on loss control guidelines and procedures, and provide them with risk management services, loss control guidelines and procedures, and provide them with risk management services, loss control and risk reduction information and to obtain lower costs for that coverage. The City's responsibility is to promptly report to and cooperate with the SDPAA to resolve any incident which could result in a claim being made by or against the City. The City pays an annual premium, to provide liability coverage detailed below, under a claims-made policy and the premiums are accrued based on the ultimate cost of the experience to date of the SDPAA member, based on their exposure or type of coverage. The City pays an annual premium to the pool to provide coverage for torts, auto liability, and physical damage; and errors and omissions of public officials.

The agreement with the South Dakota Public Assurance Alliance provides that the above coverage will be provided to varying limits. Member premiums are used by the pool for payment of claims and to pay for reinsurance for claims in excess of $250,000 to the upper limit. The City carries a $ 1,000 deductible for the official's liability coverage and $500 deductible for property coverage. The City does not carry additional insurance to cover claims in excess of the upper limit. Settled claims resulting from these risks have never exceeded the liability coverage.

Worker's Compensation:
The city joined the South Dakota Municipal League Worker's Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local

government entities. The objective of the Fund is to formulate, develop, and administer, on the behalf of the member organizations, a program of worker's compensation coverage, to obtain lower costs for that coverage, and develop a comprehensive loss control program. The City's responsibility is to initiate and maintain a safety program to give its employees safe and sanitary working conditions and to promptly report to and cooperate with the Fund to resolve any worker's compensation claims. The City pays an annual premium, to provide worker's compensation coverage for its employees, under a self-funded program and the premiums are accrued based on the ultimate cost of the experience to date of the Fund members. Coverage limits are set by state statute. The pool pays the first $650,000 of any claim per individual. The pool has reinsurance, which covers up to an additional $2,000,000 per individual per incident.

The City does not carry additional insurance to cover claims in excess of the upper limit. Settled claims resulting from these risks have never exceeded the liability coverage.

Unemployment Benefits
The city provides coverage for unemployment benefits by paying into the Unemployment Compensation Fund established by state law and managed by the State of South Dakota.

NOTE 13 – Interfund Transfers

Interfund transfers for the year ended December 31, 2012 were as follows:

	Transfers To:				
Transfers From:	General Fund	Aggregate Other Governmental Funds	Golf Course Fund	Nonmajor Enterprise Fund	Total
Aggregate Other Governmental Funds	$ 30,199.82	$ 20,327.01	$ 20,784.41	$ 4,298.00	$ 75,609.24

The City typically budgets transfers of money to conduct the indispensable functions of the City and to close out old debt service and capital project funds.

NOTE 14 – Significant Contingencies-Litigation

At December 31, 2012, the City was not involved in any litigation.

REQUIRED SUPPLEMENTARY INFORMATION
CITY OF BRANDON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
General Property Taxes	$ 1,964,464.00	$ 1,964,464.00	$ 1,965,084.59	$ 620.59
General Sales and Use Taxes	1,900,000.00	1,900,000.00	2,333,422.03	433,422.03
Amusement Taxes	800.00	800.00	1,092.00	292.00
Penalties and Interest on Delinquent Taxes	5,100.00	5,100.00	4,494.92	(605.08)
Licenses and Permits	75,472.00	75,472.00	74,536.13	(935.87)
Intergovernmental Revenue:				
Federal Grants	66,527.00	77,676.42	54,227.27	(23,449.15)
State Grants	6,418.00	6,418.00	5,864.00	(554.00)
State Shared Revenue:				
Bank Franchise Tax	15,000.00	15,000.00	20,913.36	5,913.36
Liquor Tax Reversion	33,000.00	33,000.00	37,890.44	4,890.44
Motor Vehicle Licenses (5%)	23,000.00	23,000.00	32,434.03	9,434.03
Local Government Highway and Bridge Fund	34,000.00	34,000.00	49,018.49	15,018.49
Other	3,000.00	3,000.00	4,215.21	1,215.21
County Shared Revenue:				
County Wheel Tax	8,000.00	8,000.00	8,429.80	429.80
Charges for Goods and Services:				
General Government	1,100.00	1,100.00	900.00	(200.00)
Public Safety	45,150.00	45,150.00	44,358.20	(791.80)
Sanitation	2,500.00	2,500.00	3,600.00	1,100.00
Health	250.00	250.00		(250.00)
Culture and Recreation	97,429.00	97,429.00	111,851.96	14,422.96
Other	104,136.00	104,136.00	79,631.61	(24,504.39)
Fines and Forfeits:				
Court Fines and Costs	8,500.00	8,500.00	7,869.05	(630.95)
Miscellaneous Revenue:				
Investment Earnings	3,000.00	3,000.00	1,362.14	(1,637.86)
Rentals	95.00	95.00	95.00	
Street Assessments	124,401.00	124,401.00	112,056.15	(12,344.85)
Contributions and Donations from Private Sources		8,250.00	20,874.18	12,624.18
Other	9,000.00	13,624.50	16,343.61	2,719.11
Total Revenue	4,530,342.00	4,554,365.92	4,990,564.17	436,198.25

REQUIRED SUPPLEMENTARY INFORMATION
CITY OF BRANDON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance Positive (Negative)
	Original	Final		
Expenditures:				
General Government:				
Legislative	73,792.00	88,792.00	83,528.90	5,263.10
Executive	220,178.00	221,903.00	205,195.42	16,707.58
Elections	896.00	896.00	60.00	836.00
Financial Administration	218,083.00	224,083.00	215,061.66	9,021.34
Other	56,500.00	67,649.42	59,333.97	8,315.45
Total General Government	569,449.00	603,323.42	563,179.95	40,143.47
Public Safety:				
Police	1,115,208.00	1,115,208.00	1,060,020.71	55,187.29
Fire	161,057.00	166,681.50	166,183.38	498
Protective Inspection	161,741.00	161,741.00	148,626.67	13,114.33
Other Protection	16,000.00	16,000.00	15,459.21	540.79
Total Public Safety	1,454,006.00	1,459,630.50	1,390,289.97	69,340.53
Public Works:				
Highways and Streets	761,852.00	761,852.00	602,445.41	159,406.59
Sanitation	8,750.00	8,750.00	432.76	8,317.24
Transit	160,011.00	160,011.00	131,331.41	28,679.59
Total Public Works	930,613.00	930,613.00	734,209.58	196,403.42
Health and Welfare	8,600.00	8,600.00	4,011.83	4,588.17
Culture and Recreation:				
Recreation	190,503.00	190,503.00	175,014.10	15,488.90
Parks	374,715.00	439,715.00	421,407.39	18,307.61
Libraries	10,000.00	10,000.00		10,000.00
Total Culture and Recreation	575,218.00	640,218.00	596,421.49	43,796.51
Conservation and Development:				
Economic Development and Assistance (Industrial Development)	205,836.00	335,836.00	315,485.70	20,350.30
Debt Service	724,249.00	724,249.00	686,737.81	37,511.19
Contingency	62,300.00	22,325.00		22,325.00
Total Expenditures	4,530,271.00	4,724,794.92	4,290,336.33	434,458.59
Excess of Revenue Over (Under) Expenditures	71.00	(170,429.00)	700,227.84	870,656.84
Other Financing Sources (Uses):				
Transfers In		55,282.23	55,282.23	
Transfers (Out)		(25,082.41)	(25,082.41)	
Sale of Municipal Property			3,543.23	3,543.23
Compensation for Loss/ Damage to Capital Assets			5,434.25	5,434.25
Total Other Financing Sources (Uses)		30,199.82	39,177.30	8,977.48
Net Change in Fund Balances	71.00	(140,229.18)	739,405.14	879,634.32
Net Change in Nonspendable Fund Balance			(19,825.61)	(19,825.61)
Fund Balance - Beginning Balance	1,177,567.33	1,177,567.33	1,177,567.33	
FUND BALANCE - ENDING	$ 1,177,638.33	$ 1,037,338.15	$ 1,897,146.86	$ 859,808.71

CITY OF BRANDON
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note 1: Budgets and Budgetary Accounting:

The Municipality follows these procedures in establishing the budgetary data reflected in the financial statements:

1. At the first regular board meeting in September of each year or within ten days thereafter, the Governing Board/Municipality Commission introduces the annual appropriation ordinance for the ensuing fiscal year.

2. After adoption by the Governing Board/Municipality Commission, the operating budget is legally binding and actual expenditures for each purpose cannot exceed the amounts budgeted, except as indicated in number 4.

3. A line item for contingencies may be included in the annual budget. Such a line item may not exceed 5 percent of the total municipal budget and may be transferred by the resolution of the Governing Board/Municipality Commission to any other budget category that is deemed insufficient during the year.

4. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows the adoption of supplemental budgets.

5. Unexpended appropriations lapse at year-end unless encumbered by the resolution of the Governing Board/Municipality Commission.

   Encumbrances accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, special revenue fund, and capital projects funds.

6. Formal budgetary integration is employed as a management control device during the year for the General Fund, special revenue funds and capital project funds. Formal budgetary integration is not employed for debt service funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions.

7. Budgets for the General Fund, special revenue funds, and capital project funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (USGAAP).

Note 2: GAAP/ Budgetary Accounting Basis Differences

The financial statements prepared in conformity with USGAAP present capital outlay expenditure information in a separate category of expenditures. Under the budgetary basis of accounting, capital outlay expenditures are reported within the function to which they relate.

CITY OF BRANDON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	Special Revenue Nonmajor Governmental Funds	Debt Service Nonmajor Governmental Funds	Total Nonmajor Governmental Funds
ASSETS:			
Cash and Cash Equivalents	$ 591,991.49	$ 313,023.73	$ 905,015.22
Accounts Receivable	3,228.00		3,228.00
Special Assessments Receivable--Current		126,848.06	126,848.06
Special Assessments Receivable--Delinquent		9,991.20	9,991.20
Special Assessments Receivable--Deferred		517,861.32	517,861.32
Notes Receivable-Current	6,525.73		6,525.73
Notes Receivable-Noncurrent	86,463.82		86,463.82
Due from Other Governments	13,400.44		13,400.44
Investments	169,720.75	4,641.04	174,361.79
TOTAL ASSETS	871,330.23	972,365.35	1,843,695.58
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Advances From Water Fund	88,034.64	243,232.28	331,266.92
Deferred Revenue		654,700.58	654,700.58
Total Liabilities	88,034.64	897,932.86	985,967.50
Fund Balances:			
Restricted	868,102.23	317,664.77	1,185,767.00
Unassigned	(84,806.64)	(243,232.28)	(328,038.92)
Total Fund Balances	783,295.59	74,432.49	857,728.08
TOTAL LIABILITIES AND FUND BALANCES	$ 871,330.23	$ 972,365.35	$ 1,843,695.58

CITY OF BRANDON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Special Revenue Nonmajor Governmental Funds	Debt Service Nonmajor Governmental Funds	Capital Projects Nonmajor Governmental Fund	Total Nonmajor Governmental Funds
Revenues:				
Taxes:				
General Property Taxes	$	$ 151,702.74	$	$ 151,702.74
General Sales and Use Tax	192,888.76			192,888.76
Gross Receipts Business Tax	58,840.00			58,840.00
Miscellaneous Revenue:				
Interest Earnings	4,309.34	316.23		4,625.57
Special Assessments		342,560.08		342,560.08
Total Revenue	256,038.10	494,579.05		750,617.15
Expenditures:				
General Government:				
Other	138,005.89			138,005.89
Conservation and Development:				
Economic Development and Assistance	16,200.12			16,200.12
Debt Service	54,469.55	469,299.31		523,768.86
Capital Outlay	422,663.82		6,855.00	429,518.82
Total Expenditures	631,339.38	469,299.31	6,855.00	1,107,493.69
Excess of Revenue Over (Under) Expenditures	(375,301.28)	25,279.74	(6,855.00)	(356,876.54)
Other Financing Sources (Uses)				
Transfers In		3,639.51	16,687.50	20,327.01
Transfers (Out)		(75,609.24)		(75,609.24)
Total Other Financing Sources (Uses)		(71,969.73)	16,687.50	(55,282.23)
Net Change in Fund Balances	(375,301.28)	(46,689.99)	9,832.50	(412,158.77)
Fund Balance - January 1, 2012	1,158,596.87	121,122.48	(9,832.50)	1,269,886.85
FUND BALANCE - DECEMBER 31, 2012	$ 783,295.59	$ 74,432.49	$ 0.00	$ 857,728.08

CITY OF BRANDON
COMBINING BALANCE SHEET
SPECIAL REVENUE NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	Third Cent Sales Tax Fund	2006 TIF Special Revenue Fund	Brandon Revolving Loan Fund	Total
ASSETS:				
Cash and Cash Equivalents	$ 169,420.46	$	$ 422,571.03	$ 591,991.49
Accounts Receivable		3,228.00		3,228.00
Notes Receivable-Current			6,525.73	6,525.73
Due from Other Governments	13,400.44			13,400.44
Notes Receivable-Noncurrent			86,463.82	86,463.82
Investments	6,001.41		163,719.34	169,720.75
TOTAL ASSETS	188,822.31	3,228.00	679,279.92	871,330.23
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Advance From Water Fund		88,034.64		88,034.64
Total Liabilities		88,034.64		88,034.64
Fund Balances:				
Restricted	188,822.31		679,279.92	868,102.23
Unassigned		(84,806.64)		(84,806.64)
Total Fund Balances	188,822.31	(84,806.64)	679,279.92	783,295.59
TOTAL LIABILITIES AND FUND BALANCES	$ 188,822.31	$ 3,228.00	$ 679,279.92	$ 871,330.23

CITY OF BRANDON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
SPECIAL REVENUE NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Third Cent Sales Tax Fund	2006 TIF Special Revenue Fund	Brandon Revolving Loan Fund	Total
Revenues:				
Taxes:				
General Sales and Use Tax	$ 192,888.76	$	$	$ 192,888.76
Other Tax		58,840.00		58,840.00
Miscellaneous Revenue:				
Interest Earnings	379.38	0.28	3,929.68	4,309.34
Total Revenue	193,268.14	58,840.28	3,929.68	256,038.10
Expenditures:				
General Government:				
Other	138,005.89			138,005.89
Conservation and Development:				
Economic Development and Assistance	15,000.00		1,200.12	16,200.12
Debt Service		54,469.55		54,469.55
Capital Outlay	422,663.82			422,663.82
Total Expenditures	575,669.71	54,469.55	1,200.12	631,339.38
Net Change in Fund Balances	(382,401.57)	4,370.73	2,729.56	(375,301.28)
Fund Balance - January 1, 2012	571,223.88	(89,177.37)	676,550.36	1,158,596.87
FUND BALANCE - DECEMBER 31, 2012	$ 188,822.31	$ (84,806.64)	$ 679,279.92	$ 783,295.59

CITY OF BRANDON
COMBINING BALANCE SHEET
DEBT SERVICE NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	TIF Debt Service Fund	Park Street Special Assessment Debt Service Fund	Chestnut Blvd Debt Service Fund	Chestnut Blvd Mid Debt Service Fund	Expr Ave/ FC Lift Debt Service Fund	TIF Covention Center Debt Service Fund	CC Heights Debt Service Fund	TIF Hemlock Blvd. Debt Service Fund	Total
ASSETS:									
Cash and Cash Equivalents	$ 110,156.35	$	$ 49,927.96	$ 34,656.76	$ 49,162.00	$	$ 69,120.66	$	$ 313,023.73
Special Assessments Receivable--Current		28,049.48	36,189.64	32,379.69	13,799.81		16,429.44		126,848.06
Special Assessments Receivable--Delinquent					9,991.20				9,991.20
Special Assessments Receivable--Deferred		112,197.92	108,568.95	129,518.76	68,999.05		98,576.64		517,861.32
Investments	2,184.07		1,201.48	682.75	478.11		94.63		4,641.04
TOTAL ASSETS	112,340.42	140,247.40	195,888.03	197,237.96	142,430.17		184,221.37		$ 972,365.35
LIABILITIES AND FUND BALANCES:									
Liabilities:									
Advances From Water Fund						37,612.56		205,619.72	243,232.28
Deferred Revenue		140,247.40	144,758.59	161,898.45	92,790.06		115,006.08		654,700.58
Total Liabilities		140,247.40	144,758.59	161,898.45	92,790.06	37,612.56	115,006.08	205,619.72	897,932.86
Fund Balances:									
Restricted	112,340.42		51,129.44	35,339.51	49,640.11		69,215.29		317,664.77
Unassigned						(37,612.56)		(205,619.72)	(243,232.28)
Total Fund Balances	112,340.42		51,129.44	35,339.51	49,640.11	(37,612.56)	69,215.29	(205,619.72)	74,432.49
TOTAL LIABILITIES AND FUND BALANCES	$ 112,340.42	$ 140,247.40	$ 195,888.03	$ 197,237.96	$ 142,430.17	$	$ 184,221.37	$	$ 972,365.35

CITY OF BRANDON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES- DEBT SERVICE NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	North Sioux Boulevard Debt Service Fund	TIF Debt Service Fund	Park Street Special Assessment Debt Service Fund	Chestnut Blvd Debt Service Fund	Chestnut Blvd Mid Debt Service Fund	Expr Ave/ FC Lift Debt Service Fund	TIF Covention Center Debt Service Fund	CC Heights Debt Service Fund	TIF Hemlock Blvd. Debt Service Fund	Total
Revenues:										
Taxes:										
General Property Taxes	$	$ 88,333.75	$	$	$	$	$ 63,368.99	$	$	$151,702
Miscellaneous Revenue:										
Interest Earnings	53.16	91.04		65.73	44.74	36.55	0.23	24.78		316.23
Special Assessments	48,092.00		36,430.04	45,327.53	45,979.15	75,982.25		90,749.11		342,560.08
Total Revenue	48,145.16	88,424.79	36,430.04	45,393.26	46,023.89	76,018.80	63,369.22	90,773.89		494,579.05
Expenditures:										
Debt Service	69,284.96	30,642.04	40,069.55	58,130.00	70,561.84	27,965.10	67,933.95	36,546.61	68,165.26	469,299.31
Total Expenditures	69,284.96	30,642.04	40,069.55	58,130.00	70,561.84	27,965.10	67,933.95	36,546.61	68,165.26	469,299.31
Excess of Revenue Over (Under) Expenditures	(21,139.80)	57,782.75	(3,639.51)	(12,736.74)	(24,537.95)	48,053.70	(4,564.73)	54,227.28	(68,165.26)	25,279.74
Other Financing Sources (Uses):										
Transfer In			3,639.51							3,639.51
Transfer (Out)	(75,609.24)									(75,609.24)
Total Other Financing Sources (Uses):	(75,609.24)		3,639.51							(71,969.73)
Net Change in Fund Balances	(96,749.04)	57,782.75	0.00	(12,736.74)	(24,537.95)	48,053.70	(4,564.73)	54,227.28	(68,165.26)	(46,689.99)
Fund Balance - January 1, 2012	96,749.04	54,557.67	0.00	63,866.18	59,877.46	1,586.41	(33,047.83)	14,988.01	(137,454.46)	121,122.48
FUND BALANCE - DECEMBER 31, 2012	$ 0.00	$112,340.42	$ 0.00	$51,129.44	$35,339.51	$ 49,640.11	$(37,612.56)	$69,215.29	$(205,619.72)	$ 74,432.49

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES- CAPITAL PROJECTS NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2012

	West Holly Street Project	Total Capital Projects Funds
Revenues:		
Miscellaneous Revenue:		
Special Assessments	$	$
Total Revenue		
Expenditures:		
Public Works		
Capital Outlay	6,855.00	6,855.00
Total Expenditures	6,855.00	6,855.00
Excess of Revenue Over (Under) Expenditures	(6,855.00)	(6,855.00)
Other Financing Sources (Uses):		
Transfer In	16,687.50	16,687.50
Total Other Financing Sources (Uses):	16,687.50	16,687.50
Net Change in Fund Balances	9,832.50	9,832.50
Fund Balance - January 1, 2012	(9,832.50)	(9,832.50)
FUND BALANCE - DECEMBER 31, 2012	$	$

CITY OF BRANDON
304 MAIN AVE.
BRANDON, SD 57004

Corrective Action Plan
For the year ended December 31, 2012

The City of Brandon has considered the lack of segregation of duties for the revenue and expenditure functions.

At this time it is not cost efficient for the City of Brandon to hire additional staff needed to achieve segregation of duties. The City of Brandon has implemented alternate procedures, to decrease the likelihood that financial data is adversely affected.

Larry D. Beesley
Mayor

Finance Officer/City Administrator

CITY OF BRANDON
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INDEPENDENT AUDITOR'S REPORT

City Council
City of Brandon
Minnehaha County, South Dakota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Brandon, South Dakota, as of December 31, 2013 and for the year then ended, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Brandon as of December 31, 2013 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Schedules listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining Nonmajor Fund Financial Statements listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 10, 2014, on our consideration of the City of Brandon's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance

Quam & Berglin, P.C.

Quam and Berglin, P.C.
Certified Public Accountants

July 10, 2014

City of Brandon
305 Main Avenue
PO Box 95
Brandon, SD 57005
(605) 582-6515

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Brandon's annual financial report presents our discussion and analysis of the City of Brandon financial performance during the fiscal year ending December 31, 2013. Please read it in conjunction with the City of Brandon financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

During the year, the City of Brandon revenues generated from charges for services, taxes and other revenues of the governmental programs were $3,288,490 more than the $7,597,972 governmental and business-type program expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, including related notes, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Municipality:

1. The first two statements are government-wide financial statements that provide both long-term and short-term information about the overall financial status of the City of Brandon.

2. The remaining statements are fund financial statements that focus on individual parts of Municipal government, reporting the Municipality's operations in more detail than the government-wide statements.

    A. The governmental fund statements tell how general government services like public safety were financed in the short-term as well as what remains for future spending.

    B. Proprietary fund statements offer short- and long-term financial information about the activities that the Municipality operates like businesses. The City has four proprietary funds – the Water Fund, the Sewer Fund, the Golf Course Fund and the Electrical Fund.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to the required elements, we have included a section with combining statements that provide details about our non-major governmental funds, each of which are added together and presented in a single column in the basic financial statements.

Figure A-2 summarizes the major features of the City of Brandon's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of the overview section of the management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-2

Major Features of the City of Brandon's Government-wide and Fund Financial Statements			
	Government-wide Statements	Fund Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire City government (except fiduciary funds and the fiduciary component units)	The activities of the City that is not proprietary or fiduciary, such as finance office, police, fire and parks.	Activities the City operates similar to private businesses are the water, sewer and electric systems and the golf course.
Required Financial Statements	*Statement of Net Position *Statement of Activities	*Balance Sheet *Statement of Revenues, Expenditures and Changes in Fund Balances	*Balance Sheet *Statement of Revenues, Expenses and Changes in Net Position *Statement of Cash Flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of Inflow/Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City of Brandon's net position and how they have changed. Net position – the difference between the City of Brandon's assets and liabilities – is one way to measure the City of Brandon's financial health or position.

1. Increases or decreases in the City of Brandon's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

2. To assess the overall health of the City you need to consider additional non-financial factors such as changes in the City of Brandon's property tax base and changes in the sales tax revenue base.

The government-wide financial statements of the City are reported in two categories:

1. Governmental Activities -- This category includes the most of the City of Brandon's basic services, such as police, fire, public works, parks department and general administration. Property taxes, sales taxes, charges for services, state and federal grants and interest earnings finance most of these activities.

2. Business-type Activities -- The City charges a fee to customers to help cover the costs of certain services it provides. The City of Brandon's water, sewer, golf course and electrical accounts are included here.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the City of Brandon's most significant funds – not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

1. State Law requires some of the funds.

2. The City Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The City has two kinds of funds:

1. Governmental Funds – Most of the City of Brandon's basic services are included in the governmental funds, which focus on (1) how cash and other financial assets that can readily converted to cash flow in and out and (2) the balances left at the year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City of Brandon's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements, or on the subsequent page, that explains the relationship (or differences) between them.

2. Proprietary Funds – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both short- and long-term financial information. The City of Brandon's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

	Governmental Activities		Business-Type Activities		Totals	
	2012	2013	2012	2013	2012	2013
Current and Other Assets	$ 1,899,074	$ 3,110,934	$ 3,764,818	$ 4,455,224	$ 5,663,892	$ 7,566,158
Capital Assets	19,656,318	20,138,191	17,648,199	17,465,199	37,304,517	37,603,390
Total Assets	21,555,392	23,249,125	21,413,017	21,920,423	42,968,409	45,169,548
Long-Term Debt						
Outstanding	6,243,435	5,480,189	1,993,943	1,681,795	8,237,378	7,161,984
Other Liabilities	171,754	180,028	239,765	219,534	411,519	399,563
Total Liabilities	6,415,189	5,660,217	2,233,708	1,901,329	8,648,897	7,561,547
Net Positon:						
Net Investment in Capital Assets	13,535,672	14,801,549	15,347,748	15,903,802	28,883,420	30,705,351
Restricted	1,875,744	1,706,444			1,875,744	1,706,444
Unrestricted	(271,213)	1,080,915	3,831,561	4,115,292	3,560,348	5,196,207
Total Net Position	$15,140,203	$17,588,908	$19,179,309	$20,019,094	$34,319,512	$37,608,002
Beginning Net Position	$14,217,020	$15,140,203	$18,011,940	$19,179,309	$32,228,960	$34,319,512
Increase (Decrease) in Net Positon	$ 923,183	$ 2,448,705	$ 1,167,369	$ 839,785	$ 2,090,552	$ 3,288,490
Percentage of Increase (Decrease) in Net Position	6.49%	16.17%	6.48%	4.38%	6.49%	9.58%

This section explains the differences between the current and prior years' assets, liabilities, and changes in net position.

The Statement of Net position reports all financial and capital resources. The statement presents the assets and liabilities in order of relative liquidity. The liabilities with average maturities greater than one year are reported in two components – the amount due within one year and the amount due in more than one year. The long-term liabilities of the City, consisting of compensated absences payable, sales tax revenue bonds payable, water and revenue bonds payable, and special assessment bonds with governmental commitment have been reported in this manner on the Statement of Net position. The difference between the City of Brandon's assets and liabilities is its net position.

CHANGES IN NET POSITION

The City of Brandon's total revenues (excluding special items) totaled $10,917,802. (See Table A-2.) Most of the City of Brandon's revenue comes from charges for services and taxes; with 43.5 cents of every dollar raised coming from charges for services and 46 cents of every dollar raised comes from some type of tax. (See Figure A-3). Another 11 cents come from operating and capital grants and contributions and the balance comes from unrestricted investment earnings, state shared revenue and miscellaneous.

FIGURE A-3 SOURCE OF REVENUES

The City of Brandon expenses cover a range of services with 12.3% from water services and 12% from sewer services, 15.3% from the golf course. The cost of Public Safety was 19.3% and Public Works was 18%. Culture and Recreation costs were 8.3%. General Government costs were 9.5% and debt service was 3%. Conservation and Development costs were 1.3% and the remaining balance of 1% was from the electric services. (See Figure A-4)

FIGURE A-4 SOURCE OF EXPENSES

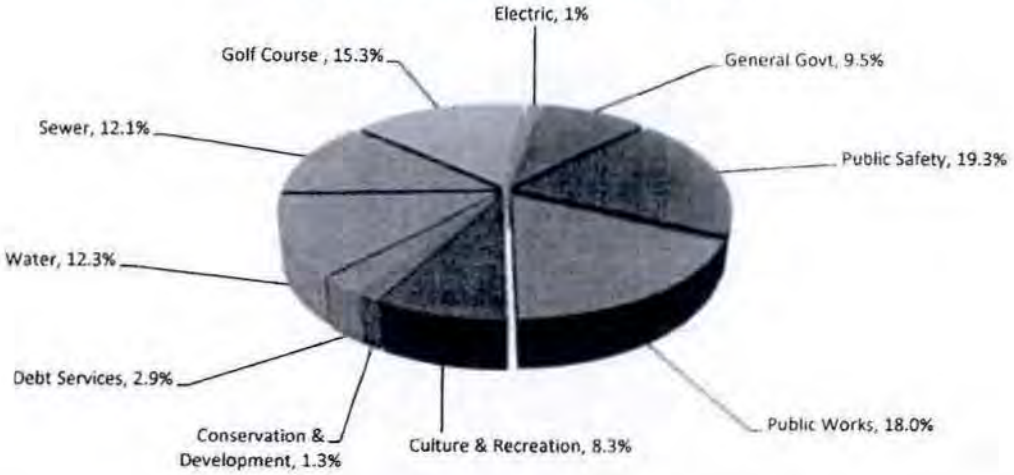

TABLE A-2
CITY OF BRANDON
CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2012	2013	2012	2013	2012	2013
REVENUE:						
Program Revenues:						
Charges for Services	$ 328,435	$ 772,100	$ 3,983,273	$ 3,978,597	$ 4,311,708	$ 4,750,697
Operating Grants and Contributions	175,088	96,193			175,088	96,193
Capital Grants and Contributions	498,215	949,381				949,381
General Revenues:						
Taxes	4,699,626	5,025,263			4,699,626	5,025,263
Revenue State Sources	58,804	56,632			58,804	56,632
Unrestricted Investment Earnings	5,988	4,829	3,859	2,429	9,847	7,258
Miscellaneous	17,184	15,017	15,867	17,361	33,051	32,378
TOTAL REVENUES	5,783,340	6,919,415	4,002,999	3,998,387	9,786,339	10,917,802
EXPENSES:						
General Government	723,549	721,305			723,549	721,305
Public Safety	1,465,382	1,470,168			1,465,382	1,470,168
Public Works	1,316,697	1,365,628			1,316,697	1,365,628
Health & Welfare	4,529	4,097			4,529	4,097
Culture and Recreation	702,919	629,017			702,919	629,017
Conservation & Development	331,686	95,684			331,686	95,684
Debt Services	285,389	217,795			285,389	217,795
Water Services			910,913	935,373	910,913	935,373
Sewer Services			707,845	918,485	707,845	918,485
Golf Course Services			1,188,322	1,163,974	1,188,322	1,163,974
Electric			31,684	76,448	31,684	76,448
TOTAL EXPENSES	4,830,151	4,503,694	2,838,764	3,094,280	7,668,915	7,597,974
Excess (deficiency) Before Special Items and Transfers	953,189	2,415,721	1,164,235	904,107	2,117,424	3,319,828
Loss on Disposition of Assets	(4,924)	(22,373)	(21,948)	(8,965)	(26,872)	(31,338)
Transfers	(25,082)	55,357	25,082	(55,357)		
Change in Net Postion	923,183	2,448,705	1,167,369	839,785	2,090,552	3,288,490
Beginning Net Position	14,217,020	15,140,203	18,011,940	19,179,309	32,228,960	34,319,512
NET POSITON-ENDING	$ 15,140,203	$ 17,588,908	$ 19,179,309	$ 20,019,094	$ 34,319,512	$ 37,608,002

FINANCIAL ANALYSIS OF THE CITY OF BRANDON FUNDS

The financial analysis of the City of Brandon funds mirror those highlighted in the analysis of governmental and business-type activities presented above. The City maintains twelve governmental funds – General Fund; 3rd Cent Sales Tax; 2006 TIF #2(BID) Special Revenue Fund; Brandon Revolving Loan Fund; TIF#1 Debt Service; S.A Park St; S.A Chestnut Blvd; S.A Chestnut Middle Blvd; S.A. Express Ave/French Cr Lift; TIF #2 Convention Center Debt Service; S.A Country Club Drainage; TIF Hemlock Blvd Debt Service Fund. The City has four business type funds - Water; Sewer; Golf Course and Electrical.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the City Council revised the City budget. This amendment was for Supplemental appropriations and contingency transfers approved for unanticipated, yet necessary, expenses to provide for items necessary for health and welfare of its citizens.

CAPITAL ASSET ADMINISTRATION

By the end of 2013, the City had $37,603,390 in a broad range of capital assets, including, land, buildings, and various machinery and equipment. (See Table A-3.) This amount represents a net increase (including additions and deductions) of $298,874 at a 1% increase over the last year.

Table A-3
Capital Assets
(Net of depreciation)

	Governmental Activities		Business-Type Activities		Total Dollar Change	Total % Change
	2012	2013	2012	2013	2012-2013	2012-2013
Land	$ 1,602,615	$ 1,602,615	$ 1,719,941	$ 1,719,941	$ 0	0.00%
Buildings	3,472,715	3,377,021	2,754,874	2,659,570	(190,998)	-3%
Improv Other Than Buildings	13,516,931	14,250,053	11,917,980	12,295,235	1,110,377	4%
Machinery & Equipment	956,735	893,073	784,861	757,866	(90,657)	-5%
Construction in Progress	107,321	15,429	470,543	32,587	(529,849)	-1103%
Total Capital Assets (net)	$ 19,656,317	$ 20,138,191	$ 17,648,199	$ 17,465,199	$ 298,874	1%

Below are some projects and purchases that were made in 2013:

New equipment was purchased which included: two Ford pickups, two F3080 Kubota Front Mowers, Kyocera copier, a PF 90SD Flail Mower, and a dehumidifier for the water plant.

There were some construction projects going on in Brandon in 2013: This was the first year we decided to do a Micro-Seal Project. The project went well and we are planning to continue the micro seal process. The total cost of micro sealing in 2013 was $145,189. Glenwood Drive was resurfaced for a total cost of $102,210. Lighting was installed in the soccer complex at McHardy Park. The total cost was $238,151; however, the Soccer Association did donate $80,000 to the city for the project. Also, we did repaint, clean and repair the water tower for a total cost of $282,600.

LONG-TERM DEBT

At the end of the year the City has $7,161,984 in Sales Tax Revenue Bonds, Water Revenue Bonds and Sewer revenue Bonds and other long term obligations. This is a decrease of over 13% from the previous year as shown on Table A-4 below.

Table A-4
Outstanding Debt and Obligations
(Net of depreciation)

	Governmental Activities		Business-Type Activities		Total Dollar Change	Total % Change
	2012	2013	2012	2013	2012-2013	2012-2013
Compensated Absences	$ 122,788	$ 143,547	$ 117,441	$ 120,398	$ 23,716	10%
Special Assessment Bonds	950,017	757,649			(192,368)	-20%
Sales Tax Revenue bonds	3,002,563	2,718,485			(284,078)	-9%
State Revolving Funds	290,011	257,649			(32,362)	-11%
Tax Increment Financing Bonds	1,878,055	1,602,859			(275,196)	-15%
Water Revenue bonds			764,259	547,440	(216,819)	-28%
Golf Course Revenue Certificates			1,079,297	981,011	(98,286)	-9%
Notes Payable			64,171	32,946	(31,225)	-49%
Total Outstanding Debt & Obligations	$ 6,243,434	$ 5,480,189	$ 2,025,168	$ 1,681,795	$ (1,106,618)	-13%

The City of Brandon had a significant decrease in long-term debt, which was due to retiring over 1.1 million dollars in debt and making no new additional debt in 2013.

CERTIFICATES OF PARTICIPATION

$1,900,000 - **2001 Golf Course Certificates of Participation** issued to re-fund the addition of nine holes at the Brandon Municipal Golf Course and the construction of a clubhouse facility. Payment is over 20 years with principal payments starting at $58,071 in 2002 to $144,109 in 2021. The net interest cost is 4.9%. Payment will come from revenue from the Golf Course and are due June 1 and December 1 of each year and are taken automatically by the First National Bank Trust Department.

Principal balance, as of 12-31-13..... $981,011

REVENUE BONDS

$1,877,375 - **2000 (SRF) Water Treatment Plant Loan** to construct a water treatment plant. Payments will be due quarterly over a fifteen year period at a 4.75% interest rate. Payments are $175,708 per year. Bonds are being retired with revenues of the Water Enterprise Fund and are taken automatically by the First National Bank Trust Department.

Principal balance, as of 12-31-13.....$ 212,022

$560,000.00 - **2005 Fire Hall Project** (Rural Development) to construct a new fire hall. Half is financed with Rural Development the other from the First National Bank. Payment is over thirty years with principal payments beginning at $9,576 and interest payments beginning at $23,800. The net interest cost is 4.25%. Payment will come from revenue from the Second Cent Sales Tax Fund and are due October 12th of each year. Funds are taken automatically from the non interest savings account.

Principal balance, as of 12-31-13.....$ 470,358

$560,000 - **2005 Fire Hall Project** (First National Bank) to construct a new fire hall. Half is financed with Rural Development the other from the First National Bank. Payment is over thirty years with principal payments starting at $4,118 in 2006 to $17,676 in 2035. The net interest cost is 5%. Payment will come from revenue from the Second Cent Sales Tax Fund and are due March 1st and September 1st of each year. Funds are taken automatically by the First National Bank Trust Department from the non interest savings account.

Principal balance, as of 12-31-13.....$ 477,504

$2,500,000 – **2007 Sales Tax Revenue Bond** to construct the Holly Blvd Project. Payment is due in annual installments of $118,482 through 2023 at a 5.5% interest rate. These bonds are being retired with collections from proceeds of Sales Tax. Payments are due on March 1 and September 1 of each year. Funds are taken automatically by the First National Bank Trust Department from the non-interest savings account.

Principal balance, as of 12-31-13..... $ 1,770,623

$585,000 – **2008 Stone Ridge Booster Station** to construct a booster station in the stone ridge development. Payments are due in annual installments of $68,112 in 2009 and $78,642 in 2010-2018 at a 6% interest rate. These bonds are being retired with Water funds revenue. Payments are due on March 1 and September 1 of each year. Funds are taken automatically by the First National Bank Trust Department from the non-interest savings account.

Principal balance, as of 12-31-13..... $ 335,418

STATE REVOLVING LOAN

$344,925 - **2010 Clean Water Revenue Borrower Bond (SRF) for Bethany Meadows Project** to construct a drainage way are due in quarterly payments of $9,653.70 2011 through 2021 at a 2.25% interest rate. Payments will come from revenue from the Debt Retirement (Sales Tax) fund for drainage improvements. Payments are due on January 15, April 15, July 15, and October 15 of each year. Funds are taken automatically by the First National Bank Trust Department from the non-interest checking account.

Principal balance, as of 12-31-13.....$257,649

SPECIAL ASSESSMENT BONDS

$325,000 - **2004 Park Street and Park Street Drainage Improvement Bonds** due in annual installments of $40,070 through 2014 at a 4% interest rate. These bonds are being retired with collections from property owners through Debt Service Funds for street improvements from Sioux Boulevard to the city limits and drainage improvements from Parkview Addition through the school property and south. Payments are due March 1 and September 1 of each year. The City obligation is $231,646 to be paid over ten years. Funds are taken automatically by the First National Bank Trust Department from the non-interest savings account.

Principal balance, as of 12-31-13.....$ 38,529

$500,000 - **2006 Chestnut Boulevard Street Improvement Bonds** due in annual installments of $61,750 through 2016 at a 5.05% interest rate. These bonds are being retired with collections from property owners through Debt Service Funds for curb, gutter and utility improvements to Chestnut Boulevard. Payments are due on March 1 and September 1 of each year. The City obligation is $272,322 to be paid over ten years. Funds are taken automatically by the First National Bank Trust Department from the non-interest savings account.

Principal balance, as of 12-31-13.....$ 165,000

$550,000 – **2007 Chestnut Boulevard Street Improvement Bonds** due in annual installments of $35,281 through 2017 at a 5% interest rate. These bonds are being retired with collections from property owners through Debt Service Funds for curb, gutter and utility improvements to Chestnut Boulevard. Payments are due on March 1 and September 1 of each year. The City obligation is $236,096 to be paid over ten years. Funds are taken automatically by the First National Bank Trust Department from the non-interest savings account.

Principal balance, as of 12-31-13..... $ 252,969

$ 225,000 – **2008 NE Lift Station and Express Avenue Bonds** due in annual installments through 2018 at a 4.5% interest rate. These bonds are being retired with collections from property owners through Debt Service Funds. Payments are due on March 1 and September 1 of each year. There is no city obligation on this bond. Funds are taken automatically by the First National Bank Trust Department from the non-interest checking account.

Principal balance, as of 12-31-13.....$ 124,830

$ 280,000 – **2009 Country Club Drainage Project** due in annual installments of 15,858 the first year and 18,273 the following years through 2019. These bonds are being retired with collections from property owners through special assessment collections. Payments are due March 1 and September 1 of each year. The city obligation on this bond is 51,284 to be paid over 10 years. Funds are taken automatically by First National Bank from the non-interest checking account.

Principal balance, as of 12-31-13..... $ 176,321

NOTES PAYABLE

$148,400 - **2009 Golf Cart Promissory Note.** Interest rate is 5.3%. Payments are made on a monthly basis at 2,826 per month. This note was for 50 new golf carts purchased by the Brandon Golf course. Funds are taken automatically by First National Bank from the non-interest checking account.

Principal balance, as of 12-31-13.....$ 32,946

TAX INCREMENT BONDS

$1,377,900 - **2006 TIF #2 Note**-due in annual installments of $138,025 per year through 2025 at a 7.41% interest rate. These bonds are being retired with collections from a TIF #2 and a BID. This bond is for the construction of the Conference Center. Payments are due on March 1 and September 1 of each year.

Principal balance, as of 12-31-13..... $1,010,501

$750,000 – **2009 TIF #3** Tax Increment Revenue Bond due in annual installments of 69,289 the first year and 68,165 in years 2011 thru 2024. Interest rate is at 4.15%. This bond was for construction of Hemlock Boulevard. Payments are due June 15 of each year.

Principal balance, as of 12-31-13.....$592,358

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City of Brandon continued to experience additional revenues in property taxes from new construction with percentage growth of 2.33% in 2013. Under the state mandated property tax freeze, property taxes are 3.0% for 2013 which was based on the Consumer Price Index (CPI).

One of the primary sources of revenue to the City is based on taxable retail sales in the community (sales tax). The City has experienced an increase in taxable sales of about 9% over the prior year due to a boost in the economy and building projects.

The City of Brandon has adopted a General Fund budget for the 2014 fiscal year which will have a decrease of 3.29% in expenditures compared to 2013 for a total of $4,989,260.

CONTACTING THE CITY OF BRANDON FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City of Brandon's finances and to demonstrate the City of Brandon's accountability for the money it receives. If you have questions about this report or need additional information, contact the City of Brandon's Finance Office, PO Box 95-304 Main Ave, Brandon, SD 57005.

CITY OF BRANDON
STATEMENT OF NET POSITION
DECEMBER 31, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	$ 3,191,438.79	$ 1,535,048.95	$ 4,726,487.74
Taxes Receivable	27,611.67		27,611.67
Special Assessment Receivable	408,479.01	1,001.21	409,480.22
Accounts Receivable	12,767.00	836.92	13,603.92
Utilities Receivable, Net		301,130.30	301,130.30
Notes Receivable	15,290.88		15,290.88
Due From Government	36,588.77	1,242.48	37,831.25
Internal Balances	(1,792,898.08)	1,792,898.08	
Inventories	19,402.47	40,763.29	60,165.76
Investments	751,322.72	773,719.55	1,525,042.27
Prepaid Expenses	405.75	4,578.02	4,983.77
Restricted Assets:			
Restricted Deposits	35,276.56		35,276.56
Noncurrent Assets:			
Special Assessment Receivable	84,117.41	4,004.84	88,122.25
Notes Receivable	321,131.23		321,131.23
Capital Assets:			
Land and Construction in Progress	1,618,044.28	1,752,527.60	3,370,571.88
Other Capital Assets, Net of Depreciation	18,520,146.52	15,712,671.56	34,232,818.08
TOTAL ASSETS	23,249,124.98	21,920,422.80	45,169,547.78
LIABILITIES :			
Accounts Payable	27,799.79	58,513.57	86,313.36
Other Current Liabilities	130,758.54	49,997.01	180,755.55
Unearned Revenue	21,470.00	111,023.78	132,493.78
Noncurrent Liabilities:			
Due Within One Year	580,108.25	394,151.81	974,260.06
Due in More than One Year	4,900,080.64	1,287,642.88	6,187,723.52
TOTAL LIABILITIES	5,660,217.22	1,901,329.05	7,561,546.27
NET POSITION:			
Net Investment in Capital Assets	14,801,549.41	15,903,802.31	30,705,351.72
Restricted for:			
Debt Service	721,278.57		721,278.57
Capital Improvement and Debt Service	266,978.67		266,978.67
Community Development	682,910.57		682,910.57
SDPAA Insurance Pool Contribution	35,276.56		35,276.56
Unrestricted	1,080,913.98	4,115,291.44	5,196,205.42
TOTAL NET POSITION	$ 17,588,907.76	$ 20,019,093.75	$ 37,608,001.51

The notes to the financial statments are an integral part of this statement.

CITY OF BRANDON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total
Primary Government:							
Governmental Activities:							
General Government	$ 721,305.15	$ 107,855.00	$	$	$ (613,450.15)	$	$ (613,450.15)
Public Safety	1,470,168.41	46,045.20		19,103.00	(1,405,020.21)		(1,405,020.21)
Public Works	1,365,628.22	404,309.51	80,320.84	849,303.06	(31,694.81)		(31,694.81)
Health and Welfare	4,096.94	75.00			(4,021.94)		(4,021.94)
Culture and Recreation	629,016.65	147,164.50	15,872.14	80,975.00	(385,005.01)		(385,005.01)
Conservation and Development	95,683.91	66,650.67			(29,033.24)		(29,033.24)
*Interest on Long Term Debt	217,794.69				(217,794.69)		(217,794.69)
Total Governmental Activities	4,503,693.97	772,099.88	96,192.98	949,381.06	(2,686,020.05)		(2,686,020.05)
Business-type Activities:							
Water	935,372.86	1,644,701.84				709,328.98	709,328.98
Sewer	918,484.24	1,127,821.70				209,337.46	209,337.46
Golf Course	1,163,973.61	1,131,803.53				(32,170.08)	(32,170.08)
Electric	76,447.78	74,269.44				(2,178.34)	(2,178.34)
Total Business-type Activities	3,094,278.49	3,978,596.51				884,318.02	884,318.02
Total Primary Government	$ 7,597,972.46	$ 4,750,696.39	$ 96,192.98	$ 949,381.06	(2,686,020.05)	884,318.02	(1,801,702.03)
	General Revenues:						
	Taxes:						
	Property Taxes				2,236,396.22		2,236,396.22
	Sales Taxes				2,730,708.84		2,730,708.84
	Gross Receipts Business Tax				58,158.00		58,158.00
	State Shared Revenues				56,631.97		56,631.97
	Unrestricted Investment Earnings				4,828.66	2,428.60	7,257.26
	Miscellaneous Revenue				15,016.51	17,361.10	32,377.61
	Loss on Disposition of Assets				(22,373.07)	(8,964.95)	(31,338.02)
	Transfers In (Out)				55,357.54	(55,357.54)	
	Total General Revenues , Special Items and Transfers				5,134,724.67	(44,532.79)	5,090,191.88
	Change in Net Position				2,448,704.62	839,785.23	3,288,489.85
	Net Position-Beginning				15,140,203.14	19,179,308.52	34,319,511.66
	NET POSITION - ENDING				$ 17,588,907.76	$ 20,019,093.75	$ 37,608,001.51

* The Municipality does not have interest expense related to functions presented above This amount includes indirect interest expense on general long-term debt

The notes to the financial statements are an integral part of this statement

CITY OF BRANDON
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	General Fund	TIF Hemlock Blvd. Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS:				
Cash and Cash Equivalents	$ 2,475,039.24	$	$ 716,399.55	$ 3,191,438.79
Taxes Receivable--Delinquent	27,611.67			27,611.67
Accounts Receivable	8,815.00		3,952.00	12,767.00
Special Assessments Receivable--Current	294,804.82		113,674.19	408,479.01
Special Assessments Receivable--Delinquent	3,640.09			3,640.09
Special Assessments Receivable--Deferred	80,689.12		341,408.97	422,098.09
Notes Receivable-Current			15,290.88	15,290.88
Notes Receivable-Noncurrent			321,131.23	321,131.23
Restricted Deposits	35,276.56			35,276.56
Due from Other Governments	36,588.77			36,588.77
Inventory	19,402.47			19,402.47
Investments	576,429.46		174,893.26	751,322.72
Prepaid Expenses	405.75			405.75
TOTAL ASSETS	$ 3,558,702.95	$ 0.00	$ 1,686,750.08	$ 5,245,453.03
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	$ 27,799.79	$	$	$ 27,799.79
Due to Other Governments			11,630.27	11,630.27
Wages Payable	55,512.74			55,512.74
Taxes Payable	8,034.92			8,034.92
Advances From Other Fund	1,410,000.00	273,756.86	109,141.22	1,792,898.08
Unearned Revenue	21,470.00			21,470.00
Total Liabilities	1,522,817.45	273,756.86	120,771.49	1,917,345.80
Deferred Inflows of Resources:				
Unavailable Revenue--Property Taxes	27,611.67			27,611.67
Unavailable Revenue--Special Assessments	379,134.03		455,083.16	834,217.19
Other Deferred Inflows of Resources	3,464.56			3,464.56
Total Deferred Inflows of Resources	410,210.26		455,083.16	865,293.42
Fund Balances:				
Nonspendable	55,084.78			55,084.78
Restricted			1,216,084.65	1,216,084.65
Assigned	513,292.00			513,292.00
Unassigned	1,057,298.46	(273,756.86)	(105,189.22)	678,352.38
Total Fund Balances	1,625,675.24	(273,756.86)	1,110,895.43	2,462,813.81
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 3,558,702.95	$ 0.00	$ 1,686,750.08	$ 5,245,453.03

The notes to the financial statements are an integral part of this statement.

CITY OF BRANDON
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2013

Total Fund Balances - Governmental Funds		$ 2,462,813.81
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost of Capital Assets	$ 26,609,716.33	
Accumulated Depreciation	(6,471,525.53)	20,138,190.80
Long-term liabilities are not due and payable in the current period and therefore are not reported in the		(5,480,188.89)
Assets such as taxes receivable (delinquent) and special assessments receivable are not available to pay for current period expenditures and therefore are deferred in the funds.		523,672.65
Accrued interest payable which is not accounted for in the modified accrual basis of accounting but is accounted for in the statement of net position.		(55,580.61)
Net Position - Governmental Funds		$17,588,907.76

The notes to the financial statements are an integral part of this statement.

CITY OF BRANDON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	General Fund	TIF Hemlock Blvd. Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes:				
General Property Taxes	$ 2,064,924.22	$ 28.11	$ 167,366.32	$ 2,232,318.65
General Sales and Use Tax	2,538,964.45		191,744.39	2,730,708.84
Gross Receipts Business Tax			58,158.00	58,158.00
Amusement Taxes	768.00			768.00
Penalties and Interest on Delinquent Taxes	3,123.65			3,123.65
Licenses and Permits	106,705.00			106,705.00
Intergovernmental Revenue:				
Federal Grants	104,340.60			104,340.60
State Grants	16,665.31			16,665.31
State Shared Revenue:				
Bank Franchise Tax	15,571.13			15,571.13
Liquor Tax Reversion	36,649.58			36,649.58
Motor Vehicle Licenses (5%)	34,927.38			34,927.38
Local Government Highway and Bridge Fund	49,985.44			49,985.44
Other	4,411.26			4,411.26
County Shared Revenue:				
County Wheel Tax	8,748.10			8,748.10
Charges for Goods and Services:				
General Government	1,150.00			1,150.00
Public Safety	38,036.20			38,036.20
Sanitation	3,280.47			3,280.47
Health	75.00			75.00
Culture and Recreation	147,164.50			147,164.50
Other	64,504.75			64,504.75
Fines and Forfeits:				
Court Fines and Costs	8,009.00			8,009.00
Miscellaneous Revenue:				
Interest Income	1,412.09		3,416.57	4,828.66
Rentals	95.00			95.00
Special Assessments	50,644.41		243,425.08	294,069.49
Street Assessments	223,920.15			223,920.15
Contributions/Donations from Private Sources	81,300.00			81,300.00
Other	17,389.18		834.75	18,223.93
Total Revenue	5,622,764.87	28.11	664,945.11	6,287,738.09
Expenditures:				
General Government:				
Legislative	100,783.63			100,783.63
Executive	202,624.71			202,624.71
Elections	1,421.23			1,421.23
Financial Administration	208,026.85			208,026.85
Other	64,748.60		98,718.10	163,466.70
Total General Government	577,605.02		98,718.10	676,323.12

CITY OF BRANDON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2013

	General Fund	TIF Hemlock Blvd. Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Public Safety:				
Police	1,046,846.40			1,046,846.40
Fire	165,131.37			165,131.37
Protective Inspection	151,301.98			151,301.98
Other Protection	19,884.94		12,220.98	32,105.92
Total Public Safety	1,383,164.69		12,220.98	1,395,385.67
Public Works:				
Highways and Streets	540,592.25			540,592.25
Sanitation	1,348.63			1,348.63
Transit	162,960.20			162,960.20
Total Public Works	704,901.08			704,901.08
Health and Welfare:				
Health	4,096.94			4,096.94
Total Health and Welfare	4,096.94			4,096.94
Culture and Recreation:				
Recreation	154,189.31			154,189.31
Parks	286,677.33			286,677.33
Total Culture and Recreation	440,866.64			440,866.64
Conservation and Development:				
Economic Development and Assistance				
Total Conservation and Development	80,378.91		15,305.00	95,683.91
Debt Service	501,550.70	68,165.25	508,407.08	1,078,123.03
Capital Outlay	617,464.46			617,464.46
Total Expenditures	4,310,028.44	68,165.25	634,651.16	5,012,844.85
Excess of Revenue Over (Under) Expenditures	1,312,736.43	(68,137.14)	30,293.95	1,274,893.24
Other Financing Sources (Uses):				
Transfer In	112,747.87		1,654,703.97	1,767,451.84
Transfer (Out)	(1,712,094.30)			(1,712,094.30)
Compensation for Loss/Damage to Capital Assets	10,452.04			10,452.04
Sale of Municipal Property	7,770.80			7,770.80
Total Other Financing Sources (Uses):	(1,581,123.59)		1,654,703.97	73,580.38
Net Change in Fund balance	(268,387.16)	(68,137.14)	1,684,997.92	1,348,473.62
Net Change in Nonspendable Fund Balance	(3,084.46)			(3,084.46)
Fund Balance - Beginning Balance	1,897,146.86	(205,619.72)	(574,102.49)	1,117,424.65
FUND BALANCE- ENDING	$ 1,625,675.24	$ (273,756.86)	$ 1,110,895.43	$ 2,462,813.81

The notes to the financial statements are an integral part of this statement

CITY OF BRANDON
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

Net Change in Fund Balances - Total Governmental Funds		$ 1,348,473.62
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This was the amount by which depreciation expense exceeded capital outlay in the period.		
Investment in Capital Assets	$ 617,464.46	
Depreciation Expense	(944,798.33)	(327,333.87)
Governmental funds report revenues when they meet the available criteria. Because some revenues will not be collected for several months after the city's calendar year ends, they are not considered "available" revenues and are deferred in the governmental funds.		(191,469.96)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		869,487.29
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in accrued leave		(20,759.13)
Change in deferred charges		(43,301.79)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This amount represents the change in the amounts accrued.		7,985.77
Supplies acquired are an expenditure on the fund statements when purchased but are expensed on the statement of activities when consumed.		(3,084.46)
In the statement of activities, contributed assets are reported, whereas this amount is not reported in the governmental fund financial statements.		849,303.06
In the statement of activities, gains and losses on disposal of assets is reported, whereas in the governmental funds, the proceeds and expenses from the disposal of fixed assets is reflected. The net amount of gains and losses is:		(40,595.91)
Change in Net Position of Governmental Activities		$ 2,448,704.62

The notes to the financial statements are an integral part of this statement.

CITY OF BRANDON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2013

	Enterprise Funds				
	Water Fund	Sewer Fund	Golf Course Fund	Non Major Enterprise Fund	Totals
ASSETS:					
Current Assets:					
Cash and Cash Equivalents	$ 658,687.23	$ 867,975.26	$ 8,386.46	$	$ 1,535,048.95
Utilities Receivable, Net	132,688.10	156,728.76		11,713.44	301,130.30
Accounts Receivable			836.92		836.92
Special Assessments Receivable--Current		1,001.21			1,001.21
Due From Government	597.57	306.10	338.81		1,242.48
Prepaid Expense			4,578.02		4,578.02
Inventory of Supplies	9,089.44				9,089.44
Inventory of Stores Purchased for Resale			31,673.85		31,673.85
Investments	591,491.75	182,227.80			773,719.55
Total Current Assets	1,392,554.09	1,208,239.13	45,814.06	11,713.44	2,658,320.72
Noncurrent Assets:					
Special Assessments Receivable--Deferred		4,004.84			4,004.84
Advances to Other Funds	1,792,898.08				1,792,898.08
Capital Assets:					
Land	83,986.18	381,304.99	1,254,649.93		1,719,941.10
Buildings	2,431,511.83	281,921.08	1,458,631.69		4,172,064.60
Improvements Other Than Buildings	8,054,792.57	8,358,723.33	859,801.30		17,273,317.20
Machinery and Equipment	1,248,408.31	550,732.42	600,512.07		2,399,652.80
Less: Accumulated Depreciation	(3,727,666.78)	(2,915,293.57)	(1,489,402.69)		(8,132,363.04)
Construction Work in Progress	30,659.48	1,927.02			32,586.50
Total Noncurrent Assets	9,914,589.67	6,663,320.11	2,684,192.30		19,262,102.08
TOTAL ASSETS	$ 11,307,143.76	$ 7,871,559.24	$ 2,730,006.36	$ 11,713.44	$ 21,920,422.80
LIABILITIES:					
Current Liabilities:					
Accounts Payable	$ 16,422.65	$ 33,719.21	$ 7,645.74	$ 725.97	$ 58,513.57
Due to State			4,546.82		4,546.82
Accrued Interest Payable	9,226.11		1,823.49		11,049.60
Accrued Wages Payable	9,324.63	4,387.08	16,581.83		30,293.54
Accrued Taxes Payable	1,272.81	598.83	2,235.41		4,107.05
Current Portion of Long Term Debt	235,404.91	4,212.10	154,534.80		394,151.81
Unearned Revenue	675.75		110,348.03		111,023.78
Total Current Liabilities	272,326.86	42,917.22	297,716.12	725.97	613,686.17
Noncurrent Liabilities:					
Long-Term Debt	341,631.98	12,637.00	933,373.90		1,287,642.88
Total Noncurrent Liabilities	341,631.98	12,637.00	933,373.90		1,287,642.88
NET POSITION:					
Net Investment in Capital Assets	7,574,251.98	6,659,315.27	1,670,235.06		15,903,802.31
Unrestricted Net Position	3,118,932.94	1,156,689.75	(171,318.72)	10,987.47	4,115,291.44
Total Net Position	10,693,184.92	7,816,005.02	1,498,916.34	10,987.47	20,019,093.75
TOTAL LIABILITIES AND NET POSITION	$ 11,307,143.76	$ 7,871,559.24	$ 2,730,006.36	$ 11,713.44	$ 21,920,422.80

The notes to the financial statements are an integral part of this statement

CITY OF BRANDON
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Enterprise Funds				
	Water Fund	Sewer Fund	Golf Course Fund	Non Major Fund	Totals
Operating Revenue:					
Charges for Goods and Services	$	$ 1,127,821.70	$	$ 74,269.44	$ 1,202,091.14
(Revenues Securing Bond Issues)	1,644,701.84		1,131,803.53		2,776,505.37
Other Income	17,055.00	306.10			17,361.10
Total Operating Revenue	1,661,756.84	1,128,127.80	1,131,803.53	74,269.44	3,995,957.61
Operating Expenses:					
Personal Services	286,470.80	159,663.65	504,492.44		950,626.89
Other Current Expense	315,565.82	563,169.73	280,907.11	2,756.40	1,162,399.06
Materials (Cost of Goods Sold)			233,572.74	73,691.38	307,264.12
Depreciation	294,407.39	195,650.86	120,208.34		610,266.59
Total Operating Expenses	896,444.01	918,484.24	1,139,180.63	76,447.78	3,030,556.66
Operating Income (Loss)	765,312.83	209,643.56	(7,377.10)	(2,178.34)	965,400.95
Nonoperating Revenue (Expense):					
Investment Earnings	1,701.36	726.14	1.02	0.08	2,428.60
Interest Expense and Fiscal Charges	(38,928.85)		(24,792.98)		(63,721.83)
Gain (Loss) on Disposition of Assets	(8,964.95)				(8,964.95)
Total Nonoperating Revenue (Expense)	(46,192.44)	726.14	(24,791.96)	0.08	(70,258.18)
Income (Loss) Before Transfers	719,120.39	210,369.70	(32,169.06)	(2,178.26)	895,142.77
Transfers In			48,086.67	9,303.66	57,390.33
Transfers Out	(88,613.41)	(24,134.46)			(112,747.87)
Total Transfers	(88,613.41)	(24,134.46)	48,086.67	9,303.66	(55,357.54)
Change in Net Position	630,506.98	186,235.24	15,917.61	7,125.40	839,785.23
Net Position - Beginning	10,062,677.94	7,629,769.78	1,482,998.73	3,862.07	19,179,308.52
NET POSITION - ENDING	$ 10,693,184.92	$ 7,816,005.02	$ 1,498,916.34	$ 10,987.47	$ 20,019,093.75

The notes to the financial statements are an integral part of this statement.

CITY OF BRANDON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Enterprise Funds				
	Water Fund	Sewer Fund	Golf Course Fund	Non Major Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash Receipts from Customers	$ 1,633,331.82	$ 1,079,794.01	$ 1,131,311.87	$ 66,970.23	$ 3,911,407.93
Internal Activity-Receipts from Other Funds	11,170.90	14,975.50			26,146.40
Cash Payments to Employees for Services	(283,956.30)	(159,311.73)	(504,402.41)		(947,670.44)
Cash Payments to Suppliers of Goods and Services	(299,852.75)	(554,599.40)	(507,627.35)	(76,273.97)	(1,438,353.47)
Cash Payments for Interfund Services			(7,609.21)		(7,609.21)
Other Receipts (Payments)	17,055.00	306.10			17,361.10
Net Cash Provided (Used) by Operating Activities	1,077,748.67	381,164.48	111,672.90	(9,303.74)	1,561,282.31
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Interfund Loans	312,034.63	(136,215.50)			175,819.13
Operating Transfers In			48,086.67	9,303.66	57,390.33
Operating Transfers Out	(88,613.41)	(24,134.46)			(112,747.87)
Net Cash Provided (Used) by Operating Activities	223,421.22	(160,349.96)	48,086.67	9,303.66	120,461.59
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Purchase of Capital Assets	(384,185.17)	(52,046.67)			(436,231.84)
Principal Paid on Capital Debt	(216,819.33)		(129,510.84)		(346,330.17)
Interest Paid on Capital Debt	(41,958.47)		(24,813.29)		(66,771.76)
Net Cash Provided (Used) by Capital and Related Financing Activities	(642,962.97)	(52,046.67)	(154,324.13)		(849,333.77)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of Investment Securities	(1,321.05)	(545.50)			(1,866.55)
Interest Earnings	1,701.36	726.14	1.02	0.08	2,428.60
Net Cash Provided (Used) by Investing Activities	380.31	180.64	1.02	0.08	562.05
Net Increase (Decrease) in Cash and Cash Equivalents	$ 658,587.23	$ 168,948.49	$ 5,436.46	$ (0.00)	$ 832,972.18
Cash and Cash Equivalents at Beginning of Year	$ 100.00	$ 699,026.77	$ 2,950.00	$ 0.00	$ 702,076.77
Cash and Cash Equivalents at End of Year	658,687.23	867,975.26	8,386.46	0.00	1,535,048.95
Net Increase (Decrease) in Cash and Cash Equivalents	$ 658,587.23	$ 168,948.49	$ 5,436.46	$ 0.00	$ 832,972.18

CITY OF BRANDON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013
(continued)

	Enterprise Funds				
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	**Water Fund**	**Sewer Fund**	**Golf Course Fund**	**Non Major Fund**	**Totals**
Operating Income (Loss)	$ 765,312.83	$ 209,643.56	$ (7,377.10)	$ (2,178.34)	$ 965,400.95
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation/Amortization Expense	294,407.39	195,650.86	120,208.34	0.00	610,266.59
Change in Assets and Liabilities:					
Receivables and Other Receivables	(213.62)	(33,052.19)	6,883.32	(7,299.21)	(33,681.70)
Inventories	1,536.05		759.68		2,295.73
Accounts and Other Payables	14,177.02	8,570.33	(1,516.39)	173.81	21,404.77
Accrued Leave Payable	2,514.50	351.92	90.03		2,956.45
Unearned Revenue	14.50		(7,374.98)		(7,360.48)
Net Cash Provided (Used) by Operating Activities	$ 1,077,748.67	$ 381,164.48	$ 111,672.90	$ (9,303.74)	$ 1,561,282.31

Noncash Investing, Capital and Financing Activities:	
Loss on Disposal of Capital Assets Not Affecting Operating Income	$ 8,964.95

The notes to the financial statements are an integral part of this statement

NOTE 1 – Summary of Significant Accounting Policies

a. Financial Reporting Entity

The reporting entity of the City of Brandon consists of the primary government (which includes all of the funds, organizations, institutions, agencies, departments, and offices that make up the legal entity, plus those funds for which the primary government has a fiduciary responsibility, even though those fiduciary funds may represent organizations that do not meet the criteria for inclusion in the financial reporting entity); those organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

b. Basis of Presentation:

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting entity as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by recipients of goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or it meets the following criteria:

1. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and

2. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined, or

3. Management has elected to classify one or more governmental or enterprise funds as major for consistency in reporting from year to year, or because of public interest in the fund's operations.

The funds of the City financial reporting entity are described below:

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the city. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is always considered to be a major fund.

Special Revenue Funds – Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The following Special Revenue Funds are not considered major funds: Third Cent Sales Tax Fund, 2006 TIF Special Revenue Fund, Brandon Revolving Loan Fund and Repair & Demolition Fund. These funds are reported on the fund financial statements as "Other Governmental Funds" and are detailed in the combining statement section.

Debt Service Funds - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

TIF Hemlock Blvd. Debt Service Fund - to account for special assessment taxes which may be used only for the payment of the debt principal, interest, and related costs. This is a major fund.

The following Debt Service Funds are not considered major funds: Tax Increment District, Park Street Special Assessment, Chestnut Boulevard Special Assessment, Chestnut Boulevard Middle Special Assessment, Express Avenue/French Creek Special Assessment, TIF Convention Center Debt Service Fund, and Country Club (CC) Heights Debt Service Fund. These funds are reported on the fund financial statements as "Other Governmental Funds" and are detailed in the combining statement section.

Capital Projects Funds – Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds and trust funds).

The Aspen Blvd Capital Project Fund is not considered a major fund: This fund is reported on the fund financial statements as "Other Governmental Fund" and is detailed in the combining statement section.

PROPRIETARY FUNDS

Enterprise Funds - Enterprise Funds may be used to report any activity for which a fee is charged to external users for goods or services. Activities are required to be reported as enterprise funds if any one of the following criteria is met. Governments should apply each of these criteria in the context of the activity's principal revenue sources.

a. *The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity. Debt that is secured by a pledge of net revenues from fees and charges and the full faith and credit of a related primary government or component unit-even if that government is not expected to make any payments-is not payable solely from fees and charges of the activity. (Some debt may be secured, in part, by a portion of its own proceeds but should be considered as payable "solely" from the revenues of the activity.)*

b. *Laws or regulations require that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues.*

c. *The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).*

Water Fund - financed primarily by user charges, this fund accounts for the construction and operation of the City waterworks system and related facilities. (SDCL 9-47-1) This is a major fund.

Sewer Fund - financed primarily by user charges, this fund accounts for the construction and operation of the City sanitary sewer system and related facilities. (SDCL 9-48-2) This is a major fund.

Golf Course Fund - financed by user charges, this fund accounts for the operations of the golf course services. This is a major fund.

Electric Fund - financed by user charges, this fund accounts for the operations of electric services. This is not a major fund.

c. Measurement Focus and Basis of Accounting:

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus.

Measurement Focus:

Government-wide Financial Statements:

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus applied on the accrual basis of accounting.

Fund Financial Statements:

In the fund financial statements, the "current financial resources" measurement focus and the modified accrual basis of accounting are applied to governmental funds, while the "economic resources" measurement focus and the accrual basis of accounting are applied to the proprietary funds.

Basis of Accounting:

Government-wide Financial Statements:

In the government-wide Statement of Net Position and Statement of Activities, governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues and related assets are recorded when earned (usually when the right to receive cash vests); and, expenses and related liabilities are recorded when an obligation is incurred (usually when the obligation to pay cash in the future vests).

Fund Financial Statements:

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues, including property taxes, are recognized when they become measurable and available. "Available" means resources are collected or to be collected soon enough after the end of the fiscal

year that they can be used to pay the bills of the current period. The accrual period does not exceed one bill-paying cycle, and for the City of Brandon, the length of that cycle is 30 days. The revenues which are accrued at December 31, 2013 are taxes and special assessments receivable, amounts due from other governments, and other receivables due within 30 days.

Under the modified accrual basis of accounting, receivables may be measurable but not available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Reported deferred inflows of resources are those where asset recognition criteria have been met but for which revenue recognition criteria have not been met.

Expenditures are generally recognized when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which are recognized when due.

All proprietary fund types are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

d. Interfund Eliminations and Reclassifications:

Government-wide Financial Statements:

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified, as follows:

In order to minimize the grossing-up effect on assets and liabilities within the governmental and business-type activities columns of the primary government, amounts reported as interfund receivables and payables have been eliminated in the governmental and business-type activities columns, except for the net, residual amounts due between governmental and business-type activities, which are presented as Internal Balances.

e. Deposits and Investments:

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short-term investments with a term to maturity at date of acquisition of three months or less. Investments in open-end mutual fund shares, or similar investments in external investment pools, are also considered to be cash equivalents.

Investments classified in the financial statements consist primarily of certificates of deposit whose term to maturity at date of acquisition exceeds three months, and/or those types of investment authorized by South Dakota Codified Laws (SDCL) 4-5-6.

f. Capital Assets:

Capital assets include land, buildings, machinery and equipment, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for significantly greater number of years than most capital assets.

The accounting treatment over capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Financial Statements:

Capital assets are recorded at historical cost, or estimated cost, where actual cost could not be determined. Donated capital assets are valued at their estimated fair value on the date donated.

Reported cost values include ancillary charges necessary to place the asset into its intended location and condition for use. Subsequent to initial capitalization, improvements or betterments that are significant and which extend the useful file of a capital asset are also capitalized. The total December 31, 2013 balance of governmental activities capital assets includes approximately 7.1% for which the costs were determined by estimates of original costs. The total of December 31, 2013 balance of business-type capital assets includes approximately 5.4% for which the costs were determined by estimates of original costs. These estimated costs were established by reviewing applicable historical costs of similar items and basing the estimations thereon.

Infrastructure assets used in general government operations, consisting of certain improvements other than buildings, including roads, bridges, sidewalks, drainage systems, and lighting systems, acquired prior to January 1, 2004, were not required to be capitalized by the City. Infrastructure assets acquired since January 1, 2004 are recorded at cost, and classified as "Improvements Other than Buildings."

For governmental activities capital assets, construction-period interest is not capitalized, in accordance with USGAAP, while for capital assets used in business-type activities/proprietary fund's operations, construction period interest is capitalized in accordance with USGAAP.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the government-wide Statement of Activities with net capital assets reflected in the Statement of Net Position. Accumulated depreciation is reported on the government-wide Statement of Net Position and on each proprietary fund's Statement of Net Position.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are as follows.

	Threshold	Method	Useful Life
Land and land rights	All	NA	NA
Improvements other than buildings	$ 5,000.00	Straight Line	25-75 yrs
Buildings	25,000.00	Straight Line	25-75 yrs
Machinery and Equipment	5,000.00	Straight Line	7-10 yrs
Furniture	5,000.00	Straight Line	7-10 yrs
Infrastructure	All	Straight Line	25-75 yrs

Land is an inexhaustible capital asset and is not depreciated.

Fund Financial Statements:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as Capital Outlay expenditures of the appropriate governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for on the accrual basis, the same as in the government-wide statements.

g. Long-Term Liabilities:

The accounting treatment of long-term liabilities depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term liabilities to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term liabilities primarily consist of state revolving loans, certificates of participation, revenue bonds, special assessment bonds, notes payable, financing (capital acquisition) leases and compensated absences.

In the fund financial statements, debt proceeds are reported as revenues (other financing sources), while payments of principal and interest are reported as expenditures when they become due. The accounting for proprietary fund long-term debt is on the accrual basis, the same in the fund statements as in the government-wide statements.

h. Program Revenues:

Program revenues derive directly from the program itself or from parties other than the City's taxpayers or citizenry, as a whole. Program revenues are classified into three categories, as follows:

1. Charges for services - These arise from charges to customers, applicants, or others who purchase, use, or directly benefit from the goods, services, or privileges provided, or are otherwise directly affected by the services.

2. Program-specific operating grants and contributions - These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program.

3. Program-specific capital grants and contributions - These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for the acquisition of capital assets for use in a particular program.

i. Deferred Inflows and Deferred Outflows of Resources:

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent consumption of net position that applies to a future period or periods. These items will not be recognized as an outflow of resources until the applicable future period.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent acquisitions of net position that applies to a future period or periods. These items will not be recognized as an inflow of resources until the applicable future period.

j. Proprietary Funds Revenue and Expense Classifications:

In the proprietary fund's Statement of Revenues, Expenses, and Changes in Net Position, revenues and expenses are classified in a manner consistent with how they are classified in the Statement of Cash Flows. That is, transactions for which related cash flows are reported as capital and related financing activities, noncapital financing activities, or investing activities are not reported as components of operating revenues or expenses.

k. Cash and Cash Equivalents:

The City pools the cash resources of its funds for cash management purposes. The proprietary funds essentially have access to the entire amount of their cash resources on demand. Accordingly, each proprietary fund's equity in the cash management pool is considered to be cash and cash equivalents for the purpose of the Statement of Cash Flows.

l. Equity Classifications:

Government-wide Statements:

Equity is classified as Net Position and is displayed in three components:

1. Net Investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation (if applicable) and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

2. Restricted Net Position - Consists of net position with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.

3. Unrestricted Net Position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

Fund Financial Statements:

Governmental fund equity is classified as fund balance, and may distinguish between "Nonspendable", "Restricted", "Committed", "Assigned" and "Unassigned" components. Proprietary fund equity is classified the same as in the government-wide financial statements.

m. Application of Net Position:

It is the City's policy to first use restricted net position, prior to the use of unrestricted net position, when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

n. Fund Balance Classification Policies and Procedures:

In accordance with Government Accounting Standards Board (GASB) No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the City classifies governmental fund balances as follows:

- Nonspendable – Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

- Restricted – Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

- Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.

- Assigned – Includes fund balance amounts that are intended to be used for specific purposes that are neither considered, restricted, or committed. Fund Balance may be assigned by the City Council.

- Unassigned – Includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The City uses *restricted/committed* amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the government would first use *committed, then assigned, and lastly unassigned* amounts of unrestricted fund balance when expenditures are made.

The City does have a formal minimum fund balance policy.

A schedule of fund balances is provided as follows:

CITY OF BRANDON
DISCLOSURE OF FUND BALANCES REPORTED ON BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	General Fund	TIF Hemlock Blvd Debt Service Fund	Other Non-Major Governmental Funds	Total Governmental Funds
Fund Balances:				
Nonspendable:				
Inventory	$ 19,402.47	$	$	$ 19,402.47
Prepaid Expenses	405.75			405.75
SDPAA Insurance Pool	35,276.56			35,276.56
Restricted for:				
Debt Service			266,195.41	266,195.41
Capital Improvement and Debt Service			266,978.67	266,978.67
Community Development			682,910.57	682,910.57
Assigned				
For Next Year's Budget	513,292.00			513,292.00
Unassigned	1,057,298.46	(273,756.86)	(105,189.22)	678,352.38
Total Fund Balances	$ 1,625,675.24	$ (273,756.86)	$ 1,110,895.43	$ 2,462,813.81

Proprietary fund equity is classified the same as in the government-wide financial statements.

NOTE 2 - Deficit Fund Balances/Net Position of Individual Nonmajor Funds:

As of December 31, 2013, the following individual nonmajor funds had deficit fund balance/net position in the amounts shown:

2006 TIF Special Revenue Fund	$ (74,166.37)
TIF Convention Debt Service Service	(31,022.85)
Total Deficit Balances	$ (105,189.22)

In the future, the Governing Board plans to transfer money from the General Fund to correct negative fund balances.

NOTE 3 - Deposits and Investments Credit Risk, Concentrations of Credit Risk and Interest Rate Risk

The City follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Statutes impose various restrictions on deposits and investments. These restrictions are summarized below:

Deposits - The City's cash deposits are made in qualified public depositories as defined by SDCL 4-6A-1, 7-20-1, 7-20-1.1 and 7-20-1.2, and may be in the form of demand or time deposits. Qualified depositories are required by SDCL 4-6A-3 to maintain at all times, segregated from their other assets, eligible collateral having a value equal to at least 100 percent of the public deposit accounts which exceed deposit insurance such as the FDIC and NCUA. In lieu of pledging eligible securities, a qualified public depository may furnish irrevocable standby letters of credit issued by Federal Home Loan Banks accompanied by written evidence of that bank's public debt rating which may not be less than "AA" or a qualified public depository may furnish a corporate surety bond of a corporation authorized to do business in South Dakota.

Investments – In general, SDCL 4-5-6 permits City funds to be invested only in (a) securities of the United States and securities guaranteed by the United States Government either directly or indirectly; or (b) repurchase agreements fully collateralized by securities described in (a) above; or in shares of an open-end, no-load fund administered by an investment company whose investments are in securities described in (a) above and repurchase agreements described in (b) above. Also, SDCL 4-5-9 requires investments to be in the physical custody of the political subdivision or may be deposited in a safekeeping account with any bank or trust company designated by the political subdivision as its fiscal agent.

Credit Risk - State law limits eligible investments for the City, as discussed above. The City has no investment policy that would further limit its investment choices.

Interest Rate Risk - The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment -The City places no limit on the amount that may be invested in any one issuer.

Deposits are reported at cost, plus interest, if the account is of the add-on type.

Assignment of Investment Income - State law allows income from deposits and investments to be credited to either the General Fund or the fund making the investment. The City's policy is to credit all income from deposits and investments to the fund making the investment.

NOTE 4 - Receivables and Payables

Receivables and payables are not aggregated in these financial statements. The City expects all receivables to be collected within one year, except for $321,131.23 of receivables related to economic development loans to qualifying businesses reported in the General Fund. This is a summary of Economic Development Loans receivable as of December 31, 2013.

Year Ended Dec 31,	R & T Unit Can 2011 Revolving Loan Fund	Corson Village 2011 Revolving Loan Fund	Marman Energy 2013 Revolving Loan Fund	Total
2014	$ 5,820.65	$ 925.91	$ 8,544.32	$ 15,290.88
2015	5,997.68	632.22	10,442.76	17,072.66
2016	6,180.11		10,653.55	16,833.66
2017	6,368.08		10,868.61	17,236.69
2018	6,561.77		11,087.95	17,649.72
Thereafter	53,935.69		198,402.81	252,338.50
Total	$ 84,863.98	$ 1,558.13	$ 250,000.00	$ 336,422.11

NOTE 5 - Inventory

Inventory in the General Fund consists of expendable supplies held for consumption. Supply inventories are recorded at cost.

Inventory acquired for resale in the proprietary funds is recorded as an asset when acquired. The consumption of inventories held for resale is charged to expense as it is consumed. Inventories held for resale are recorded at the lower of cost or market, on the first-in, first-out cost flow assumption.

Government-wide Financial Statements:

In the government-wide financial statements, inventory is recorded as an asset at the time of purchase, and charged to expense as it is consumed.

Fund Financial Statements:

In the fund financial statements, purchases of supply inventory items are recorded as an expenditure at the time individual inventory items are purchased. Reported inventories are equally offset by nonspendable fund balance which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

NOTE 6 – Property Taxes

Property taxes are levied on or before October 1, of the year preceding the start of the fiscal year. They attach as an enforceable lien on property, and become due and payable as of the following January 1, the first day of the fiscal year. Taxes are payable in two installments on or before April 30 and October 31 of the fiscal year.

The City is permitted by several state statutes to levy varying amounts of taxes per $1,000 of taxable valuation on taxable real property in the City.

NOTE 7 – Changes in General Capital Assets

A summary of changes in capital assets for the year ended December 31, 2013 are as follows.

Governmental Activities:	Balance 1/1/2013	Increases	Decreases	Balance 12/31/2013
Capital Assets, not being Depreciated:				
Land	$ 1,602,615.48	$	$	$ 1,602,615.48
Construction Work in Progress	107,321.38	7,542.85	(99,435.43)	15,428.80
Total Capital Assets, not being Depreciated	1,709,936.86	7,542.85	(99,435.43)	1,618,044.28
Capital Assets, being Depreciated:				
Buildings	4,328,919.36			4,328,919.36
Improvements Other than Buildings	17,171,903.22	1,434,288.80	(35,450.93)	18,570,741.09
Machinery and Equipment*	2,070,875.02	142,091.30	(120,954.72)	2,092,011.60
TOTAL	23,571,697.60	1,576,380.10	(156,405.65)	24,991,672.05
Less Accumulated Depreciation for:				
Buildings	856,204.42	95,693.88		951,898.30
Improvements Other Than Buildings	3,654,972.69	680,793.00	(15,077.02)	4,320,688.67
Machinery and Equipment	1,114,139.83	168,311.45	(83,512.72)	1,198,938.56
Total Accumulated Depreciation	5,625,316.94	944,798.33	(98,589.74)	6,471,525.53
Total Governmental Activities Capital Assets being Depreciated, Net	17,946,380.66	631,581.77	(57,815.91)	18,520,146.52
Governmental Activities Capital Assets, Net	**$ 19,656,317.52**	**$ 639,124.62**	**$ (157,251.34)**	**$ 20,138,190.80**

Depreciation Expense was charged to functions as follows:

Governmental Activities:	
General Government	$ 24,222.90
Public Safety	74,782.74
Public Works	657,642.68
Culture and Recreation	188,150.01
Total Depreciation Expense-Governmental Activities	$ 944,798.33

	Balance 1/1/2013	Increases	Decreases	Balance 12/31/2013
Business-Type Activities:				
Capital Assets, not being Depreciated:				
Land	$ 1,719,941.10	$	$	$ 1,719,941.10
CWIP	470,543.04	320,612.63	(758,569.17)	32,586.50
Total Capital Assets, not being Depreciated	2,190,484.14	320,612.63	(758,569.17)	1,752,527.60
Captial Assets, being Depreciated:				
Buildings	4,172,064.60			4,172,064.60
Improvements Other than Buildings	16,566,337.73	758,569.17	(51,589.70)	17,273,317.20
Machinery and Equipment	2,334,040.16	115,619.21	(50,006.57)	2,399,652.80
TOTAL	23,072,442.49	874,188.38	(101,596.27)	23,845,034.60
Less Accumulated Depreciation for:				
Buildings	1,417,190.93	95,303.59		1,512,494.52
Improvements Other Than Buildings	4,648,358.03	372,348.65	(42,624.75)	4,978,081.93
Machinery and Equipment	1,549,178.81	142,614.35	(50,006.57)	1,641,786.59
Total Accumulated Depreciation	7,614,727.77	610,266.59	(92,631.32)	8,132,363.04
Total Business-Type Activities Capital Assets being Depreciated, Net	15,457,714.72	263,921.79	(8,964.95)	15,712,671.56
Business-Type Activity Capital Assets, Net	**$ 17,648,198.86**	**$ 584,534.42**	**$ (767,534.12)**	**$ 17,465,199.16**

Depreciation Expense was charged to functions as follows:

Business-Type Activiites:	
Water	$ 294,407.39
Sewer	195,650.86
Golf Course	120,208.34
Total Depreciation Expense-Business-Type Activities	$ 610,266.59

Construction Work in Progress at December 31, 2013 is composed of the following:

Project Name	Project Authorization	Expended through 12/31/13	Committed
Governmental Activities:			
Sioux Blvd Railrod Overpass	$ 1,447.65	$ 1,447.65	$
Pedestrian Trail - Tallgrass	109,000.00	13,981.15	95,018.85
Total Governmental Activities	**110,447.65**	**15,428.80**	**95,018.85**
Business-Type Activities:			
New Wells Project	362,000.00	28,732.45	333,267.55
Custer Pkwy and Pioneer Park Ent Rd	79,600.00	3,854.05	75,745.95
Total Business-Type Activities	**441,600.00**	**32,586.50**	**409,013.50**
Total Governmental and Business-Type Activities	**$ 552,047.65**	**$ 48,015.30**	**$ 504,032.35**

NOTE 8 – Changes in Long-term Debt

A summary of the changes in long-term debt for the year ended December 31, 2013 is as follows:

Primary Government:	1/1/2013 Beginning Balance	Additions	Retired	12/31/2013 Ending Balance	Due within One Year
Governmental Activities:					
Bonds Payable - Revenue	$ 3,002,562.90	$	$ 284,078.29	$ 2,718,484.61	$ 194,335.88
State Revolving Funds	290,010.77		32,361.33	257,649.44	33,095.63
Note Payable	1,878,055.27		275,196.59	1,602,858.68	116,823.05
Special Assessments:	950,017.03		192,368.37	757,648.66	199,967.29
Accrued Compensated Absences-Governmental Funds	122,788.37	143,547.50	122,788.37	143,547.50	35,886.50
Total Governmental Activities	6,243,434.34	143,547.50	906,792.95	5,480,188.89	580,108.35
Business-Type Activities:					
Bonds Payable - Revenue	764,258.94		216,819.33	547,439.61	228,005.63
Notes Payable	64,171.50		31,225.49	32,946.01	32,946.01
Certificates of Participation	1,079,296.58		98,285.35	981,011.23	103,101.33
Accrued Compensated Absences-Business-Type Funds	117,441.39	120,397.84	117,441.39	120,397.84	30,098.84
Total Business-Type Activities	2,025,168.41	120,397.84	463,771.56	1,681,794.69	394,151.81
Total Primary Government	$ 8,268,602.75	$ 263,945.34	$ 1,370,564.51	$ 7,161,983.58	$ 974,260.16

Debt payable at December 31, 2013 is comprised of the following:

	General Long-Term Debt	Enterprise Funds
Certificates of Participation		
2002 Golf Course Improvement Certificates--with a varying interest rate of 3.95% to 6.25% depending on time to maturity. Final Maturity Date of December 2021. Retired by the Golf Course Fund.		$ 981,011.23
Revenue Bonds		
Sales Tax Revenue Bond--Series 2005A, 5.00% interest, Final Maturity Date of September 2035, Retired by the General Fund.	$ 477,504.00	
Sales Tax Revenue Bond--Series 2005B, 4.25% interest, Final Maturity Date of October 2035, Retired by the General Fund.	470,357.49	
Sales Tax Revenue Bond--Series 2007, 6.00% interest, Final Maturity Date of September 2023, Retired by the General Fund.	1,770,623.12	
Water Improvement Revenue Bonds--Series 1999, 5.0% interest, Final Maturity Date of December 2015, Retired by Water Fund.		212,021.88
Sales Tax Revenue Bond--Series 2008, 6.00% interest, Final Maturity Date of September 2018, Retired by the Water Fund.		335,417.73
TOTAL REVENUE BONDS	$ 2,718,484.61	$ 547,439.61
State Revolving Loan:		
State Revolving Fund Loan; 2.25% Interest, Final Maturity Date of January 15, 2021 Retired by the General Fund.	$ 257,649.44	

	General Long-Term Debt	Enterprise Funds
Special Assessment Bonds		
Park Street Special Assessment Bond-Series 2004, 4.0% interest. Final Maturity date of September 2014, Retired by Debt Service Fund	$ 38,528.42	
Chestnut Blvd. Special Assessment Bond-Series 2006, 5.0% interest. Final Maturity date of September 2016, Retired by Debt Service Fund	165,000.00	
Chestnut Blvd. 2007 Sp. Assessment Bond-Series 2007, 5.0% interest. Final Maturity date of September 2017, Retired by Debt Service Fund	252,969.04	
NE Lift & Express 2008 Sp. Assessment Bond-Series 2008, 4.5% interest. Final Maturity date of September 2018, Retired by Debt Service Fund	124,830.02	
Country Club Heights Sp. Assessment Bond-Series 2009, 4.75% interest. Final Maturity date of March 2019, Retired by Debt Service Fund	176,321.18	
TOTAL SPECIAL ASSESSMENT BONDS	$ 757,648.66	

The City of Brandon agrees that it will, at the expiration of the terms of these issues, or upon earlier call, retire any bonds not normally retired from the proceeds of the special assessments pledged for the retirement of the bonds.

Note Payable		
2006 TIF Note --4% interest rate, Final date of maturity December 2025, Retired from TIF Special Revenue and Debt Service Funds.	$ 1,010,500.53	$
2009 TIF Note --415% interest rate, Final date of maturity June 2024, Retired from TIF Special Revenue and Debt Service Funds.	592,358.15	
2009 Promissory Note --5.38% interest rate, Final date of maturity December 2014, Retired from Golf Course Fund.		32,946.01
TOTAL OF NOTES PAYABLE	$ 1,602,858.68	$ 32,946.01

Compensated Absences		
Accumulated Liability for Unused Vacation and Sick Leave. Payments to be made by the funds that payroll expenditures are charged to.	$ 143,547.50	$ 120,397.84

The annual requirements to amortize all debt outstanding as of December 31, 2013, except for compensated absences, but including interest payments of $1,311,336 are as follows:

Year Ended Dec 31,	Revenue Bonds		State Revolving Loan		Special Assessments	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	$ 422,342	$ 87,848	$ 33,096	$ 5,519	$ 199,967	$ 31,951
2015	303,919	74,490	33,847	4,768	171,261	23,057
2016	267,578	66,903	34,615	4,000	181,306	15,228
2017	274,960	59,521	35,400	3,215	126,583	6,915
2018	282,669	51,811	36,203	2,412	60,661	2,269
2019-2023	1,090,965	188,231	84,489	2,393	17,871	401
2024-2028	222,016	115,518				
2029-2033	274,761	62,773				
2034-2038	126,714	7,625				
Total	**$ 3,265,925**	**$ 714,719**	**$ 257,649**	**$ 22,308**	**$ 757,649**	**$ 79,821**

Year Ended Dec 31,	Certificates of Participation		Note Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	$ 103,101	$ 20,111	$ 149,769	$ 59,091	$ 908,275	$ 204,520
2015	108,153	17,997	121,128	53,819	738,308	174,131
2016	113,453	15,780	125,593	49,354	722,545	151,265
2017	119,012	13,454	130,225	44,722	686,180	127,827
2018	124,844	11,015	135,029	39,918	639,406	107,425
2019-2023	412,448	17,180	753,704	144,065	2,359,477	352,270
2024-2028			220,357	7,982	442,373	123,500
2029-2033					274,761	62,773
2034-2038					126,714	7,625
Total	**$ 981,011**	**$ 95,537**	**$ 1,635,805**	**$ 398,951**	**$ 6,898,039**	**$ 1,311,336**

NOTE 9 – Wastewater Agreement

In November 1994, the City of Brandon entered into a 20-year agreement with the City of Sioux Falls to obtain wastewater treatment services. An annual administrative fee of $2,000 is paid by the City of Brandon to the City of Sioux Falls along with a charge of $0.79 per 1000 gallons of volume of wastewater discharged from the sewer system of Brandon into the Sioux Falls Wastewater Treatment Facility. The annual administrative fee is for the role of implementation and enforcement of an Industrial Pretreatment Program on industrial users in Brandon. Payments are made from the city's Sewer Fund.

NOTE 10 – Restricted Net Position

Restricted net position for the year ended December 31, 2013 was as follows.

Debt Service Funds	$ 721,278.57
Capital Improvement and Debt Service Funds	266,978.67
Community Development	682,910.57
SDPAA Contribution	35,276.56
Total Restricted Net Position	$ 1,706,444.37

These balances are restricted due to federal grant and statutory requirements.

NOTE 11 – Retirement Plan

All employees, except for part-time employees, participate in the South Dakota Retirement System (SDRS), a cost-sharing, multiple employer public employee retirement system established to provide

retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement, disability and survivor's benefits. The right to receive retirement benefits vests after three years of credited service. Authority for establishing, administering and amending plan provisions are found in South Dakota Codified Law 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the SDRS, PO Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

General employees are required by state statute to contribute 6 percent of their salary to the plan, while public safety and judicial employees contribute at 8 percent and 9 percent. State statue also requires the employer to contribute an amount equal to the employee's contribution. State statute also requires the employer to make an additional contribution in the amount of 6.2 percent for any compensation exceeding the maximum taxable amount for social security for general employees only. The city's share of contributions to the SDRS for the fiscal years ended December 31, 2013, 2012, and 2011 were $116,050.67, $113,831.74, and $109,644.26 respectively, equal to the required contributions each year.

NOTE 12 – Risk Management

The city is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ended December 31, 2013, the city managed its risks as follows:

Employee Health Insurance:
The city purchases health insurance for its employees from a commercial insurance carrier. Settled results from these risks have not exceeded the liability coverage during the past three years.

Liability Insurance:
The City joined the South Dakota Public Assurance Alliance, a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. The objective of the SDPAA is to administer and provide risk management services and risk sharing facilities to the members and to defend and protect the members against liability, to advise members on loss control guidelines and procedures, and provide them with risk management services, loss control and risk reduction information and to obtain lower costs for that coverage. The Municipality's responsibility is to promptly report to and cooperate with the SDPAA to resolve any incident which could result in a claim being made by or against the City. The City pays an annual premium, to provide liability coverage detailed below, under a claims-made policy and the premiums are accrued based on the ultimate cost of the experience to date of the SDPAA member, based on their exposure or type of coverage. The City pays an annual premium to the pool to provide coverage for torts, thefts, errors and omissions, automobile and general liability.

The agreement with the South Dakota Public Assurance Alliance provides that the above coverage will be provided up to a $2,000,000 limit. Member premiums are used by the pool for payment of claims and to pay for reinsurance for claims in excess of $250,000 for property coverage and $500,000 for liability coverage to the upper limit. A portion of the member premiums are also allocated to a cumulative reserve fund. The City would be eligible to receive a refund for a percentage of the amount allocated to the cumulative reserve fund on the following basis:

End of City's First Full Year	50%
End of City's Second Full Year	60%
End of City's Third Full Year	70%
End of City's Fourth Full Year	80%
End of City's Fifth Full Year	90%
End of City's Sixth Full Year and Thereafter	100%

As of December 31, 2013, the City has a vested balance in the cumulative reserve fund of $35,276.56.

Worker's Compensation:
The city joined the South Dakota City League Worker's Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. The objective of the Fund is to formulate, develop, and administer, on the behalf of the member organizations, a program of worker's compensation coverage, to obtain lower costs for that coverage, and develop a comprehensive loss control program. The City's responsibility is to initiate and maintain a safety program to give its employees safe and sanitary working conditions and to promptly report to and cooperate with the Fund to resolve any worker's compensation claims. The City pays an annual premium, to provide worker's compensation coverage for its employees, under a self-funded program and the premiums are accrued based on the ultimate cost of the experience to date of the Fund members. Coverage limits are set by state statute. The pool pays the first $650,000 of any claim per individual. The pool has reinsurance, which covers up to an additional $2,000,000 per individual per incident.

The City does not carry additional insurance to cover claims in excess of the upper limit. Settled claims resulting from these risks have never exceeded the liability coverage.

Unemployment Benefits
The city provides coverage for unemployment benefits by paying into the Unemployment Compensation Fund established by state law and managed by the State of South Dakota.

NOTE 13 – Individual Fund Interfund Receivable and Payable Balances:

Interfund receivable and payable balances at December 31, 2013 were

Fund	Interfund Receivable	Interfund Payable
General Fund	$	$ 1,410,000.00
Special Revenue Funds:		
2006 TIF Special Revenue Fund		$ 78,118.37
Debt Service Funds:		
TIF Hemlock Blvd. Debt Service Fund		$ 273,756.86
TIF Convention Center Debt Service Fund		31,022.85
		$ 304,779.71
Water Fund	$ 1,792,898.08	
	$ 1,792,898.08	$ 1,792,898.08

The purposes for the interfund receivable and payable balances are to correct negative fund balances and help with cash flow.

The City expects all interfund receivables and payables to be repaid within one year (except for the General Fund payable of $1,410,000.00, which will be paid by December 2022 per promissory note; and $68,137.14 for the TIF Hemlock Blvd. Debt Service payable, which will be paid by December 2018 per promissory note.)

NOTE 14 – Interfund Transfers

Interfund transfers for the year ended December 31, 2013 were as follows:

	Transfers To:				
Transfers From:	General Fund	Aggregate Other Governmental Funds	Golf Course Fund	Nonmajor Enterprise Fund	Total
Water Fund	$ 88,613.41	$	$	$	$ 88,613.41
Sewer Fund	24,134.46				24,134.46
General Fund		1,654,703.97	48,086.67	9,303.66	1,712,094.30
	$ 112,747.87	$ 1,654,703.97	$ 48,086.67	$ 9,303.66	$ 1,824,842.17

The City typically budgets transfers of money to conduct the indispensable functions of the City and to close out old debt service and capital project funds.

NOTE 15 – Significant Contingencies-Litigation

At December 31, 2013, the City was not involved in any litigation.

REQUIRED SUPPLEMENTARY INFORMATION
CITY OF BRANDON
BUDGETARY COMPARISON SCHEDULE-BUGETARY BASIS
GENERAL FUND
DECEMBER 31, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
General Property Taxes	$ 2,071,731.00	$ 2,071,731.00	$ 2,064,924.22	$ (6,806.78)
General Sales and Use Taxes	1,900,000.00	1,900,000.00	2,538,964.45	638,964.45
Amusement Taxes	800.00	800.00	768.00	(32.00)
Penalties and Interest on Delinquent Taxes	2,100.00	2,100.00	3,123.65	1,023.65
Licenses and Permits	77,270.00	77,270.00	106,705.00	29,435.00
Intergovernmental Revenue:				
Federal Grants	119,606.00	147,787.99	104,340.60	(43,447.39)
State Grants	16,314.00	24,917.00	16,665.31	(8,251.69)
State Shared Revenue:				
Bank Franchise Tax	20,000.00	20,000.00	15,571.13	(4,428.87)
Liquor Tax Reversion	33,000.00	33,000.00	36,649.58	3,649.58
Motor Vehicle Licenses (5%)	30,000.00	30,000.00	34,927.38	4,927.38
Local Government Highway and Bridge Fund	40,000.00	40,000.00	49,985.44	9,985.44
Other	3,000.00	3,000.00	4,411.26	1,411.26
County Shared Revenue:				
County Wheel Tax	8,000.00	8,000.00	8,748.10	748.10
Charges for Goods and Services:				
General Government	1,100.00	1,100.00	1,150.00	50.00
Public Safety	35,150.00	35,150.00	38,036.20	2,886.20
Sanitation	2,500.00	2,500.00	3,280.47	780.47
Health			75.00	75.00
Culture and Recreation	95,099.00	95,099.00	147,164.50	52,065.50
Other	78,469.00	78,469.00	64,504.75	(13,964.25)
Fines and Forfeits:				
Court Fines and Costs	6,500.00	6,500.00	8,009.00	1,509.00
Miscellaneous Revenue:				
Investment Earnings	1,500.00	1,500.00	1,412.09	(87.91)
Rentals	95.00	95.00	95.00	
Special Assessments	20,600.00	20,600.00	50,644.41	30,044.41
Street Assessments	220,000.00	220,000.00	223,920.15	3,920.15
Contributions and Donations from Private Sources	80,000.00	80,000.00	81,300.00	1,300.00
Other	9,400.00	9,400.00	17,389.18	7,989.18
Total Revenue	4,872,234.00	4,909,018.99	5,622,764.87	713,745.88

REQUIRED SUPPLEMENTARY INFORMATION
CITY OF BRANDON
BUDGETARY COMPARISON SCHEDULE-BUGETARY BASIS
GENERAL FUND
DECEMBER 31, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance Positive (Negative)
	Original	Final		
Expenditures:				
General Government:				
Legislative	67,562.00	112,562.00	102,231.28	10,330.72
Executive	230,127.00	230,127.00	202,624.71	27,502.29
Elections	896.00	1,896.00	1,421.23	474.77
Financial Administration	217,921.00	222,921.00	208,026.85	14,894.15
Other	74,025.00	74,025.00	73,192.60	832.40
Total General Government	590,531.00	641,531.00	587,496.67	54,034.33
Public Safety:				
Police	1,197,596.00	1,206,199.00	1,113,067.40	93,131.60
Fire	167,048.00	167,048.00	165,131.37	1,916.63
Protective Inspection	169,290.00	169,290.00	151,301.98	17,988.02
Other Protection	125,789.00	125,789.00	19,884.94	105,904.06
Total Public Safety	1,659,723.00	1,668,326.00	1,449,385.69	218,940.31
Public Works:				
Highways and Streets	906,315.00	906,315.00	809,606.86	96,708.14
Sanitation	8,850.00	8,850.00	1,348.63	7,501.37
Transit	150,787.00	168,508.45	162,960.20	5,548.25
Total Public Works	1,065,952.00	1,083,673.45	973,915.69	109,757.76
Health and Welfare	9,900.00	9,900.00	4,096.94	5,803.06
Culture and Recreation:				
Recreation	218,826.00	218,826.00	154,189.31	64,636.69
Parks	674,190.00	688,194.83	559,014.53	129,180.30
Libraries	15,000.00	15,000.00		15,000.00
Total Culture and Recreation	908,016.00	922,020.83	713,203.84	208,816.99
Conservation and Development:				
Economic Development and Assistance (Industrial Development)				
Total Conservation and Development	80,469.00	85,469.00	80,378.91	5,090.09
Debt Service	773,304.00	773,304.00	501,550.70	271,753.30
Contingency	66,288.00	10,288.00		10,288.00
Total Expenditures	5,154,183.00	5,194,512.28	4,310,028.44	884,483.84
Excess of Revenue Over (Under) Expenditures	(281,949.00)	(285,493.29)	1,312,736.43	1,598,229.72
Other Financing Sources (Uses):				
Transfers In	187,000.00	187,000.00	112,747.87	(74,252.13)
Transfers (Out)	(5,021.00)	(1,712,082.60)	(1,712,094.30)	(11.70)
Sale of Municipal Property			7,770.80	7,770.80
Compensation for Loss/ Damage to Capital Assets			10,452.04	10,452.04
Total Other Financing Sources (Uses)	181,979.00	(1,525,082.60)	(1,581,123.59)	(56,040.99)
Net Change in Fund Balances	(99,970.00)	(1,810,575.89)	(268,387.16)	1,542,188.73
Net Change in Nonspendable Fund Balance			(3,084.46)	(3,084.46)
Fund Balance - Beginning Balance	1,897,146.86	1,897,146.86	1,897,146.86	
FUND BALANCE - ENDING	$ 1,797,176.86	$ 86,570.97	$ 1,625,675.24	$ 1,539,104.27

CITY OF BRANDON
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note 1: Budgets and Budgetary Accounting:

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. At the first regular board meeting in September of each year or within ten days thereafter, the Governing Board/City Commission introduces the annual appropriation ordinance for the ensuing fiscal year.

2. After adoption by the Governing Board/City Commission, the operating budget is legally binding and actual expenditures for each purpose cannot exceed the amounts budgeted, except as indicated in number 4.

3. A line item for contingencies may be included in the annual budget. Such a line item may not exceed 5 percent of the total municipal budget and may be transferred by the resolution of the Governing Board/City Commission to any other budget category that is deemed insufficient during the year.

4. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows the adoption of supplemental budgets.

5. Unexpended appropriations lapse at year-end unless encumbered by the resolution of the Governing Board/City Commission.

   Encumbrances accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, special revenue fund, and capital projects funds.

6. Formal budgetary integration is employed as a management control device during the year for the General Fund, special revenue funds and capital project funds. Formal budgetary integration is not employed for debt service funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions.

7. Budgets for the General Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America (USGAAP).

Note 2: GAAP/ Budgetary Accounting Basis Differences

The financial statements prepared in conformity with USGAAP present capital outlay expenditure information in a separate category of expenditures. Under the budgetary basis of accounting, capital outlay expenditures are reported within the function to which they relate. For example, the purchase of a new fire truck would be reported as a capital outlay expenditure on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances, however in the Budgetary RSI Schedule, the purchase of a fire truck would be reported as an expenditure of the Public Safety/Fire Department function of government, along with all other current Fire Department related expenditures.

CITY OF BRANDON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	Special Revenue Nonmajor Governmental Funds	Debt Service Nonmajor Governmental Funds	Total Nonmajor Governmental Funds
ASSETS:			
Cash and Cash Equivalents	$ 454,976.92	$ 261,422.63	$ 716,399.55
Accounts Receivable	3,952.00		3,952.00
Special Assessments Receivable--Current		113,674.19	113,674.19
Special Assessments Receivable--Deferred		341,408.97	341,408.97
Notes Receivable-Current	15,290.88		15,290.88
Notes Receivable-Noncurrent	321,131.23		321,131.23
Investments	170,120.48	4,772.78	174,893.26
TOTAL ASSETS	965,471.51	721,278.57	1,686,750.08
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:			
Liabilities:			
Due to Other Governments	11,630.27		11,630.27
Advances From Water Fund	78,118.37	31,022.85	109,141.22
Total Liabilities	89,748.64	31,022.85	120,771.49
Deferred Inflows of Resources:			
Unavailable Revenue--Special Assessments		455,083.16	455,083.16
Total Deferred Inflows of Resources		455,083.16	455,083.16
Fund Balances:			
Restricted	949,889.24	266,195.41	1,216,084.65
Unassigned	(74,166.37)	(31,022.85)	(105,189.22)
Total Fund Balances	875,722.87	235,172.56	1,110,895.43
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 965,471.51	$ 721,278.57	$ 1,686,750.08

CITY OF BRANDON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Special Revenue Nonmajor Governmental Funds	Debt Service Nonmajor Governmental Funds	Capital Projects Nonmajor Governmental Fund	Total Nonmajor Governmental Funds
Revenues:				
Taxes:				
General Property Taxes	$	$ 167,366.32	$	$ 167,366.32
General Sales and Use Tax	191,744.39			191,744.39
Gross Receipts Business Tax	58,158.00			58,158.00
Miscellaneous Revenue:				
Interest Earnings	3,231.18	185.39		3,416.57
Special Assessments		243,425.08		243,425.08
Other	834.75			834.75
Total Revenue	253,968.32	410,976.79		664,945.11
Expenditures:				
General Government:				
Other	98,718.10			98,718.10
Public Safety:				
Other Protection	12,220.98			12,220.98
Conservation and Development:				
Economic Development and Assistance	15,305.00			15,305.00
Debt Service	47,517.94	460,889.14		508,407.08
Total Expenditures	173,762.02	460,889.14		634,651.16
Excess of Revenue Over (Under) Expenditures	80,206.30	(49,912.35)		30,293.95
Other Financing Sources (Uses)				
Transfers In	12,220.98	5,032.70	1,637,450.29	1,654,703.97
Total Other Financing Sources (Uses)	12,220.98	5,032.70	1,637,450.29	1,654,703.97
Net Change in Fund Balances	92,427.28	(44,879.65)	1,637,450.29	1,684,997.92
Fund Balance - January 1, 2013	783,295.59	280,052.21	(1,637,450.29)	(574,102.49)
FUND BALANCE - December 31, 2013	$ 875,722.87	$ 235,172.56	$ 0.00	$1,110,895.43

CITY OF BRANDON
COMBINING BALANCE SHEET
SPECIAL REVENUE NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	Third Cent Sales Tax Fund	2006 TIF Special Revenue Fund	Brandon Revolving Loan Fund	Total
ASSETS:				
Cash and Cash Equivalents	$ 272,509.99	$	$ 182,466.93	$ 454,976.92
Accounts Receivable		3,952.00		3,952.00
Notes Receivable-Current			15,290.88	15,290.88
Notes Receivable-Noncurrent			321,131.23	321,131.23
Investments	6,098.95		164,021.53	170,120.48
TOTAL ASSETS	278,608.94	3,952.00	682,910.57	965,471.51
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Due to Other Governments	11,630.27			11,630.27
Advance From Other Fund		78,118.37		78,118.37
Total Liabilities	11,630.27	78,118.37		89,748.64
Fund Balances:				
Restricted	266,978.67		682,910.57	949,889.24
Unassigned		(74,166.37)		(74,166.37)
Total Fund Balances	266,978.67	(74,166.37)	682,910.57	875,722.87
TOTAL LIABILITIES AND FUND BALANCES	$ 278,608.94	$ 3,952.00	$ 682,910.57	$ 965,471.51

CITY OF BRANDON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
SPECIAL REVENUE NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Third Cent Sales Tax Fund	2006 TIF Special Revenue Fund	Brandon Revolving Loan Fund	Repair & Demolition Fund	Total
Revenues:					
Taxes:					
General Sales and Use Tax	$ 191,744.39	$	$	$	$ 191,744.39
Other Tax		58,158.00			58,158.00
Miscellaneous Revenue:					
Interest Earnings	130.07	0.21	3,100.90		3,231.18
Other			834.75		834.75
Total Revenue	191,874.46	58,158.21	3,935.65		253,968.32
Expenditures:					
General Government:					
Other	98,718.10				98,718.10
Public Safety:					
Other Protection				12,220.98	12,220.98
Conservation and Development:					
Economic Development and Assistance	15,000.00		305.00		15,305.00
Debt Service		47,517.94			47,517.94
Capital Outlay					
Total Expenditures	113,718.10	47,517.94	305.00	12,220.98	173,762.02
Excess of Revenue Over (Under) Expenditures	78,156.36	10,640.27	3,630.65	(12,220.98)	80,206.30
Other Financing Sources (Uses):					
Transfer In				12,220.98	12,220.98
Total Other Financing Sources (Uses):				12,220.98	12,220.98
Net Change in Fund Balances	78,156.36	10,640.27	3,630.65	0.00	92,427.28
Fund Balance - January 1, 2013	188,822.31	(84,806.64)	679,279.92	0.00	783,295.59
FUND BALANCE - December 31, 2013	$ 266,978.67	$ (74,166.37)	$ 682,910.57	$ 0.00	$ 875,722.87

CITY OF BRANDON
COMBINING BALANCE SHEET
DEBT SERVICE NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	TIF Debt Service Fund	Park Street Special Assessment Debt Service Fund	Chestnut Blvd Debt Service Fund	Chestnut Blvd Mid Debt Service Fund	Expr Ave/ FC Lift Debt Service Fund	TIF Covention Center Debt Service Fund	CC Heights Debt Service Fund	Total
ASSETS:								
Cash and Cash Equivalents	$ 44,628.89	$	$ 38,853.85	$ 7,811.30	$106,515.28	$	$ 63,613.31	$ 261,422.63
Special Assessments Receivable--Current		28,049.48	34,098.35	32,379.69	3,808.61		15,338.06	113,674.19
Special Assessments Receivable--Deferred		84,148.44	68,196.72	97,139.07	15,234.44		76,690.30	341,408.97
Investments	2,199.36		1,226.82	691.81	527.03		127.76	4,772.78
TOTAL ASSETS	46,828.25	112,197.92	142,375.74	138,021.87	126,085.36		155,769.43	$ 721,278.57
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:								
Liabilities:								
Advances From Other Fund						31,022.85		31,022.85
Total Liabilities						31,022.85		31,022.85
Deferred Inflows of Resources:								
Unavailable Revenue--Special Assessments		112,197.92	102,295.07	129,518.76	19,043.05		92,028.36	455,083.16
Total Deferred Inflows of Resources		112,197.92	102,295.07	129,518.76	19,043.05		92,028.36	455,083.16
Fund Balances								
Restricted	46,828.25		40,080.67	8,503.11	107,042.31		63,741.07	266,195.41
Unassigned						(31,022.85)		(31,022.85)
Total Fund Balances	46,828.25		40,080.67	8,503.11	107,042.31	(31,022.85)	63,741.07	235,172.56
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 46,828.25	$112,197.92	$142,375.74	$138,021.87	$126,085.36	$ 0.00	$155,769.43	$ 721,278.57

CITY OF BRANDON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES- DEBT SERVICE NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	TIF Debt Service Fund	Park Street Special Assessment Debt Service Fund	Chestnut Blvd Debt Service Fund	Chestnut Blvd Mid Debt Service Fund	Expr Ave/ FC Lift Debt Service Fund	TIF Covention Center Debt Service Fund	CC Heights Debt Service Fund	Total
Revenues:								
Taxes:								
General Property Taxes	$101,513.10	$	$	$	$	$ 65,853.22	$	$ 167,366.32
Miscellaneous Revenue:								
Interest Earnings	24.79	3.59	34.90	12.87	64.57	0.43	44.24	185.39
Special Assessments		35,033.27	49,773.83	43,712.58	83,877.24		31,028.16	243,425.08
Total Revenue	101,537.89	35,036.86	49,808.73	43,725.45	83,941.81	65,853.65	31,072.40	410,976.79
Expenditures:								
Debt Service	167,050.06	40,069.56	60,857.50	70,561.85	26,539.61	59,263.94	36,546.62	460,889.14
Total Expenditures	167,050.06	40,069.56	60,857.50	70,561.85	26,539.61	59,263.94	36,546.62	460,889.14
Excess of Revenue Over (Under) Expenditures	(65,512.17)	(5,032.70)	(11,048.77)	(26,836.40)	57,402.20	6,590	(5,474.2200)	(49,912.35)
Other Financing Sources (Uses)								
Transfer In		5,032.70						5,032.70
Total Other Financing Sources (Uses)		5,032.70						5,032.70
Net Change in Fund Balances	(65,512.17)	0.00	(11,048.77)	(26,836.40)	57,402.20	6,589.71	(5,474.22)	(44,879.65)
Fund Balance - January 1, 2013	112,340.42	0.00	51,129.44	35,339.51	49,640.11	(37,612.56)	69,215.29	280,052.21
FUND BALANCE - DECEMBER 31, 2013	$ 46,828.25	$ 0.00	$40,080.67	$ 8,503.11	$107,042.31	$(31,022.85)	$ 63,741.07	$ 235,172.56

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES- CAPITAL PROJECTS NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2013

	Aspen Blvd Capital Projects Fund	Total Capital Projects Funds
Revenues:		
Miscellaneous Revenue:		
Special Assessments	$	$
Total Revenue		
Expenditures:		
Public Works		
Capital Outlay		
Total Expenditures		
Excess of Revenue Over (Under) Expenditures		
Other Financing Sources (Uses):		
Transfer In	1,637,450.29	1,637,450.29
Total Other Financing Sources (Uses):	1,637,450.29	1,637,450.29
Net Change in Fund Balances	1,637,450.29	1,637,450.29
Fund Balance - January 1, 2013	(1,637,450.29)	(1,637,450.29)
FUND BALANCE - DECEMBER 31, 2013	$ 0.00	$ 0.00

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

City Council
The City of Brandon
Minnehaha County, South Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brandon, South Dakota, as of December 31, 2013, and for the year then ended, and the related notes to the financial statements, which collectively comprise the City of Brandon's basic financial statements and have issued our report thereon dated July 10, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Brandon's internal control over. Accordingly, we do not express an opinion on the effectiveness of the City of Brandon's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses and significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Current Audit Findings, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Current Audit Findings as item 2013-01 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Brandon, South Dakota's Response to Finding

The City of Brandon's response to the finding identified in our audit is on page 55. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. As required by South Dakota Codified Law 4-11-11 this report is a matter of public record and its distribution is not limited.

Quam + Berglin, P.C.

Quam and Berglin, P.C.
Certified Public Accountants

Elk Point, South Dakota

July 10, 2014

CITY OF BRANDON
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS
DECEMBER 31, 2013

STATUS OF PRIOR AUDIT FINDINGS:

The prior audit recommendation 2012-01 has not been corrected and is restated as Current Audit Finding Number 2013-01.

CURRENT AUDIT FINDINGS:

Internal Control-Related Findings – Material Weakness:

AUDIT FINDING NUMBER 2013-01:

There is a material weakness resulting from lack of segregation of duties for revenues and expenditures.

Criteria:
In order to achieve proper internal control, it is necessary to have segregation of duties provided between performance, review and record keeping of the tasks related to revenues. Lack of this segregation of duties could adversely affect the organization's ability to record, process, summarize and report financial data consistent with management assertions.

Condition, Cause and Effect:
A material weakness in internal control was reported due to lack of proper segregation of duties for revenues and expenditures resulting in decreased reliability of reported financial data and increased potential for the loss of public assets.

Recommendations:
We recommend that the City of Brandon officials be cognizant of this lack of segregation of duties for revenues and expenditures and attempt to provide compensating controls, whenever and wherever possible and practical.

Corrective Action Plan:
The City of Brandon's officials are aware of this problem, which is a result of the size of the entity which precludes staffing at a level sufficient to provide an ideal environment for internal controls. They have included a response to the finding on page 54.

CITY OF BRANDON
304 MAIN AVE.
BRANDON, SD 57004

Corrective Action Plan
For the year ended December 31, 2013

The City of Brandon has considered the lack of segregation of duties for the revenue and expenditure functions.

At this time it is not cost efficient for the City of Brandon to hire additional staff needed to achieve segregation of duties. The City of Brandon has implemented alternate procedures, to decrease the likelihood that financial data is adversely affected.

Larry D Beasley
Mayor

Finance Officer/City Administrator

CITY OF BRANDON

BUDGET 2014

REVENUES & EXPENDITURES

Adopted: September 16, 2013

Published: September 25, 2013

Effective Date: October 15, 2013

Note - 2 S.ches

H - 2014 Budget

101 GENERAL FUND REVENUES

		Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
310	TAXES											
310	311.01 Current Taxes	1,651,514	1,795,087	1,852,550	1,938,427	1,809,395	2,058,511	1,064,378	2,152,379	2,152,379	2,152,379	2.1% CPI, 2.46% Growth
310	311.02 Back Taxes (-1)	13,190	11,979	15,867	18,979	15,004	10,000	8,055	10,000	10,000	10,000	
310	311.03 Back Taxes (-2)	1,092	2,642	1,514	4,843	2,523	2,500	1,723	2,000	2,000	2,000	
310	311.04 Back Taxes (-3)	991	471	900	2,372	1,184	500	1,305	500	500	500	
310	311.05 Back Taxes (-4)	683	361	482	444	493	200	1,084	200	200	200	
310	311.07 Mobile Home Tax	23	22	41	20	27	20	18	20	20	20	
310	313.00 Sales Tax	1,827,322	1,820,798	2,000,779	2,333,422	1,995,580	1,900,000	1,220,150	1,900,000	1,900,000	1,950,000	
310	315.00 Amusement Fee	732	768	1,584	1,092	1,044	800	264	800	800	800	
310	319.11 Interests on Taxes	2,360	2,564	2,836	4,495	3,064	2,100	1,850	2,500	2,500	2,500	
	Totals Taxes	3,497,907	3,634,692	3,876,553	4,304,094	3,828,312	3,974,631	2,298,827	4,068,399	4,068,399	4,118,399	

320	LICENSES AND PERMITS										
320	321.01 Beer Licenses	1,975	2,368	2,123	2,333	2,200	2,150	2,275	2,150	2,150	2,150
320	321.02 Liquor Licenses	15,600	14,000	15,000	15,800	15,100	15,500	1,800	15,500	15,500	15,500
320	321.03 Building Permits	51,915	38,837	59,217	40,891	47,715	45,000	29,079	45,000	45,000	45,000
320	321.04 Dog Licenses	488	426	376	330	405	400	220	350	350	350
320	321.045 Kennel License Fee	105	105	70	35	79	70	35	35	35	35
320	321.05 Excavation/St Cut Permits	100	50	125	150	106	50	0	50	50	50
320	321.08 Skateboard Pk License	238	155	77	120	148	75	0	0	0	0
320	321.09 Peddlers License	1,000	316	400	1,100	704	200	300	200	200	200
320	321.10 Plumbing Permits	3,873	3,802	3,682	2,800	3,539	3,000	2,300	3,000	3,000	3,000
320	321.11 Sewer Cleaning Permit	140	280	140	140	175	150	0	150	150	150
320	321.12 Residential Contrac. Lic.	5,200	10,700	7,250	7,000	7,538	7,000	2,975	7,000	7,000	7,000
320	321.13 Landscape Contrac. Lic.	350	1,150	650	650	700	650	250	650	650	650
320	321.14 Landscape Permits	445	465	479	513	476	200	88	300	300	300
320	322.00 Sign Permits	215	30	160	60	116	125	0	50	50	50
320	323.00 Home Occupations	1,750	2,905	1,715	1,715	2,021	1,700	350	1,700	1,700	1,700
320	324.00 Garbage Permits	900	1,800	900	900	1,125	1,000	0	900	900	900
320	324.10 Dumpster Permits	30	50	30	0	28	0	0	0	0	0
320	325.00 Ambulance License Fees	0	2,100	0	0	525	0	0	0	0	0
	Totals License & Permits	84,324	79,539	92,394	74,537	82,699	77,270	39,672	77,035	77,035	77,035

330	INTER GOVERNMENT REVENUE	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
330	331.04 Federal Grant - Outdoor	0	0	22,400	0	5,600	0	0	0	0	0	
330	331.09 Section 5309 Funds - Bus	1,043	45,134	1,497	3,865	12,885	0	1,120	0	0	0	
330	331.10 Section 5311 Funds - Bus	39,055	54,793	58,416	36,842	47,277	41,894	36,543	59,041	59,041	59,041	
330	331.11 Federal Grants Fast Cop	342	0	380	1,240	491	0	10,500	5,466	5,466	5,466	Police wages Grant
330	331.30 Title III-B Transit Bus	1,679	1,238	1,131	1,131	1,295	1,131	47	1,131	1,131	1,131	
330	331.20 Federal Grants	0	4,623	12,851	11,149	7,156	76,581	0	18,832	18,832	18,832	Safety Grant
330	334.03 State Funds-Transit Bus	2,908	3,695	4,445	3,345	3,598	3,295	2,195	3,295	3,295	3,295	
330	334.035 Ridership Incent Funds-Bus	2,848	1,286	3,123	2,519	2,444	2,519	2,000	2,000	2,000	2,000	
330	334.99 Other State Grants	89,192	0	0	0	22,298	10,500	8,603	10,500	10,500	10,500	Siren Grant
330	335.01 Bank Franchise Tax	67,405	58,983	19,923	20,913	41,806	20,000	15,571	15,000	15,000	15,000	
330	335.03 Liquor Revision	34,052	34,667	35,607	37,890	35,554	33,000	19,066	33,000	33,000	33,000	
330	335.04 Motor Vehicle License	26,053	23,933	26,007	32,434	27,107	30,000	15,882	30,000	30,000	30,000	
330	335.08 Highway & Bridge Fund	34,706	37,516	38,563	49,018	39,951	40,000	26,469	45,000	45,000	45,000	
330	335.09 Port of Entry Fee	3,964	3,821	4,503	4,215	4,126	3,000	1,409	3,000	3,000	3,000	
330	338.03 Wheel Tax	8,539	8,264	8,421	8,430	8,414	8,000	4,033	8,000	8,000	8,000	
	Totals Inter Governmental Revenue	311,786	277,953	237,267	212,991	259,999	269,920	143,438	234,265	234,265	234,265	

340 CHARGES GOOD & SERVICE		Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
340	341.01 Zoning/Variance/Cond Use	600	1,200	1,950	875	1,156	1,000	850	1,000	1,000	1,000	
340	341.03 Electrical Permit Forms	145	80	80	0	76	0	0	0	0	0	
340	341.91 Inspection in Hartford	200	0	0	0	50	0	0	0	0	0	
340	341.92 Inspections-Valley/Garretson	150	200	425	25	200	100	0	100	100	100	
340	342.01 Police Services	15,400	31,521	49,518	43,928	35,092	35,000	17,622	40,000	40,000	40,000	SRO Wages
340	342.09 Police Reports	172	323	275	260	258	150	180	200	200	200	
340	342.99 Other - Public Safety	1,752	0	0	170	481	0	0	0	0	0	
340	344.02 Weed/Mowing/Snow	1,885	2,389	3,192	3,600	2,767	2,500	1,300	2,500	2,500	2,500	
340	346.01 Pool Membership	17,856	14,833	16,579	21,608	17,719	16,500	20,274	20,000	20,000	20,000	
340	346.02 Pool Fees	8,536	9,322	10,931	12,752	10,385	9,000	4,333	9,000	9,000	9,000	
340	346.03 Pool Swim Lessons	11,875	13,067	11,411	15,562	12,979	10,000	10,571	12,000	12,000	12,000	
340	346.04 Concessions Aspen Pk	600	600	600	600	600	0	0	600	600	600	
340	346.09 Pop & Candy Summer Rec	871	994	960	876	925	800	329	800	800	800	
340	346.32 Summer Rec. Fees	1,680	479	1,270	1,382	1,203	800	216	800	800	800	
340	346.325 Other Summer Rec. Reimb.	90	80	160	70	100	0	84	0	0	0	
340	346.33 Ball Park Fees	5,675	5,525	8,310	5,765	6,319	5,000	0	5,000	5,000	5,000	School & Base/Soft Assoc.
340	346.41 Pop & Candy Pool	7,618	7,306	8,016	10,134	8,269	8,500	4,154	8,500	8,500	8,500	
340	346.67 Sum. Rec. Bus Fares	32	281	539	545	349	200	138	200	200	200	
340	346.69 Pool-Over/Short Deposits	57	-21	8	-87	-11	0	37	0	0	0	
340	346.90 Park Fee Developers	17,888	1,676	6,224	2,622	7,103	2,500	3,026	10,000	10,000	10,000	
340	346.91 Park Fee - Bldg Pmt	0	0	0	0	0	0	2,250	10,000	10,000	10,000	Based off 40 homes
340	346.95 Bus Fares - Transit	9,589	10,478	10,737	14,964	11,442	12,985	7,374	14,330	14,330	14,330	
340	346.96 Bus Advertising-Transit	0	0	0	0	0	0	208	2,495	2,495	2,495	
340	346.97 InterLakes-Bus Reimburse	6,610	32,274	24,456	25,059	22,100	28,814	13,743	28,456	28,456	28,456	Fuel and Supplies
340	349.00 Chamber Reimbursements	40,662	63,894	91,786	79,632	68,994	78,469	16,923	80,330	80,330	80,330	Directors Wages/Supplies
	Total Goods & Services	149,943	196,501	247,427	240,342	208,553	212,318	103,612	246,310	246,311	246,311	

345 Health		Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014
345	345.02 Animal Ctrl & Shelter Fees	650	512	100	0	316	0	75	100	100	100
	Total Health	650	512	100	0	316	0	75	100	100	100

350 FINES & FORFEITS	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014
350 351.01 65% Court Fines	20,505	13,312	5,209	6,324	11,338	5,000	4,329	5,000	5,000	5,000
350 351.02 Police Parking Tickets	2,235	1,495	1,745	1,545	1,755	1,500	610	1,500	1,500	1,500
Totals Fines & Forfeits	22,740	14,807	6,954	7,869	13,093	6,500	4,939	6,500	6,500	6,500

360 MISCELLANEOUS REVENUE	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
360 361.00 Interest Earned	19,313	5,914	3,185	1,362	7,444	1,500	358	1,000	1,000	1,000	
360 362.00 Rentals	0	95	95	95	71	95	0	95	95	95	Bethany Land
360 363.11 Bethany SPA Principle	0	0	0	0	0	12,900	39,141	10,086	10,086	10,086	2nd year of 10
360 363.21 Bethany SPA Interest	0	0	0	0	0	7,700	11,504	5,447	5,447	5,447	
360 364.00 .80/foot St Assessment	78,261	79,082	80,205	112,056	87,401	220,000	117,560	0	0	0	.40 (2012) .80(2013)
360 367.00 Contribution/Donations	82,515	65,775	2,265	20,874	42,857	80,000	276	25,000	25,000	25,000	
360 369.00 Other	9,921	9,895	13,778	2,530	9,031	0	510	0	0	0	
360 369.01 Other Capital Refunds	4,626	4,189	5,054	6,901	5,193	2,000	4,306	4,000	4,000	4,000	Alliance Refund
360 369.02 Gas Refund	3,794	3,791	2,686	2,462	3,183	2,400	2,571	2,500	2,500	2,500	Gas Tax Refund
360 369.03 Prior Year Exp. Recovery	3,930	1,643	3,804	4,450	3,457	5,000	4,388	5,000	5,000	5,000	
Totals Miscellaneous Revenue	202,360	170,384	111,072	150,730	158,637	331,595	180,614	53,128	53,128	53,128	

390 OTHER FINANCING SOURCES	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
360 391.01 Transfer-Enterprise Funds	0	0	0	0	0	67,000	0	0	0	0	
360 391.01 Transfer In	0	0	0	55,282	0	52,500	0	1,102	1,102	1,102	Sewer for Debt-Holly
360 391.01 Transfer In	0	0	0	0	0	67,500	0	15,705	15,705	15,705	Water for Debt-Holly
390 391.03 Sale of Fixed Assets	32,821	5,918	2,900	3,543	11,296	0	1,755	0	0	0	
390 391.04 Insurance	0	1,494	1,653	5,434	2,145	0	6,991	0	0	0	
390 391.21 Loan Proceeds	120,000	0	0	0	30,000	0	0	0	0	0	
390 392.00 Unobligated Cash	0	0	0	0	0	100,000	0	200,000	250,000	250,000	Marmen Sales tax rebate
Total Other Financing Sources	152,821	7,412	4,553	64,259	43,441	287,000	8,746	216,807	266,807	266,807	
101 TOTAL GENERAL FUND	**4,422,531**	**4,381,800**	**4,576,320**	**5,054,822**	**4,608,868**	**5,159,234**	**2,779,923**	**4,902,544**	**4,952,545**	**5,002,545**	

102 Revolving Loan Fund		Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014
360	361.00 Interest	2,421	1,699	1,363	609	1,523	1,000	119	150	150	150
360	361.15 R&T Unit Can Loan#2-Princ	0	0	0	0	0	5,648	2,803	5,820	5,820	5,820
360	361.16 R&T Unit Can Loan#2-Int	0	0	2,210	2,805	1,254	2,638	1,340	2,466	2,466	2,466
360	361.17 Corson Village Loan-Princ	0	0	0	0	0	1,134	466	925	925	925
360	361.18 Corson Village Loan-Int	0	0	99	99	50	65	34	34	34	34
360	361.21 D-Rail LLC - Principle	6,553	6,837	0	0	3,348	0	0	0	0	0
360	361.22 D-Rail LLC - Interest	2,034	1,750	1,454	417	1,414	0	0	0	0	0
360	361.24 R&T Unit Can Loan - Princ	3,556	5,468	0	0	2,256	0	0	0	0	0
360	361.25 R&T Unit Can Loan - Int	1,969	2,819	679	0	1,367	0	0	0	0	0
360	361.10 Other Loans - Principle	123,193	38,615	0	0	40,452	0	437	0	0	0
360	361.11 Other Loans - Interest	823	410	0	0	308	0	0	0	0	0
	Total Revolving Loan Fund	140,549	57,598	5,805	3,930	51,971	10,485	5,199	9,395	9,395	9,395

211 THIRD CENT SALES TAX											
310	313.00 3rd Cent Sales Tax	167,852	174,385	180,457	192,889	178,896	175,000	94,110	175,000	175,000	175,000
390	391.02 Bond Proceeds	0	0	0	0	0	0	0	0	0	0
360	361.00 Interest	877	1,497	1,171	379	981	500	33	0	0	0
	Total Third Cent Tax	168,729	175,882	181,628	193,268	179,877	175,500	94,143	175,000	175,000	175,000

220 STREET MAINTENANCE FUND		Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
360	361.00 Interest	0	0	0	0	0	0	0	0	0	0	
360	364.00 Street Assessment	0	0	0	0	0	0	0	280,000	280,000	280,000	1.00(2014)
360	369.00 Other	0	0	0	0	0	0	0	0	0	0	
	Total Street Maint Fund	0	0	0	0	0	0	0	280,000	280,000	280,000	

213 BID #1 CONFERENCE CENTER												
360	361.00 Interest	18	125	0	0	36	0	0	0	0	0	9th year of 20
360	363.00 BID Receipts	54,986	52,512	55,978	58,840	55,579	54,000	24,372	54,000	54,000	54,000	
	Total BID #1 Conference Center	55,004	52,637	55,978	58,840	55,615	54,000	24,372	54,000	54,000	54,000	

326 TIF #1 CORSON DEVELOPMENT PARK	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
Undesignated Fund Balance Applied	0	0	0	0	0	83,139	0	0	0	0	
310 311.01 Taxes - Receipts	23,712	44,356	65,654	88,334	55,514	88,000	52,326	0	0	0	DONE
360 361.00 Interest	590	11	411	91	276	100	23	0	0	0	
Total #1 TIF Corson Develop. Park	24,302	44,367	66,065	88,425	55,790	171,239	52,349	0	0	0	
328 SPA Parks Street											
360 361.00 Interest	3	0	0	0	1	0	0	0	0	0	7th Year of 10
360 363.11 Principle on SPA	28,049	28,049	28,049	28,049	28,049	28,049	28,049	28,050	28,050	28,050	
360 363.21 Interest on SPA	12,571	11,174	9,777	8,381	10,476	7,000	6,984	5,610	5,610	5,610	
390 391.01 Operating Transfer In	0	0	141,946	3,640	0	5,021	0	6,410	6,410	6,410	General Fund
Total Parks Street	40,623	39,223	179,772	40,070	38,526	40,070	35,033	40,070	40,070	40,070	
330 SPA Chestnut Blvd-South											
Undesignated Fund Balance Applied	0	0	0	0	0	17,219	0	16,560	16,560	16,560	
360 361.00 Interest	133	243	219	66	165	150	11	100	100	100	8th Year of 10
360 363.11 Principle on SPA	40,896	67,040	38,281	36,190	45,602	36,189	36,190	36,190	36,190	36,190	
360 363.21 Interest on SPA	16,522	13,717	11,846	9,138	12,806	7,300	4,310	5,483	5,483	5,483	
390 391.01 Transfers In	0	0	0	0	0	0	0	0	0	0	
Total Chestnut Blvd-South	57,551	81,000	50,346	45,394	58,573	60,858	40,511	58,333	58,333	58,333	

332 SPA Chestnut Blvd-Middle	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
Undesignated Fund Balance Applied	0	0	0	0	0	26,783	0	29,067	29,067	29,067	
360 361.00 Interest	100	80	187	45	103	100	4	50	50	50	7th Year of 10
360 363.11 Principle on SPA	47,786	94,218	32,380	32,380	51,691	32,379	32,380	32,380	32,380	32,380	
360 363.21 Interest on SPA	26,014	22,651	15,866	13,599	19,533	11,300	11,332	9,066	9,066	9,066	
Total Chestnut Blvd-Middle	73,900	116,949	48,433	46,024	71,327	70,562	43,716	70,563	70,563	70,563	
334 SPA NE Lift/Express Ave											
Undesignated Fund Balance Applied	0	0	0	0	0	6,804	0	21,178	21,178	21,178	
360 361.00 Interest	381	74	6	36	124	0	13	50	50	50	6th Year of 10
360 363.11 Principle on SPA	42,334	6,250	6,250	50,875	26,427	16,241	73,747	3,809	3,809	3,809	
360 363.21 Interest on SPA	7,647	3,375	3,100	25,108	9,808	4,900	10,130	1,371	1,371	1,371	
Total NE Lift/Express/Ironwood	50,362	9,699	9,356	76,019	36,359	27,945	83,890	26,408	26,408	26,408	

336 TIF #2 CONFERENCE CENTER	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
310 311.01 Taxes - Receipts	64,186	64,237	64,477	63,369	64,067	63,000	32,927	63,000	63,000	63,000	9th year of 15
360 361.00 Interest	72	102	0	0	44	0	0	0	0	0	
Total #2 Tiff Conference Center	64,258	64,339	64,477	63,369	64,111	63,000	32,927	63,000	63,000	63,000	
338 SPA Country Club Heights											
Undesignated Fund Balance Applied	0	0	0	0	0	2,918	0	13,194	13,194	13,194	
360 361.00 Interest	0	46	37	25	27	0	12	25	25	25	5th Year of 10
360 363.11 Principle on SPA	0	35,535	24,037	77,288	34,215	22,599	16,430	16,429	16,429	16,429	
360 363.21 Interest on SPA	0	10,868	15,143	13,461	9,868	11,000	8,050	6,900	6,900	6,900	
Total Country Club Heights	0	46,449	39,217	90,774	44,110	36,517	24,492	36,548	36,548	36,548	

340 TIF #3 HEMLOCK BOULEVARD	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
310 311.01 Taxes - Receipts	0	0	0	0	0	0	28	105,000	105,000	105,000	1st Year
360 361.00 Interest	0	0	0	0	0	0	0	0	0	0	
Total #3 TIF HEMLOCK/CORSON	0	0	0	0	0	0	28	105,000	105,000	105,000	

501 **ASPEN PARK EXPANSION PROJECT**										
360 367.00 Donations	0	0	0	0	0	0	0	0	0	0
390 391.02 Bond Proceeds	0	0	0	0	0	0	0	0	0	0
Totals Aspen Park Project	0	0	0	0	0	0	0	0	0	0

523 **IRONWOOD EXTENSION PROJECT**	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014
360 369.00 Other	0	0	0	0	0	0	0	0	0	0
390 391.22 SPA Bond Proceeds	0	0	0	0	0	0	0	0	0	0
Totals Ironwood Project	0	0	0	0	0	0	0	0	0	0

529 **Heritage/Sandstone Connection**										
360 369.00 Other	0	0	0	0	0	0	0	0	0	0
390 391.22 SPA Bond Proceeds	0	0	0	0	0	0	0	380,000	380,000	380,000
Totals Heritage/Sandstone Project	0	0	0	0	0	0	0	380,000	380,000	380,000

ENTERPRISE FUNDS

		Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014
602	WATER										
360	361.00 Interest	8,004	5,261	4,598	2,430	5,073	3,000	532	2,000	2,000	2,000
360	362.00 Rent on Water Tower	14,171	14,832	14,257	15,867	14,782	14,000	9,288	17,000	17,000	17,000
360	363.06 Impact Fees	0	0	26,789	15,095	10,471	0	428	0	0	0
360	369.00 Other	3,136	2,477	3,552	154	2,330	0	0	0	0	0
360	369.02 Gas Refund	0	0	424	507	233	400	507	500	500	500
360	369.03 Prior Year Expenditures	0	177	0	0	44	0	0	0	0	0
380	381.01 Metered Sales	927,632	915,702	1,333,980	1,606,779	1,196,023	1,363,000	606,179	1,463,730	1,463,730	1,463,730
380	381.02 Water Salesman	985	1,258	1,098	965	1,077	1,000	212	1,000	1,000	1,000
380	381.09 Water Meter - New Homes	14,491	8,587	11,522	13,530	12,033	7,500	12,820	10,000	10,000	10,000
380	381.10 New Connection Fee	50,719	34,000	47,000	41,000	43,180	35,000	43,500	40,000	40,000	40,000
380	381.992 Online Fee for pymt	0	0	491	629	280	500	351	600	600	600
380	381.99 Corson & Valley Service	4,756	3,588	656	75	2,269	0	0	0	0	0
390	391.02 Long-Term Debt -Bond	0	0	0	0	0	0	0	3,000,000	3,500,000	3,500,000
390	391.07 Cost Recoveries	0	110,830	0	0	27,708	0	0	0	0	0
	Totals Water	1,023,894	1,096,712	1,444,367	1,697,031	1,315,501	1,424,400	673,817	4,534,830	5,034,830	5,034,830

		Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014
603	ELECTRICAL										
360	361.00 Interest	0	0	0	0	0	0	0	0	0	0
360	362.00 Rent	0	0	0	0	0	0	0	0	0	0
360	369.00 Other	0	0	0	0	0	0	0	0	0	0
360	369.01 Insurance Reimbursements	0	0	0	0	0	0	0	0	0	0
360	369.02 Gas Refund	0	0	0	0	0	0	0	0	0	0
360	369.03 Prior Year Expenditures	0	0	0	0	0	0	0	0	0	0
380	382.01 Metered Sales	5,475	5,837	19,794	29,034	15,035	55,000	27,460	70,500	70,500	70,500
390	391.01 Operating Transfer In	0	0	20,804	4,298	6,276	0	0	0	0	0
390	391.03 Sale of Fixed Assets	0	0	0	0	0	0	0	0	0	0
	Totals Electrical	5,475	5,837	40,598	33,332	21,311	55,000	27,460	70,500	70,500	70,500

604 SEWER		Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
360	361.00 Interest	6,558	2,816	2,298	1,345	3,254	1,500	201	1,000	1,000	1,000	
360	363.06 Impact Fees	0	0	26,789	15,095	10,471	0	428	0	0	0	
360	369.00 Other	1,260	50,665	373	15	13,078	0	0	0	0	0	
360	369.02 Gas Refund	0	0	426	360	197	400	360	350	350	350	
360	369.03 Prior Year Expenditures	0	0	16	0	4	0	0	0	0	0	
380	381.992 Online Fee for pymt	0	0	434	629	266	500	351	600	600	600	
380	383.01 Sewer Charges	548,641	597,637	919,683	1,053,631	779,898	1,030,000	522,281	1,137,480	1,137,480	1,137,480	
380	383.09 Connection Fees	12,450	9,950	12,450	10,450	11,325	8,750	10,950	12,000	12,000	12,000	
360	363.01 SA Principle	0	1,001	0	0	250	1,001	1,001	1,001	1,001	1,001	Ironwood SA-6th Year of
360	363.02 SA Interest	0	270	240	210	180	350	180	300	300	300	
390	391.03 Sales of Fixed Assets	0	1,163	0	-871	73	0	0	0	0	0	
390	391.07 Cost Recovery	0	9,116	13,820	4,542	6,870	0	349	0	0	0	
Totals Sewer		568,909	672,618	976,529	1,085,406	825,866	1,042,501	536,101	1,152,731	1,152,731	1,152,731	

615	GOLF COURSE PRO SHOP	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
340	346.10 Punch Cards	24,820	32,104	24,903	27,131	27,240	30,900	17,335	30,000	30,000	30,000	
340	346.11 Season Pass	110,651	121,816	111,038	116,462	114,992	139,000	27,651	115,000	115,000	115,000	
340	346.12 Green Fees	268,262	241,287	232,132	267,129	252,203	273,000	81,766	255,000	255,000	255,000	
340	346.13 Merchandise & Access	47,722	52,584	52,995	61,124	53,606	55,000	21,908	53,000	53,000	53,000	
340	346.14 Range Balls	13,010	11,744	14,401	13,345	13,125	12,000	6,119	13,000	13,000	13,000	
340	346.15 Gas Carts	224,198	212,255	215,910	233,491	221,464	230,000	63,435	220,000	220,000	220,000	
340	346.16 Pull Carts	1,030	508	333	370	560	1,000	122	500	500	500	
340	346.165 Laser Gun Rental	0	715	453	402	393	300	103	400	400	400	
340	346.17 Club Rental	575	687	708	435	601	500	98	500	500	500	
340	346.18 Advertising Ads	750	1,050	1,200	1,275	1,069	1,000	0	1,000	1,000	1,000	
340	346.26 Over/Under	-5	144	380	193	178	0	15	0	0	0	
360	361.00 Interest	0	0	10	84	24	0	0	0	0	0	
360	369.00 Other	162	1,331	1,340	993	957	0	48	0	0	0	
360	369.01 Other Capital Refunds	906	248	276	472	476	450	674	500	500	500	Alliance Refund
360	369.02 Gas Refund	0	0	339	458	199	350	458	450	450	450	
360	366.00 Gain or Loss on Fixed Asset	0	0	39	-21,078	-5,260	0	0	0	0	0	
390	391.01 Transfers In	0	976,790	103,221	20,784	275,199	0	0	0	0	0	
390	391.21 Loan Proceeds	148,400	0	0	0	37,100	0	0	0	0	0	
390	391.03 Sale of Fixed Assets	102,600	93	0	0	25,673	0	0	0	0	0	
	Totals Pro Shop	943,081	1,653,356	759,678	723,070	1,019,796	743,500	219,732	689,350	689,350	689,350	

615 LOUNGE		Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014
340	346.40 Prepared Food	42,249	47,272	53,697	51,971	48,797	45,000	18,112	50,000	50,000	80,000
340	346.401 Beer & Breezers	105,820	102,603	95,699	116,718	105,210	106,000	40,222	105,000	105,000	132,500
340	346.402 Liquor Sales	28,849	25,445	36,517	40,559	32,843	25,000	14,872	33,000	33,000	36,000
340	346.403 Wine & Wine Coolers	1,154	594	859	1,601	1,052	600	579	1,000	1,000	1,000
340	346.42 Candy & Snacks	5,167	4,504	5,272	5,847	5,198	4,500	2,446	5,000	5,000	6,000
340	346.43 Cigarettes	1,707	1,472	1,053	811	1,261	1,000	368	750	750	800
340	346.46 Catering	20,545	25,576	20,824	24,671	22,904	26,000	8,630	23,000	23,000	28,500
340	346.47 Pop/Other Drinks	28,443	26,305	26,629	28,110	27,372	26,000	8,471	27,000	27,000	35,000
340	346.485 Tip Clearance	5,341	5,396	7,082	10,155	6,994	6,000	3,806	6,500	6,500	6,500
340	346.49 Cash Over/Under	110	106	263	174	163	0	170	0	0	0
360	369.10 Other	696	0	0	0	174	0	0	0	0	0
	Totals Concessions	240,081	239,273	247,895	280,617	251,967	240,100	97,676	251,250	251,250	326,300

615 COMMUNITY ROOM		Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014
340	346.50 Room Rent	40,363	38,998	23,247	49,929	38,134	45,000	37,969	42,500	42,500	45,000
340	346.61 Table Service Rental	3,675	2,928	4,069	3,379	3,513	3,500	0	0	0	0
340	346.70 Pop/Beverages	2,164	2,003	3,502	5,597	3,317	2,000	1,569	3,300	3,300	3,300
340	346.71 Liquor Sales	23,163	20,651	24,492	23,889	23,049	24,000	7,463	23,000	23,000	31,500
340	346.712 Wine & Wine Coolers	3,903	5,297	2,396	3,970	3,892	3,500	1,583	3,500	3,500	3,500
340	346.720 Champagne	0	0	0	156	39	0	462	1,000	1,000	1,000
340	346.73 Beer Sales	32,031	28,793	20,095	14,815	23,934	33,000	9,637	24,000	24,000	25,000
340	346.74 Catering	102,677	106,915	81,571	75,576	91,685	105,000	27,439	91,000	91,000	92,000
340	346.78 Tip Clearance	16,120	13,110	8,162	9,255	11,662	13,000	7,380	11,500	11,500	11,500
340	346.79 Over/Under Deposit	-103	114	-321	111	-50	0	-16	0	0	0
	Totals Community Room	223,993	218,809	167,213	186,677	199,173	229,000	93,486	199,800	199,800	212,800
	Totals Golf Course	1,407,155	2,111,438	1,174,786	1,190,364	1,470,936	1,212,600	410,894	1,140,400	1,140,400	1,228,450

TOTALS FOR REVENUE

101 GENERAL FUND TOTALS	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	Adopted % +/- from 2013 Budget
310 TAXES	3,497,907	3,634,692	3,876,553	4,304,094	3,828,312	3,974,631	2,298,827	4,068,399	4,068,399	4,118,399	3.62%
320 LICENSES AND PERMITS	84,324	79,539	92,394	74,537	82,699	77,270	39,672	77,035	77,035	77,035	-0.30%
330 INTER GOVERNMENT REVENUE	311,786	277,953	237,267	212,991	259,999	269,920	143,438	234,265	234,265	234,265	-13.21%
340 CHARGES GOOD & SERVICE	149,943	196,501	247,427	240,342	208,553	212,318	103,612	246,310	246,311	246,311	16.01%
345 HEALTH	650	512	100	0	316	0	75	100	100	100	#DIV/0!
350 FINES & FORFEITS	22,740	14,807	6,954	7,869	13,093	6,500	4,939	6,500	6,500	6,500	0.00%
360 MISCELLANEOUS REVENUE	202,360	170,384	111,072	150,730	158,637	331,595	180,614	53,128	53,128	53,128	-83.98%
390 OTHER FINANCING SOURCES	152,821	7,412	4,553	64,259	57,261	287,000	8,746	216,807	266,807	266,807	-7[illegible]
GENERAL FUND TOTALS	4,422,531	4,381,800	4,576,320	5,054,822	4,608,868	5,159,234	2,779,923	4,902,544	4,952,545	5,002,545	-3.04%

SPECIAL FUND TOTALS	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
102 Revolving Loan Fund	140,549	57,598	5,805	3,930	51,971	10,485	5,199	9,395	9,395	9,395	-10.40%
211 Third Cent Sales Tax	168,729	175,882	181,628	193,268	179,877	175,500	94,143	175,000	175,000	175,000	-0.28%
220 Street Maintenance Fund	0	0	0	0	0	0	0	280,000	280,000	280,000	#DIV/0!
213 BID #1 Conference Center	55,004	52,637	55,978	58,840	55,615	54,000	24,372	54,000	54,000	54,000	0.00%
326 TIF #1 Corson Development Park	24,302	44,367	66,065	88,425	55,790	171,239	52,349	0	0	0	-100.00%
328 Parks Street	40,623	39,223	179,772	40,070	74,922	40,070	35,033	40,070	40,070	40,070	0.00%
330 Chestnut Blvd-South	57,551	81,000	50,346	45,394	58,573	60,858	40,511	58,333	58,333	58,333	-4.15%
332 Chestnut Blvd-Middle	73,900	116,949	48,433	46,024	71,327	70,562	43,716	70,563	70,563	70,563	0.00%
334 NE Lift/Express Ave	50,362	9,699	9,356	76,019	36,359	27,945	83,890	26,408	26,408	26,408	-5.50%
336 TIF #2 Conference Center	64,258	64,339	64,477	63,369	64,111	63,000	32,927	63,000	63,000	63,000	0.00%

	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014		
338 Country Club Heights	0	46,449	39,217	90,774	44,110	36,517	24,492	36,548	36,548	36,548		0.08%
340 TIF #3 Hemlock Boulevard	0	0	0	0	0	0	28	105,000	105,000	105,000	#DIV/0!	
ENTERPRISE FUNDS												
602 Water Fund	1,023,894	1,096,712	1,444,367	1,697,031	1,315,501	1,424,400	673,817	4,534,830	5,034,830	5,034,830		253.47%
603 Electrical Fund	5,475	5,837	40,598	33,332	21,311	55,000	27,460	70,500	70,500	70,500		28.18%
604 Sewer Fund	568,909	672,618	976,529	1,085,406	825,866	1,042,501	536,101	1,152,731	1,152,731	1,152,731		10.57%
615 Golf Course Fund	1,407,155	2,111,438	1,174,786	1,190,364	1,470,936	1,212,600	410,894	1,140,400	1,140,400	1,228,450		1.31%
Total Revenue (except 500 accounts)	3,680,711	4,574,748	4,337,357	4,712,246	4,326,266	4,444,677	2,084,932	7,816,778	8,316,778	8,404,828		89.10%
501 Aspen Park Extension Project	0	0	0	0	0	0	0	0	0	0		
523 Ironwood Extension Project	0	0	0	0	0	0	0	0	0	0		
529 Heritage/Sandstone Project	0	0	0	0	0	0	0	380,000	380,000	380,000		
Total Revenue with 500 accounts	3,680,711	4,574,748	4,337,357	4,712,246	4,326,266	4,444,677	2,084,932	8,196,778	8,696,778	8,784,828		97.65%

410 GENERAL GOVERNMENT - 101 GENERAL FUND EXPENDITURES

411.1 COUNCIL	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
411.00 Wages	27,180	27,615	27,248	27,000	27,261	27,750	13,784	27,750	28,500	28,500	
412.00 Social Security	2,079	2,113	2,084	2,065	2,085	2,123	1,055	2,123	2,180	2,180	0.0765
414.00 Workman's Comp	63	68	69	61	65	89	61	89	91	91	$.32 per 100
422.00 Professional Services	39,302	33,724	16,507	44,618	33,538	15,000	44,183	85,000	85,000	85,000	Engineering/Pvmt Study
426.00 Supplies	2,588	1,886	3,137	1,377	2,247	2,000	684	2,000	2,000	2,000	
427.00 Travel & Dues	1,293	0	445	626	591	600	320	600	600	600	
429.00 Other	554	624	117	346	410	0	276	0	0	0	
435.00 Equipment	0	0	0	0	0	10,000	0	5,000	5,000	5,000	
Total Council	73,059	66,030	49,607	76,093	66,197	57,562	60,363	122,562	123,371	123,371	

411.3 PUBLICATIONS										
423.00 Publications	11,457	7,287	6,042	7,437	8,056	10,000	4,093	10,000	10,000	10,000
Total Publications	11,457	7,287	6,042	7,437	8,056	10,000	4,093	10,000	10,000	10,000

411.5 CONTINGENCY										
510.00 Contingency	0	0	0	0	0	66,288	0	75,000	75,000	75,000
Total Contingency	0	0	0	0	0	66,288	0	75,000	75,000	75,000

410 LEGISLATIVE TOTALS	84,516	73,317	55,649	83,530	74,253	133,850	64,456	207,562	208,371	208,371

412.1 MAYOR	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
411.00 Wages	7,390	7,300	7,300	7,300	7,323	7,455	3,727	7,460	7,610	7,610	
412.00 Social Security	565	558	558	558	560	570	285	571	582	582	0.0765
414.00 Workmen Comp.	18	18	19	21	19	24	16	24	24	24	$.32 per 100
426.00 Supplies	241	262	50	0	138	400	0	400	400	400	
427.00 Travel & Dues	217	0	70	125	103	200	40	200	200	200	
Totals Mayor	8,431	8,138	7,997	8,004	8,143	8,649	4,068	8,655	8,817	8,816	

412.2 CITY ADMINISTRATOR	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
411.00 Wages	111,923	119,306	106,190	111,732	112,288	117,375	56,429	119,250	119,400	119,400	1 FTE +1PT
412.00 Social Security	8,252	8,215	7,297	7,900	7,916	8,979	4,164	9,123	9,134	9,134	0.0765
413.00 Retirement	6,552	6,305	5,234	5,539	5,908	7,043	2,857	7,155	7,164	7,164	0.06
413.01 Supplemental Retirement	0	31,476	0	0	7,869	0	0	0	0	0	
414.00 Workman's Comp	285	326	275	359	311	376	264	382	382	382	$.32 per 100
415.00 Health & Life Ins.	12,838	19,341	25,027	30,584	21,948	33,832	11,902	26,980	25,728	25,728	
416.00 Unemployment Ins.	190	508	220	216	284	260	113	280	280	280	1 x first $14,000 wages - 2
422.00 Professional Services	539	1,157	1,165	514	844	1,100	167	1,100	1,100	1,100	
422.10 HR Services Contract	24,770	25,525	25,883	26,594	25,693	27,500	13,610	28,050	28,050	28,050	
425.10 Hired Repairs	0	179	91	0	68	200	319	200	200	200	
426.00 Supplies	3,387	4,194	3,347	1,797	3,181	3,500	1,028	3,500	3,500	3,500	
426.10 Health/Safety Program	0	2,068	1,589	2,296	1,488	2,000	2,287	3,000	3,000	3,000	
426.50 Fuel	1,070	610	594	958	808	1,000	471	1,000	1,000	1,000	
427.00 Travel & Dues	2,530	7,383	1,379	1,888	3,295	2,500	1,230	2,500	2,500	2,500	
428.00 Utilities - Cell Phone	1,028	1,074	987	971	1,015	1,000	371	1,000	1,000	1,000	
434.10 Computer Backup	0	0	0	0	0	0	0	0	0	0	
434.00 Books	201	323	260	265	262	300	0	300	300	300	
435.00 Equipment	5,317	625	0	0	1,486	1,000	0	1,000	1,000	1,000	
Totals City Administrator	178,882	228,615	179,538	191,613	194,662	207,965	95,212	204,819	203,738	203,738	

412.3 PLANNING & ZONING BOARD											
411.00 Wages	3,720	3,240	3,330	2,460	3,188	4,320	1,890	4,320	4,320	4,320	24 meetings @ $30.00
412.00 Social Security	285	248	255	188	244	330	145	330	330	330	0.0765
414.00 Workman's Comp	11	11	11	9	11	14	14	14	14	14	$.32 per 100
426.00 Supplies	382	248	183	285	275	400	100	400	400	400	
Totals Planning & Zoning	4,398	3,747	3,779	2,942	3,717	5,064	2,149	5,064	5,064	5,064	

412.4 SAFETY COMMITTEE											
411.00 Wages	1,020	1,500	1,590	750	1,215	2,500	0	1,500	1,500	1,500	12 meetings @ $30
412.00 Social Security	78	115	122	57	93	191	0	115	115	115	0.0765
414.00 Workman's Comp	7	7	7	101	31	156	98	94	94	125	$6.25 per 100 + CERT Vol
426.00 Supplies	667	589	116	15	347	1,000	0	500	500	500	
Totals Safety Committee	1,772	2,211	1,835	923	1,685	3,847	98	2,209	2,209	2,240	

412.5 PARK COMMITTEE	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
411.00 Wages	0	0	0	1,260	315	2,000	810	2,000	2,000	2,000	
412.00 Social Security	0	0	0	96	24	153	62	153	153	153	0.0765
414.00 Workman's Comp	0	0	0	0	0	125	0	125	125	125	$6.25 per 100
426.00 Supplies	0	0	0	64	16	250	0	250	250	250	
Totals Park Committee	0	0	0	1,420	355	2,528	872	2,528	2,528	2,528	

412.6 TREE BOARD											
411.00 Wages	180	150	150	270	188	300	210	300	300	300	
412.00 Social Security	14	11	11	21	14	23	16	23	23	23	0.0765
414.00 Workman's Comp	0	2	2	2	2	1	0	1	1	1	$.32 per 100
425.10 Hired Repairs	1,570	6,045	0	0	1,904	250	0	250	250	250	
426.00 Supplies	0	0	0	0	0	1,500	0	2,500	2,500	2,500	Trees
427.00 Dues	0	0	0	0	0	0	0	0	0	0	
Totals Tree Board	1,764	6,208	163	293	2,107	2,074	226	3,074	3,074	3,074	
412 EXECUTIVE TOTALS	195,247	248,919	193,312	205,195	210,668	230,127	102,625	226,349	225,429	225,460	

413.0 ELECTIONS	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
411.00 Wages	380	504	504	0	347	600	0	600	600	600	PT Election Workers
412.00 Social Security	0	0	0	0	0	46	0	46	46	46	0.0765
426.00 Supplies	40	190	78	60	92	250	0	250	250	250	
Totals Elections	420	694	582	60	439	896	0	896	896	896	
413 ELECTION TOTALS	420	694	582	60	439	896	0	896	896	896	

414.1 LEGAL										
422.00 Professional Services	51,436	34,451	30,690	33,408	37,496	40,000	15,286	40,000	40,000	40,000
427.00 Travel & Dues	0	0	0	0	0	0	0	0	0	0
Totals Legal	51,436	34,451	30,690	33,408	37,496	40,000	15,286	40,000	40,000	40,000

414.2 DEPUTY FINANCE OFFICER	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
411.00 Wages	63,592	66,518	69,636	73,238	68,246	80,705	38,755	90,840	91,000	91,000	2 FTE + 4% OT + 1 PT
412.00 Social Security	4,646	4,811	5,001	5,326	4,946	6,174	2,797	6,949	6,962	6,962	0.0765
413.00 Retirement	3,816	3,991	4,178	4,394	4,095	4,842	2,325	5,450	5,460	5,460	0.06
414.00 Workman's Comp	179	161	176	159	169	258	169	291	291	291	$.32 per 100
415.00 Health & Life Ins.	19,872	25,638	29,560	30,059	26,282	32,191	14,171	32,704	30,680	30,680	
416.00 Unemployment Ins.	190	400	220	216	257	260	130	280	280	280	.01 x first 14,000 wages - 2
422.00 Professional Services	2,635	3,256	3,245	3,206	3,086	4,000	1,702	4,000	4,000	4,000	
425.00 Repairs	215	0	0	0	54	200	0	200	200	200	
426.00 Supplies	2,433	2,809	2,586	2,301	2,532	3,000	1,033	3,000	3,000	3,000	
427.00 Travel & Dues	131	496	130	741	375	750	240	750	750	750	
434.10 Incode Maintenance	5,122	5,379	5,497	5,848	5,462	5,880	4,806	6,118	6,118	6,118	60%
435.00 Equipment	1,939	0	797	13,133	3,967	1,000	0	1,000	1,000	1,000	
Totals Deputy Finance Officer	104,770	113,459	121,026	138,621	119,469	139,260	66,128	151,582	149,741	149,741	

414.6 INSURANCE										
421.00 Insurance	5,409	6,867	7,431	8,127	6,959	8,661	5,618	9,086	9,086	9,086
Totals Insurance	5,409	6,867	7,431	8,127	6,959	8,661	5,618	9,086	9,086	9,086

414.7 AUDIT											
422.00 Professional Services	35,520	44,465	78,290	34,905	48,295	30,000	10,770	30,000	35,000	35,000	CPA & Auditor
Totals Audit	35,520	44,465	78,290	34,905	48,295	30,000	10,770	30,000	35,000	35,000	

414 FINANCIAL ADMIN. TOTAL	197,135	199,242	237,437	215,061	212,219	217,921	97,802	230,668	233,827	233,827

	419.2 GENERAL GOVT. BUILDINGS	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
	411.00 Wages	4,148	3,930	907	0	2,246	0	0	0	0	0	
	412.00 Social Security	200	0	69	0	67	0	0	0	0	0	0.0765
	414.00 Workman's Comp	114	110	0	0	56	0	138	0	0	0	$3.50 per 100
	416.00 Unemployment Ins.	15	3	0	0	5	0	0	0	0	0	.01x first 14,000 wages - 1
	422.00 Professional Services	182	150	16,033	15,602	7,992	5,000	1,890	5,000	5,000	5,000	
	424.00 Rentals	356	156	156	156	206	400	164	500	500	500	
	425.00 Repairs	243	361	286	61	238	2,500	253	3,000	3,000	3,000	
	425.10 Hired Repairs	9,652	5,253	4,556	3,921	5,846	5,000	689	6,000	6,000	6,000	City Hall Steps
	426.00 Supplies	9,006	6,534	6,652	8,263	7,614	7,500	3,212	7,500	7,500	7,500	
	428.00 Utilities	28,759	31,093	30,682	28,266	29,700	35,000	17,015	36,000	36,000	36,000	
	432.10 Buildings	32,080	5,160	0	0	9,310	0	0	0	0	0	
	433.00 Improvements	17,606	0	0	3,060	5,167	3,500	11,186	5,000	5,000	5,000	
	435.00 Equipment	286	0	130	0	104	15,000	8,444	9,000	9,000	9,000	Document Mgmt Sytem
	449.00 Agent Fee	413	103	0	5	130	125	3	125	125	125	
5110	511.00 Operating Transfers Out	0	209,927	661,520	25,082	224,132	5,021	0	6,410	6,410	6,410	Park St
	Totals General Gov't Building	103,060	262,780	720,991	84,416	292,812	79,046	42,994	78,535	78,535	78,535	
	419 TOTAL GO'T BUILDINGS	103,060	262,780	720,991	84,416	292,812	79,046	42,994	78,535	78,535	78,535	
	410 GENERAL GOVERNMENT TOTALS	580,378	784,952	1,207,971	588,262	790,391	661,840	307,877	744,009	747,059	747,089	

420 PUBLIC SAFETY - 101 GENERAL FUND EXPENDITURES

421.1 POLICE ADMINISTRATION	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
411.00 Wages	549,850	565,072	583,140	616,693	578,689	653,895	312,682	683,150	684,500	684,500	12 FTE
412.00 Social Security	41,494	42,301	43,776	45,382	43,238	50,023	22,955	52,261	52,364	52,364	0.0765
413.00 Retirement	42,550	44,543	44,893	48,626	45,153	52,312	24,653	54,652	54,760	54,760	0.08
414.00 Workman's Comp	11,684	11,261	12,481	10,597	11,506	16,347	10,948	17,079	17,113	17,113	$2.50 per 100
415.00 Health & Life Ins.	95,902	136,142	161,826	164,408	139,570	188,529	77,755	198,375	186,285	186,285	
416.00 Unemployment Ins.	1,308	2,458	1,686	1,299	1,688	1,690	938	1,820	1,820	1,820	.01 x $14,000 wages - 13
421.00 Insurance	11,200	11,200	11,626	13,150	11,794	11,600	11,600	12,169	12,169	12,169	
422.00 Professional Services	1,888	2,317	2,914	1,524	2,161	3,000	1,668	3,000	3,000	3,000	
423.00 Publications	699	0	671	50	355	700	0	700	700	700	
425.10 Hired Repairs	170	180	553	425	332	500	920	500	500	500	
426.00 Supplies	10,123	9,345	7,661	4,989	8,030	9,500	5,826	9,500	9,500	9,500	
426.10 Uniform Related Items	5,447	4,823	6,348	4,165	5,196	6,000	2,405	6,000	6,000	6,000	
427.00 Travel & Dues	1,695	1,073	894	3,912	1,894	3,000	1,741	3,000	3,000	3,000	
429.00 Training Expenses	1,710	1,582	3,390	3,306	2,497	6,000	2,365	6,000	6,000	6,000	
434.00 Books	428	0	0	0	107	400	0	0	0	0	
435.00 Equipment	41,731	15,453	6,294	7,357	17,709	6,000	6,273	6,000	6,000	6,000	
436.00 Vehicles	26,421	28,128	23,669	0	19,555	31,500	31,500	56,000	56,000	56,000	2 vehicles
436.10 New Equipment for Vehicle	0	0	0	0	0	0	0	9,000	9,000	9,000	
436.20 Switch over to new Vehicle	0	0	0	0	0	0	0	6,000	6,000	6,000	
Totals Police Administration	844,300	875,878	911,822	925,883	889,471	1,040,996	514,229	1,125,206	1,114,711	1,114,711	

421.5 COMMUNICATIONS	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
425.00 Repairs	224	372	929	957	621	1,000	961	1,000	1,000	1,000	
425.10 Hired Repairs	1,610	1,445	1,870	999	1,481	2,000	450	1,000	1,000	1,000	
426.00 Supplies	836	1,634	1,547	1,951	1,492	2,000	746	2,000	2,000	2,000	
428.00 Utilities - Alliance	3,855	3,544	3,505	3,581	3,621	3,800	1,792	3,800	3,800	3,800	
428.10 Utilities - Minn County IT	0	1,109	3,350	2,358	1,704	1,800	1,705	3,000	3,000	3,000	
428.20 Utilities - Sprint	2,039	2,232	2,291	2,464	2,257	2,500	1,035	2,500	2,500	2,500	
428.30 Utilities - Verizon	0	3,446	3,623	3,110	2,545	3,100	1,273	3,100	3,100	3,100	
429.00 Metro Users Fee	0	0	54,000	46,670	25,168	56,100	11,647	40,000	40,000	40,000	
435.00 Equipment	5,858	2,935	1,230	20,570	7,648	27,900	30,620	12,000	12,000	12,000	
435.10 Equipment	0	0	0	0	0	0	0	25,613	25,613	25,613	Safety Grant
Totals Communications	14,422	16,717	72,345	82,660	46,536	100,200	50,229	94,013	94,013	94,013	

421.6 AUTO SERVICE	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014
422.00 Professional Services	0	703	165	2,040	727	3,400	959	2,500	2,500	2,500
425.10 Hired Repairs	4,528	3,506	2,622	6,386	4,261	5,000	2,307	5,000	5,000	5,000
426.00 Supplies	8,524	9,798	8,103	9,696	9,030	10,000	2,899	10,000	10,000	10,000
426.50 Fuel	20,775	25,655	28,967	31,360	26,689	35,000	13,027	35,000	35,000	35,000
435.00 Equipment	3,376	3,014	753	1,995	2,285	3,000	3,000	2,000	2,000	2,000
Totals Auto Service	37,203	42,676	40,610	51,477	42,992	56,400	22,192	54,500	54,500	54,500

POLICE SUBTOTALS	895,925	935,271	1,024,777	1,060,020	978,998	1,197,596	586,650	1,273,719	1,263,224	1,263,224

422.9 FIRE DEPARTMENT	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
421.00 Insurance	0	1,600	1,453	1,394	1,112	1,933	1,815	2,028	2,028	2,028	Building Insurance
422.00 Professional Services	58,930	63,992	65,534	68,988	64,361	72,665	36,333	75,979	75,979	75,979	As proposed
422.10 Additional Request	55,000	75,000	38,500	85,870	63,593	90,450	0	94,575	94,575	94,575	Additional Funding
426.00 Ambulance/Supplies	82	6,798	928	5,125	3,233	1,500	0	1,500	1,500	1,500	
426.10 Siren Supplies	0	0	0	965	241	500	201	35,000	35,000	35,000	New Siren/Relocate
433.00 Improvements	0	0	1,465	3,842	1,327	0	0	0	0	0	
435.00 Equipment	0	0	0	0	0	0	0	0	0	0	
Totals Fire Department	114,012	147,390	107,880	166,184	133,867	167,048	38,349	209,082	209,082	209,082	

423.2 BUILDING INSPECTIONS	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
411.00 Wages	87,056	91,082	95,210	100,328	93,419	109,360	52,086	114,400	114,600	114,600	2 FTE + 4% OT
412.00 Social Security	6,467	6,680	6,917	7,287	6,838	8,366	3,799	8,752	8,767	8,767	0.0765
413.00 Retirement	5,223	5,465	5,713	6,020	5,605	6,562	3,125	6,864	6,876	6,876	0.06
414.00 Workman's Comp	1,796	1,260	1,357	1,124	1,384	2,461	1,184	2,574	2,579	2,579	$2.25 per 100
415.00 Health & Life Ins.	13,513	15,825	18,271	21,097	17,177	27,052	9,132	27,481	22,820	22,820	
416.00 Unemployment Ins.	190	400	220	216	257	390	143	420	420	420	.01 x first 14,000 wages - 3
422.00 Professional Services	350	523	652	794	580	700	247	700	700	700	
422.20 Credit Card Fees-Bldg PM	587	619	564	603	593	600	182	600	600	600	
423.00 Publications and Advert.	0	0	0	0	0	100	0	100	100	100	
424.00 Rentals	0	0	800	400	300	400	0	400	400	400	GPS Maintenance
425.10 Repairs Hired	244	0	0	1,310	389	100	0	100	100	100	
426.00 Supplies	4,675	4,599	3,941	3,582	4,199	4,500	1,135	4,500	4,500	4,500	
426.50 Fuel	1,616	1,843	2,969	3,002	2,358	3,000	1,116	3,000	3,000	3,000	
427.00 Travel & Dues	1,196	1,075	887	1,092	1,063	1,000	272	1,000	1,000	1,000	
428.00 Utilities - Phone	1,583	1,553	1,606	1,773	1,629	1,700	758	1,700	1,700	1,700	
429.00 Other	526	750	2,365	0	910	2,000	150	2,000	2,000	2,000	Mowing to be charged out.
434.10 Incode Maintenance	0	0	0	0	0	0	0	825	825	825	
435.00 Equipment	2,409	0	1,657	0	1,017	1,000	0	8,300	8,300	8,300	Permit Software
Totals Building Inspections	127,431	131,674	143,129	148,628	137,716	169,291	73,329	183,716	179,286	179,287	

429.1 TRAFFIC ENGINEERING	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
411.00 Wages	0	0	0	0	0	70,000	0	0	0	0	City Engineer
412.00 Social Security	0	0	0	0	0	5,355	0	0	0	0	0.0765
413.00 Retirement	0	0	0	0	0	4,200	0	0	0	0	0.06
414.00 Workman's Comp	0	0	0	0	0	1,750	0	0	0	0	2.50 per 100
415.00 Health & Life Ins	0	0	0	0	0	19,854	0	0	0	0	
416.00 Unemployment Ins	0	0	0	0	0	130	0	0	0	0	.01 x first 14.000
425.10 Hired Repairs	0	0	231	99	83	2,000	0	2,000	2,000	2,000	
426.00 Supplies	7,378	5,889	8,366	10,195	7,957	12,500	4,024	12,500	15,000	15,000	sign changeover
426.10 Traffic Lights	25	219	55	5,165	1,366	5,000	5,425	5,000	5,000	5,000	LED changeover
435.00 Equipment	0	0	0	0	0	5,000	0	5,000	5,000	5,000	
Totals Traffic Engineering	7,403	6,108	8,652	15,459	9,406	125,789	9,449	24,500	27,000	27,000	
420 Public Safety Totals	1,144,771	1,220,443	1,284,438	1,390,291	1,259,986	1,659,724	707,777	1,691,016	1,678,592	1,678,593	

430 PUBLIC WORKS - 101 GENERAL FUND 431.1 HIGHWAY AND STREET ADMIN	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
411.00 Wages	201,670	216,923	209,935	172,337	200,216	175,350	92,175	180,680	181,000	181,000	4 FTE+8%OT+Raises
412.00 Social Security	14,648	15,769	15,519	12,732	14,667	13,414	6,801	13,822	13,847	13,847	0.0765
413.00 Retirement	11,870	13,015	12,596	10,349	11,958	10,521	5,530	10,841	10,860	10,860	0.06
414.00 Workman's Comp	8,752	8,716	8,979	7,679	8,532	8,329	6,082	8,582	8,598	8,598	$4.75 per 100
415.00 Health & Life Ins.	40,419	57,002	76,670	57,872	57,991	67,665	25,545	68,721	60,000	60,000	
416.00 Unemployment Ins.	541	1,000	550	540	658	780	313	840	840	840	.01 x $14,000 wages - 6
421.00 Insurance	7,000	7,000	7,267	6,969	7,059	8,506	8,506	8,924	8,924	8,924	
422.00 Professional Services	4,282	3,050	285	1,015	2,158	4,000	68	3,000	3,000	3,000	
423.00 Publishing	56	0	0	0	14	500	0	250	250	250	
424.00 Rentals	1,130	134	120	70	364	1,500	0	1,500	1,500	1,500	
425.00 Repairs	0	157	396	332	221	31,000	409	2,000	2,000	2,000	
425.10 Hired Repairs	6,338	190	508	612	1,912	2,500	0	2,500	2,500	2,500	
426.00 Supplies	11,938	18,831	16,455	6,356	13,395	18,000	2,938	15,000	15,000	15,000	
426.10 Safety Supplies	0	0	0	560	140	2,000	360	10,000	2,500	2,500	
426.20 Clothing Supplies	0	0	0	3,301	825	3,000	0	3,000	3,000	3,000	
426.50 Fuel	5,773	7,266	14,466	14,995	10,625	17,500	8,619	17,500	17,500	17,500	
427.00 Travel & Dues	421	311	706	312	438	750	59	750	750	750	
435.00 Equipment	161,261	65,695	0	64,900	72,964	20,000	4,390	0	0	0	
Totals Highway & Street Admin.	476,099	415,059	364,452	360,931	404,135	385,315	161,795	347,910	332,068	332,069	

431.2 PAVED STREETS	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
424.00 Rentals	0	0	0	0	0	500	0	5,000	5,000	5,000	
425.00 Repairs	245	1,518	8,450	4,875	3,772	5,000	2,015	5,000	5,000	5,000	
425.10 Hired Labor	97,917	10,945	158	13,256	30,569	2,500	0	2,500	2,500	2,500	
426.00 Supplies	74,833	51,781	67,016	67,562	65,298	65,000	14,252	68,000	70,000	70,000	
426.50 Fuel	5,932	3,699	0	0	2,408	0	0	0	0	0	
433.00 Imp Other than Bldg	0	102,701	100,081	494	50,819	200,000	5,577	50,000	25,000	25,000	McHardy Road
433.10 Imp Other than Bldg	0	0	0	0	0	80,000	12,493	15,000	15,000	15,000	Sidewalk Repairs
435.00 Equipment	0	0	3,668	11,226	3,724	3,000	0	5,000	5,000	5,000	
Totals Paved Streets	178,927	170,644	179,373	97,413	156,589	356,000	34,337	150,500	127,500	127,500	

431.3 SNOW REMOVAL	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
425.10 Hired Repairs	11,836	19,413	6,527	3,027	10,201	16,000	6,295	16,000	16,000	16,000	Contract Snow Removal
426.00 Supplies	50,305	63,762	48,170	33,843	49,020	45,000	34,552	45,000	45,000	45,000	Liquid
426.50 Fuel	8,858	10,789	8,808	5,520	8,494	10,000	9,097	12,000	12,000	12,000	
435.00 Equipment	0	1,999	112	0	528	5,000	0	20,000	20,000	20,000	Snow Plows
Totals Snow Removal	70,999	95,963	63,617	42,390	68,242	76,000	49,944	93,000	93,000	93,000	

431.5 STORM DRAINAGE											
422.00 Professional Services	0	22,930	9,000	0	7,983	5,000	0	5,000	5,000	5,000	
425.10 Hired Repairs	39,281	44,949	24,721	57,046	41,499	40,000	1,927	30,000	30,000	30,000	C&G/Valley
426.00 Supplies	3,248	806	1,600	1,443	1,774	2,500	0	2,500	2,500	2,500	
433.00 Improv Other Than Bldgs	0	146,285	0	7,709	38,499	5,000	0	5,000	5,000	5,000	
Totals Storm Drainage	42,529	214,970	35,321	66,198	89,755	52,500	1,927	42,500	42,500	42,500	

431.6 STREET LIGHTING	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014
425.00 Repairs	0	2,126	620	1,329	1,019	2,500	237	2,500	2,500	2,500
426.00 Supplies	306	1,964	2,087	1,659	1,504	2,500	2,014	3,000	3,000	3,000
428.00 Utilities	22,510	25,311	27,313	32,522	26,914	31,500	14,977	32,000	32,000	32,000
433.00 Improv Other Than Bldgs	0	68,935	0	0	17,234	0	0	0	0	0
Totals Street Lighting	22,816	98,336	30,020	35,510	46,671	36,500	17,228	37,500	37,500	37,500

432.6 WEED CONTROL	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014
425.00 Repairs	0	0	0	0	0	500	0	500	500	500
426.00 Supplies	5,636	3,916	4,697	76	3,581	7,500	0	5,000	5,000	5,000
426.50 Fuel	0	45	0	0	11	150	0	150	150	150
427.00 Travel & Dues	419	0	120	357	224	200	200	200	200	200
435.00 Equipment	0	105	0	0	26	500	0	500	500	500
Totals Weed Control	6,055	4,066	4,817	433	3,843	8,850	200	6,350	6,350	6,350

439.1 TRANSIT	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
421.00 Bus Barn Insurance	0	0	612	613	0	630	690	759	759	759	
425.00 Repairs/Maintenance	0	0	3,115	3,428	1,636	4,000	841	3,700	3,700	3,700	
426.00 Supplies	787	4,443	1,283	746	1,815	722	405	600	600	600	
426.50 Fuel	5,844	7,864	11,110	9,804	8,656	13,658	4,285	13,883	13,883	13,883	
428.00 Utilities	688	9,454	8,410	7,121	6,418	9,804	5,116	9,514	9,514	9,514	
429.00 Interlakes Comm Action	67,475	112,914	113,886	109,619	100,974	121,973	51,680	126,951	126,951	126,951	Transit Bus Contract
432.00 Building/Structure	59,965	29,984	0	0	22,487	0	0	0	0	0	
Totals Transit	134,759	164,659	138,416	131,331	141,985	150,787	63,017	155,407	155,407	155,407	

430 PUBLIC WORKS TOTALS	932,184	1,163,697	816,016	734,206	911,220	1,065,952	328,448	833,167	794,325	794,326

440 HEALTH & WELFARE - 101 GENERAL FUND EXPENDITURES

441.2 ANIMAL CONTROL	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014
422.00 Professional Services	3,710	3,544	2,761	3,756	3,443	4,500	833	4,500	4,500	4,500
426.00 Supplies	92	223	169	175	165	150	175	150	150	150
Totals Animal Control	3,802	3,767	2,930	3,931	3,608	4,650	1,008	4,650	4,650	4,650

441.3 WEST NILE	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014
426.00 Supplies	321	4,604	951	81	1,489	5,000	0	5,000	5,000	5,000
435.00 Equipment	0	0	0	0	0	250	84	250	250	250
Totals West Nile	321	4,604	951	81	1,489	5,250	84	5,250	5,250	5,250
440 HEALTH & WELFARE TOTALS	4,123	8,371	3,881	4,012	5,097	9,900	1,092	9,900	9,900	9,900

450 CULTURE & RECREATION - 101 GENERAL FUND EXPENDITURES

451.0 SENIOR CITIZENS	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
424.00 Rentals	6,000	6,000	6,000	6,000	6,000	6,000	3,000	6,000	6,000	6,000	Sr Citizen payment to VFW.
Totals Senior Citizens	6,000	6,000	6,000	6,000	6,000	6,000	3,000	6,000	6,000	6,000	

451.2 RECREATION CENTER	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
411.00 Wages	11,053	11,190	11,512	11,431	11,297	11,500	2,118	11,500	11,500	11,500	Director & Staff
412.00 Social Security	846	856	881	874	864	880	162	880	880	880	0.0765
414.00 Workman's Comp	123	118	124	91	114	193	90	193	193	193	$1.68 per 100
416.00 Unemployment Ins.	111	162	115	103	123	390	0	420	420	420	.01 x first $14,000 wages
422.00 Professional Services	350	200	250	300	275	300	50	300	300	300	
423.00 Publications/Adverting	873	820	820	839	838	850	888	900	900	900	
424.00 Trip Entry Fees	1,126	479	1,270	1,382	1,064	1,000	0	1,000	1,000	1,000	
426.00 Supplies	800	614	689	389	623	1,000	0	1,000	1,000	1,000	
427.00 Travel & Dues	210	152	37	37	109	125	37	125	125	125	
428.00 Utilities - Phone	103	166	181	136	147	175	0	175	175	175	
429.00 Other	0	0	0	0	0	0	0	0	0	0	
435.00 Equipment	153	0	0	588	185	500	0	500	500	500	
452.00 Re-sale	618	750	620	680	667	750	0	750	750	750	
Totals Recreation Center	16,366	15,507	16,499	16,850	16,306	17,663	3,345	17,743	17,743	17,743	

	2009	2010	2011	2012	4-Year Avg	2013 Budget	1/2 2013	2014 Request	2014 Review	2014 Adopt
Loss History	-13,693	-13,673	-13,570	-13,977	-13,728	-15,863	-2,578	-15,943	-15,943	-15,943

451.4 SWIMMING POOL	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
411.00 Wages	91,986	88,628	98,728	93,858	93,300	95,000	17,004	95,000	95,000	95,000	Pool Staff
412.00 Social Security	7,060	6,780	7,553	7,180	7,143	7,268	1,301	7,268	7,268	7,268	0.0765
414.00 Workman's Comp	2,254	2,483	2,676	2,057	2,368	3,325	2,098	3,325	3,325	3,325	$3.50 per 100
416.00 Unemployment Ins.	909	1,185	979	842	979	1,950	0	2,100	2,100	2,100	.01 x first 15,000 wages-15
421.00 3% Insurance	2,100	2,100	2,180	2,091	2,118	2,320	2,320	2,434	2,434	2,434	
422.00 Professional Services	500	10,151	1,008	814	3,118	750	385	1,000	3,000	3,000	
423.00 Publications	53	0	0	0	13	300	0	300	300	300	
424.00 Rentals	0	0	0	0	0	100	0	100	100	100	
425.00 Repairs	8,281	6,735	3,528	9,115	6,915	10,000	5,310	7,500	7,500	7,500	
425.10 Hired Repairs	0	2,996	2,922	1,980	1,975	30,000	0	5,000	5,000	5,000	
426.00 Supplies	25,354	6,836	4,940	9,676	11,702	15,000	4,373	15,000	15,000	15,000	
426.40 Chemicals	4,690	1,489	3,867	3,429	3,369	5,000	537	5,000	5,000	5,000	
427.00 Travel & Dues	218	142	37	37	109	150	553	650	650	650	
428.00 Utilities	7,153	7,471	8,796	9,375	8,199	10,000	1,267	10,000	10,000	10,000	
429.00 Other	0	3	3	0	2	0	3	0	0	0	
435.00 Equipment	2	1,868	0	4,725	1,649	7,500	6,952	7,500	7,500	7,500	
452.00 Re-sale	6,167	5,611	5,883	6,984	6,161	6,500	2,043	6,500	6,500	6,500	
Totals Swimming Pool	156,727	144,478	143,100	152,163	149,117	195,163	44,146	168,677	170,677	170,677	

	2009	2010	2011	2012	4-Year Avg	2013 Budget	1/2 2013	2014 Request	2014 Review	2014 Adopt
Loss History	-110,785	-99,971	-96,155	-92,194	-99,776	-151,163	-4,777	-119,177	-121,177	-121,177

452.2 PARKS DEPARTMENT	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
411.00 Full Time Wages	67,014	70,184	73,676	76,681	71,889	82,780	39,926	85,455	85,600	85,600	2FTE+4%OT
411.00 Part Time Wages	56,746	67,052	57,887	55,452	59,284	55,800	17,720	70,000	70,200	70,200	PT Staff
412.00 Social Security	9,101	9,994	9,560	9,604	9,565	10,601	4,158	11,892	11,919	11,919	0.0765
413.00 Retirement	4,021	4,211	4,421	4,635	4,322	4,967	2,396	5,127	5,136	5,136	0.06
414.00 Workman's Comp	3,456	3,292	3,548	1,053	2,837	3,465	1,058	3,886	3,895	3,895	$2.50 per 100
415.00 Health & Life Ins.	18,348	21,467	24,705	23,981	22,125	27,052	11,781	27,481	25,820	25,820	
416.00 Unemployment Ins.	722	1,419	816	716	918	1,300	143	1,400	1,400	1,400	.01 x $14,000 wages - 10
421.00 Insurance	4,200	4,200	4,360	4,181	4,235	10,826	10,826	11,358	11,358	11,358	
422.00 Professional Services	5,581	2,987	1,056	2,449	3,018	3,000	0	3,000	3,000	3,000	
423.00 Publications	235	0	0	0	59	250	0	0	0	0	
424.00 Rentals	3,987	3,817	4,364	7,239	4,852	5,000	1,039	7,500	7,500	7,500	
425.00 Repairs	25,405	13,670	5,041	2,850	11,742	3,000	107	4,000	4,000	4,000	
425.10 Hired Repairs	35,648	7,954	5,205	15,905	16,178	10,000	2,078	10,000	10,000	10,000	
426.00 Supplies	40,638	45,231	29,763	42,690	39,581	43,000	12,297	30,000	30,000	30,000	
426.10 Safety Supplies	0	0	0	897	224	0	319	500	500	500	
426.20 Clothing Supplies	0	0	0	0	0	0	0	2,500	2,500	2,500	
426.30 Supplies - Aspen Ball Fields	0	0	0	0	0	0	6,854	15,000	15,000	15,000	
426.32 Supplies - Flag Football	0	0	0	0	0	0	0	500	500	500	
426.34 Supplies - Hockey	0	0	0	0	0	0	1,931	2,000	17,000	17,000	Ice Resurfacer(15,000)
426.36 Supplies - RC Track	0	0	0	0	0	0	0	200	200	200	
426.38 Supplies - Soccer Field	0	0	0	0	0	0	953	3,000	3,000	3,000	
426.50 Fuel	9,539	11,664	13,170	10,247	11,155	13,000	4,181	13,000	13,000	13,000	
427.00 Travel & Dues	90	517	320	185	278	500	70	500	500	500	
428.00 Utilities	17,039	18,354	18,050	17,213	17,664	20,750	11,309	21,000	21,000	21,000	
431.00 Land	357,449	291,901	0	50,000	174,838	0	0	0	0	0	
432.00 Building & Structure	74,623	69,645	24,190	16,985	46,361	220,000	17,693	105,000	103,000	103,000	List #1
433.00 Improvements	4,838	14,465	53,282	37,180	27,441	30,000	3,397	336,400	105,000	105,000	List #2
435.00 Equipment	31,538	3,520	16,488	23,353	18,725	30,400	28,391	138,250	25,500	25,500	List #3
439.00 Other Capital Outlay	16,500	1,577	134,824	7,886	40,197	90,000	9,411	0	0	0	
439.10 Other Capital Outlay	18,457	25,395	19,165	7,169	17,547	0	0	0	0	0	
Totals Park Department	805,175	692,516	503,891	418,551	605,033	665,691	188,038	908,950	576,528	576,528	

List #1 - Bldgs		List #2 - Improvements		List #3 - Equipment	
Sunrise Park	50,000	McHardy -Wall	10,000	4 Wheel ATV	13,000
VanBuskirk Park	50,000	Pioneer-Play Equip	75,000	Tractor	12,500
Shingle-Pioneer/McHardy	3,000	Trails	20,000		

452.4 FORESTRY & NURSERY	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
422.00 Professional Services	745	0	5,795	2,813	2,338	8,000	0	8,000	8,000	8,000	Tree Trimming
425.00 Repairs - Storm Damage	0	0	0	0	0	0	4,663	0	0	0	
426.00 Supplies	0	528	23	43	149	500	0	500	500	500	
Totals Forestry & Nursery	745	528	5,818	2,856	2,487	8,500	4,663	8,500	8,500	8,500	

455.1 LIBRARIES											
426.00 Supplies	3,707	7	0	0	929	15,000	0	10,000	10,000	10,000	Repairs on Building
Totals Libraries	3,707	7	0	0	929	15,000	0	10,000	10,000	10,000	

450 CULTURE AND RECREATION TOTALS	988,720	859,036	675,308	596,420	779,871	908,017	243,192	1,119,869	789,447	789,448

460 COMMUNITY PROMOTION - 101 GENERAL FUND EXPENDITURES

465.3 Promoting the City	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
411.00 Wages	45,490	48,490	66,493	56,127	54,150	50,000	23,119	51,350	51,350	51,350	1 Chamber Employee
412.00 Social Security	2,785	3,123	4,582	3,636	3,532	3,825	1,486	3,928	3,928	3,928	0.0765
413.00 Retirement	2,729	2,909	3,989	3,316	3,236	3,000	1,387	3,081	3,081	3,081	0.06
414.00 Workman's Comp	118	113	114	148	123	160	99	164	164	164	$.32 per 100
415.00 Health & Life Ins.	6,724	9,030	16,362	15,590	11,927	19,854	5,546	20,166	18,914	18,914	
416.00 Unemployment Ins.	95	200	220	216	183	130	81	140	140	140	.01 x $14000 wages
426.00 Supplies	522	1,459	2,416	14,670	4,767	1,500	2,436	1,500	1,500	1,500	
426.10 Supplies - Flower Baskets	0	0	0	0	0	0	0	1,500	1,500	1,500	
426.20 Supplies-Automania	0	0	0	0	0	0	0	2,500	2,500	2,500	
428.00 Utilities	0	1,439	1,636	1,783	1,215	2,000	779	2,000	2,000	2,000	Welcome Signs Electricity
433.00 Improvement not buildings	8,131	34,586	0	0	10,679	0	0	0	0	0	
429.10 Community Promotion	3,800	3,261	3,756	220,000	57,704	0	0	200,000	250,000	250,000	Marmen
Total Promoting the City	70,394	104,610	99,568	315,486	147,515	80,469	34,933	286,330	335,078	335,077	

460 COMMUNITY PROMOTIONS TOTALS	70,394	104,610	99,568	315,486	147,515	80,469	34,933	286,330	335,078	335,077

470 DEBT RETIREMENT (SALES TAX) FUND		Actual	Actual	Actual	Actual	4 Year	Budget	Actual	Requested	Reviewed	Adopted	
	470 Debt Retirement Fund	2009	2010	2011	2012	Average	2013	1/2 2013	2014	2014	2014	
4700	441.00 Vehicle Loans-Principle	0	58,301	61,699	0	30,000	0	0	0	0	0	
4700	442.00 Vehicle Loans-Interest	0	6,996	3,639	0	2,659	0	0	0	0	0	
47--	441.00 Finished SPA Loans-P	62,082	62,082	40,835	40,594	51,398	0	0	0	0	0	N Sioux,Redwood,S Sioux
47--	442.00 Finished SPA Loans-I	10,703	7,387	4,071	2,030	6,048	0	0	0	0	0	
4702	441.00 Park Street Principle	27,279	27,279	27,279	27,279	27,279	27,280	27,280	27,280	27,280	27,280	SPA - 7th year of 10 (2017)
4702	442.00 Park Street Interest	12,224	10,866	9,508	8,150	10,187	6,792	6,791	5,433	5,433	5,433	
4703	441.00 East/West Utility Principle	160,766	202,908	174,349	182,981	180,251	92,967	45,995	0	0	0	DONE
4703	442.00 East/West Utility Interest	30,350	35,794	16,766	8,133	22,761	2,974	1,976	0	0	0	
	441.00 FUTURE	0	0	0	0	0	0	0	0	0	0	
	442.00 FUTURE	0	0	0	0	0	0	0	0	0	0	
4705	441.00 Fire Hall Bank Prin.	9,670	10,160	11,596	12,113	10,885	12,653	6,258	13,217	13,217	13,217	9th year of 30 (2035)
4705	442.00 Fire Hall Bank Interest	26,565	26,076	22,535	22,018	24,299	21,478	10,808	20,914	20,914	20,914	
4709	441.00 Fire Hall FHA Prin.	10,850	11,311	11,791	12,102	11,514	12,815	0	13,360	13,360	13,360	9th year of 30 (2035)
4709	442.00 Fire Hall FHA Interest	22,526	22,065	21,585	21,274	21,863	20,562	0	20,016	20,016	20,016	
4711	441.00 Chestnut (south) Principle	26,315	26,315	26,315	26,315	26,315	26,316	26,315	26,316	26,316	26,316	SPA - 8th year of 10 (2016)
4711	442.00 Chestnut (south) Interest	10,631	9,302	7,974	6,645	8,638	5,316	5,316	3,987	3,987	3,987	
4708	441.00 Chestnut (middle) Principle	23,610	23,610	23,610	23,610	23,610	23,610	23,610	23,610	23,610	23,610	SPA - 7th year of 10 (2017)
4708	442.00 Chestnut (middle) Interest	14,874	13,221	11,569	9,916	12,395	8,264	8,263	6,611	6,611	6,611	
4710	441.00 Bethany Dr SPA - Principle	0	0	0	0	0	3,155	3,150	3,150	3,150	3,150	SPA - 2nd year of 10 (2022)
4710	442.00 Bethany Dr SPA - Interest	0	0	0	0	0	1,900	2,791	1,701	1,701	1,701	
4714	441.00 CC Drainage Principle	0	5,129	5,128	5,128	3,846	5,129	5,128	5,129	5,129	5,129	SPA - 5th year of 10 (2019)
4714	442.00 CC Drainage Interest	0	2,213	3,231	2,872	2,079	2,513	2,513	2,154	2,154	2,154	
4715	441.00 Holly Boulevard Principle	106,453	112,388	118,654	125,270	115,691	132,255	82,644	167,760	167,760	167,760	7th year of 16 (2023)
4715	442.00 Holly Boulevard Interest	130,510	124,575	118,309	111,693	121,272	104,709	11,522	20,573	20,573	20,573	
4706	441.00 Bethany Dr Prin - SRF Loan	0	0	23,271	31,643	13,729	32,362	16,090	33,096	33,096	33,096	4th year of 10 (2021)
4706	442.00 Bethany Dr Int - SRF	0	0	10,867	6,971	4,460	6,254	3,217	5,520	5,520	5,520	
4707	441.00 Aspen Blvd Bond - Princ	0	0	0	0	0	160,000	0	170,000	170,000	170,000	1st year of 10-82%
4707	442.00 Aspen Blvd Bond - Interest	0	0	0	0	0	64,000	0	65,000	65,000	65,000	
	470 DEBT RETIREMENT FUND TOTALS	685,408	797,978	754,581	686,737	731,176	773,304	289,667	634,827	634,827	634,827	
101 TOTAL GENERAL FUND		**4,405,978**	**4,939,087**	**4,841,763**	**4,315,414**	**4,625,254**	**5,159,206**	**1,912,986**	**5,319,118**	**4,989,227**	**4,989,260**	

102 INDUSTRIAL PARK

5100 INDUSTRIAL PARK	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014
422.00 Professional Services	1,633	110	847	1,200	948	500	0	500	500	500
490.00 Loans	40,000	0	105,653	0	36,413	0	0	0	0	0
Totals Industrial Park	41,633	110	106,500	1,200	37,361	500	0	500	500	500

211 THIRD CENT SALES TAX - SPECIAL FUND

	211 THIRD CENT SALES TAX	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
4194	427.10 Dues - SECOG	10,440	10,753	10,753	10,753	10,675	11,076	11,076	11,309	11,309	11,309	Based on Letter
4194	427.20 Dues - MCEDA	9,637	9,637	24,864	24,864	17,251	24,864	0	26,150	26,150	26,150	Based on CPI
4194	427.30 Dues - SDML	2,306	2,359	2,405	2,485	2,389	2,560	3,306	3,400	3,400	3,400	Based on CPI
4194	427.40 Dues - Chamber	32,000	34,000	34,000	34,714	33,679	35,755	35,755	36,506	36,506	36,506	Based on CPI
4194	427.40 Chamber - Day at Leg	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	Day at the Legislature
4194	427.40 Chamber - Addtl Request	0	8,000	0	0	2,000	0	0	6,000	0	0	2010-commercials
4194	427.50 Promotions	43,448	7,484	8,904	2,060	15,474	0	0	0	0	0	
4600	456.00 Subsidies - BDF	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	
4194	427.60 VFW & Legion Flags	0	0	0	1,286	322	0	0	0	0	0	
4194	429.00 Other	0	0	33,333	58,267	22,900	0	10,122	0	0	0	
4194	431.00 Land	0	38,334	2,600	423,740	116,169	0	0	0	0	0	
4600	442.00 Interest - BDF Loan	0	0	0	0	0	83,745	0	74,135	80,135	80,135	
	Totals Third Cent Sales Tax	115,331	128,067	134,359	575,669	238,357	175,500	77,759	175,000	175,000	175,000	
	211 THIRD CENT SALES TAX TOTALS	115,331	128,067	134,359	575,669	238,357	175,500	77,759	175,000	175,000	175,000	

220 STREET MAINTENANCE FUND

431.2 PAVED STREETS	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
433.00 Improvements	0	0	0	0	0	0	0	200,000	200,000	200,000	Mirco-seal
Totals Street Maint Fund	0	0	0	0	0	0	0	200,000	200,000	200,000	
220 STREET MAINT FUND TOTALS	0	0	0	0	0	0	0	200,000	200,000	200,000	

213 BID #1 CONVENTION CENTER	Actual	Actual	Actual	Actual	4 Year	Budget	Actual	Requested	Reviewed	Adopted	
470.0 Debt Service	2009	2010	2011	2012	Average	2013	1/2 2013	2014	2014	2014	
441.00 Principal	18,832	20,253	21,782	37,315	24,546	31,518	15,627	32,592	32,592	32,592	9th year of 20
442.00 Interest	42,589	41,168	39,639	17,155	35,138	16,000	8,132	14,926	14,926	14,926	
Total BID #1 Project	61,421	61,421	61,421	54,470	59,683	47,518	23,759	47,518	47,518	47,518	

326 TIF #1 CORSON DEVELOPMENT PARK	Actual	Actual	Actual	Actual	4 Year	Budget	Actual	Requested	Reviewed	Adopted	
470.0 Debt	2009	2010	2011	2012	Average	2013	1/2 2013	2014	2014	2014	
441.00 Principal	15,328	18,387	19,608	20,542	18,466	162,400	162,547	0	0	0	Paid off Early
442.00 Interest	15,315	12,255	11,034	10,100	12,176	8,839	4,503	0	0	0	
Total TIF #1 Corson Development Park	30,643	30,642	30,642	30,642	30,642	171,239	167,050	0	0	0	

328 SPA Parks St	Actual	Actual	Actual	Actual	4 Year	Budget	Actual	Requested	Reviewed	Adopted	
470.0 Debt	2009	2010	2011	2012	Average	2013	1/2 2013	2014	2014	2014	
441.00 Principal	31,668	32,934	34,252	35,622	33,619	37,047	0	38,528	38,528	38,528	10th Year of 10
442.00 Interest	8,402	7,135	5,818	4,448	6,451	3,023	1,512	1,542	1,542	1,542	
511.00 Op transfer Out	0	0	0	0	0	0	0	0	0	0	
Total Parks St	40,070	40,069	40,070	40,070	40,070	40,070	1,512	40,070	40,070	40,070	

330 SPA Chestnut Blvd	Actual	Actual	Actual	Actual	4 Year	Budget	Actual	Requested	Reviewed	Adopted	
470.0 Debt	2009	2010	2011	2012	Average	2013	1/2 2013	2014	2014	2014	
441.00 Principal	40,000	45,000	45,000	45,000	43,750	50,000	0	50,000	50,000	50,000	8th Year of 10
442.00 Interest	19,695	17,675	15,403	13,130	16,476	10,858	5,429	8,333	8,333	8,333	
Total Chestnut Blvd	59,695	62,675	60,403	58,130	60,226	60,858	5,429	58,333	58,333	58,333	

332 Chestnut Blvd-Middle	Actual	Actual	Actual	Actual	4 Year	Budget	Actual	Requested	Reviewed	Adopted	
470.0 Debt	2009	2010	2011	2012	Average	2013	1/2 2013	2014	2014	2014	
441.00 Principal	45,807	48,126	50,563	53,123	49,405	55,812	27,561	58,638	58,638	58,638	7th Year of 10
442.00 Interest	24,754	22,435	19,999	17,439	21,157	14,750	7,720	11,925	11,925	11,925	
Total Chestnut Middle	70,561	70,561	70,562	70,562	70,562	70,562	35,281	70,563	70,563	70,563	

334 NE Lift/Express Ave	Actual	Actual	Actual	Actual	4 Year	Budget	Actual	Requested	Reviewed	Adopted	
470.0 Debt	2009	2010	2011	2012	Average	2013	1/2 2013	2014	2014	2014	
441.00 Principal	18,310	19,134	19,995	20,895	19,584	21,836	21,835	23,868	23,868	23,868	6th Year of 10
442.00 Interest	15,085	8,871	7,990	7,070	9,754	6,109	3,300	2,540	2,540	2,540	
Total NE Lift/Express/Ironwood	33,395	28,005	27,985	27,965	29,338	27,945	25,135	26,408	26,408	26,408	

336 TIF#2 CONFERENCE CENTER	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
470 441.00 Principal	23,487	25,260	27,166	46,539	30,613	39,309	19,490	40,649	40,649	40,649	9th year of 20
470 442.00 Interest	53,117	51,344	49,438	21,395	43,824	19,955	10,142	18,616	18,616	18,616	
Total TIF #2 Conference Center	76,604	76,604	76,604	67,934	74,437	59,264	29,632	59,265	59,265	59,265	

338 Country Club Heights	Actual	Actual	Actual	Actual	4 Year	Budget	Actual	Requested	Reviewed	Adopted	
470.0 Debt	2009	2010	2011	2012	Average	2013	1/2 2013	2014	2014	2014	
441.00 Principal	0	24,216	25,318	26,470	19,001	27,645	13,683	28,935	28,935	28,935	5th Year of 10
442.00 Interest	0	9,916	11,229	10,076	7,805	8,872	4,590	7,613	7,613	7,613	
Total Country Club Heights	0	34,132	36,547	36,546	26,806	36,517	18,273	36,548	36,548	36,548	

340 TIF #3 HEMLOCK BLVD RECONSTRUCTION											
470 441.00 Principal	0	37,040	38,577	40,178	28,949	41,846	41,846	43,583	43,583	43,583	5th year of 15
470 442.00 Interest	0	32,249	29,588	27,987	22,456	26,320	26,319	24,583	24,583	24,583	
Total TIF #3 Hemlock	0	69,289	68,165	68,165	51,405	68,166	68,165	68,166	68,166	68,166	

501 ASPEN PARK EXTENSION PROJECT	Actual	Actual	Actual	Actual	4 Year	Budget	Actual	Requested	Reviewed	Adopted
452.2 Park Improvements	2009	2010	2011	2012	Average	2013	1/2 2013	2014	2014	2014
422.00 Professional Services	0	0	0	0	0	0	0	0	0	0
433.00 Improvement OT Bldg	0	0	0	0	0	0	0	0	0	0
Total Aspen Park Project	0	0	0	0	0	0	0	0	0	0

523 IRONWOOD EXTENSION PROJECT	Actual	Actual	Actual	Actual	4 Year	Budget	Actual	Requested	Reviewed	Adopted
431.2 Street Improvement	2009	2010	2011	2012	Average	2013	1/2 2013	2014	2014	2014
422.00 Professional Services	0	0	0	0	0	0	0	0	0	0
433.00 Improvements	0	0	0	0	0	0	0	0	0	0
Total Ironwood Project	0	0	0	0	0	0	0	0	0	0

529 HERITAGE/SANDSTONE PROJECT	Actual	Actual	Actual	Actual	4 Year	Budget	Actual	Requested	Reviewed	Adopted
431.2 Street Improvement	2009	2010	2011	2012	Average	2013	1/2 2013	2014	2014	2014
422.00 Professional Services	0	0	0	0	0	0	0	30,000	30,000	30,000
433.00 Improvements	0	0	0	0	0	0	0	350,000	350,000	350,000
Total Heritage/Sandtone Project	0	0	0	0	0	0	0	380,000	380,000	380,000

602 WATER FUND - ENTERPRISE FUND

433.1 SOURCE OF SUPPLY	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
425.00 Repairs	1,114	12,721	0	0	3,459	3,000	0	3,000	3,000	3,000	
425.10 Hired Repairs	0	0	0	0	0	5,000	0	5,000	5,000	5,000	
426.00 Supplies	36	1,219	50	102	352	5,000	0	5,000	5,000	5,000	
426.50 Fuel	5,396	7,348	7,234	10,304	7,571	7,500	3,601	7,500	7,500	7,500	
428.00 Utilities	5,808	3,351	1,033	643	2,709	4,000	225	6,000	6,000	6,000	
435.00 Equipment	0	4,435	0	0	1,109	10,000	0	3,000,000	3,500,000	3,500,000	3 New Wells
Total Source of Supply	12,354	29,074	8,317	11,049	15,199	34,500	3,826	3,026,500	3,526,500	3,526,500	
433.2 POWER & PUMPING											
428.00 Utilities	29,593	31,222	31,808	36,591	32,304	37,000	15,200	37,000	37,000	37,000	
Totals Power & Pumping	29,593	31,222	31,808	36,591	32,304	37,000	15,200	37,000	37,000	37,000	
433.3 PURIFICATION											
422.00 Professional Services	0	0	0	0	0	500	0	0	0	0	
425.00 Repairs	0	225	0	0	56	5,000	3,510	5,000	5,000	5,000	
425.10 Hired Repairs	0	0	2,414	1,004	855	2,500	0	2,500	2,500	2,500	
426.00 Supplies	4,518	7,010	9,903	6,189	6,905	10,000	3,286	10,000	10,000	10,000	
426.40 Chemicals	51,390	42,875	37,163	49,325	45,188	48,000	15,546	49,000	49,000	49,000	
435.00 Equipment	2,030	4,346	6,247	1,700	3,581	10,000	48,774	10,000	10,000	10,000	
Totals Purification	57,938	54,456	55,727	58,218	56,585	76,000	71,116	76,500	76,500	76,500	
433.4 DISTRIBUTION											
422.00 Professional Services	0	0	14	0	4	500	0	500	500	500	
424.00 Rentals	730	730	580	255	574	1,000	0	1,000	1,000	1,000	
425.00 Repairs	2,250	1,967	6,465	7,394	4,519	15,000	0	15,000	15,000	15,000	
425.10 Hired Repairs	0	0	1,500	17,083	4,646	166,500	138,205	5,000	5,000	5,000	
426.00 Supplies	11,636	17,047	4,414	8,568	10,416	15,000	7,413	15,000	15,000	15,000	
426.60 Meters & Supplies	16,516	24,409	13,074	23,999	19,500	25,000	15,587	30,000	30,000	30,000	
428.00 Utilities	54,409	50,983	64,805	71,653	60,463	71,000	30,136	75,000	75,000	75,000	
433.00 Oversize Costs	0	46,040	0	0	11,510	0	0	0	0	0	
435.00 Equipment	47,645	0	9,147	161	14,238	15,000	0	15,000	15,000	15,000	
Totals Distribution	133,186	141,176	99,999	129,113	125,869	309,000	191,341	156,500	156,500	156,500	

433.5 ADMINISTRATION	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
411.00 Wages	192,550	158,746	145,504	186,408	170,802	242,650	95,527	249,330	249,700	249,700	5 FTE, 8% OT
412.00 Social Security	13,438	11,316	10,246	13,461	12,115	18,563	7,073	19,074	19,102	19,102	0.0765
413.00 Retirement	11,508	9,480	8,955	11,007	10,238	14,559	5,732	14,960	14,982	14,982	0.06
413.01 Supplemental Retirement	0	17,580	0	0	4,395	0	0	0	0	0	
414.00 Workman's Comp	4,654	4,521	3,486	3,220	3,970	7,328	3,916	7,530	7,541	7,541	$3.02 per 100
415.00 Health & Life Ins.	32,062	29,974	48,359	63,834	43,557	93,393	33,554	87,979	82,561	82,561	
416.00 Unemployment Ins.	391	800	330	520	510	650	289	700	700	700	.01 x $14,000 wages - 5
421.00 Insurance	14,000	14,000	14,533	13,938	14,118	11,600	11,600	12,169	12,169	12,169	
422.10 Credit Card Fees	320	4	663	1,013	500	1,000	511	1,200	1,200	1,200	
422.00 Professional Services	4,026	3,534	13,590	11,235	8,096	71,500	13,924	10,000	10,000	10,000	
423.00 Publications	0	0	0	0	0	0	0	0	0	0	
425.10 Hired Repairs	107	30,615	1,195	39,600	17,879	30,000	0	30,000	30,000	30,000	
426.00 Supplies	11,948	3,198	5,216	2,072	5,609	18,000	1,566	15,000	15,000	15,000	
426.10 Safety Supplies	0	0	0	47	12	15,000	535	10,000	10,000	10,000	
426.50 Fuel	50	817	198	0	266	500	0	500	500	500	
426.70 Postage	8,690	8,544	8,999	10,406	9,160	9,500	5,066	10,000	10,000	10,000	65%
426.90 Utility Bill Processing	6,918	6,486	7,134	7,936	7,119	7,500	3,793	8,000	8,000	8,000	65%
427.00 Travel & Dues	2,216	1,808	1,829	1,902	1,939	2,500	600	2,500	2,500	2,500	
428.00 Utilities	2,223	2,533	2,642	2,951	2,587	3,100	1,292	3,100	3,100	3,100	
429.00 Other	16,207	1,400	1,400	1,713	5,180	2,000	1,450	2,000	2,000	2,000	
432.00 Buildings & Structures	47,919	0	681	1,369	12,492	2,500	0	2,500	2,500	2,500	
433.00 Improve Other Than Bldgs	0	149,648	6,162	240,271	99,020	0	0	265,000	265,000	265,000	Sylvan Cir
434.10 Incode Annual Software	0	3,502	3,700	3,746	2,737	2,450	2,450	2,550	2,550	2,550	25%
435.00 Equipment	9,865	19,679	29,434	36,963	23,985	30,000	23,428	50,000	50,000	50,000	2 pickups
441.00 Aspen Blvd Bond Prin	22,483	22,042	0	0	11,131	20,000	0	21,488	21,488	21,488	1st year of 10-10%
441.10 Bond Prin. - SRF	133,152	139,590	146,340	153,416	143,125	160,834	79,468	168,611	168,611	168,611	15th year of 15
442.00 Aspen Blvd Bond Interest	2,226	1,102	0	0	832	8,000	0	8,595	8,595	8,595	
442.10 Bond Int. - SRF	42,556	36,118	29,368	22,292	32,584	14,874	8,386	7,098	7,098	7,098	
441.30 Stone Ridge Booster - Prin.	44,196	46,887	49,743	52,772	48,400	55,986	27,579	59,395	59,395	59,395	6th year of 10
442.30 Stone Ridge Booster - Int.	23,917	31,755	28,900	25,871	27,611	22,657	11,742	19,248	19,248	19,248	
449.00 Agent Fee	108	177	186	156	157	100	79	100	100	100	
511 511.00 Transfers	0	0	0	0	0	101,000	0	15,705	15,705	15,705	
Totals Administration	647,730	755,856	568,793	908,119	720,125	967,744	339,560	1,104,331	1,099,345	1,099,345	
TOTALS 602 WATER FUND	880,801	1,011,784	764,644	1,143,090	950,080	1,424,244	621,043	4,400,831	4,895,845	4,895,845	

603 ELECTRICAL FUND - ENTERPRISE FUND

431.6 REPAIRS AND SUPPLIES	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014
422.00 Professional Services	7,680	306	0	0	1,997	0	0	0	0	0
425.00 Repairs	18,632	0	0	0	4,658	0	0	0	0	0
425.10 Hired Repairs	0	1,447	0	0	362	0	0	2,500	2,500	2,500
426.00 Supplies	3,006	1,790	0	0	1,199	0	0	2,500	2,500	2,500
Totals Repairs & Supplies	29,318	3,543	0	0	8,215	0	0	5,000	5,000	5,000

434.2 TRANSMISSION AND DISTRIBUTION										
425.00 Repairs	0	0	0	0	0	0	0	0	0	0
425.10 Hired Repairs	0	0	0	0	0	0	0	0	0	0
426.00 Supplies	17	0	0	0	4	0	0	0	0	0
428.00 Utilities	0	0	0	0	0	0	0	0	0	0
433.00 Improvements	0	0	0	0	0	0	0	0	0	0
435.00 Equipment	0	0	0	0	0	0	0	0	0	0
452.00 Re-Sale	5,176	5,588	22,633	31,320	16,179	50,000	25,553	60,000	60,000	60,000
Total Transmission & Dist.	5,193	5,588	22,633	31,320	16,184	50,000	25,553	60,000	60,000	60,000

434.3 ADMINISTRATION	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014
421.00 Insurance	0	0	0	0	0	0	0	0	0	0
422.00 Professional Services	0	0	0	0	0	5,000	2,223	5,000	5,000	5,000
425.00 Repairs	0	0	0	0	0	0	0	0	0	0
425.10 Hired Repairs	0	0	0	0	0	0	0	0	0	0
426.00 Supplies	51	50	0	0	25	0	0	0	0	0
426.50 Fuel	193	372	284	288	284	0	246	500	500	500
427.00 Travel & Dues	0	40	0	0	10	0	0	0	0	0
428.00 Utilities	0	76	0	0	19	0	0	0	0	0
435.00 Equipment	0	0	0	0	0	0	0	0	0	0
Totals Electrical Administration	244	538	284	288	339	5,000	2,469	5,500	5,500	5,500

TOTALS 603 ELECTRICAL FUND	34,755	9,669	22,917	31,608	24,737	55,000	28,022	70,500	70,500	70,500

604 SEWER FUND - ENTERPRISE FUND

	432.1 ADMINISTRATION	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
	411.00 Wages	92,205	119,646	126,089	131,757	117,424	141,730	53,692	140,900	141,100	141,100	3 FTE, 8% OT
	412.00 Social Security	6,340	8,092	8,752	9,299	8,121	10,842	3,848	10,779	10,794	10,794	0.0765
	413.00 Retirement	5,532	7,179	7,565	7,906	7,046	8,504	3,221	8,454	8,466	8,466	0.06
	413.01 Supplemental Retirement	0	0	0	0	0	0	4,742	0	0	0	
	414.00 Workman's Comp	2,376	2,335	1,760	1,583	2,014	3,501	1,637	3,480	3,485	3,485	$2.47 per 100
	415.00 Health & Life Ins.	25,416	35,810	43,969	46,273	37,867	53,686	18,159	54,526	51,186	51,186	
	416.00 Unemployment Ins.	257	622	330	324	383	390	177	420	420	420	.01 x $14,000 wages - 3
	421.00 Insurance	6,300	6,300	6,540	6,272	6,353	6,960	6,960	7,301	7,301	7,301	
	422.00 Professional Services	2,454	1,044	3,736	16,359	5,898	10,000	24,276	6,000	6,000	6,000	
	422.10 Credit Card Fees	286	4	627	1,013	483	800	511	1,200	1,200	1,200	
	425.00 Repairs	107	0	0	110	54	0	0	0	0	0	
	425.10 Hired Repairs	0	30,406	0	0	7,602	0	0	0	0	0	
	426.00 Supplies	11,047	2,639	3,080	1,938	4,676	7,500	867	7,500	7,500	7,500	
	426.10 Safety Supplies	0	0	0	2,296	574	5,000	2,795	5,000	5,000	5,000	
	426.20 Clothing Supplies	0	0	0	317	79	0	0	2,500	2,500	2,500	
	426.50 Fuel	3,028	4,257	7,452	8,533	5,818	7,000	1,958	7,000	7,000	7,000	
	426.70 Postage	4,754	4,664	4,914	5,144	4,869	5,500	2,863	6,000	6,000	6,000	35%
	426.90 Utility Bill Processing	3,725	3,493	3,875	3,758	3,713	4,500	2,042	4,500	4,500	4,500	35%
	427.00 Travel & Dues	714	297	395	252	415	500	42	500	500	500	
	429.00 Leases & State Fee	5,050	5,050	5,200	5,600	5,225	6,500	5,630	6,500	6,500	6,500	
	433.00 Improv Other Than Bldgs	0	151,343	6,162	196,751	88,564	0	0	265,000	265,000	265,000	Sylvan Cir
	434.10 Incode Annual Software	0	1,054	1,156	1,200	853	1,470	1,470	1,530	1,530	1,530	15%
	435.00 Equipment	3,709	0	0	698	1,102	0	0	5,000	5,000	5,000	
4700	441.00 Aspen Blvd Bond Princ	0	0	0	0	0	20,000	0	16,669	16,669	16,669	1st year of 10-8%
4700	442.00 Aspen Blvd Bond Interest	0	0	0	0	0	8,000	0	6,667	6,667	6,667	
511	511.00 Transfers	0	0	0	0	0	86,000	0	1,102	1,102	1,102	
	Totals Sanitary Administration	173,300	384,235	231,602	447,383	309,130	388,383	134,890	568,528	565,420	565,420	

432.5 COLLECTION AND DISPOSAL	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
422.00 Professional Services	27,115	57,966	4,640	771	22,623	0	407	2,000	2,000	2,000	
424.00 Rentals	0	0	0	0	0	500	0	1,000	1,000	1,000	
425.00 Repairs	0	464	1,160	3,167	1,198	5,000	381	5,000	5,000	5,000	
425.10 Hired Repairs	10,181	3,343	8,474	24,988	11,747	20,000	3,294	20,000	20,000	20,000	TV Work
426.00 Supplies	7,093	5,888	14,081	8,506	8,892	25,000	3,355	25,000	25,000	25,000	
426.50 Fuel	0	0	0	3,448	862	0	0	0	0	0	
428.00 Utilities	53,310	56,560	57,419	59,279	56,642	60,000	32,787	70,000	70,000	70,000	
428.10 Utilities - SF Treat	118,292	119,544	137,457	152,663	131,989	323,500	142,226	350,000	350,000	350,000	
429.00 Other	8,092	5,040	2,000	2,000	4,283	5,000	2,244	5,000	5,000	5,000	
433.00 Oversize Costs	0	0	0	71,995	17,999	0	1,391	0	0	0	
433.10 Improvements	0	0	45,540	445,665	122,801	165,000	4,654	10,000	10,000	10,000	Sludge Disposal
435.00 Equipment	0	4,849	31,010	126,172	40,508	50,000	0	50,000	50,000	50,000	Lift Stations
436.00 Vehicles	74,659	0	2,356	0	19,254	0	0	0	0	0	
Totals Collection & Disposal	298,742	253,654	304,137	898,654	438,797	654,000	190,739	538,000	538,000	538,000	

TOTALS 604 SEWER FUND	472,042	637,889	535,739	1,346,037	747,927	1,042,383	325,629	1,106,528	1,103,420	1,103,420

615 GOLF COURSE - ENTERPRISE FUND

451.5 GOLF COURSE MAINTENANCE	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
411.00 Full Time Wages	91,293	95,015	96,860	99,770	95,735	102,877	50,910	103,815	104,020	104,020	2FTE
411.00 Part Time Wages	54,242	54,111	49,466	51,118	52,234	50,000	13,452	50,000	50,000	50,000	PT
412.00 Social Security	10,982	11,143	10,985	11,395	11,126	11,695	4,819	11,767	11,783	11,783	0.0765
413.00 Retirement	5,478	5,641	5,812	5,986	5,729	6,173	3,055	6,229	6,241	6,241	0.06
414.00 Workman's Comp	1,374	2,701	2,812	3,310	2,549	4,969	2,319	4,999	5,006	5,006	$3.25 per 100
415.00 Health & Life Ins.	18,455	21,594	24,852	25,546	22,612	27,958	11,853	28,389	26,717	26,717	
416.00 Unemployment Ins.	722	1,269	749	676	854	910	166	980	980	980	.01 x $14,000 -7
421.00 Insurance	10,500	10,500	10,900	10,453	10,588	7,733	7,733	8,113	8,113	8,113	
422.00 Professional Services	1,837	2,270	24,700	761	7,392	1,000	6,690	13,500	13,500	13,500	
423.00 Publication/Advertising	0	0	581	139	180	250	0	250	250	250	
424.00 Rentals	1,572	2,885	1,115	2,860	2,108	1,000	1,038	2,500	2,500	2,500	
425.00 Repairs	2,033	8,442	1,493	401	3,092	4,000	0	4,000	4,000	4,000	
425.10 Hired Repairs	2,247	9,193	1,009	1,065	3,379	4,000	135	4,000	4,000	4,000	
425.20 Machinery Repairs	0	0	14,920	11,633	6,638	14,000	7,376	10,000	10,000	10,000	
426.10 Supplies Grounds	45,217	57,778	45,665	57,999	51,665	45,000	33,315	50,000	50,000	50,000	
426.50 Fuel	10,500	10,566	14,142	15,692	12,725	13,000	2,824	13,500	13,500	13,500	
427.00 Travel & Dues	80	80	80	80	80	150	80	150	150	150	
428.10 Utilities - Phone/Propane	375	425	869	904	643	500	281	1,000	1,000	1,000	
428.20 Utilities - Irrigation	7,239	7,339	7,518	9,915	8,003	6,500	1,919	7,500	7,500	7,500	
429.00 Other	680	680	680	680	680	680	680	680	680	680	
432.00 Buildings	9,203	0	0	0	2,301	0	0	0	0	0	
433.00 Improvement n/buildings	60,205	0	0	0	15,051	0	0	0	0	0	
435.00 Equipment	14,010	1,114	0	49,703	16,207	25,000	0	0	0	0	
436.00 Vehicles	2,601	4,405	0	0	1,752	3,000	0	0	0	0	
441.00 Principle on Bond	81,168	85,146	89,318	93,694	87,332	98,286	0	103,102	103,102	103,102	13th year of 20
442.00 Interest on Bond	69,994	66,025	61,853	24,046	55,480	22,126	11,063	20,111	20,111	20,111	
449.00 Agent Fee	2,000	2,000	2,000	2,000	2,000	2,000	0	2,000	2,000	2,000	
Totals Golf Course Maintenance	504,007	460,322	468,379	479,826	478,134	452,807	159,708	446,585	445,152	445,152	

451.7 GOLF COURSE PRO SHOP	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
411.00 Full Time Wages	62,935	65,884	65,842	66,168	65,207	69,250	38,422	71,320	71,320	71,320	1 FT
411.00 Part Time Wages	54,227	65,177	53,026	47,646	55,019	55,000	14,013	55,000	55,000	55,000	PT Staff
412.00 Social Security	8,668	9,713	8,778	8,390	8,887	9,505	3,890	9,663	9,663	9,663	0.0765
413.00 Retirement	2,890	2,954	7,847	3,970	4,415	4,155	2,305	4,279	4,279	4,279	0.06
414.00 Workman's Comp	1,508	978	986	1,585	1,264	1,864	1,843	1,895	1,895	1,895	$1.50 per 100
415.00 Health & Life Ins.	13,254	15,566	17,978	18,658	16,364	19,854	8,801	20,166	18,914	18,914	
416.00 Unemployment Ins.	635	1,385	738	525	821	1,040	87	1,120	1,120	1,120	.01 x $14,000 wages - 8
421.00 Insurance	5,600	5,600	5,813	5,575	5,647	6,187	6,187	6,490	6,490	6,490	
422.00 Professional Services	502	1,098	1,998	1,376	1,244	500	6,113	1,200	1,200	1,200	
422.10 Credit Card Fees	9,875	9,412	9,691	10,537	9,879	10,000	2,224	10,000	10,000	10,000	
423.10 Publication/Advertising	6,824	6,309	6,264	5,240	6,159	9,000	2,409	6,200	6,200	6,200	
424.00 Rentals	10,544	11,501	15,344	16,590	13,495	12,000	1,993	13,500	13,500	13,500	
425.00 Repairs	441	2,716	1,738	695	1,398	1,500	1,124	1,500	1,500	1,500	
425.10 Hired Repairs	48	2,416	1,932	3,066	1,866	2,000	306	2,000	2,000	2,000	
426.00 Supplies	8,243	5,532	8,184	8,185	7,536	9,000	2,000	8,000	8,000	8,000	
426.50 Fuel - Carts	7,497	8,010	12,207	12,810	10,131	8,000	6,355	13,000	13,000	13,000	
427.00 Travel & Dues	521	1,428	1,224	1,036	1,052	1,000	480	1,000	1,000	1,000	
428.00 Utilities -Gas/Electric	9,601	7,754	7,664	7,359	8,095	10,000	3,767	9,000	9,000	9,000	
428.10 Utilities -Phone/Garbage	2,441	4,432	3,300	2,608	3,195	7,000	1,391	4,000	4,000	4,000	
429.00 Other	33	199	95	89	104	0	283	0	0	0	
432.00 Buildings	9,487	0	0	0	2,372	0	0	0	0	0	
433.00 Improve. not buildings	0	0	0	0	0	0	0	0	0	0	
435.00 Equipment	170,150	6,618	379	141	44,322	1,000	1,662	0	0	0	
441.10 Gas Cart Lease Payment	12,809	26,584	28,049	29,595	24,259	31,226	15,403	32,947	32,947	32,947	5th year of 5-LAST YEAR
442.10 Gas Cart Lease Interest	2,246	7,329	5,864	4,318	4,939	2,688	1,553	968	968	968	
449.00 Agent Fee	99	99	6	579	196	100	0	100	100	100	
452.00 Pro Shop Re-sale	44,843	38,332	44,546	51,489	44,803	40,000	33,438	45,000	45,000	45,000	
453.00 Cart Buy Out	81,000	0	0	0	20,250	0	0	0	0	0	
Totals Golf Course Pro Shop	526,921	307,026	309,493	308,230	362,918	311,869	156,049	318,348	317,096	317,096	

451.6 GC LOUNGE	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
411.00 Full Time Wages	22,251	20,606	21,355	20,929	21,285	25,200	12,246	26,000	26,000	26,000	1/2 FTE
411.00 Part Time Wages	57,425	54,874	53,615	56,767	55,670	65,000	18,735	65,000	65,000	65,000	PT Staff
412.00 Social Security	6,070	5,746	5,683	5,875	5,844	6,900	2,327	6,962	6,962	6,962	0.0765
413.00 Retirement	1,132	1,134	1,887	1,256	1,352	1,512	735	1,560	1,560	1,560	0.06
414.00 Workman's Comp	1,013	605	690	1,067	844	1,353	923	1,365	1,365	1,365	$1.50 per 100
415.00 Health & Life Ins.	5,095	6,683	15,841	17,527	11,287	19,854	8,248	20,166	18,914	18,914	
416.00 Unemployment Ins.	432	875	496	531	584	910	99	980	980	980	.01 x $14,000 -7
421.00 Insurance	0	500	0	0	125	0	0	0	0	0	
422.00 Professional Services	1,847	2,391	1,928	1,384	1,888	1,000	43	1,800	1,800	1,800	
422.10 Credit Card Fees	1,991	2,158	2,181	3,028	2,340	1,500	441	3,000	3,000	3,000	
423.10 Publication/Advertising	266	603	2,306	1,171	1,087	500	453	1,100	1,100	1,100	
424.00 Rentals	500	0	0	530	258	200	663	700	700	700	
425.00 Repairs	980	3,524	2,272	9,091	3,967	2,000	790	4,000	4,000	4,000	
425.10 Hired Repairs	770	566	513	3,524	1,343	1,000	311	1,000	1,000	1,000	
426.00 Supplies	3,114	2,354	4,500	6,191	4,040	3,500	2,970	4,000	4,000	4,000	
426.02 Equip, Under $300	0	0	0	0	0	250	0	300	300	300	
426.03 Pop/Beverages	13,205	10,929	15,683	16,769	14,147	13,000	4,715	14,000	14,000	14,000	
426.04 Candy & Snacks	71	336	3,995	3,054	1,864	2,000	1,534	2,000	2,000	2,000	
426.26 Beer	46,280	43,432	41,331	45,881	44,231	39,000	12,641	44,500	44,500	44,500	
426.27 Liquor Sales	12,072	8,329	10,938	15,384	11,681	10,500	7,394	12,000	12,000	12,000	
426.29 Prepared Food	46,153	44,446	33,485	34,990	39,769	32,000	10,141	40,000	40,000	40,000	
426.30 Cigarettes	0	888	970	604	616	700	279	700	700	700	
426.32 Lounge Coffee	665	893	1,114	1,143	954	600	17	1,000	1,000	1,000	
426.60 Lounge Linens	880	0	0	0	220	0	0	0	0	0	
426.72 Catering	10,250	6,821	6,401	14,143	9,404	7,000	854	9,500	9,500	9,500	
427.00 Travel & Dues	325	933	847	737	711	500	327	750	750	750	
428.00 Utilities	9,001	9,684	10,170	10,214	9,767	10,000	5,156	11,000	11,000	11,000	
429.00 Other	2,483	2,300	2,300	2,354	2,359	1,000	556	15,000	15,000	15,000	Patio
435.10 Equipment	3,516	1,062	0	36	1,154	16,500	605	1,000	1,000	1,000	
Totals Golf Course Concessions	247,787	232,672	240,501	274,180	248,785	263,479	93,203	289,383	288,131	288,131	

451.8 GC COMMUNITY ROOM	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
411.00 Full Time Wages	22,251	20,606	21,355	20,929	21,285	25,200	12,246	26,000	26,000	26,000	1/2 FT
411.00 Part Time Wages	42,961	26,904	21,675	22,188	28,432	30,000	9,724	30,000	30,000	30,000	PT Staff
412.00 Social Security	4,964	3,606	3,239	3,229	3,760	4,223	1,638	4,284	4,284	4,284	0.0765
413.00 Retirement	1,132	1,134	1,887	1,256	1,352	1,512	735	1,560	1,560	1,560	0.06
414.00 Workman's Comp	660	373	444	621	525	828	565	840	840	840	$1.50 per 100
416.00 Unemployment Ins.	433	495	291	188	352	780	7	840	840	840	.01 x $14,000
422.00 Professional Services	827	1,724	2,607	1,114	1,568	200	43	1,600	1,600	1,600	
422.10 Credit Card Fees	2,055	1,924	1,875	2,333	2,047	1,500	692	2,000	2,000	2,000	
423.10 Publication/Advertising	2,101	703	2,792	2,411	2,002	500	648	2,000	2,000	2,000	
424.00 Rentals	813	657	398	205	518	500	0	500	500	500	
425.00 Repairs	10,044	327	922	1,191	3,121	1,000	4,278	3,000	3,000	3,000	
425.10 Hired Repairs	3,826	732	5,946	1,051	2,889	1,500	807	1,500	1,500	1,500	
426.00 Supplies	5,569	3,593	4,497	3,966	4,406	5,500	976	5,000	5,000	5,000	
426.10 Pop/Beverages	599	1,266	393	0	565	1,000	0	1,000	1,000	1,000	
426.60 Linen Charge	13,240	13,236	10,565	11,997	12,260	12,000	2,601	12,000	12,000	12,000	
426.71 Liquor Sales	11,072	14,660	11,813	9,046	11,648	12,000	2,681	12,000	12,000	12,000	
426.72 Catering	61,359	66,898	56,742	48,597	58,399	65,000	8,140	60,000	60,000	60,000	
426.73 Beer	6,423	10,910	8,990	6,955	8,320	10,000	1,587	8,500	8,500	8,500	
428.00 Utilities	9,028	9,787	10,214	10,214	9,811	10,000	5,156	10,500	10,500	10,500	
429.00 Other	433	368	2,236	4,700	1,934	0	1,320	0	0	0	
435.00 Equipment	341	1,008	0	979	582	500	0	600	600	600	
Totals Community Room	200,131	180,911	168,881	153,170	175,773	183,743	53,844	183,724	183,724	183,724	

TOTALS 615 GOLF COURSE	1,478,846	1,180,931	1,187,254	1,215,406	1,265,609	1,211,898	462,804	1,238,040	1,234,103	1,234,103

TOTALS FOR EXPENDITURES

GENERAL FUND TOTALS	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	Adopted % +/- from 2013 Budget
410 GENERAL GOVERNMENT	580,378	784,952	1,207,971	588,262	790,391	661,840	307,877	744,009	747,059	747,089	12.88%
420 PUBLIC SAFETY	1,144,771	1,220,443	1,284,438	1,390,291	1,259,986	1,659,724	707,777	1,691,016	1,678,592	1,678,593	1.14%
430 PUBLIC WORKS	932,184	1,163,697	816,016	734,206	911,526	1,065,952	328,448	833,167	794,325	794,326	-25.48%
440 HEALTH & WELFARE	4,123	8,371	3,881	4,012	5,097	9,900	1,092	9,900	9,900	9,900	0.00%
450 CULTURE & RECREATION	988,720	859,036	675,308	596,420	779,871	908,017	243,192	1,119,869	789,447	789,448	-13.06%
460 COMMUNITY PROMOTIONS	70,394	104,610	99,568	315,486	147,515	80,469	34,933	286,330	335,078	335,077	316.41%
470 DEBT SERVICE (sales tax)	685,408	797,978	754,581	686,737	731,176	773,304	289,667	634,827	634,827	634,827	-17.91%
GENERAL FUND TOTALS	4,405,978	4,939,087	4,841,763	4,315,414	4,625,561	5,159,206	1,912,986	5,319,118	4,989,227	4,989,260	-3.29%
	16,553	-557,287	-265,443	739,408		28	866,937	-416,575	-36,682	13,285	Revenue less Expenditure
Expense Total from line 145	4,405,978	4,939,087	4,841,763	4,315,414		5,159,206	1,912,986	5,319,118	4,989,227	4,989,260	

TOTALS FOR SPECIAL FUNDS	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
102 INDUSTRIAL PARK	41,633	110	106,500	1,200	37,361	500	0	500	500	500	
								8,895	8,895	8,895	Revenue Less Expense
211 THIRD CENT SALES TAX	115,331	128,067	134,359	575,669	238,357	175,500	77,759	175,000	175,000	175,000	
								0	0	0	Revenue Less Expense
220 STREET MAINTENANCE FUND	0	0	0	0	0	0	0	200,000	200,000	200,000	
								80,000	80,000	80,000	Revenue Less Expense
213 BID #1 CONFERENCE CENTER	61,421	61,421	61,421	54,470	59,683	47,518	23,759	47,518	47,518	47,518	
								6,482	6,482	6,482	Revenue Less Expense
326 TIF #1 CORSON DEVELOPMENT PARK	30,643	30,642	30,642	30,642	30,642	171,239	167,050	0	0	0	
								0	0	0	Revenue Less Expense
328 PARKS STREET	40,070	40,069	40,070	40,070	40,070	40,070	1,512	40,070	40,070	40,070	
								0	0	0	Revenue Less Expense
330 CHESTNUT BLVD SOUTH	59,695	62,675	60,403	58,130	60,226	60,858	5,429	58,333	58,333	58,333	
								0	0	0	Revenue Less Expense

	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014		
332 CHESTNUT BLVD MIDDLE	70,561	70,561	70,562	70,562	70,562	70,562	35,281	70,563	70,563	70,563		
								0	0	0	Revenue Less Expense	
334 NE LIFT/EXPRESS	33,395	28,005	27,985	27,965	29,338	27,945	25,135	26,408	26,408	26,408		
								0	0	0	Revenue Less Expense	
336 TIF #2 CONFERENCE CENTER	76,604	76,604	76,604	67,934	74,437	59,264	29,632	59,265	59,265	59,265		
								3,735	3,735	3,735	Revenue Less Expense	
338 COUNTRY CLUB HEIGHTS	0	34,132	36,547	36,546	26,806	36,517	18,273	36,548	36,548	36,548		
								0	0	0	Revenue Less Expense	
340 TIF #3 HEMLOCK BOULEVARD	0	69,289	68,165	68,165	51,405	68,166	68,165	68,166	68,166	68,166		
								36,834	36,834	36,834	Revenue Less Expense	
602 WATER FUND	880,801	1,011,784	764,644	1,143,090	950,080	1,424,244	621,043	4,400,831	4,895,845	4,895,845		243.75%
Profit/Loss	143,093	84,928	679,723	553,941	365,421	156	52,774	133,999	138,985	138,985	Revenue Less Expense	
603 ELECTRICAL FUND	34,755	9,669	22,917	31,608	24,737	55,000	28,022	70,500	70,500	70,500		28.18%
Profit/Loss	-29,280	-3,832	17,681	1,724	-3,427	0	-562	0	0	0	Revenue Less Expense	
604 SEWER FUND	472,042	637,889	535,739	1,346,037	747,927	1,042,383	325,629	1,106,528	1,103,420	1,103,420		5.86%
Profit/Loss	96,867	34,729	440,790	-260,631	77,939	118	210,472	46,203	49,311	49,311	Revenue Less Expense	
615 GOLF COURSE FUND	1,478,846	1,180,931	1,187,254	1,215,406	1,265,609	1,211,898	462,804	1,238,040	1,234,103	1,234,103		1.83%
Profit/Loss	-71,691	930,507	-12,468	-25,042	205,327	702	-51,910	-97,640	-93,703	-5,653	Revenue Less Expense	
TOTALS WITHOUT 500 ACCOUNTS	8,014,464	8,498,770	9,205,780	9,379,954	8,774,742	9,653,157	4,065,163	12,917,389	13,075,467	13,075,499		35.45%
501 ASPEN PARK EXTENSION PROJECT	0	0	0	0	0	0	0	0	0	0		
								0	0	0	Revenue Less Expense	
523 IRONWOOD EXTENSION PROJECT	0	0	0	0	0	0	0	0	0	0		
								0	0	0	Revenue Less Expense	
529 HERITAGE/SANDSTONE PROJECT	0	0	0	0	0	0	0	380,000	380,000	380,000		
								0	0	0	Revenue Less Expense	
TOTALS WITH 500 ACCOUNTS	8,014,464	8,498,770	9,205,780	9,379,954	8,774,742	9,653,157	4,065,163	13,297,389	13,455,467	13,455,499		39.39%

Golf Course Profit/Loss

Divisions of Golf Course	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014	
Pro Shop/Maintenance	-87,847	886,008	-18,194	-64,986	178,745	-21,176	-96,025	-75,583	-72,899	-72,898	Revenue less Expense
Lounge	-7,706	6,601	7,394	6,437	3,182	-23,379	4,473	-38,133	-36,881	38,169	Revenue less Expense
Community Room	23,862	37,898	-1,668	33,507	23,400	45,257	39,642	16,076	16,076	29,076	Revenue less Expense
	-71,691	930,507	-12,468	-25,042	205,327	702	-51,910	-97,640	-93,703	-5,653	

Payroll Summary **Budgeted 2013**

	Total Salaries & Wages	FICA	Work Comp	Retirement	Insurance	Supp Retire	Unemploy	Total Taxes	Total Payroll
General Fund	1,544,690	118,168	36,948	93,447	416,029	0	7,280	671,872	2,216,562
Water	242,650	18,563	7,328	14,559	93,393	0	650	134,493	377,143
Electrical	0	0	0	0	0	0	0	0	0
Sewer	141,730	10,842	3,501	8,504	53,686	0	390	76,923	218,653
Golf Course	422,527	32,323	9,014	13,352	67,666	0	3,640	125,995	548,522
	2,351,597	179,896	56,791	129,862	630,774	0	11,960	1,009,283	3,360,880

Payroll Summary **2014 Adopted amount over/under 2013 Budget**

	Total Salaries & Wages	FICA	Work Comp	Retirement	Insurance	Supp Retire	Unemploy	Total Taxes & Insurance	Total Payroll	% +/- 2013 Budget
General Fund	4,290	176	-185	-110	-45,782	0	420	-45,481	-41,191	-1.9%
Water	7,050	539	213	423	-10,832	0	50	-9,607	-2,557	-0.7%
Electrical	0	0	0	0	0	0	0	0	0	0.0%
Sewer	-630	-48	-16	-38	-2,500	0	30	-2,572	-3,202	-1.5%
Golf Course	4,813	369	91	288	-3,121	0	280	-2,093	2,720	0.5%
	15,523	1,036	104	563	(62,235)	-	780	(59,752)	(44,229)	-1.3%

Payroll Summary **Adopted 2014**

	Total Salaries & Wages	FICA	Work Comp	Retirement	Insurance	Supp Retire	Unemploy	Total Taxes & Insurance	Total Payroll
General Fund	1,548,980	118,344	36,763	93,337	370,247	0	7,700	626,391	2,175,371
Water	249,700	19,102	7,541	14,982	82,561	0	700	124,886	374,586
Electrical	0	0	0	0	0	0	0	0	0
Sewer	141,100	10,794	3,485	8,466	51,186	0	420	74,351	215,451
Golf Course	427,340	32,692	9,105	13,640	64,545	0	3,920	123,902	551,242
	2,367,120	180,932	56,895	130,425	568,539	-	12,740	949,531	3,316,651

FUEL	Actual 2009	Actual 2010	Actual 2011	Actual 2012	4 Year Average	Budget 2013	Actual 1/2 2013	Requested 2014	Reviewed 2014	Adopted 2014
General Fund (-Police)	38,632	43,780	51,117	44,526	44,514	58,308	27,769	60,533	60,533	60,533
Police	20,775	25,655	28,967	31,360	26,689	35,000	13,027	35,000	35,000	35,000
Water	5,446	8,165	7,432	10,304	7,837	8,000	3,601	8,000	8,000	8,000
Electrical	193	372	284	288	284	0	246	500	500	500
Sewer	3,028	4,257	7,452	11,981	6,680	7,000	1,958	7,000	7,000	7,000
Golf Course	17,997	18,576	26,349	28,502	22,856	21,000	3,304	14,500	14,500	14,500
	86,071	100,805	121,601	126,961	108,860	129,308	49,905	125,533	125,533	125,533

CONSIDERATIONS

2014

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ORDINANCE #505

AN ORDINANCE PROVIDING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2014 AND ENDING DECEMBER 31, 2014, AND LEVYING THE PROPERTY TAX FOR THE YEAR 2013.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BRANDON, SOUTH DAKOTA.

Section 1. That the following sums of money are hereby appropriated and taxes levied upon all taxable property within the City of Brandon for the purpose of providing funds to meet all lawful expenses and liabilities of said City for the fiscal year ending December 31, 2014.

	General Fund	Third Cent Sales Tax	Special Revenue Funds	Capital Projects Funds
GENERAL GOVERNMENT				
411 Legislative	$208,371.00			
412 Executive	$225,460.00			
413 Elections	$896.00			
414 Financial Administration	$233,827.00			
419 General Government Buildings	$78,535.00			
TOTAL GENERAL GOV'T	$747,089.00			
PUBLIC SAFETY				
421 Police	$1,263,224.00			
422 Fire	$209,082.00			
423 Inspection	$179,287.00			
427 Dues and Subscriptions	$0.00	$94,865.00		
429 Traffic Engineering	$27,000.00			
TOTAL PUBLIC SAFETY	$1,678,593.00			
PUBLIC WORKS				
431 Streets	$632,569.00		$200,000.00	$380,000.00
432 Weed Control	$6,350.00			
439 Transit	$155,407.00			
TOTAL PUBLIC WORKS	$794,326.00			
HEALTH				
441.2 Animal Control	$4,650.00			
441.3 West Nile	$5,250.00			
TOTAL HEALTH	$9,900.00			

PARK & RECREATION				
451 Recreation	$194,420.00			
452 Parks	$585,028.00			
455 Libraries	$10,000.00			
TOTAL PARK & RECREATION	$789,448.00			
COMMUNITY PROMOTION				
465 Promoting the City	$335,077.00	$80,135.00		
TOTAL COM. PROMOTIONS	$335,077.00			
DEBT SERVICE				
470 Debt Service	$634,827.00		$174,949.00	
TOTAL DEBT SERVICE	$634,827.00			
TOTAL EXPENDITURES	$4,989,260.00	$175,000.00	$374,949.00	$380,000.00

Section 2. The following designates the fund or funds to which money derived from the following sources as applied.

	General Fund	Third Cent Sales Tax	Special Revenue Fund	Special Projects Fund
Unobligated Cash	$513,292.00			
Property Taxes	$2,165,079.00			
Sales and Other Taxes	$1,953,320.00	$175,000.00	$502,000.00	$380,000.00
License & Permits	$77,035.00			
Intergovernmental Revenue	$234,265.00			
Charges for Goods & Services	$246,311.00			
Health	$100.00			
Fines & Forfeitures	$6,500.00			
Miscellaneous	$53,128.00			
Operating Transfer In	$16,807.00			
Less 5% (SDCL 9-21-21)	($263,292.00)			
TOTAL MEANS OF FINANCE	$5,002,545.00	$175,000.00	$502,000.00	$380,000.00

Section 3. The following designates the revenue and expenditures of the proprietary funds with the City of Brandon.

ENTERPRISE FUNDS

	Water Fund	Sewer Fund	Street Light Fund	Golf Course
Unobligated Cash	$850,652.00	$585,073.00	$0.00	$0.00
Reserve	$0.00	$0.00	$0.00	$0.00
Estimated Revenue	$5,034,830.00	$1,152,731.00	$70,500.00	$1,228,450.00
TOTALS	$5,885,482.00	$1,737,804.00	$70,500.00	$1,228,450.00
Less Appropriations(Expenses)	$4,895,845.00	$1,103,420.00	$70,500.00	$1,234,103.00
ESTIMATED SURPLUS/REVENUE	$989,637.00	$634,384.00	$0.00	($5,653.00)

Adopted this 16th day of September, 2013.

Larry D. Beesley
Mayor

ATTEST

Dennis E. Olson
Municipal Finance Officer

(SEAL)

First Reading: September 3, 2013
Second Reading: September 16, 2013
Published: September 25, 2013
Effective Date: October 15, 2013

CITY OF BRANDON

BUDGET 2015

REVENUES & EXPENDITURES

Adopted: September 15, 2014

Published: September 24, 2014

Effective Date: October 14, 2014

DW - SRF
Note - 2 Sided

101 GENERAL FUND REVENUES

		Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
310	TAXES											
310	311.01 Current Taxes	1,795,087	1,852,550	1,938,427	2,048,508	1,908,643	2,152,379	1,120,750	2,281,392	2,281,392	2,281,392	1.4% CPI, 4.56% Growth
310	311.02 Back Taxes (-1)	11,979	15,867	18,979	11,834	14,665	10,000	11,158	10,000	10,000	11,000	
310	311.03 Back Taxes (-2)	2,642	1,514	4,843	2,163	2,791	2,000	588	1,000	1,000	2,000	
310	311.04 Back Taxes (-3)	471	900	2,372	1,305	1,262	500	0	0	0	1,000	
310	311.05 Back Taxes (-4)	361	482	444	1,084	593	200	0	0	0	500	
310	311.07 Mobile Home Tax	22	41	20	30	28	20	18	20	20	20	
310	313.00 Sales Tax	1,820,798	2,000,779	2,333,422	2,538,965	2,173,491	1,950,000	1,197,268	2,050,000	2,075,000	2,100,000	
310	315.00 Amusement Fee	768	1,584	1,092	768	1,053	800	1,236	800	800	800	
310	319.11 Interests on Taxes	2,564	2,836	4,495	3,124	3,255	2,500	1,062	2,000	2,000	2,000	
	Totals Taxes	3,634,692	3,876,553	4,304,094	4,607,781	4,105,780	4,118,399	2,332,080	4,345,212	4,370,212	4,398,712	

320	LICENSES AND PERMITS										
320	321.01 Beer Licenses	2,368	2,123	2,333	2,425	2,312	2,150	2,330	2,150	2,150	2,150
320	321.02 Liquor Licenses	14,000	15,000	15,800	16,305	15,276	15,500	155	14,000	14,000	14,000
320	321.03 Building Permits	38,837	59,217	40,891	70,331	52,319	45,000	51,865	50,000	55,000	55,000
320	321.04 Dog Licenses	426	376	330	304	359	350	146	300	300	300
320	321.045 Kennel License Fee	105	70	35	35	61	35	0	0	0	0
320	321.05 Excavation/St Cut Permits	50	125	150	50	94	50	0	0	0	0
320	321.08 Skateboard Pk License	155	77	120	0	88	0	0	0	0	0
320	321.09 Peddlers License	316	400	1,100	1,200	754	200	1,702	500	500	500
320	321.10 Plumbing Permits	3,802	3,682	2,800	4,874	3,790	3,000	2,228	3,500	3,500	3,500
320	321.11 Sewer Cleaning Permit	280	140	140	105	166	150	70	100	100	100
320	321.12 Residential Contrac. Lic.	10,700	7,250	7,000	7,275	8,056	7,000	3,750	7,000	7,000	7,000
320	321.13 Landscape Contrac. Lic.	1,150	650	650	700	788	650	150	650	650	650
320	321.14 Landscape Permits	465	479	513	496	488	300	102	300	300	300
320	322.00 Sign Permits	30	160	60	0	63	50	0	0	0	0
320	323.00 Home Occupations	2,905	1,715	1,715	1,505	1,960	1,700	70	0	0	0
320	324.00 Garbage Permits	1,800	900	900	1,100	1,175	900	0	900	900	900
320	324.10 Dumpster Permits	50	30	0	0	20	0	0	0	0	0
320	325.00 Ambulance License Fees	2,100	0	0	0	525	0	0	0	0	0
	Totals License & Permits	79,539	92,394	74,537	106,705	88,294	77,035	62,568	79,400	84,400	84,400

330	INTER GOVERNMENT REVENUE	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
330	331.04 Federal Grant - Outdoor	0	22400	0	0	5,600	0	50,000	0	0	0	
330	331.09 Section 5309 Funds - Bus	45,134	1,497	3,865	14,177	16,168	0	0	0	0	0	
330	331.10 Section 5311 Funds - Bus	54,793	58,416	36,842	64,528	53,645	59,041	33,574	71,248	71,248	71,248	
330	331.11 Federal Grants Fast Cop	0	380	1,240	10,500	3,030	5,466	0	53,500	53,500	53,500	Police Officer Grant
330	331.30 Title III-B Transit Bus	1,238	1,131	1,131	1,131	1,158	1,131	0	1,131	1,131	1,131	
330	331.20 Federal Grants	4,623	12,851	11,149	14,005	10,657	18,832	5,950	0	0	0	
330	334.03 State Funds-Transit Bus	3,695	4,445	3,345	4,195	3,920	3,295	0	3,500	3,500	3,500	
330	334.035 Ridership Incent Funds-Bus	1,286	3,123	2,519	2,000	2,232	2,000	0	0	0	0	
330	334.99 Other State Grants	0	0	0	10,470	2,618	10,500	0	0	0	0	
330	335.01 Bank Franchise Tax	58,983	19,923	20,913	15,571	28,848	15,000	28,481	18,000	18,000	21,000	
330	335.03 Liquor Revision	34,667	35,607	37,890	36,650	36,204	33,000	20,354	33,000	33,000	36,000	
330	335.04 Motor Vehicle License	23,933	26,007	32,434	34,927	29,325	30,000	19,296	30,000	30,000	35,000	
330	335.08 Highway & Bridge Fund	37,516	38,563	49,018	49,985	43,771	45,000	31,246	45,000	45,000	48,000	
330	335.09 Port of Entry Fee	3,821	4,503	4,215	4,411	4,238	3,000	1,792	3,000	3,000	4,000	
330	338.03 Wheel Tax	8,264	8,421	8,430	8,748	8,466	8,000	4,221	8,000	8,000	8,000	
	Totals Inter Governmental Revenue	277,953	237,267	212,991	271,298	249,877	234,265	194,914	266,379	266,379	281,379	

340 CHARGES GOOD & SERVICE		Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
340	341.01 Zoning/Variance/Cond Use	1,200	1,950	875	1,150	1,294	1,000	1,425	1,000	1,000	1,000	
340	341.03 Electrical Permit Forms	80	80	0	0	40	0	0	0	0	0	
340	341.91 Inspection in Hartford	0	0	0	0	0	0	0	0	0	0	
340	341.92 Inspections-Valley/Garretson	200	425	25	0	163	100	0	0	0	0	
340	342.01 Police Services	31,521	49,518	43,928	37,772	40,685	40,000	20,070	40,000	40,000	40,000	SRO Wages
340	342.09 Police Reports	323	275	260	264	281	200	164	200	200	200	
340	342.99 Other - Public Safety	0	0	170	0	43	0	0	0	0	0	
340	344.02 Weed/Mowing/Snow	2,389	3,192	3,600	3,280	3,115	2,500	50	2,500	2,500	2,500	
340	346.01 Pool Membership	14,833	16,579	21,608	21,139	18,540	20,000	19,832	20,000	20,000	20,000	
340	346.02 Pool Fees	9,322	10,931	12,752	9,574	10,645	9,000	3,862	9,000	9,000	9,000	
340	346.03 Pool Swim Lessons	13,067	11,411	15,562	12,337	13,094	12,000	11,383	12,000	12,000	12,000	
340	346.04 Concessions Aspen Pk	600	600	600	600	600	600	0	600	600	600	
340	346.09 Pop & Candy Summer Rec	994	960	876	1,002	958	800	285	800	800	800	
340	346.32 Summer Rec. Fees	479	1,270	1,382	760	973	800	459	800	800	800	
340	346.325 Other Summer Rec. Reimb.	80	160	70	84	99	0	30	0	0	0	
340	346.33 Ball Park Fees	5,525	8,310	5,765	5,765	6,341	5,000	2,500	5,000	5,000	5,000	School & Base/Soft Assoc.
340	346.41 Pop & Candy Pool	7,306	8,016	10,134	8,571	8,507	8,500	4,369	8,500	8,500	8,500	
340	346.67 Sum. Rec. Bus Fares	281	539	545	372	434	200	21	200	200	200	
340	346.69 Pool-Over/Short Deposits	-21	8	-87	43	-14	0	-7	0	0	0	
340	346.90 Park Fee Developers	1,676	6,224	2,622	23,521	8,511	10,000	9,670	10,000	10,000	10,000	
340	346.91 Park Fee - Bldg Pmt	0	0	0	18,250	4,563	10,000	9,500	10,000	10,000	10,000	Based off 40 homes
340	346.95 Bus Fares - Transit	10,478	10,737	14,964	16,112	13,073	14,330	7,324	16,095	16,095	16,095	
340	346.96 Bus Advertising-Transit	0	0	0	1,663	416	2,495	1,247	2,495	0	0	
340	346.97 InterLakes-Bus Reimburse	32,274	24,456	25,059	27,371	27,290	28,456	15,223	33,037	33,037	33,037	Fuel and Supplies
340	349.00 Chamber Reimbursements	63,894	91,786	79,632	64,505	74,954	80,330	34,238	87,940	87,940	87,940	Directors Wages/Supplies
	Total Goods & Services	196,501	247,427	240,342	254,135	234,601	246,311	141,645	260,167	257,672	257,672	

345 Health		Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015
345	345.02 Animal Ctrl & Shelter Fees	612	100	0	75	197	100	100	100	100	100
	Total Health	612	100	0	75	197	100	100	100	100	100

350 FINES & FORFEITS	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015
350 351.01 65% Court Fines	13,312	5,209	6,324	7,179	8,006	5,000	1,362	5,000	5,000	5,000
350 351.02 Police Parking Tickets	1,495	1,745	1,545	830	1,404	1,500	1,805	1,500	1,500	1,500
Totals Fines & Forfeits	14,807	6,954	7,869	8,009	9,410	6,500	3,167	6,500	6,500	6,500

360 MISCELLANEOUS REVENUE	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
360 361.00 Interest Earned	5,914	3,185	1,362	1,412	2,968	1,000	1,227	1,000	1,000	1,000	
360 362.00 Rentals	95	95	95	95	95	95	0	95	95	95	Bethany Land
360 363.11 Bethany SPA Principle	0	0	0	39,141	9,785	10,086	10,086	10,086	10,086	10,086	3rd year of 10
360 363.21 Bethany SPA Interest	0	0	0	11,504	2,876	5,447	5,195	4,841	4,841	4,841	
360 364.00 .80/foot St Assessment	79,082	80,205	112,056	223,920	123,816	0	2,536	0	0	0	.40 (2012) .80(2013)
360 367.00 Contribution/Donations	65,775	2,265	20,874	81,300	42,554	25,000	6,800	25,000	25,000	25,000	
360 369.00 Other	9,895	13,778	2,530	2,311	7,129	0	1,020	0	0	0	
360 369.01 Other Capital Refunds	4,189	5,054	6,901	8,119	6,066	4,000	6,008	5,000	5,000	5,000	Alliance Refund
360 369.02 Gas Refund	3,791	2,686	2,462	2,571	2,878	2,500	2,651	2,500	2,500	2,500	Gas Tax Refund
360 369.03 Prior Year Exp. Recovery	1,643	3,804	4,450	4,388	3,571	5,000	1,734	4,000	4,000	4,000	
Totals Miscellaneous Revenue	170,384	111,072	150,730	374,761	201,737	53,128	37,257	52,522	52,522	52,522	

390 OTHER FINANCING SOURCES	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
360 391.01 Transfer-Enterprise Funds	0	0	0	0	0	0	0	0	0	0	
360 391.01 Transfer In - Sewer	0	0	55,282	24,134	0	1,102	0	1,102	1,102	1,102	Sewer for Debt-Holly
360 391.01 Transfer In - Water	0	0	0	88,613	0	15,705	0	15,705	15,705	15,705	Water for Debt-Holly
390 391.03 Sale of Fixed Assets	5,918	2,900	3,543	7,771	5,033	0	9,064	0	0	0	
390 391.04 Insurance	1,494	1,653	5,434	10,452	4,758	0	500	0	0	0	
390 391.21 Loan Proceeds	0	0	0	0	0	0	0	0	0	0	
390 392.00 Unobligated Cash	0	0	0	0	0	250,000	0	250,000	250,000	250,000	Marmen
Total Other Financing Sources	7,412	4,553	64,259	130,971	9,791	266,807	9,564	266,807	266,807	266,807	
101 TOTAL GENERAL FUND	**4,381,900**	**4,576,320**	**5,054,822**	**5,753,735**	**4,941,694**	**5,002,545**	**2,781,295**	**5,277,087**	**5,304,592**	**5,348,092**	

102 Revolving Loan Fund		Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
360	361.00 Interest	1,699	1,363	609	401	1,018	150	139	200	200	200	
360	361.15 R&T Unit Can Loan#2-Princ	0	0	0	0	0	5,820	2,889	5,997	5,997	5,997	
360	361.16 R&T Unit Can Loan#2-Int	2,819	2,889	2,805	2,638	2,788	2,466	1,255	2,289	2,289	2,289	
360	361.17 Corson Village Loan-Princ	0	0	0	0	0	925	726	367	367	367	
360	361.18 Corson Village Loan-Int	0	99	99	61	65	34	20	7	7	7	
360	361.21 D-Rail LLC - Principle	6,837	0	0	0	1,709	0	0	0	0	0	
360	361.22 D-Rail LLC - Interest	1,750	1,454	417	0	905	0	0	0	0	0	
360	361.13 Marmen En Loan - Princ	0	0	0	0	0	0	3,401	10,442	10,442	10,442	
360	361.14 Marmen Energy Loan - Int	0	0	0	0	0	0	1,658	4,733	4,733	4,733	
360	361.10 Other Loans - Principle	38,615	0	0	835	9,863	0	0	0	0	0	
360	361.11 Other Loans - Interest	410	0	0	0	103	0	0	0	0	0	
	Total Revolving Loan Fund	52,130	5,805	3,930	3,935	16,450	9,395	10,088	24,035	24,035	24,035	

211 THIRD CENT SALES TAX												
310	313.00 3rd Cent Sales Tax	174,385	180,457	192,889	191,744	184,869	175,000	63,603	180,000	180,000	180,000	
390	391.02 Bond Proceeds	0	0	0	0	0	0	0	0	0	0	
360	361.00 Interest	1,497	1,171	379	130	794	0	98	0	0	0	
	Total Third Cent Tax	175,882	181,628	193,268	191,874	185,663	175,000	63,701	180,000	180,000	180,000	

220 STREET MAINTENANCE FUND		Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
360	361.00 Interest	0	0	0	0	0	0	4	100	100	100	
360	364.00 Street Assessment	0	0	0	0	0	280,000	146,808	290,000	290,000	290,000	1.00(2014-15)
360	369.00 Other	0	0	0	0	0	0	0	0	0	0	
	Total Street Maint Fund	0	0	0	0	0	280,000	146,812	290,100	290,100	290,100	

213 BID #1 CONFERENCE CENTER												
360	361.00 Interest	125	0	0	0	31	0	0	0	0	0	10th year of 20
360	363.00 BID Receipts	52,512	55,978	58,840	58,158	56,372	54,000	24,254	54,000	54,000	54,000	
	Total BID #1 Conference Center	52,637	55,978	58,840	58,158	56,403	54,000	24,254	54,000	54,000	54,000	

326 TIF #1 CORSON DEVELOPMENT PARK	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
Undesignated Fund Balance Applied	0	0	0	0	0	0	0	0	0	0	
310 311.01 Taxes - Receipts	44,356	65,654	88,334	101,513	74,964	0	53,865	0	0	0	DONE
360 361.00 Interest	11	411	91	25	135	0	21	0	0	0	
Total #1 TIF Corson Develop. Park	44,367	66,065	88,425	101,538	75,099	0	53,886	0	0	0	

328 SPA Parks Street											
360 363.11 Principle on SPA	28,049	28,049	28,049	28,049	28,049	28,050	28,049	28,050	28,050	28,050	8th Year of 10
360 363.21 Interest on SPA	11,174	9,777	8,381	6,984	9,079	5,610	5,587	4,205	4,205	4,205	
390 391.01 Operating Transfer In	0	141,946	3,640	5,033	0	6,410	0	0	0	0	
Total Parks Street	39,223	179,772	40,070	40,066	37,128	40,070	33,636	32,255	32,255	32,255	

330 SPA Chestnut Blvd-South											
Undesignated Fund Balance Applied	0	0	0	0	0	16,560	0	21,050	21,050	21,050	
360 361.00 Interest	243	219	66	35	141	100	17	0	0	0	9th Year of 10
360 363.11 Principle on SPA	67,040	38,281	36,190	42,464	45,994	36,190	34,098	34,098	34,098	34,098	
360 363.21 Interest on SPA	13,717	11,846	9,138	7,310	10,503	5,483	5,166	3,444	3,444	3,444	
390 391.01 Transfers In	0	0	0	0	0	0	0	2,250	2,250	2,250	
Total Chestnut Blvd-South	81,000	50,346	45,394	49,809	56,637	58,333	39,281	60,842	60,842	60,842	

332 SPA Chestnut Blvd-Middle	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
Undesignated Fund Balance Applied	0	0	0	0	0	29,067	0	0	0	0	
360 361.00 Interest	80	187	45	13	81	50	3	0	0	0	8th Year of 10
360 363.11 Principle on SPA	94,218	32,380	32,380	32,380	47,840	32,380	34,804	31,570	31,570	31,570	
360 363.21 Interest on SPA	22,651	15,866	13,599	11,333	15,862	9,066	9,066	6,630	6,630	6,630	
390 391.01 Transfer In	0	0	0	0	0	0	0	32,500	32,500	32,500	
Total Chestnut Blvd-Middle	116,949	48,433	46,024	43,726	63,783	70,563	43,873	70,700	70,700	70,700	

334 SPA NE Lift/Express Ave											
Undesignated Fund Balance Applied	0	0	0	0	0	21,178	0	21,700	21,700	21,700	
360 361.00 Interest	74	6	36	65	45	50	40	0	0	0	7th Year of 10
360 363.11 Principle on SPA	6,250	6,250	50,875	73,747	34,281	3,809	3,809	3,808	3,808	3,808	
360 363.21 Interest on SPA	3,375	3,100	25,108	10,130	10,428	1,371	1,143	914	914	914	
Total NE Lift/Express/Ironwood	9,699	9,356	76,019	83,942	44,754	26,408	4,992	26,422	26,422	26,422	

336 TIF #2 CONFERENCE CENTER	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
310 311.01 Taxes - Receipts	64,237	64,477	63,369	65,853	64,484	63,000	36,901	70,000	70,000	70,000	10th year of 15
360 361.00 Interest	102	0	0	0	26	0	0	0	0	0	
Total #2 Tiff Conference Center	64,339	64,477	63,369	65,853	64,510	63,000	36,901	70,000	70,000	70,000	

338 SPA Country Club Heights											
Undesignated Fund Balance Applied	0	0	0	0	0	13,194	0	16,500	16,500	16,500	
360 361.00 Interest	46	37	25	44	38	25	25	0	0	0	6th Year of 10
360 363.11 Principle on SPA	35,535	24,037	77,288	22,978	39,960	16,429	20,798	14,246	14,246	14,246	
360 363.21 Interest on SPA	10,868	15,143	13,461	8,050	11,881	6,900	6,442	4,986	4,986	4,986	
Total Country Club Heights	46,449	39,217	90,774	31,072	51,878	36,548	27,265	35,732	35,732	35,732	

340 TIF #3 HEMLOCK BOULEVARD	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
310 311.01 Taxes - Receipts	0	0	0	28	7	105,000	0	105,000	105,000	105,000	1st Year
360 361.00 Interest	0	0	0	0	0	0	0	0	0	0	
Total #3 TIF HEMLOCK/CORSON	0	0	0	28	7	105,000	0	105,000	105,000	105,000	

505 SIOUX BLVD STREET IMPROVEMENTS										
390 391.02 Bond Proceeds	0	0	0	0	0	0	0	1,260,000	1,260,000	1,260,000
Totals Aspen Park Project	0	0	0	0	0	0	0	1,260,000	1,260,000	1,260,000

523 ASPEN BLVD STREET IMPROVEMENT	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015
360 369.00 Other	0	0	0	0	0	0	0	0	0	0
390 391.02 Bond Proceeds	0	0	0	0	0	0	0	1,850,000	1,850,000	1,850,000
Totals Ironwood Project	0	0	0	0	0	0	0	1,850,000	1,850,000	1,850,000

529 Heritage/Sandstone Connection										
360 369.00 Other	0	0	0	0	0	0	0	0	0	0
390 391.22 SPA Bond Proceeds	0	0	0	0	0	380,000	0	480,000	480,000	0
Totals Heritage/Sandstone Project	0	0	0	0	0	380,000	0	480,000	480,000	0

ENTERPRISE FUNDS

	602 WATER	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
360	361.00 Interest	5,261	4,598	2,430	1,701	3,498	2,000	519	1,000	1,000	1,000	
360	362.00 Rent on Water Tower	14,832	14,257	15,867	17,055	15,503	17,000	9,288	17,000	17,000	17,000	
360	363.06 Impact Fees	0	26,789	15,095	2,145	11,007	0	12,975	0	0	0	
360	366.00 Gain or Loss on Fixed Asset	0	0	0	-8,965	-2,241	0	0	0	0	0	
360	369.00 Other	2,477	3,552	154	50	1,558	0	3,505	0	0	0	
360	369.02 Gas Refund	0	424	507	598	382	500	598	500	500	500	
360	369.03 Prior Year Expenditures	177	0	0	0	44	0	0	0	0	0	
380	381.01 Metered Sales	915,702	1,333,980	1,606,779	1,540,743	1,349,301	1,463,730	621,611	1,485,000	1,485,000	1,485,000	3%
380	381.02 Water Salesman	1,258	1,098	965	1,372	1,173	1,000	283	1,000	1,000	1,000	
380	381.09 Water Meter - New Homes	8,587	11,522	13,530	23,551	14,298	10,000	13,017	15,000	15,000	15,000	
380	381.10 New Connection Fee	34,000	47,000	41,000	75,500	49,375	40,000	46,500	50,000	50,000	50,000	
380	381.992 Online Fee for pymt	0	491	629	744	466	600	444	700	700	700	
380	381.99 Corson & Valley Service	3,588	656	75	0	1,080	0	0	0	0	0	
390	391.02 Long-Term Debt -Bond	0	0	0	0	0	3,500,000	0	0	0	0	
390	391.03 Sale of Fixed Asset	0	0	0	0	0	0	448	0	0	0	
390	391.07 Cost Recoveries	110,830	0	0	0	27,708	0		0	0	0	
	Totals Water	1,096,712	1,444,367	1,697,031	1,654,494	1,473,151	5,034,830	709,188	1,570,200	1,570,200	1,570,200	

	603 ELECTRICAL	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015
360	361.00 Interest	0	0	0	0	0	0	0	0	0	0
360	362.00 Rent	0	0	0	0	0	0	0	0	0	0
360	369.00 Other	0	0	0	0	0	0	0	0	0	0
360	369.01 Insurance Reimbursements	0	0	0	0	0	0	0	0	0	0
360	369.02 Gas Refund	0	0	0	0	0	0	0	0	0	0
360	369.03 Prior Year Expenditures	0	0	0	0	0	0	0	0	0	0
380	382.01 Metered Sales	5,837	19,794	29,034	74,269	32,234	70,500	51,637	125,500	145,500	145,500
390	391.01 Operating Transfer In	0	20,804	4,298	9,304	8,602	0	0	0	0	0
390	391.03 Sale of Fixed Assets	0	0	0	0	0	0	0	0	0	0
	Totals Electrical	5,837	40,598	33,332	83,573	40,835	70,500	51,637	125,500	145,500	145,500

604 SEWER		Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
360	361.00 Interest	2,816	2,298	1,345	726	1,796	1,000	470	900	900	900	
360	363.06 Impact Fees	0	26,789	15,095	2,145	11,007	0	12,975	0	0	0	
360	369.00 Other	50,665	373	15	0	12,763	0	0	0	0	0	
360	369.02 Gas Refund	0	426	360	306	273	350	306	300	300	300	
360	369.03 Prior Year Expenditures	0	16	0	0	4	0	0	0	0	0	
380	381.992 Online Fee for pymt	0	434	629	744	452	600	444	700	700	700	
380	383.01 Sewer Charges	597,637	919,683	1,053,631	1,102,706	918,414	1,137,480	858,251	1,570,000	1,800,000	1,800,000	3%
380	383.09 Connection Fees	9,950	12,450	10,450	19,950	13,200	12,000	10,750	15,000	15,000	15,000	
360	363.01 SA Principle	1,001	0	0	0	250	1,001	1,001	1,001	1,001	1,001	Ironwood SA-7th Year of 10
360	363.02 SA Interest	270	240	210	180	225	300	150	240	240	240	
390	391.03 Sales of Fixed Assets	1,163	0	-871	0	73	0	0	0	0	0	
390	391.04 Insurance Reimb	0	0	0	0	0	0	3,355	0	0	0	
390	391.07 Cost Recovery	9,116	13,820	4,542	2,096	7,394	0	5,939	0	0	0	
Totals Sewer		672,618	976,529	1,085,406	1,128,853	965,852	1,152,731	893,641	1,588,141	1,818,141	1,818,141	

615	GOLF COURSE PRO SHOP	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
340	346.10 Punch Cards	32,104	24,903	27,131	22,453	26,648	30,000	12,001	30,000	30,000	30,000	
340	346.11 Season Pass	121,816	111,038	116,462	106,920	114,059	115,000	32,804	115,000	115,000	115,000	
340	346.12 Green Fees	241,287	232,132	267,129	230,528	242,769	255,000	64,597	255,000	255,000	255,000	
340	346.13 Merchandise & Access	52,584	52,995	61,124	63,901	57,651	53,000	17,355	53,000	53,000	53,000	
340	346.14 Range Balls	11,744	14,401	13,345	12,309	12,950	13,000	5,566	13,000	13,000	13,000	
340	346.15 Gas Carts	212,255	215,910	233,491	195,713	214,342	220,000	75,576	220,000	220,000	220,000	
340	346.16 Pull Carts	508	333	370	238	362	500	82	500	500	500	
340	346.165 Laser Gun Rental	715	453	402	252	456	400	98	400	400	400	
340	346.17 Club Rental	687	708	435	435	566	500	294	500	500	500	
340	346.18 Advertising Ads	1,050	1,200	1,275	1,344	1,217	1,000	0	1,000	1,000	1,000	
340	346.26 Over/Under	144	380	193	119	209	0	22	0	0	0	
360	361.00 Interest	0	10	84	1	24	0	0	0	0	0	
360	369.00 Other	1,331	1,340	993	3,529	1,798	0	887	0	0	0	
360	369.01 Other Capital Refunds	248	276	472	674	418	500	1,372	500	500	500	Alliance Refund
360	369.02 Gas Refund	0	339	458	339	284	450	339	300	300	300	
360	366.00 Gain or Loss on Fixed Asset	0	39	-21,078	0	-5,260	0	0	0	0	0	
390	391.01 Transfers In	976,790	103,221	20,784	48,087	287,221	0	0	0	0	0	
390	391.21 Loan Proceeds	0	0	0	0	0	0	0	0	0	0	
390	391.03 Sale of Fixed Assets	93	0	0	0	23	0	0	0	5,000	5,000	
	Totals Pro Shop	1,653,356	759,678	723,070	686,842	955,737	689,350	210,993	689,200	694,200	694,200	

615 LOUNGE		Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015
340	346.40 Prepared Food	47,272	53,697	51,971	42,303	48,811	80,000	11,876	80,000	80,000	80,000
340	346.401 Beer & Breezers	102,603	95,699	116,718	101,524	104,136	132,500	39,919	132,500	132,500	132,500
340	346.402 Liquor Sales	25,445	36,517	40,559	35,972	34,623	36,000	14,615	36,000	36,000	36,000
340	346.403 Wine & Wine Coolers	594	859	1,601	1,102	1,039	1,000	370	1,000	1,000	1,000
340	346.42 Candy & Snacks	4,504	5,272	5,847	6,411	5,509	6,000	2,156	6,000	6,000	6,000
340	346.43 Cigarettes	1,472	1,053	811	1,055	1,098	800	538	800	800	800
340	346.46 Catering	25,576	20,824	24,671	21,843	23,229	28,500	10,295	28,500	28,500	28,500
340	346.47 Pop/Other Drinks	26,305	26,629	28,110	22,896	25,985	35,000	8,601	35,000	35,000	35,000
340	346.485 Tip Clearance	5,396	7,082	10,155	10,188	8,205	6,500	4,085	6,500	8,000	8,000
340	346.49 Cash Over/Under	106	263	174	229	193	0	133	0	0	0
360	369.10 Other	0	0	0	0	0	0	0	0	0	0
	Totals Concessions	239,273	247,895	280,617	243,523	252,827	326,300	92,588	326,300	327,800	327,800

615 COMMUNITY ROOM		Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015
340	346.50 Room Rent	38,998	23,247	49,929	72,590	46,191	45,000	24,750	45,000	45,000	45,000
340	346.61 Table Service Rental	2,928	4,069	3,379	0	2,594	0	0	0	0	0
340	346.70 Pop/Beverages	2,003	3,502	5,597	3,866	3,742	3,300	2,368	3,300	3,300	3,300
340	346.71 Liquor Sales	20,651	24,492	23,889	27,822	24,214	31,500	12,098	31,500	31,500	31,500
340	346.712 Wine & Wine Coolers	5,297	2,396	3,970	6,309	4,493	3,500	2,008	3,500	3,500	3,500
340	346.720 Champagne	0	0	156	2,710	717	1,000	2,094	1,000	1,000	1,000
340	346.73 Beer Sales	28,793	20,095	14,815	25,498	22,300	25,000	12,994	25,000	25,000	25,000
340	346.74 Catering	106,915	81,571	75,576	90,271	88,583	92,000	45,248	92,000	92,000	92,000
340	346.78 Tip Clearance	13,110	8,162	9,255	20,450	12,744	11,500	10,283	11,500	11,500	11,500
340	346.79 Over/Under Deposit	114	-321	111	9	-22	0	44	0	0	0
	Totals Community Room	218,809	167,213	186,677	249,525	205,556	212,800	111,887	212,800	212,800	212,800
	Totals Golf Course	2,111,438	1,174,786	1,190,364	1,179,890	1,414,120	1,228,450	415,468	1,228,300	1,234,800	1,234,800

TOTALS FOR REVENUE

101 GENERAL FUND TOTALS	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	Reviewed % +/- from 2014 Budget
310 TAXES	3,634,692	3,876,553	4,304,094	4,607,781	4,105,780	4,118,399	2,332,080	4,345,212	4,370,212	4,398,712	6.81%
320 LICENSES AND PERMITS	79,539	92,394	74,537	106,705	88,294	77,035	62,568	79,400	84,400	84,400	9.56%
330 INTER GOVERNMENT REVENUE	277,953	237,267	212,991	271,298	249,877	234,265	194,914	266,379	266,379	281,379	20.11%
340 CHARGES GOOD & SERVICE	196,501	247,427	240,342	254,135	234,601	246,311	141,645	260,167	257,672	257,672	4.61%
345 HEALTH	612	100	0	75	197	100	100	100	100	100	0.00%
350 FINES & FORFEITS	14,807	6,954	7,869	8,009	9,410	6,500	3,167	6,500	6,500	6,500	0.00%
360 MISCELLANEOUS REVENUE	170,384	111,072	150,730	374,761	201,737	53,128	37,257	52,522	52,522	52,522	-1.14%
390 OTHER FINANCING SOURCES	7,412	4,553	64,259	130,971	51,799	266,807	9,564	266,807	266,807	266,807	0[illegible]
GENERAL FUND TOTALS	4,381,900	4,576,320	5,054,822	5,753,735	4,941,694	5,002,545	2,781,295	5,277,087	5,304,592	5,348,092	6.91%

SPECIAL FUND TOTALS	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
102 Revolving Loan Fund	52,130	5,805	3,930	3,935	16,450	9,395	10,088	24,035	24,035	24,035	155.83%
211 Third Cent Sales Tax	175,882	181,628	193,268	191,874	185,663	175,000	63,701	180,000	180,000	180,000	2.86%
220 Street Maintenance Fund	0	0	0	0	0	280,000	146,812	290,100	290,100	290,100	3.61%
213 BID #1 Conference Center	52,637	55,978	58,840	58,158	56,403	54,000	24,254	54,000	54,000	54,000	0.00%
326 TIF #1 Corson Development Park	44,367	66,065	88,425	101,538	75,099	0	53,886	0	0	0	#DIV/0!
328 Parks Street	39,223	179,772	40,070	40,066	74,783	40,070	33,636	32,255	32,255	32,255	-19.50%
330 Chestnut Blvd-South	81,000	50,346	45,394	49,809	56,637	58,333	39,281	60,842	60,842	60,842	4.30%
332 Chestnut Blvd-Middle	116,949	48,433	46,024	43,726	63,783	70,563	43,873	70,700	70,700	70,700	0.19%
334 NE Lift/Express Ave	9,699	9,356	76,019	83,942	44,754	26,408	4,992	26,422	26,422	26,422	0.05%
336 TIF #2 Conference Center	64,339	64,477	63,369	65,853	64,510	63,000	36,901	70,000	70,000	70,000	11.11%

	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
338 Country Club Heights	46,449	39,217	90,774	31,072	51,878	36,548	27,265	35,732	35,732	35,732	-2.23%
340 TIF #3 Hemlock Boulevard	0	0	0	28	7	105,000	0	105,000	105,000	105,000	0.00%
ENTERPRISE FUNDS											
602 Water Fund	1,096,712	1,444,367	1,697,031	1,654,494	1,473,151	5,034,830	709,188	1,570,200	1,570,200	1,570,200	-68.81%
603 Electrical Fund	5,837	40,598	33,332	83,573	40,835	70,500	51,637	125,500	145,500	145,500	106.38%
604 Sewer Fund	672,618	976,529	1,085,406	1,128,853	965,852	1,152,731	893,641	1,588,141	1,818,141	1,818,141	[illegible]%
615 Golf Course Fund	2,111,438	1,174,786	1,190,364	1,179,890	1,414,120	1,228,450	415,468	1,228,300	1,234,800	1,234,800	0.52%
Total Revenue (except 500 accounts)	4,569,280	4,337,357	4,712,246	4,716,811	4,583,924	8,404,828	2,554,623	5,461,227	5,717,727	5,717,727	-31.97%
505 Sioux Blvd St Project	0	0	0	0	0	0	0	1,260,000	1,260,000	1,260,000	
523 Aspen Blvd St Project	0	0	0	0	0	0	0	1,850,000	1,850,000	1,850,000	
529 Heritage/Sandstone Project	0	0	0	0	0	380,000	0	480,000	480,000	0	
Total Revenue with 500 accounts	4,569,280	4,337,357	4,712,246	4,716,811	4,583,924	8,784,828	2,554,623	9,051,227	9,307,727	8,827,727	0.49%

410 GENERAL GOVERNMENT - 101 GENERAL FUND EXPENDITURES

411.1 COUNCIL	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
411.00 Wages	27,615	27,248	27,000	27,184	27,262	28,500	14,059	29,000	29,000	29,000	
412.00 Social Security	2,113	2,084	2,065	2,080	2,086	2,180	1,076	2,219	2,219	2,219	0.0765
414.00 Workman's Comp	68	69	61	61	65	91	65	93	93	93	$.32 per 100
422.00 Professional Services	33,724	16,507	44,618	63,032	39,470	85,000	20,371	85,000	100,000	100,000	Engineering/Dr/Comm Ctr
426.00 Supplies	1,886	3,137	1,377	1,747	2,037	2,000	844	2,000	2,000	2,000	
427.00 Travel & Dues	0	445	626	395	367	600	90	600	600	600	
429.00 Other	624	117	346	639	432	0	448	700	700	700	
435.00 Equipment	0	0	0	0	0	5,000	0	5,000	5,000	5,000	
Total Council	66,030	49,607	76,093	95,138	71,717	123,371	36,953	124,611	139,611	139,612	

411.3 PUBLICATIONS										
423.00 Publications	7,287	6,042	7,437	7,093	6,965	10,000	5,510	10,000	10,000	10,000
Total Publications	7,287	6,042	7,437	7,093	6,965	10,000	5,510	10,000	10,000	10,000

411.5 CONTINGENCY										
510.00 Contingency	0	0	0	0	0	75,000	0	75,000	75,000	62,500
Total Contingency	0	0	0	0	0	75,000	0	75,000	75,000	62,500

410 LEGISLATIVE TOTALS	73,317	55,649	83,530	102,231	78,682	208,371	42,463	209,611	224,611	212,112

412.1 MAYOR	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
411.00 Wages	7,300	7,300	7,300	7,453	7,338	7,610	3,801	7,800	7,800	7,800	
412.00 Social Security	558	558	558	570	561	582	291	597	597	597	0.0765
414.00 Workmen Comp.	18	19	21	16	19	24	17	25	25	25	$.32 per 100
426.00 Supplies	262	50	0	0	78	400	0	400	400	400	
427.00 Travel & Dues	0	70	125	40	59	200	0	200	200	200	
Totals Mayor	8,138	7,997	8,004	8,079	8,055	8,816	4,109	9,022	9,022	9,022	

412.2 CITY ADMINISTRATOR	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
411.00 Wages	119,306	106,190	111,732	113,237	112,616	119,400	53,484	120,700	120,700	120,700	1 FTE +1PT
412.00 Social Security	8,215	7,297	7,900	8,357	7,942	9,134	4,350	9,234	9,234	9,234	0.0765
413.00 Retirement	6,305	5,234	5,539	5,753	5,708	7,164	2,974	7,242	7,242	7,242	0.06
413.01 Supplemental Retirement	31,476	0	0	0	7,869	0	0	0	0	0	
414.00 Workman's Comp	326	275	359	264	306	382	274	386	386	386	$.32 per 100
415.00 Health & Life Ins.	19,341	25,027	30,584	23,464	24,604	25,728	12,019	28,534	28,534	28,534	
416.00 Unemployment Ins.	508	220	216	169	278	280	117	300	300	300	1 x first $15,000 wages - 2
422.00 Professional Services	1,157	1,165	514	314	788	1,100	177	1,100	1,100	1,100	
422.10 HR Services Contract	25,525	25,883	26,594	27,219	26,305	28,050	13,950	29,500	29,500	29,500	
425.10 Hired Repairs	179	91	0	319	147	200	0	200	200	200	
426.00 Supplies	4,194	3,347	1,797	2,325	2,916	3,500	730	3,500	3,500	3,500	
426.10 Health/Safety Program	2,068	1,589	2,296	2,505	2,115	3,000	3,037	3,000	3,000	3,000	
426.50 Fuel	610	594	958	798	740	1,000	451	1,000	1,000	1,000	
427.00 Travel & Dues	7,383	1,379	1,888	2,152	3,201	2,500	1,118	2,500	2,500	2,500	
428.00 Utilities - Cell Phone	1,074	987	971	1,202	1,059	1,000	608	1,300	1,300	1,300	
434.00 Books	323	260	265	270	280	300	0	300	300	300	
435.00 Equipment	625	0	0	0	156	1,000	1,185	1,000	1,000	1,000	
Totals City Administrator	228,615	179,538	191,613	188,348	197,029	203,738	94,474	209,796	209,796	209,796	

412.3 PLANNING & ZONING BOARD											
411.00 Wages	3,240	3,330	2,460	3,540	3,143	4,320	2,100	4,320	4,320	4,320	24 meetings @ $30.00
412.00 Social Security	248	255	188	271	241	330	161	330	330	330	0.0765
414.00 Workman's Comp	11	11	9	14	11	14	11	14	14	14	$.32 per 100
426.00 Supplies	248	183	285	192	227	400	72	400	400	400	
Totals Planning & Zoning	3,747	3,779	2,942	4,017	3,621	5,064	2,344	5,064	5,064	5,064	

412.4 SAFETY COMMITTEE											
411.00 Wages	1,500	1,590	750	0	960	1,500	0	1,000	1,000	1,000	12 meetings @ $30
412.00 Social Security	115	122	57	0	74	115	0	77	77	77	0.0765
414.00 Workman's Comp	7	7	101	98	53	125	121	163	163	163	$6.25 per 100 + CERT Vol
426.00 Supplies	589	116	15	0	180	500	0	500	500	500	
Totals Safety Committee	2,211	1,835	923	98	1,267	2,240	121	1,739	1,740	1,740	

412.5 PARK COMMITTEE	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
411.00 Wages	0	0	1,260	1,530	698	2,000	810	2,000	2,000	2,000	
412.00 Social Security	0	0	96	117	53	153	62	153	153	153	0.0765
414.00 Workman's Comp	0	0	0	0	0	125	8	125	125	125	$6.25 per 100
426.00 Supplies	0	0	64	0	16	250	0	250	250	250	
Totals Park Committee	0	0	1,420	1,647	767	2,528	880	2,528	2,528	2,528	

412.6 TREE BOARD											
411.00 Wages	150	150	270	210	195	300	0	300	300	300	
412.00 Social Security	11	11	21	16	15	23	0	23	23	23	0.0765
414.00 Workman's Comp	2	2	2	0	2	1	0	1	1	1	$.32 per 100
425.10 Hired Repairs	6,045	0	0	0	1,511	250	0	250	250	250	
426.00 Supplies	0	0	0	210	53	2,500	0	2,500	2,500	2,500	Trees
427.00 Dues	0	0	0	0	0	0	0	0	0	0	
Totals Tree Board	6,208	163	293	436	1,775	3,074	0	3,074	3,074	3,074	
412 EXECUTIVE TOTALS	248,919	193,312	205,195	202,625	212,513	225,460	101,928	231,223	231,223	231,224	

413.0 ELECTIONS	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
411.00 Wages	504	504	0	1,040	512	600	536	1,800	1,800	1,800	Mayor & Ward II election
412.00 Social Security	0	0	0	0	0	46	0	138	138	138	0.0765
426.00 Supplies	190	78	60	381	177	250	167	1,500	1,500	1,500	
Totals Elections	694	582	60	1,421	689	896	703	3,438	3,438	3,438	
413 ELECTION TOTALS	694	582	60	1,421	689	896	703	3,438	3,438	3,438	

414.1 LEGAL										
422.00 Professional Services	34,451	30,690	33,408	36,644	33,798	40,000	27,887	40,000	40,000	40,000
427.00 Travel & Dues	0	0	0	0	0	0	0	0	0	0
Totals Legal	34,451	30,690	33,408	36,644	33,798	40,000	27,887	40,000	40,000	40,000

414.2 DEPUTY FINANCE OFFICER	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
411.00 Wages	66,518	69,636	73,238	78,973	72,091	91,000	37,346	87,503	87,503	87,503	2 FTE + 4% OT
412.00 Social Security	4,811	5,001	5,326	5,707	5,211	6,962	2,924	6,694	6,694	6,694	0.0765
413.00 Retirement	3,991	4,178	4,394	4,738	4,325	5,460	2,423	5,250	5,250	5,250	0.06
414.00 Workman's Comp	161	176	159	169	166	291	184	280	280	280	$.32 per 100
415.00 Health & Life Ins.	25,638	29,560	30,059	28,361	28,405	30,680	14,971	42,794	42,794	42,794	
416.00 Unemployment Ins.	400	220	216	169	251	280	141	300	300	300	.01 x first 15,000 wages - 2
422.00 Professional Services	3,256	3,245	3,206	4,178	3,471	4,000	2,297	4,000	4,000	4,000	
425.00 Repairs	0	0	0	0	0	200	0	200	200	200	
426.00 Supplies	2,809	2,586	2,301	2,123	2,455	3,000	1,285	3,000	3,000	3,000	
427.00 Travel & Dues	496	130	741	416	446	750	200	750	750	750	
434.10 Incode Maintenance	5,379	5,497	5,848	4,806	5,383	6,118	7,083	7,500	7,500	7,500	60%
435.00 Equipment	0	797	13,133	1,200	3,783	1,000	168	1,000	1,000	1,000	
Totals Deputy Finance Officer	113,459	121,026	138,621	130,840	125,987	149,741	69,022	159,271	159,271	159,271	

414.6 INSURANCE										
421.00 Insurance	6,867	7,431	8,127	5,848	7,068	9,086	7,738	10,133	10,133	10,133
Totals Insurance	6,867	7,431	8,127	5,848	7,068	9,086	7,738	10,133	10,133	10,133

414.7 AUDIT											
422.00 Professional Services	44,465	78,290	34,905	34,695	48,089	35,000	2,025	35,000	35,000	35,000	CPA & Auditor
Totals Audit	44,465	78,290	34,905	34,695	48,089	35,000	2,025	35,000	35,000	35,000	

414 FINANCIAL ADMIN. TOTAL	199,242	237,437	215,061	208,027	214,942	233,827	106,672	244,404	244,404	244,404

419.2 GENERAL GOVT. BUILDINGS	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
411.00 Wages	3,930	907	0	0	1,209	0	0	0	0	0	
412.00 Social Security	0	69	0	0	17	0	0	0	0	0	0.0765
414.00 Workman's Comp	110	0	0	138	62	0	186	0	0	0	$3.50 per 100
416.00 Unemployment Ins.	3	0	0	0	1	0	0	0	0	0	.01x first 15,000 wages - 1
422.00 Professional Services	150	16,033	15,602	4,680	9,116	5,000	1,890	5,000	5,000	5,000	
424.00 Rentals	156	156	156	164	158	500	172	500	500	500	
425.00 Repairs	361	286	61	2,633	835	3,000	0	3,000	3,000	3,000	
425.10 Hired Repairs	5,253	4,556	3,921	4,824	4,639	6,000	0	10,000	10,000	10,000	Paint CC/City Hall
426.00 Supplies	6,534	6,652	8,263	6,392	6,960	7,500	4,582	7,500	7,500	7,500	
428.00 Utilities	31,093	30,682	28,266	33,231	30,818	36,000	18,899	38,000	38,000	38,000	
432.10 Buildings	5,160	0	0	0	1,290	0	0	0	0	0	
433.00 Improvements	0	0	3,060	11,186	3,562	5,000	0	5,000	5,000	5,000	
435.00 Equipment	0	130	0	9,895	2,506	9,000	0	4,500	4,500	4,500	
449.00 Agent Fee	103	0	5	49	39	125	54	125	125	125	
Totals General Gov't Building	52,853	59,471	59,334	73,192	61,213	72,125	25,783	73,625	73,625	73,625	
419 TOTAL GO'T BUILDINGS	52,853	59,471	59,334	73,192	61,213	72,125	25,783	73,625	73,625	73,625	
410 GENERAL GOVERNMENT TOTALS	575,025	546,451	563,180	587,496	568,038	740,679	277,549	762,301	777,302	764,803	

420 PUBLIC SAFETY - 101 GENERAL FUND EXPENDITURES

421.1 POLICE ADMINISTRATION	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
411.00 Wages	565,072	583,140	616,693	632,296	599,300	684,500	301,750	736,325	736,325	736,325	13 FTE
412.00 Social Security	42,301	43,776	45,382	46,515	44,494	52,364	24,219	56,329	56,329	56,329	0.0765
413.00 Retirement	44,543	44,893	48,626	49,853	46,979	54,760	25,754	58,906	58,906	58,906	0.08
414.00 Workman's Comp	11,261	12,481	10,597	10,948	11,322	17,113	11,454	18,408	18,408	18,408	$2.50 per 100
415.00 Health & Life Ins.	136,142	161,826	164,408	156,543	154,730	186,285	85,059	205,771	205,771	205,771	
416.00 Unemployment Ins.	2,458	1,686	1,299	1,014	1,614	1,820	992	1,950	1,950	1,950	.01 x $15,000 wages - 13
421.00 Insurance	11,200	11,626	13,150	11,600	11,894	12,169	12,169	13,039	13,039	13,039	
422.00 Professional Services	2,317	2,914	1,524	3,532	2,572	3,000	1,674	4,000	4,000	4,000	
423.00 Publications	0	671	50	50	193	700	243	700	700	700	
425.10 Hired Repairs	180	553	425	920	520	500	0	500	500	500	
426.00 Supplies	9,345	7,661	4,989	8,663	7,665	9,500	3,128	9,500	9,500	9,500	
426.10 Uniform Related Items	4,823	6,348	4,165	4,494	4,958	6,000	1,709	7,000	7,000	7,000	
427.00 Travel & Dues	1,073	894	3,912	1,958	1,959	3,000	1,073	3,000	3,000	3,000	
429.00 Training Expenses	1,582	3,390	3,306	2,975	2,813	6,000	912	6,000	6,000	6,000	
434.00 Books	0	0	0	0	0	0	0	0	0	0	
435.00 Equipment	15,453	6,294	7,357	6,923	9,007	6,000	900	6,000	6,000	6,000	
436.00 Vehicles	28,128	23,669	0	31,500	20,824	56,000	55,972	29,000	29,000	29,000	
436.10 New Equipment for Vehicle	0	0	0	0	0	9,000	9,612	5,000	5,000	5,000	
436.20 Switch over to new Vehicle	0	0	0	0	0	6,000	6,386	3,500	3,500	3,500	
Totals Police Administration	875,878	911,822	925,883	969,784	920,842	1,114,711	543,006	1,164,928	1,164,928	1,164,928	

421.5 COMMUNICATIONS	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015
425.00 Repairs	372	929	957	961	805	1,000	0	1,000	1,000	1,000
425.10 Hired Repairs	1,445	1,870	999	1,299	1,403	1,000	302	1,000	1,000	1,000
426.00 Supplies	1,634	1,547	1,951	1,461	1,648	2,000	417	2,000	2,000	2,000
428.00 Utilities - Alliance	3,544	3,505	3,581	3,134	3,441	3,800	1,222	3,800	3,800	3,800
428.10 Utilities - Minn County IT	1,109	3,350	2,358	2,175	2,248	3,000	1,728	4,000	4,000	4,000
428.20 Utilities - Sprint	2,232	2,291	2,464	2,560	2,387	2,500	1,107	0	0	0
428.30 Utilities - Verizon	3,446	3,623	3,110	3,054	3,308	3,100	1,273	5,700	5,700	5,700
429.00 Metro Users Fee	0	54,000	46,670	28,057	32,182	40,000	13,483	40,000	40,000	40,000
435.00 Equipment	2,935	1,230	20,570	48,470	18,301	12,000	11,672	15,000	15,000	15,000
435.10 Equipment	0	0	0	0	0	25,613	26,497	0	0	0
Totals Communications	16,717	72,345	82,660	91,171	65,723	94,013	57,701	72,500	72,500	72,500

421.6 AUTO SERVICE	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015
422.00 Professional Services	703	165	2,040	3,116	1,506	2,500	118	1,000	1,000	1,000
425.10 Hired Repairs	3,506	2,622	6,386	5,213	4,432	5,000	2,466	5,000	5,000	5,000
426.00 Supplies	9,798	8,103	9,696	9,100	9,174	10,000	3,959	10,000	10,000	10,000
426.50 Fuel	25,655	28,967	31,360	29,823	28,951	35,000	13,080	35,000	35,000	35,000
435.00 Equipment	3,014	753	1,995	4,860	2,656	2,000	135	2,000	2,000	2,000
Totals Auto Service	42,676	40,610	51,477	52,112	46,719	54,500	19,758	53,000	53,000	53,000

POLICE SUBTOTALS	935,271	1,024,777	1,060,020	1,113,067	1,033,284	1,263,224	620,465	1,290,428	1,290,428	1,290,428

422.9 FIRE DEPARTMENT	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
421.00 Insurance	1,600	1,453	1,394	1,815	1,566	2,028	1,851	2,173	2,173	2,173	Building Insurance
422.00 Professional Services	63,992	65,534	68,988	72,665	67,795	75,979	0	80,507	80,507	80,507	As proposed
422.10 Additional Request	75,000	38,500	85,870	90,450	72,455	94,575	0	100,212	100,212	100,212	Additional Funding
426.00 Ambulance/Supplies	6,798	928	5,125	0	3,213	1,500	0	1,000	1,000	1,000	
426.10 Siren Supplies	0	0	965	201	292	35,000	15,217	20,000	20,000	20,000	Siren Changeover
433.00 Improvements	0	1,465	3,842	0	1,327	0	0	0	0	0	
435.00 Equipment	0	0	0	0	0	0	0	0	0	0	
Totals Fire Department	147,390	107,880	166,184	165,131	146,646	209,082	17,068	203,892	203,892	203,892	

423.2 BUILDING INSPECTIONS	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
411.00 Wages	91,082	95,210	100,328	105,131	97,938	114,600	29,824	105,870	105,870	105,870	2 FTE + 4% OT
412.00 Social Security	6,680	6,917	7,287	7,671	7,139	8,767	2,501	8,099	8,099	8,099	0.0765
413.00 Retirement	5,465	5,713	6,020	6,308	5,877	6,876	2,032	6,352	6,352	6,352	0.06
413.01 Supplemental Retirement	0	0	0	0	0	0	16,285	0	0	0	
414.00 Workman's Comp	1,260	1,357	1,124	1,184	1,231	2,579	1,207	2,382	2,382	2,382	$2.25 per 100
415.00 Health & Life Ins.	15,825	18,271	21,097	19,198	18,598	22,820	2,848	15,493	15,493	8,600	
416.00 Unemployment Ins.	400	220	216	169	251	420	98	450	450	450	.01 x first 15,000 wages - 3
422.00 Professional Services	523	652	794	402	593	700	5,665	800	800	800	
422.20 Credit Card Fees-Bldg PM	619	564	603	635	605	600	216	600	600	600	
423.00 Publications and Advert.	0	0	0	0	0	100	0	0	0	0	
424.00 Rentals	0	800	400	400	400	400	0	400	400	400	GPS Maintenance
425.10 Repairs Hired	0	0	1,310	0	328	100	0	0	0	0	
426.00 Supplies	4,599	3,941	3,582	3,420	3,886	4,500	1,724	4,000	4,000	4,000	
426.50 Fuel	1,843	2,969	3,002	2,767	2,645	3,000	317	3,000	3,000	3,000	
427.00 Travel & Dues	1,075	887	1,092	1,220	1,069	1,000	215	2,000	2,000	2,000	
428.00 Utilities - Phone	1,553	1,606	1,773	2,016	1,737	1,700	1,021	2,000	2,000	2,000	
429.00 Other	750	2,365	0	780	974	2,000	0	1,000	1,000	1,000	Mowing to be charged out.
434.10 Incode Maintenance	0	0	0	0	0	825	0	866	866	866	
435.00 Equipment	0	1,657	0	0	414	8,300	1,508	25,100	26,200	26,200	CE Software, Vehicle(18500)
Totals Building Inspections	131,674	143,129	148,628	151,301	143,683	179,287	65,461	178,412	179,512	172,619	

429.1 TRAFFIC ENGINEERING	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
411.00 Wages	0	0	0	0	0	0	0	0	0	0	City Engineer
412.00 Social Security	0	0	0	0	0	0	0	0	0	0	0.0765
413.00 Retirement	0	0	0	0	0	0	0	0	0	0	0.06
414.00 Workman's Comp	0	0	0	0	0	0	0	0	0	0	2.50 per 100
415.00 Health & Life Ins	0	0	0	0	0	0	0	0	0	0	
416.00 Unemployment Ins	0	0	0	0	0	0	0	0	0	0	.01 x first 15,000
425.10 Hired Repairs	0	231	99	0	83	2,000	750	2,500	2,500	2,500	
426.00 Supplies	5,889	8,366	10,195	14,460	9,728	15,000	9,653	15,000	15,000	15,000	Sign Changeover
426.10 Traffic Lights	219	55	5,165	5,425	2,716	5,000	897	5,000	5,000	5,000	
435.00 Equipment	0	0	0	0	0	5,000	0	5,000	5,000	5,000	
Totals Traffic Engineering	6,108	8,652	15,459	19,885	12,526	27,000	11,300	27,500	27,500	27,500	
420 Public Safety Totals	1,220,443	1,284,438	1,390,291	1,449,384	1,336,139	1,678,593	714,294	1,700,232	1,701,332	1,694,439	

430 PUBLIC WORKS - 101 GENERAL FUND	Actual	Actual	Actual	Actual	4 Year	Budget	Actual	Requested	Reviewed	Adopted	
431.1 HIGHWAY AND STREET ADMIN	2010	2011	2012	2013	Average	2014	1/2 2014	2015	2015	2015	
411.00 Wages	216,923	209,935	172,337	184,495	195,923	181,000	85,128	191,185	191,185	191,185	4 FTE+8%OT+Raises
412.00 Social Security	15,769	15,519	12,732	13,633	14,413	13,847	6,783	14,626	14,626	14,626	0.0765
413.00 Retirement	13,015	12,596	10,349	11,070	11,758	10,860	5,510	11,471	11,471	11,471	0.06
414.00 Workman's Comp	8,716	8,979	7,679	6,082	7,864	8,598	6,154	9,081	9,081	9,081	$4.75 per 100
415.00 Health & Life Ins.	57,002	76,670	57,872	54,365	61,477	60,000	27,295	72,856	72,856	72,856	
416.00 Unemployment Ins.	1,000	550	540	338	607	840	325	900	900	900	.01 x $15,000 wages
421.00 Insurance	7,000	7,267	6,969	8,506	7,436	8,924	8,924	9,562	9,562	9,562	
422.00 Professional Services	3,050	285	1,015	2,531	1,720	3,000	2,483	3,000	3,000	3,000	
423.00 Publishing	0	0	0	0	0	250	0	250	250	250	
424.00 Rentals	134	120	70	0	81	1,500	0	1,500	1,500	1,500	
425.00 Repairs	157	396	332	1,418	576	2,000	247	2,000	2,000	2,000	
425.10 Hired Repairs	190	508	612	1,208	630	2,500	533	2,500	2,500	2,500	
426.00 Supplies	18,831	16,455	6,356	7,686	12,332	15,000	3,516	15,000	15,000	15,000	
426.10 Safety Supplies	0	0	560	1,690	563	2,500	290	2,500	2,500	2,500	
426.20 Clothing Supplies	0	0	3,301	1,561	1,216	3,000	504	3,000	3,000	3,000	
426.50 Fuel	7,266	14,466	14,995	19,912	14,160	17,500	9,325	17,500	17,500	17,500	
427.00 Travel & Dues	311	706	312	74	351	750	35	750	750	750	
435.00 Equipment	65,695	0	64,900	26,005	39,150	0	0	190,000	190,000	190,000	Bucket Truck/dump truck
Totals Highway & Street Admin.	415,059	364,452	360,931	340,574	370,254	332,069	157,052	547,681	547,681	547,681	

431.2 PAVED STREETS	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
424.00 Rentals	0	0	0	0	0	5,000	0	5,000	5,000	5,000	
425.00 Repairs	1,518	8,450	4,875	5,085	4,982	5,000	1,786	25,000	25,000	25,000	Repairs to Holly & Redwood
425.10 Hired Labor	10,945	158	13,256	3,026	6,846	2,500	0	7,500	7,500	7,500	Paint Striping
426.00 Supplies	51,781	67,016	67,562	50,719	59,270	70,000	17,887	70,000	70,000	70,000	
426.50 Fuel	3,699	0	0	0	925	0	23	0	0	0	
433.00 Imp Other than Bldg	102,701	100,081	494	145,189	87,116	25,000	0	0	0	0	
433.10 Imp Other than Bldg	0	0	0	102,210	25,553	15,000	0	15,000	15,000	15,000	Sidewalk Repairs
435.00 Equipment	0	3,668	11,226	0	3,724	5,000	0	0	0	0	
Totals Paved Streets	170,644	179,373	97,413	306,229	188,415	127,500	19,696	122,500	122,500	122,500	

431.3 SNOW REMOVAL	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
425.10 Hired Repairs	19,413	6,527	3,027	11,634	10,150	16,000	7,075	16,000	16,000	16,000	Contract Snow Removal
426.00 Supplies	63,762	48,170	33,843	64,460	52,559	45,000	35,438	40,000	40,000	40,000	Liquid/Cutting Edges
426.50 Fuel	10,789	8,808	5,520	9,097	8,554	12,000	3,892	12,000	12,000	12,000	
435.00 Equipment	1,999	112	0	242	588	20,000	63	20,000	20,000	20,000	Blade Lease
Totals Snow Removal	95,963	63,617	42,390	85,433	71,851	93,000	46,468	88,000	88,000	88,000	

431.5 STORM DRAINAGE											
422.00 Professional Services	22,930	9,000	0	0	7,983	5,000	0	5,000	5,000	5,000	
425.10 Hired Repairs	44,949	24,721	57,046	36,436	40,788	30,000	0	30,000	30,000	30,000	C&G/Valley
426.00 Supplies	806	1,600	1,443	2,078	1,482	2,500	0	2,500	2,500	2,500	
433.00 Improv Other Than Bldgs	146,285	0	7,709	0	38,499	5,000	45,225	25,000	5,000	5,000	
Totals Storm Drainage	214,970	35,321	66,198	38,514	88,751	42,500	45,225	62,500	42,500	42,500	

431.6 STREET LIGHTING	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
425.00 Repairs	2,126	620	1,329	237	1,078	2,500	0	2,500	0	0	MOVED TO 603 FUND
426.00 Supplies	1,964	2,087	1,659	2,054	1,941	3,000	0	3,000	0	0	
428.00 Utilities	25,311	27,313	32,522	36,565	30,428	32,000	12,451	35,000	0	0	
433.00 Improv Other Than Bldgs	68,935	0	0	0	17,234	0	0	0	0	0	
Totals Street Lighting	98,336	30,020	35,510	38,856	50,681	37,500	12,451	40,500	0	0	

432.6 WEED CONTROL	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015
425.00 Repairs	0	0	0	0	0	500	0	500	500	500
426.00 Supplies	3,916	4,697	76	1,149	2,460	5,000	4,459	5,000	5,000	5,000
426.50 Fuel	45	0	0	0	11	150	0	150	150	150
427.00 Travel & Dues	0	120	357	200	169	200	100	200	200	200
435.00 Equipment	105	0	0	0	26	500	0	500	500	500
Totals Weed Control	4,066	4,817	433	1,349	2,666	6,350	4,559	6,350	6,350	6,350

439.1 TRANSIT	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
421.00 Bus Barn Insurance	0	612	613	690	0	759	703	715	715	715	
425.00 Repairs/Maintenance	0	3,115	3,428	4,280	2,706	3,700	2,697	5,700	5,700	5,700	
426.00 Supplies	4,443	1,283	746	734	1,802	600	421	625	625	625	
426.50 Fuel	7,864	11,110	9,804	8,999	9,444	13,883	4,439	12,410	12,410	12,410	
428.00 Utilities	9,454	8,410	7,121	11,212	9,049	9,514	5,635	13,587	13,587	13,587	
429.00 Interlakes Comm Action	112,914	113,886	109,619	137,045	118,366	126,951	55,117	145,332	145,332	145,332	Transit Bus Contract
432.00 Building/Structure	29,984	0	0	0	7,496	0	0	0	0	0	
Totals Transit	164,659	138,416	131,331	162,960	148,863	155,407	69,012	178,369	178,369	178,369	

430 PUBLIC WORKS TOTALS	1,163,697	816,016	734,206	973,915	921,480	794,326	354,463	1,045,900	985,400	985,400

440 HEALTH & WELFARE - 101 GENERAL FUND EXPENDITURES

441.2 ANIMAL CONTROL	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015
422.00 Professional Services	3,544	2,761	3,756	3,553	3,404	4,500	87	4,000	4,000	4,000
426.00 Supplies	223	169	175	175	186	150	0	150	150	150
Totals Animal Control	3,767	2,930	3,931	3,728	3,589	4,650	87	4,150	4,150	4,150

441.3 WEST NILE	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015
426.00 Supplies	4,604	951	81	35	1,418	5,000	1,467	5,000	5,000	5,000
435.00 Equipment	0	0	0	334	84	250	0	250	250	250
Totals West Nile	4,604	951	81	369	1,501	5,250	1,467	5,250	5,250	5,250
440 HEALTH & WELFARE TOTALS	8,371	3,881	4,012	4,097	5,090	9,900	1,554	9,400	9,400	9,400

450 CULTURE & RECREATION - 101 GENERAL FUND EXPENDITURES

451.0 SENIOR CITIZENS	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
424.00 Rentals	6,000	6,000	6,000	6,000	6,000	6,000	3,000	6,000	6,000	6,000	Sr Citizen payment to VFW.
Totals Senior Citizens	6,000	6,000	6,000	6,000	6,000	6,000	3,000	6,000	6,000	6,000	

451.2 RECREATION CENTER	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
411.00 Wages	11,190	11,512	11,431	11,330	11,366	11,500	3,235	11,500	11,500	11,500	Director & Staff
412.00 Social Security	856	881	874	867	870	880	247	880	880	880	0.0765
414.00 Workman's Comp	118	124	91	90	106	193	94	193	193	193	$1.68 per 100
416.00 Unemployment Ins.	162	115	103	74	114	420	0	450	450	450	.01 x first $15,000 wages
422.00 Professional Services	200	250	300	250	250	300	0	300	300	300	
423.00 Publications/Adverting	820	820	839	888	842	900	925	950	950	950	
424.00 Trip Entry Fees	479	1,270	1,382	798	982	1,000	0	1,000	1,000	1,000	
426.00 Supplies	614	689	389	653	586	1,000	67	1,000	1,000	1,000	
427.00 Travel & Dues	152	37	37	37	66	125	48	125	125	125	
428.00 Utilities - Phone	166	181	136	69	138	175	0	175	175	175	
435.00 Equipment	0	0	588	0	147	500	129	500	500	500	
452.00 Re-sale	750	620	680	726	694	750	248	750	750	750	
Totals Recreation Center	15,507	16,499	16,850	15,782	16,160	17,743	4,993	17,823	17,823	17,823	

	2010	2011	2012	2013	4-Year Avg	2014 Budget	1/2 2014	2015 Request	2015 Review	2015 Adopt
Loss History	-13,673	-13,570	-13,977	-13,564	-13,696	-15,943	-4,198	-16,023	-16,023	-16,023

451.4 SWIMMING POOL	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
411.00 Wages	88,628	98,728	93,858	79,093	90,077	95,000	16,395	95,000	95,000	95,000	Pool Staff
412.00 Social Security	6,780	7,553	7,180	6,051	6,891	7,268	1,254	7,268	7,268	7,268	0.0765
414.00 Workman's Comp	2,483	2,676	2,057	2,098	2,329	3,325	2,176	3,325	3,325	3,325	$3.50 per 100
416.00 Unemployment Ins.	1,185	979	842	500	877	2,100	0	2,250	2,250	2,250	.01 x first 15,000 wages
421.00 3% Insurance	2,100	2,180	2,091	2,320	2,173	2,434	2,434	2,608	2,608	2,608	
422.00 Professional Services	10,151	1,008	814	3,344	3,829	3,000	575	3,000	3,000	3,000	
423.00 Publications	0	0	0	0	0	300	0	300	300	300	
424.00 Rentals	0	0	0	0	0	100	0	100	100	100	
425.00 Repairs	6,735	3,528	9,115	5,310	6,172	7,500	0	5,000	5,000	5,000	
425.10 Hired Repairs	2,996	2,922	1,980	2,856	2,689	5,000	24,782	5,000	5,000	5,000	
426.00 Supplies	6,836	4,940	9,676	5,818	6,818	15,000	3,462	10,000	10,000	10,000	
426.40 Chemicals	1,489	3,867	3,429	2,141	2,732	5,000	1,233	5,000	5,000	5,000	
427.00 Travel & Dues	142	37	37	553	192	650	343	650	650	650	
428.00 Utilities	7,471	8,796	9,375	9,681	8,831	10,000	947	11,000	11,000	11,000	
429.00 Other	3	3	0	6	3	0	0	0	0	0	
435.00 Equipment	1,868	0	4,725	6,952	3,386	7,500	0	5,000	5,000	5,000	Pool Vac
452.00 Re-sale	5,611	5,883	6,984	5,685	6,041	6,500	1,496	6,500	6,500	6,500	
Totals Swimming Pool	144,478	143,100	152,163	132,408	143,037	170,677	55,097	162,001	162,001	162,001	

	2010	2011	2012	2013	4-Year Avg	2014 Budget	1/2 2014	2015 Request	2015 Review	2015 Adopt
Loss History	-99,971	-96,155	-92,194	-80,744	-92,266	-121,177	-15,658	-112,501	-112,501	-112,501

452.2 PARKS DEPARTMENT	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
411.00 Full Time Wages	70,184	73,676	76,681	79,696	75,059	85,600	40,823	116,720	116,720	116,720	3FTE+4%OT
411.00 Part Time Wages	67,052	57,887	55,452	52,596	58,247	70,200	22,696	62,469	62,469	62,469	PT Staff
412.00 Social Security	9,994	9,560	9,604	9,616	9,694	11,919	4,888	13,708	13,708	13,708	0.0765
413.00 Retirement	4,211	4,421	4,635	4,801	4,517	5,136	2,530	7,003	7,003	7,003	0.06
414.00 Workman's Comp	3,292	3,548	1,053	1,058	2,238	3,895	2,553	4,480	4,480	4,480	$2.50 per 100
415.00 Health & Life Ins.	21,467	24,705	23,981	26,542	24,174	25,820	13,934	36,890	36,890	36,890	
416.00 Unemployment Ins.	1,419	816	716	506	864	1,400	176	1,500	1,500	1,500	.01 x $15,000 wages
421.00 Insurance	4,200	4,360	4,181	10,826	5,892	11,358	11,358	12,169	12,169	12,169	
422.00 Professional Services	2,987	1,056	2,449	2,654	2,287	3,000	3,911	3,000	3,000	3,000	
424.00 Rentals	3,817	4,364	7,239	2,956	4,594	7,500	1,312	7,500	7,500	7,500	
425.00 Repairs	13,670	5,041	2,850	754	5,579	4,000	961	4,000	4,000	4,000	
425.10 Hired Repairs	7,954	5,205	15,905	3,498	8,141	10,000	155	10,000	10,000	10,000	
426.00 Supplies	45,231	29,763	42,690	20,117	34,450	30,000	8,916	27,000	27,000	27,000	
426.10 Safety Supplies	0	0	897	319	304	500	0	3,000	3,000	3,000	Arrow Board
426.20 Clothing Supplies	0	0	0	714	179	2,500	262	2,500	2,500	2,500	
426.30 Supplies - Aspen Ball Fields	0	0	0	8,229	2,057	15,000	4,429	15,000	15,000	15,000	
426.32 Supplies - Flag Football	0	0	0	0	0	500	0	500	500	500	
426.34 Supplies - Hockey	0	0	0	2,512	628	17,000	15,279	3,000	3,000	3,000	
426.36 Supplies - RC Track	0	0	0	0	0	200	0	200	200	200	
426.38 Supplies - Soccer Field	0	0	0	6,370	1,593	3,000	17,812	3,000	3,000	3,000	
426.40 Supplies - Tennis Courts	0	0	0	1,677	419	0	0	0	0	0	
426.50 Fuel	11,664	13,170	10,247	12,088	11,792	13,000	6,662	14,000	14,000	14,000	
427.00 Travel & Dues	517	320	185	70	273	500	70	500	500	500	
428.00 Utilities	18,354	18,050	17,213	20,659	18,569	21,000	16,069	22,500	22,500	22,500	
431.00 Land	291,901	0	50,000	0	85,475	0	0	50,000	50,000	50,000	Stone Ridge Park
432.00 Building & Structure	69,645	24,190	16,985	238,151	87,243	103,000	0	60,000	50,000	50,000	VanBuskirk Shelter
433.00 Improvements	14,465	53,282	37,180	9,732	28,665	105,000	0	22,000	22,000	22,000	List #2
435.00 Equipment	3,520	16,488	23,353	28,391	17,938	25,500	24,290	177,450	60,000	60,000	List #3
439.00 Other Capital Outlay	1,577	134,824	7,886	6,095	37,596	0	0	100,000	100,000	100,000	Trails
439.10 Other Capital Outlay	25,395	19,165	7,169	0	12,932	0	0	20,000	20,000	20,000	Shade Structure at Aspen
Totals Park Department	692,516	503,891	418,551	550,627	541,396	576,528	199,086	800,089	672,639	672,639	

List #2 - Improvements	
Scoreboard	7,000
Misc	15,000

List #3 - Equipment	
Pickup/water trailer	30,000
Kubota RTV1100	25,000
Small Items	5,000

452.4 FORESTRY & NURSERY	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
422.00 Professional Services	0	5,795	2,813	567	2,294	8,000	0	8,000	8,000	8,000	Tree Trimming
425.00 Repairs - Storm Damage	0	0	0	7,805	1,951	0	12,260	0	0	0	
426.00 Supplies	528	23	43	15	152	500	0	500	500	500	
Totals Forestry & Nursery	528	5,818	2,856	8,387	4,397	8,500	12,260	8,500	8,500	8,500	
455.1 LIBRARIES											
426.00 Supplies	7	0	0	0	2	10,000	100	10,000	10,000	10,000	Repairs on Building
Totals Libraries	7	0	0	0	2	10,000	100	10,000	10,000	10,000	
450 CULTURE AND RECREATION TOTALS	859,036	675,308	596,420	713,204	710,992	789,448	274,536	1,004,412	876,963	876,963	

460 COMMUNITY PROMOTION - 101 GENERAL FUND EXPENDITURES

465.3 Promoting the City	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
411.00 Wages	48,490	66,493	56,127	47,624	54,684	51,350	23,040	56,500	56,500	56,500	1 Chamber Employee
412.00 Social Security	3,123	4,582	3,636	3,077	3,605	3,928	1,626	4,322	4,322	4,322	0.0765
413.00 Retirement	2,909	3,989	3,316	2,861	3,269	3,081	1,498	3,390	3,390	3,390	0.06
414.00 Workman's Comp	113	114	148	99	119	164	105	181	181	181	$.32 per 100
415.00 Health & Life Ins.	9,030	16,362	15,590	11,041	13,006	18,914	5,865	21,397	21,397	21,397	
416.00 Unemployment Ins.	200	220	216	84	180	140	87	150	150	150	.01 x $15000 wages
426.00 Supplies	1,459	2,416	14,670	6,456	6,250	1,500	1,552	2,000	2,000	2,000	
426.10 Supplies - Flower Baskets	0	0	0	1,287	322	1,500	20	2,000	2,000	2,000	
426.20 Supplies-Automania	0	0	0	6,043	1,511	2,500	0	5,000	10,000	10,000	Barricades/Supplies
428.00 Utilities	1,439	1,636	1,783	1,806	1,666	2,000	578	2,000	2,000	2,000	Welcome Signs
433.00 Improvement not buildings	34,586	0	0	0	8,647	0	0	0	0	0	
429.10 Community Promotion	3,261	3,756	220,000	0	56,754	250,000	0	250,000	250,000	250,000	Marmen
Total Promoting the City	104,610	99,568	315,486	80,378	150,011	335,077	34,371	346,940	351,940	351,940	
460 COMMUNITY PROMOTIONS TOTALS	104,610	99,568	315,486	80,378	150,011	335,077	34,371	346,940	351,940	351,940	

470 DEBT RETIREMENT (SALES TAX) FUND			Actual	Actual	Actual	Actual	4 Year	Budget	Actual	Requested	Reviewed	Adopted	
	470 Debt Retirement Fund		2010	2011	2012	2013	Average	2014	1/2 2014	2015	2015	2015	
4700	441.00	Vehicle Loans-Principle	58301	61,699	0	0	30,000	0	0	0	0	0	
4700	442.00	Vehicle Loans-Interest	6996	3,639	0	0	2,659	0	0	0	0	0	
47--	441.00	Finished SPA Loans-P	62,082	40,835	40,594	0	35,878	0	0	0	0	0	N Sioux,Redwood,S Sioux
47--	442.00	Finished SPA Loans-I	7,387	4,071	2,030	0	3,372	0	0	0	0	0	
4702	441.00	Park Street Principle	27,279	27,279	27,279	27,279	27,279	27,280	27,280	27,280	27,280	27,280	SPA - 8th year of 10 (2017)
4702	442.00	Park Street Interest	10,866	9,508	8,150	6,791	8,829	5,433	5,433	4,075	4,075	4,075	
4703	441.00	East/West Utility Principle	202,908	174,349	182,981	92,947	163,296	0	0	0	0	0	DONE
4703	442.00	East/West Utility Interest	35,794	16,766	8,133	2,994	15,922	0	0	0	0	0	
4705	441.00	Fire Hall Bank Prin.	10,160	11,596	12,113	12,653	11,631	13,217	6,536	13,807	13,807	13,807	10th year of 30 (2035)
4705	442.00	Fire Hall Bank Interest	26,076	22,535	22,018	21,478	23,027	20,914	10,529	20,325	20,325	20,325	
4709	441.00	Fire Hall FHA Prin.	11,311	11,791	12,102	12,678	11,971	13,360	0	13,928	13,928	13,928	10th year of 30 (2035)
4709	442.00	Fire Hall FHA Interest	22,065	21,585	21,274	20,698	21,406	20,016	0	19,449	19,449	19,449	
4711	441.00	Chestnut (south) Principle	26,315	26,315	26,315	26,315	26,315	26,316	26,315	26,316	26,316	26,316	SPA - 9th year of 10 (2016)
4711	442.00	Chestnut (south) Interest	9,302	7,974	6,645	5,316	7,309	3,987	3,987	2,658	2,658	2,658	
4708	441.00	Chestnut (middle) Principle	23,610	23,610	23,610	23,610	23,610	23,610	23,610	23,610	23,610	23,610	SPA - 8th year of 10 (2017)
4708	442.00	Chestnut (middle) Interest	13,221	11,569	9,916	8,263	10,742	6,611	6,611	4,959	4,959	4,959	
4710	441.00	Bethany Dr SPA - Principle	0	0	0	3,150	788	3,150	3,150	3,150	3,150	3,150	SPA - 3rd year of 10 (2022)
4710	442.00	Bethany Dr SPA - Interest	0	0	0	2,791	698	1,701	1,701	1,512	1,512	1,512	
4714	441.00	CC Drainage Principle	5,129	5,128	5,128	5,128	5,128	5,129	5,128	5,129	5,129	5,129	SPA - 6th year of 10 (2019)
4714	442.00	CC Drainage Interest	2,213	3,231	2,872	2,513	2,707	2,154	2,154	1,795	1,795	1,795	
4715	441.00	Holly Boulevard Principle	112,388	118,654	125,270	165,781	130,523	167,760	83,631	169,762	169,762	169,762	8th year of 16 (2023)
4715	442.00	Holly Boulevard Interest	124,575	118,309	111,693	22,551	94,282	20,573	10,535	18,571	18,571	18,571	
4706	441.00	Bethany Dr Prin - SRF Loan	0	23,271	31,643	32,361	21,819	33,096	16,455	33,847	33,847	33,847	5th year of 10 (2021)
4706	442.00	Bethany Dr Int - SRF	0	10,867	6,971	6,254	6,023	5,520	2,852	4,769	4,769	4,769	
4707	441.00	Aspen Blvd Bond-Princ	0	0	0	0	0	170,000	0	0	0	0	
4707	442.00	Aspen Blvd Bond -Interest	0	0	0	0	0	65,000	0	0	0	0	
5110	511.00	Operating Transfer Out	0	0	0	0	0	0	0	34,750	34,750	34,750	Chestnut S & M SPA
5110	511.00	Operating Transfer Out	209,927	661,520	25,082	302,094	299,656	6,410		235,000	235,000	235,000	Aspen Blvd Pymt
	470 DEBT RETIREMENT FUND TOTALS		1,007,905	1,416,101	711,819	803,645	984,868	641,237	235,907	664,692	664,692	664,692	
101 TOTAL GENERAL FUND			**4,939,087**	**4,841,763**	**4,315,414**	**4,612,119**	**4,676,617**	**4,989,260**	**1,892,674**	**5,533,878**	**5,367,029**	**5,347,637**	

102 INDUSTRIAL PARK

4653 INDUSTRIAL PARK	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015
422.00 Professional Services	110	847	1,200	305	616	500	458	500	500	500
490.00 Loans	0	105,653	0	0	26,413	0	0	0	0	0
Totals Industrial Park	110	106,500	1,200	305	27,029	500	458	500	500	500

211 THIRD CENT SALES TAX - SPECIAL FUND

	211 THIRD CENT SALES TAX	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
4194	427.10 Dues - SECOG	10,753	10,753	10,753	11,076	10,834	11,309	11,309	11,467	11,467	11,467	Based on CPI
4194	427.20 Dues - MCEDA	9,637	24,864	24,864	25,610	21,244	26,150	26,125	26,516	26,516	26,516	Based on CPI
4194	427.30 Dues - SDML	2,359	2,405	2,485	3,306	2,639	3,400	3,433	3,448	3,448	3,448	Based on CPI
4194	427.40 Dues - Chamber	34,000	34,000	34,714	35,755	34,617	36,506	36,506	37,017	37,017	37,017	Based on CPI
4194	427.40 Chamber - Day at Leg	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	Day at the Legislature
4194	427.40 Chamber - Addtl Request	8,000	0	0	0	2,000	0	0	0	0	0	2010-commercials
4194	427.50 Promotions	7,484	8,904	2,060	0	4,612	0	4,895	0	0	0	2014-update website
4194	427.00 Subsidies - BDF	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	
4194	427.60 VFW & Legion Flags	0	0	1,286	0	322	0	0	0	0	0	
4194	429.00 Other	0	33,333	58,267	20,471	28,018	0	0	0	0	0	
4194	431.00 Land	38,334	2,600	423,740	0	116,169	0	0	0	0	0	
4600	442.00 Other - Misc	0	0	0	0	0	80,135	0	84,052	84,052	84,052	
	Totals Third Cent Sales Tax	128,067	134,359	575,669	113,718	237,953	175,000	99,768	180,000	180,000	180,000	
	211 THIRD CENT SALES TAX TOTALS	128,067	134,359	575,669	113,718	237,953	175,000	99,768	180,000	180,000	180,000	

220 STREET MAINTENANCE FUND 431.2 PAVED STREETS	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
433.00 Improvements	0	0	0	0	0	200,000	6,826	200,000	200,000	200,000	Micro-seal
433.10 Improvements	0	0	0	0	0	0	0	0	0	0	
Totals Street Maint Fund	0	0	0	0	0	200,000	6,826	200,000	200,000	200,000	
220 STREET MAINT FUND TOTALS	0	0	0	0	0	200,000	6,826	200,000	200,000	200,000	

213 BID #1 CONVENTION CENTER	Actual	Actual	Actual	Actual	4 Year	Budget	Actual	Requested	Reviewed	Adopted	
470.0 Debt Service	2010	2011	2012	2013	Average	2014	1/2 2014	2015	2015	2015	
441.00 Principal	20,253	21,782	37,315	31,518	27,717	32,592	16,160	33,705	33,705	33,705	10th year of 20
442.00 Interest	41,168	39,639	17,155	16,000	28,491	14,926	7,599	13,815	13,815	13,815	
Total BID #1 Project	61,421	61,421	54,470	47,518	56,208	47,518	23,759	47,520	47,520	47,520	

326 TIF #1 CORSON DEVELOPMENT PARK	Actual	Actual	Actual	Actual	4 Year	Budget	Actual	Requested	Reviewed	Adopted	
470.0 Debt	2010	2011	2012	2013	Average	2014	1/2 2014	2015	2015	2015	
441.00 Principal	18,387	19,608	20,542	162,524	55,265	0	0	0	0	0	Paid off Early
442.00 Interest	12,255	11,034	10,100	4,526	9,479	0	0	0	0	0	
Total TIF #1 Corson Development Park	30,642	30,642	30,642	167,050	64,744	0	0	0	0	0	

328 SPA Parks St	Actual	Actual	Actual	Actual	4 Year	Budget	Actual	Requested	Reviewed	Adopted	
470.0 Debt	2010	2011	2012	2013	Average	2014	1/2 2014	2015	2015	2015	
441.00 Principal	32,934	34,252	35,622	37,047	34,964	38,528	0	0	0	0	DONE
442.00 Interest	7,135	5,818	4,448	3,023	5,106	1,542	771	0	0	0	
511.00 Op transfer Out	0	0	0	0	0	0		0	0	0	
Total Parks St	40,069	40,070	40,070	40,070	40,070	40,070	771	0	0	0	

330 SPA Chestnut Blvd	Actual	Actual	Actual	Actual	4 Year	Budget	Actual	Requested	Reviewed	Adopted	
470.0 Debt	2010	2011	2012	2013	Average	2014	1/2 2014	2015	2015	2015	
441.00 Principal	45,000	45,000	45,000	50,000	46,250	50,000	0	55,000	55,000	55,000	9th Year of 10
442.00 Interest	17,675	15,403	13,130	10,858	14,267	8,333	4,166	5,808	5,808	5,808	
Total Chestnut Blvd	62,675	60,403	58,130	60,858	60,517	58,333	4,166	60,808	60,808	60,808	

332 Chestnut Blvd-Middle	Actual	Actual	Actual	Actual	4 Year	Budget	Actual	Requested	Reviewed	Adopted	
470.0 Debt	2010	2011	2012	2013	Average	2014	1/2 2014	2015	2015	2015	
441.00 Principal	48,126	50,563	53,123	55,812	51,906	58,638	28,957	61,606	61,606	61,606	8th Year of 10
442.00 Interest	22,435	19,999	17,439	14,750	18,656	11,925	6,324	8,956	8,956	8,956	
Total Chestnut Middle	70,561	70,562	70,562	70,562	70,562	70,563	35,281	70,562	70,562	70,562	

334 NE Lift/Express Ave	Actual	Actual	Actual	Actual	4 Year	Budget	Actual	Requested	Reviewed	Adopted	
470.0 Debt	2010	2011	2012	2013	Average	2014	1/2 2014	2015	2015	2015	
441.00 Principal	19,134	19,995	20,895	21,835	20,465	23,868	23,868	24,405	24,405	24,405	7th Year of 10
442.00 Interest	8,871	7,990	7,070	4,704	7,159	2,540	1,404	1,998	1,998	1,998	
Total NE Lift/Express/Ironwood	28,005	27,985	27,965	26,539	27,624	26,408	25,272	26,403	26,403	26,403	

336 TIF#2 CONFERENCE CENTER	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
470 441.00 Principal	25,260	27,166	46,539	39,309	34,569	40,649	20,154	42,035	42,035	42,035	10th year of 20
470 442.00 Interest	51,344	49,438	21,395	19,955	35,533	18,616	9,478	17,230	17,230	17,230	
Total TIF #2 Conference Center	76,604	76,604	67,934	59,264	70,102	59,265	29,632	59,265	59,265	59,265	

338 Country Club Heights	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
470.0 Debt											
441.00 Principal	24,216	25,318	26,470	27,675	25,920	28,935	14,306	30,671	30,671	30,671	6th Year of 10
442.00 Interest	9,916	11,229	10,076	8,872	10,023	7,613	3,967	5,036	5,036	5,036	
Total Country Club Heights	34,132	36,547	36,546	36,547	35,943	36,548	18,273	35,707	35,707	35,707	

340 TIF #3 HEMLOCK BLVD RECONSTRUCTION											
470 441.00 Principal	37,040	38,577	40,178	41,846	39,410	43,583	43,582	45,497	45,497	45,497	6th year of 15
470 442.00 Interest	32,249	29,588	27,987	26,319	29,036	24,583	24,583	22,500	22,500	22,500	
Total TIF #3 Hemlock	69,289	68,165	68,165	68,165	68,446	68,166	68,165	67,997	67,997	67,997	

505 SIOUX BLVD STREET IMPROVEMENT	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
431.2 Street Improvements											
422.00 Professional Services	0	0	0	0	0	0	0	200,000	200,000	200,000	Sioux Blvd overlay
433.00 Improvement OT Bldg	0	0	0	0	0	0	0	1,060,000	1,060,000	1,060,000	
Total Street Project	0	0	0	0	0	0	0	1,260,000	1,260,000	1,260,000	

523 ASPEN BLVD STREET IMPROVEMENTS	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
431.2 Street Improvement											
422.00 Professional Services	0	0	0	0	0	0	0	238,000	238,000	238,000	Two Ends of Aspen Blvd
433.00 Improvements	0	0	0	0	0	0	0	1,612,000	1,612,000	1,612,000	
Total Ironwood Project	0	0	0	0	0	0	0	1,850,000	1,850,000	1,850,000	

529 HERITAGE/SANDSTONE PROJECT	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015
431.2 Street Improvement										
422.00 Professional Services	0	0	0	0	0	30,000	0	85,000	85,000	0
433.00 Improvements	0	0	0	0	0	350,000	0	395,000	395,000	0
Total Heritage/Sandtone Project	0	0	0	0	0	380,000	0	480,000	480,000	0

602 WATER FUND - ENTERPRISE FUND

433.1 SOURCE OF SUPPLY	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
425.00 Repairs	12,721	0	0	645	3,342	3,000	1,625	5,000	5,000	5,000	
425.10 Hired Repairs	0	0	0	58	15	5,000	38,821	10,000	10,000	10,000	
426.00 Supplies	1,219	50	102	0	343	5,000	7	5,000	5,000	5,000	
426.50 Fuel	7,348	7,234	10,304	9,930	8,704	7,500	5,495	8,500	8,500	8,500	
428.00 Utilities	3,351	1,033	643	429	1,364	6,000	196	6,000	6,000	6,000	
435.00 Equipment	4,435	0	0	2,137	1,643	3,500,000	115,230	5,000	5,000	5,000	
Total Source of Supply	29,074	8,317	11,049	13,199	15,410	3,526,500	161,374	39,500	39,500	39,500	
433.2 POWER & PUMPING											
428.00 Utilities	31,222	31,808	36,591	37,339	34,240	37,000	14,573	40,000	40,000	40,000	
Totals Power & Pumping	31,222	31,808	36,591	37,339	34,240	37,000	14,573	40,000	40,000	40,000	
433.3 PURIFICATION											
422.00 Professional Services	0	0	0	441	110	0	0	0	0	0	
425.00 Repairs	225	0	0	4,382	1,152	5,000	970	5,000	5,000	5,000	
425.10 Hired Repairs	0	2,414	1,004	380	950	2,500	0	2,500	2,500	2,500	
426.00 Supplies	7,010	9,903	6,189	7,747	7,712	10,000	1,765	10,000	10,000	10,000	
426.40 Chemicals	42,875	37,163	49,325	41,770	42,783	49,000	13,856	50,000	50,000	50,000	
435.00 Equipment	4,346	6,247	1,700	1,958	3,563	10,000	1,144	10,000	10,000	10,000	
Totals Purification	54,456	55,727	58,218	56,678	56,270	76,500	17,735	77,500	77,500	77,500	
433.4 DISTRIBUTION											
422.00 Professional Services	0	14	0	29	11	500	0	500	500	500	
424.00 Rentals	730	580	255	0	391	1,000	0	1,000	1,000	1,000	
425.00 Repairs	1,967	6,465	7,394	1,805	4,408	15,000	9,468	15,000	15,000	15,000	
425.10 Hired Repairs	0	1,500	17,083	278,102	74,171	5,000	800	5,000	5,000	5,000	
426.00 Supplies	17,047	4,414	8,568	12,883	10,728	15,000	9,804	15,000	15,000	15,000	
426.60 Meters & Supplies	24,409	13,074	23,999	32,381	23,466	30,000	20,306	30,000	30,000	30,000	
428.00 Utilities	50,983	64,805	71,653	81,209	67,163	75,000	23,411	80,000	80,000	80,000	
433.00 Oversize Costs	46,040	0	0	0	11,510	0	0	0	0	0	
435.00 Equipment	0	9,147	161	0	2,327	15,000	0	75,000	75,000	75,000	Backhoe/Hydrant Flow Equip
Totals Distribution	141,176	99,999	129,113	406,409	194,174	156,500	63,789	221,500	221,500	221,500	

433.5 ADMINISTRATION	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
411.00 Wages	158,746	145,504	186,408	195,212	171,468	249,700	92,409	257,965	257,965	257,965	5 FTE, 8% OT
412.00 Social Security	11,316	10,246	13,461	14,453	12,369	19,102	7,501	19,734	19,734	19,734	0.0765
413.00 Retirement	9,480	8,955	11,007	11,630	10,268	14,982	6,042	15,478	15,478	15,478	0.06
413.01 Supplemental Retirement	17,580	0	0	0	4,395	0	0	0	0	0	
414.00 Workman's Comp	4,521	3,486	3,220	3,916	3,786	7,541	4,065	825	825	825	$3.02 per 100
415.00 Health & Life Ins.	29,974	48,359	63,834	60,922	50,772	82,561	29,243	80,000	80,000	80,000	
416.00 Unemployment Ins.	800	330	520	338	497	700	317	750	750	750	.01 x $15,000 wages - 5
421.00 Insurance	14,000	14,533	13,938	11,600	13,518	12,169	12,169	13,039	13,039	13,039	
422.10 Credit Card Fees	4	663	1,013	1,214	724	1,200	800	2,000	2,000	2,000	
422.00 Professional Services	3,534	13,590	11,235	29,851	14,553	10,000	1,014	10,000	10,000	10,000	
425.10 Hired Repairs	30,615	1,195	39,600	94	17,876	30,000	1,527	30,000	30,000	30,000	
426.00 Supplies	3,198	5,216	2,072	4,763	3,812	15,000	1,372	15,000	15,000	15,000	
426.10 Safety Supplies	0	0	47	6,643	1,673	10,000	667	5,000	5,000	5,000	
426.50 Fuel	817	198	0	0	254	500	201	500	500	500	
426.70 Postage	8,544	8,999	10,406	10,246	9,549	10,000	5,430	10,000	10,000	10,000	55%
426.90 Utility Bill Processing	6,486	7,134	7,936	7,252	7,202	8,000	3,758	7,000	7,000	7,000	55%
427.00 Travel & Dues	1,808	1,829	1,902	1,280	1,705	2,500	446	2,500	2,500	2,500	
428.00 Utilities	2,533	2,642	2,951	3,246	2,843	3,100	1,501	3,500	3,500	3,500	
429.00 Other	1,400	1,400	1,713	1,450	1,491	2,000	1,450	2,000	2,000	2,000	
432.00 Buildings & Structures	0	681	1,369	0	513	2,500	0	2,500	2,500	2,500	
433.00 Improve Other Than Bldgs	149,648	6,162	240,271	1,865	99,487	265,000	36,909	300,000	380,000	380,000	Syvlan Cir - Next Phase
434.10 Incode Annual Software	3,502	3,700	3,746	2,450	3,350	2,550	2,550	3,420	3,420	3,420	25%
435.00 Equipment	19,679	29,434	36,963	30,054	29,033	50,000	46,531	25,000	25,000	25,000	Pickup
441.00 Wells Bond Princ	22,042	0	0	0	5,511	21,488	0	233,334	0	0	
441.10 Bond Prin. - SRF	139,590	146,340	153,416	160,834	150,045	168,611	83,310	43,412	43,412	43,412	final pymt
442.00 Wells Bond Interest	1,102	0	0	0	276	8,595	0	140,000	0	0	
442.10 Bond Int. - SRF	36,118	29,368	22,292	17,392	26,292	7,098	4,544	516	516	516	
441.30 Stone Ridge Booster - Prin.	46,887	49,743	52,772	55,986	51,347	59,395	29,259	63,013	63,013	63,013	7th year of 10
442.30 Stone Ridge Booster - Int.	31,755	28,900	25,871	21,537	27,016	19,248	10,063	15,631	15,631	15,631	
449.00 Agent Fee	177	186	156	178	174	100	63	200	200	200	
511 511.00 Transfers	0	0	0	88,613	22,153	15,705	0	15,705	15,705	15,705	
Totals Administration	755,856	568,793	908,119	743,019	743,947	1,099,345	383,141	1,318,023	1,024,688	1,024,688	
TOTALS 602 WATER FUND	1,011,784	764,644	1,143,090	1,256,644	1,044,040	4,895,845	640,612	1,696,523	1,403,188	1,403,188	

603 ELECTRICAL FUND - ENTERPRISE FUND

431.6 REPAIRS AND SUPPLIES	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015
422.00 Professional Services	306	0	0	0	77	0	0	0	0	0
425.00 Repairs	0	0	0	0	0	0	0	2,500	2,500	2,500
425.10 Hired Repairs	1,447	0	0	0	362	2,500	0	2,500	2,500	2,500
426.00 Supplies	1,790	0	0	0	448	2,500	118	5,000	5,000	5,000
Totals Repairs & Supplies	3,543	0	0	0	886	5,000	118	10,000	10,000	10,000

434.2 TRANSMISSION AND DISTRIBUTION										
425.00 Repairs	0	0	0	0	0	0	0	0	0	0
425.10 Hired Repairs	0	0	0	0	0	0	0	0	0	0
426.00 Supplies	0	0	0	0	0	0	0	0	0	0
428.00 Utilities	0	0	0	0	0	0	0	35,000	35,000	35,000
433.00 Improvements	0	0	0	0	0	0	0	0	0	0
435.00 Equipment	0	0	0	0	0	0	0	0	0	0
452.00 Re-Sale	5,588	22,633	31,320	73,691	33,308	60,000	37,580	100,000	100,000	100,000
Total Transmission & Dist.	5,588	22,633	31,320	73,691	33,308	60,000	37,580	135,000	135,000	135,000

434.3 ADMINISTRATION	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015
421.00 Insurance	0	0	0	0	0	0	0	0	0	0
422.00 Professional Services	0	0	0	2,223	556	5,000	40	0	0	0
425.00 Repairs	0	0	0	0	0	0	0	0	0	0
425.10 Hired Repairs	0	0	0	0	0	0	0	0	0	0
426.00 Supplies	50	0	0	0	13	0	0	0	0	0
426.50 Fuel	372	284	288	533	369	500	124	500	500	500
427.00 Travel & Dues	40	0	0	0	10	0	0	0	0	0
428.00 Utilities	76	0	0	0	19	0	0	0	0	0
435.00 Equipment	0	0	0	0	0	0	0	0	0	0
Totals Electrical Administration	538	284	288	2,756	967	5,500	164	500	500	500

TOTALS 603 ELECTRICAL FUND	9,669	22,917	31,608	76,447	35,160	70,500	37,862	145,500	145,500	145,500

604 SEWER FUND - ENTERPRISE FUND

	432.1 ADMINISTRATION	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
	411.00 Wages	119,646	126,089	131,757	102,820	120,078	141,100	48,102	144,570	144,570	144,570	3 FTE, 8% OT
	412.00 Social Security	8,092	8,752	9,299	7,378	8,380	10,794	3,737	11,060	11,060	11,060	0.0765
	413.00 Retirement	7,179	7,565	7,906	6,221	7,218	8,466	3,117	8,674	8,674	8,674	0.06
	413.01 Supplemental Retirement	0	0	0	4,742	1,186	0	0	0	0	0	
	414.00 Workman's Comp	2,335	1,760	1,583	1,637	1,829	3,485	2,168	3,571	3,571	3,571	$2.47 per 100
	415.00 Health & Life Ins.	35,810	43,969	46,273	36,676	40,682	51,186	17,934	57,825	57,825	57,825	
	416.00 Unemployment Ins.	622	330	324	190	367	420	171	450	450	450	.01 x $15,000 wages - 3
	421.00 Insurance	6,300	6,540	6,272	6,960	6,518	7,301	7,301	7,823	7,823	7,823	
	422.00 Professional Services	1,044	3,736	16,359	27,817	12,239	6,000	693	6,000	6,000	6,000	
	422.10 Credit Card Fees	4	627	1,013	1,214	715	1,200	800	1,300	1,300	1,300	
	425.00 Repairs	0	0	110	94	51	0	0	0	0	0	
	425.10 Hired Repairs	30,406	0	0	0	7,602	0	0	0	0	0	
	426.00 Supplies	2,639	3,080	1,938	1,820	2,369	7,500	790	5,000	5,000	5,000	
	426.10 Safety Supplies	0	0	2,296	3,027	1,331	5,000	569	2,500	2,500	2,500	
	426.20 Clothing Supplies	0	0	317	0	79	2,500	0	2,500	2,500	2,500	
	426.50 Fuel	4,257	7,452	8,533	4,727	6,242	7,000	1,283	5,000	5,000	5,000	
	426.70 Postage	4,664	4,914	5,144	5,741	5,116	6,000	3,045	7,500	7,500	7,500	45%
	426.90 Utility Bill Processing	3,493	3,875	3,758	3,905	3,758	4,500	2,023	6,000	6,000	6,000	45%
	427.00 Travel & Dues	297	395	252	42	247	500	58	500	500	500	
	429.00 Leases & State Fee	5,050	5,200	5,600	5,780	5,408	6,500	5,630	6,500	6,500	6,500	
	433.00 Improv Other Than Bldgs	151,343	6,162	196,751	1,865	89,030	265,000	36,909	300,000	380,000	380,000	Sylvan Cir - Next Phase
	434.10 Incode Annual Software	1,054	1,156	1,200	1,470	1,220	1,530	1,530	2,055	2,055	2,055	15%
	435.00 Equipment	0	0	698	0	175	5,000	0	5,000	5,000	5,000	
4700	441.00 Aspen Blvd Bond Princ	0	0	0	0	0	16,669	0	0	0	0	
4700	442.00 Aspen Blvd Bond Interest	0	0	0	0	0	6,667	0	0	0	0	
511	511.00 Transfers	0	0	0	24,134	6,034	1,102	0	1,102	1,102	1,102	
	Totals Sanitary Administration	384,235	231,602	447,383	248,260	327,870	565,420	135,860	584,930	664,930	664,930	

432.5 COLLECTION AND DISPOSAL	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
422.00 Professional Services	57,966	4,640	771	1,258	16,159	2,000	5,509	2,000	2,000	252,000	Design
424.00 Rentals	0	0	0	260	65	1,000	0	2,000	2,000	2,000	
425.00 Repairs	464	1,160	3,167	6,443	2,809	5,000	38,150	10,000	10,000	10,000	
425.10 Hired Repairs	3,343	8,474	24,988	26,819	15,906	20,000	26,685	20,000	20,000	20,000	TV Work
426.00 Supplies	5,888	14,081	8,506	15,631	11,027	25,000	6,798	25,000	25,000	25,000	
426.50 Fuel	0	0	3,448	35	871	0	114	0	0	0	
428.00 Utilities	56,560	57,419	59,279	70,563	60,955	70,000	31,465	72,000	72,000	72,000	
428.10 Utilities - SF Treat	119,544	137,457	152,663	375,857	196,380	350,000	286,365	1,050,000	1,050,000	800,000	
429.00 Other	5,040	2,000	2,000	2,244	2,821	5,000	2,000	5,000	5,000	5,000	Lift St Contract
433.00 Oversize Costs	0	0	71,995	1,391	18,347	0	0	0	0	0	
433.10 Improvements	0	45,540	445,665	12,490	125,924	10,000	175	125,000	125,000	125,000	Lift St-Phase I/GC Flood
435.00 Equipment	4,849	31,010	126,172	38,725	50,189	50,000	4,398	25,000	25,000	25,000	Air Gaps
436.00 Vehicles	0	2,356	0	0	589	0	0	45,000	45,000	45,000	Service Truck
Totals Collection & Disposal	253,654	304,137	898,654	551,716	502,040	538,000	401,659	1,381,000	1,381,000	1,381,000	

TOTALS 604 SEWER FUND	637,889	535,739	1,346,037	799,976	829,910	1,103,420	537,519	1,965,930	2,045,930	2,045,930

615 GOLF COURSE - ENTERPRISE FUND

451.5 GOLF COURSE MAINTENANCE	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
411.00 Full Time Wages	95,015	96,860	99,770	101,902	98,387	104,020	51,423	105,082	94,500	94,500	2FTE
411.00 Part Time Wages	54,111	49,466	51,118	45,523	50,055	50,000	8,678	50,000	50,000	50,000	PT
412.00 Social Security	11,143	10,985	11,395	11,069	11,148	11,783	4,784	11,864	11,054	11,054	0.0765
413.00 Retirement	5,641	5,812	5,986	6,157	5,899	6,241	3,085	6,305	5,670	5,670	0.06
414.00 Workman's Comp	2,701	2,812	3,310	2,319	2,786	5,006	2,816	5,040	4,696	4,696	$3.25 per 100
415.00 Health & Life Ins.	21,594	24,852	25,546	26,688	24,670	26,717	12,402	30,062	30,062	30,062	
416.00 Unemployment Ins.	1,269	749	676	471	791	980	174	1,050	750	750	.01 x $15,000 -7
421.00 Insurance	10,500	10,900	10,453	7,733	9,897	8,113	8,113	8,692	8,692	8,692	
422.00 Professional Services	2,270	24,700	761	12,737	10,117	13,500	4,386	13,500	13,500	13,500	
423.00 Publication/Advertising	0	581	139	0	180	250	0	250	250	250	
424.00 Rentals	2,885	1,115	2,860	3,669	2,632	2,500	340	2,600	2,600	2,600	
425.00 Repairs	8,442	1,493	401	167	2,626	4,000	1,391	3,000	3,000	3,000	
425.10 Hired Repairs	9,193	1,009	1,065	891	3,040	4,000	135	300	300	300	
425.20 Machinery Repairs	0	14,920	11,633	15,771	10,581	10,000	5,153	10,000	5,000	5,000	
426.10 Supplies Grounds	57,778	45,665	57,999	40,067	50,377	50,000	30,594	51,000	49,000	49,000	
426.50 Fuel	10,566	14,142	15,692	13,744	13,536	13,500	4,550	14,000	14,000	14,000	
427.00 Travel & Dues	80	80	80	80	80	150	0	150	150	150	
428.10 Utilities - Phone/Propane	425	869	904	892	773	1,000	188	1,000	1,000	1,000	
428.20 Utilities - Irrigation	7,339	7,518	9,915	10,009	8,695	7,500	2,195	8,000	8,000	8,000	
429.00 Other	680	680	680	680	680	680	0	680	680	680	
435.00 Equipment	1,114	0	49,703	0	12,704	0	0	60,000	60,000	60,000	Lease new fleet
436.00 Vehicles	4,405	0	0	0	1,101	0	0	0	0	0	
441.00 Principle on Bond	85,146	89,318	93,694	98,285	91,611	103,102	0	108,154	108,154	108,154	14th year of 20
442.00 Interest on Bond	66,025	61,853	24,046	21,958	43,471	20,111	10,055	17,998	17,998	17,998	
449.00 Agent Fee	2,000	2,000	2,000	2,000	2,000	2,000	3	2,000	2,000	2,000	
Totals Golf Course Maintenance	460,322	468,379	479,826	422,812	457,835	445,153	150,465	510,727	491,057	491,056	

451.7 GOLF COURSE PRO SHOP	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
411.00 Full Time Wages	65,884	65,842	66,168	70,133	67,007	71,320	32,162	73,000	73,000	73,000	1 FT
411.00 Part Time Wages	65,177	53,026	47,646	36,614	50,616	55,000	11,347	55,000	50,000	50,000	PT Staff
412.00 Social Security	9,713	8,778	8,390	7,921	8,701	9,663	3,382	9,792	9,410	9,410	0.0765
413.00 Retirement	2,954	7,847	3,970	3,825	4,649	4,279	1,930	4,380	4,380	4,380	0.06
414.00 Workman's Comp	978	986	1,585	1,843	1,348	1,895	1,120	1,920	1,845	1,845	$1.50 per 100
415.00 Health & Life Ins.	15,566	17,978	18,658	17,496	17,425	18,914	9,798	21,397	21,397	21,397	
416.00 Unemployment Ins.	1,385	738	525	348	749	1,120	93	1,200	750	750	.01 x $15,000 wages - 8
421.00 Insurance	5,600	5,813	5,575	6,187	5,794	6,490	6,490	6,954	6,954	6,954	
422.00 Professional Services	1,098	1,998	1,376	18,909	5,845	1,200	116	2,000	2,000	2,000	
422.10 Credit Card Fees	9,412	9,691	10,537	9,034	9,669	10,000	3,548	10,000	10,000	10,000	
423.10 Publication/Advertising	6,309	6,264	5,240	5,699	5,878	6,200	3,254	6,200	6,200	6,200	
424.00 Rentals	11,501	15,344	16,590	16,386	14,955	13,500	960	15,000	15,000	15,000	
425.00 Repairs	2,716	1,738	695	1,555	1,676	1,500	374	1,700	1,700	1,700	
425.10 Hired Repairs	2,416	1,932	3,066	1,895	2,327	2,000	385	2,300	2,300	2,300	
426.00 Supplies	5,532	8,184	8,185	7,301	7,301	8,000	3,056	8,000	8,000	8,000	
426.50 Fuel - Carts	8,010	12,207	12,810	14,022	11,762	13,000	2,583	13,000	13,000	13,000	
427.00 Travel & Dues	1,428	1,224	1,036	930	1,155	1,000	95	1,000	1,000	1,000	
428.00 Utilities -Gas/Electric	7,754	7,664	7,359	8,567	7,836	9,000	2,579	9,000	9,000	9,000	
428.10 Utilities -Phone/Garbage	4,432	3,300	2,608	3,594	3,484	4,000	1,931	4,000	4,000	4,000	
429.00 Other	199	95	89	365	187	0	0	0	0	0	
435.00 Equipment	6,618	379	141	4,919	3,014	0	350	0	0	0	
441.10 Gas Cart Payment	26,584	28,049	29,595	31,225	28,863	32,947	16,252	0	0	0	
442.10 Gas Cart Interest	7,329	5,864	4,318	2,688	5,050	968	705	0	0	0	
449.00 Agent Fee	99	6	579	3	172	100	0	100	100	100	
452.00 Pro Shop Re-sale	38,332	44,546	51,489	49,408	45,944	45,000	29,645	45,000	45,000	45,000	
453.00 Cart Buy Out	0	0	0	0	0	0	0	0	0	0	
Totals Golf Course Pro Shop	307,026	309,493	308,230	320,867	311,404	317,096	132,155	290,943	285,036	285,036	

451.6 GC LOUNGE	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
411.00 Full Time Wages	20,606	21,355	20,929	24,514	21,851	26,000	14,459	26,500	26,500	26,500	1/2 FTE
411.00 Part Time Wages	54,874	53,615	56,767	58,251	55,877	65,000	18,922	65,000	60,000	60,000	PT Staff
412.00 Social Security	5,746	5,683	5,875	6,319	5,906	6,962	2,594	7,000	6,617	6,617	0.0765
413.00 Retirement	1,134	1,887	1,256	1,624	1,475	1,560	868	1,590	1,590	1,590	0.06
414.00 Workman's Comp	605	690	1,067	923	821	1,365	883	1,373	1,298	1,298	$1.50 per 100
415.00 Health & Life Ins.	6,683	15,841	17,527	9,222	12,318	18,914	4,585	10,700	10,700	10,700	
416.00 Unemployment Ins.	875	496	531	436	585	980	111	1,050	750	750	.01 x $15,000 -7
421.00 Insurance	500	0	0	0	125	0	0	0	0	0	
422.00 Professional Services	2,391	1,928	1,384	1,423	1,782	1,800	116	1,800	1,800	1,800	
422.10 Credit Card Fees	2,158	2,181	3,028	2,301	2,417	3,000	629	3,000	3,000	3,000	
423.10 Publication/Advertising	603	2,306	1,171	1,110	1,298	1,100	799	1,150	1,150	1,150	
424.00 Rentals	0	0	530	1,591	530	700	669	700	1,700	1,700	
425.00 Repairs	3,524	2,272	9,091	1,746	4,158	4,000	522	5,000	5,000	5,000	
425.10 Hired Repairs	566	513	3,524	1,527	1,533	1,000	1,459	2,000	2,000	2,000	
426.00 Supplies	2,354	4,500	6,191	9,542	5,647	4,000	2,840	5,600	5,600	5,600	
426.02 Equip, Under $300	0	0	0	0	0	300	235	300	300	300	
426.03 Pop/Beverages	10,929	15,683	16,769	14,139	14,380	14,000	5,384	14,500	14,500	14,500	
426.04 Candy & Snacks	336	3,995	3,054	3,829	2,804	2,000	1,317	3,000	3,000	3,000	
426.26 Beer	43,432	41,331	45,881	42,346	43,248	44,500	14,146	44,500	44,500	44,500	
426.27 Liquor Sales	8,329	10,938	15,384	12,992	11,911	12,000	7,846	12,000	12,000	12,000	
426.29 Prepared Food	44,446	33,485	34,990	24,621	34,386	40,000	9,181	36,000	30,000	30,000	
426.30 Cigarettes	888	970	604	1,124	897	700	401	800	800	800	
426.32 Lounge Coffee	893	1,114	1,143	80	808	1,000	0	1,000	1,000	1,000	
426.72 Catering	6,821	6,401	14,143	8,730	9,024	9,500	487	9,500	9,500	9,500	
427.00 Travel & Dues	933	847	737	602	780	750	248	750	750	750	
428.00 Utilities	9,684	10,170	10,214	11,737	10,451	11,000	4,177	12,000	12,000	12,000	
429.00 Other	2,300	2,300	2,354	2,613	2,392	15,000	300	7,500	3,000	3,000	
435.10 Equipment	1,062	0	36	659	439	1,000	1,133	2,000	2,000	2,000	
Totals Golf Course Concessions	232,672	240,501	274,180	244,001	247,839	288,131	94,311	276,312	261,055	261,055	

451.8 GC COMMUNITY ROOM	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
411.00 Full Time Wages	20,606	21,355	20,929	24,514	21,851	26,000	14,458	26,500	26,500	26,500	1/2 FT
411.00 Part Time Wages	26,904	21,675	22,188	30,770	25,384	30,000	9,987	30,000	30,000	30,000	PT Staff
412.00 Social Security	3,606	3,239	3,229	4,104	3,545	4,284	1,900	4,322	4,322	4,322	0.0765
413.00 Retirement	1,134	1,887	1,256	1,550	1,457	1,560	868	1,590	1,590	1,590	0.06
414.00 Workman's Comp	373	444	621	565	501	840	511	848	848	848	$1.50 per 100
415.00 Health & Life Insuarnce	0	0	0	9,222	2,306	0	4,479	10,700	10,700	10,700	
416.00 Unemployment Ins.	495	291	188	170	286	840	20	900	500	500	.01 x $15,000
422.00 Professional Services	1,724	2,607	1,114	1,029	1,619	1,600	116	1,600	1,600	1,600	
422.10 Credit Card Fees	1,924	1,875	2,333	2,349	2,120	2,000	435	2,300	2,300	2,300	
423.10 Publication/Advertising	703	2,792	2,411	1,999	1,976	2,000	998	2,000	2,000	2,000	
424.00 Rentals	657	398	205	0	315	500	0	500	500	500	
425.00 Repairs	327	922	1,191	4,334	1,694	3,000	202	4,000	4,000	4,000	
425.10 Hired Repairs	732	5,946	1,051	1,054	2,196	1,500	382	1,500	1,500	1,500	
426.00 Supplies	3,593	4,497	3,966	3,088	3,786	5,000	2,413	5,000	5,000	5,000	
426.10 Pop/Beverages	1,266	393	0	0	415	1,000	261	1,000	1,000	1,000	
426.60 Linen Charge	13,236	10,565	11,997	9,891	11,422	12,000	2,277	12,000	10,000	10,000	
426.71 Liquor Sales	14,660	11,813	9,046	8,963	11,121	12,000	6,128	12,000	12,000	12,000	
426.72 Catering	66,898	56,742	48,597	57,941	57,545	60,000	19,870	60,000	60,000	60,000	
426.73 Beer	10,910	8,990	6,955	9,094	8,987	8,500	3,061	9,000	9,000	9,000	
428.00 Utilities	9,787	10,214	10,214	11,737	10,488	10,500	4,177	11,500	11,500	11,500	
429.00 Other	368	2,236	4,700	2,717	2,505	0	1,114	2,500	2,500	2,500	
435.00 Equipment	1,008	0	979	53	510	600	0	0	0	0	
Totals Community Room	180,911	168,881	153,170	185,144	172,027	183,724	73,657	199,760	197,360	197,360	

TOTALS 615 GOLF COURSE	1,180,931	1,187,254	1,215,406	1,172,824	1,189,104	1,234,104	450,588	1,277,742	1,234,507	1,234,507

TOTALS FOR EXPENDITURES

GENERAL FUND TOTALS	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	Reviewed % +/- from 2014 Budget
410 GENERAL GOVERNMENT	575,025	546,451	563,180	587,496	568,038	740,679	277,549	762,301	777,302	764,803	3.26%
420 PUBLIC SAFETY	1,220,443	1,284,438	1,390,291	1,449,384	1,336,139	1,678,593	714,294	1,700,232	1,701,332	1,694,439	0.94%
430 PUBLIC WORKS	1,163,697	816,016	734,206	973,915	921,959	794,326	354,463	1,045,900	985,400	985,400	24.05%
440 HEALTH & WELFARE	8,371	3,881	4,012	4,097	5,090	9,900	1,554	9,400	9,400	9,400	-5.05%
450 CULTURE & RECREATION	859,036	675,308	596,420	713,204	710,992	789,448	274,536	1,004,412	876,963	876,963	11.09%
460 COMMUNITY PROMOTIONS	104,610	99,568	315,486	80,378	150,011	335,077	34,371	346,940	351,940	351,940	5.03%
470 DEBT SERVICE (sales tax)	1,007,905	1,416,101	711,819	803,645	984,868	641,237	235,907	664,692	664,692	664,692	3.66%
GENERAL FUND TOTALS	4,939,087	4,841,763	4,315,414	4,612,119	4,677,096	4,989,260	1,892,674	5,533,878	5,367,029	5,347,637	7.18%
	-557,187	-265,443	739,408	1,141,616		13,285	888,621	-256,791	-62,437	455	Revenue less Expenditures
Expense Total from line 145	4,939,087	4,841,763	4,315,414	4,612,119		4,989,260	1,892,674	5,533,878	5,367,029	5,347,637	

TOTALS FOR SPECIAL FUNDS	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
102 INDUSTRIAL PARK	110	106,500	1,200	305	27,029	500	458	500	500	500	
								23,535	23,535	23,535	Revenue Less Expense
211 THIRD CENT SALES TAX	128,067	134,359	575,669	113,718	237,953	175,000	99,768	180,000	180,000	180,000	
								0	0	0	Revenue Less Expense
220 STREET MAINTENANCE FUND	0	0	0	0	0	200,000	6,826	200,000	200,000	200,000	
								90,100	90,100	90,100	Revenue Less Expense
213 BID #1 CONFERENCE CENTER	61,421	61,421	54,470	47,518	56,208	47,518	23,759	47,520	47,520	47,520	
								6,480	6,480	6,480	Revenue Less Expense
326 TIF #1 CORSON DEVELOPMENT PARK	30,642	30,642	30,642	167,050	64,744	0	0	0	0	0	
								0	0	0	Revenue Less Expense
328 PARKS STREET	40,069	40,070	40,070	40,070	40,070	40,070	771	0	0	0	
								32,255	32,255	32,255	Revenue Less Expense
330 CHESTNUT BLVD SOUTH	62,675	60,403	58,130	60,858	60,517	58,333	4,166	60,808	60,808	60,808	
								34	34	34	Revenue Less Expense

	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015		
332 CHESTNUT BLVD MIDDLE	70,561	70,562	70,562	70,562	70,562	70,563	35,281	70,562	70,562	70,562		
								138	138	138	Revenue Less Expense	
334 NE LIFT/EXPRESS	28,005	27,985	27,965	26,539	27,624	26,408	25,272	26,403	26,403	26,403		
								19	19	19	Revenue Less Expense	
336 TIF #2 CONFERENCE CENTER	76,604	76,604	67,934	59,264	70,102	59,265	29,632	59,265	59,265	59,265		
								10,735	10,735	10,735	Revenue Less Expense	
338 COUNTRY CLUB HEIGHTS	34,132	36,547	36,546	36,547	35,943	36,548	18,273	35,707	35,707	35,707		
								25	25	25	Revenue Less Expense	
340 TIF #3 HEMLOCK BOULEVARD	69,289	68,165	68,165	68,165	68,446	68,166	68,165	67,997	67,997	67,997		
								37,003	37,003	37,003	Revenue Less Expense	
602 WATER FUND	1,011,784	764,644	1,143,090	1,256,644	1,044,040	4,895,845	640,612	1,696,523	1,403,188	1,403,188		-71.34%
Profit/Loss	84,928	679,723	553,941	397,850	429,111	138,985	68,576	-126,323	167,012	167,012	Revenue Less Expense	
603 ELECTRICAL FUND	9,669	22,917	31,608	76,447	35,160	70,500	37,862	145,500	145,500	145,500		106.38%
Profit/Loss	-3,832	17,681	1,724	7,126	5,675	0	13,775	-20,000	0	0	Revenue Less Expense	
604 SEWER FUND	637,889	535,739	1,346,037	799,976	829,910	1,103,420	537,519	1,965,930	2,045,930	2,045,930		85.42%
Profit/Loss	34,729	440,790	-260,631	328,877	135,941	49,311	356,122	-377,789	-227,789	-227,789	Revenue Less Expense	
615 GOLF COURSE FUND	1,180,931	1,187,254	1,215,406	1,172,824	1,189,104	1,234,104	450,588	1,277,742	1,234,507	1,234,507		0.03%
Profit/Loss	930,507	-12,468	-25,042	7,066	225,016	-5,654	-35,120	-49,442	294	293	Revenue Less Expense	
TOTALS WITHOUT 500 ACCOUNTS	8,498,770	9,205,780	9,379,954	9,344,472	9,107,244	13,265,810	4,310,099	11,368,334	10,944,915	10,925,524		-17.64%
501 SIOUX BLVD STREET PROJECT	0	0	0	0	0	0	0	1,260,000	1,260,000	1,260,000		
								0	0	0	Revenue Less Expense	
523 ASPEN BLVD STREET PROJECT	0	0	0	0	0	0	0	1,850,000	1,850,000	1,850,000		
								0	0	0	Revenue Less Expense	
529 HERITAGE/SANDSTONE PROJECT	0	0	0	0	0	380,000	0	480,000	480,000	0		
								0	0	0	Revenue Less Expense	
TOTALS WITH 500 ACCOUNTS	8,498,770	9,205,780	9,379,954	9,344,472	9,107,244	13,645,810	4,310,099	14,958,334	14,534,915	14,035,524		2.86%

Golf Course Profit/Loss

Divisions of Golf Course	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015	
Pro Shop/Maintenance	886,008	-18,194	-64,986	-56,837	186,498	-72,899	-71,627	-112,470	-81,892	-81,892	Revenue less Expense
Lounge	6,601	7,394	6,437	-478	4,989	38,169	-1,723	49,988	66,745	66,745	Revenue less Expense
Community Room	37,898	-1,668	33,507	64,381	33,530	29,076	38,230	13,040	15,440	15,440	Revenue less Expense
	930,507	-12,468	-25,042	7,066	225,016	-5,654	-35,120	-49,442	294	293	

Payroll Summary **Budgeted 2014**

	Total Salaries & Wages	FICA	Work Comp	Retirement	Insurance	Supp Retire	Unemploy	Total Taxes	Total Payroll
General Fund	1,546,980	118,345	36,795	93,337	370,247	0	7,700	626,424	2,173,404
Water	249,700	19,102	7,541	14,982	82,561	0	700	124,886	374,586
Electrical	0	0	0	0	0	0	0	0	0
Sewer	141,100	10,794	3,485	8,466	51,186	0	420	74,351	215,451
Golf Course	427,340	32,692	9,106	13,640	64,545	0	3,920	123,903	551,243
	2,365,120	180,933	56,927	130,425	568,539	0	12,740	949,564	3,314,684

Payroll Summary **2015 Adopted amount over/under 2014 Budget**

	Total Salaries & Wages	FICA	Work Comp	Retirement	Insurance	Supp Retire	Unemploy	Total Taxes & Insurance	Total Payroll	% +/- 2014 Budget
General Fund	83,012	6,196	2,217	6,278	53,488	0	550	68,729	151,741	7.0%
Water	8,265	632	-6,716	496	-2,561	0	50	-8,098	167	0.0%
Electrical	0	0	0	0	0	0	0	0	0	0.0%
Sewer	3,470	266	86	208	6,639	0	30	7,229	10,699	5.0%
Golf Course	-16,840	-1,289	-419	-410	-2,386	0	-1,170	-5,674	-22,514	-4.1%
	77,907	5,805	(4,832)	6,572	55,180	-	(540)	62,185	140,092	4.2%

Payroll Summary **Adopted 2015**

	Total Salaries & Wages	FICA	Work Comp	Retirement	Insurance	Supp Retire	Unemploy	Total Taxes & Insurance	Total Payroll
General Fund	1,629,992	124,541	39,012	99,615	423,735	0	8,250	695,153	2,325,145
Water	257,965	19,734	825	15,478	80,000	0	750	116,788	374,753
Electrical	0	0	0	0	0	0	0	0	0
Sewer	144,570	11,060	3,571	8,674	57,825	0	450	81,580	226,150
Golf Course	410,500	31,403	8,687	13,230	62,159	0	2,750	118,229	528,729
	2,443,027	186,738	52,095	136,997	623,719	-	12,200	1,011,749	3,454,776

FUEL	Actual 2010	Actual 2011	Actual 2012	Actual 2013	4 Year Average	Budget 2014	Actual 1/2 2014	Requested 2015	Reviewed 2015	Adopted 2015
General Fund (-Police)	43,780	51,117	44,526	53,661	48,271	60,533	25,109	60,060	60,060	60,060
Police	25,655	28,967	31,360	29,823	28,951	35,000	13,080	35,000	35,000	35,000
Water	8,165	7,432	10,304	9,930	8,958	8,000	5,696	9,000	9,000	9,000
Electrical	372	284	288	533	369	500	124	500	500	500
Sewer	4,257	7,452	11,981	4,762	7,113	7,000	1,397	5,000	5,000	5,000
Golf Course	18,576	26,349	28,502	27,766	25,298	26,500	4,645	15,000	15,000	15,000
	100,805	121,601	126,961	126,475	118,961	137,533	50,051	124,560	124,560	124,560

CONSIDERATIONS

2015

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ORDINANCE #521

AN ORDINANCE PROVIDING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2015 AND ENDING DECEMBER 31, 2015, AND LEVYING THE PROPERTY TAX FOR THE YEAR 2014.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BRANDON, SOUTH DAKOTA.

Section 1. That the following sums of money are hereby appropriated and taxes levied upon all taxable property within the City of Brandon for the purpose of providing funds to meet all lawful expenses and liabilities of said City for the fiscal year ending December 31, 2015.

	General Fund	Third Cent Sales Tax	Special Revenue Funds	Capital Projects Funds
GENERAL GOVERNMENT				
411 Legislative	$212,112.00			
412 Executive	$231,224.00			
413 Elections	$3,438.00			
414 Financial Administration	$244,404.00			
419 General Government Buildings	$73,625.00			
TOTAL GENERAL GOV'T	$764,803.00			
PUBLIC SAFETY				
421 Police	$1,290,428.00			
422 Fire	$203,892.00			
423 Inspection	$172,619.00			
427 Dues and Subscriptions	$0.00	$95,948.00		
429 Traffic Engineering	$27,500.00			
TOTAL PUBLIC SAFETY	$1,694,439.00			
PUBLIC WORKS				
431 Streets	$800,681.00		$200,000.00	$3,110,000.00
432 Weed Control	$6,350.00			
439 Transit	$178,369.00			
TOTAL PUBLIC WORKS	$985,400.00			
HEALTH				
441.2 Animal Control	$4,150.00			
441.3 West Nile	$5,250.00			
TOTAL HEALTH	$9,400.00			

PARK & RECREATION				
451 Recreation	$185,824.00			
452 Parks	$681,139.00			
455 Libraries	$10,000.00			
TOTAL PARK & RECREATION	$876,963.00			
COMMUNITY PROMOTION				
465 Promoting the City	$351,940.00	$84,052.00		
TOTAL COM. PROMOTIONS	$351,940.00			
DEBT SERVICE				
470 Debt Service	$394,942.00		$174,782.00	
510 Operating Transfer Out	$269,750.00			
TOTAL DEBT SERVICE	$664,692.00			
TOTAL EXPENDITURES	$5,347,637.00	$180,000.00	$374,782.00	$3,110,000.00

Section 2. The following designates the fund or funds to which money derived from the following sources as applied.

	General Fund	Third Cent Sales Tax	Special Revenue Fund	Special Projects Fund
Unobligated Cash	$531,478.00			
Property Taxes	$2,297,912.00			
Sales and Other Taxes	$2,100,800.00	$180,000.00	$519,100.00	$3,110,000.00
License & Permits	$84,400.00			
Intergovernmental Revenue	$281,379.00			
Charges for Goods & Services	$257,672.00			
Health	$100.00			
Fines & Forfeitures	$6,500.00			
Miscellaneous	$52,522.00			
Operating Transfer In	$16,807.00			
Less 5% (SDCL 9-21-21)	($281,478.00)			
TOTAL MEANS OF FINANCE	$5,348,092.00	$180,000.00	$519,100.00	$3,110,000.00

Section 3. The following designates the revenue and expenditures of the proprietary funds with the City of Brandon.

ENTERPRISE FUNDS

	Water Fund	Sewer Fund	Street Light Fund	Golf Course
Unobligated Cash	$850,652.00	$950,073.00	$0.00	$0.00
Reserve	$0.00	$0.00	$0.00	$0.00
Estimated Revenue	$1,570,200.00	$1,818,141.00	$145,500.00	$1,234,800.00
TOTALS	$0.00	$0.00	$145,500.00	$1,234,800.00
Less Appropriations(Expenses)	$1,403,188.00	$2,045,930.00	$145,500.00	$1,234,507.00
ESTIMATED SURPLUS/REVENUE	$1,017,664.00	$722,284.00	$0.00	$293.00

Adopted this 15th day of September, 2014.

Larry D. Beesley
Mayor

ATTEST

Dennis E. Olson
Municipal Finance Officer

(SEAL)

First Reading: September 2, 2014
Second Reading: September 15, 2014
Published: September 24, 2014
Effective Date: October 14, 2014

City of Brandon – Drinking Water System Improvements

Appendix J
Public Hearing Information

-Notice and Affidavit of Publication
- Sign in Sheet: 12-15-2014
-City Council Meeting Un-approved Minutes: 12-15-2014

CUSTOMER NUMBER:	127014	Argus Leader	
INVOICE NUMBER:	1453547	PO Box 677349, Dallas, TX 75267-7349	
RUN DATES:	12/3, 2014	AMOUNT DUE:	$29.20

BRANDON CITY
DENNIS OLSON
PO BOX 95
BRANDON SD 57005

DETACH THIS STUB AND RETURN WITH PAYMENT ..... PAY

AFFIDAVIT OF PUBLICATION-
Customer Number: 127014
Invoice Number: 1453547

BRANDON CITY

Argus Leader
AFFIDAVIT OF PUBLICATION

STATE OF SOUTH DAKOTA
COUNTY OF MINNEHAHA } ss

Linda Schulte being duly sworn, says: That the **Brandon Valley Challenger** is, and during all the times hereinafter mentioned was, a weekly legal newspaper as defined by SDCL 17-2-2.1 through 17-2-2.4, as amended published at Dell Rapids, Minnehaha County, South Dakota; that affiant is and during all of said times, was an employee of the publisher of such newspaper and has personal knowledge of the facts stated in this affidavit; that the notice, order or advertisement, a printed copy of which is hereto attached, was published in said newspaper upon

Wednesday ,the 3 day of December 2014

_____ ,the ____ day of _____ 2014 ,

_____ ,the ____ day of _____ 2014 ,

_____ ,the ____ day of _____ 2014 ,

_____ ,the ____ day of _____ 2014 ,

and that $29.20 was charged for publishing the same

Linda Schulte

Subscribed and sworn to before me 12/3/2014.

J. Zimmerman
Notary Public, South Dakota

My Commission expires December 22, 2015

JACQUELINE ZIMMERMAN
SEAL NOTARY PUBLIC SOUTH DAKOTA SEAL

City of Brandon
Notice of Public Hearing - Drinking Water System Improvements

The City of Brandon is seeking $15,811,000 of funding from the South Dakota Board of Water and Natural Resources for improvements to its Drinking Water Collection & Treatment System, including but not limited to: New Wells $3,386,000 and New Water Towers $6,973,000 and replace ACP & Loop Existing $5,452,000.

The funds could be either a grant from the state Consolidated Water Facilities Construction Program or a loan from the Drinking Water State Revolving Fund (SRF) Program. The Drinking Water SRF loan terms are 3% for 20 years, and the Board of Water and Natural Resources may forgive all or a portion of loan principal. The amount, source of funds, and terms will be determined by the Board of Water and Natural Resources when the application is presented at a scheduled board meeting.

The purpose of the public hearing is to discuss the proposed project, the proposed financing, and the source of repayment for the loan. The public is invited to attend and comment on the project.

The public hearing will be held as a part of the regularly scheduled Brandon City Council meeting which is held at City Hall, 304 S. Main St, Brandon, SD on Monday December 15, 2014 at 6:00 p.m. at City Hall. Project information may be reviewed at City Hall during City Finance Office hours.

The hearing is open to all interested parties. Information regarding accessibility for the disabled may be obtained by calling the City Administrator at (605) 582-6515. Anyone unable to attend may submit written comments prior to the hearing.

Bryan Read, City Administrator
City of Brandon
PO Box 95
Brandon, SD 57005

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City of Brandon

Public Hearings For
Public Facilities Plans & State Revolving Loan Fund "Funding Applications"
Agenda Item 6)b) - Drinking Water
Agenda Item 6)c) - Clean Water/Sanitary Sewer

As part of the regular City Council meeting starting at 6:00 PM, Monday, December 15, 2014 City Council Chambers – 308 Main Street, Brandon, SD.

Please sign in:

NAME	ADDRESS / REPRESENTING
mark Vavrusha	4348 N Gloster Street Tupelo MS
Meredith Moore	100 N. Phillips Ave. Great Western Bank
John Burkman	102 N Chestnut Brandon
Kim Cerwick	121 E Seth St.
Dorinda Steele	601 Switch Grass Trl
Toby Brown	500 N Western Av. Suite 100 / SECOG
Jean W Kruger	3408 S Florence SF SD 57103

Filename BrandonSanSewSRFPubNotice&AuthResNov172014.doc
Filelocation P110/Minnehaha/Brandon/2014Water&WasteWaterImprovements/CW-SRF

MINUTES

The Brandon City Council met in regular session at 6:00 p.m. on December 15, 2014, in the Council Chambers at 308 S. Main Avenue, Brandon, South Dakota. Present were Roger Brooks, Barb Fish, Mindy Hansen, Jo Hausman, Jon McInnerny and Mayor Larry Beesley. Others present were: City Administrator, Bryan H. Read; City Finance Officer, Dennis E. Olson; City Attorney, Lisa Marso; City Engineer, Paul Sanow and Gabriel Laber, Stockwell Engineers; Police Chief, Dave Kull; Director of Human Resources, Dan Oakland; Golf Pro, Zane Swenson; and Public Works Director, Rollie Hoeke. Absent: Blaine Jones.

Alderwoman Fish moved Alderwoman Hansen seconded to approve the agenda. Motion carried.

Alderwoman Hausman moved Alderman Brooks seconded to approve the minutes of the December 1, 2014 regular meeting and the December 3, 2014 special meeting. Motion carried.

Alderwoman Hansen moved Alderwoman Hausman seconded to approve the following claims. Motion carried.

VENDOR	DESCRIPTION	AMOUNT
AFLAC	December Premiums	1,188.83
Alliance Communications	Utilities	2,168.16
Alternative HR Development	Professional Services	2,325.00
American Engineering Testing Inc	Sewer Testing	3,270.80
Argus Leader Media	Publications	460.08
Beal Distributing	GC Resale	217.55
Benco Products Inc	Snow Supplies	38.33
Blaine's Service	Police Repairs	405.00
Border State Electric	Water Supplies	1,152.99
Borns Group	Water Billing	911.11
Boyce, Greenfield, Pashby & Welk	November Attorney Fees	4,080.80
Boyer Trucks	Transit Bus Repairs	2,566.05
Brandon Ace Hardware	Various Dept Supplies	834.20
Brandon Body Shop	Park Shelter supplies	539.50
Brandon Golf Course	December ACH	766.85
Brandon Health Mart Pharmacy	Flu Shots	350.00
Brandon Lumber Company	Various Dept Supplies	411.77
Brandon Plumbing & Heating	Water Repairs	382.65
Brown & Saenger	Various Dept Supplies	360.73
Brownells Inc	Police Supplies	612.70
BV Area Chamber of Commerce	GC Advertising	75.00
BV School	Fuel	4,137.75
Campbell's Supply	Park Supplies	29.74
Cardmember Services	Various Dept Supplies	2,238.70
Cartridge World	Police Supplies	239.97
Century Business Products	Various Dept Supplies	156.69
Culligan Water Conditioning	GC Supplies	60.00

Dakota Beverage	GC Resale	175.10
Dakota Fluid Power Inc	Water Repairs	321.85
Dakota Pump & Control	GC Repairs	755.10
Dakota Riggers	Sewer Supplies	12.32
Fastenal Company	Various Dept Supplies	151.95
G & K Services	GC Supplies	902.82
Galls	Police Supplies	126.51
Geotek Engineering & Testing	Street Supplies	304.00
Grainger	Sewer Supplies	226.25
Haarsma Construction	Custer Parkway Project	2,900.00
Hach Company	Sewer Supplies	614.57
JD's House of Trophies	Community Promo Supplies	111.25
Kasey Johnson	Govt Bldg Repairs	318.00
Lacey Rentals Inc	Park Rentals	200.00
Linda Weber	Community Promo Supplies	100.00
Locators & Supplies Inc	Street Supplies	240.00
Marv's Sanitary Service	Utilities	1,912.00
McGreevy Clinic	Police Services	329.00
MD Engraving	GC Supplies	545.55
Menards	Various Dept Supplies	834.47
MidAmerican Energy	Utilities	1,448.91
Mills & Miller Inc	Snow Supplies	3,511.04
North American Truck & Trailer	Street Supplies	945.55
Northern Tool & Equipment	Street Supplies	134.95
Northwest Tire Inc	Snow Supplies	236.58
Oakridge Nursery & Landscaping Inc	Community Promo Supplies	50.00
Palisades Propane Inc	Utilities	591.66
Performance Press	Police Supplies	48.00
Petty Cash	Various Dept Supplies	15.80
Pfeifer's Implement Company	Snow Supplies	244.40
Pitney Bowes Reserve	Postage Meter Refill	500.00
Pizza Ranch of SF	GC Resale	105.00
Recreation Supply Company	Pool Equipment	8,190.00
Sam's Club	GC Resale	118.16
Sioux Falls Networks	Professional Services	379.95
SD Department of Revenue	November Sales Tax	3,401.69
SD One Call	Utilities	74.37
Soo Sanitary Service LLC	Snow Removal	2,640.00
Splitrock Landscaping & Nursery	Park Supplies	885.00
Stockwell Engineers	Professional Services	13,621.00
Sturdevant's Auto Parts	Various Dept Supplies	317.46
Sunshine	Various Dept Supplies	281.21
Sure Test	Professional Services	193.60
The Mako Group	Police Supplies	1,915.20
The Tessman Company	GC Supplies	748.02
Titan Machinery	Snow Supplies	474.00
Tony's Catering	GC Resale	890.23
US Postmaster	Water Billing	1,366.65
Verizon Wireless	Utilities	628.28
Vogel Motors	Police Repairs	65.00

Xcel Energy	Utilities	5,337.34
Zabel Steel	Sewer Equipment	106.74
City Administration	December 4, 2014 Payroll	3,306.08
Deputy Finance Officer	December 4, 2014 Payroll	2,038.82
Police	December 4, 2014 Payroll	18,539.37
Building Inspections	December 4, 2014 Payroll	2,749.99
Street Department	December 4, 2014 Payroll	5,178.66
Park Department	December 4, 2014 Payroll	2,845.67
Chamber of Commerce	December 4, 2014 Payroll	1,230.69
Water Department	December 4, 2014 Payroll	5,932.42
Sewer Department	December 4, 2014 Payroll	2,669.69
Golf Course Grounds	December 4, 2014 Payroll	1,854.89
Golf Course Lounge	December 4, 2014 Payroll	1,036.03
Golf Course Pro Shop	December 4, 2014 Payroll	1,601.10
Golf Course Community Room	December 4, 2014 Payroll	847.90
941 Payroll Taxes	December 4, 2014 Payroll	17,058.22
Direct Pay Reimbursement	Direct Pay Reimbursement	1,252.66
SD Retirement System Supplemental	December 4, 2014 Payroll	742.50
TASC Flex Plan	December 4, 2014 Payroll	1,237.64
Office of Child Support Enforcement	December 4, 2014 Payroll	76.15

RESOLUTION #20-14 - 2035 COMPREHENSIVE PLAN

A public hearing was held, as advertised, to take public input on the Comprehensive Plan through 2035. No one from the public appeared with comments. Alderman Brooks moved Alderwoman Hausman seconded to adopt the Comprehensive Plan by approval of Resolution #20-14. A roll call vote showed Brooks, Fish, Hansen, Hausman and McInnerny voting aye. Motion carried.

RESOLUTION #20-14

A RESOLUTION ADOPTING A COMPREHENSIVE PLAN FOR THE CITY OF BRANDON, AS PROVIDED FOR IN SDCL 11-6.

WHEREAS, Chapter 11-6-14 of the South Dakota Codified Law has empowered the Planning & Zoning Commission and the City Council of Brandon to prepare a Comprehensive Plan for the development of the surrounding area; and

WHEREAS, the Brandon Planning & Zoning Commission has developed a Comprehensive Plan through the year 2035, has held the required Public Hearing on November 6, 2014, and has made a recommendation for adoption of the Plan to the Brandon City Council; and

WHEREAS, the Brandon City Council has received the recommendation of the Planning & Zoning Commission and has held the required Public Hearing on December 15, 2014; and

WHEREAS, the adoption of the Comprehensive Plan would enhance the responsible development of Brandon and the surrounding area.

NOW THEREFORE BE IT RESOLVED, by the Brandon City Council, that the Comprehensive Plan for the City of Brandon through the year 2035 be hereby adopted and effective upon 20 days after publication of this resolution.

Adopted this 15th day of December, 2014.

Larry D. Beesley
Mayor

ATTEST:

Dennis E. Olson
Municipal Finance Officer

(SEAL)

RESOLUTION #23-14 - WATER SYSTEM IMPROVEMENTS
Alderwoman Hansen moved Alderman Brooks seconded to approve Resolution #23-14. A roll call vote showed Brooks, Fish, Hansen, Hausman and McInnerny voting aye. Motion carried.

Resolution #23-14

DW-SRF FUNDING APPLICATION SPONSORSHIP
DRINKING WATER SYSTEM IMPROVEMENTS PROJECT

WHEREAS, the Brandon City Council has determined the need for a Drinking Water System Improvements Project; and

WHEREAS, loan assistance is necessary to enable the City of Brandon to construct these improvements; and

WHEREAS, the Brandon City Council is desirous of obtaining a $12,425,000 20 year loan, to be repaid with water system revenues, at 3.0% from the Drinking Water State Revolving Fund Program of the South Dakota Department of Environmental and Natural Resources for these improvements.

BE IT RESOLVED by the Brandon City Council that the City Council hereby authorizes the

filing of an application, including all understandings and assurances contained therein, for the Drinking Water State Revolving Fund Loan Program, and hereby designates the Mayor to act as signatory in connection with the application, loan agreement, payment requests, and other required forms, and to provide such additional information as may be required by the State of South Dakota.

Adopted this 15th day of December 2014.

Larry D. Beesley
Larry Beesley
Mayor

ATTEST:

Bryan H. Read
City Administrator

RESOLUTION #22-14 - WASTEWATER SYSTEM IMPROVEMENTS
Alderwoman Hansen moved Alderman Brooks seconded to approve Resolution #22-14. A roll call vote showed Brooks, Fish, Hansen, Hausman and McInnerny aye. Motion carried.

Resolution #22-14

CW-SRF FUNDING APPLICATION SPONSORSHIP
WASTEWATER SYSTEM IMPROVEMENTS PROJECT

WHEREAS, the Brandon City Council has determined the need for a Wastewater System Improvements Project; and

WHEREAS, loan assistance is necessary to enable the City of Brandon to construct these improvements; and

WHEREAS, the Brandon City Council is desirous of obtaining a $27,785,000 30 year loan, to be repaid with wastewater revenues, at 3.25% from the Clean Water State Revolving Fund Program of the South Dakota Department of Environmental and Natural Resources for these improvements.

BE IT RESOLVED by the Brandon City Council that the City Council hereby authorizes the filing of an application, including all understandings and assurances contained therein, for the Clean Water State Revolving Fund Loan Program, and hereby designates the Mayor to act as signatory in connection with the application, loan agreement, payment requests, and other required forms, and to provide such additional information as may be required by the State of

South Dakota.

Adopted this 15th day of December 2014.

Larry D. Beesley
Larry Beesley
Mayor

ATTEST:

Bryan H. Read
City Administrator

REVIEW 2015 LIQUOR LICENSE APPLICATION - ADRENALINE SPORTS BAR

A continuation of the public hearing from December 1, 2014 was held to review the 2015 Liquor License Application Renewal for the property located at 900 N. Splitrock Boulevard, Adrenaline Sports Bar. Meredith Moore, representing Great Western Bank and Valley Heights Lincoln LLC.; and Gerald Krueger, Great Western Bank, were present. SDCL #35-2-5.3 states that a business must be actively selling for at least 60 days during the 2 years preceding the renewal. Alderwoman Hausman moved Alderman Brooks seconded to deny the application of renewal due to the fact that there was no evidence was presented showing the 60 day requirement. A roll call vote showed Brooks, Hansen, Hausman and McInnerny voting aye; Fish voting nay. Motion carried.

Brandon City Attorney, Lisa Marso, stated that she was informed that the applicant had contacted City Hall and was told the liquor license was already denied or had expired or had been revoked. Upon talking to employees at City Hall, Lisa Marso did not find anyone that told the applicant the status of the license renewal.

STAFF CONTRACTS FOR 2015 - GOLF COURSE

The Golf Course Committee report was heard. Salary contracts for the Golf Pro and Events Coordinator at the Brandon Municipal Golf Course were reviewed. Alderwoman Hausman moved Alderman McInnerny seconded to approve the Events Coordinator 2015 contract. Motion carried. The Golf Pro contract will be presented again at the next meeting.

FIRE DEPARTMENT CONTRACT FOR 2015

The Police Committee report was heard. Alderwoman Fish moved Alderwoman Hausman seconded to approve the Fire Department contract for 2015. Motion carried.

HUMANE SOCIETY CONTRACT FOR 2015

Alderman Hausman moved Alderwoman Hansen seconded to approve the Humane Society contract for 2015. Motion carried.

PHASE I ENVIRONMENTAL ASSESSMENT, PETERSEN PROPERTY

The Park & Recreation Committee report was heard. A Phase I Site Assessment Report was received from Leggette, Brashears & Graham, Inc. for the Petersen property south of Aspen Park. It was recommended that a Phase II Assessment be conducted, which would include more in-depth soil sampling of the area.

RESOLUTION #21-14

The Administration Committee report was heard. Alderwoman Hansen moved Alderman McInnerny seconded to approve Resolution #21-14 in support of an additional penny sales tax for infrastructure. A roll call vote showed Brooks, Fish, Hansen, Hausman and McInnerny aye. Motion carried.

RESOLUTION #21--14

WHEREAS, a bill is being proposed to the 2015 State Legislature that would allow an additional one penny city sales tax for specific infrastructure projects.

WHEREAS, this bill would specify a project, a dollar amount needed, and the years the penny of sales tax would begin and end. It would require submitting the plan to voters for approval. Once the year, or the dollar amount is reached, the tax goes off, and cannot be renewed without another vote of the citizens.

KNOW THEREFORE BE IT HEREBY RESOLVED by the City Council of the City of Brandon, South Dakota that the City of Brandon supports a local option additional penny of municipal sales tax, with the approval of our voters, for specific infrastructure projects.

Dated this 15th day of December, 2014.

Larry D. Beesley

Larry D. Beesley
Mayor

ATTEST:

Dennis E. Olson

Dennis E. Olson
Municipal Finance Officer

(SEAL)

GARBAGE HAULERS LICENSE RENEWALS FOR 2015

Alderwoman Hausman moved Alderman Brooks seconded to approve the following Garbage Haulers License renewals for 2015. Motion carried.

A-OK SANITARY SERVICE
1509 E. Dike Street
Sioux Falls, SD 57118-4912
605-331-1103

SIOUX FALLS SANITATION
P.O. Box 88514 - 901 E. Amidon Str. Suite #3
Sioux Falls, SD 57104-8901
605-338-8055

CUSTER PARKWAY PROJECT - NUMBER 11 AND FINAL PAY REQUEST
The Street Committee report was heard. Alderwoman Hausman moved Alderman Brooks seconded to approve pay application #11 and the final in the amount of $2,900.00. Motion carried.

STREET LIGHT REPORT
The City of Brandon Street Light report was presented.

The Water & Sewer Committee report was heard.

At 7:05 p.m. Alderwoman Hansen moved Alderman Brooks seconded to go into executive session to discuss personnel. Motion carried. At 7:26 p.m. Mayor Beesley declared the executive session ended.

At 7:27 p.m. on a motion by Alderwoman Hausman seconded by Alderman Brooks the meeting was adjourned.

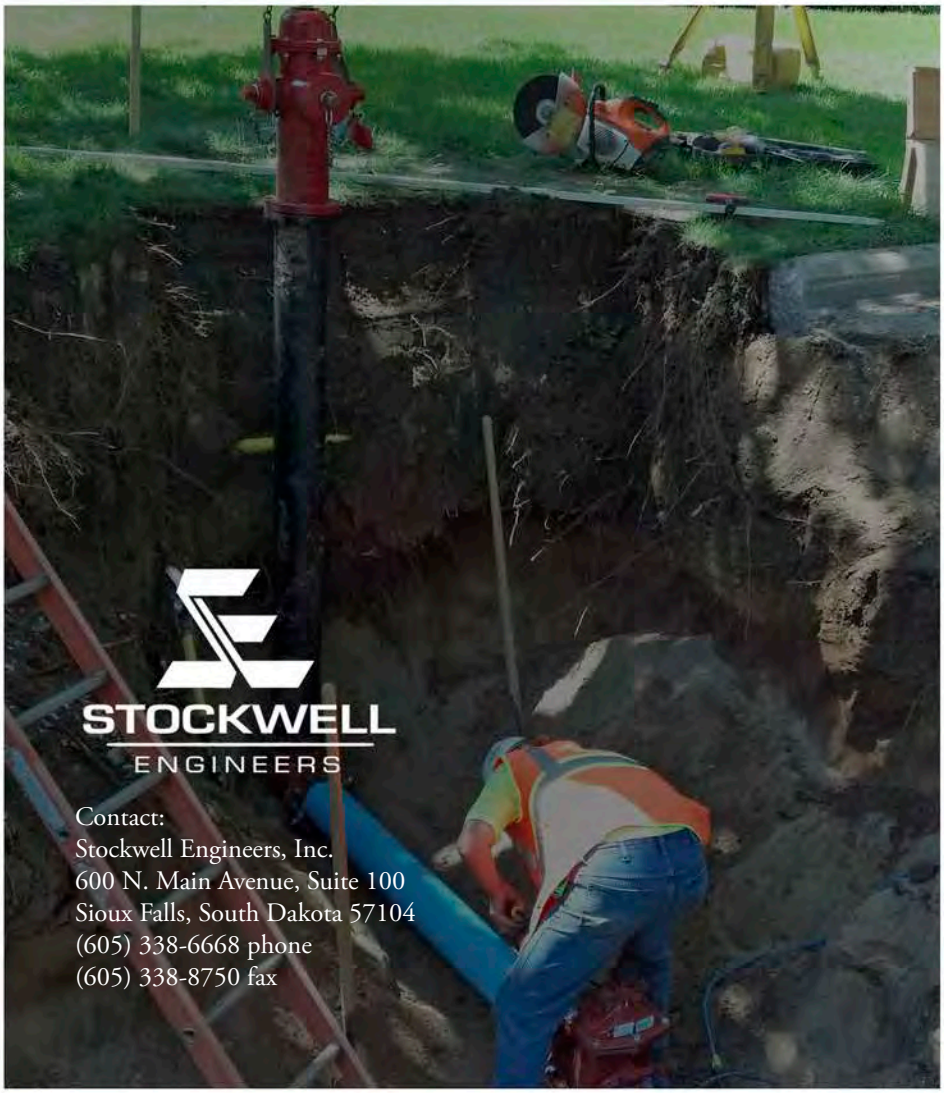
Melissa Labahn
Municipal Recording Clerk

Larry D. Beesley
Mayor

Brandon Comprehensive Water System Study

September 2013
SEI No. 0113

Brandon
SOUTH DAKOTA
Building a Better Life



STOCKWELL
ENGINEERS

Contact:
Stockwell Engineers, Inc.
600 N. Main Avenue, Suite 100
Sioux Falls, South Dakota 57104
(605) 338-6668 phone
(605) 338-8750 fax

COMPREHENSIVE WATER SYSTEM PLAN

FOR

THE

CITY OF BRANDON

September 2013

SEI No. 0113

I hereby certify that this report was prepared

by me or under my direct supervision and that

I am a duly Registered Professional Engineer

under the laws of the State of South Dakota.

REGISTERED PROFESSIONAL ENGINEER
REG. NO.
9236
GABRIEL G.
LABER
SOUTH DAKOTA
9/5/13

Gabriel G. Laber, P.E.

S.D. Registration No. 9236

Brandon
SOUTH DAKOTA
Building a Better Life

STOCKWELL
ENGINEERS

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INTRODUCTION

PURPOSE OF STUDY

The City of Brandon contacted Stockwell Engineers, Inc. (SEI) to investigate their water system. The City would like to make improvements to the water source, water distribution and water storage. In addition, they need to make plans for a future water treatment plant. This study identifies the deficiencies that the water system has based on the Criteria for Design of Public Water Supply Facilities in South Dakota and presents options to fix these deficiencies.

SCOPE OF STUDY

The scope of the agreement between the City of Brandon and SEI is a follows:

1) Provide existing maps, plans, relevant information, existing static and residual fire hydrant flow tests, existing water rates, water fund financial records and latest Drinking Water System Evaluation.
2) Provide data on existing and future conditions of the City including land use, growth trends and population estimates.
3) Provide data on existing water main.
4) Complete a general population analysis.
5) Evaluate water distribution system to determine water loss, average day demand, peak day demand, peak hour demand, per capita usage, valve and hydrant spacing. Model the system to determine pressure, fire flow and extended period simulation. Examine existing water storage and provide recommendations. Examine existing water supply and provide recommendations. Provide triggers for water supply, water treatment and storage based on demand. Create a map illustrating existing system and proposed improvements.
6) Outline need for improvements.
7) Make recommendations for improvements to meet future growth requirements. Recommend future trunk water mains, water supply, water treatment and water storage.
8) Prepare "Engineers Estimate" of probable construction cost for the Project.
9) Present "draft" study at Council meeting.
10) Address Client's comments.
11) Submit final study to the Client.

COMMUNITY INFORMATION

GENERAL

The City of Brandon is a Class 1 municipality located in eastern Minnehaha County on Interstate 90. Minnehaha County is located in southeastern South Dakota. The City is Governed by a Mayor and six member Council. The City has a City Administrator, Finance Officer and Public Works Director that oversee the day-to-day activities. Brandon was incorporated as a city on July 31, 1973. The City encompasses an area of approximately 3,331 acres. The land uses range from low density residential to commercial and industrial properties.

FINANCIAL STATISTICS

Based on the 2000 Census, Brandon has a median household income of $58,421 compared to the state average of $35,282. The 2000 Census also reported that 2.5% of the families in Brandon had incomes below the poverty level compared to the state average of 9.3%.

POPULATION STATISTICS

Based on the 2010 census, Brandon has a population of 8,785. The City has shown strong growth since being incorporated in 1973. Most other communities in South Dakota have seen a decline in recent years. However, Brandon's close proximity to Sioux Falls creates a unique opportunity for people to work in Sioux Falls and live in Brandon. The 2010 census indicated that 7.8% of the people living in Brandon were over the age of 65 compared to 14.3% for the State of South Dakota. It is anticipated that the population will continue to increase due to Brandon's location and their low percentage of people over 65. The population for 2013 was based on the average housing unit size and the number of housing units added since the 2010 census. The projected populations through 2027 were obtained from the Brandon Comprehensive Plan that was prepared by the South Eastern Council of Governments (SECOG). A copy of the plan is located in Appendix C. Stockwell Engineers estimated the 2033 population.

Table 1 Population Statistics

Year	Population
1980	2,589
1990	3,543
2000	5,693
2010	8,785
2013	9,088
2017 (proj)	10,734
2022 (proj)	12,217
2027 (proj)	13,700
2033 (proj)	15,700

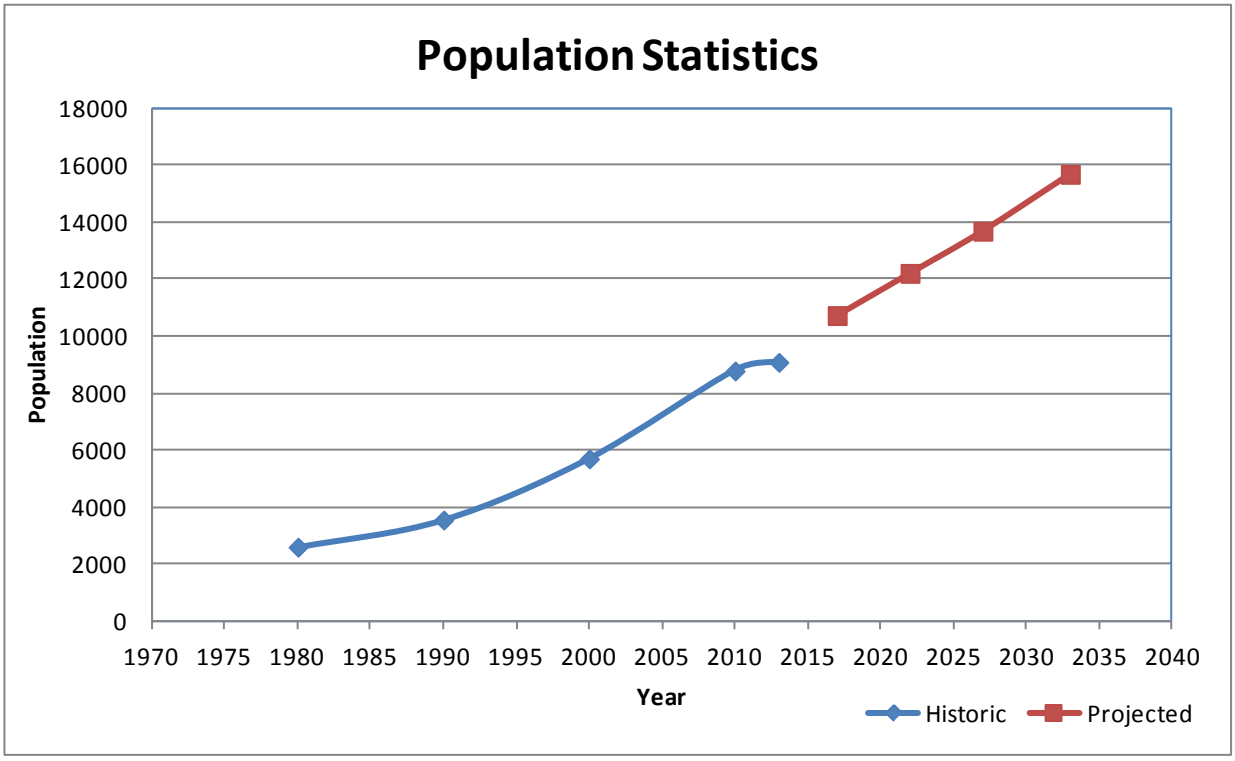

Figure 1 Population Statistics

WATER SYSTEM

GENERAL SYSTEM INFORMATION

The current system consists of 60 miles of polyvinyl chloride (PVC) pipe and asbestos cement pipe (ACP) distribution lines, three active wells, one active water tower, a ground storage reservoir and a water treatment plant. There are currently 2,580 residential and 476 commercial user users connected to the system with an estimated 214,000 ft of service line.

The City also provides water to the Village of Corson which consists of 26 customers. The existing system is shown in Figure 2.

WATER USAGE

A review of the City's water production and billed water records for the last seven years was completed. This review was completed to determine water loss, per capita water demand and to compare how precipitation affects water usage. This data can also be used to determine if Brandon has an adequate water supply and if the water towers are sized properly. The precipitation data was obtained from the National Weather Service, Sioux Falls location.

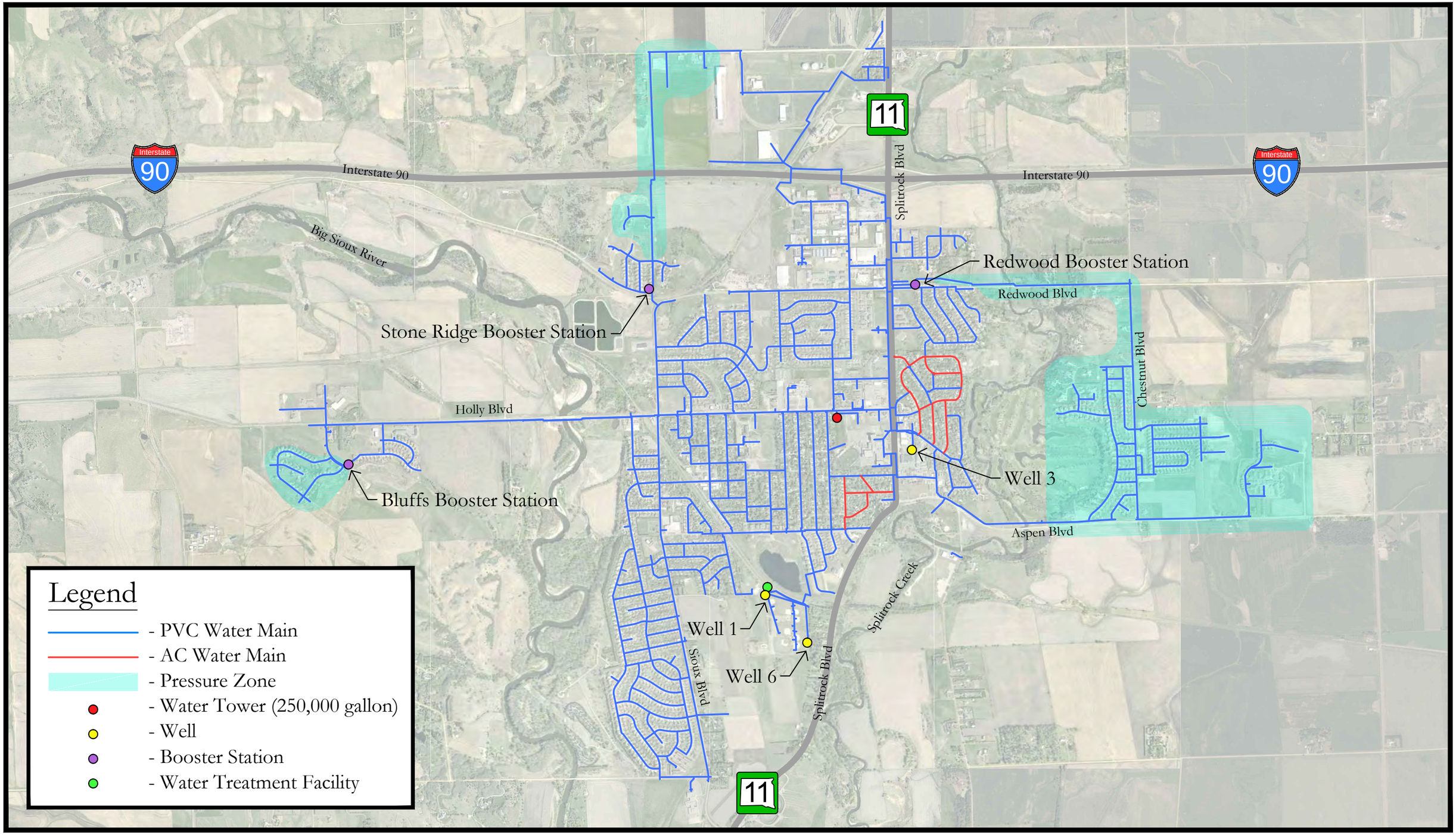

Figure 2 | Existing Water System

0 500 1000 2000

Brandon SOUTH DAKOTA Building a Better Life

STOCKWELL ENGINEERS

Table 2 Water Usage

2006				
Month	Produced (gal)	Produced (gpcpd)	Billed (gal)	Billed (gpcpd)
January	16,492,000	70		0
February	14,682,000	69		0
March	16,481,000	70		0
April	17,641,000	78	15,691,628	69
May	27,694,000	118	22,156,960	95
June	36,316,000	160	36,171,890	160
July	45,028,000	192	50,244,858	215
August	31,978,000	137	37,394,891	160
September	23,354,000	103	25,904,829	114
October	19,963,000	85	18,730,117	80
November	16,881,000	75	15,742,983	70
December	17,343,000	74	14,925,392	64
Total	283,853,000		236,963,548	
Average Day	777,679		861,686	
Average (gpcpd)		103		114
Water Loss				

2007					
Month	Produced (gal)	Produced (gpcpd)	Billed (gal)	Billed (gpcpd)	Precip (in)
January	17,861,000	73	18,016,490	74	0.45
February	15,858,000	72	15,550,565	71	1.29
March	17,420,000	72	14,871,403	61	4.97
April	17,767,000	75	17,466,760	74	1.93
May	27,865,000	114	23,136,289	95	2.63
June	33,359,000	142	29,961,124	127	3.98
July	44,878,000	184	49,718,925	204	0.32
August	31,312,000	129	35,739,420	147	6.18
September	25,040,000	106	23,080,685	98	2.27
October	19,790,000	81	20,408,225	84	5.98
November	17,920,000	76	15,739,440	67	0.04
December	18,018,000	74	15,161,795	62	1.3
Total	287,088,000		278,851,121		31.3
Average Day	786,542		763,976		
Average (gpcpd)		100		97	
Water Loss				3%	

Table 2 Water Usage (Continued)

2008					
Month	Produced (gal)	Produced (gpcpd)	Billed (gal)	Billed (gpcpd)	Precip (in)
January	18,139,000	72	17,443,395	69	0.23
February	17,508,000	74	16,846,135	71	0.57
March	19,015,000	75	15,452,800	61	1.34
April	18,814,000	77	17,299,930	71	2.68
May	22,631,000	89	16,897,110	67	3.34
June	32,071,000	131	28,227,050	115	3.95
July	43,120,000	170	39,300,945	155	2.52
August	39,879,000	158	35,488,470	140	1.91
September	30,134,000	123	31,572,700	129	1.78
October	21,435,000	85	21,765,745	86	5.44
November	19,028,000	78	16,065,500	66	1.01
December	19,380,000	77	15,813,875	62	0.7
Total	301,154,000		272,173,655		25.5
Average Day	822,825		743,644		
Average (gpcpd)		101		91	
Water Loss				10%	

2009					
Month	Produced (gal)	Produced (gpcpd)	Billed (gal)	Billed (gpcpd)	Precip (in)
January	21,678,000	83	18,095,580	69	0.32
February	20,315,000	86	15,710,415	66	0.41
March	21,974,000	84	15,329,310	58	1.31
April	21,421,000	84	17,911,265	70	1.95
May	33,930,000	129	20,128,595	77	1.43
June	36,437,300	143	34,198,320	134	3.07
July	39,225,700	149	27,342,985	104	3.71
August	38,167,300	145	36,942,415	141	1.93
September	31,047,000	122	29,107,455	114	1.21
October	21,163,000	81	17,108,235	65	5.52
November	20,028,000	79	18,268,960	72	0.17
December	20,509,000	78	15,472,680	59	2.03
Total	325,895,300		265,616,215		23.1
Average Day	892,864		727,716		
Average (gpcpd)		105		86	
Water Loss				17%	

Table 2 Water Usage (Continued)

2010					
Month	Produced (gal)	Produced (gpcpd)	Billed (gal)	Billed (gpcpd)	Precip (in)
January	21,227,700	78	15,554,310	57	1.25
February	18,692,000	76	16,217,500	66	1.29
March	21,061,000	77	15,301,450	56	1.02
April	22,300,000	85	19,052,620	72	2.65
May	30,704,000	113	19,281,585	71	2.03
June	29,366,300	111	27,973,455	106	7.83
July	34,895,000	128	27,505,270	101	8.55
August	33,220,000	122	24,302,660	89	6.26
September	26,601,000	101	24,925,267	95	4.46
October	25,319,000	93	18,686,675	69	0.91
November	21,600,500	82	16,482,820	63	0.47
December	22,383,000	82	17,568,022	65	1.54
Total	307,369,500		242,851,634		38.3
Average Day	842,108		665,347		
Average (gpcpd)		96		76	
Water Loss				20%	

2011					
Month	Produced (gal)	Produced (gpcpd)	Billed (gal)	Billed (gpcpd)	Precip (in)
January	22,977,000	83	16,506,265	60	1.17
February	21,059,000	85	18,440,285	74	0.95
March	21,726,000	79	15,263,235	55	0.74
April	20,492,000	77	17,093,560	64	3.09
May	23,421,000	85	18,685,530	68	5.42
June	27,657,000	104	22,216,807	83	4.26
July	46,701,000	170	35,157,425	128	5.76
August	43,495,000	158	37,080,232	135	1.4
September	36,069,000	135	34,478,974	129	0.2
October	26,042,000	95	24,889,570	90	0.63
November	20,541,000	77	17,674,269	66	0.04
December	21,511,000	78	15,633,443	57	0.62
Total	331,691,000		273,119,595		24.3
Average Day	908,742		748,273		
Average (gpcpd)		102		84	
Water Loss				17%	

Table 2 Water Usage (Continued)

2012					
Month	Produced (gal)	Produced (gpcpd)	Billed (gal)	Billed (gpcpd)	Precip (in)
January	21,442,000	77	18,594,461	67	0.75
February	19,878,000	76	16,603,309	64	2.43
March	22,319,000	80	15,468,402	56	0.77
April	25,867,000	96	21,071,753	78	2.4
May	31,181,000	112	26,431,513	95	4.6
June	47,812,000	177	29,929,617	111	0.74
July	60,724,300	218	53,490,786	192	0.24
August	44,373,000	159	40,400,728	145	1.75
September	42,186,000	156	36,374,702	135	1.14
October	28,651,000	103	28,154,793	101	0.86
November	21,495,000	80	18,487,089	69	0.35
December	22,352,000	80	16,418,454	59	1.31
Total	388,280,300		321,425,607		17.3
Average Day	1,060,875		878,212		
Average (gpcpd)		118		98	
Water Loss				17%	
Average Water Produced per Year -				317,904,443	
Average Water Billed per Year -				275,672,971	
Average Water Produced per Day -				870,234	
Average Water Billed per Day -				769,836	
Average Water Produced per Capita per Day -				104	
Average Water Billed per Capita per Day -				92	
Average Water Loss -				14%	
Maximum Produced Month -				60,724,300	

Table 2 indicates the average water produced per capita per day (gpcpd) is 104 and the average water billed is 92 gpcpd. The Water Distribution Systems Handbook by Mays states typical domestic usage for South Dakota is 81 gpcpd. For purposes of this study a per capita usage of 104 will be utilized. The table also shows the average water loss is 14%. The City should try to keep the water loss below 15%. Water loss causes the City to incur the expense of producing the water but the City doesn't receive any revenue from the water sales. The reasons for water loss are leaks, fire hydrant flushing, non-metered locations and old inaccurate water meters. All locations are currently metered in the City.

FUTURE WATER USAGE

The City of Brandon has shown steady growth over the past several decades and it is projected that this growth will continue due to the City's close proximity to Sioux Falls. The projected population will be utilized to determine the future water demand. The peak day needs to be calculated to determine the future water demand. Mays states the U.S. range of maximum day to average day is 1.5-3.5:1. It is our recommendation that the peaking factor shall not be less than 2.8 to account for dry periods during the summer with high water usage. Based on the current water usage of 104 gpcpd and the projected 2033 population of 15,700 a future water usage of 4,604,496 gpd (104 x 15,700 x 2.8) can be assumed. This value can be used to determine water source and storage capacity.

WATER SOURCE

The City has a total of eight wells. However, only wells 1, 3 and 6 are operational. Well one is located just south of the water plant and provides 10% of the water supply. Well three is located behind Dairy Queen and is only used in an emergency because it pumps directly into the system. Well six is located southeast of the water treatment plant and provides 90% of the water supply. Wells 2, 4 and 5 have the pumps pulled because the production was so low. These wells should be capped and abandoned because their production is too low. The City of Brandon also bought a well from the City of Sioux Falls. This well is not connected to the system. The location of the active wells are shown in Figure 2. The City has three water right permits for these wells allowing them to pump 583 gpm from the Big Sioux South Aquifer and 2,617 gpm from the Split Rock Creek Aquifer. A copy of the current water rights are located in Appendix B. The City is also permitted for future use of 1,227.7 acre-feet from the Big Sioux South aquifer and 2,148.4 acre-feet from the Split Rock Creek aquifer. Additional information about the wells is shown in the following tables. Copies of water samples taken during the study are shown in Appendix D.

Figure 3 Well One

Figure 4 Well Three

Figure 5 Well Six

Table 3 Well Information

Well	Year Built	Casing Dia (in)	Depth (ft)	Flow (gpm)	Aquifer	Water Right #	Diversion Rate (gpm)
1	1971	10	48	170	Big Sioux:South	5868-3	233
2	1971	8	50	65	Big Sioux:South	5868-3	
3	1964	12	222	625	Split Rock Creek	5868-3	624
4	1980	10	52	160	Big Sioux:South	5869-3	350
5	1976	10	56	125	Big Sioux:South	5869-3	
6	1999	10	275	2,000	Split Rock Creek	6156-3	1,993
SF				1,500	Split Rock Creek		
Test Well				1,500	Split Rock Creek		

Mays states that the source of supply should be capable of meeting the maximum day system demand. He also states that it is good practice to consider standby capabilities in the source of supply. The water records indicate the average day produced by the active wells is 870,234 gpd. The calculated future peak day demand is 4,604,496 gpd. Current flow tests of the wells indicate that well 1 produces 175 gpm, well 3 produces 700 gpm and well 6 produces 1,400 gpm. If all three

wells ran all day they would produce 3,276,000 gpd (2,275 gpm x 60 x 24). However, this is not adequate to meet the peak day demand. In addition the City's water supply would be in a state of emergency if well six was ever out of service because they could only supply 1,260,000 gpd (875 gpm x 60 x 24). Discussions with the South Dakota Geological Survey indicated the reason the production for well six has decreased is because the well is being over pumped. The high pumping rate is pulling fines towards the well and plugs the screen with sand. The wells do have back-up power from the water plant or from portable generators.

Table 4 Well Water Quality

Well	Date	Chloride Cl (mg/L)	Hardness (mg/L)	Flouride F (mg/L)	Iron Fe (mg/L)	Manganese Mn (mg/L)	Nitrate NO3 (mg/L)	Total Solids TDS (mg/L)
1	7/2/2013	69	379	0.28	0.06	0.06	7	484
3	7/2/2013	9	350	2.3	2.74	0.18	0.2	466
6	7/2/2013	4	412	0.54	1.88	0.37	0.2	540

The water from the Big Sioux South Aquifer and Split Rock Creek Aquifer is considered hard based on the following chart. The hardness is measured in milligrams per liter (mg/L).

Hardness (mg/L)	Classification
0-17	Soft
17-60	Slightly Hard
61-120	Moderately Hard
121-180	Hard
Over 180	Very Hard

WATER TREATMENT

The City's water treatment plant is located in Aspen Park and was constructed in 1998. The plant is designed to treat iron and manganese. Wells one and six pump directly to the treatment plant. The Aspen Park wells were designed to pump directly into the clear well and bypass the water treatment plant to supplement the supply during peak demand. The four Aspen Park wells have a higher level of nitrate but a lower level of iron or manganese because they pump out of the Big Sioux South aquifer compared to the Split Rock Creek Aquifer. The treated water is then stored in a 500,000 gallon clear well until three high service pumps are used to fill the water tower. The capacity of the plant is 2,000 gpm or 2,880,000 gpd. Therefore, the treatment plant does not have adequate capacity to provide the future peak day demand of 4,604,496 gpd. High service pump one

can pump 1,200 gpm, pump two 1,700 gpm and pump three 1,700 gpm or 6,624,000 gpd from the clear well.

The scope of this study only includes recommendations for the location of the treatment plant and the type of treatment process that is best suited for the type of water that the wells supply. A detailed cost estimate is not included with this study.

Figure 6 Water Treatment Plant

WATER STORAGE

The City currently has two elevated and one underground storage tanks. There is an elevated multilegged 250,000 gallon tank on Holly Blvd next to the High School. This tank was built in 1971 and is 128.5 feet to the high water level and 100 feet to the low water level. The City also has a 50,000 single pedestal on the east side in the County Club Heights addition that is 58 feet to the low water level and 80 feet to the high water level. This tank was built in 1995 but is no longer in service because the area around the tank developed and the tank couldn't provide adequate

pressure. The third storage tank is a 500,000 gallon underground storage tank at the water treatment plant. This tank was built when the water treatment plant was built in 1998 and stores treated water before it is pumped into the system. The tanks are not on a scheduled maintenance program at this time. The entire elevated 250,000 gallon tank was sand blasted and painted in the spring of 2013.

Figure 7 Existing Water Tower

Water storage ensures the reliability of supply, maintains pressure, equalizes pumping and treatment rates, reduces the size of transmissions lines, improves operational flexibility and efficiency and provides fire protection. There are several methods for determining the correct water storage size. Mays states that water storage should be based on summing equalization storage, fire storage and emergency storage.

Equalization storage allows the source and pumping facilities to operate at a predetermined rate. Mays states that the equalization volume of a system with a constant pumping rate should be 10% - 25% of the maximum daily demand. The future water usage section determined the peaking factor for the maximum day to average day demand was in the middle of the range. Therefore, 20% will be used for the equalization volume. This results in an equalization storage of 916,295 gallons (4,604,496 gpd x .199).

Fire storage is utilized to fight fires. The International Standards Organization (ISO) recommends a fire flow of 1,500 gpm for residential areas and 3,500 gpm in other habitation areas. This typically occurs in the business district of a city. The required fire storage to fight a two hour fire in the business district is 420,000 gallons (3,500 x 2 x 60).

Emergency storage is based on the judgment about the perceived vulnerability of the utility's water supply. Typically the average day demand is used to determine the emergency storage volume. The future average day demand is 1,632,800 gallons (15,700 x 104 gpcpd).

Mays recommends the volume of effective storage is the sum of equalization storage plus the larger of fire or emergency storage. Therefore, the total effective or elevated storage for the City of Brandon is 2,549,095 gallons (916,295 + 1,632,800). The current elevated storage volume of 250,000 gallons is not adequate.

DISTRIBUTION SYSTEM

The core of Brandon's water distribution system was originally asbestos cement pipe (ACP). Since then most of the system has been replaced with polyvinyl chloride (PVC) pipe. In addition, the City has experienced a large amount of growth and all these new areas have been constructed with PVC. A summary of all the water main in the City is shown below.

Table 5 Water Mains

Water Main Dia (in)	Pipe Type	Length (ft)
4	PVC	661
6	PVC	87,039
8	PVC	146,102
10	PVC	13,667
12	PVC	41,013
16	PVC	15,175
4	ACP	2,460
6	ACP	9,463
	Total =	**315,580**

Having old ACP in the distribution system presents two problems. First, the water main is brittle. Natural shifts in the ground from the freeze thaw cycle and fluctuating groundwater levels can cause breaks. Second, the roughness coefficient of the interior of the pipe is higher than PVC. This roughness increases over time reducing the capacity of the ACP. ACP also had the potential health risk with asbestos when the water main breaks or is repaired. The City does experience a break every other year with the ACP water mains.

The distribution system currently has several dead-ends. The 10 States Standards recommend dead ends be minimized to increase reliability of service and reduce head loss. The SD DENR also recommends looping dead-ends to minimize taste and odor and to reduce mineral buildup. Dead ends also increase retention time of the water which decrease disinfection. Dead ends should be equipped with means to provide adequate flushing.

HYDRANTS

There are currently 441 fire hydrants connected to the water system. The 10 States Standards recommends that all fire hydrant leads be located on lines a minimum of six-inch in diameter unless the hydrant is used for flushing. The DENR also recommends that hydrants be spaced at distances no greater than 600 feet depending on the area being served. It is recommended the City should try and exercise the hydrants on an annual basis.

WATER METERS

The City currently has Neptune radio read water meters that are less than 13 years old. Typically water meters lose their accuracy over time and read low. The accuracy of the meter decreases even faster if they are not installed horizontally. The internal parts of the meter wear and low water usage from leaks are not measured. The community has the expense of producing the water but they don't receive the revenue. The City currently has all locations metered to account for total water usage. Meters should be checked for accuracy once they reach 10 years of age. It should be noted that Brandon's meters have not been checked for accuracy.

WATER SYSTEM ON-SITE EVALUATION

On April 20, 2010 the SD DENR completed an on-site evaluation of the water system. A copy of the inspection is located in Appendix A. The inspection provided the following requirements:

- The seals on well six and well two are not intact and can allow contamination to enter the wells. (The City has already addressed this requirement)
- The system may need a discharge permit when flushing hydrants.

The inspection provided the following recommendations:

- Secondary containment should be added for the chemical vessels at well 3.
- All valves in the system should be inspected as part of a preventive maintenance program.

HYDRAULIC MODEL

A hydraulic model was completed for Brandon's water distribution system. The program used for the hydraulic model was WaterCAD version V8i. The existing pipe size, type, age, water storage, water pressure information and number of customers was inputted into the model. Three simulations were completed to determine the system pressure, fire flow and extended period simulation (EPS). SEI and City staff completed fire flow testing on hydrants throughout the system. Static pressure, residual pressure and fire flow results were used to calibrate the model to field conditions.

PRESSURES FOR EXISTING SYSTEM

There are minimum pressures that should be provided in a water distribution system. If these minimum pressures are not provided then the customers can experience flow reductions when more than one faucet is running. In addition, a system can provide too much pressure. Mays states that a minimum of 30 psi should be provided for the consumer. However, based on previous experience a minimum pressure of 40 psi is recommended. The Uniform Plumbing Code requires the pressure not to exceed 80 psi at the customers connection. Recommended pressures from Mays are shown in the table below.

Table 6 Typical Service Pressure Criteria

Condition	Service Pressure Criteria (psi)
Maximum Pressure	65-75
Minimum pressure during maximum day	30-40
Minimum pressure during peak hour	25-35
Minimum pressure during fires	20

The pressure analysis is completed using the peak hour flows. Typically a system can have adequate pressure during the winter when water usage is low. However, during the summer when water usage is high pipe velocities increase and therefore the head loss in the pipe also increase reducing the pressures for the consumer. Mays states that the peak hour to average day ratio is 2.0-7.0:1. It is our opinion that the peak hour ratio should be 5.3.

Typically water usage is limited during the night. The peak hour demand is calculated by multiplying the population by the average per capita produced by the peak hour ratio and dividing by 16 hours in a day and 60 minutes per hour. The current peak hour demand for Brandon is determined to be 5,264 gpm (104 gpcpd x 9,088 x 5.3 / 16 / 60). The future peak hour demand for Brandon is determined to be 9,093 gpm (104 gpcpd x 15,700 x 5.3 / 16 / 60). This peak hour flow will be used for the pressure model with the tank set at half full. The mid elevation of the tanks is 1479.00 above sea level.

An aerial photograph was used to input the approximate location of Brandon's customers. Individual node demands were added for the larger customers. The existing and future pressures in Brandon's water distribution system are shown in the following figures. The existing model determined that approximately half the system has pressures that are above the recommended minimum of 40 psi. The future model determined that almost all the operating pressures in the existing system are below the recommended minimum of 40 psi. This is caused by the large demand placed on the system and the lack of larger water mains that keep pipe velocities and pressure lose down.

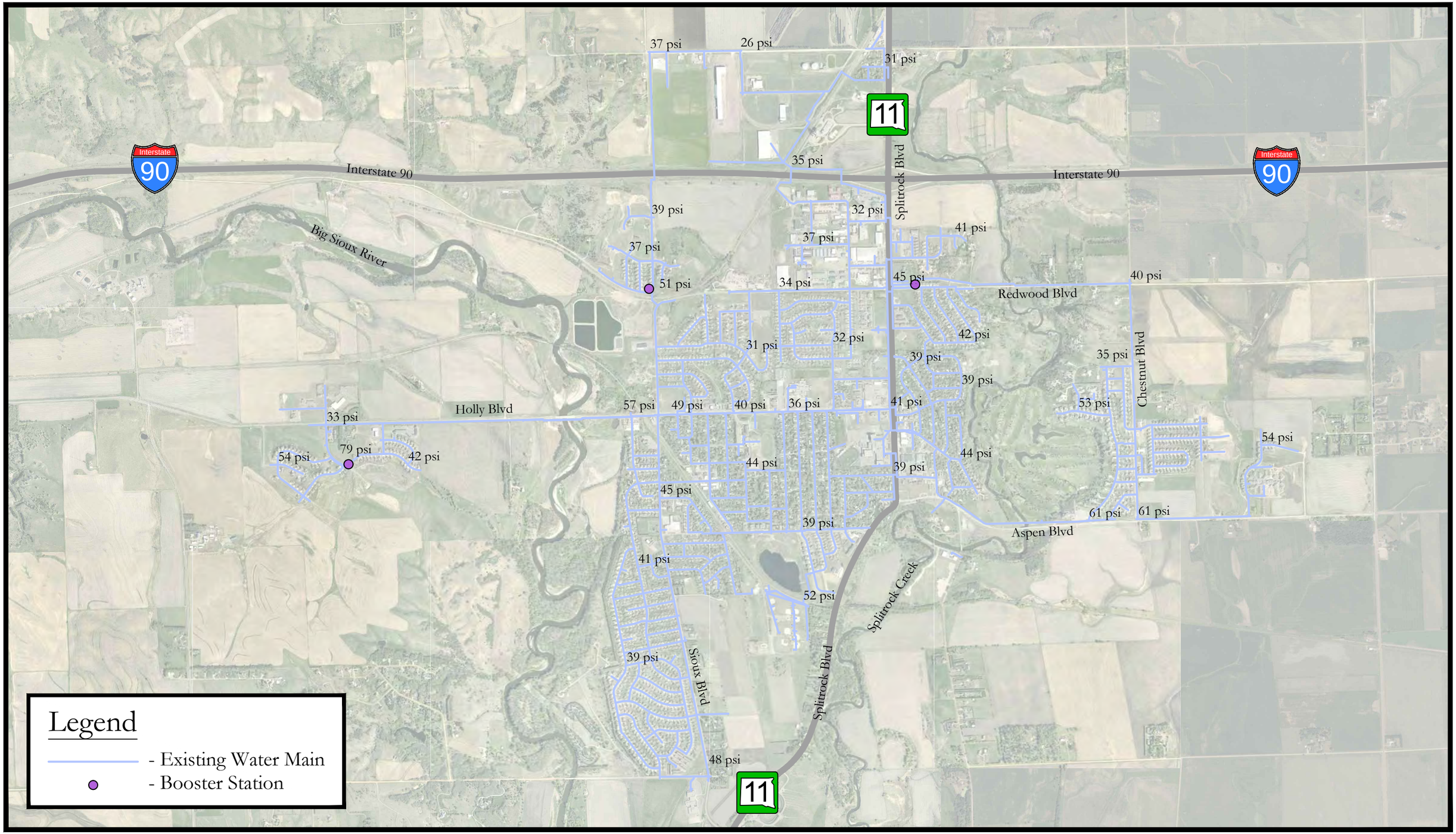

Figure 8 | Existing System Pressure

0 500 1000 2000

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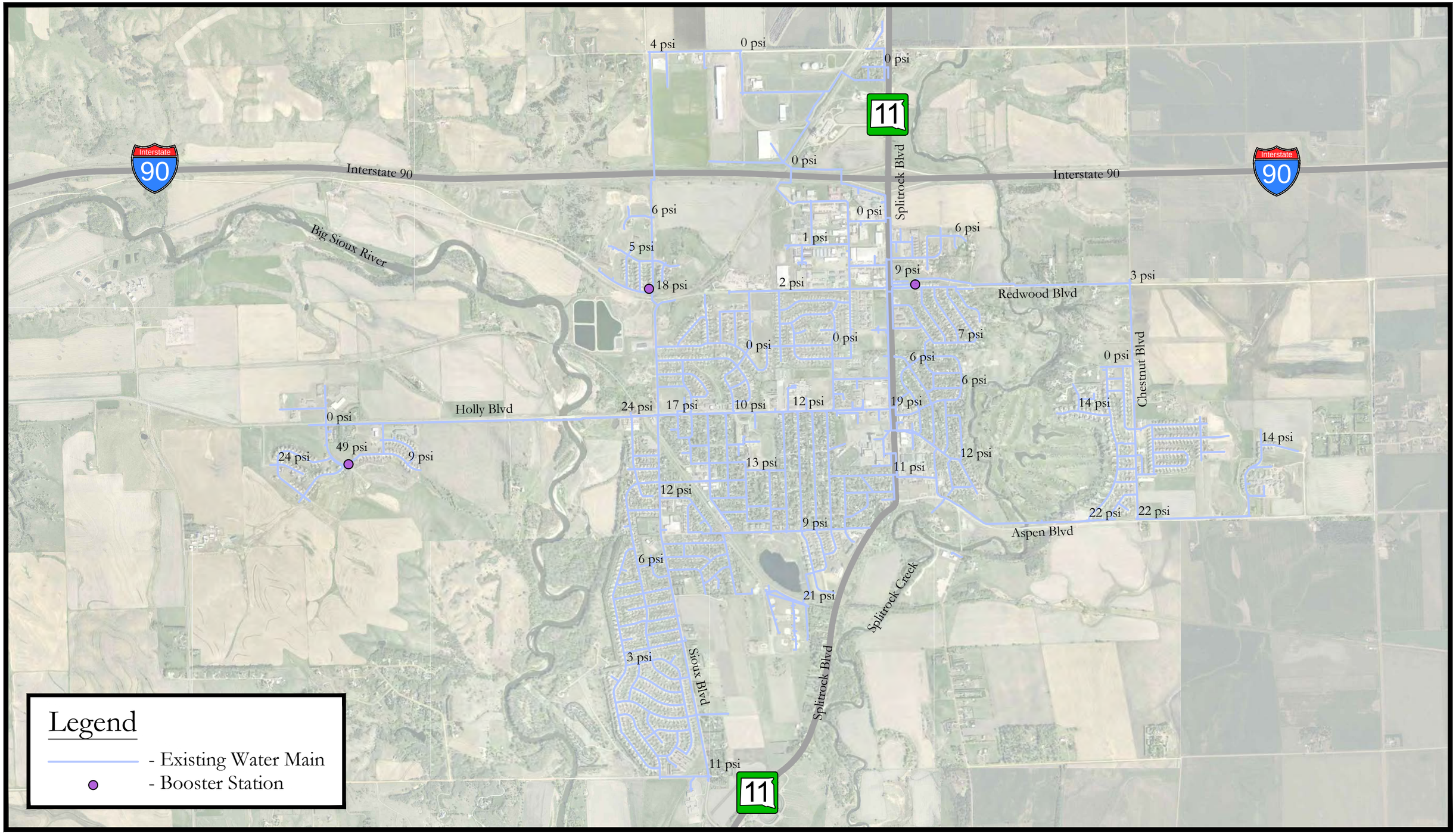

Figure 9 | Existing System Future Pressure

0 500 1000 2000

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FIRE FLOWS FOR EXISTING SYSTEM

The fire flow model will be completed using the peak day demand. The historic peak day demand is 2,550 gpm (2,448,000 gpd / 16 / 60). The future peak day demand flow is determined to be 4,796 gpm (4,604,496 gpd / 16 / 60). Individual node demands were added for larger customers. This peak day demand flow will be used for the fire flow model with the tank set at half full. The mid elevation of the tanks is 1479.00 above sea level. The minimum residual pressure according to Mays will be set at 20 psi.

The International Standards Organization (ISO) establishes minimum fire flow requirements. For one- and two-family dwellings not exceeding two stories in height, ISO uses the following needed fire flows:

Table 7 ISO Minimum Fire Flow

Distance Between Buildings	Needed Fire Flow
More than 100 feet	500 gpm
31 to 100 feet	750 gpm
11 to 30 feet	1,000 gpm
10 feet or less	1,500 gpm

ISO also recommends a minimum fire flow of 3,500 gpm in other habitation areas. The existing analysis determined that all of the residential areas have flows above 1,500 gpm except for the area around Country Club Ave. The existing model also shows that there are no flows above 3,500 gpm.

The future analysis determined the minimum fire flow of 500 gpm is provided throughout most the system except for the north side of the City. All the residential areas have less than 1,500 gpm and there are no areas over 3,500 gpm. This can be expected due to the existing pipe size and lack of looping. The fire flow analysis are shown in the following figures.

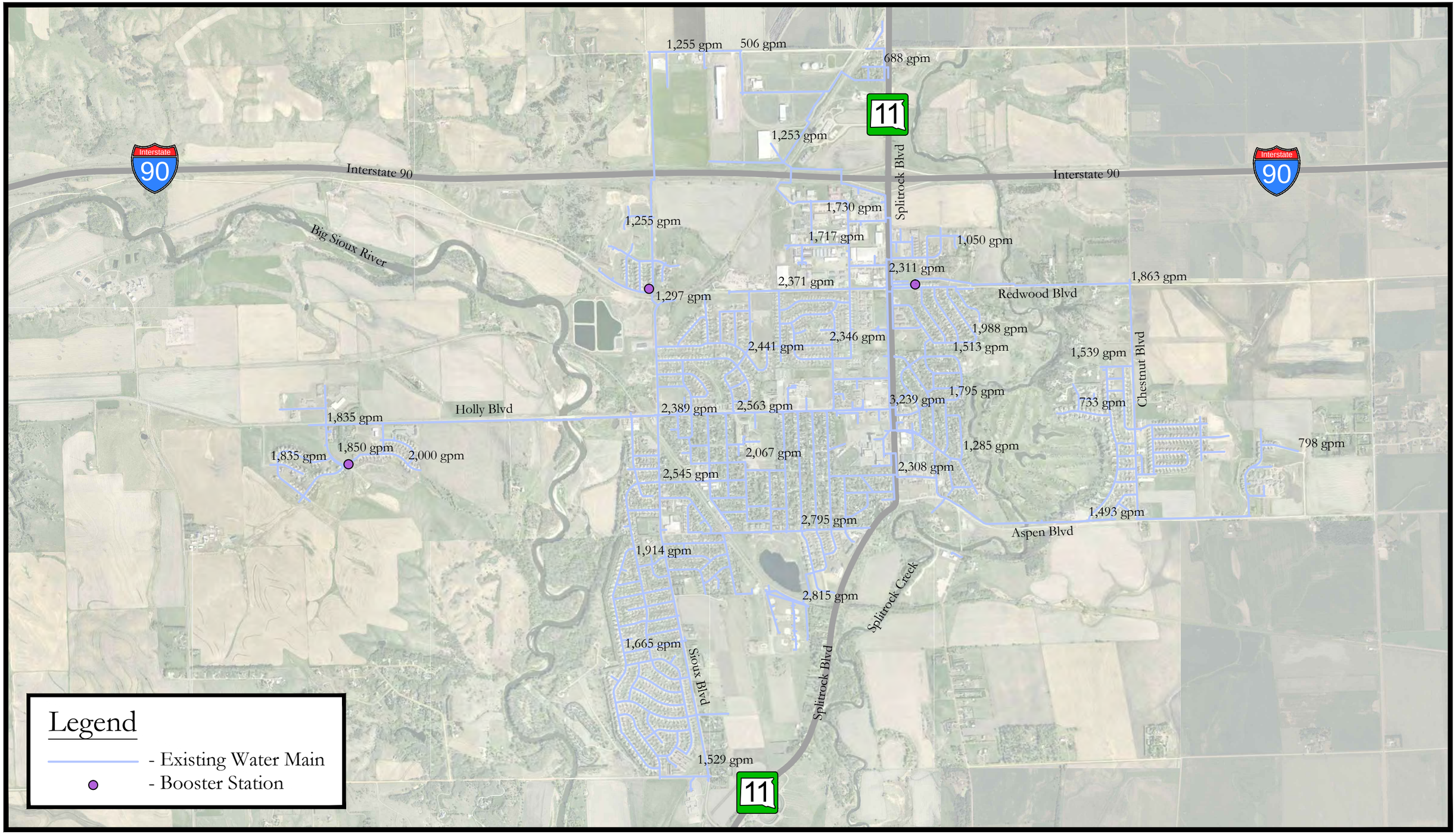

Figure 10 | Existing Fire Flow

0 500 1000 2000

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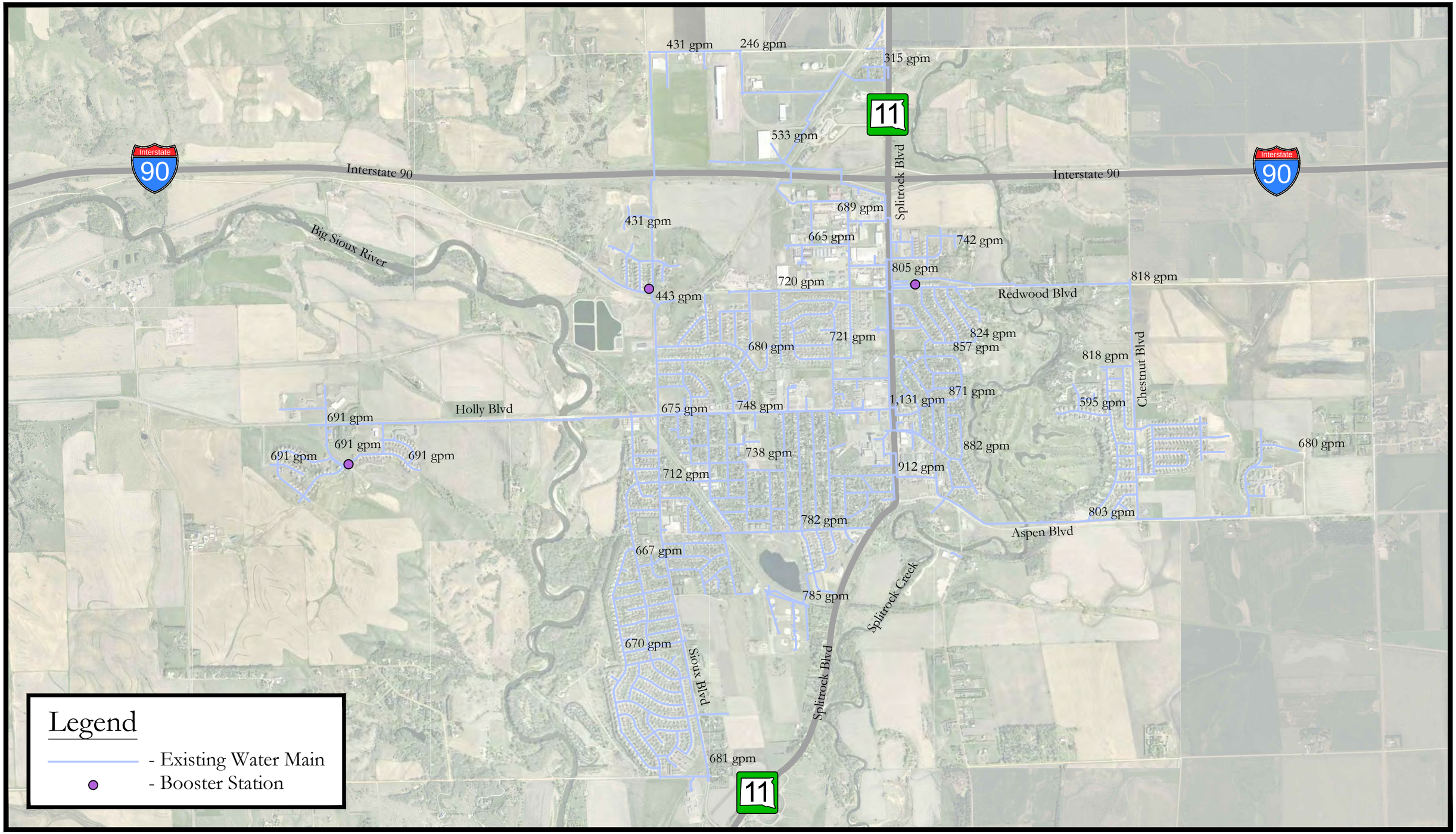

Figure 11 | Existing System Future Fire Flow

0 500 1000 2000

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EXTENDED PERIOD SIMULATION (EPS)

An EPS provides an analysis of the water system over time compared to the pressure and fire flow simulation that is only a snapshot of the system. Typically a 24-hour period is used for the simulation. This type of simulation allows you to model tanks filling and draining, pumps turning on and off throughout the system in response to varying demand conditions. The demand curve shown below is inputted into the model to simulate higher water usage in the morning, at lunch and in the evening.

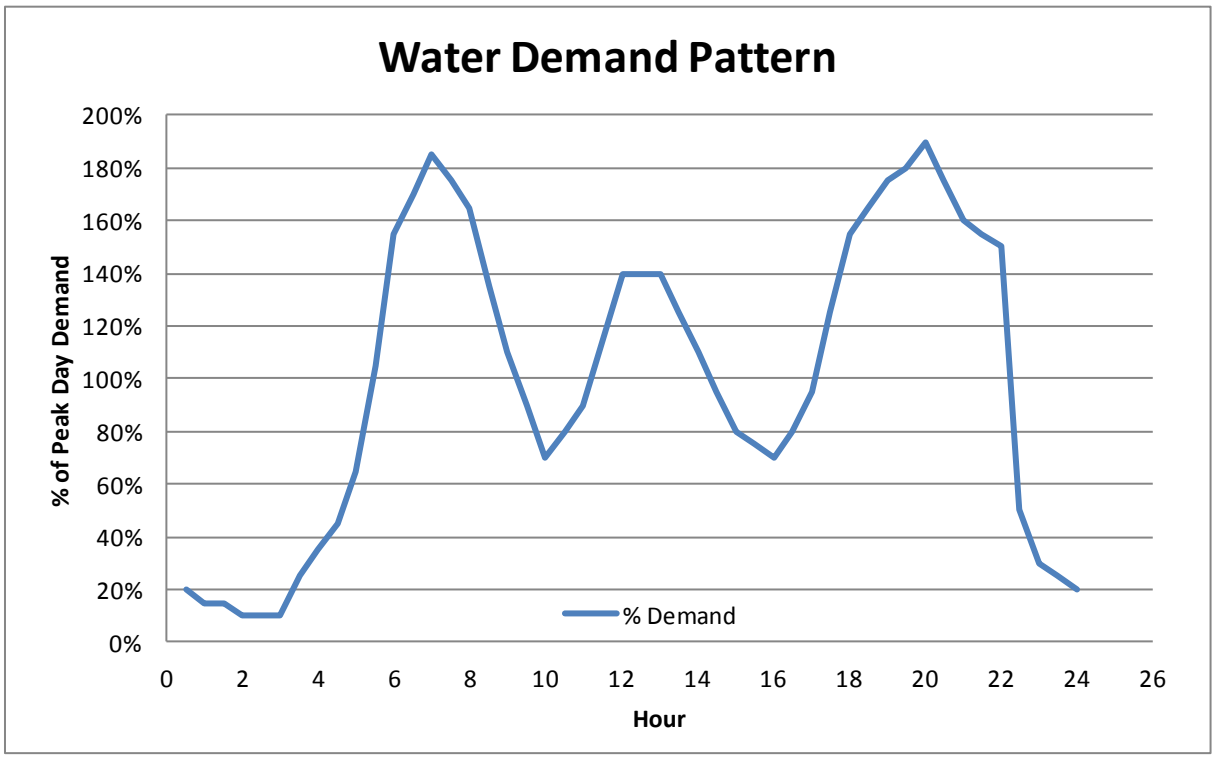

Figure 12 System Demand Curve

The simulation will start at the beginning of the day with all the storage tanks full. The EPS is run for the current and future peak day demand.

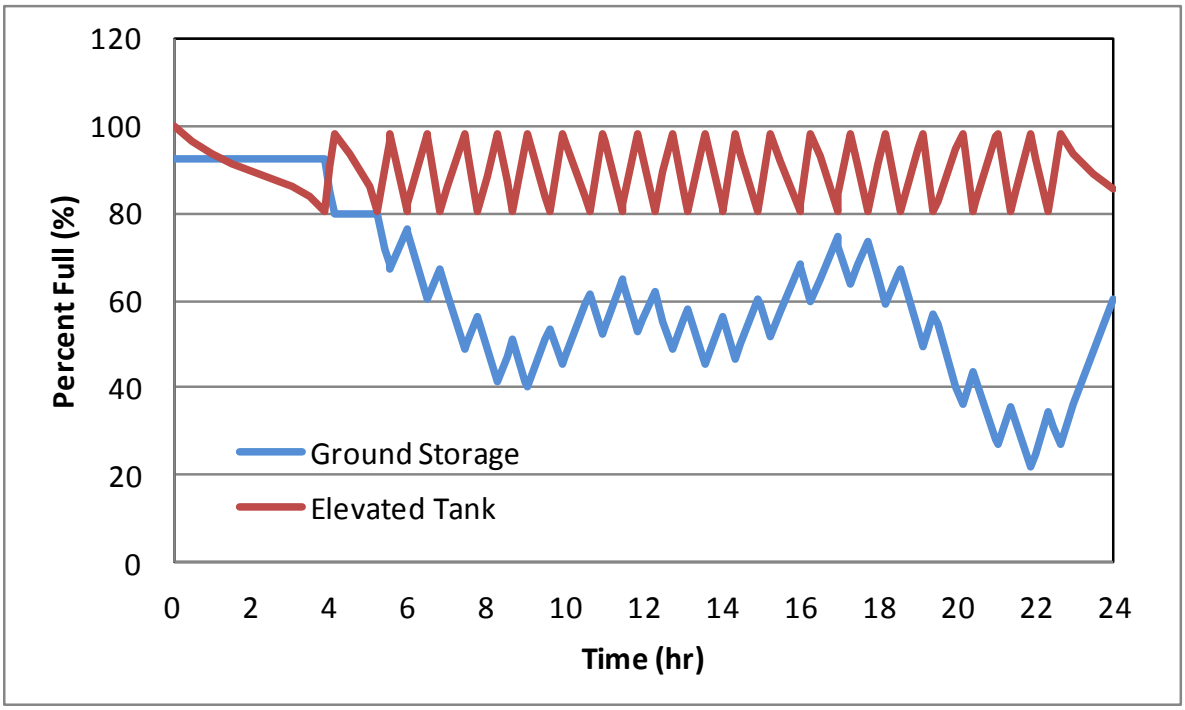

Figure 13 Existing System EPS

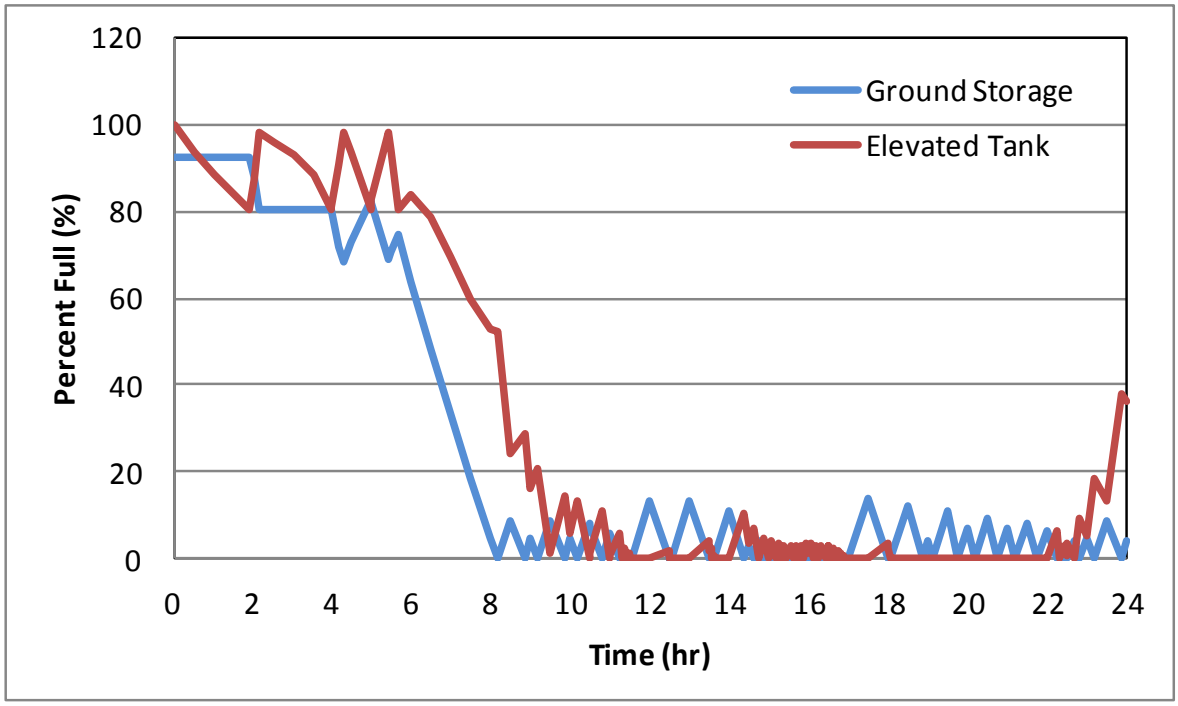

Figure 14 Existing System Future EPS

DEVELOPMENT OF ALTERNATIVES

GENERAL ALTERNATIVE INFORMATION

Each of the following alternatives includes an estimate of the total project cost. Included in the total project cost are the construction cost, contingencies, legal and administration, engineering and testing. It should be noted that these are only estimates and by no means a guarantee of the actual construction costs. Actual field measurements will be taken during the design phase to complete a more accurate estimate. Contract prices can be affected by project location, contractor work load, project size, contract time and the time of year that the project is built. These estimates should be updated on a yearly basis to reflect current industry conditions.

EQUIVALENT UNIFORM ANNUAL COST

When choosing the most cost effective solution to a problem, you have to consider the initial cost and the long term cost. The alternative with the cheapest initial cost may not be the cheapest alternative when operation and maintenance cost are taken into account. The capital cost and equivalent uniform annual cost (EUAC) are both provided for all of the alternatives. The EUAC is evaluated over 20 years and an interest rate of 3.0% to provide the long term costs. The salvage value at the end of 20 years will be 0% or 60%. The EUAC will provide the owner with the best long term solution.

WATER SOURCE ALTERNATIVES

The following alternatives were developed to correct the deficiencies listed below:

1) The wells do not have enough capacity to meet the peak day demand.
2) The Aspen Park wells should be properly abandoned.
3) Well six is being over pumped.

SOURCE ALTERNATIVE 1: DO NOTHING

The first source alternative is the "do nothing" alternative. This alternative is not considered acceptable because the current well capacity does not meet the peak day demand.

SOURCE ALTERNATIVE 2: NEW WELLS

Source Alternative 2 proposes the City construct a new well into the Split Rock Creek aquifer and two wells into the Big Sioux aquifer to provide adequate water supply to meet the peak day demand. This recommendation also includes a well transmission line be constructed between the new wells and the water treatment plant. Rehabilitation of well six is proposed as part of this

alternative after the new wells are online. The production at well six is 70% of when it was built. The rehabilitation of well six includes new well piping and a new well building with a flow meter, variable frequency drive and a supervisory control and data acquisition (SCADA) system. SCADA allows the remote monitoring of several facilities at one location. It is also recommended that a level transducer be included in all new wells to monitor static and residual water levels in the aquifer.

The location of the proposed Split Rock Creek well is located in the following figure. The South Dakota Geological Survey was contacted about the location of the new well in the Split Rock Creek aquifer. The two best locations are the Sioux Falls well and the proposed location. It is also beneficial to keep the wells in the Split Rock Creek aquifer as far apart as possible to limit the intrusion. The anticipated production from the new well is 1,500 gpm. After well six is rehabilitated it is recommended that it not be pumped over 1,500 gpm. It is important for the longevity of the well and the aquifer that the wells are not over pumped. The combination of well six and the new well would provide 4,320,000 gpd (3,000 x 60 x 24). The City has current and future permits for the Split Rock Creek aquifer of 5,685,791 gpd.

The approximate locations of the Big Sioux wells are shown in the following figure. The South Dakota Geological Survey has limited data about the Big Sioux aquifer. Test drilling would have to be completed to determine the location with the thickest gravel and sand pack. The anticipated production from each well would be 300 - 500 gpm. Two wells producing 300 gpm each would provide 864,000 gpd (600 x 60 x 24). The City has current and future permits for the Big Sioux aquifer of 1,936,228 gpd. The combination of the new Big Sioux wells and the Split Rock Creek wells would provide enough volume to meet the peak day demand. The City will need to blend water from both aquifers in order to have adequate volume and because of the nitrate levels in the Big Sioux aquifer.

It is recommended in the future that the City irrigate with raw water from the well transmission line. This will reduce the amount of water they need to treat in the summer time when demand is high. Aspen Park could be irrigated off the well transmission line. The cost estimate and EUAC for this alternative are shown on the following page.

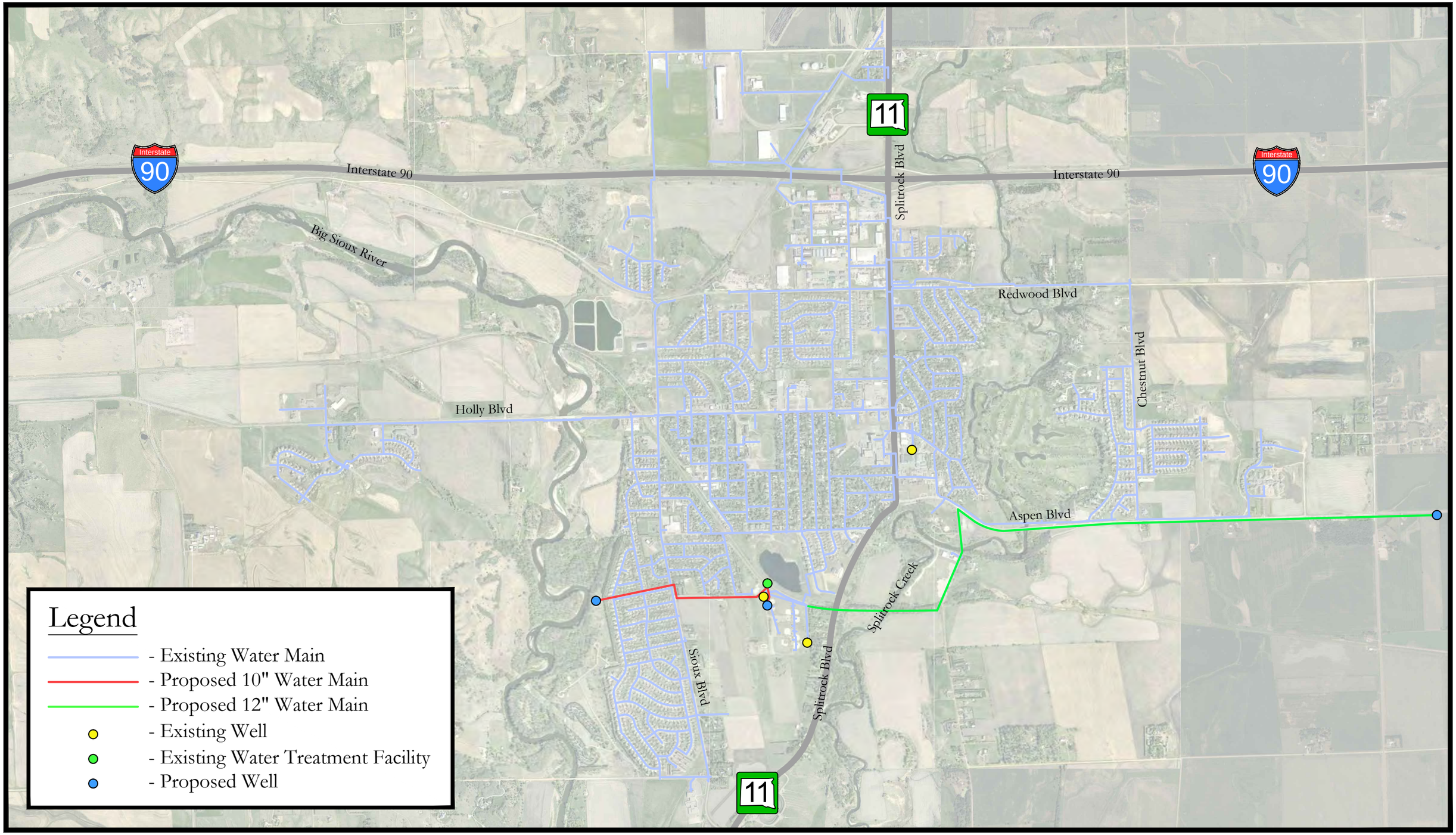

Figure 15 | Source Alternative 2

0 500 1000 2000

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Table 8 Cost Estimate for Source Alternative 2

Item No.	Description	Quantity	Unit	Unit Price	Price
1	Mobilization	1	LS	$226,000.00	$226,000.00
2	Well Abandonment	5	EA	$4,000.00	$20,000.00
3	Well Exploration	1	LS	$50,000.00	$50,000.00
4	Rehab Well #6	1	LS	$75,000.00	$75,000.00
5	Shallow Well Construction	2	EA	$80,000.00	$160,000.00
6	Deep Well Construction	1	EA	$120,000.00	$120,000.00
7	Well House Assembly	4	EA	$15,000.00	$60,000.00
8	Vertical Turbine Pump, Furnish	2	EA	$40,000.00	$80,000.00
9	Vertical Turbine Pump, Furnish	1	EA	$50,000.00	$50,000.00
10	Pump Control Systems, Furnish	4	EA	$25,000.00	$100,000.00
11	Well Pump & Control Systems, Install	3	EA	$10,000.00	$30,000.00
12	SCADA System	4	EA	$5,000.00	$20,000.00
13	Well House (Arch, Elec, Mech & Structural)	4	EA	$80,000.00	$320,000.00
14	Seeding, Fertilizing & Mulching	67,500	SY	$1.50	$101,250.00
15	Aggregate Base Course (12")	3,900	TN	$15.00	$58,500.00
16	Asphalt Concrete Composite (4")	1,400	TN	$75.00	$105,000.00
17	6" C900 Water Main	40	LF	$23.00	$920.00
18	10" C900 Water Main	4,200	LF	$28.00	$117,600.00
19	12" C900 Water Main	16,000	LF	$32.00	$512,000.00
20	HWY & River Crossings	630	LF	$300.00	$189,000.00
21	Water Main Bedding Material	19,610	LF	$3.00	$58,830.00
22	6" MJ Gate Valve w/Box	4	EA	$950.00	$3,800.00
23	12" MJ Gate Valve w/Box	1	EA	$2,500.00	$2,500.00
24	10" x 6" MJ Tee	2	EA	$300.00	$600.00
25	10" x 10" MJ Tee	1	EA	$350.00	$350.00
26	12" x 6" MJ Tee	2	EA	$400.00	$800.00
27	16" x 10" MJ Tee	1	EA	$800.00	$800.00
28	16" x 12" MJ Tee	1	EA	$900.00	$900.00
29	10" MJ Bend	2	EA	$300.00	$600.00
30	12" MJ Bend	2	EA	$350.00	$700.00
31	6" MJ Restraints	16	EA	$75.00	$1,200.00
32	10" MJ Restraints	12	EA	$110.00	$1,320.00
33	12" MJ Restraints	12	EA	$125.00	$1,500.00
34	16" MJ Restraints	4	EA	$250.00	$1,000.00
35	Fire Hydrant	4	EA	$2,800.00	$11,200.00
36	Cut & Tie to Existing Watermain	2	EA	$750.00	$1,500.00
				Subtotal	$2,482,870.00
				Contingencies (15%)	$373,000.00
				Total Estimated Construction Costs	**$2,855,870.00**
				ENGINEERING	**$395,000.00**
				LAND PURCHASE	**$20,000.00**
				LEGAL, ADMINISTRATION & TESTING (4%)	**$115,000.00**
				TOTAL ESTIMATED PROJECT COST	**$3,385,870.00**

Table 9 EUAC for Source Alternative 2

Capital Cost		Salvage	Present Worth	Net Present
Description	Price	Value	of Salvage Value	Worth
Mobilization	$226,000.00	$0.00	$0.00	$226,000.00
Well Abandonment	$20,000.00	$0.00	$0.00	$20,000.00
Well Exploration	$50,000.00	$0.00	$0.00	$50,000.00
Rehab Well #6	$75,000.00	$45,000.00	$24,915.41	$50,084.59
Shallow Well Construction	$160,000.00	$96,000.00	$53,152.87	$106,847.13
Deep Well Construction	$120,000.00	$72,000.00	$39,864.65	$80,135.35
Well House Assembly	$60,000.00	$36,000.00	$19,932.33	$40,067.67
Vertical Turbine Pump, Furnish	$80,000.00	$48,000.00	$26,576.44	$53,423.56
Vertical Turbine Pump, Furnish	$50,000.00	$30,000.00	$16,610.27	$33,389.73
Pump Control Systems, Furnish	$100,000.00	$60,000.00	$33,220.55	$66,779.45
Well Pump & Control Systems, Install	$30,000.00	$0.00	$0.00	$30,000.00
SCADA System	$20,000.00	$12,000.00	$6,644.11	$13,355.89
Well House (Arch, Elec, Mech & Structural)	$320,000.00	$192,000.00	$106,305.74	$213,694.26
Seeding, Fertilizing & Mulching	$101,250.00	$0.00	$0.00	$101,250.00
Aggregate Base Course (12")	$58,500.00	$35,100.00	$19,434.02	$39,065.98
Asphalt Concrete Composite (4")	$105,000.00	$63,000.00	$34,881.57	$70,118.43
6" C900 Water Main	$920.00	$552.00	$305.63	$614.37
10" C900 Water Main	$117,600.00	$70,560.00	$39,067.36	$78,532.64
12" C900 Water Main	$512,000.00	$307,200.00	$170,089.19	$341,910.81
HWY & River Crossings	$189,000.00	$113,400.00	$62,786.83	$126,213.17
Water Main Bedding Material	$58,830.00	$0.00	$0.00	$58,830.00
6" MJ Gate Valve w/Box	$3,800.00	$2,280.00	$1,262.38	$2,537.62
12" MJ Gate Valve w/Box	$2,500.00	$1,500.00	$830.51	$1,669.49
10" x 6" MJ Tee	$600.00	$360.00	$199.32	$400.68
10" x 10" MJ Tee	$350.00	$210.00	$116.27	$233.73
12" x 6" MJ Tee	$800.00	$480.00	$265.76	$534.24
16" x 10" MJ Tee	$800.00	$480.00	$265.76	$534.24
16" x 12" MJ Tee	$900.00	$540.00	$298.98	$601.02
10" MJ Bend	$600.00	$360.00	$199.32	$400.68
12" MJ Bend	$700.00	$420.00	$232.54	$467.46
6" MJ Restraints	$1,200.00	$720.00	$398.65	$801.35
10" MJ Restraints	$1,320.00	$792.00	$438.51	$881.49
12" MJ Restraints	$1,500.00	$900.00	$498.31	$1,001.69
16" MJ Restraints	$1,000.00	$600.00	$332.21	$667.79
Fire Hydrant	$11,200.00	$6,720.00	$3,720.70	$7,479.30
Cut & Tie to Existing Watermain	$1,500.00	$0.00	$0.00	$1,500.00
Land Purchase	$20,000.00	$20,000.00	$11,073.52	$8,926.48
Remaining Capital Costs	$883,000.00	$0.00	$0.00	$883,000.00
Total Construction Cost	**$3,385,870.00**	**$1,217,174.00**	**$673,919.73**	**$2,711,950.27**
Annual Operation and Maintenance Cost				
Description	**Annual Cost**			**Net Present Worth**
Equipment	$2,000.00			$29,754.95
Supplies	$1,000.00			$14,877.47
Utilities	$10,000.00			$148,774.75
Labor	$3,000.00			$44,632.42
Total Annual Cost	**$16,000.00**			**$238,039.60**
			Total Net Present Worth	**$2,949,989.87**
			EUAC	**$198,285.66**

WATER TREATMENT

The following alternatives were developed to correct the deficiencies listed below:

1) The water treatment plant does not have the capacity to meet the peak day demand.

TREATMENT ALTERNATIVE 1: DO NOTHING

The first treatment alternative is the "Do Nothing" alternative. This alternative is not considered acceptable because the current water treatment plant does not meet the peak day demand.

TREATMENT ALTERNATIVE 2: NEW WATER TREATMENT PLANT

Treatment Alternative 2 proposes the City build a new water treatment plant. The plant should be located in Aspen Park adjacent to the existing water treatment plant. The current plant has a capacity of 2,880,000 gpd and the new plant should have the same capacity. The design life of a water treatment plant should extend beyond 20 years and the larger capacity will allow for a higher population and longer design life.

The City needs to be involved with the selection of the treatment process in the new plant. There are three treatment process alternatives for the new plant. The first option is oxidation of iron and manganese, filtration, disinfection and fluoridation which is the same process as the current plant. This process doesn't soften the water or remove nitrate, sulfate or organic carbon. The second option is aeration, lime softening, filtration, disinfection and fluoridation. This process would soften the water but produces a sludge byproduct that would need to be stored and disposed of. Nitrate and sulfate would not be removed with this process. The treated water from the new plant could be blended with the existing plant before flowing into the system. The third option is aeration, oxidation, filtration and nanofiltration or reverse osmosis. This process would soften the water and remove most ions. However, the byproduct is a concentrated stream that is 20-25% of the water flowing through the membranes. This concentrated stream could be discharged to a stream with DENR approval or to the sanitary sewer. The treated water from the new plant could be blended with the existing plant before flowing into the system.

The City should also make upgrades to the existing plant after the new plant is online. The existing plant has not been upgraded since it was built in 1998. It is recommended that the City continue to utilize the existing plant because it is still functioning adequately and the loan will be paid off in 2015.

A new water treatment plant similar to the existing one could cost approximately $8,400,000 and adding lime softening could add approximately $3,000,000. A nanofiltration or reverse osmosis water treatment plant could cost approximately $11,600,000. A more in depth study should be

completed to determine a detailed cost estimate and determine the upgrades necessary at the existing plant.

WATER STORAGE

The following alternatives were developed to correct the deficiencies listed below:

1) The system does not have adequate elevated storage.
2) The system does not have adequate pressure.
3) The system does not have adequate fire flows.
4) The City should reduce the number of pressure zones with new elevated storage.

STORAGE ALTERNATIVE 1: DO NOTHING

The first storage alternative is the "Do Nothing" alternative. This alternative is not considered acceptable because it will not provide adequate storage.

STORAGE ALTERNATIVE 2: NEW WATER TOWERS

Storage Alternative 2 proposes a new 1,250,000 gallon water tower be built on the west and east sides of the community. The existing booster stations and pressure reducing valve could be eliminated once these water towers were constructed. The proposed low water elevation of the tanks is 1546.00. These water towers would increase the pressure in the system, improve fire flow and provide adequate storage to offset the peak day demand. There are only two locations that have pressures below the recommended 40 psi compared to the entire existing system being below 40 psi. There are only a couple residential locations with fire flows below 1,500 gpm compared to the entire existing system being below 1,500 gpm. In addition, the business districts and industrial areas show a drastic increase in fire flows. The location of the proposed towers are shown in the following figure. There are water mains included in the estimate to connect the proposed towers to the existing distribution system. This alternative recommends the City purchase two acres at each site to allow room for construction and future maintenance of the tanks. The cost estimate for this alternative is shown in the following table.

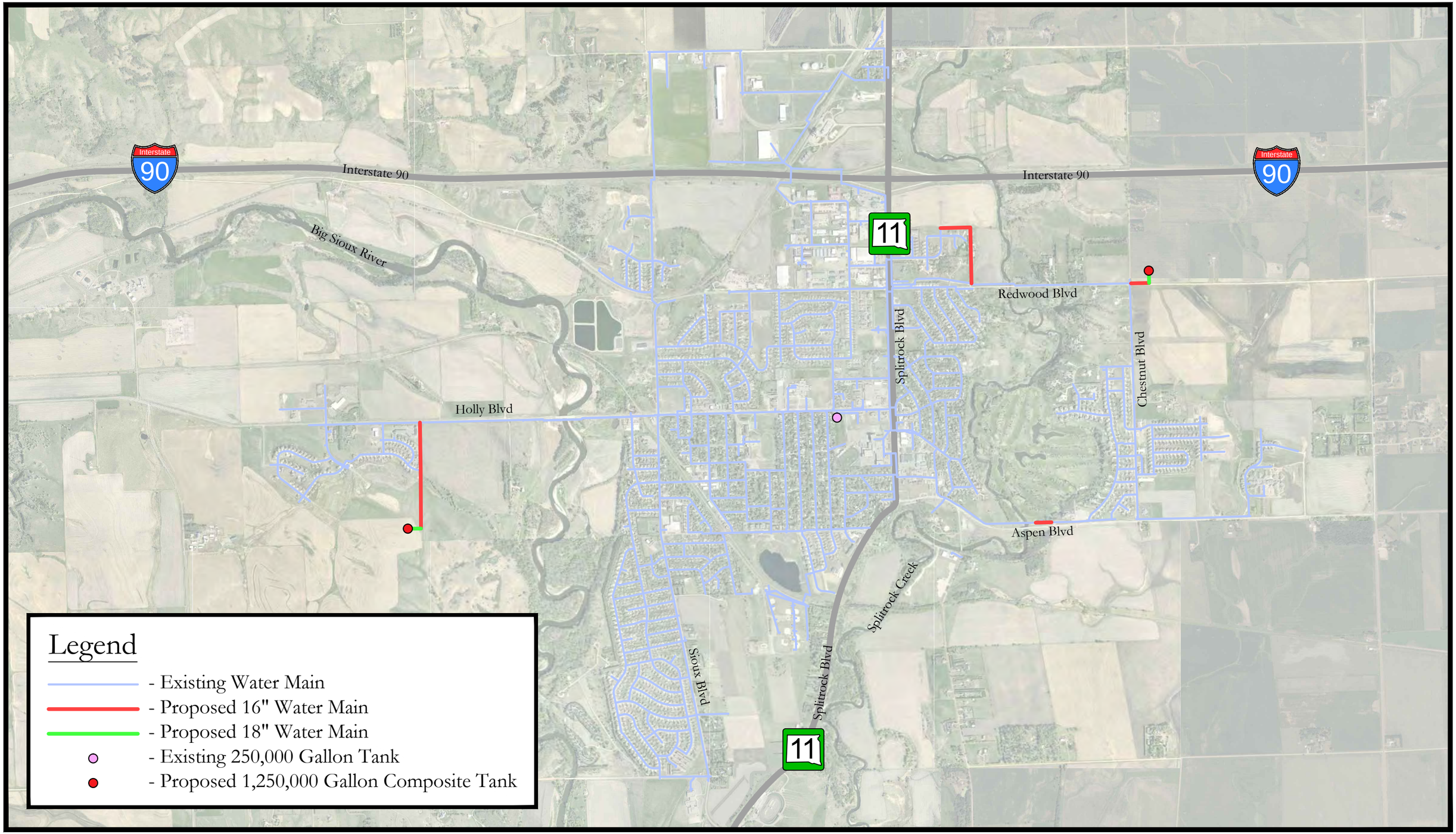

Figure 16 | Storage Alternative 2

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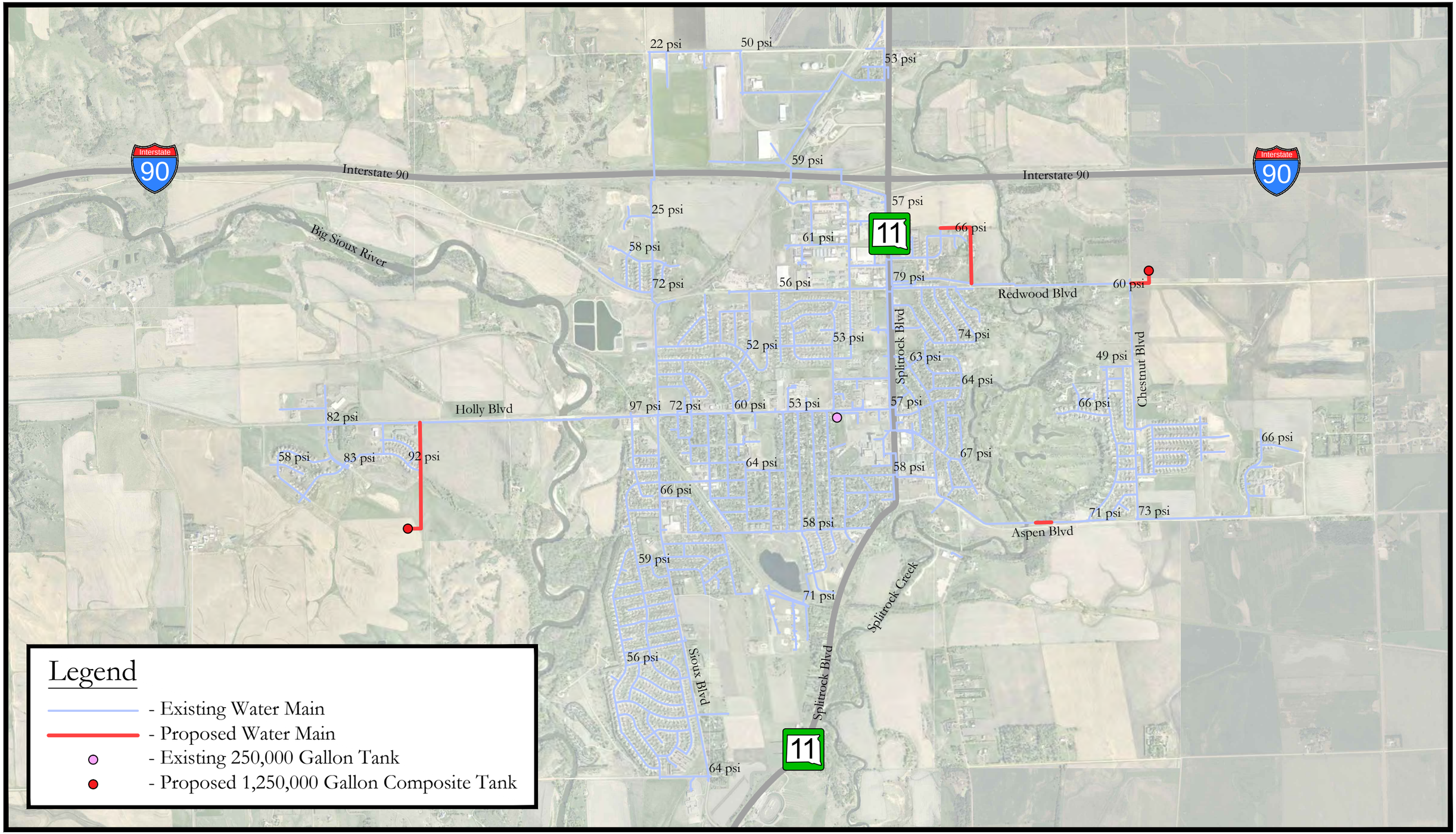

Figure 17 | Storage Alternative 2 Pressure Analysis

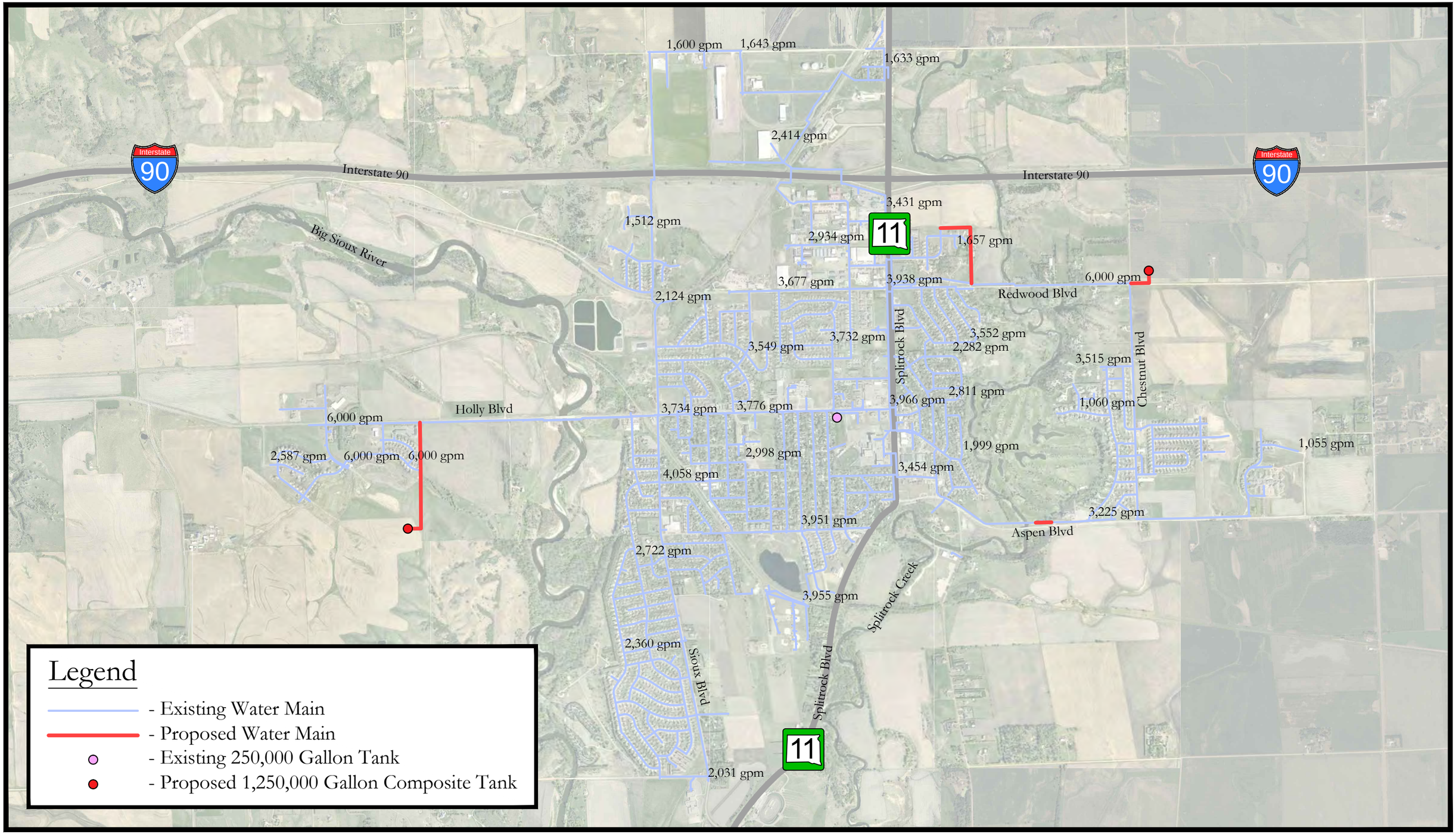

Figure 18 | Storage Alternative 2 Fire Flow

0 500 1000 2000

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Table 10 Cost Estimate for Storage Alternative 2

Item No.	Description	Quantity	Unit	Unit Price	Price
1	Mobilization	1	LS	$465,000.00	$465,000.00
2	Remove & Dispose of Existing Tank	1	LS	$30,000.00	$30,000.00
3	1,250,000 Gallon Composite Tank	2	EA	$1,500,000.00	$3,000,000.00
4	Tank Foundation	2	EA	$350,000.00	$700,000.00
5	Control Room	2	EA	$130,000.00	$260,000.00
6	SCADA System	2	EA	$5,000.00	$10,000.00
7	Altitude Control Valve	1	EA	$30,000.00	$30,000.00
8	Electrical Wiring	2	EA	$20,000.00	$40,000.00
9	Floor Drain and Line	2	EA	$6,000.00	$12,000.00
10	Chain Link Fence	2,400	FT	$25.00	$60,000.00
11	Salvage & Replace Topsoil	7,000	CY	$5.00	$35,000.00
12	Unclassified Excavation	700	CY	$5.00	$3,500.00
13	Aggregate Base Course (8")	1,400	TN	$15.00	$21,000.00
14	Seed, Fertilize & Mulch	41,500	SY	$1.50	$62,250.00
15	6" C900 Water Main	20	LF	$23.00	$460.00
16	16" C905 Water Main	4,900	FT	$50.00	$245,000.00
17	18" C905 Water Main	600	FT	$63.00	$37,800.00
18	Water Main Bedding Material	5,520	FT	$4.00	$22,080.00
19	6" MJ Gate Valve w/Box	2	EA	$950.00	$1,900.00
20	16" MJ Gate Valve w/Box	4	EA	$8,500.00	$34,000.00
21	16" x 12" MJ Tee	1	EA	$900.00	$900.00
22	16" x 16" MJ Tee	1	EA	$1,000.00	$1,000.00
23	18" x 6" MJ Tee	2	EA	$1,000.00	$2,000.00
24	18" x 16" MJ Reducer	1	EA	$450.00	$450.00
25	16" MJ Plug	2	EA	$350.00	$700.00
26	6" MJ Restraints	8	EA	$75.00	$600.00
27	12" MJ Restraints	1	EA	$125.00	$125.00
28	16" MJ Restraints	14	EA	$250.00	$3,500.00
29	18" MJ Restraints	5	EA	$300.00	$1,500.00
30	Fire Hydrant	2	EA	$2,800.00	$5,600.00
31	Cut & Tie to Existing Watermain	8	EA	$750.00	$6,000.00
32	Bypass Booster Stations	3	EA	$5,000.00	$15,000.00
33	Erosion Control	1	LS	$2,000.00	$2,000.00
34	Traffic Control	1	LS	$1,000.00	$1,000.00
				Subtotal	$5,110,365.00
				Contingencies (15%)	$767,000.00
				Total Estimated Construction Costs	**$5,877,365.00**
				ENGINEERING	**$776,000.00**
				LAND PURCHASE	**$83,000.00**
				LEGAL, ADMINISTRATION & TESTING (4%)	**$236,000.00**
				TOTAL ESTIMATED PROJECT COST	**$6,972,365.00**

Table 11 EUAC for Storage Alternative 2

Capital Cost Description	Price	Salvage Value	Present Worth of Salvage Value	Net Present Worth
Mobilization	$465,000.00	$0.00	$0.00	$465,000.00
Remove & Dispose of Existing Tank	$30,000.00	$0.00	$0.00	$30,000.00
1,250,000 Gallon Composite Tank	$3,000,000.00	$1,800,000.00	$996,616.36	$2,003,383.64
Tank Foundation	$700,000.00	$420,000.00	$232,543.82	$467,456.18
Control Room	$260,000.00	$156,000.00	$86,373.42	$173,626.58
SCADA System	$10,000.00	$6,000.00	$3,322.05	$6,677.95
Altitude Control Valve	$30,000.00	$18,000.00	$9,966.16	$20,033.84
Electrical Wiring	$40,000.00	$24,000.00	$13,288.22	$26,711.78
Floor Drain and Line	$12,000.00	$7,200.00	$3,986.47	$8,013.53
Chain Link Fence	$60,000.00	$36,000.00	$19,932.33	$40,067.67
Salvage & Replace Topsoil	$35,000.00	$0.00	$0.00	$35,000.00
Unclassified Excavation	$3,500.00	$0.00	$0.00	$3,500.00
Aggregate Base Course (8")	$21,000.00	$12,600.00	$6,976.31	$14,023.69
Seed, Fertilize & Mulch	$62,250.00	$0.00	$0.00	$62,250.00
6" C900 Water Main	$460.00	$276.00	$152.81	$307.19
16" C905 Water Main	$245,000.00	$147,000.00	$81,390.34	$163,609.66
18" C905 Water Main	$37,800.00	$22,680.00	$12,557.37	$25,242.63
Water Main Bedding Material	$22,080.00	$0.00	$0.00	$22,080.00
6" MJ Gate Valve w/Box	$1,900.00	$1,140.00	$631.19	$1,268.81
16" MJ Gate Valve w/Box	$34,000.00	$20,400.00	$11,294.99	$22,705.01
16" x 12" MJ Tee	$900.00	$540.00	$298.98	$601.02
16" x 16" MJ Tee	$1,000.00	$600.00	$332.21	$667.79
18" x 6" MJ Tee	$2,000.00	$1,200.00	$664.41	$1,335.59
18" x 16" MJ Reducer	$450.00	$270.00	$149.49	$300.51
16" MJ Plug	$700.00	$420.00	$232.54	$467.46
6" MJ Restraints	$600.00	$360.00	$199.32	$400.68
12" MJ Restraints	$125.00	$75.00	$41.53	$83.47
16" MJ Restraints	$3,500.00	$2,100.00	$1,162.72	$2,337.28
18" MJ Restraints	$1,500.00	$900.00	$498.31	$1,001.69
Fire Hydrant	$5,600.00	$3,360.00	$1,860.35	$3,739.65
Cut & Tie to Existing Watermain	$6,000.00	$0.00	$0.00	$6,000.00
Bypass Booster Stations	$15,000.00	$9,000.00	$4,983.08	$10,016.92
Erosion Control	$2,000.00	$0.00	$0.00	$2,000.00
Traffic Control	$1,000.00	$0.00	$0.00	$1,000.00
Land Purchase	$83,000.00	$83,000.00	$45,955.09	$37,044.91
Remaining Capital Costs	$1,779,000.00	$0.00	$0.00	$1,779,000.00
Total Construction Cost	**$6,972,365.00**	**$2,773,121.00**	**$1,535,409.86**	**$5,436,955.14**
Annual Operation and Maintenance Cost				
Description	**Annual Cost**			**Net Present Worth**
Equipment	$500.00			$7,438.74
Supplies	$500.00			$7,438.74
Utilities	$1,000.00			$14,877.47
Painting	$7,500.00			$111,581.06
Labor	$1,000.00			$14,877.47
Total Annual Cost	**$10,500.00**			**$156,213.49**
			Total Net Present Worth	**$5,593,168.62**
			EUAC	**$375,948.79**

WATER DISTRIBUTION ALTERNATIVES

The following are the negative characteristics that were discussed in the Water Distribution Section.

1) The ACP has outlived it useful life expectancy.
2) Larger trunk mains need to be installed for looping to reduce pressure loss.
3) There are bottlenecks with the existing trunk main sizes.

DISTRIBUTION ALTERNATIVE 1: DO NOTHING

The first distribution alternative is the "Do Nothing" alternative. This alternative is not considered acceptable because it will not address the negative characteristics.

DISTRIBUTION ALTERNATIVE 2: REPLACE ACP

Distribution Alternative 2 proposes the replacement of all the ACP water mains in the City. As discussed previously, the ACP water mains are brittle and break. In addition, the flow capacity is reduced as these pipes age. The water mains will be replaced with PVC that will reduce the frequency of breaks, reduce the head loss and increase the flow capacity. In addition, new pipe is required because the proposed storage alternatives will drastically increase the pressure and increase the potential for breaks with the old ACP.

The proposed pressures and fire flows stay the same because the remainder of the system is still the major reason for the reduced pressures and fire flows. This area will show larger improvement once the rest of the system upgrades are completed. The locations of the proposed improvements are shown on the following page.

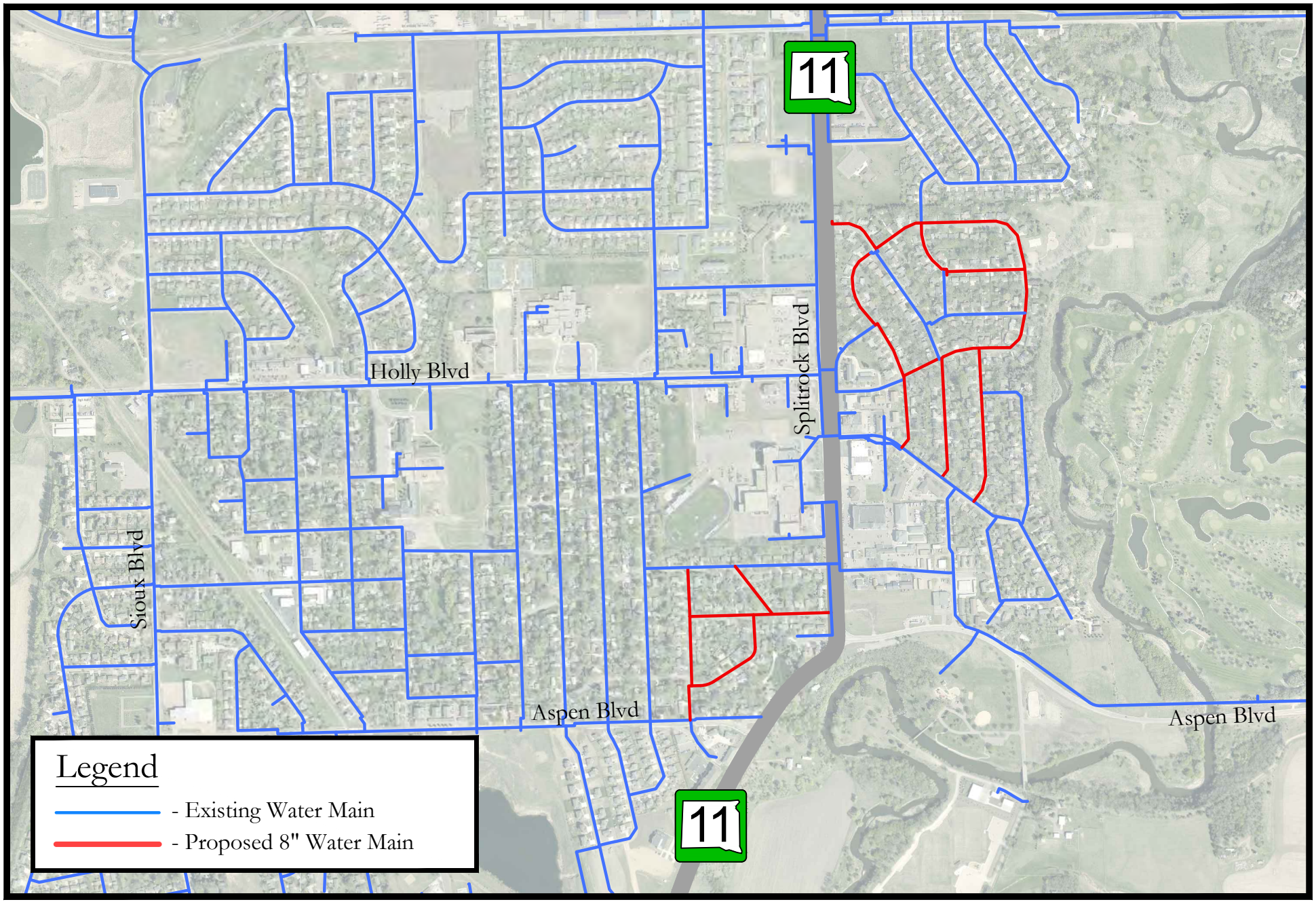

Figure 19 | Distribution Alternative 2

0 250 500 1000

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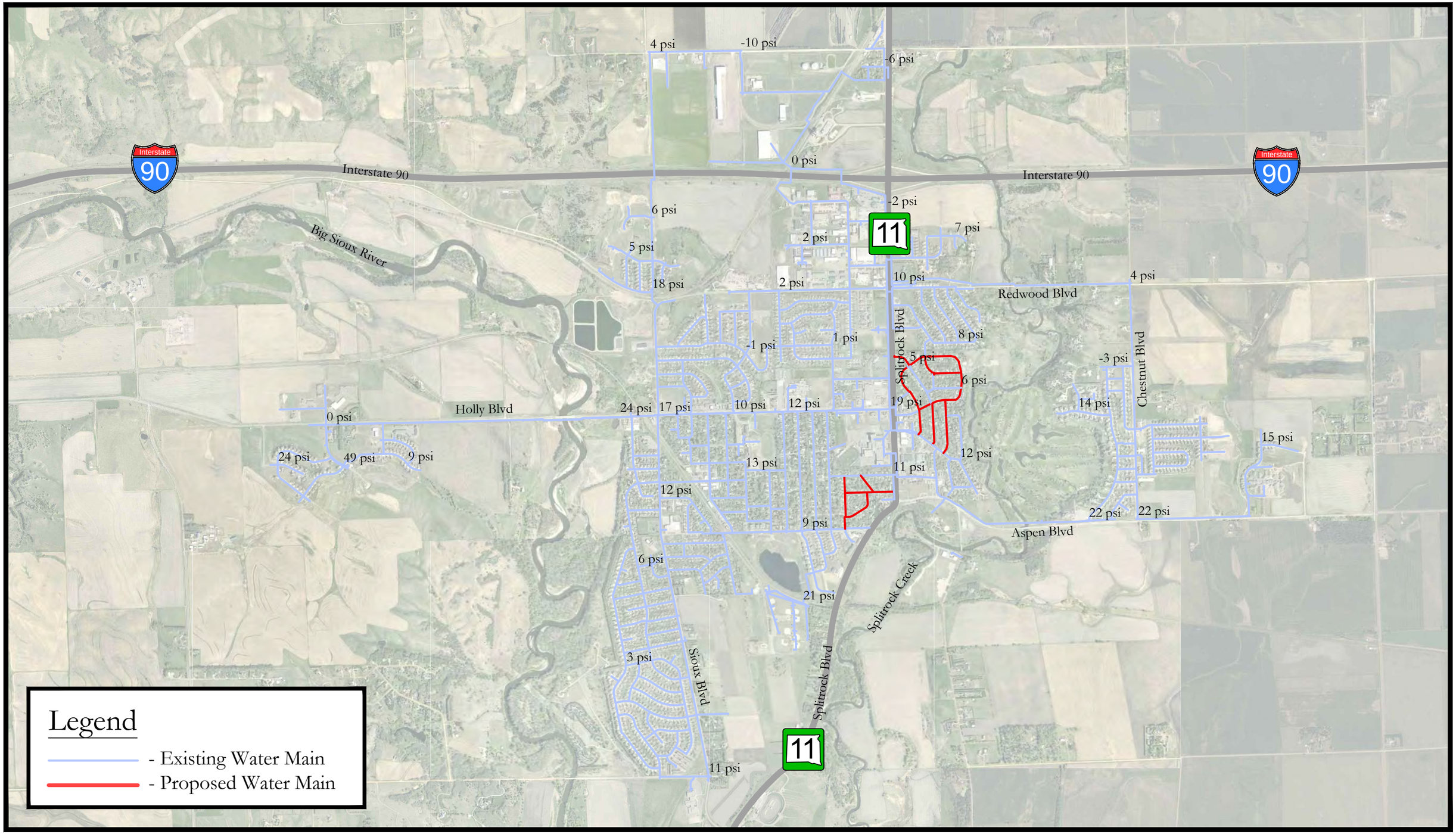

Figure 20 | Distribution Alternative 2 Pressure Analysis

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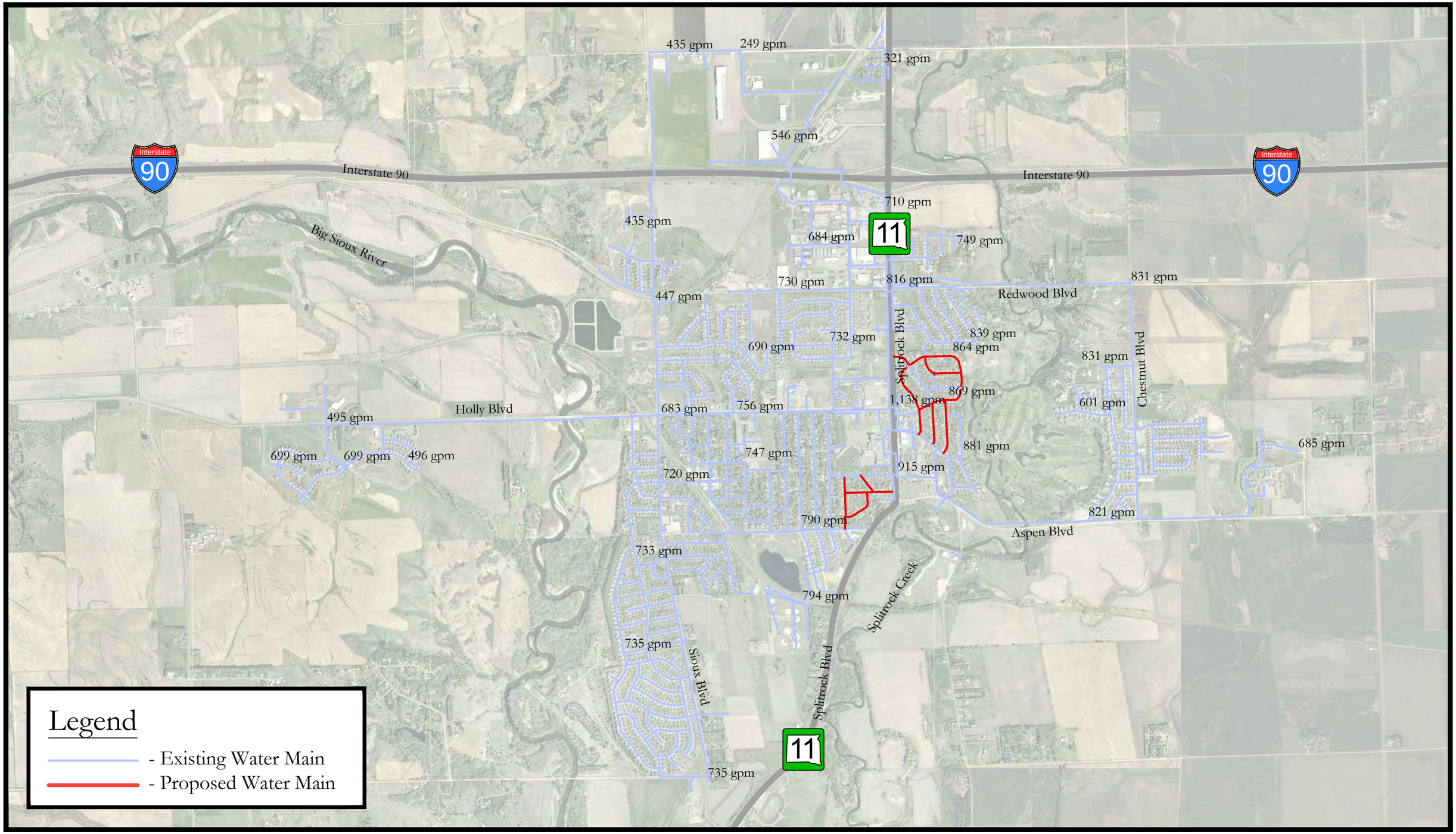

Figure 21 | Distribution Alternative 2 Fire Flow Analysis

Table 12 Cost Estimate for Distribution Alternative 2

Item No.	Description	Quantity	Unit	Unit Price	Price
1	Mobilization	1	LS	$172,000.00	$172,000.00
2	Clearing	1	LS	$2,000.00	$2,000.00
3	Remove Water Main	110	LF	$10.00	$1,100.00
4	Saw Cut Existing Surface	12,800	LF	$5.00	$64,000.00
5	Unclassified Excavation	9,340	CY	$6.00	$56,040.00
6	Scarify & Recompact Subgrade	21,000	SY	$1.50	$31,500.00
7	Salvage & Replace Topsoil	10,300	CY	$5.00	$51,500.00
8	Aggregate Base Course (12")	13,800	TN	$15.00	$207,000.00
9	Asphalt Concrete Composite (4")	4,900	TN	$75.00	$367,500.00
10	Remove & Replace Concrete C&G	1,760	LF	$25.00	$44,000.00
11	Valve Box Adjustment	62	EA	$150.00	$9,300.00
12	Seed, Fertilize & Mulch	61,700	SY	$1.50	$92,550.00
13	8" C900 Water Main	12,000	LF	$25.00	$300,000.00
14	6" C900 Water Main	600	LF	$23.00	$13,800.00
15	Water Main Bedding Material	12,600	LF	$3.00	$37,800.00
16	8" MJ Gate Valve w/Box	40	EA	$1,300.00	$52,000.00
17	6" MJ Gate Valve w/Box	22	EA	$950.00	$20,900.00
18	8" MJ Cross	1	EA	$500.00	$500.00
19	8" x 8" MJ Tee	17	EA	$450.00	$7,650.00
20	8" x 6" MJ Tee	17	EA	$300.00	$5,100.00
21	8" x 6" MJ Reducer	8	EA	$325.00	$2,600.00
22	8" MJ Restraints	177	EA	$100.00	$17,700.00
23	6" MJ Restraints	69	EA	$75.00	$5,175.00
24	Fire Hydrant	17	EA	$2,800.00	$47,600.00
25	Cut & Tie to Existing Watermain	11	EA	$750.00	$8,250.00
26	8" x 1" Tapping Saddle	176	EA	$250.00	$44,000.00
27	1" Corporation Stop	176	EA	$125.00	$22,000.00
28	1" PE Service Line	5,900	LF	$18.00	$106,200.00
29	Bore Service Line	2,950	LF	$10.00	$29,500.00
30	1" Curb Stop w/Box	176	EA	$300.00	$52,800.00
31	Erosion Control	1	LS	$5,000.00	$5,000.00
32	Traffic Control	1	LS	$5,000.00	$5,000.00
				Subtotal	$1,882,065.00
				Contingencies (15%)	$283,000.00
				Total Estimated Construction Costs	**$2,165,065.00**
				ENGINEERING	**$308,000.00**
				LEGAL, ADMINISTRATION & TESTING (4%)	**$87,000.00**
				TOTAL ESTIMATED PROJECT COST	**$2,560,065.00**

Table 13 EUAC for Distribution Alternative 2

Capital Cost Description	Price	Salvage Value	Present Worth of Salvage Value	Net Present Worth
Mobilization	$172,000.00	$0.00	$0.00	$172,000.00
Clearing	$2,000.00	$0.00	$0.00	$2,000.00
Remove Water Main	$1,100.00	$0.00	$0.00	$1,100.00
Saw Cut Existing Surface	$64,000.00	$0.00	$0.00	$64,000.00
Unclassified Excavation	$56,040.00	$0.00	$0.00	$56,040.00
Scarify & Recompact Subgrade	$31,500.00	$0.00	$0.00	$31,500.00
Salvage & Replace Topsoil	$51,500.00	$0.00	$0.00	$51,500.00
Aggregate Base Course (12")	$207,000.00	$124,200.00	$68,766.53	$138,233.47
Asphalt Concrete Composite (4")	$367,500.00	$220,500.00	$122,085.50	$245,414.50
Remove & Replace Concrete C&G	$44,000.00	$26,400.00	$14,617.04	$29,382.96
Valve Box Adjustment	$9,300.00	$0.00	$0.00	$9,300.00
Seed, Fertilize & Mulch	$92,550.00	$0.00	$0.00	$92,550.00
8" C900 Water Main	$300,000.00	$180,000.00	$99,661.64	$200,338.36
6" C900 Water Main	$13,800.00	$8,280.00	$4,584.44	$9,215.56
Water Main Bedding Material	$37,800.00	$0.00	$0.00	$37,800.00
8" MJ Gate Valve w/Box	$52,000.00	$31,200.00	$17,274.68	$34,725.32
6" MJ Gate Valve w/Box	$20,900.00	$12,540.00	$6,943.09	$13,956.91
8" MJ Cross	$500.00	$300.00	$166.10	$333.90
8" x 8" MJ Tee	$7,650.00	$4,590.00	$2,541.37	$5,108.63
8" x 6" MJ Tee	$5,100.00	$3,060.00	$1,694.25	$3,405.75
8" x 6" MJ Reducer	$2,600.00	$1,560.00	$863.73	$1,736.27
8" MJ Restraints	$17,700.00	$10,620.00	$5,880.04	$11,819.96
6" MJ Restraints	$5,175.00	$3,105.00	$1,719.16	$3,455.84
Fire Hydrant	$47,600.00	$28,560.00	$15,812.98	$31,787.02
Cut & Tie to Existing Watermain	$8,250.00	$0.00	$0.00	$8,250.00
8" x 1" Tapping Saddle	$44,000.00	$26,400.00	$14,617.04	$29,382.96
1" Corporation Stop	$22,000.00	$13,200.00	$7,308.52	$14,691.48
1" PE Service Line	$106,200.00	$63,720.00	$35,280.22	$70,919.78
Bore Service Line	$29,500.00	$0.00	$0.00	$29,500.00
1" Curb Stop w/Box	$52,800.00	$31,680.00	$17,540.45	$35,259.55
Erosion Control	$5,000.00	$0.00	$0.00	$5,000.00
Traffic Control	$5,000.00	$0.00	$0.00	$5,000.00
Remaining Capital Costs	$678,000.00	$0.00	$0.00	$678,000.00
Total Construction Cost	**$2,560,065.00**	**$789,915.00**	**$437,356.78**	**$2,122,708.22**
Annual Operation and Maintenance Cost				
Description	**Annual Cost**			**Net Present Worth**
Equipment	$250.00			$3,719.37
Supplies	$100.00			$1,487.75
Utilities	$0.00			$0.00
Labor	$500.00			$7,438.74
Total Annual Cost	**$850.00**			**$12,645.85**
			Total Net Present Worth	**$2,135,354.07**
			EUAC	**$143,529.33**

DISTRIBUTION ALTERNATIVE 3: LOOP EXISTING

Distribution Alternative 3 proposes looping be completed to improve the operation of the system. It is recommended pipe velocities stay below five feet per second because pressure loss increases drastically once this velocity is exceeded. The City's Design Standards require 16-inch diameter water main in a one-mile grid and 12-inch diameter water main in a one-half mile grid. These pipe sizes should be followed to keep the system pipe velocities down. There are existing trunk mains that need to be upsized because they are creating a bottlenecks. In addition, there are new trunk mains that need to be installed for looping to reduce pressure loss and increase flow capacity. These new mains will also loop some dead-ends in the system. As discussed previously, dead-ends increase retention time and reduce disinfection. Looping will increase water movement and decrease head loss. The proposed pressures and fire flows increase throughout the system but are still below the recommended minimums. The new water mains will reduced head loss with the larger PVC pipe. The pressure and fire flow will show a more drastic increase when the new towers are constructed. The locations of the proposed improvements are shown in the following figure.

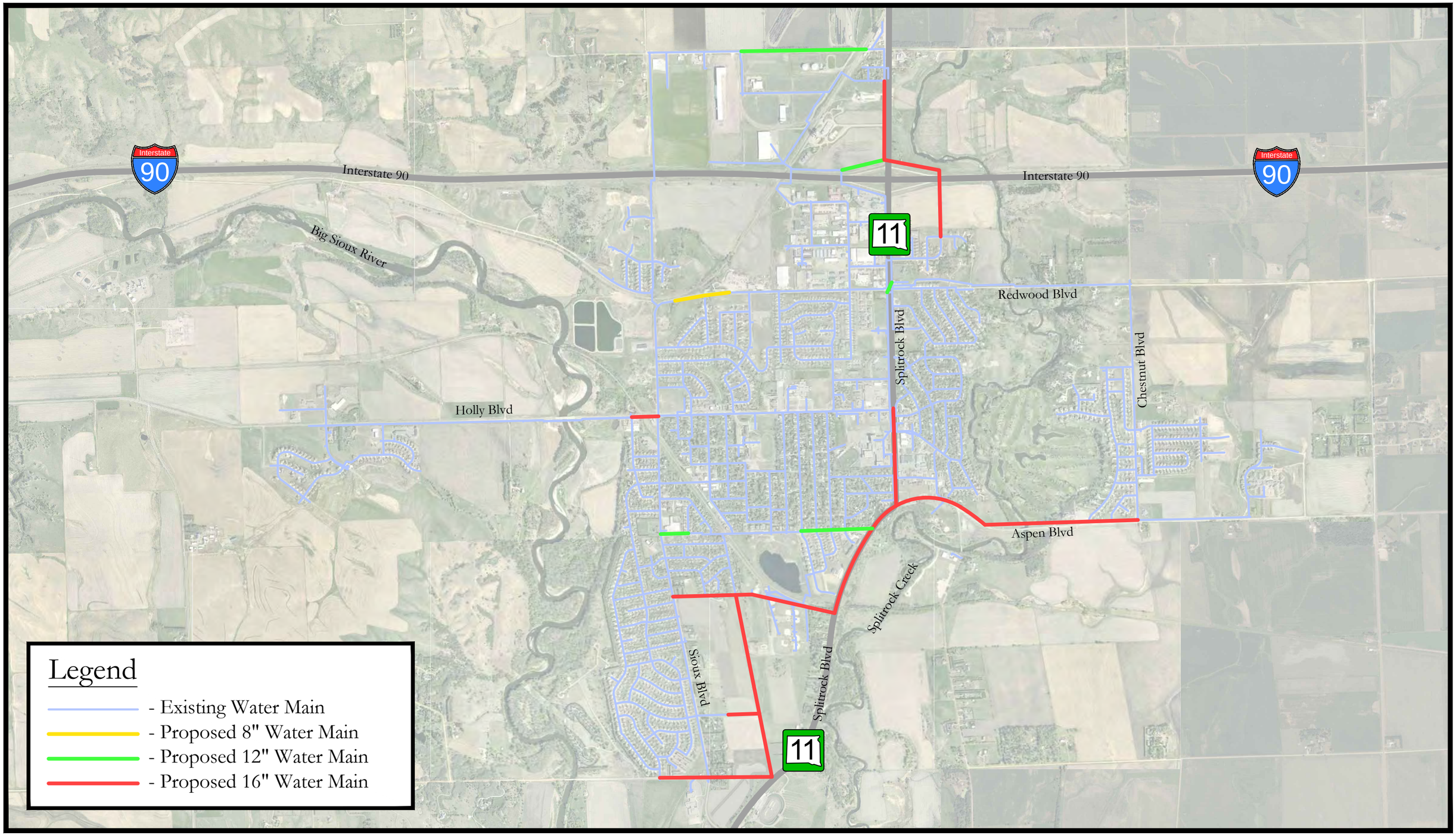

Figure 22 | Distribution Alternative 3

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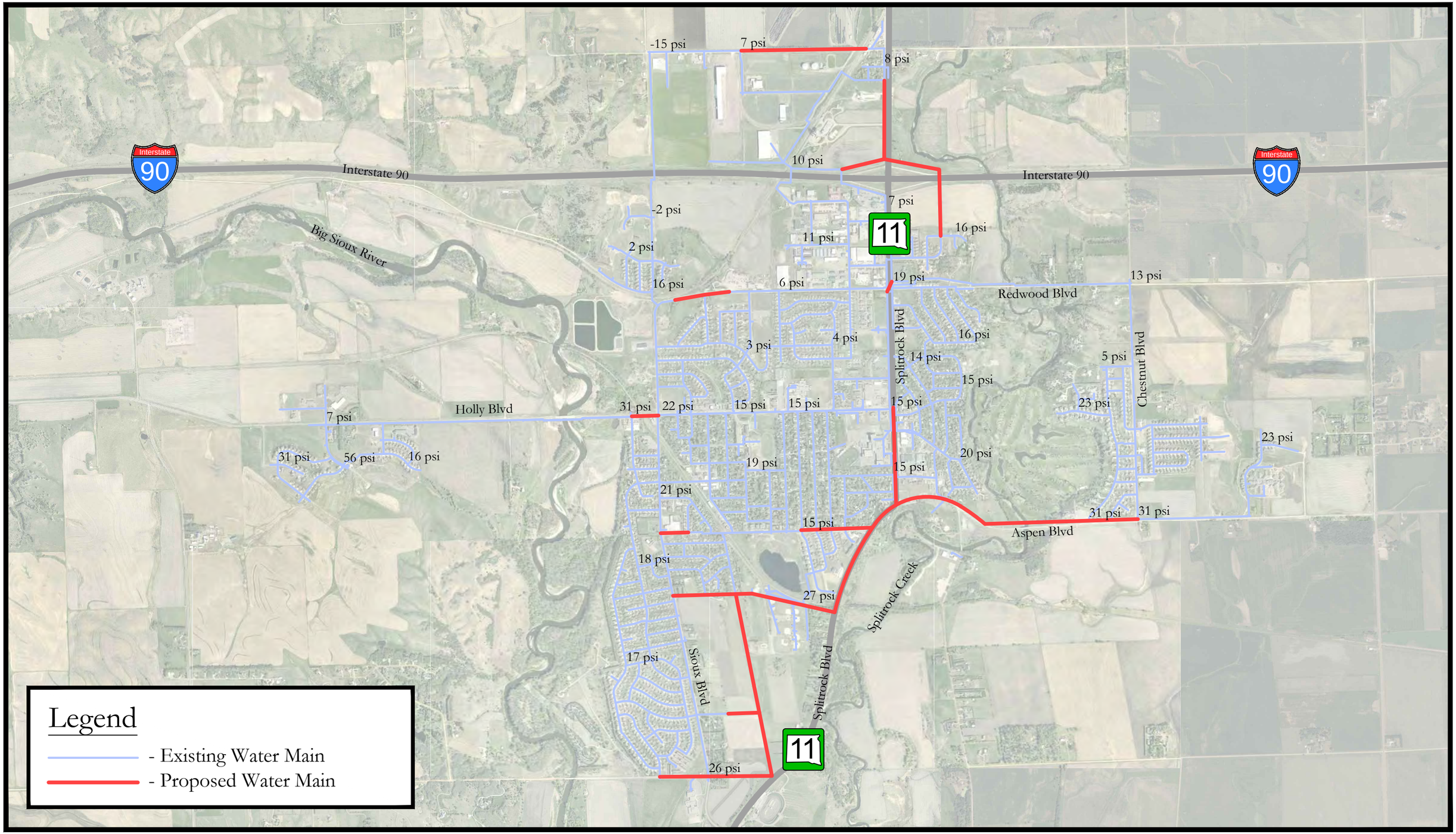

Figure 23 | Distribution Alternative 3 Pressure Analysis

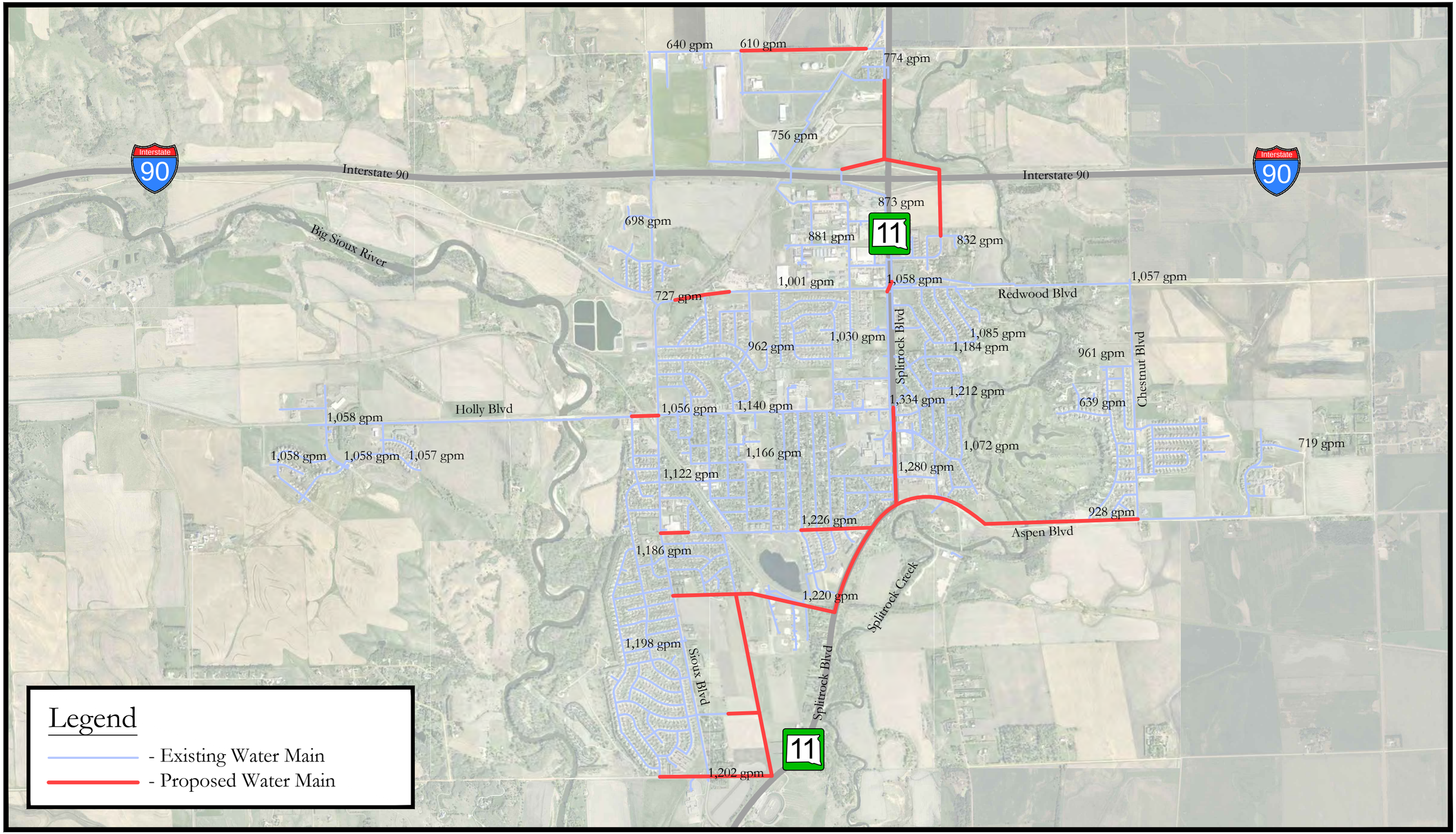

Figure 24 | Distribution Alternative 3 Fire Flow Analysis

Table 14 Cost Estimate for Distribution Alternative 3

Item No.	Description	Quantity	Unit	Unit Price	Price
1	Mobilization	1	LS	$368,000.00	$368,000.00
2	Clearing	1	LS	$10,000.00	$10,000.00
3	Remove Water Main	470	LF	$10.00	$4,700.00
4	Saw Cut Existing Surface	12,800	LF	$5.00	$64,000.00
5	Unclassified Excavation	8,910	CY	$6.00	$53,460.00
6	Scarify & Recompact Subgrade	20,100	SY	$1.50	$30,150.00
7	Salvage & Replace Topsoil	12,300	CY	$5.00	$61,500.00
8	Aggregate Base Course (12")	13,200	TN	$15.00	$198,000.00
9	Asphalt Concrete Composite (4")	2,100	TN	$75.00	$157,500.00
10	Concrete Surfacing	11,300	SY	$50.00	$565,000.00
11	Remove & Replace Concrete C&G	120	LF	$25.00	$3,000.00
12	Valve Box Adjustment	66	EA	$150.00	$9,900.00
13	Seed, Fertilize & Mulch	72,500	SY	$1.50	$108,750.00
14	Interstate, River & RR Crossings	500	LF	$300.00	$150,000.00
15	16" C905 Water Main	25,400	LF	$50.00	$1,270,000.00
16	12" C900 Water Main	6,500	LF	$32.00	$208,000.00
17	10" C900 Water Main	50	LF	$28.00	$1,400.00
18	8" C900 Water Main	2,000	LF	$25.00	$50,000.00
19	6" C900 Water Main	1,500	LF	$23.00	$34,500.00
20	Water Main Bedding Material	35,450	LF	$4.00	$141,800.00
21	16" MJ Gate Valve w/Box	15	EA	$8,500.00	$127,500.00
22	12" MJ Gate Valve w/Box	6	EA	$2,500.00	$15,000.00
23	10" MJ Gate Valve w/Box	1	EA	$1,800.00	$1,800.00
24	8" MJ Gate Valve w/Box	1	EA	$1,300.00	$1,300.00
25	6" MJ Gate Valve w/Box	43	EA	$950.00	$40,850.00
26	8" MJ Fitting	6	EA	$400.00	$2,400.00
27	10" MJ Fitting	1	EA	$500.00	$500.00
28	12" MJ Fitting	7	EA	$750.00	$5,250.00
29	16" MJ Fitting	70	EA	$900.00	$63,000.00
30	16" MJ Restraints	240	EA	$250.00	$60,000.00
31	12" MJ Restraints	33	EA	$125.00	$4,125.00
32	10" MJ Restraints	5	EA	$110.00	$550.00
33	8" MJ Restraints	20	EA	$100.00	$2,000.00
34	6" MJ Restraints	129	EA	$75.00	$9,675.00
35	Fire Hydrant	43	EA	$2,800.00	$120,400.00
36	Cut & Tie to Existing Watermain	47	EA	$750.00	$35,250.00
37	12" x 1" Tapping Saddle	7	EA	$350.00	$2,450.00
38	16" x 1" Tapping Saddle	5	EA	$475.00	$2,375.00
39	1" Corporation Stop	12	EA	$125.00	$1,500.00
40	1" PE Service Line	400	LF	$18.00	$7,200.00
41	Bore Service Line	200	LF	$10.00	$2,000.00
42	1" Curb Stop w/Box	12	EA	$300.00	$3,600.00
43	Erosion Control	1	LS	$20,000.00	$20,000.00
44	Traffic Control	1	LS	$20,000.00	$20,000.00
				Subtotal	$4,038,385.00
				Contingencies (15%)	$606,000.00
		Total Estimated Construction Costs			**$4,644,385.00**
				ENGINEERING	**$621,000.00**
		LEGAL, ADMINISTRATION & TESTING (4%)			**$186,000.00**
		TOTAL ESTIMATED PROJECT COST			**$5,451,385.00**

Table 15 EUAC for Distribution Alternative 3

Capital Cost Description	Price	Salvage Value	Present Worth of Salvage Value	Net Present Worth
Mobilization	$368,000.00	$0.00	$0.00	$368,000.00
Clearing	$10,000.00	$0.00	$0.00	$10,000.00
Remove Water Main	$4,700.00	$0.00	$0.00	$4,700.00
Saw Cut Existing Surface	$64,000.00	$0.00	$0.00	$64,000.00
Unclassified Excavation	$53,460.00	$0.00	$0.00	$53,460.00
Scarify & Recompact Subgrade	$30,150.00	$0.00	$0.00	$30,150.00
Salvage & Replace Topsoil	$61,500.00	$0.00	$0.00	$61,500.00
Aggregate Base Course (12")	$198,000.00	$118,800.00	$65,776.68	$132,223.32
Asphalt Concrete Composite (4")	$157,500.00	$94,500.00	$52,322.36	$105,177.64
Concrete Surfacing	$565,000.00	$339,000.00	$187,696.08	$377,303.92
Remove & Replace Concrete C&G	$3,000.00	$1,800.00	$996.62	$2,003.38
Valve Box Adjustment	$9,900.00	$0.00	$0.00	$9,900.00
Seed, Fertilize & Mulch	$108,750.00	$0.00	$0.00	$108,750.00
Interstate, River & RR Crossings	$150,000.00	$90,000.00	$49,830.82	$100,169.18
16" C905 Water Main	$1,270,000.00	$762,000.00	$421,900.92	$848,099.08
12" C900 Water Main	$208,000.00	$124,800.00	$69,098.73	$138,901.27
10" C900 Water Main	$1,400.00	$840.00	$465.09	$934.91
8" C900 Water Main	$50,000.00	$30,000.00	$16,610.27	$33,389.73
6" C900 Water Main	$34,500.00	$20,700.00	$11,461.09	$23,038.91
Water Main Bedding Material	$141,800.00	$0.00	$0.00	$141,800.00
16" MJ Gate Valve w/Box	$127,500.00	$76,500.00	$42,356.20	$85,143.80
12" MJ Gate Valve w/Box	$15,000.00	$9,000.00	$4,983.08	$10,016.92
10" MJ Gate Valve w/Box	$1,800.00	$1,080.00	$597.97	$1,202.03
8" MJ Gate Valve w/Box	$1,300.00	$780.00	$431.87	$868.13
6" MJ Gate Valve w/Box	$40,850.00	$24,510.00	$13,570.59	$27,279.41
8" MJ Fitting	$2,400.00	$1,440.00	$797.29	$1,602.71
10" MJ Fitting	$500.00	$300.00	$166.10	$333.90
12" MJ Fitting	$5,250.00	$3,150.00	$1,744.08	$3,505.92
16" MJ Fitting	$63,000.00	$37,800.00	$20,928.94	$42,071.06
16" MJ Restraints	$60,000.00	$36,000.00	$19,932.33	$40,067.67
12" MJ Restraints	$4,125.00	$2,475.00	$1,370.35	$2,754.65
10" MJ Restraints	$550.00	$330.00	$182.71	$367.29
8" MJ Restraints	$2,000.00	$1,200.00	$664.41	$1,335.59
6" MJ Restraints	$9,675.00	$5,805.00	$3,214.09	$6,460.91
Fire Hydrant	$120,400.00	$72,240.00	$39,997.54	$80,402.46
Cut & Tie to Existing Watermain	$35,250.00	$0.00	$0.00	$35,250.00
12" x 1" Tapping Saddle	$2,450.00	$1,470.00	$813.90	$1,636.10
16" x 1" Tapping Saddle	$2,375.00	$1,425.00	$788.99	$1,586.01
1" Corporation Stop	$1,500.00	$900.00	$498.31	$1,001.69
1" PE Service Line	$7,200.00	$4,320.00	$2,391.88	$4,808.12
Bore Service Line	$2,000.00	$0.00	$0.00	$2,000.00
1" Curb Stop w/Box	$3,600.00	$2,160.00	$1,195.94	$2,404.06
Erosion Control	$20,000.00	$0.00	$0.00	$20,000.00
Traffic Control	$20,000.00	$0.00	$0.00	$20,000.00
Remaining Capital Costs	$1,413,000.00	$0.00	$0.00	$1,413,000.00
Total Construction Cost	**$5,451,385.00**	**$1,865,325.00**	**$1,032,785.23**	**$4,418,599.77**
Annual Operation and Maintenance Cost				
Description	**Annual Cost**			**Net Present Worth**
Equipment	$1,000.00			$14,877.47
Supplies	$750.00			$11,158.11
Utilities	$0.00			$0.00
Labor	$2,000.00			$29,754.95
Total Annual Cost	**$3,750.00**			**$55,790.53**
			Total Net Present Worth	**$4,474,390.30**
			EUAC	**$300,749.31**

DISTRIBUTION ALTERATIVE 4: FUTURE LOOPS

Distribution System Alternative 4 is a master plan for future loops that follow the design standards. These future loops cover the future growth areas that SECOG identified. The loop lines are shown for schematic purposes and can be adjusted when the developments are constructed. Larger lines are needed to provide higher fire flows and reduce head loss as the City grows. It also allows future high end users to develop in these areas. Cost estimates have not been provided for this alternative because it is possible that developers will install these mains and the City will reimburse the developer for the upsizing. The proposed pressures and fire flows are shown in conjunction with the proposed future tanks. There are two areas to the southwest and northeast that are below the recommended minimum of 40 psi. The City should be cognoscente of these low pressure areas as they develop and plan accordingly. It is assumed that the tanks will be in operation before these areas develop. The locations of the future loops are shown on the following page.

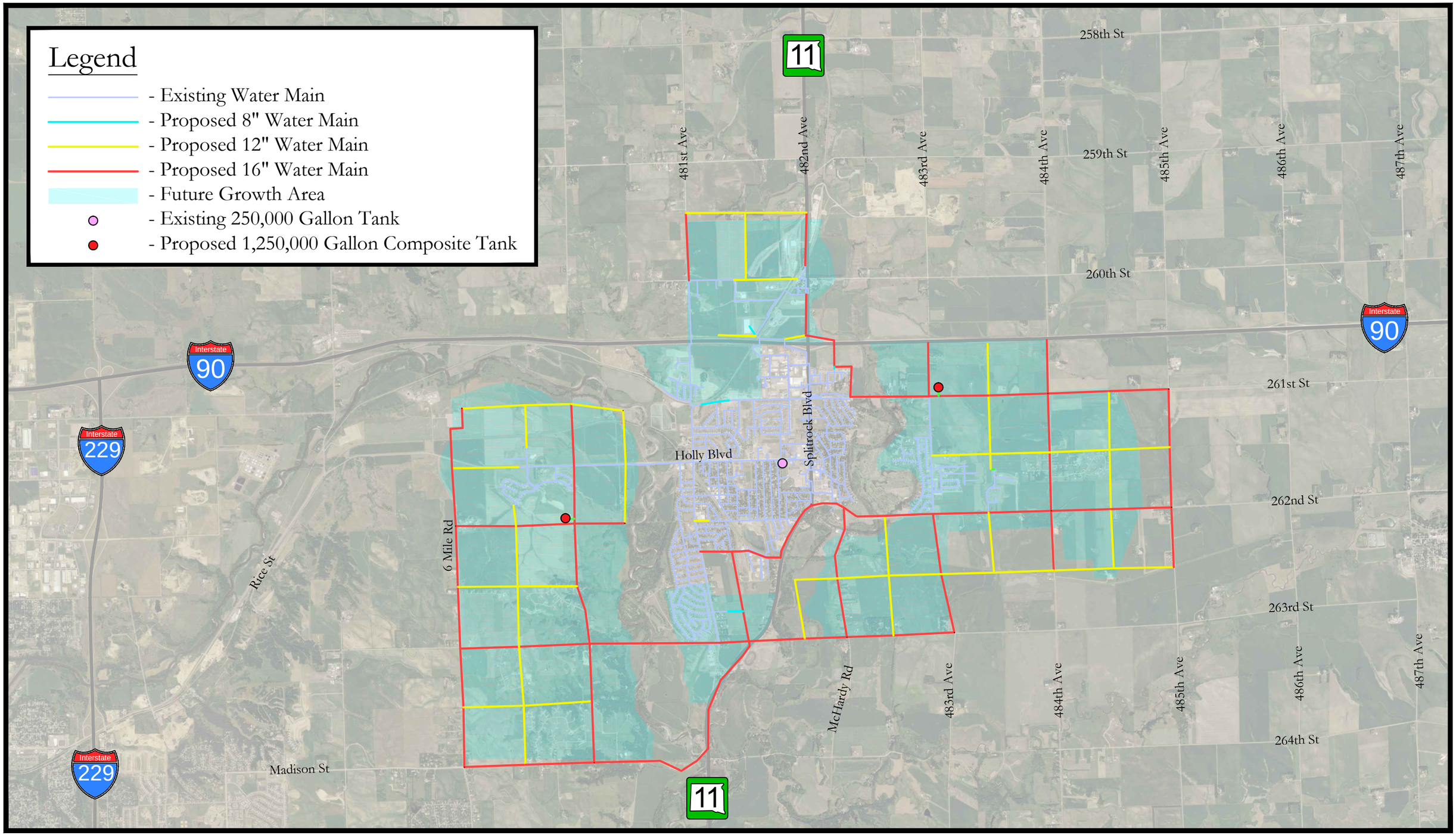

Figure 25 | Distribution Alternative 4

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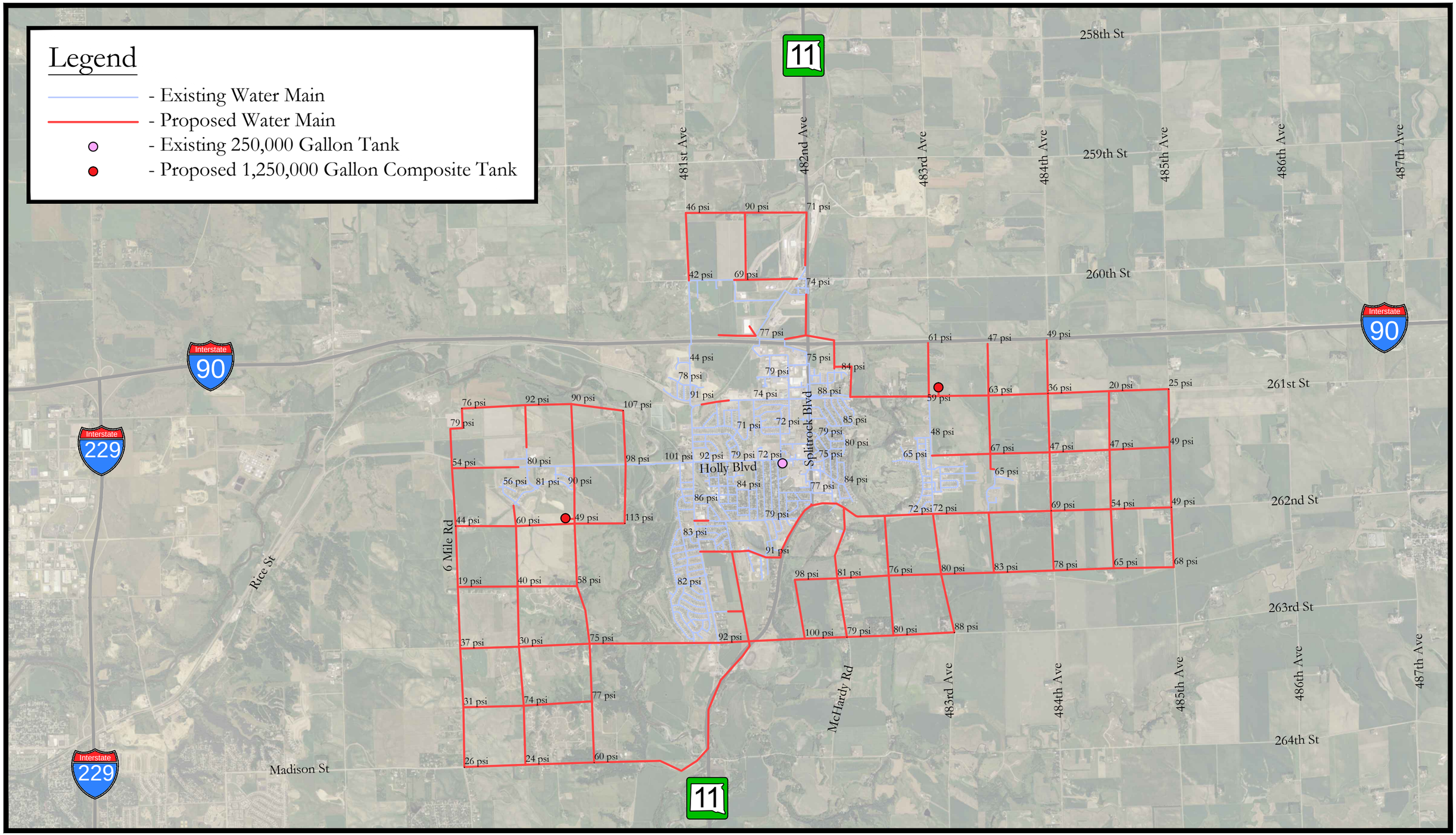

Figure 26 | Distribution Alternative 4 & Storage Alternate 2 Pressure Analysis

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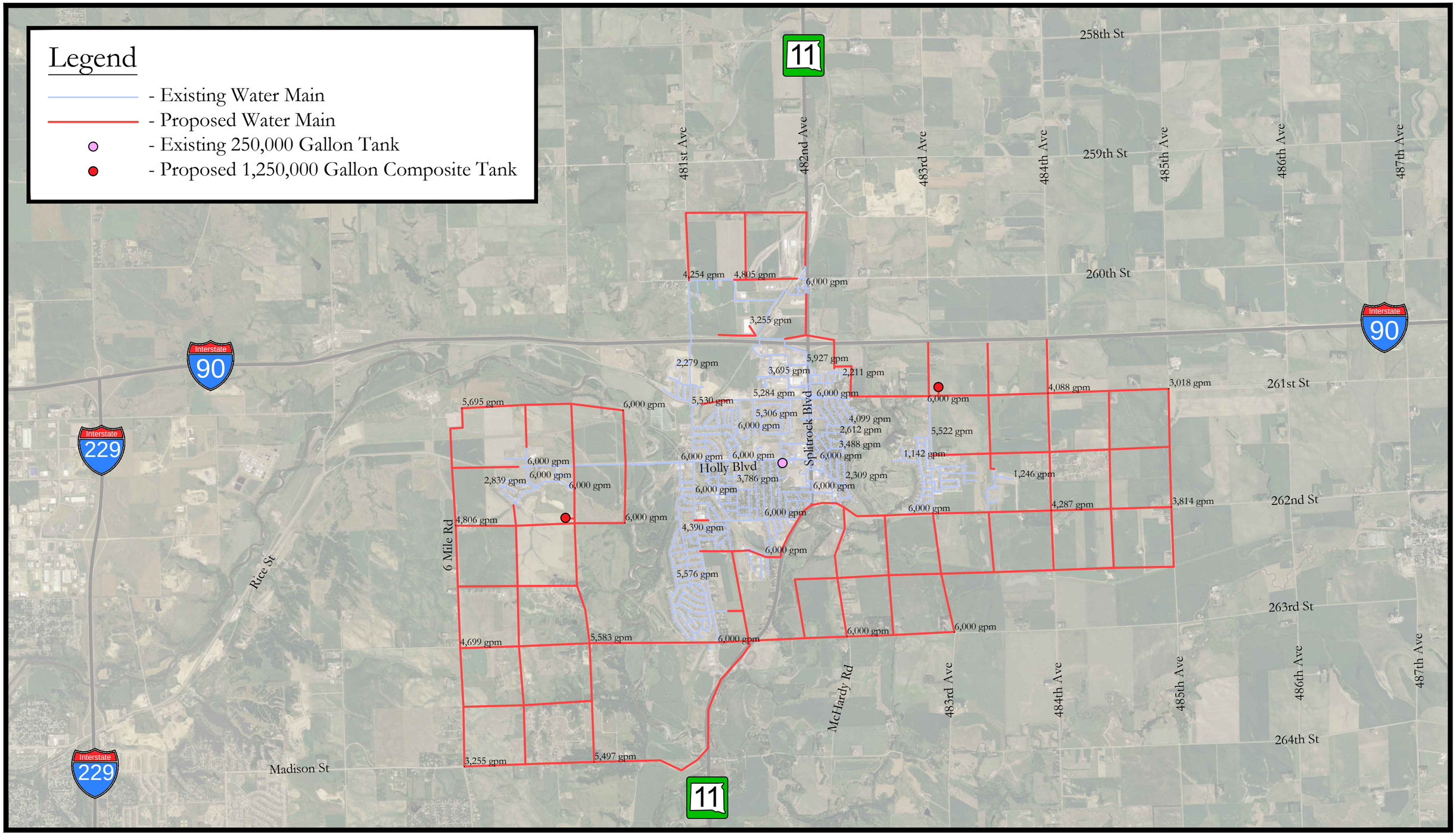

Figure 27 | Distribution Alternative 4 & Storage Alternate 2 Fire Flow Analysis

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IMPLEMENTATION OF ALTERNATIVES

WATER SOURCE

Source Alternative 1 "Do Nothing" is not recommended because it will not provide adequate water supply for the City.

Source Alternative 2 "New Wells" is recommended because the City needs additional well capacity and the trigger has been met because the peak day demand cannot be supplied. This alternative should be implemented immediately because the City's water supply is in a state of emergency.

WATER TREATMENT

Treatment Alternative 1 "Do Nothing" is recommended at this time. The existing water treatment plant is meeting the City's current demand.

Treatment Alternative 2 "New Water Treatment Plant" is not recommended at this time. The City should monitor their demand in the summer. The City should implement this alternative once the summer usage approaches 80% of the current plant capacity or 2,304,000 gpd on a regular basis. The process of building a water treatment plant will take at least two years and this will give the City time before the maximum capacity of the plant is exceeded. The City can also implement watering restrictions to keep the summer usage down while the new plant is under construction. The addition of the second water treatment plant will provide the City enough treated water to meet the peak day demand.

WATER STORAGE

Storage Alternative 1 "Do Nothing" is not recommended because it will not provide adequate water storage.

Storage Alternative 2 "New Water Towers" is recommended because the City needs additional water storage. The calculations show the need for additional storage and therefore the trigger has been met. The new water towers will provide adequate storage and will help offset the demand during the day. They will also increase the pressure and fire flows throughout the system.

WATER DISTRIBUTION

Distribution Alternative 1 "Do Nothing" is not recommended because it will not address any of the problems with the ACP, the low pressure and fire flows and lack of large diameter loop lines.

Distribution Alternative 2 "Replace ACP" is recommended because the ACP has outlived its useful life expectancy. This alternative will replace all the ACP with PVC pipe. The PVC pipe will reduce the number of breaks, increase pipe capacity and reduce head loss. The City has already started to rehabilitate this area as part of the Sylvan Circle improvements. The replacement of the ACP should be incorporated into these plans.

Distribution Alternative 3 "Loop Existing" is recommended. The existing mains are undersized and have increased pressure loss. This alternative will eliminate bottlenecks and provide larger truck mains that are needed. The new PVC pipe will increase pressure and fire flows throughout the system.

Distribution Alternative 4 "Future Loops" should be followed as the City expands. Future developer plans should include these loops required by the City Design Standards.

COST RECOVERY

Cost recovery is not included in any of these cost estimates. Development will drive the time and amount of cost recovery that the City receives. There are areas shown in the Future Loops Alternative that the City will be able to assess a cost recovery. It is anticipated that the City will incur these costs and it could take several years before these areas develop.

IMPACT ON THE OWNER'S BUDGET

There are several Alternatives the City needs to implement. Due to budget constraints and priority the following Alternatives should be implemented immediately. The following figure shows the combined recommendation.

Table 16 Recommended Alternatives

Source Alternative 2 "New Wells":	$3,385,870.00
Distribution Alternative 3 "Loop Existing":	$5,451,385.00
Storage Alternative 2 "New Water Towers":	$6,972,365.00
Combined Project Cost	**$15,809,620.00**

The City of Brandon provided SEI their water revenue and expenses for the last two years. SEI evaluated the budget and the cost of the recommended alternatives to determine how Brandon could fund the project. Based on Brandon's current revenue and expenses, they will have to obtain grant and loan dollars from various funding agencies to finance the project. The loan is based on an

interest rate of 3.0% over 20 years. The owner's water fees will be used to make the loan payments. The current monthly water rate is a minimum of $7.21 plus $4.22 per thousand. The monthly bill for a 5,000 gallon user is $28.31. The proposed pressure, proposed fire flow and EPS for the combined alternative is shown in the following figures.

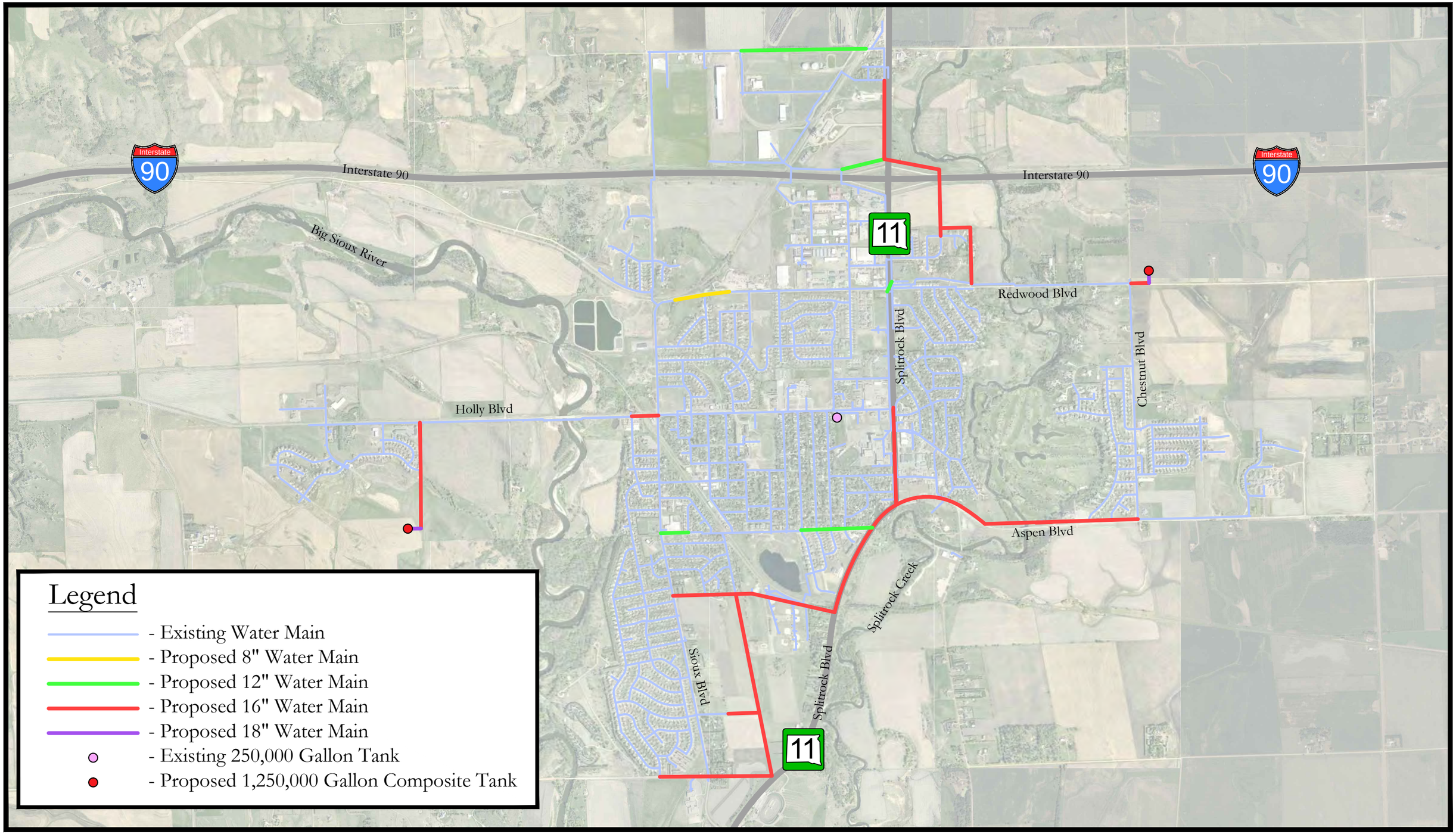


Figure 28 | Combined Alternatives

0 500 1000 2000

Brandon SOUTH DAKOTA *Building a Better Life*

STOCKWELL ENGINEERS

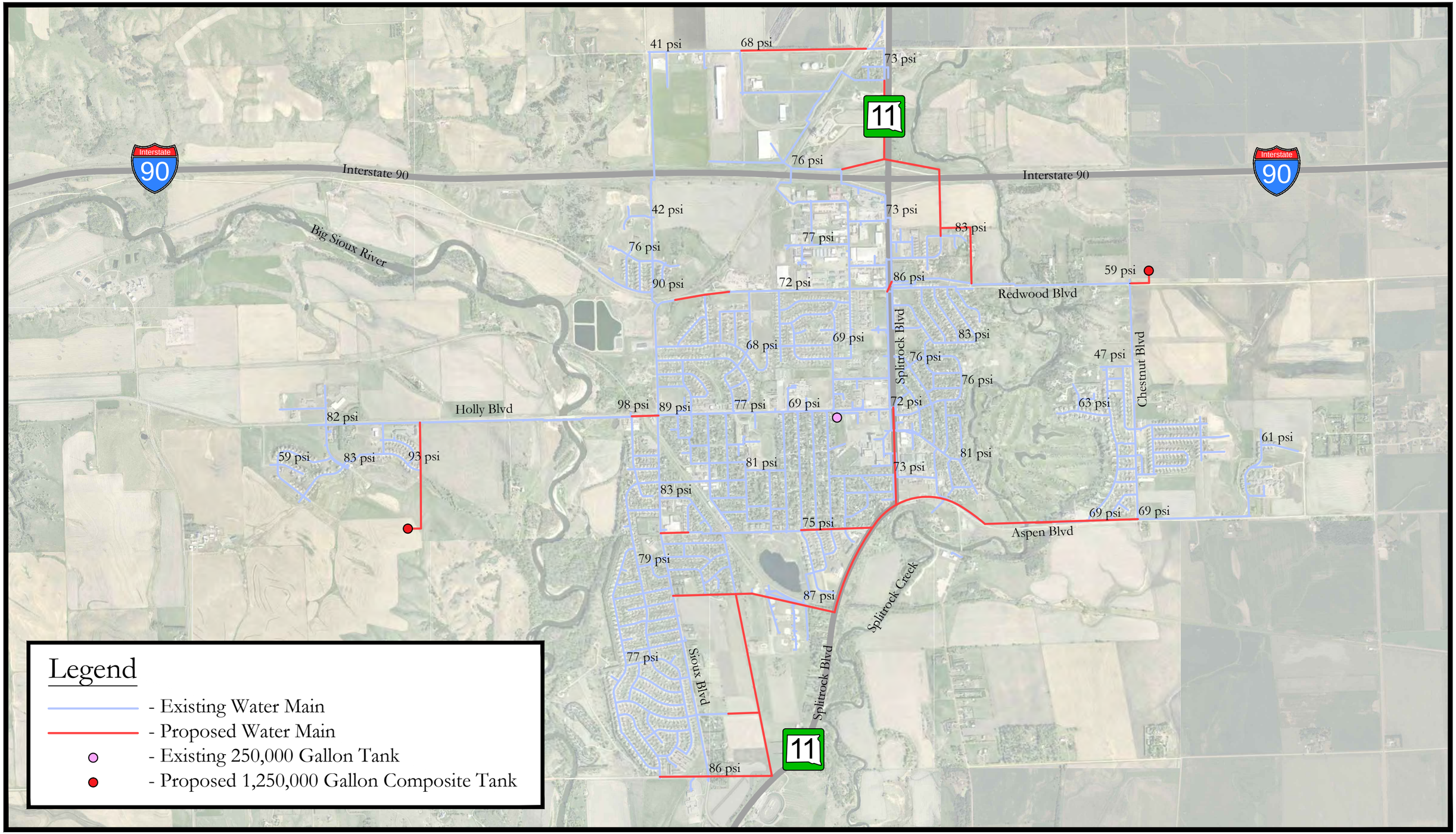


Figure 29 | Combined Alternatives Pressure Analysis

Brandon SOUTH DAKOTA *Building a Better Life*

STOCKWELL ENGINEERS

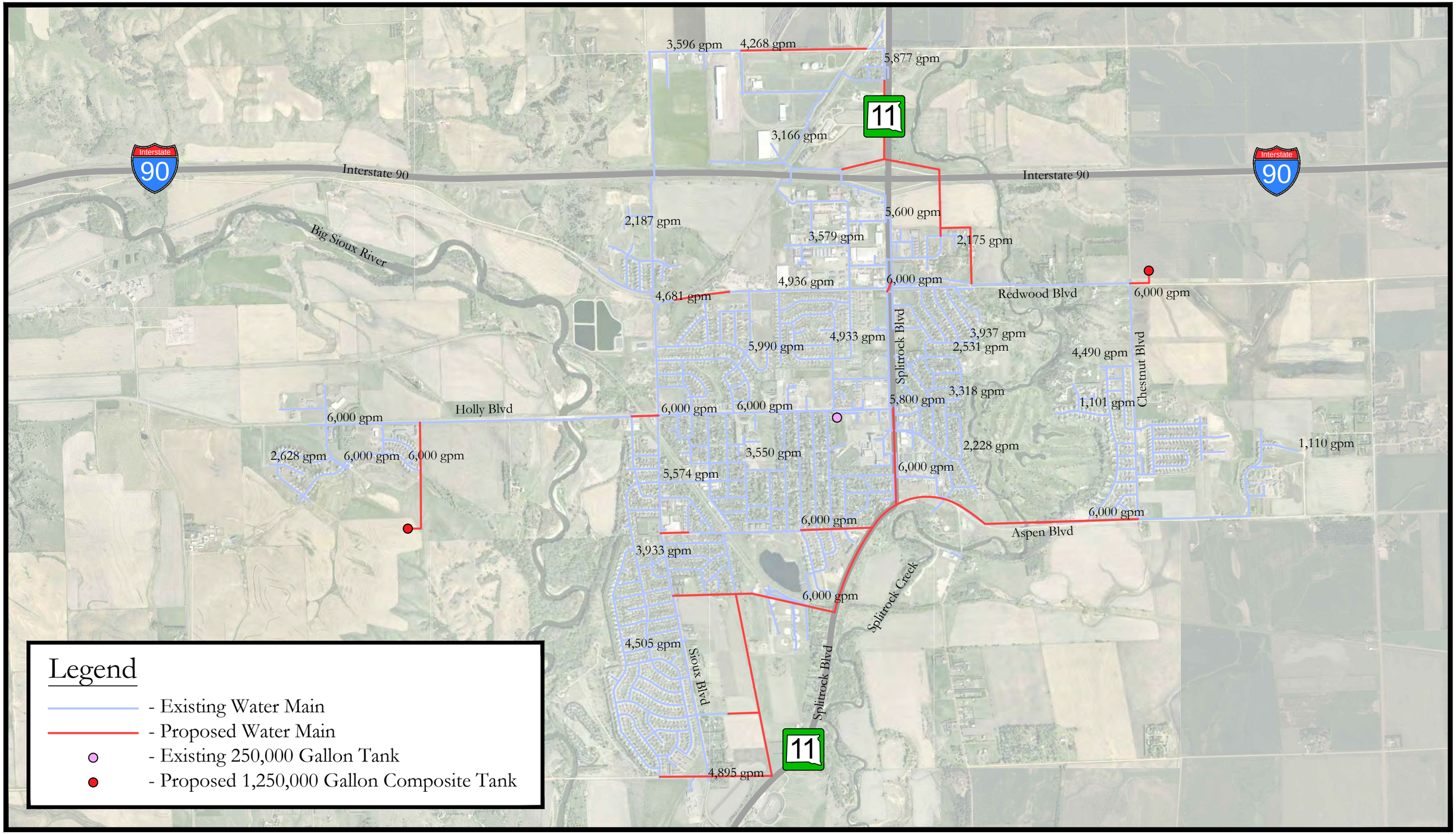


Figure 30 | Combined Alternatives Fire Flow

0 500 1000 2000

Brandon SOUTH DAKOTA *Building a Better Life*

STOCKWELL ENGINEERS

An EPS was run for the combined alternatives. The figure below shows the two towers draining and filling for a day. The figure shows the two towers fill and drain differently. That is because they are different distances from the water plant and there is more pressure loss in one direction. In addition, the system demand is higher for the east side tank compared to the west side thank. It is anticipated that an altitude control valve will be needed at one of the towers to fully utilize the storage capacity of each tower.

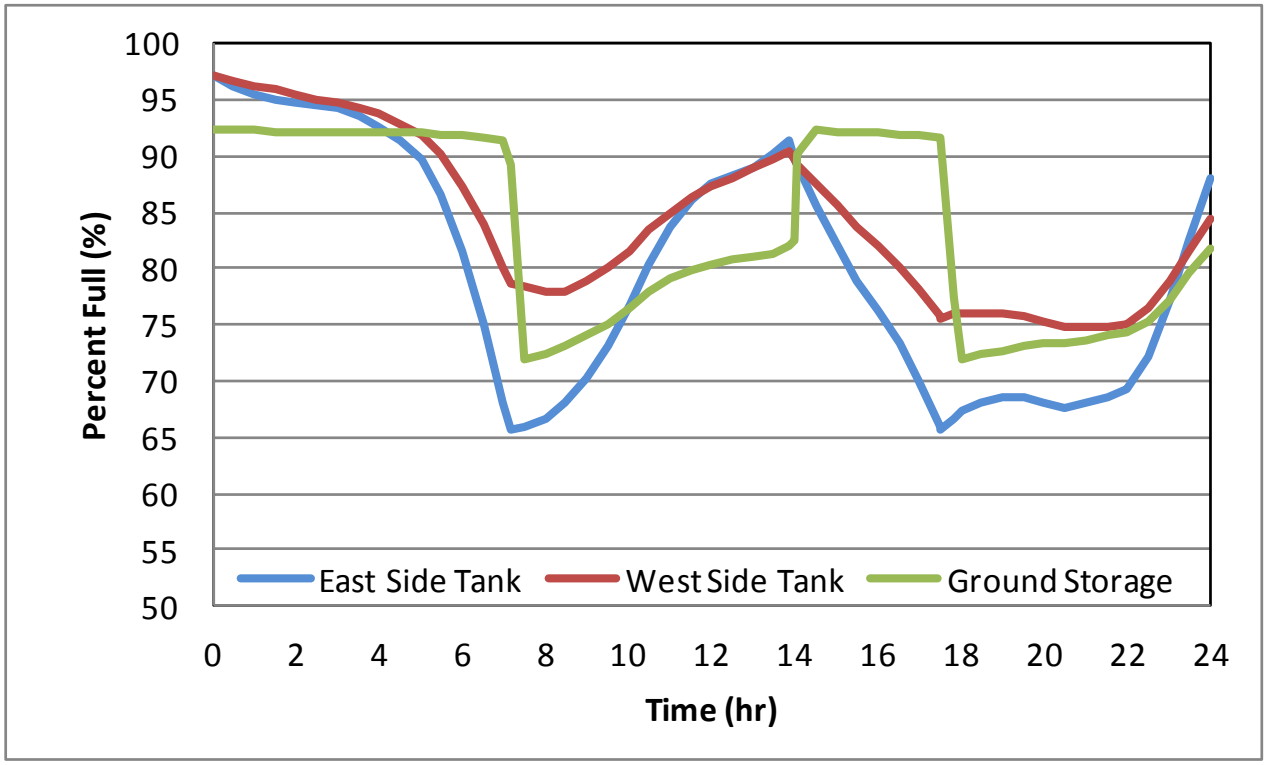


Figure 31 Combined Alternatives EPS

Table 17 Funding Proposed Improvements

Revenue	$1,690,070.58
Expenses	$648,468.13
Current Debt Payment	$254,350.14
Net Cash From Operations	**$787,252.31**
New Loan Payment	$1,062,654.80
Debt Reserves (10%)	$106,265.48
Net Water Fund Balance	**-$381,667.96**
Monthly Rate Increase	$11.00
Number of Customers	3,056
Annual Revenue Generated	$403,392.00
Water Fund Balance After Increase	**$21,724.04**

The above table shows that Brandon would have to increase their water rates to fund the project. The City will try to obtain grant dollars to reduce the loan amount. In order to be eligible for grant dollars the DENR has required a minimum monthly water rate of $25 for 5,000 gallons. Brandon currently meets this requirement. The City should also consider raising their rates annually by 3%. This will keep up with the cost of inflation and reduce a bigger jump in rates to complete any future projects.

The potential project grant/loan percentages and how those amounts affect user rates are shown in the following table.

Table 18 Potential Grant/Loan Amounts

Grant/Loan	40/60	30/70	20/80	10/90	0/100
Expenses	$648,468	$648,468	$648,468	$648,468	$648,468
Current Debt	$254,350	$254,350	$254,350	$254,350	$254,350
Project Cost	$15,809,620	$15,809,620	$15,809,620	$15,809,620	$15,809,620
Grant Amount	$6,323,848	$4,742,886	$3,161,924	$1,580,962	$0
Loan Amount	$9,485,772	$11,066,734	$12,647,696	$14,228,658	$15,809,620
Annual Loan Payment	$637,593	$743,858	$850,124	$956,389	$1,062,655
Debt Reserves	$63,759	$74,386	$85,012	$95,639	$106,265
Total Annual Cost	$1,604,170	$1,721,062	$1,837,954	$1,954,847	$2,071,739
Revenue	$1,690,071	$1,690,071	$1,690,071	$1,690,071	$1,690,071
Balance After Project	$85,900	-$30,992	-$147,884	-$264,776	-$381,668
Minimum Rate Increase	$0.00	$0.85	$4.03	$7.22	$10.41
Current Rate (5,000 gal)	$28.31	$28.31	$28.31	$28.31	$28.31
Proposed Monthly Rate	$28.31	$29.16	$32.34	$35.53	$38.72

SEI has completed rate analysis for the City of Brandon over the last several years. It is recommended that the City include the proposed improvements in the next rate analysis to verify the potential rate increases. The above calculations are very cursory and do not include any increase in customers or retirement of debt. The rate analysis is more in depth and will give a more accurate depiction of the impact on rates.

ENVIRONMENTAL EVALUATION

Funding agencies will require an environmental review to be completed for the proposed improvements before funding can be obtained. SEI will request comments on the proposed improvements prior to construction from various agencies. These comments will be provided to the funding agencies.

VIEWS OF THE PUBLIC AND CONCERNED INTEREST GROUPS

The City of Brandon will hold a public hearing to discuss the proposed improvements with residents that are affected by the project. Brandon will work with SEI to schedule this meeting and keep minutes of the meeting. These minutes will be provided to the funding agencies.

SELECTED PLAN, DESCRIPTION AND IMPLEMENTATION ARRANGEMENTS

JUSTIFICATION AND DESCRIPTION OF SELECTED PLAN

This Comprehensive Study identified several deficiencies with the water system that do not meet current SD Design Criteria Standards. The recommended alternatives will bring the system into compliance and provide an improved system to adequately handle growth.

DESIGN OF SELECTED PLAN

The alternatives will be designed by the City of Brandon's engineer. All construction plans and specifications will be reviewed and approved by the SD DENR. All state bid laws will be followed for the bidding process.

LAND ACQUISITION

Land acquisition, temporary construction easements and permanent easements will be necessary for the proposed improvements. Land acquisition costs have been included in the estimates. All easements will be obtained before construction is started.

IMPLEMENTATION SCHEDULE

The City should implement the recommended improvements as soon as possible. Funding applications should be submitted for the first round of DENR funding in 2014. Construction would take place in 2015 if DENR funding is involved. The well improvements need to be constructed in 2014.

REFERENCES

Health Research Inc., (2012). *Recommended Standards for Water Works*, Albany, New York

Mays, Larry W., (2000). Water Distribution Systems Handbook, (New York, NY: McGraw Hill), pp.

Ned, Hwang, Robert Houghtalen., (1996). Fundamentals of Hydraulic Engineering Systems, (Upper Saddle River, NJ: Prentice-Hall, Inc.), pp.

National Weather Service Forecast Office, Sioux Falls, SD, 3 June 2013

http://www.nws.noaa.gov/climate/index.php?wfo=fsd.

South Dakota Department of Environment and Natural Resources, (July 1979). *Criteria for Design of Public Water Supply Facilities in South Dakota*, Albany, New York

South Eastern Council of Governments, (2007). *Brandon Comprehensive Plan*, Brandon, South Dakota

Appendix A
Drinking Water System Evaluation

600 N. Main Ave, Suite 100
Sioux Falls, SD 57104
Ph. (605) 338-6668
Fax. (605) 338-8750
www.stockwellengineers.com

SURVEYS

2010

Brand n

Building a Br

CITY OF BRANDON
301 Main Avenue
P.O. Box 95
Brandon, SD 57005
Telephone (605) 582-6515
FAX (605) 582-6831

Randy Hilding,

This letter is being sent to inform you of the repairs made to our wells. The repair list came from the recent evaluation of our water system. The electrical conduits at Wells # 2 & 5 have been replaced with new ones & we also installed some new plugs & bolts where they were needed. We have also installed some containment at the # 3 Well. Thank you for your recommendations.

06-17-2010

Rollie Hoeke
Director of Public Works
Brandon, SD 57005
605-582-2273 office
605 582 7403 fax

DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
denr.sd.gov

May 13, 2010

LARRY BEESLEY
MAYOR OF BRANDON
PO BOX 95
BRANDON SD 57005

Re: Brandon Public Water System On-Site Evaluation (EPA ID # 0048)

Mayor Beesley:

The Department of Environment and Natural Resources (DENR) performed an on-site evaluation of your drinking water system on April 20, 2010. Based on the information obtained during that evaluation, the following **significant deficiency** has been identified in the Brandon water system:

1. The seals on Well #6 and Well #2 are not intact and can allow contamination to enter the wells. In particular, the electrical conduits leading into Well #6 and Well #2 are split and no longer provide a protective seal for the wells.

The identification of any significant deficiencies requires the following actions:

- **Within 30 days** of this notification, you must contact DENR to discuss possible remedies to the deficiencies.
- **Within 120 days** of this notification, you must either complete the corrective action necessary to remedy the deficiency and notify DENR in writing of this fact or be on an approved corrective action plan.

Failure to meet these requirements will result in a violation and may subject your system to a fine and other monetary penalties in addition to coming under an administrative order to correct the deficiency.

Requirements

The following requirements are submitted in an effort to bring the Brandon water system into compliance with current state and federal regulations.

1. Your system may need a discharge permit when flushing hydrants, if not discharged to the sanitary sewer, and when you empty/flush out your reservoirs if this water might reach waters of the State. This permit is required since you chlorinate your system on a continuous basis or periodically add chlorine to your reservoir or well and flush the chlorinated water to waste. Contact Anthony Mueske with the Surface Water Quality Program at 605-773-5085 for more information.

Recommendations and Comments

The following recommendations and comments are submitted to help the Brandon water system improve drinking water quality and operational services for your customers.

1. So leaks and spills do not cause an accident or damage equipment, secondary containment should be provided for the chemical vessels used to store chemical solutions at Well #3. This could be as simple as setting the chemical vessel inside a larger container.

2. All valves in the system should be inspected as part of a preventive maintenance program. An inspection should include examining the condition of the valve box, operating the valve several times, and lubricating where required. Gate valves should be cycled between the full-open and full-closed position once every two years. Some valves may need less exercise; manufacturers' guidelines should be followed. Valve records should be kept to aid in planning, operation and maintenance, and locating.

3. For technical assistance contact the Department of Environment and Natural Resources' Drinking Water Program at 523 East Capitol, Pierre, SD 57501, (605) 773-3754 or the South Dakota Rural Water Association at 5009 West 12th Street, Sioux Falls 57106, (605) 336-7219.

Please acknowledge by letter or email that you have received this report and indicate the actions taken in response to the recommendations. The on-site evaluation report is also attached along with lab analysis of a water sample from Well #1 taken during the inspection.

Representatives of your water system are invited to attend seminars and training courses sponsored by the DENR and the South Dakota Rural Water Association. For further information, contact (605) 336-7219 or write the South Dakota Rural Water Association at 5009 West 12th Street - Suite 5, Sioux Falls, SD 57106.

If you have questions or comments concerning this on-site evaluation, please call me at (605) 773-3754.

Sincerely,

Randolf Hilding

Randolf Hilding
Drinking Water Program
randy.hilding@state.sd.us

cc: Rollie Hoeke, Acting Public Works Director
Drinking Water Program, Pierre

Enclosures

South Dakota Department of Environment and Natural Resources

Drinking Water Program

Public Water System On-Site Evaluation Report

System Name: Brandon EPA ID #: 0048
Address: PO Box 95
Brandon, SD 57005

County: Minnehaha

Person Contacted: Rollie Hoeke and Donovan Carpenter Work phone: (605)582-2273
Address: 205 East Elm Street Home phone:
Brandon, SD 57005 Cell phone: (605)351-6464
Fax:
E-mail: rhoeke@cityofbrandon.org

Inspected By: Randy Hilding Date of Inspection: 4/20/10 (mm/dd/yy)

Type of System: (check one) X Community Water System
Non-Transient Non-Community

Population: Total Population Served: 8,190 System Population: 8,190

Number of Service Connections: 2,949 Susceptibility to contamination of water source: moderate

Sources of Water: Water data from year: 2009
Own Source(s): Well #6 Well #1 Well #3 Total produced: 301,612,000 % of total: 100.0%
Bulk Supplier: Total purchased: % of total: 0%
Contracted flow rate?:
Total Annual Use: 301,612,000 100.0%

Water Sold to:
(bulk connections only)

How much water can this system supply? 1950 (maximum flow rate, gpm)
What major factor limits system's ability to supply water?

yes	no	n/a	unk	note	
☑	☐	☐	☐	☐	1 Is there an up-to-date map or schematic of system?
☑	☐	☐	☐	☐	2 Is the system capable of meeting demand at all times (excluding fire flow)?
☑	☐	☐	☐	☐	3 Is good housekeeping evident throughout the system?

Comments: Corson water system to be taken over in summer 2010. Mains and services to be replaced.

Water Usage

yes	no	n/a	unk	note		
☑	☐	☐	☐	☐	4	Are all customers metered?
					5	If not, what entities are not metered?
					6	Total gallons billed: 265616215
					7	Calculated water loss: 11.9%
yes	no	n/a	unk	note	8	Peak month and amount used Jul 36337000 gallons
☑	☐	☐	☐	☐	9	Does the system track unaccounted-for water?

Comments:

Water Sources

City of Brandon EPA ID: 0048

Name	Year Built	Diameter (in)	Depth (ft)	GPM	Status	ID
#1	1971	8	50	180	Emergency	1
#2	1971	8	50	65	Emergency	2
#5	1976	10	52	185	Emergency	3
#4	1980	10	52	190	Emergency	4
#6	1999	18	270	1800	Permanent	10
#3	1964	12	222	725	Emergency	12

Name	Water Right #	Aquifer	Location Description	ID
#1	1804-3	BIG SIOUX AQ.	South of Water Plant (920 Aspen Park Drive)	1
#2	1804-3	BIG SIOUX AQ.	South of Water Plant (920 Aspen Park Drive)	2
#5	4885-3	BIG SIOUX AQ.	South of Water Plant (920 Aspen Park Drive)	3
#4	4885-3	BIG SIOUX AQ.	South of Water Plant (920 Aspen Park Drive)	4
#6	6027-3	SPLIT ROCK CREEK	South of Water Plant (920 Aspen Park Drive)	10
#3	5296-3	SIOUX QUARTZITE	280 S Split Rock (behind Dairy Queen)	12

yes	no	n/a	unk	note		
☑	☐	☐	☐	☐	1	Has a Source Water Protection Plan been developed? Date: 02-Mar
☑	☐	☐	☐	☐	2	Is the wellhead/pumphouse protected from unauthorized personnel?
☑	☐	☐	☐	☐	3	Are there any sources of contamination with 1/4 mile?
☑	☐	☐	☐	☑	4	Are pesticides, herbicides, fertilizers applied in the area of the well(s)?
☐	☑	☐	☐	☐	5	Is a pressure gauge provided at each source?
☐	☑	☐	☐	☐	6	Is a sample tap provided for raw water?
☐	☑	☐	☐	☐	7	Can flow be measured from each well?
☑	☐	☐	☐	☐	8	Is the well house(s) kept clean, in good repair and not used to store hazardous material?

Comments: 4. Most wells are in Aspen Park. Chemical application necessary to maintain park.
SIGNIFICANT DEFICIENCY: Electrical conduits into Well #6 and Well #2 are both split and can allow contamination to enter the well.

Water Treatment

City of Brandon EPA ID: 0048

General Items

yes	no	n/a	unk	note		
☑	☐	☐	☐	☐	1	Is there continuous online water quality measurements taken? If so, what? (pH, turbidity, chlorine, etc.) Free chlorine residual leaving plant with Cl-17 Chlorine Analyzer
☐	☑	☐	☐	☐	2	Can the treatment process be interrupted by power outages?
☑	☐	☐	☐	☐	3	Is backup electrical power available?
☑	☐	☐	☐	☐	4	Are treatment units designed to be taken out of service without interruption to operations?
☑	☐	☐	☐	☐	5	Is routine maintenance and good housekeeping evident?

Chlorination

yes	no	n/a	unk	note		
☑	☐	☐	☐	☐	1	Is continuous disinfection provided?
					2	Type of chemical used: gas
☐	☐	☑	☐	☐	3	Is there an anti-siphon valve on the feed pump?
☐	☐	☑	☐	☐	4	Is there adequate spill containment?
					5	Gas chlorination features:
☑	☐	☐	☐	☐	6	Separate room?
☑	☐	☐	☐	☐	7	Positive mechanical ventilation?
☑	☐	☐	☐	☐	8	Restraints for all cylinders?
☑	☐	☐	☐	☑	9	Self-contained air pack present?
☑	☐	☐	☐	☐	10	Scale present?
☑	☐	☐	☐	☐	11	Observation window?
☑	☐	☐	☐	☑	12	Automatic leak detectors?
☑	☐	☐	☐	☐	13	Chlorine safety plan?
☐	☑	☐	☐	☐	14	Other chemicals stored in room?
☐	☐	☑	☐	☑	15	Is ammonia used to form chloramines?
☐	☑	☐	☐	☐	16	Is an alternate method of disinfection used?

Describe:

Comments: 9. No air pack at Well #3 wellhouse with chlorine room.
12. No automatic detector at Well #3, just ammonia.
15. Natural ammonia in water has potential to form chloramine. Breakpoint chlorination is practiced to burn away chloramines.

Aeration

yes	no	n/a	unk	note		
☑	☐	☐	☐	☐	1	Is aeration provided?
					2	What type of aeration is provided? induced draft

Comments: Detention tank follows aeration. Chlorine and potassium permanganate added following aeration and before detention tank. Detention tank inspected annually.

Filtration

yes	no	n/a	unk	note		
☑	☐	☐	☐	☐	1	Is filtration provided?
					2	What type: Four-cell gravity. Greensand and anthracite.
☑	☐	☐	☐	☐	3	Do records indicate that adequate filtration is being done?
					4	Filtration area: 672 sq ft @ 2.98 gpm/sq ft
					5	Maximum flow rate: 2000 gpm
					6	Backwash frequency: 1-2 cells a day
					7	How determined? 20-hour run time per cell or head loss

Comments: Filtered water is chlorinated prior to storage at water plant Backwash reclaim water returned post-aeration. Backwash solids pumped to sanitary sewer.

Fluoridation

yes	no	n/a	unk	note		
☑	☐	☐	☐	☐	1	Is fluoridation provided?
					2	Type of chemical used? hydrofluosilisic acid
☑	☐	☐	☐	☐	3	Is there an anti-siphon valve on the feed pump?
☑	☐	☐	☐	☐	4	Is there adequate spill containment?
☑	☐	☐	☐	☐	5	Do records indicate consistent, acceptable levels are maintained?

Comments: _____

Stabilization (pH adjustment, corrosion control, softening, etc.)

yes	no	n/a	unk	note		
☑	☐	☐	☐	☐	1	Does the water require stabilization?
☐	☑	☐	☐	☐	2	Are pH and alkalinity adjusted? (via soda ash, lime, caustic soda, carbon dioxide, sulfuric acid, etc.) How? _____
☐	☑	☐	☐	☐	3	Is the water softened as part of this treatment process? Describe: _____
☑	☐	☐	☐	☐	4	Are corrosion inhibitors or sequestering agents used? Describe: C-9 zinc orthophosphate (corrosion) and C-5 polyphosphate (sequestering)
☑	☐	☐	☐	☐	5	Are polymers used for something other than described previously? Aquahawk 957 added to waste backwash water as coagulant.

Comments: _____

Storage

City of Brandon EPA ID: 0048

Description	Service Date	Location	ID
1 Ground Concrete 500000	2004	Water Plant (920 Aspen Park Drive)	7
1 Elevated Steel 250000	2003	1001 E Holly	8

yes	no	n/a	unk	note	
☑	☐	☐	☐	☐	1 Is the area surrounding the ground-level storage structures graded in a manner that will prevent surface water from standing within 50 feet?
☑	☐	☐	☐	☐	2 Do overflows and drains have free fall discharges which are screened and are brought down to an elevation between 12 and 24 inches above the ground?
☑	☐	☐	☐	☐	3 Do the overflows and/or drains discharge to a splash pad or drainage inlet structure that is not connected to a storm or sanitary sewer?
☑	☐	☐	☐	☐	4 Do the storage reservoirs have a watertight roof or cover and are they sloped so that water will drain?
☑	☐	☐	☐	☐	5 Are storage structures designed so that they can be isolated from the distribution system without necessitating loss of pressure in the distribution system?
☐	☑	☐	☐	☐	6 Is leakage evident at the time of inspection?
☑	☐	☐	☐	☐	7 Are the storage structures vented?
☑	☐	☐	☐	☐	8 Are vents properly protected/screened?
☑	☐	☐	☐	☐	9 Are covers and hatches locked?
☑	☑	☐	☐	☑	10 Is there separate inlet and outlet piping?
☑	☑	☐	☐	☑	11 Does the drain allow for removal of accumulated silt?
☐	☑	☐	☐	☐	12 Are there any weather related problems (freezing, etc.)?
☑	☐	☐	☐	☐	13 Is there a control system to maintain level?
☑	☐	☐	☐	☐	14 Are there high and low level alarms?
					15 Are tanks filled automatically, manually or both? auto
☐	☑	☐	☐	☐	16 Is there a service contract for cleaning/inspecting the tanks?
☑	☐	☐	☐	☐	17 Are the tanks disinfected after being cleaned or inspected? How? chlorine solution
☑	☐	☐	☐	☐	18 Are the storage structures secure from unauthorized access?
☐	☑	☐	☐	☐	19 Is the area fenced?
					20 What other steps have been taken to address security?

Comments: 10. Separate inlet and outlet on ground storage. 11. Drain on elevated storage.

Distribution System

City of Brandon **EPA ID: 0048**

Main sizes and types: Mostly 6-in, 8-in, and 10-in PVC. Some 12-in and 16-in PVC. Some 4-in and 6-in AC transite.

yes	no	n/a	unk	note	
☑	☐	☐	☐	☐	1 Is the water system capable of providing sufficient water during maximum demand conditions (excluding fire flow) to maintain a minimum pressure of 20 psi within the system measured at the consumer's tap?
					2 What is normal operating pressure? 55-75 psi
☐	☑	☐	☐	☐	3 Are there areas with chronic low pressure problems?
☑	☐	☐	☐	☐	4 Is an adequate map (shows valve locations, line sizes, etc) of the distribution system maintained?
☑	☐	☐	☐	☐	5 Is there a main flushing program? If yes, how often? annual
☑	☐	☐	☐	☑	6 Are all dead-end water mains equipped with a means to flush?
☐	☑	☐	☐	☐	7 Any plans to eliminate dead-ends (via looping of mains, etc.)?
☐	☑	☐	☐	☑	8 Are valves exercised regularly? If yes, how often?
☑	☐	☐	☐	☐	9 Are there fire hydrants on mains less than 6 inches in diameter?
☑	☐	☐	☐	☐	10 Does the system disinfect after pipe repairs or new pipe installation?
☑	☐	☐	☐	☐	11 Is the location and nature of each repair documented?
☑	☐	☐	☐	☑	12 Does the system utilize a conservation program at any time?
☑	☐	☐	☐	☐	13 Is the system adequately protected from freezing?
☑	☐	☐	☐	☐	14 Are water and sewer mains separated by a horizontal distance of 10 feet or greater?
☑	☐	☐	☐	☐	15 Is there a cross connection control program?
☐	☑	☐	☐	☐	16 Are audits conducted to check for cross connections in the system?
☑	☐	☐	☐	☐	17 Are backflow preventers installed on all consumer connections?
☑	☐	☐	☐	☐	18 Is the bulk water loading station designed with back flow prevention and appropriate air gap device to prevent contamination?
☑	☐	☐	☐	☑	19 Does the system contain any pressure reducing valves?
☐	☐	☑	☐	☐	20 For systems using chloramines, can you measure a total chlorine residual level of at least 0.5 mg/l in your distribution system at all times?
☑	☐	☐	☐	☐	21 For systems using chlorine, can you measure a free chlorine residual level of at least 0.3 mg/l in your distribution system at all times?
					22 How often do you take chlorine readings in the distribution system? 7 times a month

Comments (please indicate the question number): 6. Most dead ends are cul-de-sacs.
8. City has valve exerciser. 12. Voluntary odd/even conservation program.
19. Distribution system has 4 pressure zones and 3 booster stations.

Facilities Equipment

City of Brandon EPA ID: 0048

yes	no	n/a	unk	note		
☐	☐	☐	☐	☐	1	Are any pumps used in the system? If so, describe: 3 100 HP high service pumps in water plant - one has VFD. 3 booster stations with 3 25 HP high service pumps each - all with VFD. Submersible pumps in wells. 2 backwash recycle pumps and one backwash solids pump
☑	☐	☐	☐	☐	2	Are backup pumps available?
☐	☑	☐	☐	☐	3	Is any equipment located in a pit?
☐	☑	☐	☐	☐	4	Do you have contacts with contractors and equipment vendors to assure prompt service and spare parts availability?
☑	☐	☐	☐	☐	5	Do you use a qualified pump contractor to inspect pump equipment?
☑	☐	☐	☐	☐	6	Is food grade lubrication used in all water facilities equipment?
☑	☐	☐	☐	☐	7	Is backup power available in the event of a power loss?
☑	☐	☐	☐	☐	8	Is equipment protected from unauthorized entry or vandalism?
☐	☑	☐	☐	☐	9	Are the facilities and equipment subject to weather related problems?
☑	☐	☐	☐	☐	10	Is there a floor drain? Where does it drain to? sanitary sewer
☑	☑	☐	☐	☑	11	Is there adequate spill containment in chemical room?

Comments (please indicate the question number):

Distribution system has 4 pressure zones.

11. Secondary containment needed for C-5 and caustic soda at Well #3.

Monitoring/Reporting - Entry Point

City of Brandon **EPA ID: 0048**

SAMPLING

Entry point: Treat Plt - Well #6 Only

	Chemical	Sampling Frequency	Waivers	Taken Last	Due Next	Notes
1	Inorganic Chemicals					
	A. Antimony	Every nine years	Yes	Dec-02		
	B. Arsenic	Every nine years	Yes	Nov-05		
	C. Barium	Every nine years	Yes	Dec-02		
	D. Beryllium	Every nine years	Yes	Dec-02		
	E. Cadmium	Every nine years	Yes	Dec-02		
	F. Chromium	Every nine years	Yes	Dec-02		
	G. Cyanide		Yes			State-wide waiver
	H. Fluoride		No			This system fluoridates
	I. Mercury	Every nine years	Yes	Dec-02		
	J. Nickel	Every nine years	Yes	Dec-02		
	K. Selenium	Every nine years	Yes	Dec-02		
	L. Thallium	Every nine years	Yes	Dec-02		
2	Radiological Chemicals	Triennially	N/A			
3	VOC Chemicals	Every six years	Yes	Nov-05		Groundwater Waiver
4	SOC Chemicals					
	A. Method 515.1	Not Required	Yes			
	B. Method 524	Not Required	Yes			
	C. Method 525	Not Required	Yes			
	D. Method 531.1	Not Required	Yes			
	E. Method 547	Not Required	Yes			
	F. Method 548	Not Required	Yes			
	G. Method 549	Not Required	Yes			
5	Nitrate	Annually	N/A	Aug-09		
6	Nitrite	Triennially	N/A	Aug-09		

(These values are calculated from available data. Check correspondence for verification.)

Monitoring/Reporting - Distribution

City of Brandon **EPA ID: 0048**

yes	no	n/a	unk	note	
					1 Are the following sampling site plans up to date?
☑	☐	☐	☐	☐	- Bacteriological
☑	☐	☐	☐	☐	- Lead and copper
☑	☐	☐	☐	☐	- Disinfection By Products (DBP)
☑	☐	☐	☐	☐	2 Are microbiological sampling sites (as approved by DENR) being rotated on a monthly basis for routine sampling?
☑	☐	☐	☐	☐	3 Does the system have a waiver for asbestos sampling?
					4 Which of the following records are kept regarding the system?
yes	no	n/a	unk	note	Operational Data:
☑	☐	☐	☐	☐	Flow meter readings:
☑	☐	☐	☐	☐	Electrical usage:
☑	☐	☐	☐	☐	Chemical usage:
☑	☐	☐	☐	☐	Hour meter readings:
☑	☐	☐	☐	☐	Storage or reservoir levels:
					Sampling data:
☑	☐	☐	☐	☐	- Chlorine residual testing
☑	☐	☐	☐	☐	- Bacteriological sampling
☑	☐	☐	☐	☐	- Fluoride levels
☐	☐	☑	☐	☐	- Asbestos sampling results
☑	☐	☐	☐	☐	- Lead and Copper sampling results
☑	☐	☐	☐	☐	- DBP Monitoring
					Other: _____
					Maintenance Data:
☑	☐	☐	☐	☐	Water main repairs:
☑	☐	☐	☐	☐	Main flushing dates:
☑	☐	☐	☐	☐	Valve exercising dates:
☑	☐	☐	☐	☐	Equipment service:
					Other: _____

Testing and Testing Equipment

Test kits present at system: Hach DR500 for most analyses. HQ40D for pH. Hach Digital Titrator for hardness and alkalinity. Hach DR850 for distribution system testing.

yes	no	n/a	unk	note	
☑	☐	☐	☐	☐	5 Are up to date reagents present?

Tests and frequency performed by operator: Daily = chlorine residuals, pH, iron, and manganese. Bi-weekly = alkalinity and phosphate. Occasionally = hardness, ammonia, and copper.

Survey test results: _____

Bacteriological Monitoring

Bacteriological sampling and analysis: April 1, 2009 to April 1, 2010

A	Samples submitted:	108
B	Samples required:	Nine Samples Each Month.
C	Survey samples:	0
D	Safe samples:	108
E	Unsafe samples:	0
F	Repeat samples:	0

Lead and Copper Monitoring

(These values are calculated from available data. Check correspondance for verification.)

A	Date Last Tested:	June 19, 2008	
B	Samples required:	20	
C	Sampling Frequency	Triennially	
D	Date Due Next	2011	
E	Lead - 90% Level	1.3	Action Level - 15 ug/l
F	Copper 90% Level	0.72	Action Level - 1.3 mg/l

Disinfectant Residual Monitoring

Residual sampling and analysis: 04/01/09 to 04/01/10

A	Samples taken:	111	
B	Samples required:	108	(same as TCR)
C	Residual measured:	Free chlorine:	0.47 mg/L
		Chloramines:	mg/L
D	RAA Residual:	0.47 mg/L	

Comments:

Managerial Capacity

City of Brandon **EPA ID: 0048**

Certification Level of Water System: Distribution: II Treatment: II

Certification Levels: Very Small Water System (VSWS) Water Distribution (WD) I - IV
Small Water Treatment System (SWTS) Water Treatment (WT) I - IV

yes	no	n/a	unk	note		
☑	☐	☐	☐	☐	1	Does the water system have a governing body? (city council, housing association, district, etc.) council
					2	How often does the governing body meet to review water system data? semi-monthly
☑	☐	☐	☐	☐	3	Are all personnel that make water quality and quantity decisions certified?
☑	☐	☐	☐	☐	4	Is an operator certified at the level of the system available at all times?

Operator Name and Number	Water	Distribution	WW	Collection	Pond	SWTS	VSWS
Donovan Carpenter (1611)	II	II	II	I			
Jimmie Fjerestad (1961)	I	II		II			
Rollie Hoeke (719)	II	III	II	III			
Dale Kerber (2656)		II		II			
Brad Top							
Cory Carlson							

yes	no	n/a	unk	note		
☑	☐	☐	☐	☐	5	Do you feel you have received adequate training?
☑	☐	☐	☐	☐	6	Is the number of people adequate to operate the water system?
☑	☐	☐	☐	☐	7	Do you maintain records to document compliance (up to 10 years)?
☑	☐	☐	☐	☐	8	Does the system have a written Emergency Response Plan?
☑	☐	☐	☐	☐	9	Does the system have operations and/or maintenance manuals?
☑	☐	☐	☐	☐	10	Do you know what to do in the event of a violation?
☐	☑	☐	☐	☐	11	Have there been any MCL violations or compliance orders for the system in the last 12 months?
☐	☐	☑	☐	☐	12	If so, is there a compliance plan?
☑	☐	☐	☐	☐	13	Is someone responsible for emergency operations, communications and customer relations? Who? Rollie Hoeke
☑	☐	☐	☐	☐	14	Are routine operation and maintenance records kept?
☑	☐	☐	☐	☐	15	Is the system aware of all required sampling for the year?
☑	☐	☐	☐	☐	16	Does the system have current "as built" engineering drawings of the system facilities?

☑ ☐ ☐ ☐ ☐ 17 Do you keep records of complaints and the actions taken to address each one?

18 How many complaints do you receive on average each year? _____

19 What is general nature of complaints (taste, odor, color, pressure)?

_____

☑ ☐ ☐ ☐ ☐ 20 Has the latest edition of the Consumer Confidence Report been distributed?

☑ ☐ ☐ ☐ ☐ 21 Is a copy of the latest Consumer Confidence Report Available?

☑ ☐ ☐ ☐ ☐ 22 Have any changes been made since the last survey in the management, operations, personnel, budget, etc?

If so, what? PWD Wayne Fletcher retired. Rolie Hoeke is acting PWD.

☑ ☐ ☐ ☐ ☐ 23 Have the recommendations from the previous survey been addressed?

Comments (please indicate the question number): _____

_____

_____

_____

_____

_____

Financial Capacity

City of Brandon **EPA ID: 0048**

yes	no	n/a	unk	note	
☑	☐	☐	☐	☐	1 Does the public water system have an annual budget?
☑	☐	☐	☐	☐	2 Does the water system income exceed operating expenses (including debt service)?
☑	☐	☐	☐	☐	3 Does the water system track budget performance?
☑	☐	☐	☐	☐	4 Does the water system have audited financial statements?
☑	☐	☐	☐	☐	5 Are water revenues kept in a separate account?
☑	☐	☐	☐	☐	6 Is some of the water revenue set aside in reserve funds for future capital improvement projects?
☐	☐	☐	☐	☐	7 Is there a capital improvement long range plan (up to 5 years)?
☑	☐	☐	☐	☐	8 Are the water system rates reviewed on at least an annual basis?
☐	☑	☐	☐	☐	9 Is there a plan for rate increases?
☑	☐	☐	☐	☑	10 Is the rate structure based on metered water use? List rates: see below (example: $22 minimum plus $1.75/1000 gallons)
☑	☐	☐	☐	☐	11 Are there procedures in place to handle delinquent accounts?
☐	☑	☐	☐	☐	12 Are more than 5% of your customer accounts delinquent?
☑	☐	☐	☐	☐	13 Are controls available to limit over-expenditures?
☑	☐	☐	☐	☐	14 Are there purchasing procedures?
☑	☐	☐	☐	☐	15 Does the system utilize computer software (accounting or otherwise) to maintain its financial records?

Comments (please indicate the question number):

10. $7.00 minimum includes 2000 gal. 2001-6000 gal @ $2.60/1000 gal.
6001 gal and above = $3.10/1000 gal.

Violations

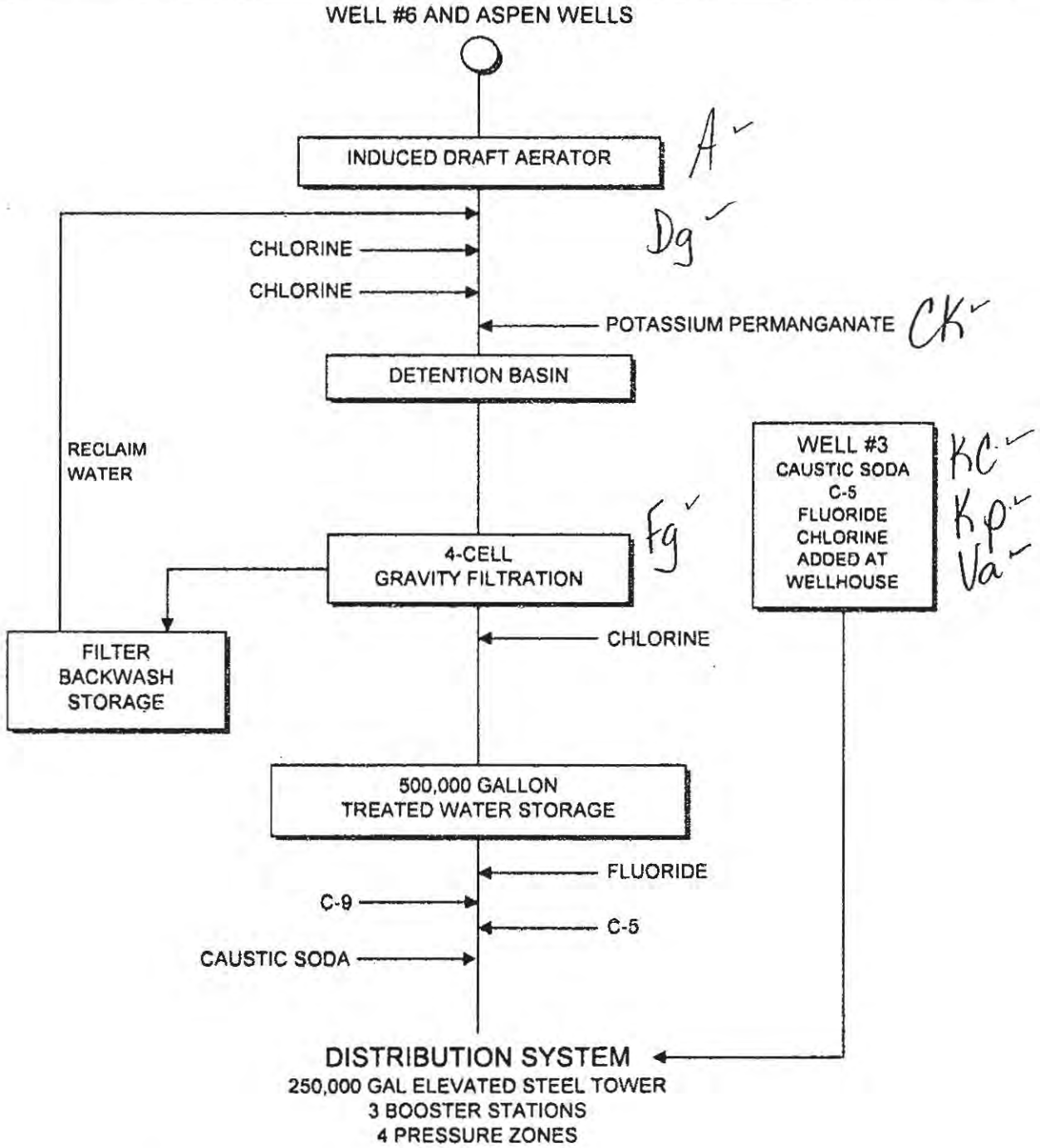
City of Brandon **EPA ID: 0048**

Violations From April 1, 2007 To April 1, 2010

Violation Type	Parameter	Date	Duration (Months)
No Violations			

Drawing/Flow Schematic

City of Brandon **EPA ID: 0048**



South Dakota Department of Health

DIVISION OF ADMINISTRATION

Public Health Laboratory

615 East Fourth Street
Pierre, South Dakota 57501-1700
605/773-3368 FAX: 605/773-6129
www.state.sd.us/doh/lab/index.htm

Date: 5/3/2010

Submitter copy to:

DENR-ODW/PWSS-5112
FOSS BUILDING
523 E CAPITOL
PIERRE, SD 57501

Spec #: E10EC001836
Subm #:
Lab: ENV CHEMISTRY
Tel #: (605)773-3368

Source

BRANDON/CITY WATER

Date Rcvd: 4/21/2010
Time Rcvd: 0945
Date Coll: 4/20/2010
Time Coll: 1530
Spec Type: WATER
Coll By: R HILDING
Site Location: WELL #1

Source Name WELL #1
Source Sampled: WELL
Source: WELL
Tap Location: WELL #1
Type of Sample: RAW
medium water

01 R

Final Results

Nitrate	5.8 mg/L	Limit: 10.0
Fluoride	0.24 mg/L	
Chloride	57 mg/L	
Iron, Total	<0.03 mg/L	
Manganese	<0.02 mg/L	
Sulfate	39.8 mg/L	
SOLIDS, TOTAL DISS.	441 mg/L	
Standard Method 2540C		
PH	7.57 pH UNITS	
EPA Method 150.1		
Alkalinity-M	267 mg/L	
Alkalinity-P	0 mg/L	
Bicarbonate	326 mg/L	
Carbonate	0 mg/L	
Conductivity	780 umho/cm	
Calcium	93.9 mg/L	
Magnesium	27.4 mg/L	
SM3111B		
Hardness (calc)	347 mg/L	
Langlier Index	0.43	
Sodium	24.4 mg/L	
Potassium	3.3 mg/L	
Nitrite	<0.02 mg/L	Limit: 1.00

(continued)

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Submitter copy to:

Date: 5/3/2010

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FOSS BUILDING
523 E CAPITOL
PIERRE, SD 57501

Spec #: E10EC001836
Subm #:
Lab: ENV CHEMISTRY
Tel #: (605)773-3368

Source
BRANDON/CITY WATER

Ammonia EPA Method 350.2/350.3	<0.05 mg/L

Specimen Comments:
%error = 0.8/3.9

SIGNIFICANT DEFICIENCIES UNDER THE GROUNDWATER RULE

The Groundwater Rule (GWR) came into effect on December 1, 2009. This rule applies to any water system with its own groundwater (GW) sources and any system served by another ground water system such as a rural water system. **(It does NOT apply to surface water systems and their consecutive systems.)**

A major feature of the GWR requires water systems to correct **significant deficiencies** in a timely manner following notification by the Department of Environment and Natural Resources (DENR).

Significant deficiencies include, but are not limited to, defects in design, operation, or maintenance, or a failure or malfunction of the sources, treatment, storage, or distribution system that the State determines to be causing, or have potential for causing, the introduction of contamination into the water delivered to consumers.

After a deficiency is identified, the following actions must take place:

- DENR must notify the water system in writing within 30 days of the determination of the deficiency
- The water system must consult with DENR within 30 days of the notification as to possible remedies
- Within 120 days of the notification, the deficiency must be corrected or an enforceable timetable be in place for its correction

Failure to consult within 30 days or correct within 120 days or to have a timetable in place within the 120 days or failure to follow the timetable are violations of the Safe Drinking Water Act.

To allow systems to correct these deficiencies before a mandated schedule is necessary, DENR is providing notification of the specific significant deficiencies that are pertinent to all GW systems. Other deficiencies not described below may be determined by DENR to be significant on a case-by-case basis. Also note that deficiencies can be determined at any time-not only during inspections. **The specific significant deficiencies pertinent to all groundwater systems are-**

- **Source**-Well casing is improperly sealed. (This could include an unscreened vent, vent opening that faces upward, unsealed openings for the electrical conduit or drawdown air tube, etc.).
- **Treatment System**-The water system is not in compliance with applicable 4-log microbiological treatment technique that has been specifically required for your system under the GWR. NOTE: **At this time**, no system in South Dakota has been required to treat to a 4-log level under the GWR and this deficiency does not apply to any system now. There are two systems that have chosen to treat to a 4 log inactivation level.
- **Distribution System**-Repeated/frequent violations or sample detections of fecal indicators in your monthly micro sampling under the Total Coliform Rule (TCR) to the point where a system is considered a Pre-Significant Non-Complier (PSNC) under the TCR. See NOTE for criteria for PSNC.

- **Finished Storage/Reservoir**-Lack of a screen on any vents or overflows to prevent the entrance of birds, insects, other contamination sources, etc. into finished water storage.
- **Pumps**-Inadequate pump capacity resulting in negative or low pressures that can possibly allow contaminated water into the distribution system.
- **Monitoring/Reporting**-The system does not have a TCR sampling plan, plan needs to be updated, or plan is not being followed (routine sample sites are to be rotated when submitting your monthly micro samples). All designated sites must be used at least once per calendar year, and no one site can be used for more than 50% of your routine samples.
- **System Management/Operation**-Compliance monitoring records are not maintained as required. *Please see* Table 1 *as to necessary records.*
- **Operator Certification Compliance**-The operator in direct responsible charge is not certified at the level required by State for water distribution and/or water treatment.

If any of the above deficiencies apply to your system, we would urge you to get these corrected so that they do not become an enforceable deficiency and possible violation.

TABLE 1: REQUIRED COMPLIANCE RECORDS

Records That Must Be Kept	Frequency
Actions taken by your system to correct violations	At least 3 years
Public Notices that your system issues	At least 3 years
Public Notification Rule	At least 3 years
Consumer Confidence Rule	At least 3 years
Microbiological and turbidity analyses	At least 5 years
Chemical analyses	At least 10 years
Sanitary Surveys and written reports and summaries of surveys	At least 10 years
Stage 1 and 2 Disinfectants and Disinfection By-Products Rule	At least 10 years
Lead and Copper Rule - Public Education activities and materials	At least 12 years
Lead and Copper Rule – all associated sample analyses, corrosion control recommendations	At least 12 years

NOTE: **Pre-Significant Non-complier (PSNC) for monthly samplers**: (1) Three or more combined Maximum Contaminant Level (MCL) or major repeat monitoring/reporting (M/R) violations within a year; or (2) Five combined MCL or major routine or major repeat M/R violations within a year.

Pre-Significant Non-complier (PSNC) for quarterly samplers: Two or more combined MCL or major routine or major repeat M/R violations within a year.

Major M/R violation means none of the required samples were taken or reported.

Minor M/R violation means some, but not all, of the required samples were taken or reported.

Appendix B
Water Rights

WATER PERMIT NO. 5868-3

Phone: 605 582-6515

Name of Applicant: City of Brandon

Post Office Address: PO Box 95, Brandon SD 57005

Amount of Water Claimed: add'l 0.07 cfs Total Acres: NA

Source of Water Supply: groundwater - Split Rock Creek Aquifer

Water to be used for: municipal County: Minnehaha

Location:

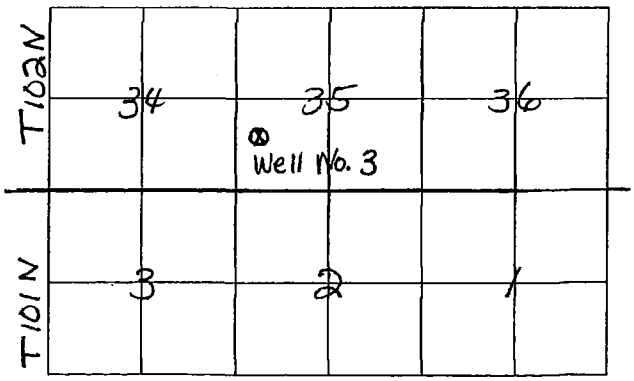
PRIORITY Date Received: 6-8-95 Fee: $50.00

Corrected Application Received: Period of Annual Use: Jan 1 - Dec 31

Remarks: Well No. 3 is authorized by License No. 1804-3, Permit Nos. 5296-3 and 5395-3 for a combined diversion rate of 1.32 cfs. This application increase the diversion rate 0.07 cfs, for a total diversion rate of 1.39 cfs (625 gpm)

Diversion Point: NW 1/4 SW 1/4 Sec 35-T102N-R48W

Land to be Irrigated:



Well Log: Driller: Grimshaw Drilling Licensed: YES ____ NO ____

Depth of Well: 222 feet REMARKS:

Type of Map: topo Prepared By: Lynn Beck Reviewed and the Number

Assigned on: 6-8-95 By: Karen Schlaak

FORM 2: Application for uses other than irrigation
(type or print)

Mail to:
Water Rights Division
Joe Foss Building
523 E Capitol
Pierre SD 57501-3181
605 773-3352

No. 5868-3 Hydrologic Unit 10170203
Basin Sioux River
Newspaper Argus Leader, PO Box 5034, SF 57117
(office use only)

Application For Permit To Appropriate Water Within The State Of South Dakota

Check use of water:

___ Municipal ___ Suburban Housing ___ Recreational ___ Institutional
___ Rural Water System ___ Commercial ___ Fish & Wildlife ___ Geothermal Heat
___ Domestic (over 18 gpm) ___ Industrial ___ Other _____

Type of Application: (check one) X **New** ___ **Vested Right** (Use predates Mar 2, 1955) ___ **Future Use Reservation**
___ **Place to Beneficial Use Water Reserved by Future Use Permit No.** _____
___ **Amendment/Correction to Permit No.** _____

Description of amendment/correction: (i.e. change diversion point(s), add diversion point(s), change use, etc.) _____

1. Name of Applicant City of Brandon Phone (605) 582-6515
(check one) X Owner ___ Tenant/lessee
Mailing Address P.O. Box 95 (Street, RR, or Box) Brandon (City) State SD 57005 (Zip Code)

2. Amount of water claimed 0.07 *CFS or 32 **GPM 30 ***AF
(*Cubic Feet per Second) (**Gallons per Minute) (***Acre Feet -- storage capacity of dam/dugout or annual use if applicable)

3. Source of water supply Split Rock Creek Aquifer

4. Location of point of diversion (example - 3 wells in SW1/4 NE1/4 section 12-T104N-R53W) 1750' N and 430' E of the SW corner of Section 35-T102N-R48W (NW1/4 SW1/4)
County Minnehaha

5. County or counties where water will be used Minnehaha

6. Annual period during which water is to be used January 1 - December 31

7. Give a description of the project. When available include any preliminary engineering report or other reports or information that will help explain the project. (Attach sheet if more space is needed)

The City of Brandon's Well No. 3 is authorized under License 1804-3, and Permit Nos. 5296-3 and 5395-3 for a combined diversion of 1.32 cfs. This application is for an additional appropriation of 0.07 cfs from Well No. 3, bringing the maximum diversion rate from 1.32 cfs to 1.39 cfs (625 gpm).

Attachments: Attach Form 2A if diversion is from a well or dugout, or if storage of water is proposed. Attach map and any other technical information. (see instructions)

STATE OF SOUTH DAKOTA)
County of Minnehaha)ss

I, City of Brandon, the applicant, certify that I have read this application, have examined the attached map and that the matters stated are true and that I intend, and am able to complete the necessary construction.

Signed Kenneth A. Klumpstra, Mayor

Subscribed and sworn to before me this 24th day of May 19 95

Dennis E Olson
Notary Public

Commission Expires 1-26-96

7-92

SOUTH DAKOTA
WATER PERMIT NO. 5868-3

Date of first receipt of application June 8, 1995.

The Chief Engineer, on behalf of the Water Management Board, issues Water Permit No. 5868-3 to the City of Brandon, PO Box 95, Brandon SD 57005 authorizing the construction of the water use system and the placing of water to beneficial use subject to the following limitations, conditions and qualifications:

1. Water Permit No. 5868-3 appropriates 0.07 cubic feet of water per second (cfs) by increasing the diversion rate authorized by Water Right No. 1804-3 and Water Permit Nos. 5296-3 and 5395-3. Water Right No. 1804-3 and Water Permit Nos. 5296-3 and 5395-3, combined, appropriates 1.32 cfs from the City of Brandon's Well No. 3 (Split Rock Creek Aquifer) 222 feet deep located in the NW 1/4 SW 1/4 Section 35-T102N-R48W. This permit increases the water appropriation of Well No. 3, from 1.32 cfs to 1.39 cfs.

2. The water appropriated shall be used for the purpose of supplying water for the City of Brandon and may not exceed the amount of water needed for beneficial use for municipal use purposes.

3. The water is to be used during the following described annual period: January 1 - December 31

4. The date of approval of Permit No. 5868-3 is September 5, 1995.

5. The date from which applicant may claim right is June 8, 1995.

6. Water rights obtained in compliance with the laws of the State of South Dakota may not be unlawfully impaired by this appropriation.

QUALIFICATION

The well approved under this Permit will be located near domestic wells and other wells which may obtain water from the same aquifer. The well owner under this Permit shall control his withdrawals so there is not a reduction of needed water supplies in adequate domestic wells or in adequate wells having prior water rights.

WATER MANAGEMENT BOARD

By: John Hatch

DEC 18 1995
date

John Hatch, Chief Engineer
Water Rights Program
Department of Environment and Natural Resources

DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3181

April 17, 1995

Dennis Olson
Finance Officer
Brandon City Hall
P.O. Box 95
Brandon, SD 57005

Dear Mr. Olson:

This letter concerns the water permits held by the city of Brandon, the status of those permits, and information needed to license the permits. There are corrections and additions that require new applications. New applications are needed to get the city permitted for all of its water use.

Please find enclosed partially completed application forms, a map and instruction sheet. The application involves well number four with a diversion rate of 0.36 cubic feet per second (cfs), which is not authorized under any of the cities present permits. Also needing application is an additional diversion of 0.14 cfs from well number five. The waters applied for under this new application can come out of the future use permit 4002-3 and retain a priority date of September 12, 1977.

Future use permit 4002-3 reserves 902 acre feet of water in Section 34-T102N-R48W and Section 3-T101N-R48W. This new application would take 217 acre feet from the future use permit.

Application must also be made for an additional 0.07 cfs from city well number three. License 1804-3 and Permit Numbers 5296-3 and 5395-3 appropriate a combined 1.32 cfs (594 gpm) from well number three. The well has a maximum pumping rate of 1.39 cfs (625 gpm); an additional 0.07 cfs needs application. These waters come from the Split Rock Creek Aquifer and do not fall under Future Use Permit 4002-3.

Below is a listing of the City of Brandon's water rights:

1. License 1804-3 appropriates 1.2 cubic feet of water per minute (cfs) from wells number 1, 2 and 3 with a priority date of January 25, 1971.

2. Future Use Permit No. 4002-3 reserves 902 acre feet of water from Section 34-T102N-R48W and Section 3-T101N-R48W with a priority date of September 12, 1977.

3. License 4434-3 appropriates 0.43 cfs (194 gpm) from two wells and 20.5 acre feet of storage used to irrigate the Municipal Golf Course.

4. Water Permit No. 4885-3 appropriates 0.28 cfs (126 gpm) from well number 5, with a priority date of April 20, 1982.

5. Water Permit No. 5296-3 appropriates an additional 0.33 cfs (150 gpm) for well number 3, with a priority date of March 22, 1989.

6. Water Permit No. 5395-3 appropriates an additional 0.43 cfs (194 gpm) from well number 3, with a priority date of March 8, 1990. A combined total of 1.32 cfs.

7. Water Permit No. 5507-3 appropriates 0.05 cfs (22.5 gpm) from a well at the Municipal Golf Course for the clubhouse with a priority date of January 28, 1991.

Once the Water Rights Division receives the applications, the licensing process can continue. If there is no opposition to the applications after they have been advertised, the permits can be licensed. After payment of the licensing and inspection fee, as per item number 7 on the instruction sheet, a Water License will be issued.

If you have any questions, please feel free to contact me.

Sincerely,

Lynn Beck

Lynn Beck
Natural Resources Engineer III
Water Rights Division, DENR
(605) 773-3352

encls

c Steve Brockmueller
Stockwell Engineers, Inc.
1621 S. Minnesota Ave.
Sioux Falls, SD 57105

File No.

Water Rights Division
File Documentation

NAME OF PERSON OR FILE: City of Brandon

ADDRESS: Brandon SD COUNTY: MA

DATE: 6-8-95 TELEPHONE:

RE: Filing fee

COMMENTS:

The City of Brandon submitted a check for $375.00 with the two applications dealing with Well nos 3, 4, & 5. The fee was receipted as follows:

Application No. 5868-3 (Well no. 3)	=	$ 50.00
Application No. 5869-3 (Well no 4 & 5)	=	$225.00
License fee for each	=	$ 50.00 $ 50.00
		$375.00

Karen Schlaak

Karen Schlaak
Environmental Scientist

RECEIPT

414518

Division of Water Rights

South Dakota Department of Environment and Natural Resources

Pierre, June 8, 19 95

RECEIVED OF City of Brandon, Brandon, SD 57005

the following amount in fees for services rendered as provided for by law:

Fee for Application for Permit No. _____ to Appropriate Water, to construct and to put water to beneficial use _____		
Fee for Application for Permit No. _____ to Appropriate Water, for Future Use _____		
Fee to retain Future Use Permit No. _____ after period of seven years.		
Fee for Inspecting Constructed Works, confirming beneficial use and issuing Water License No. 5268-3	50	00
Fee for Filing Transfer Form _____		
Fee for Filing Extension Request _____		
Fee for _____		
(Any Other Work Provided by Law) **Total**	50	00

By John Hatch
Chief Engineer

RECEIPT

414516

Division of Water Rights

South Dakota Department of Environment and Natural Resources

Pierre, June 8, 19 95

RECEIVED OF City of Brandon, Brandon, SD 57005

the following amount in fees for services rendered as provided for by law:

Fee for Application for Permit No. 5868-3 to Appropriate Water, to construct and to put water to beneficial use	.50	00
Fee for Application for Permit No. _____ to Appropriate Water, for Future Use		
Fee to retain Future Use Permit No. _____ after period of seven years.		
Fee for Inspecting Constructed Works, confirming beneficial use and issuing Water License No.		
Fee for Filing Transfer Form		
Fee for Filing Extension Request		
Fee for		
(Any Other Work Provided by Law) **Total**	.50	00

By John Hatch (JMR)
Chief Engineer

REPORT ON WATER PERMIT APPLICATION NO. 5868-3
for the City of Brandon
July 25, 1995

Application No. 5868-3 proposes to appropriate 0.07 cfs (32 gpm) by increasing the diversion rate authorized by Water Rights No. 1804-3 and Water Permit Nos. 5296-3 and 5395-3. Water Right No. 1804-3 and Water Permit Nos. 5296-3 and 5395-3, combined, appropriate 1.32 cfs from City Well # 3 which is approximately 222 feet deep and located in the NW 1/4 SW 1/4 of section 35, T102N R48W in Minnehaha County. This application proposes to increase the water appropriation of Well # 3 from 1.32 to 1.39 cfs.

AQUIFER - SPLIT ROCK CREEK (SRKC)

The Split Rock Creek aquifer is a buried sand and sandstone with interbedded thick layers of siltstone ,shale and claystone. The aquifer is confined and under artesian conditions. The aquifer underlies 139 square miles and contains and estimated 855,000 acre feet of water in storage in Minnehaha County (Lindgren, 1992). The aquifer is overlain by glacial till and underlain by the Sioux Quartzite. Ground water movement is from east to west toward the Big Sioux River in the area of this application.

The Water Rights Program monitors 11 observation wells completed into the Split Rock Creek aquifer in southeastern Minnehaha County. One of these wells MA-87E is located about 1 mile northwest of this application. Water levels for the Split Rock aquifer do show the effects of climatic conditions. That is, rising water levels during wet years and gradually declining water levels during dry years. In general, the water level record indicates that the aquifer is capable of sustaining additional withdrawals (Water Rights, 1995).

REVIEW OF EXISTING WATER PERMITS/RIGHTS

There are no other water permits/rights from the Split Rock Creek aquifer in this immediate area. The well for this application is located about 1/2 mile west of Water Permit No. 5507-3 which is also held by the City of Brandon. Interference is not expected to be a concern.

CONCLUSIONS

1. Water is available from the Split Rock Creek aquifer.

2. The aquifer is confined and under artesian conditions in this area. Drawdown will result from pumping. Interference is not expected to be a concern.

3. This relatively small increase in pumping rate is the result of an inspection which found that the City was pumping at a greater rate than was permitted. Approval of this application will allow the licensing of Brandon's water rights to reflect the system "as built".

4. Information on City Well No. 3 is not sufficient to determine if the well is constructed in accordance with SD Well Construction Standards.

James A Goodman
Natural Resources Engineer

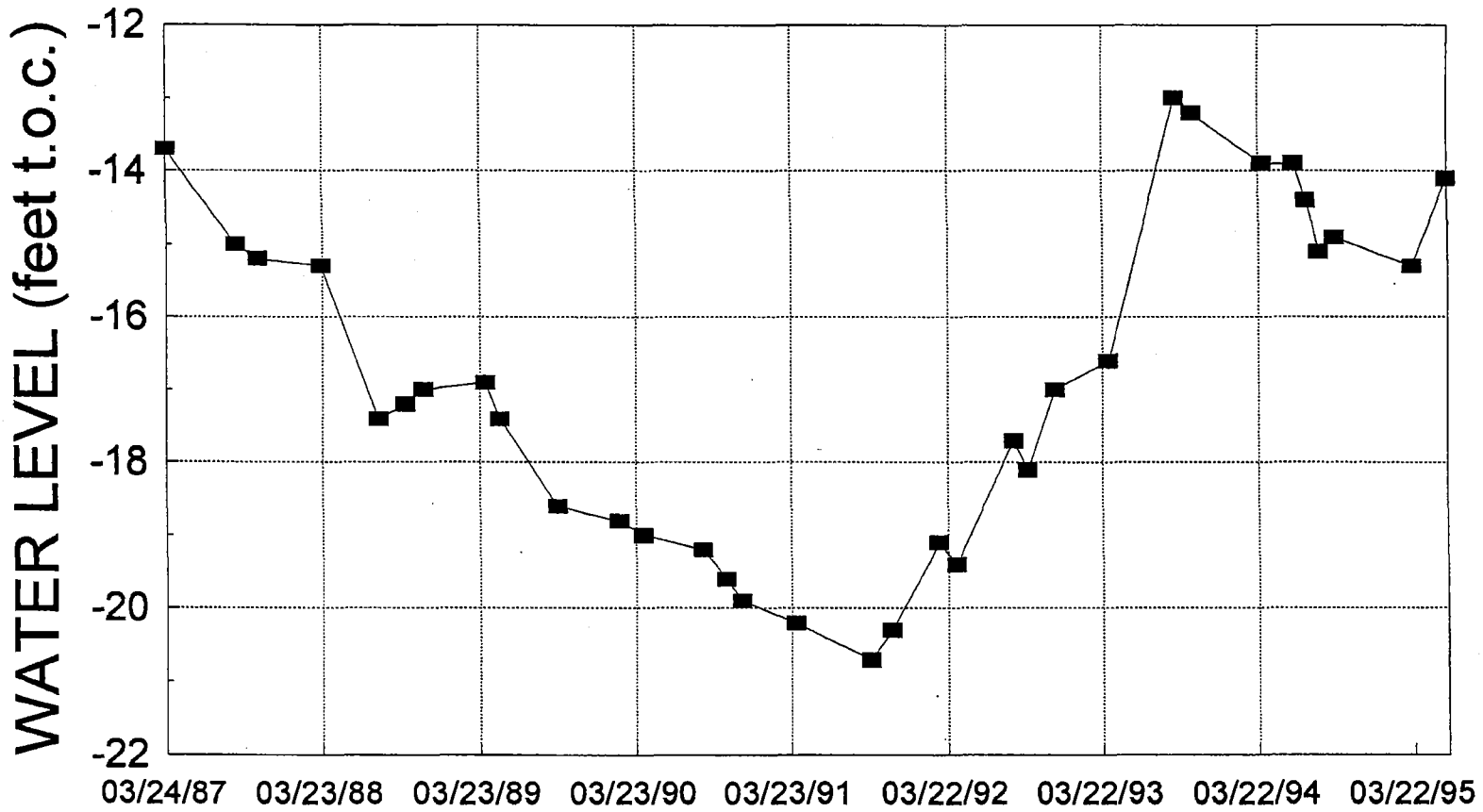
BIBLIOGRAPHY

Lindgren, R.L., C.A. Niehus, 1992, Water Resources of Minnehaha County, South Dakota, USGS WRI 91-4101, USGS, Huron, SD, 57350.

Water Rights, 1995, Unpublished Observation Well Records for Minnehaha County, SD DENR, Environmental Services Division, Water Rights Program, Pierre, SD, 57501.

WATER RIGHTS OBSERVATION WELL

MA-87E



RECOMMENDATION OF CHIEF ENGINEER FOR WATER PERMIT APPLICATION NO. 5868-3, City of Brandon

Pursuant to SDCL 46-2A-2, the following is the recommendation of the Chief Engineer, Water Rights Program, Department of Environment and Natural Resources concerning Water Permit Application No. 5868-3, City of Brandon, c/o Mayor Dennis Kleinvachter, PO Box 95, Brandon, SD 57005.

The Chief Engineer is recommending APPROVAL of Application No. 5868-3 because 1) there is reasonable probability that there is unappropriated water available for the applicant's proposed use, 2) the proposed diversion can be developed without unlawful impairment of existing rights, 3) the proposed use is a beneficial use and 4) in the public interest with the following qualification:

> The well approved under this Permit will be located near domestic wells and other wells which may obtain water form the same aquifer. The well owner under this Permit shall control his withdrawals so there is not a reduction of needed water supplies in adequate domestic wells or in adequate wells having prior water rights.

See report on application for additional information.

for Delvin D. Brosz
JOHN HATCH, Chief Engineer
June 26, 1995

DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3181

NOTE: TO BE SURE OF PUBLICATION ON THE CORRECT DATES, CONTACT THE NEWSPAPER RIGHT AWAY.

August 10, 1995

Dennis Kleinvachter, Mayor
PO Box 95
Brandon, SD 57005

Dear Mr. Kleinvachter:

Water Permit Application Nos. 5868-3 and 5869-3 for municipal use have been examined and found to comply with the South Dakota Water Laws and applicable rules. A notice of hearing has been sent to the Publisher of the Argus Leader printed at Sioux Falls, SD (Ph # 605-331-2200). For your information, a copy of the notice, the recommendations of the Chief Engineer and reports on the applications are enclosed. Please review the notice prior to publication and notify this office, if you have any corrections or questions.

Be sure to contact the above newspaper to authorize publication of your Notice of Hearing and to arrange for payment. Early contact with the paper can eliminate delays. The publisher has been instructed to publish your notice once each week for two consecutive weeks with the last publication to occur twenty days before the board meeting. The newspaper has been instructed to send us the Proof of Publication. We must receive Proof of Publication before action can be taken on the applications.

Sincerely,

Eric Gronlund/KS

Eric Gronlund
Natural Resources Engineer
605 773-3352

enclosures

NOTE: If you plan to contest any part of the Chief Engineer's recommendations, you must file a petition pursuant to the procedures outlined in the attached notice of hearing. The Water Management Board will then consider your concerns during a hearing on the applications.

DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3181

August 10, 1995

Argus Leader
PO Box 5034
Sioux Falls, SD 57117-5034

ATTENTION: Legal Department

Enclosed is a Notice of Hearing on Application Nos. 5868-3 and 5869-3 to be published twice. Please publish the first notice on August 18, 1995, with the second publication 7 days later.

The APPLICANT MUST VERIFY TO YOU THAT THE NOTICE IS TO BE PUBLISHED, before you make the first publication. Please BILL the APPLICANT for the cost of publication. The APPLICANT is City of Brandon, c/o Mayor Dennis Kleinvachter, PO Box 95, Brandon, SD 57005 (Ph # 605-582-6515).

A copy of BOTH publications must be SENT to the WATER RIGHTS PROGRAM. IMMEDIATELY return the FIRST publication with the FIRST Transmittal form on the bottom of this page. The first copy is needed to check the publication for errors so any corrections can be made in the second publication. Publication errors can invalidate the public notice and cause the applicant costly delays.

Please be sure the SECOND publication is returned IMMEDIATELY with the enclosed Proof of Publication form. DO NOT WAIT until the end of the month or the billing cycle. No action may be taken on the permit applications until proof of publication has been received.

Sincerely,

Eric Gronlund/KS

Eric Gronlund
Natural Resources Engineer
605 773-3352

enclosures

----------CUT HERE----------

FIRST TRANSMITTAL NOTICE

TO: Eric Gronlund
Water Rights Program
Joe Foss Building
Pierre SD 57501-3181

No._____

Date_____

We are in receipt of your letter of _____ enclosing Notice of Hearing to Appropriate Water by Application No._____ which was first published in our issue of_____. ENCLOSED IS A COPY OF THIS FIRST PUBLICATION.

_____ _____

Name Newspaper

Instruction to Newspaper - Publish first Notice on August 18, 1995, with the second publication 7 days later. The applicant is responsible for payment.

NOTICE OF APPLICATION NOS. 5868-3 and 5869-3 to Appropriate Water

Notice is given that the City of Brandon, PO Box 95, Brandon, SD 57005 has filed applications for two water permits.

Application No. 5868-3 proposes to appropriate 0.07 cubic feet of water per second (cfs) by increasing the diversion rate authorized by Water Right No. 1804-3 and Water Permit Nos. 5296-3 and 5395-3. Water Right No. 1804-3 and Water Permit Nos. 5296-3 and 5395-3, combined, appropriate 1.32 cfs from the City of Brandon's Well No. 3 (Split Rock Creek Aquifer) 222 feet deep located in the NW 1/4 SW 1/4 Section 35-T102N-R48W. This application proposes to increase the water appropriation of Well No. 3 from 1.32 cfs to 1.39 cfs.

Application No. 5869-3 proposes to appropriate 0.50 cfs. Water Permit No. 4885-3 appropriates 0.28 cfs from the City of Brandon's Well No. 5. This application proposes to increase the water appropriation from Well No. 5 from 0.28 cfs to 0.42 cfs. This application also requests an additional diversion point to appropriate 0.36 cfs from Well No. 4. Well Nos. 4 and 5 (Big Sioux South Aquifer) 52 and 56 feet deep are located in the SE 1/4 NW 1/4 Section 3-T101N-R48W and propose a combined appropriation of 0.50 cfs (217 acre-feet of water annually). This water was appropriated and reserved by Future Use Permit No. 4002-3. This water will be used to supply the City of Brandon.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application Nos. 5868-3 and 58769-3 because 1) unappropriated water is available, 2) existing rights will not be unlawfully impaired, 3) it is a beneficial use of water, and 4) it is in the public interest. In accordance with SDCL 46-2A-23, the chief engineer will act on the applications, as recommended, unless a petition is filed opposing the applications or the applicant files a petition contesting the chief engineer's recommendations. If a petition opposing the applications or contesting the recommendations is filed, then a hearing will be scheduled and the Water Management Board will consider the applications. Notice of the hearing will be given to the applicant and any person filing a petition.

Any person interested in opposing or supporting these applications or recommendations must file a written petition with BOTH the applicant and chief engineer. The applicant must file a petition if contesting the chief engineer's recommendations. The Chief Engineer's address is "Water Rights Program, Foss Building, 523 E Capitol, Pierre SD 57501 (605 773-3352)" and the applicant's mailing address is given above. A petition filed by either an interested person or the applicant must be filed by September 5, 1995.

The petition may be informal, but must include a statement describing the petitioner's interest in the applications, the petitioner's reasons for opposing or supporting the applications, and the signature and mailing address of the petitioner or the petitioner's legal counsel, if legal counsel is obtained. Contact Eric Gronlund at the above Water Rights Program address to request copies of information pertaining to these applications. Nettie H. Myers, Secretary, Department of Environment and Natural Resources.

Form 8

PROOF OF PUBLICATION

STATE OF SOUTH DAKOTA)
) SS
County of Minnehaha)

I, D. Reicher

certify that the attached printed Notice was

taken from the Argus Leader

printed and published in Sioux Falls

County of Minnehaha and State of

South Dakota. The notice was published in the newspaper on the following two dates:

Friday, August 18, 1995

Friday, August 25, 1995

Cost of Printing: 103.37

D. Reicher
(Signature)

Assistant Controller
(Title)

8/25/95
(Date Signed)

AUG 1995
WATER RIGHTS
PROGRAM
Pierre, SD

NOTICE OF APPLICATION
NOS. 5868-3 and 5869-3
to Appropriate Water

Notice is given that the City of Brandon, PO Box 95, Brandon, SD 57005 has filed applications for two water permits.

Application No. 5868-3 proposes to appropriate 0.07 cubic feet of water per second (cfs) by increasing the diversion rate authorized by Water Right No. 1804-3 and Water Permit Nos. 5296-3 and 5395-3. Water Right No. 1804-3 and Water Permit Nos. 5296-3 and 5395-3, combined, appropriate 1.32 cfs from the City of Brandon's Well No. 3 (Split Rock Creek Aquifer) 222 feet deep located in the NW 1/4 SW 1/4 Section 35-T102N-R48W. This application proposes to increase the water appropriation of Well No. 3 from 1.32 cfs to 1.39 cfs.

Application No. 5869-3 proposes to appropriate 0.50 cfs. Water Permit No. 4885-3 appropriates 0.28 cfs from the City of Brandon's Well No. 5. This application proposes to increase the water appropriation from Well No. 5 from 0.28 cfs to 0.42 cfs. This application also requests an additional diversion point to appropriate 0.36 cfs from Well No. 4. Well Nos. 4 and 5 (Big Sioux South Aquifer) 52 and 56 feet deep are located in the SE 1/4 NW 1/4 Section 3-T101N-R48W and propose a combined appropriation of 0.50 cfs (217 acre-feet of water annually). This water was appropriated and reserved by Future Use Permit No. 4002-3. This water will be used to supply the City of Brandon.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application Nos. 5868-3 and 58769-3 because 1) unappropriated water is available, 2) existing rights will not be unlawfully impaired, 3) it is a beneficial use of water, and 4) it is in the public interest. In accordance with SDCL 46-2A-23, the chief engineer will act on the applications, as recommended, unless a petition is filed opposing the applications or the applicant files a petition contesting the chief engineer's recommendations. If a petition opposing the applications or contesting the recommendations is filed, then a hearing will be scheduled and the Water Management Board will consider the applications. Notice of the hearing will be given to the applicant and any person filing a petition.

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Nettie H. Myers, Secretary
Department of Environment
and Natural Resources.

6371 Aug. 18, 25, 1995

COMMENTS: This report is based on an inspection by Greg Johnston done in July 1992. The additional 0.07 cfs from well #3 is covered under new permit no. 5868-3. The additional diversion is from the waters of the Spilt Rock Creek Aquifer and has a priority date of June 8, 1995.

Lynn Beck

Lynn Beck
Natural Resources Engineer
DENR, Water Rights Division

Form 12

Permit No. 5296-3 and 5395-3

Big Sioux River - Water District

Report Of Examination Of Works And/Or Application of Water To Beneficial Use

TO: Chief Engineer, Division of Water Rights, DENR, Foss Bldg., Pierre, SD 57501

I have this day made a thorough examination of the water use system constructed by the City of Brandon of P.O. Box 38, Brandon, SD 57005 holder of Permit Nos. 5296-3 and 5396-3 also License No. 1804-3 , bearing the priority of March 22, 1989, March 8, 1990 and January 25, 1971 authorizing the diversion of an additional 0.33 and 0.43 (total authorized diversion for well #3 is 1.32 cfs) cu. ft. per second from well #3 of the waters of Split Rock Creek Aquifer for municipal purposes, in Minnehaha County. Under License 1804-3 wells #1, 2 and 3 are authorized for a combined diversion of 1.2 cfs. Well #1 and 2 for 0.64 cfs from the water of the Big Sioux - South Aquifer and well #3 for 0.56 cfs from the Split Rock Creek Aquifer.

I have to report on the conditions of the same as follows:

A. Works used to divert the water:

Well #1 - 48 feet deep, 32 feet of 10 inch steel casing and 16 feet of stainless steel screen. The well has a pumping rate of 170 gpm and a 20 hp Franklin motor.
Well #2 - 50 feet deep, 37.5 feet of 8 inch steel casing and 12.5 feet of stainless steel screen. The well has a Ground Fos pump, model no. SP-16-2 with a pumping rate of 65 gpm and a 2 hp Franklin motor.
Well #3 - 222 feet deep, 182 feet of 12 inch steel casing and 40 feet of stainless steel screen. The well has a Crown pump, model no. 8L-600 FTD with a pumping rate of 625 gpm and a 75 hp Franklin motor.

B. Works used to transport water to place of use:
Distribution system for Brandon's municipal water supply.

C. Works used to apply water to beneficial use:
Municipal water supply.

The system is in the following condition good. The point of diversion is located well #1 - 1460 feet N and 600 feet W and well #2 - 1150 feet N and 600 feet W from the center of Section 3-T101N-R48W and well #3 - 1750 feet N and 430 feet E of the SW corner of Section 35-T102N-R48W. The works are capable of diverting and conveying to the place of use 1.39 well #3 and 0.56 wells #1 and 2 cu. ft. per second of water which is to be used for a municipal water supply.

The license should be issued for 1.39 cfs from the Split Rock Creek Aquifer for well #3 and a combined 0.52 cfs from the Big Sioux Aquifer for wells #1 and 2.

Applicable permit qualifications have been complied with: X Yes No

Exceptions to compliance are: none Date: 4-13-95

REPORT ON INSPECTION OF PERMIT NO. 5296-3 and 5395-3

DATE: 7-92

Other permit(s) associated with the project: License 1804-3

DIVERSION POINT LEGAL LOCATION: Well #1 - 1460' N and 600' W and well #2 - 1150' N and 600' W from the center of Section 3-T101N-R48W. Well #3 - 17~~4~~50' N and 430' E of the SW corner of Section 35-T102N-R48W.

WELL INFORMATION:

1) Well Drilling Firm: Well #1 - Thorpe Well Company; well #2 and #3 - Minnehaha Waters, Inc.
2) No. of Wells 3
3) Depth(s) well #1 - 48; well #2 - 50; well #3 - 222 feet
4) Well log is available Y
5) Comment: Well #1, 2 and 3 are licensed under 1804-3. Additional diversion for well #3 is permitted under 5296-3 and 5395-3.

Casing: Well #1

1) Diameter 10 inches
2) Length 32 feet
3) Type steel

Screen:

1) Type stainless steel
2) Length 16 feet
3) Static water level 20 feet

Pump:

1) Make
2) Model
3) Size
4) Capacity 170 (pumping rate) GPM

Motor:

1) Make Franklin
2) Model No.
3) Horsepower rating 20 hp

Casing: Well #2

1) Diameter 8 inches
2) Length 37.5 feet
3) Type steel

Screen:

1) Type stainless steel
2) Length 12.5 feet
3) Static water level 20 feet

Pump:

1) Make Ground Fos
2) Model SP-16-2
3) Size
4) Capacity 65 (pumping rate) GPM

Motor:

1) Make Franklin
2) Model No.
3) Horsepower rating 2 hp

Casing: Well #3

1) Diameter 12 inches
2) Length 182 feet
3) Type steel

Screen:

1) Type stainless steel
2) Length 40 feet
3) Static water level 50 feet

Pump:

1) Make Crown
2) Model 8L-600 FTD
3) Size
4) Capacity 625 (pumping rate) GPM

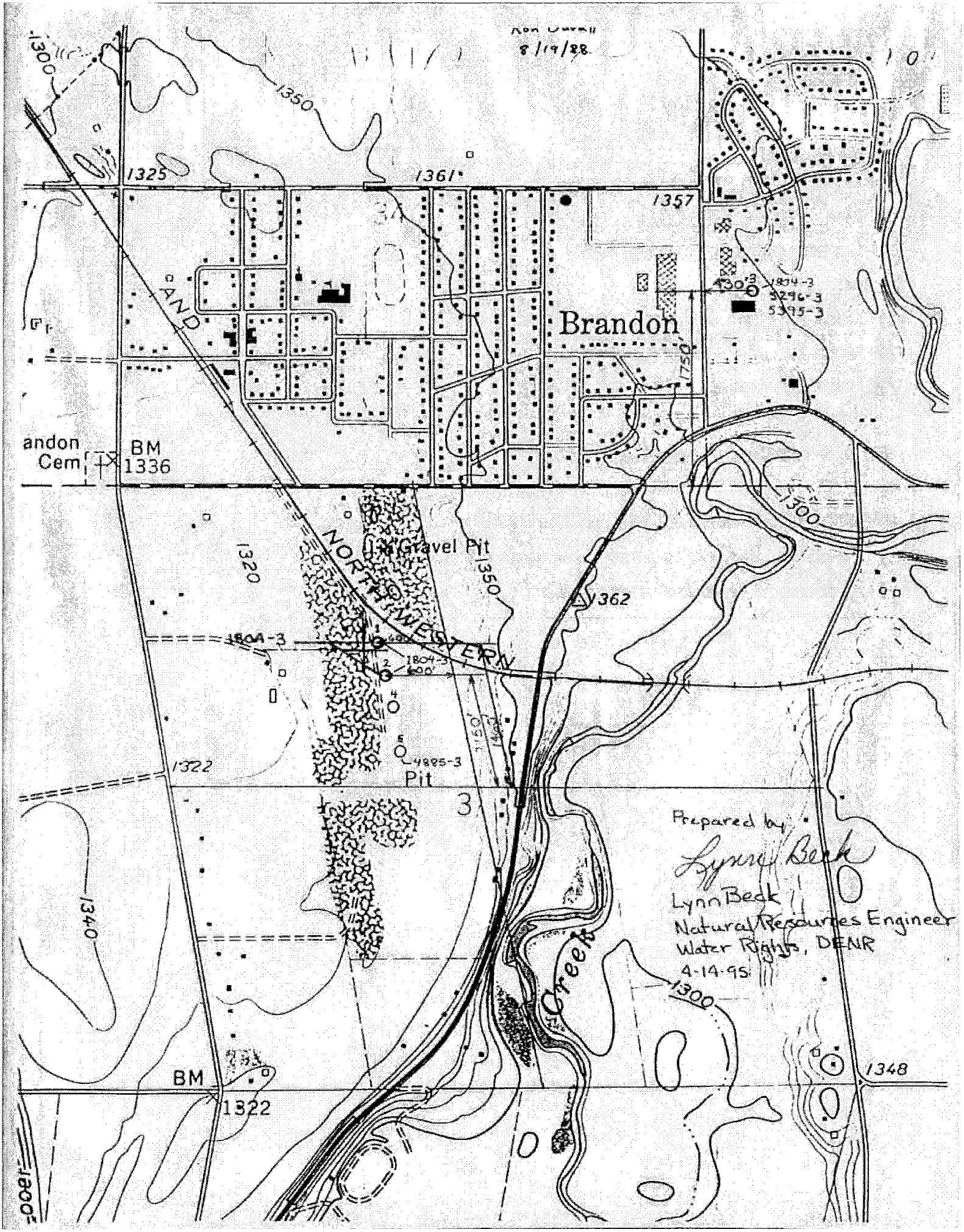
Motor:

1) Make Franklin
2) Model No.
3) Horsepower rating 75 hp

SYSTEM TYPE: Municipal water supply.

PERMIT QUALIFICATIONS AND REGULATIONS:

1) Special qualifications to permit being abided by Y
2) All structures, wells and lands on map Y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Prepared by
Lynn Beck
Lynn Beck
Natural Resources Engineer
Water Rights, DENR
4-14-95

STATE OF SOUTH DAKOTA

WATER LICENSE NO. 5868-3

---

(1) The City of Brandon, PO Box 95, Brandon SD 57005 made Application No. 5868-3, June 8, 1995 for a water permit to appropriate an additional 0.07 cubic feet of water per second (cfs) from groundwater (one well), Minnehaha County, South Dakota for municipal use purposes. Permit No. 5868-3, with a priority date of June 8, 1995 was approved September 5, 1995 and issued to the applicant for diversion of water with construction of the described water supply system completed and the application to beneficial use of said water completed.

Water Permit No. 5868-3 increased the diversion rate of Well #3 authorized by Water Right No. 1804-3 and Water Permit Nos. 5296-3 and 5395-3 from 1.32 cfs to 1.39 cfs. Water Right No. 1804-3 and Water Permit Nos. 5296-3 and 5395-3, combined, appropriate 1.32 cfs from the City of Brandon's Well No. 3 (Split Rock Creek Aquifer) 22 feet deep located in the NW 1/4 SW 1/4 Section 35-T102N-R48W. Water Right No. 1804-3 also authorizes 0.64 cfs from Well Nos. 1 & 2 (Big Sioux -South Aquifer). The applicable portions of Water Right No. 1804-3 and Water Permit Nos. 5296-3 and 5395-3 have been incorporated into this license.

(2) It is certified that the applicant has complied with the provisions of South Dakota State Law relating to completion of the construction of the water supply system and is entitled to divert 1.39 cfs (Split Rock Creek Aquifer) and 0.52 cfs (Big Sioux South Aquifer) for beneficial use. The location of the diversion points are Well #1 - 1460 feet north and 600 feet west (NE 1/4 NW 1/4) and Well #2 - 1150 feet north and 600 feet west (SE 1/4 NW 1/4) both from the center of Section 3-T101N-R48W and Well #3 - 1750 feet north and 430 feet east (NW 1/4 SW 1/4) of the southwest corner of Section 35-T102N-R48W

(3) The applicant has complied with the provisions of South Dakota State Law relating to the application of water to beneficial use.

(4) Pursuant to South Dakota Water Law 46-5-30.1 the City of Brandon, PO Box 95, Brandon SD 57005 the holder and/or owner of Incorporated Water Permit No. 5868-3 issued a license to appropriate water, the right to use 1.91 cubic feet of water per second from groundwater (three wells) from the location specified in (2) of this license for municipal use purposes. The priority dates are as follows: Well Nos. #1 & #2 - 0.52 cfs (January 25, 1971); Well #3 - 0.56 cfs (January 1, 1971); 0.33 cfs (March 22, 1989); 0.43 cfs (March 8, 1990); and 0.07 cfs (June 8, 1995). This license is subject to any limitations or qualifications listed in Incorporated Water Permit No. 5868-3 and subject to South Dakota State Law.

DEC 18 1995

JOHN HATCH, Chief Engineer
Water Rights Program
Department of Environment and Natural Resources

date

DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3181

DEC 18 1995

Dennis Olson, Finance Officer
City of Brandon
PO Box 95
Brandon SD 57005

Dear Mr. Olson:

Enclosed are Water Permit and Water License Nos. 5868-3 and 5869-3, as well as receipts assessed for the inspections and issuance of the licenses. Water License Nos. 5868-3 and 5869-3 are the final documents which complete the process of obtaining water rights.

The applicable portions of Water Right No. 1804-3 and Water Permit Nos. 5296-3 and 5395-3 have been incorporated into Water License No. 5868-3. The applicable portions of Water Right No. 4885-3 have been incorporated into Water License No. 5869-3.

For your information SDCL 46-6-27 requires that if the owner of an existing well, such as the wells authorized by the above permits, constructs a replacement well and does not plan to use the old well, the old well is considered abandoned and must be plugged. Also, any well that is being used or is not considered abandoned must be valved and controlled, if flowing, or sealed and capped so that no leaking occurs either underground or at the surface.

As long as the City of Brandon uses the water beneficially, as stated in the Water Licenses, the State Water Laws provide that you have a continuing right to use the water. If you have any questions, please contact our office.

Very truly yours,

JOHN HATCH, Chief Engineer
Water Rights Program
605 773-3352

enclosures

WATER PERMIT NO. 5869-3

Phone: 605 582-6515

Name of Applicant: City of Brandon

Post Office Address: PO Box 95, Brandon SD 57005

Amount of Water Claimed: 0.50 cfs Total Acres: NA

Source of Water Supply: groundwater - Big Sioux South Aquifer

Water to be used for: municipal County: Minnehaha

Location:

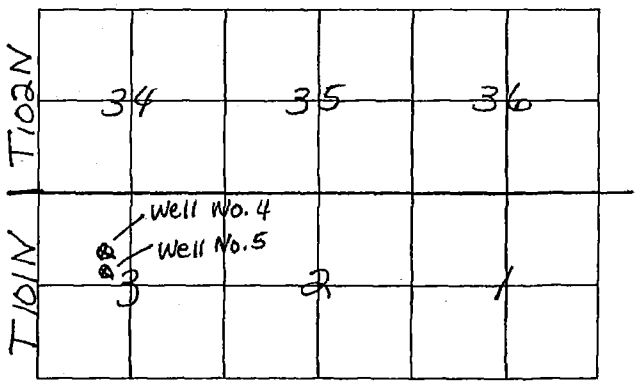
PRIORITY Date Received: 6-8-95 Fee: $225.00

Corrected Application Received: Period of Annual Use: Jan 1 - Dec 31

Remarks: Well No. 5 is authorized by Permit No. 4885-3. This application increases the diversion rate 0.14 cfs and adds Well No. 4 with a diversion rate of 0.36 for a total of 0.50 cfs all to be withdrawn from Future Use Permit No. 4002-3

Diversion Point: SE 1/4 NW 1/4 Sec 3-T101N-R48W

Land to be Irrigated:



Well Log: Driller: Sioux Well Drilling & Thorpe Well Drilling Licensed: YES ____ NO ____

Depth of Well: 52 and 56 feet REMARKS:

Type of Map: topo Prepared By: Lynn Beck Reviewed and the Number

Assigned on: 6-8-95 By: Karen Schlaak

FORM 2: Application for uses other than irrigation
(type or print)

Mail to:
Water Rights Division
Joe Foss Building
523 E Capitol
Pierre SD 57501-3181
605 773-3352

No. 5869-3 Hydrologic Unit 10170203
Basin Sioux River
Newspaper Argus Leader, PO Box 5034, SF 57117
(office use only)

JUN 1995 DIVISION OF WATER RIGHTS Pierre, SD

Application For Permit To Appropriate Water Within The State Of South Dakota

Check use of water:

X Municipal ___ Suburban Housing ___ Recreational ___ Institutional
___ Rural Water System ___ Commercial ___ Fish & Wildlife ___ Geothermal Heat
___ Domestic (over 18 gpm) ___ Industrial ___ Other _____

Type of Application: (check one)
___ **New** ___ **Vested Right** (Use predates Mar 2, 1955) ___ **Future Use Reservation**
X **Place to Beneficial Use Water Reserved by Future Use Permit No.** 4002-3
___ **Amendment/Correction to Permit No.** _____

Description of amendment/correction: (i.e. change diversion point(s), add diversion point(s), change use, etc.)
Add a diversion point known as well #4 with a diversion of 0.36 cfs or 160 gpm. Additional diversion of 0.14 cfs or 64 gpm for well #5.

1. Name of Applicant City of Brandon Phone (605) 582-6515
(check one) X Owner ___ Tenant/lessee
Mailing Address P.O. Box 95 (Street, RR, or Box) Brandon (City) State SD 57005 (Zip Code)

2. Amount of water claimed 0.50 *CFS or 225 **GPM 217 ***AF
(*Cubic Feet per Second) (**Gallons per Minute) (***Acre Feet – storage capacity of dam/dugout or annual use if applicable)

3. Source of water supply Big Sioux South Aquifer

4. Location of point of diversion (example - 3 wells in SW1/4 NE1/4 section 12-T104N-R53W) Well #4 - 850' N and 600' W from the center of Sec. 3-T101N-R48W. Well #5 - 450' N and 600' W from the center of Sec. 3-T101N-R48W. (SE¼ NW¼) County Minnehaha

5. County or counties where water will be used Minnehaha

6. Annual period during which water is to be used Jan. 1 - Dec. 31

7. Give a description of the project. When available include any preliminary engineering report or other reports or information that will help explain the project. (Attach sheet if more space is needed)

Attachments: Attach Form 2A if diversion is from a well or dugout, or if storage of water is proposed. Attach map and any other technical information. (see instructions)

STATE OF SOUTH DAKOTA)
County of Minnehaha)ss

I, City of Brandon, the applicant, certify that I have read this application, have examined the attached map and that the matters stated are true and that I intend, and am able to complete the necessary construction.

Signed Kenneth A. Klumschter, Mayor

Subscribed and sworn to before me this 24th day of May 19 95

Darlene E. Olson
Notary Public

Commission Expires 1-26-96

7-92

Attachment to FORM 2: Application for uses other than irrigation

The City of Brandon's well no. 4 is not authorized under Brandon's current permits and license. This application is to authorize well no. 4 and to appropriate 0.36 cfs from this well.

The City of Brandon's well no. 5 is authorized under Permit No. 4885-3 for 0.28 cfs. This application is also for an additional appropriation of 0.14 cfs from well no. 5 bringing the maximum diversion rate from 0.28 cfs to 0.42 cfs.

This application is to place to beneficial use 0.50 cubic feet per second or 217 acre feet of water from Future Use Permit No. 4002-3.

JUN 1995
DIVISION OF

SOUTH DAKOTA
WATER PERMIT NO. 5869-3

Date of first receipt of application June 8, 1995.

The Chief Engineer, on behalf of the Water Management Board, issues Water Permit No. 5869-3 to the City of Brandon, PO Box 95, Brandon SD 57005 authorizing the construction of the water use system and the placing of water to beneficial use subject to the following limitations, conditions and qualifications:

1. Water Permit No. 5869-3 appropriates 0.50 cubic feet of water per second (cfs). Water Permit No. 4885-3 appropriates 0.28 cfs from the City of Brandon's Well No. 5. This permit increases the water appropriation from Well No. 5 from 0.28 cfs to 0.42 cfs. This permit also authorizes an additional diversion point (known as Well No. 4) to appropriate 0.36 cfs. Well Nos. 4 and 5 (Big Sioux South Aquifer) 52 and 56 feet deep are located in the SE 1/4 NW 1/4 Section 3-T101N-R48W and authorize a combined appropriation of 0.50 cfs (217 acre-feet of water annually). This water was appropriated and reserved by Future Use Permit No. 4002-3.

2. The water appropriated shall be used for the purpose of supplying water to the City of Brandon and may not exceed the amount of water needed for beneficial use for municipal use purposes.

3. The water is to be used during the following described annual period: January 1 - December 31

4. The date of approval of Permit No. 5869-3 is September 5, 1995.

5. The date from which applicant may claim right is September 12, 1977 (established under Future Use Permit No. 4002-3).

6. Water rights obtained in compliance with the laws of the State of South Dakota may not be unlawfully impaired by this appropriation.

QUALIFICATION

The wells approved under this Permit will be located near domestic wells and other wells which may obtain water from the same aquifer. The well owner under this Permit shall control his withdrawals so there is not a reduction of needed water supplies in adequate domestic wells or in adequate wells having prior water rights.

WATER MANAGEMENT BOARD

By: John Hatch

DEC 18 1995

John Hatch, Chief Engineer
Water Rights Program
Department of Environment and Natural Resources

date

5869-3

GREAT FACES. GREAT PLACES.

DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE SOUTH DAKOTA 57501-3181

May 15, 1992

Dennis E. Olson, Finance Officer
City of Brandon
P.O. Box 95
Brandon, SD 57005

Dear Mr. Olson:

As requested, pursuant to South Dakota Well Construction Standard 74:02:04:21, the City of Brandon is authorized to construct a test well into the Split Rock Creek Aquifer, in the SW 1/4 NE 1/4 Sec. 3, T101N-R48W, Minnehaha County, prior to approval of a water permit. The test well must be constructed in accordance with the South Dakota Well Construction Standards. Any test holes that are abandoned must be plugged pursuant to the South Dakota Well Construction Standards.

If you have further questions, please feel free to contact me.

Very truly yours,

James A. Goodman

James A. Goodman, P.E.
Natural Resources Engineer
for JOHN HATCH, Chief Engineer
Water Rights Division
(605) 773-3352

CITY OF BRANDON

FROM THE OFFICE OF:

MAY 1992
DIVISION OF
WATER RIGHTS
Pierre, SD

Dennis E. Olson
Municipal Finance Officer

5-4-92

Mr. John Hatch
Chief Engineer
Division of Water Rights
Department of Environment & Natural Resources
Pierre, SD 57501-3181

RE: Test Well, Brandon, SD

Dear Mr. Hatch;

Pursuant to ARSD 74:02:09:21, the City of Brandon is hereby requesting permission to construct a test well prior to approval of a test well permit. The proposed test well will be in the Splitrock Aquifer and will be located in the SW 1/4 NE 1/4, Section 3, T101, in the City of Brandon

Sincerely,

Dennis E. Olson
Municipal Finance Officer

304 MAIN AVENUE • P.O. BOX 95 • BRANDON, SOUTH DAKOTA • 57005
TELEPHONE (605) 582-6515

DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3181

April 17, 1995

Dennis Olson
Finance Officer
Brandon City Hall
P.O. Box 95
Brandon, SD 57005

Dear Mr. Olson:

This letter concerns the water permits held by the city of Brandon, the status of those permits, and information needed to license the permits. There are corrections and additions that require new applications. New applications are needed to get the city permitted for all of its water use.

Please find enclosed partially completed application forms, a map and instruction sheet. The application involves well number four with a diversion rate of 0.36 cubic feet per second (cfs), which is not authorized under any of the cities present permits. Also needing application is an additional diversion of 0.14 cfs from well number five. The waters applied for under this new application can come out of the future use permit 4002-3 and retain a priority date of September 12, 1977.

Future use permit 4002-3 reserves 902 acre feet of water in Section 34-T102N-R48W and Section 3-T101N-R48W. This new application would take 217 acre feet from the future use permit.

Application must also be made for an additional 0.07 cfs from city well number three. License 1804-3 and Permit Numbers 5296-3 and 5395-3 appropriate a combined 1.32 cfs (594 gpm) from well number three. The well has a maximum pumping rate of 1.39 cfs (625 gpm); an additional 0.07 cfs needs application. These waters come from the Split Rock Creek Aquifer and do not fall under Future Use Permit 4002-3.

Below is a listing of the City of Brandon's water rights:

1. License 1804-3 appropriates 1.2 cubic feet of water per minute (cfs) from wells number 1, 2 and 3 with a priority date of January 25, 1971.

2. Future Use Permit No. 4002-3 reserves 902 acre feet of water from Section 34-T102N-R48W and Section 3-T101N-R48W with a priority date of September 12, 1977.

3. License 4434-3 appropriates 0.43 cfs (194 gpm) from two wells and 20.5 acre feet of storage used to irrigate the Municipal Golf Course.

4. Water Permit No. 4885-3 appropriates 0.28 cfs (126 gpm) from well number 5, with a priority date of April 20, 1982.

5. Water Permit No. 5296-3 appropriates an additional 0.33 cfs (150 gpm) for well number 3, with a priority date of March 22, 1989.

6. Water Permit No. 5395-3 appropriates an additional 0.43 cfs (194 gpm) from well number 3, with a priority date of March 8, 1990. A combined total of 1.32 cfs.

7. Water Permit No. 5507-3 appropriates 0.05 cfs (22.5 gpm) from a well at the Municipal Golf Course for the clubhouse with a priority date of January 28, 1991.

Once the Water Rights Division receives the applications, the licensing process can continue. If there is no opposition to the applications after they have been advertised, the permits can be licensed. After payment of the licensing and inspection fee, as per item number 7 on the instruction sheet, a Water License will be issued.

If you have any questions, please feel free to contact me.

Sincerely,

Lynn Beck

Lynn Beck
Natural Resources Engineer III
Water Rights Division, DENR
(605) 773-3352

encls

c Steve Brockmueller
Stockwell Engineers, Inc.
1621 S. Minnesota Ave.
Sioux Falls, SD 57105

RECEIPT

414517

Division of Water Rights

South Dakota Department of Environment and Natural Resources

Pierre, June 8, 19 95

RECEIVED OF City of Brandon, Brandon, SD 57005

the following amount in fees for services rendered as provided for by law:

Fee for Application for Permit No. 5869-3 to Appropriate Water, to construct and to put water to beneficial use	225	00
Fee for Application for Permit No. _____ to Appropriate Water, for Future Use		
Fee to retain Future Use Permit No. _____ after period of seven years.		
Fee for Inspecting Constructed Works, confirming beneficial use and issuing Water License No.		
Fee for Filing Transfer Form		
Fee for Filing Extension Request		
Fee for		
(Any Other Work Provided by Law) **Total**	225	00

By John Hatch
Chief Engineer

RECEIPT

414519

Division of Water Rights

South Dakota Department of Environment and Natural Resources

Pierre, June 8, 19 95

RECEIVED OF City of Brandon, Brandon, SD 57006

the following amount in fees for services rendered as provided for by law:

Fee for Application for Permit No. _____ to Appropriate Water, to construct and to put water to beneficial use _____		
Fee for Application for Permit No. _____ to Appropriate Water, for Future Use _____		
Fee to retain Future Use Permit No. _____ after period of seven years.		
Fee for Inspecting Constructed Works, confirming beneficial use and issuing Water License No. 2869-3	50	00
Fee for Filing Transfer Form _____		
Fee for Filing Extension Request _____		
Fee for _____		
(Any Other Work Provided by Law) **Total**	50	00

By John Hatch
Chief Engineer

File No.

Water Rights Division
File Documentation

NAME OF PERSON OR FILE: City of Brandon

ADDRESS: Brandon SD COUNTY: MA

DATE: 6-8-95 TELEPHONE:

RE: Filing fee

COMMENTS:

The City of Brandon submitted a check for $375.00 with the two applications dealing with Well nos 3, 4, & 5. The fee was receipted as follows:

Application No. 5868-3 (Well no. 3)	=	$ 50.00
Application No. 5869-3 (Well no 4 & 5)	=	$225.00
License fee for each	=	$ 50.00 $ 50.00
		$375.00

Karen Schlaak

Karen Schlaak
Environmental Scientist

REPORT ON WATER PERMIT APPLICATION NO. 5869-3
for the City of Brandon
July 3, 1995

Application No. 5869-3 proposes to appropriate 0.50 cfs (225 gpm) from two existing wells. Water Permit No. 4885-3 appropriates 0.28 cfs from City Well # 5. This application proposes to increase the water appropriation from Well # 5 from 0.28 cfs to 0.42 cfs. This application also requests an additional diversion point to appropriate 0.36 cfs from Well # 4. Well # 4 and # 5 are 52 and 56 feet respectively and are located in the SE 1/4 NW 1/4 of section 3, T101N R48W in Minnehaha County. The combined appropriation will total 217 acre feet annually for municipal purposes by the City of Brandon. This water was appropriated and reserved by Future Use Permit No. 4002-3.

AQUIFER - BIG SIOUX SOUTH (BS-S)

The aquifer is a mostly unconfined glacial outwash (sand and gravel) which is under water table conditions. According to the Minnehaha County Study the wells for this application are located in the Brandon aquifer which is hydraulically connected to the Beaver Creek, Four Mile Creek and Big Sioux aquifers. For purposes of this report all of the minor aquifers have been included in the Big Sioux South aquifer system. The aquifer underlies 17, 200 acres (Hedges, 1982) and conservatively contains 50,000 acre feet of water in storage (Lindgren, 1992). The storage figure listed ignores the storage in the Big Sioux aquifer portion which is equivalent to the Big Sioux South.

The Water Rights Program monitors two observation wells, MA-75A and MA-75C, which are completed into the Big Sioux South aquifer and located within 1 mile of this application. Water levels for these wells show good response to climatic conditions, that is, rising water levels during wet years and gradually declining water levels during dry years. In general, the water level record indicates that the aquifer is capable of sustaining additional withdrawals (Water Rights, 1995).

REVIEW OF EXISTING WATER PERMITS/RIGHTS

The only other nearby permitted wells are for the City of Brandon. The two wells for this application are approximately 400 feet apart. Interference will occur. That is drawdown caused by pumping will extend to the other well. This is not expected to be adverse or cause any problems. The city has been using these wells for years with no apparent problems. This application was made to reflect the "as built" system for the City of Brandon.

CONCLUSIONS

1. Water is available from the Big Sioux South aquifer.

2. The aquifer is unconfined and under water table conditions in this area. Interference is not expected to be a concern. The City of Brandon has been using these wells with no apparent problems.

3. Information indicates that these wells were constructed in accordance with SD Well Construction Standards.

4. This application was made to reflect the actual system as built by the City of Brandon and approval of the application will allow licensing of Brandon's water system..

James A Goodman
Natural Resources Engineer

BIBLIOGRAPHY

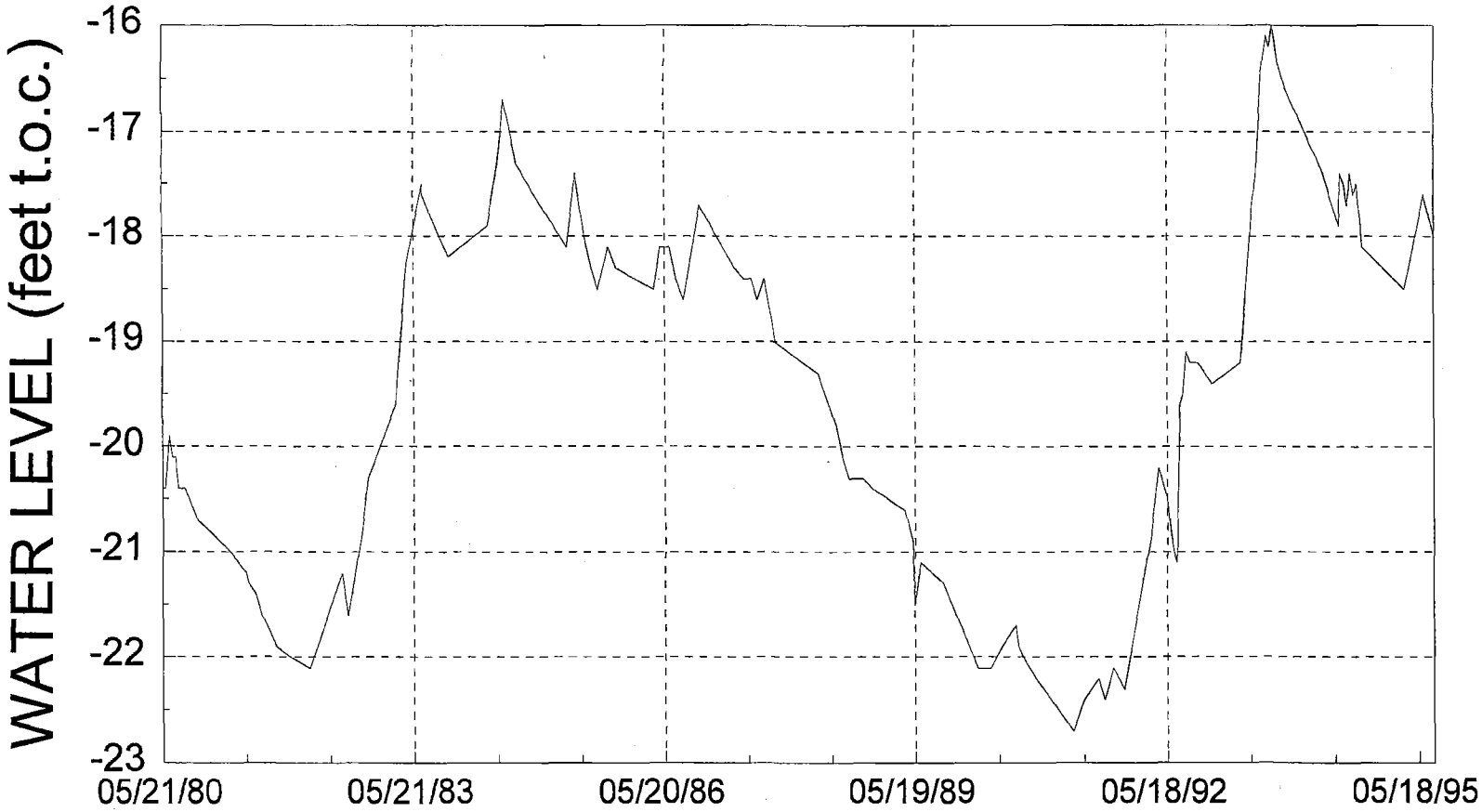
Hedges, L.S., etal, 1982, Evaluation of Ground-Water Resources South Dakota and Upper Big Sioux River, South Dakota and Iowa, for US Army Corps of Engineers, SD DENR, SDGS, Vermillion, SD, 57069.

Lindgren, R.L., C.A. Niehus, 1992, Water Resources of Minnehaha County, South Dakota, USGS WRI 91-4101, USGS, Huron, SD, 57350.

Water Rights, 1995, Unpublished Observation Well Data for Minnehaha County, SD DENR, Environmental Services Division, Water Rights Program, Pierre, SD, 57501.

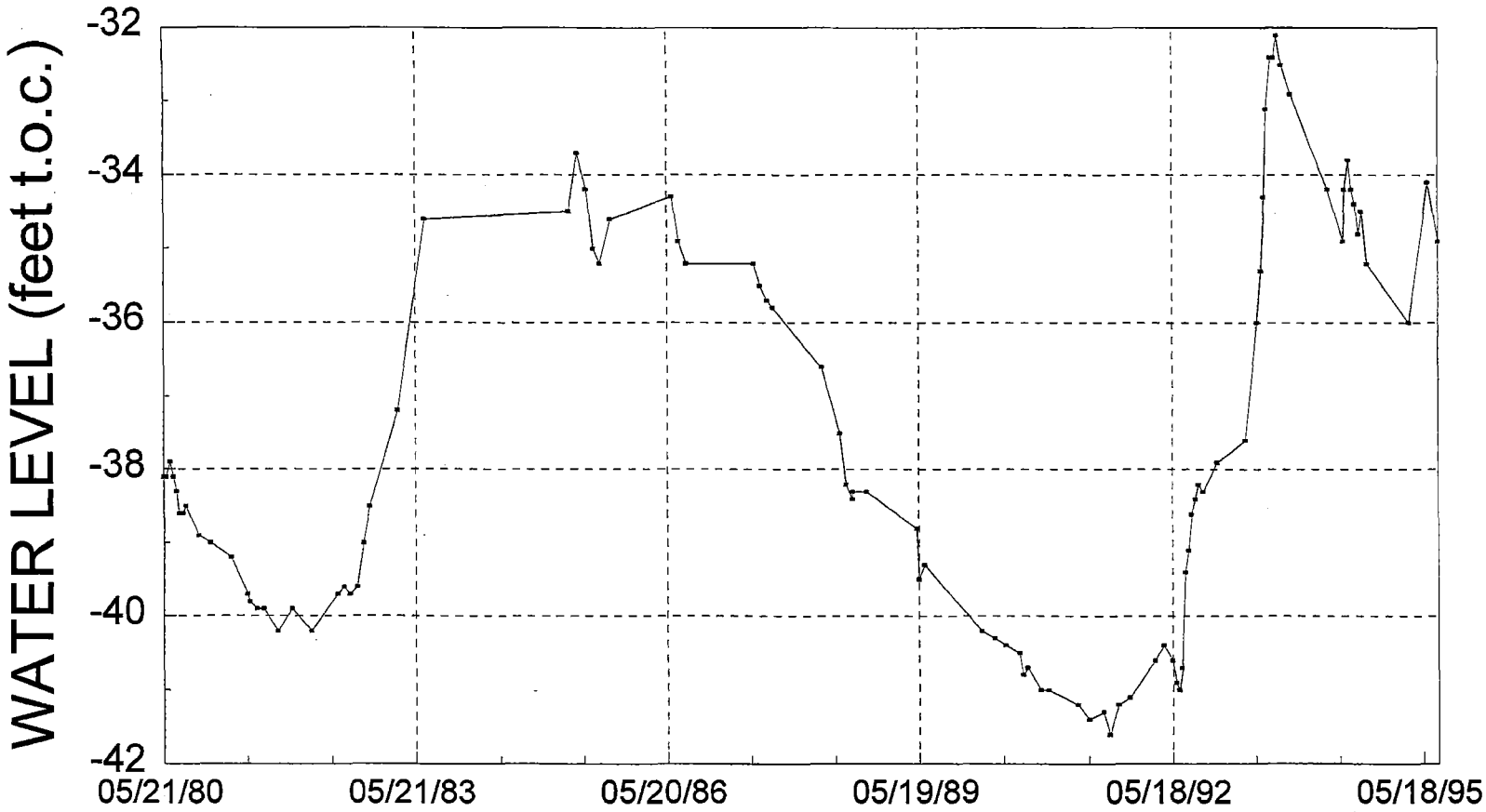
WATER RIGHTS OBSERVATION WELL

MA-75A



WATER RIGHTS OBSERVATION WELL

MA-75C



RECOMMENDATION OF CHIEF ENGINEER FOR WATER PERMIT APPLICATION NO. 5869-3, City of Brandon

Pursuant to SDCL 46-2A-2, the following is the recommendation of the Chief Engineer, Water Rights Program, Department of Environment and Natural Resources concerning Water Permit Application No. 5869-3, City of Brandon, c/o Mayor Dennis Kleinvachter, PO Box 95, Brandon, SD 57005.

The Chief Engineer is recommending APPROVAL of Application No. 5869-3 because 1) there is reasonable probability that there is unappropriated water available for the applicant's proposed use, 2) the proposed diversion can be developed without unlawful impairment of existing rights, 3) the proposed use is a beneficial use and 4) in the public interest with the following qualification:

> The wells approved under this Permit will be located near domestic wells and other wells which may obtain water from the same aquifer. The well owner under this Permit shall control his withdrawals so there is not a reduction of needed water supplies in adequate domestic wells or in adequate wells having prior water rights.

See report on application for additional information.

for Delvin D. Broz
JOHN HATCH, Chief Engineer
July 26, 1995

DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3181

August 10, 1995

Argus Leader
PO Box 5034
Sioux Falls, SD 57117-5034

ATTENTION: Legal Department

Enclosed is a Notice of Hearing on Application Nos. 5868-3 and 5869-3 to be published twice. Please publish the first notice on August 18, 1995, with the second publication 7 days later.

The APPLICANT MUST VERIFY TO YOU THAT THE NOTICE IS TO BE PUBLISHED, before you make the first publication. Please BILL the APPLICANT for the cost of publication. The APPLICANT is City of Brandon, c/o Mayor Dennis Kleinvachter, PO Box 95, Brandon, SD 57005 (Ph # 605-582-6515).

A copy of BOTH publications must be SENT to the WATER RIGHTS PROGRAM. IMMEDIATELY return the FIRST publication with the FIRST Transmittal form on the bottom of this page. The first copy is needed to check the publication for errors so any corrections can be made in the second publication. Publication errors can invalidate the public notice and cause the applicant costly delays.

Please be sure the SECOND publication is returned IMMEDIATELY with the enclosed Proof of Publication form. DO NOT WAIT until the end of the month or the billing cycle. No action may be taken on the permit applications until proof of publication has been received.

Sincerely,

Eric Gronlund/KS

Eric Gronlund
Natural Resources Engineer
605 773-3352

enclosures

----------CUT HERE----------

FIRST TRANSMITTAL NOTICE

TO: Eric Gronlund
Water Rights Program
Joe Foss Building
Pierre SD 57501-3181

No._____

Date_____

We are in receipt of your letter of _____ enclosing Notice of Hearing to Appropriate Water by Application No._____ which was first published in our issue of_____. ENCLOSED IS A COPY OF THIS FIRST PUBLICATION.

_____ _____

Name Newspaper

DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3181

NOTE: TO BE SURE OF PUBLICATION ON THE CORRECT DATES, CONTACT THE NEWSPAPER RIGHT AWAY.

August 10, 1995

Dennis Kleinvachter, Mayor
PO Box 95
Brandon, SD 57005

Dear Mr. Kleinvachter:

Water Permit Application Nos. 5868-3 and 5869-3 for municipal use have been examined and found to comply with the South Dakota Water Laws and applicable rules. A notice of hearing has been sent to the Publisher of the Argus Leader printed at Sioux Falls, SD.(Ph # 605-331-2200). For your information, a copy of the notice, the recommendations of the Chief Engineer and reports on the applications are enclosed. Please review the notice prior to publication and notify this office, if you have any corrections or questions.

Be sure to contact the above newspaper to authorize publication of your Notice of Hearing and to arrange for payment. Early contact with the paper can eliminate delays. The publisher has been instructed to publish your notice once each week for two consecutive weeks with the last publication to occur twenty days before the board meeting. The newspaper has been instructed to send us the Proof of Publication. We must receive Proof of Publication before action can be taken on the applications.

Sincerely,

Eric Gronlund/KS

Eric Gronlund
Natural Resources Engineer
605 773-3352

enclosures

NOTE: If you plan to contest any part of the Chief Engineer's recommendations, you must file a petition pursuant to the procedures outlined in the attached notice of hearing. The Water Management Board will then consider your concerns during a hearing on the applications.

Instruction to Newspaper - Publish first Notice on August 18, 1995, with the second publication 7 days later. The applicant is responsible for payment.

NOTICE OF APPLICATION NOS. 5868-3 and 5869-3 to Appropriate Water

Notice is given that the City of Brandon, PO Box 95, Brandon, SD 57005 has filed applications for two water permits.

Application No. 5868-3 proposes to appropriate 0.07 cubic feet of water per second (cfs) by increasing the diversion rate authorized by Water Right No. 1804-3 and Water Permit Nos. 5296-3 and 5395-3. Water Right No. 1804-3 and Water Permit Nos. 5296-3 and 5395-3, combined, appropriate 1.32 cfs from the City of Brandon's Well No. 3 (Split Rock Creek Aquifer) 222 feet deep located in the NW 1/4 SW 1/4 Section 35-T102N-R48W. This application proposes to increase the water appropriation of Well No. 3 from 1.32 cfs to 1.39 cfs.

Application No. 5869-3 proposes to appropriate 0.50 cfs. Water Permit No. 4885-3 appropriates 0.28 cfs from the City of Brandon's Well No. 5. This application proposes to increase the water appropriation from Well No. 5 from 0.28 cfs to 0.42 cfs. This application also requests an additional diversion point to appropriate 0.36 cfs from Well No. 4. Well Nos. 4 and 5 (Big Sioux South Aquifer) 52 and 56 feet deep are located in the SE 1/4 NW 1/4 Section 3-T101N-R48W and propose a combined appropriation of 0.50 cfs (217 acre-feet of water annually). This water was appropriated and reserved by Future Use Permit No. 4002-3. This water will be used to supply the City of Brandon.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application Nos. 5868-3 and 58769-3 because 1) unappropriated water is available, 2) existing rights will not be unlawfully impaired, 3) it is a beneficial use of water, and 4) it is in the public interest. In accordance with SDCL 46-2A-23, the chief engineer will act on the applications, as recommended, unless a petition is filed opposing the applications or the applicant files a petition contesting the chief engineer's recommendations. If a petition opposing the applications or contesting the recommendations is filed, then a hearing will be scheduled and the Water Management Board will consider the applications. Notice of the hearing will be given to the applicant and any person filing a petition.

Any person interested in opposing or supporting these applications or recommendations must file a written petition with BOTH the applicant and chief engineer. The applicant must file a petition if contesting the chief engineer's recommendations. The Chief Engineer's address is "Water Rights Program, Foss Building, 523 E Capitol, Pierre SD 57501 (605 773-3352)" and the applicant's mailing address is given above. A petition filed by either an interested person or the applicant must be filed by September 5, 1995.

The petition may be informal, but must include a statement describing the petitioner's interest in the applications, the petitioner's reasons for opposing or supporting the applications, and the signature and mailing address of the petitioner or the petitioner's legal counsel, if legal counsel is obtained. Contact Eric Gronlund at the above Water Rights Program address to request copies of information pertaining to these applications. Nettie H. Myers, Secretary, Department of Environment and Natural Resources.

Form 8

PROOF OF PUBLICATION

STATE OF SOUTH DAKOTA)
) SS
County of Minnehaha)

I, D. Reicher

certify that the attached printed Notice was taken from the Argus Leader

printed and published in Sioux Falls

County of Minnehaha and State of South Dakota. The notice was published in the newspaper on the following two dates:

Friday, August 18, 1995

Friday, August 25, 1995

Cost of Printing: 103.37

D. Reicher
(Signature)

Assistant Controller
(Title)

8/25/95
(Date Signed)

AUG 1995
WATER RIGHTS PROGRAM
Pierre, SD

NOTICE OF APPLICATION NOS. 5868-3 and 5869-3 to Appropriate Water

Notice is given that the City of Brandon, PO Box 98, Brandon, SD 57005 has filed applications for two water permits.

Application No. 5868-3 proposes to appropriate 0.07 cubic feet of water per second (cfs) by increasing the diversion rate authorized by Water Right No. 1804-3 and Water Permit Nos. 5298-3 and 5395-3. Water Right No. 1804-3 and Water Permit Nos. 5298-3 and 5395-3, combined, appropriate 1.32 cfs from the City of Brandon's Well No. 3 (Split Rock Creek Aquifer) 222 feet deep located in the NW 1/4 SW 1/4 Section 35-T102N-R48W. This application proposes to increase the water appropriation of Well No. 3 from 1.32 cfs to 1.39 cfs.

Application No. 5869-3 proposes to appropriate 0.50 cfs. Water Permit No. 4885-3 appropriates 0.28 cfs from the City of Brandon's Well No. 5. This application proposes to increase the water appropriation from Well No. 5 from 0.28 cfs to 0.42 cfs. This application also requests an additional diversion point to appropriate 0.38 cfs from Well No. 4. Well Nos. 4 and 5 (Big Sioux South Aquifer) 52 and 56 feet deep are located in the SE 1/4 NW 1/4 Section 3-T101N-R48W and propose a combined appropriation of 0.50 cfs (217 acre-feet of water annually). This water was appropriated and reserved by Future Use Permit No. 4002-3. This water will be used to supply the City of Brandon.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application Nos. 5868-3 and 5869-3 because 1) unappropriated water is available, 2) existing rights will not be unlawfully impaired, 3) it is a beneficial use of water, and 4) it is in the public interest. In accordance with SDCL 46-2A-23, the chief engineer will act on the applications as recommended, unless a petition is filed opposing the applications or the applicant files a petition contesting the chief engineer's recommendations. If a petition opposing the applications or contesting the recommendations is filed, then a hearing will be scheduled and the Water Management Board will consider the applications. Notice of the hearing will be given to the applicant and any person filing a petition.

Any person interested in opposing or supporting these applications or recommendations must file a written petition with BOTH the applicant and chief engineer. The applicant must file a petition if contesting the chief engineer's recommendations. The Chief Engineer's address is "Water Rights Program, Foss Building, 523 E Capitol, Pierre, SD 57501 (605 773-3352)" and the applicant's mailing address is given above. A petition filed by either an interested person or the applicant must be filed by September 5, 1995.

The petition may be informal, but must include a statement describing the petitioner's interest in the applications, the petitioner's reasons for opposing or supporting the applications, and the signature and mailing address of the petitioner or the petitioner's legal counsel, if legal counsel is obtained. Contact Eric Gronlund at the above Water Rights Program address to request copies of information pertaining to these applications.

Nettie H. Myers, Secretary
Department of Environment and Natural Resources.
Aug. 18, 25, 1995

8371

REPORT ON INSPECTION OF PERMIT NO. 5869-3

DATE: July, 1992

Other permit(s) associated with the project: Lic. 1804-3, Permit Nos. 4885-3, 5296-3 and 5395-3

DIVERSION POINT LEGAL LOCATION: Well #4 - 850 feet N and 600 feet W from the center of Section 3-T101N-R48W.

WELL INFORMATION:

1) Well Drilling Firm: Thorpe Well Company
2) No. of Wells 1
3) Depth(s) 52 feet
4) Well log is available N
5) Comment:

Casing:

1) Diameter 10 inches
2) Length 37 feet
3) Type steel

Screen:

1) Type stainless steel
2) Length 15 feet
3) Static water level 20 feet

Pump:

1) Make Ground Fos
2) Model SP-45-2
3) Size
4) Capacity 160 (pumping rate) GPM

Motor:

1) Make Franklin
2) Model No.
3) Horsepower rating 5 hp

SYSTEM TYPE: Municipal water supply.

PERMIT QUALIFICATIONS AND REGULATIONS:

1) Special qualifications to permit being abided by Y
2) All structures, wells and lands on map Y

Form 12

Permit No. 5869-3
Big Sioux River - Water District

Report Of Examination Of Works And/Or Application of Water To Beneficial Use

TO: Chief Engineer, Division of Water Rights, DENR, Foss Bldg., Pierre, SD 57501

I have this day made a thorough examination of the water use system constructed by the City of Brandon of P.O. Box 38, Brandon, SD 57005 holder of Permit No.5869-3 , bearing the priority of authorizing the diversion of 0.36 cu. ft. per second of the waters of Big Sioux-South Aquifer for municipal purposes, in Minnehaha County.

I have to report on the conditions of the same as follows:

A. Works used to divert the water:
Well #4 - 52 feet deep, 37 feet of 10 inch steel casing and 15 feet of stainless steel screen. The well has a Ground Fos pump, model no. SP-45-2 with a pumping rate of 160 gpm and a 5 hp Franklin motor.

B. Works used to transport water to place of use:
Distribution system for Brandon's municipal water supply.

C. Works used to apply water to beneficial use:
Municipal water system.

The system is in the following condition food. The point of diversion is located 850 feet N and 600 feet W from the center of Section 3-T101N-R48W. The works are capable of diverting and conveying to the place of use 0.36 cu. ft. per second of water which is to be used for a municipal water supply. The license should be issued for 0.36 cfs.
Applicable permit qualifications have been complied with: Yes X No

Exceptions to compliance are: none Date: 4-13-95

COMMENTS: This report is based on an inspection by Greg Johnston done in July, 1992.

Lynn Beck

Lynn Beck
Natural Resources Engineer
DENR, Water Rights Division

STATE OF SOUTH DAKOTA

WATER LICENSE NO. 5869-3

---

(1) The City of Brandon, PO Box 95, Brandon SD 57005 made Application No. 5869-3, June 8, 1995 for a water permit to appropriate 0.50 cubic feet of water per second from groundwater (two wells), Minnehaha County, South Dakota for municipal use purposes. Permit No. 5869-3, with a priority date of September 12, 1977 was approved September 5, 1995 and issued to the applicant for diversion of water with construction of the described water supply system completed and the application to beneficial use of said water completed.

Water Permit No. 4885-3 appropriates 0.28 cfs from the City of Brandon's Well No. 5. Water Permit No. 5869-3 authorizes an increase in the water appropriation for Well No. 5 from 0.28 cfs to 0.42 cfs. No. 5869-3 also authorizes an additional diversion point (known as Well No. 4) to appropriate 0.36 cfs. Well Nos. 4 and 5 (Big Sioux Aquifer) 52 and 56 feet deep are located in the SE 1/4 NW 1/4 Section 3-T101N-R48W and authorize a combined appropriation of 0.50 cfs (217 acre-feet of water annually). This water was appropriated and reserved by Future Use Permit No. 4002-3 (priority date of September 23, 1977).

The applicable portions of Water Right No. 4885-3 have been incorporated into Water License No. 5869-3.

(2) It is certified that the applicant has complied with the provisions of South Dakota State Law relating to completion of the construction of the water supply system and is entitled to divert 0.78 cubic feet of water per second for beneficial use. The location of the diversion points are Well #4 - 850 feet north and 600 feet west from the center of Section 3; Well #5 - 450 feet north and 600 feet west from the center of Section 3: all in T101N-R48W (SE 1/4 NW 1/4).

(3) The applicant has complied with the provisions of South Dakota State Law relating to the application of water to beneficial use.

(4) Pursuant to South Dakota Water Law 46-5-30.1 the City of Brandon, PO Box 38, Brandon SD 57005 the holder and/or owner of Incorporated Water Permit No. 5869-3 is issued a license to appropriate water, the right to use 0.78 cubic feet of water per second from groundwater (two wells) with a priority date of April 20, 1982 (0.28 cfs) and September 12, 1977 (0.50 cfs) from the location specified in (2) of this license. The water to be used for the purpose of muncipal use. This license is subject to any limitations or qualifications listed in Incorporated Water Permit No. 5869-3 and subject to South Dakota State Law.

JOHN HATCH, Chief Engineer
Water Rights Program
Department of Environment and Natural Resources

DEC 18 1995
date

January 17, 2001

2000 South Dakota Water Use Questionnaire

To:

CITY OF BRANDON
PO BOX 95
BRANDON SD 57005 0095

Address correction requested:

One questionnaire is being provided for each permitted water source. The following information is based on Water Permit\Right No. 5869-3. If you have other permits\rights in the same water source, also include water use under those permits\rights on this questionnaire.

Water Source:	GROUNDWATER	**County:**	MINNEHAHA
Aquifer:	BIG SIOUX	**Pumping Pt. Legal:**	SEC 03-T101N-R48W
Management Unit:	SOUTH	**Type of Water Use:**	MUNICIPAL

1) Please estimate your year 2000 water use from the above water source: -0- **gallons**

2) If no water use in 2000, please list the reason(s) why in the comments section.

Comments: Wells #4 & #5 under this permit have been placed on A stand by status as a result of the new treatment plant and the construction of well #6 in the Split rock Creek Aquifer.

Contact Person: Dennis E. Olson

Telephone No: 605-582-6515

Questions? Please call Mark Rath or Ron Duvall at 605 773-3352 for assistance.

Thank you for completing the 2000 water use questionnaire.

Water Rights on the Web: www.state.sd.us/denr/wr

JAN 2001 WATER RIGHTS PROGRAM Pierre, SD

DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3181

DEC 18 1995

Dennis Olson, Finance Officer
City of Brandon
PO Box 95
Brandon SD 57005

Dear Mr. Olson:

Enclosed are Water Permit and Water License Nos. 5868-3 and 5869-3, as well as receipts assessed for the inspections and issuance of the licenses. Water License Nos. 5868-3 and 5869-3 are the final documents which complete the process of obtaining water rights.

The applicable portions of Water Right No. 1804-3 and Water Permit Nos. 5296-3 and 5395-3 have been incorporated into Water License No. 5868-3. The applicable portions of Water Right No. 4885-3 have been incorporated into Water License No. 5869-3.

For your information SDCL 46-6-27 requires that if the owner of an existing well, such as the wells authorized by the above permits, constructs a replacement well and does not plan to use the old well, the old well is considered abandoned and must be plugged. Also, any well that is being used or is not considered abandoned must be valved and controlled, if flowing, or sealed and capped so that no leaking occurs either underground or at the surface.

As long as the City of Brandon uses the water beneficially, as stated in the Water Licenses, the State Water Laws provide that you have a continuing right to use the water. If you have any questions, please contact our office.

Very truly yours,

John Hatch

JOHN HATCH, Chief Engineer
Water Rights Program
605 773-3352

enclosures

WATER PERMIT NO. 6156-3

Name of Applicant: **City of Brandon**

Address: **PO Box 95, Brandon SD 57005** Phone: **605 582-6515**

Amount of Water Claimed: **2.23 cfs (968 AF)** Total Acres: **NA**

Source of Water Supply: **groundwater (one well)**

Water to be used for: **municipal** County: **Minnehaha**

Type of Waste Disposal System: **NA**

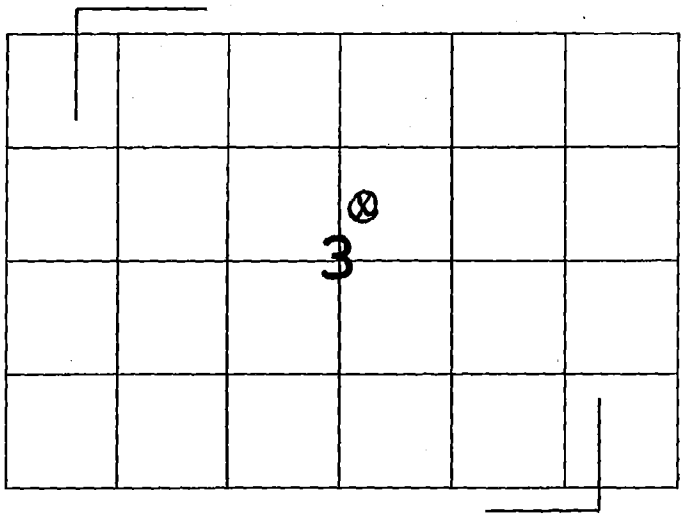
Location:

PRIORITY Date Received: **11-4-99** Fee: **$150**

Corrected Application Received: **11-29-1999** Period of Annual Use: **January 1 – December 31**

Remarks: **Increases the diversion rate authorized by Water Permit No. 6156-3**

Diversion Point: **SW ¼ NE ¼ Sec 3-T101N-R48W**



Land to be Irrigated: **NA**

Depth of Well: **280**

Well Driller: **LTP Enterprise, Inc.**

Remarks:

Type of Map: **plat**

Prepared by: **Steve W Brockmueller, PE**

Reviewed and the Number Assigned on: **11-29-1999** By: **Karen Schlaak**

Notice of Hearing - date to intervene: _____

FORM 2: Application for uses other than irrigation
(type or print)

Mail to: Water Rights Program, Joe Foss Building, 523 E. Capitol, Pierre, SD 57501-3181, (605) 773-3352	(office use only) No. 6156-3 Hydrologic Unit 10170203
	Basin Sioux River
	Newspaper The Argus Leader, Sioux Falls, SD

NOV 1999 WATER RIGHTS PROGRAM Pierre, SD

Application For Permit To Appropriate Water Within The State Of South Dakota

Check use(s) of water:

X Municipal ___ Suburban Housing ___ Recreational ___ Institutional
___ Rural Water System ___ Commercial ___ Fish & Wildlife ___ Geothermal Heat
___ Domestic (over 18 gpm) ___ Industrial ___ Other ___

Type of Application: (check one) ___ **New** ___ **Vested Right** (Use predates Mar 2, 1955) ___ **Future Use Reservation**
___ **Place to Beneficial Use Water Reserved by Future Use Permit No.** ___
X **Amendment/Correction to Permit No.** 6027-3

Description of amendment/correction: (i.e. change diversion point(s), add diversion point(s), change use, etc.)
change the rate of diversion

1. Name of Applicant City of Brandon Phone 582-6515
(check one) X Owner ___ Tenant/lessee
Mailing Address P.O. Box 95 (2.23 add'l) (Street, RR, or Box) Brandon State SD 57005 (Zip Code)
2. Amount of water claimed 4.46 *CFS or ___ **GPM 968 ***AF
(*Cubic Feet per Second) (**Gallons per Minute) (***Acre Feet - storage capacity of dam/dugout or annual use if applicable)
3. Source of water supply Split Rock Creek Aquifer
4. Location of point of diversion (example - 3 wells in SW1/4 NE1/4 section 12-T104N-R53W)
1 well in SW1/4 NE1/4 Sec. 3-T101N-R48W
County Minnehaha
5. County or counties where water will be used Minnehaha
6. Annual period during which water is to be used January through December 31
7. Give a description of the project. When available include any preliminary engineering report or other reports or information that will help explain the project. (Attach sheet if more space is needed)
This well was recently constructed in conjunction with a new water treatment plant. The well as constructed was test pumped and found to be capable of producing 2000 gpm of water and a pump capable of this flow was installed. The water treatment plant is designed to treat a flow of 2000 gpm. The City is currently throttling the valve to the reduced flow but would like to pump at the higher rate to improve efficiency.

STATE OF SOUTH DAKOTA) SS
County of Minnehaha)

Attachments: Attach Form 2A if diversion is from a well or dugout, or if storage of water is proposed. Attach map and any other technical information. (see instructions)

I, Michael G. Schultz, the applicant, certify that I have read this application, have examined the attached map and that the matters stated are true and that I intend, and am able to complete the necessary construction.

Signed [signature]

Subscribed and sworn to before me this 1st day of November 1999

[signature] Notary Public

My Commission Expires 1-26-04

8-96

SOUTH DAKOTA
WATER PERMIT NO. 6156-3

Date of first receipt of application November 4, 1999.
Date of return to applicant for corrections, amendments or changes November 4, 1999.
Date of receipt of corrected application November 19, 1999.

The Chief Engineer, on behalf of the Water Management Board, issues Water Permit No. 6156-3 to City of Brandon, PO Box 95, Brandon SD 57005 authorizing the construction of the water use system and the placing of water to beneficial use subject to the following limitations, conditions and qualifications:

1. Water Permit No. 6156-3 authorizes an additional diversion rate of 2.23 cubic feet of water per second (cfs) from an existing well. Water Permit No. 6027-3 currently appropriates 2.23 cfs (968 acre-feet of water annually) from one well (Split Rock Creek Aquifer) 275 feet deep located in the SW ¼ NE ¼ Section 3-T101N-R48W. This permit authorizes increasing the diversion rate from this well to a total of 4.46 cfs without increasing the annual volume of 968 acre-feet of water.

2. The water appropriated shall be used for the purpose of supplying water for municipal use and may not exceed the amount of water needed for beneficial use.

3. The water is to be used during the following described annual period: January 1 – December 31.

4. The date of approval of Permit No. 6156-3 is February 7, 2000.

5. The date from which applicant may claim right is November 4, 1999.

6. One-fifth of the construction is to be completed on or before August 7, 2002.

7. All construction is to be completed on or before February 7, 2005.

8. Water is to be put to beneficial use on or before February 7, 2009.

9. Water rights obtained in compliance with the laws of the State of South Dakota may not be unlawfully impaired by this appropriation.

QUALIFICATIONS

1. The well approved under this Permit will be located near domestic wells and other wells which may obtain water from the same aquifer. The well owner under this Permit shall control his withdrawals so there is not a reduction of needed water supplies in adequate domestic wells or in adequate wells having prior water rights.

2. The City of Brandon shall report to the Chief Engineer annually the amount of water withdrawn each year from the Split Rock Creek Aquifer.

3. Permit Nos. 6027-3 and 6156-3, combined, authorize a total annual diversion of 968 acre feet of water annually.

WATER MANAGEMENT BOARD

By: Garland Erbele

Garland Erbele, Chief Engineer
Water Rights Program
Department of Environment and Natural Resources

FEB 22 2000
date

Form 2A
(Complete applicable portions only)

Supplemental Information

(type or print in ink)

NOV 1999
WATER RIGHTS
PROGRAM
Pierre, SD

1. Well Information - Proposed Construction

a) Drill Hole Diameter 24" Depth 215'

b) Casing Type steel A53-906 Diameter 18" Thickness 0.375"

c) Screen Type stainless steel Diameter 12 Thickness ±7/8"

d) Gravel Pack natural development Length of Gravel Pack

e) Depth to Top of Water Bearing Material 146'

f) Depth to Water (ground surface to water level) 22.91'

g) Distance to nearest existing domestic well:

On applicants property 600' to shallow wells in Big Sioux South Aquifer

On property owned by others 300' to shallow wells in Big Sioux South Aquifer, 3000' to well in Split Rock Creek Aquifer

2. Wastewater Disposal System Information

a) Type of System (i.e. septic tank, drain field)

b) System Capacity (gallons) Year Constructed

c) Connected to the City of Sanitary System

3. Dugout Information

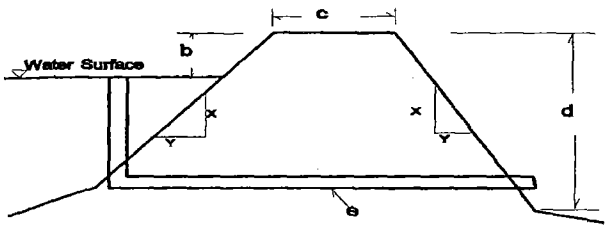
a) Surface Dimensions Depth

b) Depth to water (ground surface to water level)

4. Water Storage Dams

If the proposed water use system contains one or more storage dams, please furnish the information requested below for each dam. The locations of the dams need to be shown on the map submitted with the application.

a) If a private engineering firm or government agency was involved in the design of this dam, please give their name and address:



b) Freeboard

c) Crest Width

Crest Length

d) Height

e) Primary Outlet Capacity

If pipe, diameter

f) Secondary Spillway Capacity

Spillway Width

g) X & Y Slope

Upstream

Downstream

h) Surface Area of Impoundment

i) Storage Acre Feet

j) Drainage Area Above Dam Acres

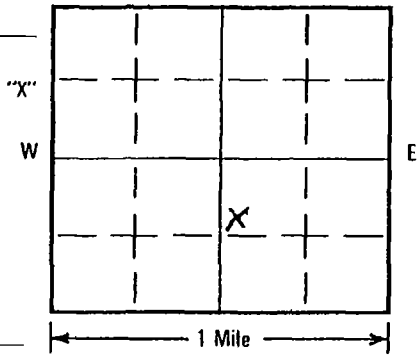
SOUTH DAKOTA WATER WELL COMPLETION REPORT

07-92

Location NW ¼ SE ¼ Sec 3 Twp 101 Rg 48

County: MINNEHAHA

Please mark well location with an "X"



Well Completion Date: 10-1-98

Well Owner: City of Brandon

Business Name: City of Brandon

Address: 304 Main Ave
Brandon S.D. 57005

WELL LOG:

FORMATION	DEPTH FROM	DEPTH TO
SEE Log		

LOCATION:
Distance from nearest potential pollution source (septic tank, abandoned well, feed lot, etc.)? _____ ft. from _____ (identify source).

PROPOSED USE:
☐ Domestic/Stock ☒ Municipal ☐ Business ☐ Test Holes
☐ Irrigation ☐ Industrial ☐ Institutional ☐ Monitoring well

METHOD OF DRILLING: Rotary

CASING DATA: ☒ Steel ☐ Plastic ☐ Other

If other describe _____

PIPEWEIGHT	DIAMETER	FROM	TO	HOLE DIAMETER
94.62 LB/FT	24 IN	0 FT	60 FT	28 IN
70.59 LB/FT	18 IN	+2 FT	161 FT	23 IN
LB/FT	IN	FT	FT	IN

GROUTING DATA

Grout Type	No. of Sacks	Grout Weight	From	To
NEAT CEMENT	69	lb./gal	0 ft.	60 ft.
" "	69	lb./gal	10 ft.	ft.

Describe grouting procedure: Pumped

SCREEN: ☐ Perforated pipe ☒ Manufactured

Diameter 12 IN Length 114 FEET

Material: STAINLESS

Slot Size 30 Set From 161 Feet to 275 Feet

Other information _____

WAS A PACKER OR SEAL USED? ☐ YES ☒ NO

If so, what material? _____

Describe packer(s) and location? _____

DISINFECTION: Was well disinfected upon completion?
X YES, How: WATER JETTED WITH CHLORINE
____ NO, Why Not? _____

Laboratory sent to for water quality analysis _____

STATIC WATER LEVEL 22 Feet

If flowing: closed in pressure _____ PSI

GPM flow _____ through _____ inch pipe

Controlled by ☐ Valve ☐ Reducers ☐ Other _____

Reduced Flowrate _____ GPM

Can well be completely shut in? _____

NOV 1998 WATER RIGHTS PROGRAM Pierre, SD

WELL TEST DATA:

☒ Pumped Describe: TEST pump

☐ Bailed

☐ Other

Pumping Level Below Land Surface

111.65 ft. After 8 Hrs. pumped 2210 GPM

____ ft. After ____ Hrs. pumped ____ GPM

If pump installed, pump rate ____ GPM

REMARKS

This well was drilled under license # 381

And this report is true and accurate.

Drilling firm LTP Enterprises, Inc.

Signature of License Representative: Randy J Pulkrabek

Signature of Well Owner or Equitable Property Holder: _____

Date: _____

LTP Enterprises, Inc.
Well Drilling

FARGO, N.D.
HUTCHINSON, MN.

N

NW NE SW SE

Sec. ____ T ____ R ____

DRILLERS LOG

Drilled for City of Brandon, SD By Fargo Office

Location of Test Hole Legal SE SW NW SE Sec. 3 T101N R48W

South East corner of Park Test Hole No. 1-98 Well No. ____

Size of test hole 6 3/4 Date started 9-1-98 Date completed 9-1-98 Total Hours ____

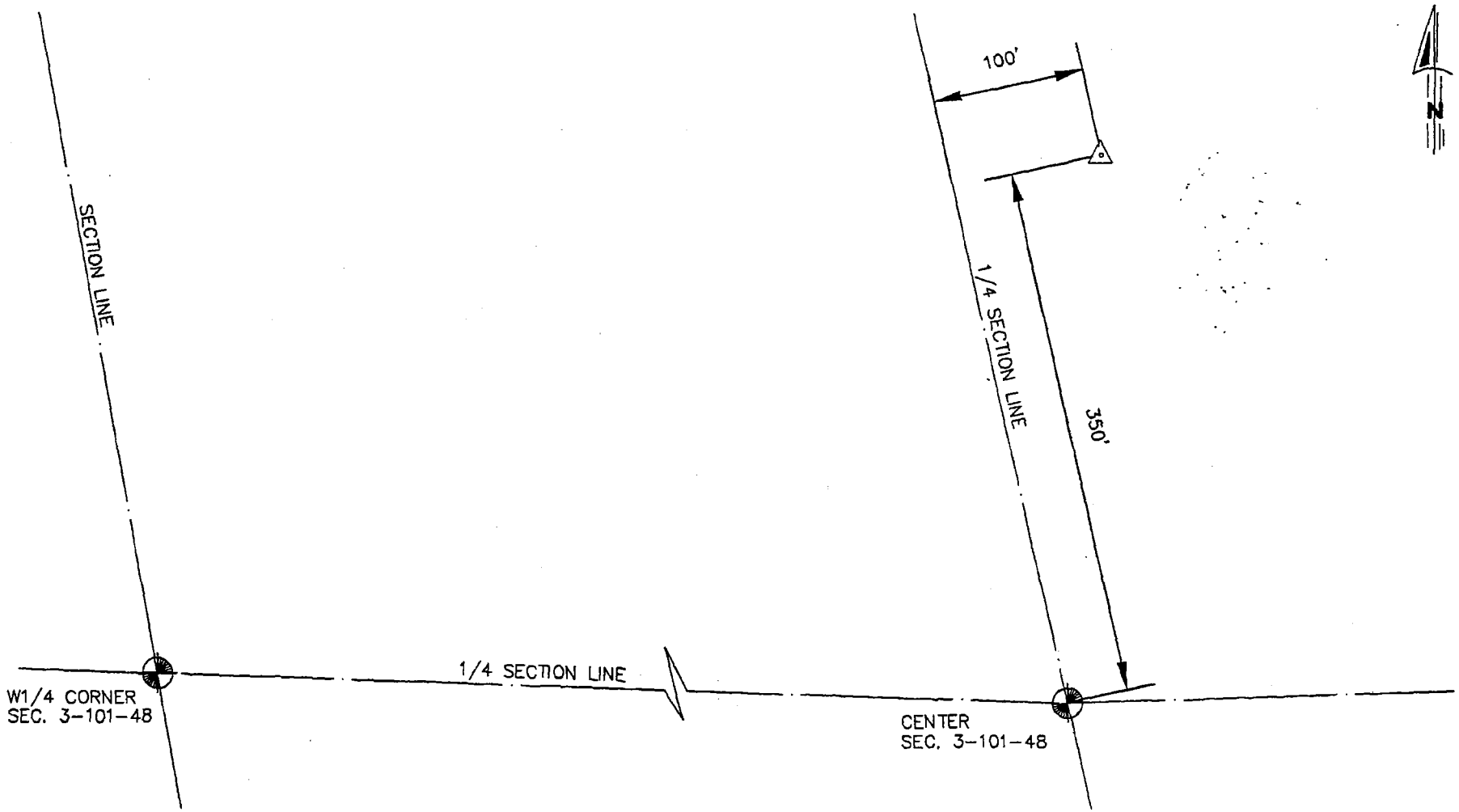
FORMATIONS DRILLED

TYPE OF FORMATION	COLOR OF FORMATION	STARTED AT WHAT DEPTH	ENDED AT WHAT DEPTH	THICKNESS OF FORMATION
Top Soil	Black	G.L.	4	4
Clay	Brown	4	12	8
Sand	Brown	12	15	3
Gravel	Colored	15	27	12
Rock-gravel	Colored	27	34	7
Clay (hard)	Gray	34	46	12
Sand	Colored	46	58	12
Clay w/small lenses of clay	Gray	58	75	17
Sand w/lenses of clay (poor sample)	Gray	75	89	14
Rock & Sand	Colored	89	91	2
Sand & gravel	Colored	91	96	5
Silt Stone & shale (hard)	Blk, Gray	96	124	28
Shale (Brittle)	Blk, Gray	124	145	21
Fine Sand (drilled dirty)	Gray	145	151	6
Sand (drilled fair) w/lenses of Clay	Gray	151	161	10
Sand (drilled good)	Pink Gray	161	238	77
Dirty sand & Shale	Blk,Gray,PK	238	243	5
Finer sand (drilled fair) took water	Pink	243	275	32
Shale w/small sand lenses	Gray, Blk	275	280	5

NOV 1999 WATER RIGHTS PROGRAM Pierre, SD

Signed Don Heitmanek Driller

FORM #30



I hereby certify that this engineering document was prepared under my direct supervision and that I am a duly Registered Engineer under the laws of the State of South Dakota.

REGISTERED PROFESSIONAL ENGINEER
REG. NO. 4170
STEVE W. BROCKMUELLER
SOUTH DAKOTA

By: Steve W. Brockmueller
Steve Brockmueller

Date: 11-20-97 Reg. No. 4170

WELL LOCATION
SW1/4SW1/4NE1/4 SEC. 3-T101-R48
APPLICATION FOR WATER PERMIT
CITY OF BRANDON

NOVEMBER 17, 1997	SHEET 1 OF 1

6156-3

RECEIPT

Water Rights Program

South Dakota Department of Environment and Natural Resources

№ 416245

Pierre, November 4, 1999

RECEIVED OF City of Brandon, Brandon, SD 57006

the following amount in fees for services rendered as provided for by law:

Fee for Application for Permit No. 6156-3 to Appropriate Water, to construct and to put water to beneficial use	150	00
Fee for Application for Permit No. _____ to Appropriate Water, for Future Use		
Fee to retain Future Use Permit No. _____ after period of seven years.		
Fee for Inspecting Constructed Works, confirming beneficial use and issuing Water License No.		
Fee for Filing Transfer Form		
Fee for Filing Extension Request		
Fee for		
(Any Other Work Provided by Law) **Total**	150	00

By John Hatch
Chief Engineer

RECEIPT

Water Rights Program

South Dakota Department of Environment and Natural Resources

№ 416269

Pierre, November 19, 1999

RECEIVED OF City of Brandon, P.O .Box 95, Brandon, SD 57005
the following amount in fees for services rendered as provided for by law:

Fee for Application for Permit No. _____ to Appropriate Water, to construct and to put water to beneficial use _____		
Fee for Application for Permit No. _____ to Appropriate Water, for Future Use _____		
Fee to retain Future Use Permit No. _____ after period of seven years.		
Fee for Inspecting Constructed Works, confirming beneficial use and issuing Water License No. 6156-3	50	00
Fee for Filing Transfer Form _____		
Fee for Filing Extension Request _____		
Fee for _____		
(Any Other Work Provided by Law) **Total**	50	00

By John Hatch
Chief Engineer

REPORT FOR
WATER PERMIT APPLICATION NO. 6156-3
CITY OF BRANDON
JANUARY 10, 1999

Water Permit Application No. 6156-3 proposes an additional diversion rate of 2.23 cubic feet of water per second (cfs) from an existing well. Water Permit No. 6027-3 currently appropriates 2.23 cfs (968 acre-feet of water annually), from one well (Split Rock Creek Aquifer), 275 feet deep, located in the SW¼ NE¼ Section 3, T101N-R48W. This application proposes to increase the diversion rate from this well to 4.46 cfs without increasing the annual volume of 968 acre-feet of water. The water is for municipal use.

AQUIFER: Split Rock Creek (SRKC)

AQUIFER CHARACTERISTICS:
The Split Rock Creek Aquifer is composed of the interbedded sand, siltstone, shale and claystone of the Cretaceous aged Split Rock Creek Formation. The Split Rock Creek Formation occurs in paleo-valleys in the Sioux Quartzite where the quartzite is deeply buried. The main body of the aquifer is located in a narrow valley approximately three to four miles wide that extends from the eastern edge of Sioux Falls into Minnesota (figure1).

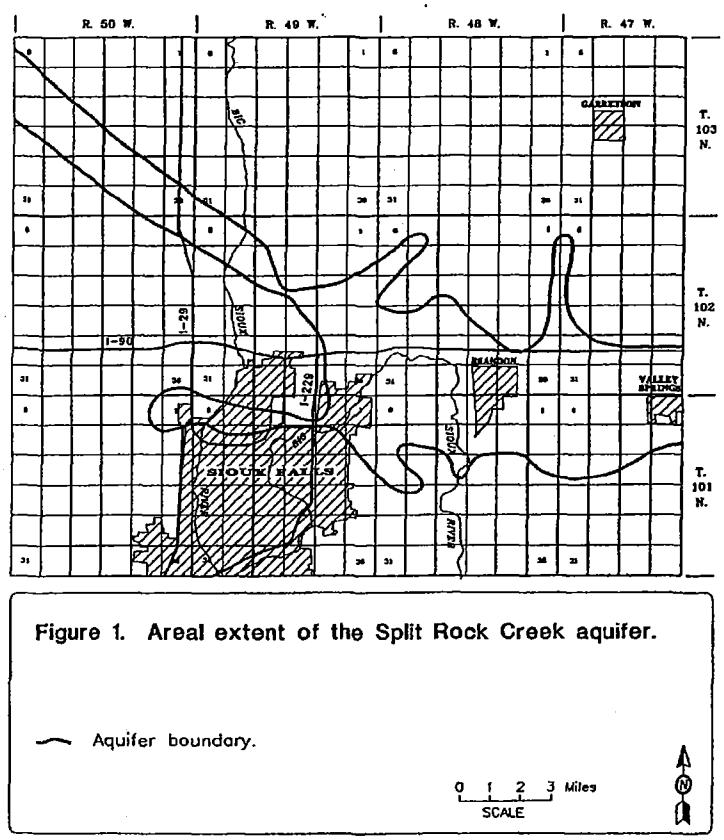


Figure 1. Areal extent of the Split Rock Creek Aquifer (modified from Pence, 1997)

The Split Rock Creek Aquifer underlies approximately 139 square miles of Minnehaha County and contains an estimated 855,000 acre-feet of recoverable water in storage in the county (Lindgren, 1992). The main portion of the Split Rock Creek Aquifer, underlies approximately 60 square miles (Pence, 1997). The saturated thickness of the Split Rock Creek Aquifer is extremely variable. Although the average cumulative thickness of the Split Rock Creek Aquifer is about 48 feet, the maximum thickness is 222 feet (Lindgren, 1992). The thickest portion of the aquifer is in the vicinity of Brandon where the aquifer thickness exceeds 200 feet. The direction of water movement in the aquifer is generally towards discharge areas along the Big Sioux River and Split Rock Creek (Lindgren, 1992). The aquifer is under confined conditions with water levels ranging from above ground surface to more than 195 feet below grade. The Water Rights Program monitors 13 observation wells completed into the Split Rock Creek Aquifer. Seven of these wells are within 3 miles of this well site and three wells (MA-87E, MA-87H, MA-87I) are within one and one-half miles of this well site see figure 2.

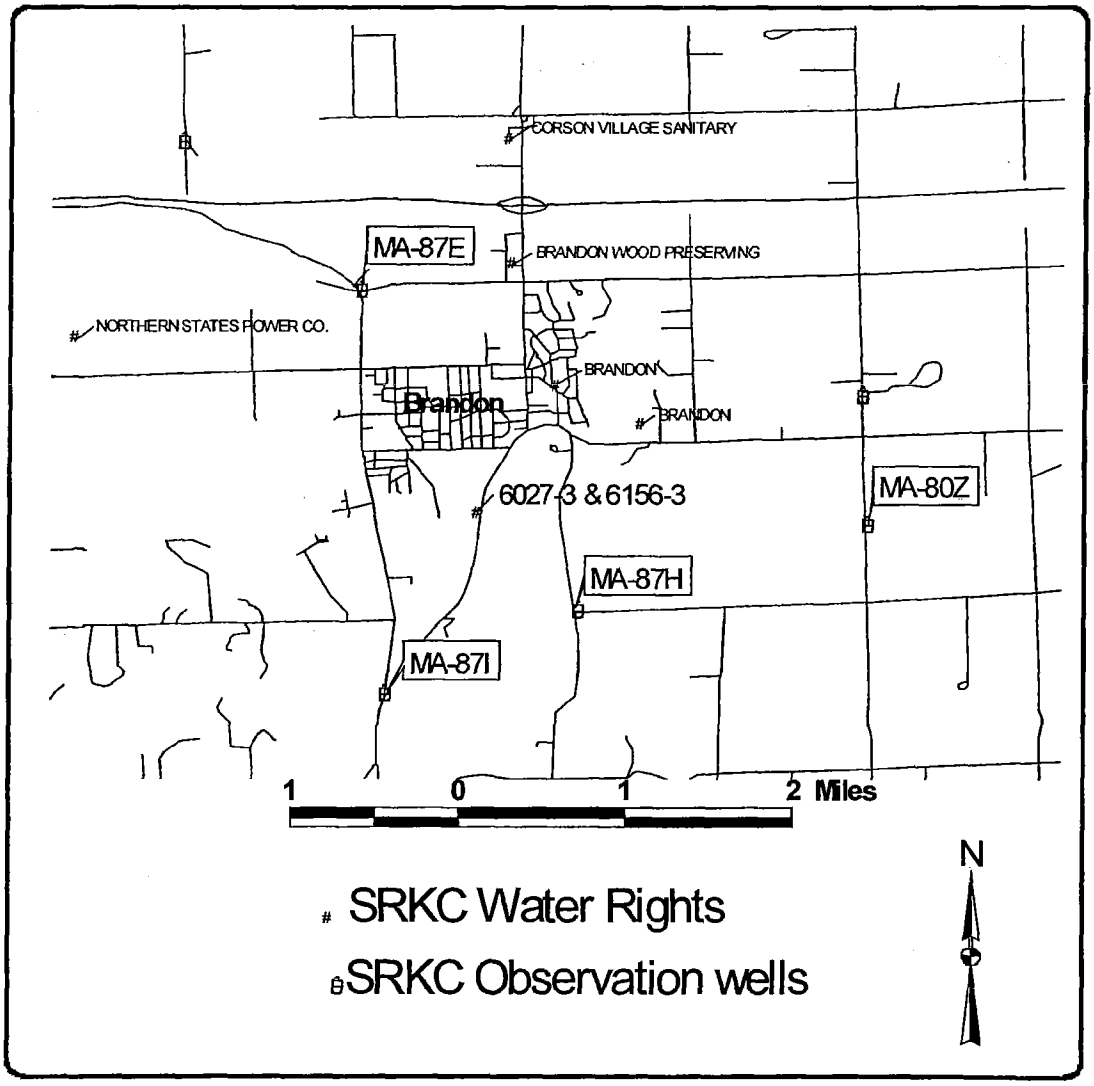


Figure 2. Vicinity Map including Water Rights' Observation Wells completed into the Split Rock Creek Aquifer and Appropriations from the Split Rock Creek Aquifer.

One of the earliest Water Right's Observation Wells completed into the Split Rock Creek Aquifer is MA-80Z. This well is located approximately two and one-half miles east of this well site (see figure 2). A hydrograph of this observation well is included (see figure 3), because of the long period of record for the well and its proximity to this permit.

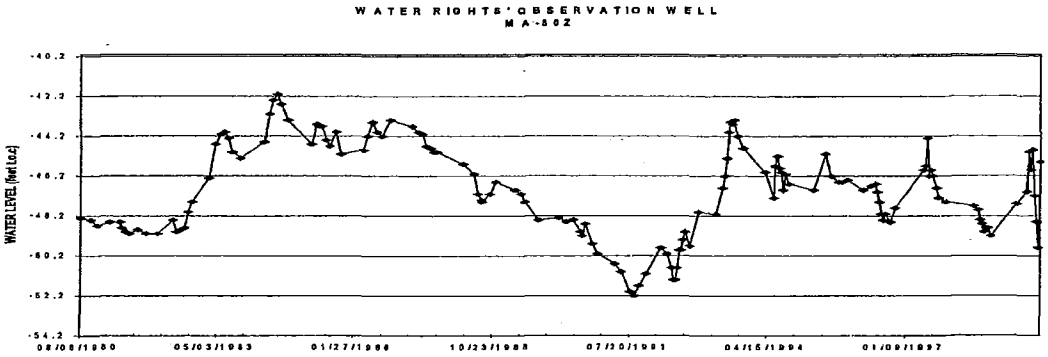


Figure 3. Hydrograph for Water Rights Observation Well MA-80Z, located approximately two and one-half miles from Brandon's well

The hydrograph is typical for Split Rock Creek Aquifer Observation wells. In general the hydrograph shows the aquifer is recharged and that the water level of the aquifer responds well to climatic conditions; that is, rising water levels during wet years (recharge) and gradually declining water levels during dry years.

Possible sources of recharge to the Split Rock Creek aquifer include 1). infiltration of precipitation falling on outcrops of Sioux Quartzite that subsequently moves along fractures in the quartzite and into the Split Rock Creek Aquifer ; 2) streamflow loss from Split Rock Creek; and 3) inflow from the Valley Springs Aquifer (Lindgren, 1992). The potentiometric surface of the aquifer suggests the main source of recharge is probably the Sioux Quartzite. The average annual recharge has not been quantified for this aquifer.

In 1995, the City of Sioux Falls, through their consultants Howard R. Green Company, conducted and aquifer test to evaluate the hydraulic properties of the aquifer, determine the production capability of the aquifer, and examine the water quality of the aquifer. This study (Pence, 1997) indicates with production wells properly designed, constructed and located the aquifer has an overall potential to yield 5 mgd" (5,610 acre-feet annually). Although recharge was not quantified, this seems to be a very conservative number (less than 1% of the estimated water in storage in the aquifer).

REVIEW OF EXISTING WATER RIGHTS:

Currently, there are 17 Water Permits/Rights appropriating water from the Split Rock Creek Aquifer representing a total appropriation of 13.052 cfs (Water Rights, 1998). Appropriative uses include municipal (8 permits/rights), (Valley Springs, Brandon, and Sioux Falls); suburban housing development (2 permits/rights); industrial (5 permits/rights); commercial (1 permit) and one permit for fire protection. In addition, there are two future use permits reserving water from the aquifer. All of the water reserved by Future Use No. 4929-3, (Corson Village Water), has been appropriated and 188 ac-feet annually remains reserved for future use by Permit No. 5444-2, (Valley Springs). The board has denied one future use appropriation from the Split Rock Creek Aquifer (No. 5084-3, East

Dakota Water Development District), basically because the District could not demonstrate a need for the appropriation. There is one permit (No. 5752-3), currently in deferred status pending legal issues associated with Brandon Wood Preserving.

The total pumpage from the aquifer is expected to be less than 1,200 acre-feet per year. The major users from the Split Rock Creek Aquifer are the City of Sioux Falls and the City of Brandon. Water use from the aquifer reported by these cities is included in Table 1.

Table 1. Reported Water Pumpage from the Split Rock Creek Aquifer

	1997	1998	1999
Sioux Falls	123,843,400 gal.[1] (380 ac-ft)	171,565,500 gal.[2] (526 ac-ft)	124,940,000 gal.[2] (383 ac-ft)
Brandon	163,427,200 gal.[3] (501 ac-ft)	129,435,450 gal.[4] (397 ac-ft)	166,739,100 gal.[4] (512 ac-ft)
Total	881 ac-ft	923 ac-ft	895 ac-ft

[1]Stefanich, 1988; [2]Stefanich, 2000; [3]Olson, 1988, [4]Fletcher, 2000

The nearest appropriation from the Split Rock Creek Aquifer, other than the City's own wells, is Water Permit No. 5276-3, Brandon Wood Preserving. Water Permit No. 5276-3 is located approximately one and one-half miles of the well to be used to supply this permit. The status of Brandon Wood Preserving is not clear, as the company filed for Chapter 11 in Bankruptcy Court and suffered a catastrophic fire in 1999. The next nearest appropriation (Corson Village) is approximately two and one-quarter miles from this well, followed by Northern States Power at approximately two and one-half miles, see Figure 2.

Effects on Existing Water Rights:

The Split Rock Creek Aquifer is a confined aquifer, as such the water level does fluctuate when the aquifer is pumped. Drawdown at the production well can be estimated using information provided on the Well Completion Report for the well. The report indicates that the well was pumped for 8 hours at 2,210 gpm with a drawdown of 89.65 feet. A specific capacity of 24.5 gallons per minute per foot of drawdown would create a drawdown of around 82 feet at a 4.46 cfs pumping rate.

The cone of depression in a confined aquifer can extend over a relatively large area of the aquifer. For example, over 10 feet of drawdown was measured at the City of Sioux Falls' aquifer test in Brandon at an observation well 589 feet from the production well measured after three days of pumping at 260 gallons per minute (Pence, 1997).

Observation wells in the Brandon area: MA-87H, MA-87I, MA-87E and MA-80Z, may show some drawdown from the City's pumping (figures 3, 4, 5, 6). However as the hydrographs reveal, drawdown is not significant and the water levels recover to near pre-pumping levels. It should be noted that until November 1999, the City of Brandon only pumped "Well No. 3" (Fletcher, 2000) which is the northern most "Brandon" well on figure 2. Diversions by this well are authorized by Water Permit/Right Nos. 1804-3, 5295-3, 5296-3, 5868-3. The maximum diversion rate authorized for this well is 1.39 cfs (625 gpm).

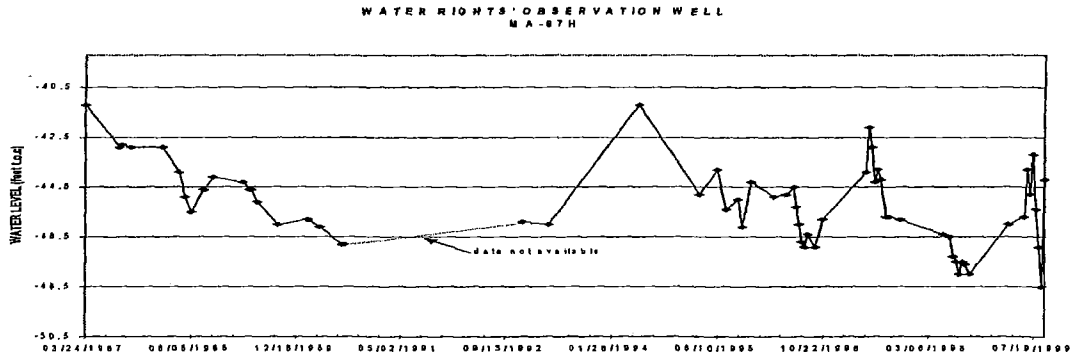


Figure 4. Hydrograph for Water Rights Observation Well MA-87H, located approximately 6,800 feet from Brandon's well

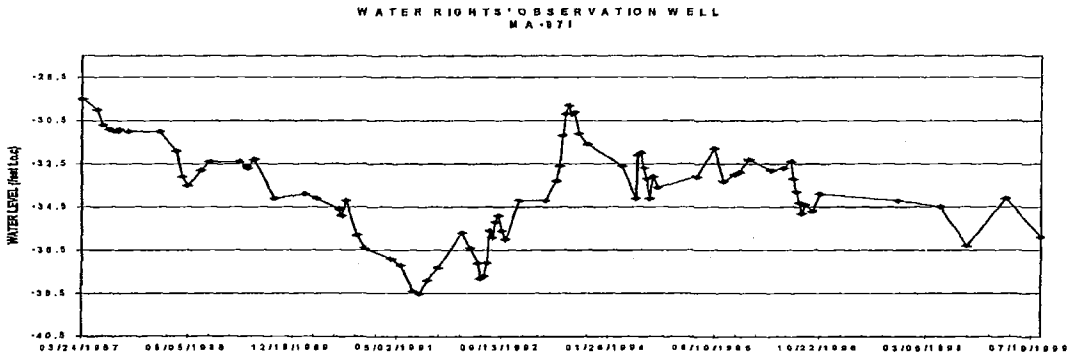


Figure 4. Hydrograph for Water Rights Observation Well MA-87I, located approximately 11,000 feet from Brandon's well

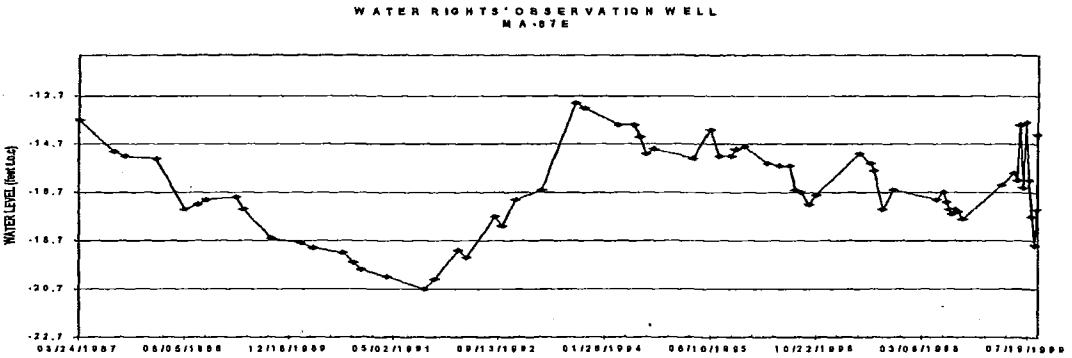


Figure 5. Hydrograph for Water Rights Observation Well MA-87E, located approximately 7,200 feet from Brandon's well

The affect this additional diversion would have on area water levels can be monitored with observation wells that are in place. Any affect the increased diversion rate proposed by this application will have on existing water rights will not be significantly. To demonstrate this, the Theis equations can be used to evaluate this appropriation. These equations are based on a number

of assumptions, some of these (e.g. the aquifer is a uniform thickness, the aquifer is infinite in areal extent, etc) are not met in the Split Rock Creek Aquifer. However, while the drawdowns predicted should not be considered absolute, the equations are useful to demonstrate the significance of increasing the diversion rate on this well.

The Theis equations are:

$$h_o - h = \frac{114.6\, Q\, W(u)}{T} \qquad S = \frac{T\, t\, u}{2693\, r^2}$$

Where:

h_o-h is the drawdown in feet
Q is the well discharge (gpm)
T is the transmissivity (gal/day/ft.)
r is the distance to the well (feet)
S is the storativity (dimensionless)
t is the time since pumping began (minutes)
W(u) is a well function constant

The Brandon Pump Test done for City of Sioux Falls identified the Storativity of the Split Rock Creek Aquifer of 1.1×10^{-4} to 6.7×10^{-4}, and a Transimissivity of 1,600-1,700 ft^2/day, and reported a saturated thickness of 69 feet at the site (Pence, 1997). Since

$$T = kb \quad \text{or} \quad k = T/b$$

where:

K is hydraulic conductivity (feet/day)
b is aquifer thickness (feet)

the hydraulic conductivity at the Brandon test site (approximately one-half mile from this well) is equals 23.91 ft/day.

The completion report for well that is to be used to supply this application indicates the aquifer is approximately 130 feet thick at this site. Assuming a uniform hydraulic conductivity in this area, the transmissivity at this site would be approximately 3,108 ft^2/day.

The maximum drawdown caused by a withdrawal would result from continuous pumping at the maximum diversion rate. This application proposes an increase of the diversion rate without increasing the annual volume appropriated (968 acre-feet/year). Currently, this well is permitted for a maximum diversion rate of 2.23 cfs (1000 gpm). Since continuous pumping at 2.23 cfs would take 315,142 minutes to pump 968 acre-feet, the maximum drawdown from this well under the existing permit can be predicted by solving the Theis Equation with t = 315,142 minutes and Q = 1000 gpm. At the nearest appropriation, (Water Permit No.5276-3) which is approximately one and one-half miles from this well, the maximum drawdown would be predicted to be 20.4 feet. Doubling the permitted diversion rate decreases the time required to pump the permitted annual volume by half. Solving the Theis Equations with t = 157,571 minutes and Q= 2000 gpm predicts a drawdown of 34.4 feet at a distance of one and one-half miles.

As stated earlier, the drawdowns predicted should not be considered absolute (i.e. 20 feet versus 34 feet). However, application of the Theis Equations confirms that doubling the diversion rate of this well while keeping the annual volume withdrawn constant does not significantly increase the drawdown in the area.

Although the Water Management Board must consider the impact of this additional drawdown on area wells, pursuant to SDCL 46-6-6.1, the board is not required to control large capacity wells to maintain artesian head pressure as a method of delivery. In addition SDCL 46-1-4 requires South Dakota's water resources to be put to beneficial use to the fullest extent of which they are capable.

CONCLUSIONS:

1. Water Permit Application 6156-3 proposes to increase the diversion rate authorized from an existing well from 2.23 cfs to 4.46 cfs.

2. This application proposes to increase the diversion rate without increasing the annual volume of 968 acre-feet of water.

3. This permit does not appropriate additional water from the Split Rock Creek Aquifer.

4. The affect of this appropriation will be measurable, (theoretically up to 14 feet additional drawdown one and one-half miles away). This additional drawdown will not be adverse to adequate wells.

KEN BUHLER
Natural Resources Engineer

approved by

JAMES GOODMAN, P.E.
Natural Resources Engineer

REFERENCES:

Lindgren, R., and Niehus C., 1992, Water Resources of Minnehaha County, South Dakota: U.S. Geological Survey Water Resources Investigations Report 91-4101

Olson, D., 1998, Personal Communication

Fletcher, W., 2000, Personal Communication

Pence, S, 1997, Summary of The Split Rock Creek Aquifer Study, SD Geological Survey Open-File Report 87-UR, SD DENR-Geological Survey, Vermillion SD

Stefanich,T., 1998, Personal communication

Stefanich,T., 2000, Personal communication

Water Rights Program, 2000, "Observation Well Files", DENR-Water Rights Program, Joe Foss Building, Pierre, SD

Water Rights Program, 2000, "Water Permit/Right Files", DENR-Water Rights Program, Joe Foss Building, Pierre, SD

DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3181
www.state.sd.us/denr

August 19, 1999

Steve Brockmueller
Stockwell Engineers, Inc.
211 East 14th Street, Suite 200
Sioux Falls SD 57104-6913

Dear Mr. Brockmueller:

Last week when I was out of the office you called regarding Water Permit No. 6027-3 for the city of Brandon. The water permit currently appropriates 2.23 cubic feet of water per second (1000 gpm) from one well with an annual volume limitation of 968 acre-feet of water annually.

It is my understanding that this well is capable of producing 2000 gpm and the city intends to develop the well to produce at this quantity. However, the total use from the well will not exceed 968 acre feet of water annually authorized by Permit No. 6027-3. The question is whether additional water permitting is necessary for the greater diversion rate.

I believe a new water right permit is necessary to authorize the additional diversion rate from the well. I have enclosed a water right permit application form. The application filing fee is $150 for an increase in the diversion rate without increasing the annual volume of 968 acre feet of water. Any application will need the public notice associated with all new water right permit applications.

Please feel free to contact me if you have any questions.

Sincerely,

Eric Gronlund

Eric Gronlund
Water Rights Program
605 773-3352

enclosure

DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3181
www.state.sd.us/denr

November 4, 1999

Steve Brockmueller
Stockwell Engineers, Inc.
211 E 14th St, Suite 200
Sioux Falls SD 57104-6913

Dear Mr. Brockmueller:

Thank you for submitting the *Application for a Permit to Appropriate Water* on behalf of the City of Brandon.

We are in receipt of the $150 application filing fee. In addition to the application filing fee, the Water Rights Program now collects the $50 licensing fee at the time of filing. Please submit $50 for the licensing of the water permit.

If available, please submit the well log for the recently constructed well. I have reviewed our files and can not find that we have received the well log.

If you have any questions, please contact me.

Sincerely,

Karen Schlaak

Karen Schlaak
Water Rights Program
605 773-3352

c: Michael G Schultz, City of Brandon

DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3181
www.state.sd.us/denr

January 14, 2000

The Argus Leader
P.O. Box 5034
Sioux Falls, SD 57117-5034

ATTENTION: Legal Public Notice

Enclosed is a Notice of Hearing on Application No. 6156-3 to Appropriate Water to be published twice. Please publish the first notice on January 21, 2000, with the second publication 7 days later.

The applicant must verify to you that the notice is to be published, before you make the first publication. **Please BILL the APPLICANT for the cost of publication.** The APPLICANT is City of Brandon, %Michael G. Schultz, P.O. Box 95, Brandon, SD 57005 (Ph # (605) 582-6515).

Please send the Water Rights Program the first publication immediately. The publication is checked for accuracy so any corrections can be made in the second publication. You may use the form below or fax a copy of the first publication. Any fax should be sent to the attention of Karen Schlaak at (605) 773-4068. Publication errors can invalidate the public notice.

After the second publication, **please send us an affidavit or use the enclosed Proof of Publication form.** The applicant pays the cost of publication, but the Water Rights Program records require an affidavit or Proof of Publication. Delays in receiving the affidavit can be costly to the applicant.

Sincerely,

Eric Gronlund
Natural Resources Engineer
605 773-3352

enclosures

----------CU T HERE----------

TO: Eric Gronlund
Water Rights Program
Joe Foss Building
Pierre SD 57501-3181

No. 6156-3

Date_____

We are in receipt of your letter of January 14, 2000, enclosing Notice of Hearing to Appropriate Water by Application No. 6156-3 which was first published in our issue of_____. ENCLOSED IS A COPY OF THIS FIRST PUBLICATION.

_____ _____
Name Newspaper

RECOMMENDATION OF CHIEF ENGINEER FOR WATER PERMIT APPLICATION NO. 6156-3, City of Brandon

Pursuant to SDCL 46-2A-2, the following is the recommendation of the Chief Engineer, Water Rights Program, Department of Environment and Natural Resources concerning Water Permit Application No. 6156-3, City of Brandon, c/o Michael G. Schultz, P.O. Box 95, Brandon SD 57005.

The Chief Engineer is recommending APPROVAL of Application No. 6156-3 because 1) there is reasonable probability that there is unappropriated water available for the applicant's proposed use, 2) the proposed diversion can be developed without unlawful impairment of existing rights, 3) the proposed use is a beneficial use and 4) it is in the public interest with the following qualifications:

1. The well approved under this Permit will be located near domestic wells and other wells which may obtain water from the same aquifer. The well owner under this Permit shall control his withdrawals so there is not a reduction of needed water supplies in adequate domestic wells or in adequate wells having prior water rights.

2. The City of Brandon shall report to the Chief Engineer annually the amount of water withdrawn each year from the Split Rock Creek Aquifer.

3. Permit Nos. 6027-3 and 6152-3, combined, authorize a total annual diversion of 968 acre feet of water annually.

See report on application for additional information.

Garland Erbele

Garland Erbele, Chief Engineer
January 14, 2000

Instruction to Newspaper - Publish first Notice on January 21, 2000, with the second publication 7 days later. The applicant is responsible for payment.

NOTICE OF APPLICATION NO. 6156-3 to Appropriate Water

Notice is given that City of Brandon, PO Box 95, Brandon SD 57005 has filed an application for a water permit for an additional diversion rate of 2.23 cubic feet of water per second (cfs) from an existing well. Water Permit No. 6027-3 currently appropriates 2.23 cfs (968 acre-feet of water annually) from one well (Split Rock Creek Aquifer) 275 feet deep located in the SW ¼ NE ¼ Section 3-T101N-R48W. This application proposes to increase the diversion rate from this well to a total of 4.46 cfs without increasing the annual volume of 968 acre-feet of water. The water is for municipal use.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application No. 6156-3 because 1) existing rights will not be unlawfully impaired, 2) it is a beneficial use of water, and 3) it is in the public interest. In accordance with SDCL 46-2A-23, the Chief Engineer will act on the application, as recommended, unless a petition is filed opposing the application or the applicant files a petition contesting the Chief Engineer's recommendation. If a petition opposing the application or contesting the recommendation is filed, then a hearing will be scheduled and the Water Management Board will consider the application. Notice of the hearing will be given to the applicant and any person filing a petition.

Any person interested in opposing or supporting this application or recommendation must file a written petition with BOTH the applicant and Chief Engineer. The applicant must file a petition if contesting the Chief Engineer's recommendation. The Chief Engineer's address is "Water Rights Program, Foss Building, 523 E Capitol, Pierre SD 57501 (605 773-3352)" and the applicant's mailing address is given above. A petition filed by either an interested person or the applicant must be filed by February 7, 2000.

The petition may be informal, but must include a statement describing the petitioner's interest in the application, the petitioner's reasons for opposing or supporting the application, and the signature and mailing address of the petitioner or the petitioner's legal counsel, if legal counsel is obtained. Contact Eric Gronlund at the above Water Rights Program address to request copies of information pertaining to this application. Nettie H. Myers, Secretary, Department of Environment and Natural Resources.

AFFIDAVIT OF PUBLICATION

STATE OF SOUTH DAKOTA

COUNTY OF MINNEHAHA } ss

Mary Boysen being duly sworn, says: That The Argus Leader is, and during all the times hereinafter mentioned was, a daily legal newspaper as defined by SDCL 17-2-21, as amended published at Sioux Falls, Minnehaha County, South Dakota; that affiant is and during all of said times, was an employee of the publisher of such newspaper and has personal knowledge of the facts stated in this affidavit; that the notice, order or advertisement, a printed copy of which is hereto attached, was published in said newspaper upon

SAT	, the	22	day of	JANUARY	2000,
SAT	, the	29	day of	JANUARY	2000,
	, the		day of		2000,
	, the		day of		2000,
	, the		day of		2000,
	, the		day of		2000,
	, the		day of		2000,

and that $96.49 was charged for publishing the same including A $5.00 affidavit fee.

Mary Boysen

Subscribed and sworn to before me January 31, 2000,

Joan Stahl

Notary Public, South Dakota

My Commission expires June 30, 2005

JOAN STAHL
NOTARY PUBLIC
SOUTH DAKOTA
SEAL SEAL

State Notices

NOTICE OF APPLICATION NO. 6156-3 to Appropriate Water

Notice is given that City of Brandon, PO Box 95, Brandon SD 57005 has filed an application for a water permit for an additional diversion rate of 2.23 cubic feet of water per second (cfs) from an existing well. Water Permit No. 6027-3 currently appropriates 2.23 cfs (968 acre-feet of water annually) from one well (Split Rock Creek Aquifer) 275 feet deep located in the SW1/4 NE1/4 Section 3-T101N-R48W. This application proposes to increase the diversion rate from this well to a total of 4.46 cfs without increasing the annual volume of 968 acre feet of water. The water is for municipal use.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application No. 6156-3 because 1) existing rights will not be unlawfully impaired, 2) it is a beneficial use of water, and 3) it is in the public interest. In accordance with SDCL 46-2A-23, the Chief Engineer will act on the application, as recommended, unless a petition is filed opposing the application or the applicant files a petition contesting the Chief Engineer's recommendation. If a petition opposing the application or contesting the recommendation is filed, then a hearing will be scheduled and the Water Management Board will consider the application. Notice of the hearing will be given to the applicant and any person filing a petition.

Any person interested in opposing or supporting this application or recommendation must file a written petition with BOTH the applicant and Chief Engineer. The applicant must file a petition if contesting the Chief Engineer's recommendation. The Chief Engineer's address is "Water Rights Program, Foss Building, 523 E. Capitol, Pierre SD 57501 (605 773-3352)" and the applicant's mailing address is given above. A petition filed by either an interested person or the applicant must be filed by February 7, 2000.

The petition may be informal, but must include a statement describing the petitioner's interest in the application, the petitioner's reasons for opposing or supporting the application, and the signature and mailing address of the petitioner or the petitioner's legal counsel, if legal counsel is obtained. Contact Eric Gronlund at the above Water Rights Program address to request copies of information pertaining to this application.

Nettie H. Myers,
Secretary, Department of Environment and Natural Resources.

1025 Jan. 22, 29, 2000

FEB 2000
WATER RIGHTS
PROGRAM
Pierre, SD

DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3181
www.state.sd.us/denr

NOTE: TO BE SURE OF PUBLICATION ON THE CORRECT DATES, CONTACT THE NEWSPAPER RIGHT AWAY.

February 14, 2000

City of Brandon
%Michael G. Schultz
P.O. Box 95
Brandon, SD 57005

Dear Mr. Schultz:

Water Permit Application No. 6156-3 for municipal use has been examined and found to comply with the South Dakota Water Laws and applicable rules. A notice of hearing has been sent to the Publisher of the Argus leader printed at Sioux Falls, SD (Ph # (605) 331-2200). For your information, a copy of the notice, the recommendation of the Chief Engineer and a report on the application are enclosed. Please review the notice prior to publication and notify this office, if you have any corrections or questions.

Be sure to contact the above newspaper to authorize publication of your Notice of Hearing and to arrange for payment. Early contact with the paper can eliminate delays. The publisher has been instructed to publish your notice once each week for two consecutive weeks with the last publication to occur twenty days before the board meeting. The newspaper has been instructed to send us the Proof of Publication. We must receive Proof of Publication before action can be taken on the application.

Sincerely,

Eric Gronlund
Natural Resources Engineer
(605) 773-3352

enclosures

c: Steve Brockmueller, Stockwell Engineers, 211 E. 14th St., Suite 200, Sioux Falls, SD 57104-6913

NOTE: If you plan to contest any part of the Chief Engineer's recommendation, you must file a petition pursuant to the procedures outlined in the attached notice of hearing. The Water Management Board will then consider your concerns during a hearing on the application.

DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3181
www.state.sd.us/denr

FEB 22 2000

City of Brandon
%Michael G. Schultz
P.O. Box 95
Brandon, SD 57005

Dear Mr. Schultz:

Enclosed is Water Permit No. 6156-3 authorizing construction of your water diversion system and beneficial use of the water, not exceeding the limits as specified in the Water Permit.

Form 10, *Notice of Completion of Works and Application of Water to Beneficial Use*, is enclosed. Please return this completed form after you have finished the system and have put the water to beneficial use. An investigation can then be scheduled so the water license may be issued, thus completing the acquisition of a water right.

An informational sheet *?Common Water Right Questions?* is also enclosed. This sheet is intended to answer some of the questions associated with obtaining and keeping a water right.

Sincerely,

Garland Erbele

Garland Erbele, Chief Engineer
Water Rights Program
(605) 773-3352

enclosures

NOTICE OF COMPLETION OF WORKS AND APPLICATION OF WATER TO BENEFICIAL USE

Date 2-25-00

TO: Water Rights Program, DENR
523 E. Capitol
Pierre, SD 57501-3181

FEB 2000 WATER RIGHTS PROGRAM Pierre, SD

FROM: City of Brandon
(name)
304 Main Avenue
(address)
Brandon, SD 57005
(city, state, zip)
605-582-6769
(phone)

I have completed the construction of the water use system and I have put the water to beneficial use to the maximum extent it is going to be used.

Water Permit No. 61563 states that the water use system is to be constructed by February 7, 2005 (date), and water is to be put to beneficial use by February 7, 2009 (date).

The water use system was completed on February 25, 2000 (date).

Applying the water to beneficial use was completed on February 25, 2000 (date).

You may schedule an investigation so that the water license may be issued.

Dennis E Olson
(signature)

7-98

6156-3

Form 12

Permit Nos. 6027-3 & 6156-3

Big Sioux River - Water District

Report of Examination of Works and/or Application of Water to Beneficial Use

TO: Chief Engineer, Water Rights Program, DENR, Foss Bldg., Pierre SD 57501

I have this day, **October 14, 200~~4~~3**, made a thorough examination of the water use system constructed by **City of Brandon** of **PO Box 95, Brandon SD 57005** holder of Permit Nos. **6027-3 & 6156-3**, bearing the priority of **November 19, 1997 and November 4, 1999** authorizing the diversion of **2.23 and 2.23** cu. ft. per second of the waters of **Split Rock Creek Aquifer** for **municipal** purposes, in **Minnehaha** County.

Inspection contact & relationship to permit holder, if applicable: **Wayne Fletcher, Public Works Director (605) 582-2273**

A. Works used to divert the water:

Well Information:

1) Well Drilling Firm: **LTP Enterprises, Inc.**
2) No. of Wells **1**
3) Depth(s) **275** feet
4) Well log is available **yes**
5) Comment: **drilled in 1998**

Casing:

1) Diameter **10** inches
2) Length **126** feet
3) Type **steel**

Screen:

1) Type **stainless steel**
2) Length **149** feet
3) Static water level **23** feet

Pump:

1) Make **Goulds**
2) Model **14RJMC2**
3) Size **10"**
4) Capacity **2000** GPM

Motor:

1) Make **submersible**
2) Model No.
3) Horsepower rating **100** hp

B. Works used to transport water to place of use:

1) Type **pvc** 2) Size **12** inches 3) Length **800** feet
1) Type **pvc** 2) Size **16** inches 3) Length **900** feet

C. Works used to apply water to beneficial use:
Municipal water system

D. Compliance with Permit Requirements:

1) Permit qualifications being abided by **yes**
2) Exceptions to compliance are: **none**

The system is in **good** condition with the point(s) of diversion located as follows: **350' N and 100' E of the center of Section 3, T101N, R48W**. The works are capable of diverting and conveying to the place of use **4.44** cu. ft. per second of water which is to be used for **municipal purposes**. Water has been put to beneficial use to the maximum extent as follows:

Municipal water system.
The license should be issued for **4.44** cfs.

All structures, wells and lands on map **yes**

Comments or other permit(s) associated with the project:

Water Right No. 6156-3 authorizes an additional diversion rate of 2.23 cfs from an existing well authorized by Water Right No. 6027-3. Water Right Nos. 6027-3 and 6156-3 should be incorporated and licensed for a combined 4.44 cfs (2,000 gpm), 2.23 cfs retains a priority date of November 19, 1997 and 2.21 cfs retains a priority date of November 4, 1999.

Lynn Beck
Natural Resources Engineer Specialist
DENR, Water Rights Program

Date report completed: **February 25, 2004**

WATER RIGHT NOS. 6027-3 and 6156-3
CITY OF BRANDON

SCALE

0 660 1,320 2,640 3,960 5,280 Feet

Lynn Beck

Lynn Beck
Natural Resources Engineer Specialist
DENR, Water Rights Program
February 25, 2004

South Dakota GIS

South Dakota Department of Environment and Natural Resources

Protecting South Dakota's Tomorrow... Today

STATE OF SOUTH DAKOTA

WATER LICENSE NO. 6156-3

(1) City of Brandon, PO Box 95, Brandon SD 57005 made Application No. 6156-3, November 4, 1999 for a water permit to increase the diversion rate authorized by Water Permit No. 6027-3, Minnehaha County, South Dakota for municipal purposes. Permit No. 6156-3, with a priority date of November 4, 1999 was approved February 7, 2000 and issued to the applicant for diversion of water with construction of the described water supply system to be completed on or before February 7, 2005 and for the application to beneficial use of water on or before February 7, 2009.

Water Permit No. 6027-3, with a priority date of November 19, 1997 authorized diversion of 2.23 cubic feet of water per second (968 acre-feet annually) from 1 well. The applicable portions of No. 6027-3 have been incorporated into No. 6156-3.

(2) The water supply system has been completed and water applied to beneficial use in accordance with South Dakota State Law. Pursuant to South Dakota Codified Law 46-5-30.1, the holder and/or owner of Incorporated Water Right No. 6156-3 is issued a license, bearing priority dates of November 19, 1997 (2.23 cfs) and November 4, 1999 (2.21 cfs) to appropriate 4.44 cubic feet of water per second from groundwater (one well) for municipal purposes.

The diversion point is located: 350 feet north and 100 feet east of the center of Section 3-T101N-R48W (SW ¼ NE ¼).

(3) This license is subject to South Dakota Water Law, any limitations or conditions listed in Water Permit Nos. 6027-3 and 6156-3 including the following now applicable qualifications:

- The well approved under this Permit will be located near domestic wells and other wells which may obtain water from the same aquifer. The well owner under this Permit shall control his withdrawals so there is not a reduction of needed water supplies in adequate domestic wells or in adequate wells having prior water rights.

- The well shall be constructed by a licensed well driller and construction shall comply with Water Management Board Well Construction Rules, Chapter 74:02:04 with the well casing pressure grouted (bottom to top) from the producing formation to the surface pursuant to Section 74:02:04:28.

- The City shall report to the Chief Engineer annually the amount of water withdrawn each year from the Split Rock Creek Aquifer.

- Permit Nos. 6027-3 and 6156-3, combined, authorize a total annual diversion of 968 acre-feet of water annually.

Garland Erbele

Garland Erbele, Chief Engineer
Water Rights Program
Department of Environment and Natural Resources

MAY 1 0 2004
date

DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

MAY 1 0 2004

6156-3

City of Brandon
% Wayne Fletcher Public Works Dir
PO Box 95
Brandon SD 57005

Dear Mr. Fletcher:

Enclosed is Water License No. 6156-3. This is the final water right document completing your process of obtaining a Water Right.

As long as you use the water beneficially, as stated in the Water License, State Water Laws provide that you have a continuing right to use the water.

Sincerely,

Garland Erbele

Garland Erbele, Chief Engineer
Water Rights Program
(605) 773-3352

NOTE: The applicable portions of No. 6027-3 are incorporated into Water License No.6156-3

enclosures

Appendix C
Comprehensive Plan

600 N. Main Ave, Suite 100
Sioux Falls, SD 57104
Ph. (605) 338-6668
Fax. (605) 338-8750
www.stockwellengineers.com

BRANDON

Comprehensive Plan
2007 - 2027

Prepared by the South Eastern Council of Governments at the direction of
the Planning and Zoning Commission and City Council of Brandon, South Dakota

ACKNOWLEDGMENTS

This Comprehensive Plan is a compilation of effort by many people, organizations and government entities. This document expresses the great civic pride that exists in the City of Brandon. Through the preparation and adoption of this document, the governing officials of Brandon have expressed their desire for orderly and efficient growth and development in the community and surrounding area.

City Council

Mayor:	Larry Beesley
Council Members:	Harry Buck, Don Hammond, Brett Karber, Dan Mostek, Steven Rubin, John Saarloos
City Administrator:	Dennis E. Olson

Planning and Zoning Commission

Chairman:	Chuck Parsons
Board Members:	Paul Bosch, Jon Jacobson, Tim Jorgenson, Marvin Peterson, Linda Weber

The South Eastern Council of Governments prepared this document under the direction of the Brandon Planning and Zoning Commission and Brandon City Council.

RESOLUTION NO. _____

A RESOLUTION ADOPTING A COMPREHENSIVE PLAN FOR CITY OF BRANDON, AS PROVIDED FOR IN SDCL 11-6.

Whereas, Chapter 11-6-14 of South Dakota Codified Law has empowered the Planning Commission and City Council of Brandon to prepare a Comprehensive Plan for the development of the City and the surrounding area; and

Whereas, the Brandon Planning Commission has developed a Comprehensive Plan for the years 2007 - 2027, has held the required Public Hearing, and has made a recommendation for adoption of the Plan to the City Council; and

Whereas, the Brandon City Council has received the recommendation of the Planning Commission and has held the required Public Hearing; and

Whereas, the adoption of the Comprehensive Plan would enhance the responsible development of Brandon and the surrounding area.

Now therefore, be it resolved by Brandon City Council, that the Comprehensive Plan for the City of Brandon for the years 2007 through 2027 be hereby adopted and effective upon 20 days after publication of this resolution.

Adopted this _____ day of _____, 2007.

_____
Signed: Larry Beesley
Mayor, City of Brandon

ATTEST:

_____
Dennis Olson
City Administrator, City of Brandon

Publication Date: _____

Effective Date: _____

I. INTRODUCTION

A. PURPOSE, AUTHORIZATION AND ADOPTION

1. PURPOSE OF THE COMPREHENSIVE PLAN

There are three primary purposes of this document:

(1) To address the planning requirements of state law while also providing a sound and logical basis for city growth management strategies; and

(2) To provide some predictability about the potential land uses and timing of development so that both public and private sectors can make informed decisions in the area of real estate and capital investments.

(3) To provide the Planning Commission and City Council with policies for future planning decisions and the methods and justification to control land use through the zoning and subdivision ordinance, the capital improvements program, and other enforcement controls.

2. AUTHORIZATION UNDER STATE LAW

Under 11-6-14 of South Dakota Codified Laws, the planning commission of a municipality is directed to *"propose a plan for the physical development of the municipality...[to] include the general location, character, layout and extent of community centers and neighborhood units..."*

3. DEVELOPMENT AND ADOPTION

The Brandon City Council has adopted this document in accordance with state law. In developing this Comprehensive Plan, the Brandon Planning Commission has used background research, detailed inventories and assessments, and discussion sessions at Planning Commission and City Council meetings and public hearings. It is intended to guide the City in its implementation of zoning regulations, subdivision regulations, capital improvements plans and other related policies.

4. AREA OF PLANNING JURISDICTION

The City of Brandon shall, under South Dakota statutes, have the authority to control development within the corporate limits of Brandon.

B. COMMUNITY INPUT

As a part of the comprehensive plan process, the Brandon Planning and Zoning Commission requested community input on a variety of topics over several comprehensive planning meetings. The community input serves as one source of baseline information to help form the comprehensive plan goals, policies and objectives. A list of community strengths and weaknesses was formulated from these meetings.

<u>Strengths</u>

1. The school system is of good quality.
2. The close proximity to Sioux Falls has allowed major residential and modest industrial growth to occur.
3. The Interstate Highway system is an asset for growth - especially I-90.
4. The Sioux Falls Regional Airport is an asset for Brandon and entire region.
5. The Burlington Northern Santa Fe Railroad is an asset for industrial growth.
6. A strong water and sewer capacity is capable of handling growth well into the future.
7. Developers have been very competent and provided a good mix of quality and affordable single-family housing.
8. The community has enjoyed residential growth and maintained a small town atmosphere. However,

continued growth is welcomed.

9. Citizens have an easy time commuting to work.
10. The business community cooperates with each other.
11. Workable and active chamber.
12. The industrial and manufacturing base of the community is fairly diverse and clean.
13. The recreation system and facilities are of good quality.
14. The city government is progressive and efficient.
15. The region has a cooperative attitude.

Weaknesses

1. Physical constraints for growth - Big Sioux River and Split Rock Creek.
2. Losing out to retail and commercial areas because of Sioux Falls.
3. Corson as an existing subdivision and the conflict with existing and potential industrial development.
4. Very few small retailer establishments.
5. Lack of a typical Main Street - no place to focus retail and commercial business.
6. No low to moderate income housing which could create a labor shortage.
7. Truck traffic on State Highway 11 and Madison Street going east of town - truckers are avoiding scales.
8. Many pedestrian and car/truck traffic conflicts - especially on State Highway 11 and 264.

II. DEMOGRAPHIC DATA

A. DEMOGRAPHIC CONDITIONS

The population of Brandon steadily increased from 1980 to 2000. Between 1990 and 2000, the population increased by 60.59%. The population growth is the result of natural increase and net in-migration. There is a natural increase when the number of births exceeds the number of deaths. A net in-migration occurs when the number of people moving into the community is larger than the number leaving.

As can be seen in Table 2, the median household income (1999 dollars) is higher than the Minnehaha County and State of South Dakota average. The median household income has a correlation to the purchasing power of a household.

The City of Brandon has one of the lowest median ages in the state. Brandon's recent growth is attributable to many young families moving to town over the past 20 years. However, the elderly population (65 and over) did increase by 2% between 1990 and 2000. This indicates as does Table 3 that the population is diversifying and will gradually become older.

Table 1. Population History *(Source: U.S. Census Bureau)*

	Population	% Increase/Decrease
1980	2,589	
1990	3,545	+ 36.92%
2000	5,693	+ 60.59%

Table 2. Current Demographic Statistics *(Source: U.S. Census Bureau)*

	Brandon	Minnehaha County	South Dakota
1990 Pop	3,545	123,809	696,004
2000 Pop	5,693	148,281	754,844
1990 – 2000 % Change	+ 60.59%	+ 19.76%	+ 8.45%
2000 Median Age	31.3	33.5	35.6
Median Household Income in 1999 (dollars)	$58,421	$42,566	$35,282

Table 3. Population by Age *(Source: U.S. Census Bureau)*

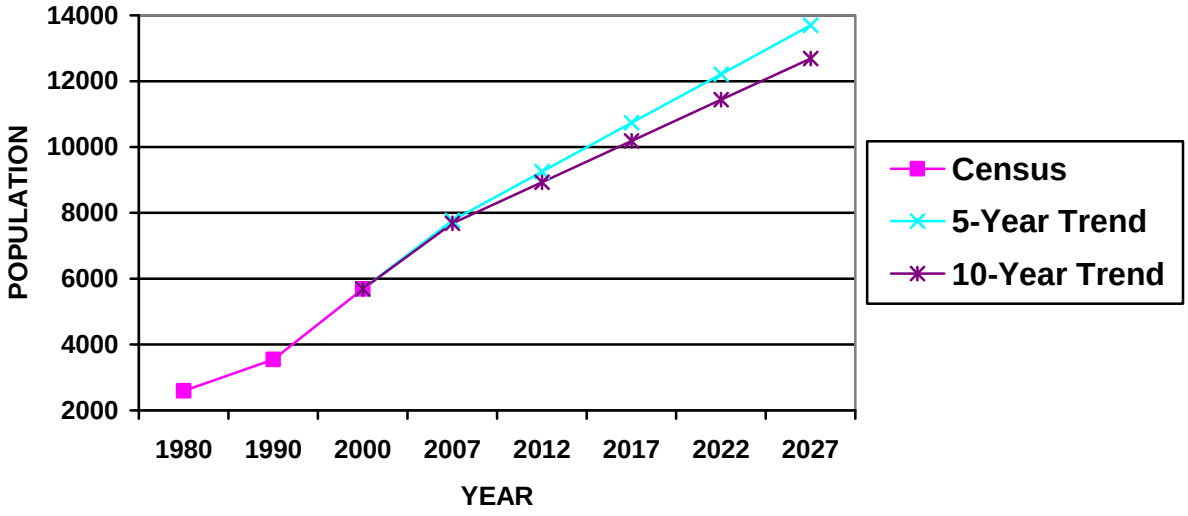
	Under 18	18-44	45-64	65 & Over	Total
1990	1,359	1,483	539	164	3,545
2000	1,962	2,361	981	389	5,693

B. POPULATION PROJECTIONS

Based upon current trends, a population projection through the study period indicates that the City of Brandon will have a population between 12,686 and 13,700 by the year 2027. The 5-year population trend concludes a population of 13,700, while the 10-year population trend concludes a population of 12,686. For purposes of land-use planning, the upper end of the population trend was utilized to ensure adequate land was reserved and planned for future development.

Table 4. Population Projections City of Brandon

	1980	1990	2000	**2007**	**2012**	**2017**	**2022**	**2027**
5-Year Trend	2,589	3,545	5,693	**7,768**	**9,251**	**10,734**	**12,217**	**13,700**
10-Year Trend	2,589	3,545	5,693	**7,676**	**8,929**	**10,181**	**11,434**	**12,686**



III. ENVIRONMENTAL CONSTRAINTS

A. PHYSICAL GEOGRAPHY

Brandon is located in southeastern South Dakota. The City is mostly situated between the Big Sioux River and Split Rock Creek. The landscape is primarily flat with some steep slopes near the rivers. The elevation ranges from 1,400 feet in the eastern section of the City to 1,300 feet along the rivers.

B. FLOOD HAZARDS

The City of Brandon has three major flood hazards within its area:

1. The Big Sioux River – within western boundary.
2. Split Rock Creek - within eastern Brandon.
3. Beaver Creek - south and east of Brandon.

The Federal Emergency Management Agency (FEMA) has classified a significant area adjacent to the rivers as having special flood hazard areas. All three rivers converge south of Brandon. (See **Map 1**)

C. DRAINAGE AND WETLANDS

Several small wetlands and potholes are found in the eastern sections of the City's growth areas, with the large majority being temporary in nature. Wetlands and water bodies are designated from base maps developed through the National Wetlands Inventory and other data sources. These natural resources provide a number of functions which are important to the health and welfare of the community. They provide storage for storm water, help to control flooding, provide wildlife habitat, improve water quality, and they provide recreational opportunities. (See **Map 1**)

Drainage in Brandon primarily occurs naturally. All developments either drain down street gutters or are directed by concrete drainage ways to major drainage points.

D. SOILS

While the soils in the Brandon planning area are excellent for agricultural purposes, their engineering properties present some limitations for urban development. Soil types found in many areas have severe limitations for various aspects of development including roads, streets, and dwellings with basements. These limitations are largely due to the following characteristics:

1. high clay and high water table
2. hydric soil
3. high flooding potential
4. shrink-swell
5. shallow depth to rock
6. gravel and sand pits
7. steep slopes

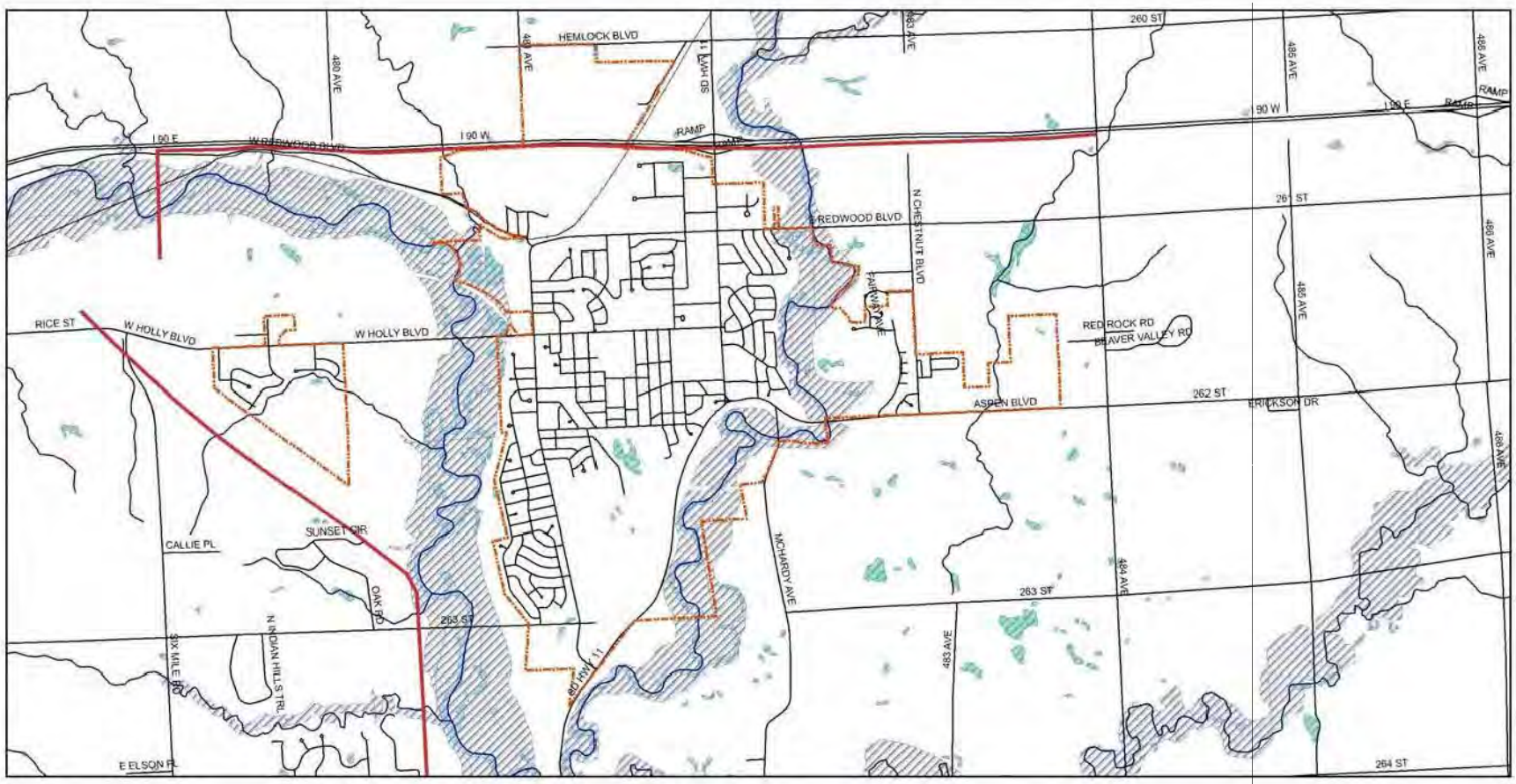
While these limitations do not rule out development, they do require compensating construction techniques and soil modification. The severe soil development limitations of the Brandon area are shown on **Map 2**.

E. ADDITIONAL ENVIRONMENTAL CONSTRAINTS

The following Xcel main electrical power lines are indicated on **Map 1**.

*running along south side of I-90

*running diagonally through western growth area



Legend

- 100 - Year Flood Plain
- Wetlands
- Powerlines
- Roads
- Rail
- City Limits

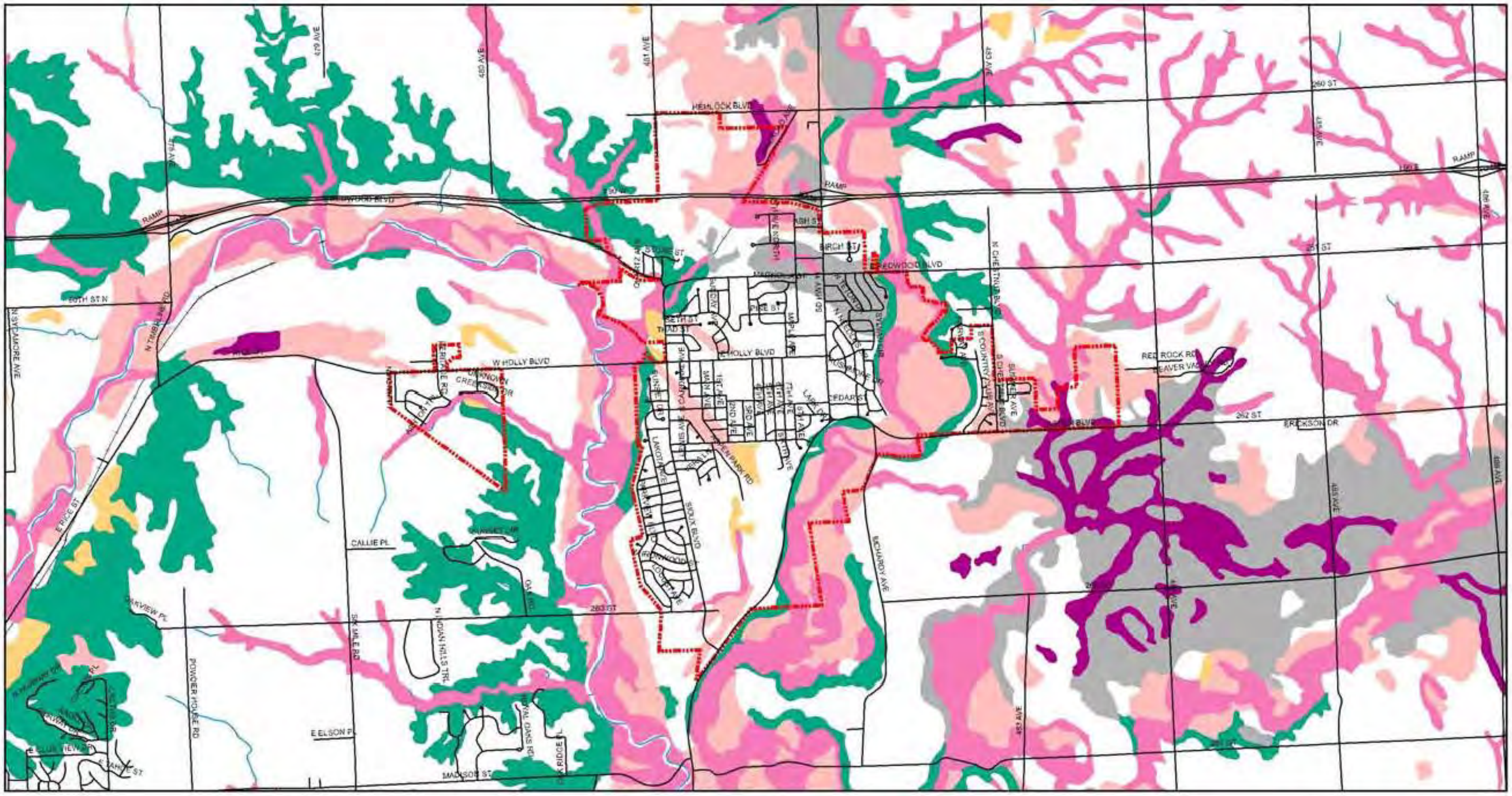
Map 1

ENVIRONMENTAL CONSTRAINTS

City of Brandon

This information has been secured from sources we believe to be reliable, however, we do not guarantee the accuracy of the information contained herein. This map does not eliminate the need for an onsite investigation.

This map was compiled by South Eastern Council of Governments



Legend

Gravel/Sand Pits	Creeks, Rivers & Lakes
High Clay & High Water Table	Roads
High Flooding Potential	Rail
Hydric	City Limits
Shallow Depth To Rock	
Shrink-Swell	
Steep Slope	

Map 2

SOIL CONSTRAINTS

City of Brandon

0 0.2 0.4 0.8 Miles

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IV. CURRENT LAND USE PATTERNS AND CONSUMPTION PROJECTIONS

A. EVALUATION OF URBAN LAND USE IN BRANDON

To simplify preparation of this plan, land uses have been grouped into six categories for Brandon:

(1) Industrial includes light manufacturing, warehouses and other similar uses.

(2) Commercial includes retail businesses, offices, etc.

(3) Single-Family Residential includes single-family, residential, duplexes, and manufactured housing.

(4) Multi-Family Residential includes all apartments.

(5) Institutional & Governmental includes schools, churches, government offices and similar uses.

(6) Park & Recreation includes parks and athletic fields. Also included are areas that should be protected from development to facilitate movement of flood water and runoff. Some types of development may be appropriate for such areas, as long as the development does not dramatically increase the incidence or severity of flood or drainage problems.

A physical land use inventory was prepared by SECOG in May of 2007. A map of **current land uses** in Brandon and the planning area are included on **Map 3**.

B. CURRENT LAND USE CONSUMPTION

Land Use	Acres Consumed
Single Family	**810 acres**
Multi Family	**36 acres**
Commercial	**90 acres**
Institutional	**231 acres**
Vacant	**811 acres**
Industrial	**156 acres**
Park and Recreation	**330 acres**

C. FUTURE LAND USE ESTIMATES

Households and a projected demand of certain land use categories are listed in the tables below.

City of Brandon

Household Projections

	Population	Persons per Household *(assuming number remains constant)*	Households
1980	2,589	3.40	780 (actual)
1990	3,545	3.16	1,120 (actual)
2000	5,693	2.96	1,909 (actual)
		[redacted]	
2007	7,768	2.96	2,624 (projected)
2012	9,251	2.96	3,125 (projected)
2017	10,734	2.96	3,626 (projected)
2022	12,217	2.96	4,127 (projected)
2027	13,700	2.96	4,628 (projected)

	Households Added 2007 to 2027
New Households	2,719

Land Use Consumption Needs – Housing

Single-family Residential	3 units per acre (low density) x 2.96 persons per household (pph) = 8.88 persons per acre (ppa) *	8.88 ppa x 2,643 acres = 23,470 additional people
Multi-family Residential	3 units per acre (low density) x 2.96 pph = 8.88 ppa **	8.88 ppa x 114 acres = 1,012 additional people

* Projections based upon low density single-family development
** Projections based upon low density multi-family development

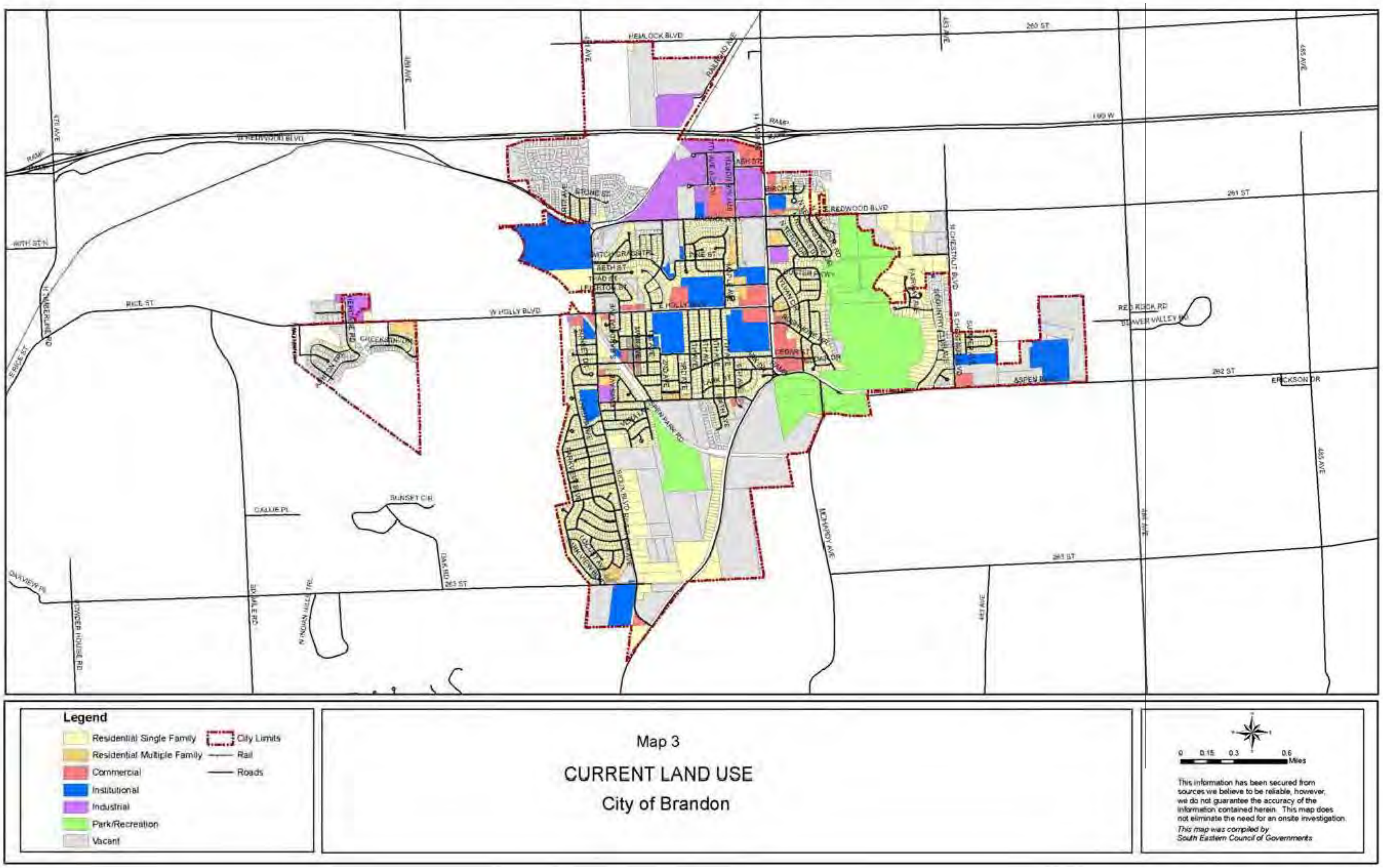
Based upon the above referenced analysis, the City of Brandon will be able to provide adequate housing through the year 2027.

Future Land Use Available

Land Use	Available Acres
Single Family	2643 acres
Multi Family	114 acres
Commercial	265 acres
Industrial	690 acres
Office/Institutional	248 acres
Park/Recreational/Greenway	1407 acres

A review of the population projections and land use consumption needs should be reviewed every five (5) years to ensure enough land is available for future land use needs.

Map 4 illustrates the future land uses. Future land uses were determined by the Brandon Planning Commission and SECOG, based on topographic features, compatibility of future and current land uses and existing infrastructure.


HEMLOCK BLVD
260 ST
I 90 W
RAMP
261 ST
E REDWOOD BLVD
RICE ST
W HOLLY BLVD
RED ROCK RD
262 ST
ERICKSON DR
SUNSET CIR
263 ST
Legend
Residential Single Family
Residential Multiple Family
Commercial
Institutional
Industrial
Park/Recreation
Vacant
City Limits
Rail
Roads
Map 3
CURRENT LAND USE
City of Brandon
0 0.15 0.3 0.6 Miles
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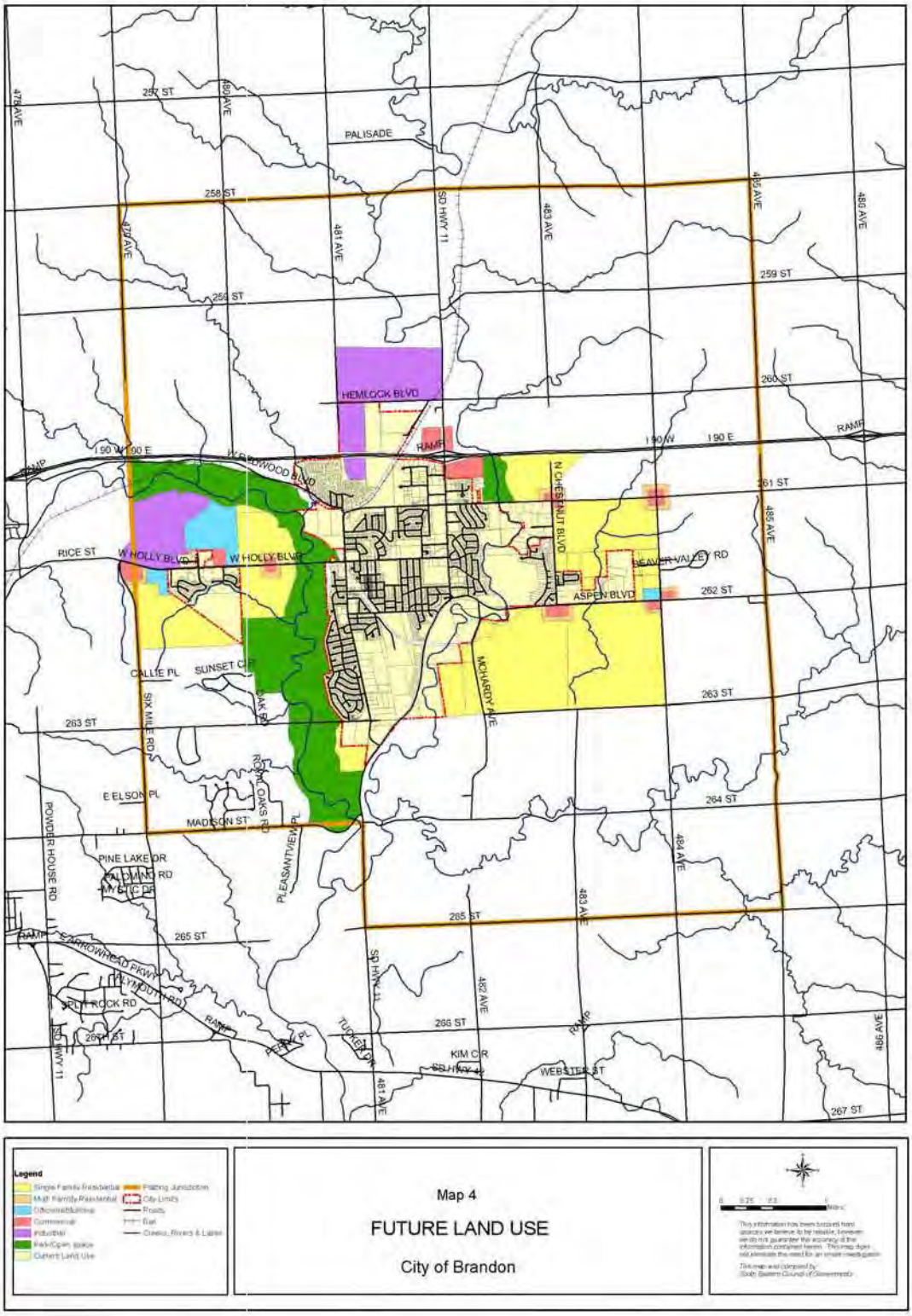

Legend
Single Family Residential
Multi Family Residential
Commercial
Industrial
Park/Open space
Current Land Use
Planning Jurisdiction
City Limits
Roads
Rail
Creeks, Rivers & Lakes
Map 4
FUTURE LAND USE
City of Brandon
PALISADE
HEMLOCK BLVD
W HOLLY BLVD
ASPEN BLVD
BEAVER VALLEY RD
N CHESTNUT BLVD
MCHARDY AVE
SIX MILE RD
POWDER HOUSE RD
PINE LAKE DR
MADISON ST
E ELSON PL
PLEASANTVIEW PL
ROYAL OAKS RD
SUNSET CIR
CALLIE PL
RICE ST
ARROWHEAD PKWY
PLYMOUTH RD
BELT ROCK RD
TUCKER DR
KIM CIR
WEBSTER ST
SD HWY 11
I 90 W
I 90 E
RAMP
257 ST
258 ST
259 ST
260 ST
261 ST
262 ST
263 ST
264 ST
265 ST
266 ST
267 ST
477 AVE
480 AVE
481 AVE
482 AVE
483 AVE
484 AVE
485 AVE
486 AVE

V. INFRASTRUCTURE ASSESSMENT

A. TRANSPORTATION

Brandon currently has seven arterial roads within the community:

Interstate 90 is a major arterial and has become an important business and commuter highway. **Constraints:** As Brandon continues to grow, additional exits may be necessary to access I-90.

SD Highway 11 is a major arterial that moves traffic through town with only a small amount of obstruction. This road was recently improved and is in excellent condition. **Constraints:** Access points currently in place are limited and should remain as such.

Holly Boulevard is a minor arterial that links the community to Sioux Falls and provides a route to the business district and schools. **Constraints:** Unfortunately, the road has a dead end in the middle of town and limits connectivity of Brandon's road system. Future traffic will only increase from Sioux Falls; thus, the road could become a bottleneck. The community should consider encouraging alternative traffic routes to relieve pressure from Holly Boulevard. The road should become a portion of an overall regional transportation study in conjunction with the City of Sioux Falls and the Metropolitan Planning Organization.

Sioux Boulevard is a minor arterial that provides an important link for residential developments and future growth areas to SD Highway 11 and Holly Boulevard. **Constraints:** Sioux Boulevard is a fairly short arterial segment and will not be improved beyond a three-lane urban section.

County Highway 264 is a minor arterial that provides a critical route for residents living across Split Rock Creek and links the community to the Valley Springs area. **Constraints:** The road needs improvements to separate pedestrian conflicts.

Chestnut Avenue is a minor north-south arterial on the City's eastern limits. **Constraints:** In the future, the road will become a minor arterial as development proceeds. Access to the road must be limited to maintain the free flow of traffic.

Park/Maple Street is a minor arterial on the City's southern edge. The road will become an important road once development proceeds through the area. The road also leads to the main entrance of the Big Sioux Recreation area. **Constraints:** The road crosses the Big Sioux River to the west and is gravel to Six-Mile Road and beyond. To create a continuous arterial link, the road must be built and/or paved from the Big Sioux River Bridge to Six-Mile Road and ideally to the new Regional Beltway slated near Powderhouse Road. Cooperation with Minnehaha County and the City of Sioux Falls will be essential to improve the road to an arterial status.

Brandon currently has two collector roads within the community:

Redwood Boulevard is a major collector on the City's north side providing a route to new residential neighborhoods. **Constraints:** The road should be improved east of the Split Rock Creek Bridge. In the future, Redwood has great potential to be an arterial route, linking the east and west sections of town. Access to Redwood Boulevard should be strictly limited to allow mobility and free flow of traffic in the future.

Aspen Boulevard is a major collector within the City's central section providing alternate connection between Sioux Boulevard and SD Highway 11. **Constraints:** The road has good mobility for a collector. The City should encourage future development to be oriented away from Aspen Boulevard due to a lack of another feasible major east-west road south of Aspen Boulevard. Work should be done to correct a drainage problem near the railroad tracks. Wide sidewalks/bike path should be allowed for appropriate separation of pedestrian and car/truck traffic.

Local Roads

Overall the local road system is in good condition. The orientation of the roads has led to some constraints. The use of cul-de-sacs and curvilinear residential roads has limited flow and the development of collector roads, especially in the east and north sections of the City.

Map 5 illustrates the major street plan.

B. WATER FACILITIES

The City of Brandon recently completed a new water treatment plant located adjacent to Aspen Park. The water capacity of the community will accommodate the projected 20 year growth.

Wells: The community wells are located in Aspen Park near the new Municipal Water Treatment Plant.

Water Towers: One water tower is located in Brandon. The water tower is located near the Brandon Valley High School.

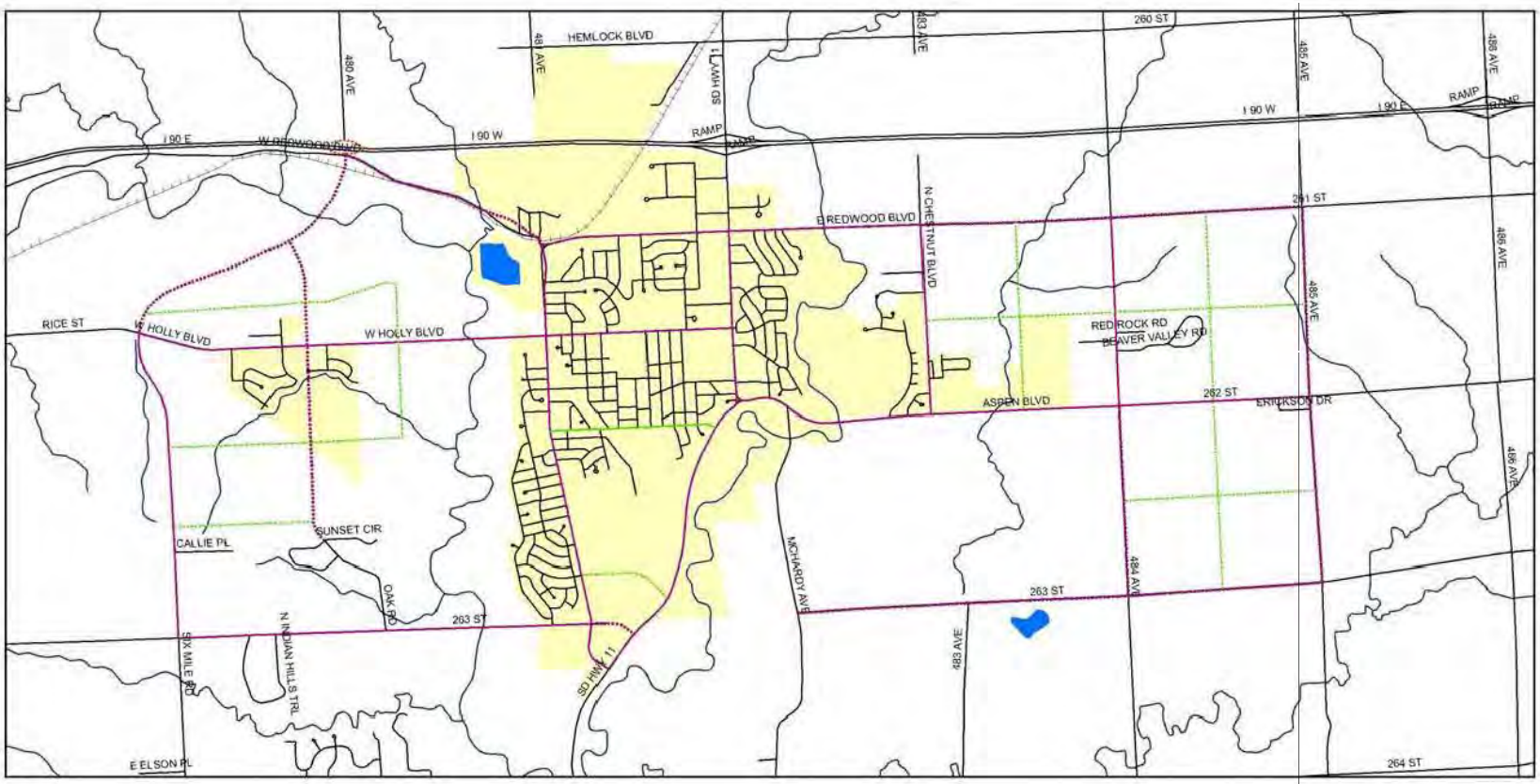
System Constraints: The water tower east of the Municipal Golf Course cannot serve additional growth. A water pumping station will need to be completed to create reliable service and growth potential to the east. Additional water towers may be needed to accommodate growth to the north, east, and west.

C. WASTEWATER FACILITIES

The wastewater system of Brandon has adequate capacity for the 20-year growth period. Treatment of the waste is pumped to the lagoons near the Big Sioux River where some effluent is treated with the lagoon system and some is pumped to the Sioux Falls Wastewater Treatment System west of Brandon.

Existing Facilities and Lift Stations: The existing lift stations are overall in good working order. However, new lift stations will be needed to open new growth areas and there is limited or no capacity to pump from one lift station to another lift station.

System Constraints: Careful study will be required to determine the best method to open new sewer basins. New main sewer trunk lines will likely be needed to open east and west growth areas. The north growth areas will also need a new trunk line leading to the wastewater facility.



Legend

- ARTERIAL
- FUTURE ARTERIAL
- COLLECTOR
- FUTURE COLLECTOR
- FUTURE RAMP
- Roads
- Rail
- Creeks, Rivers & Lakes
- City Limits

Map 5

MAJOR STREET PLAN

City of Brandon

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VI. SCHOOL PLANS AND PROJECTIONS

A. SCHOOL FACILITIES

The Brandon Valley School District maintains four (4) facilities within the Brandon City Limits including two K-5 elementary buildings, a middle school (6-8) and a high school (9-12). The district also operates a K-5 elementary school facility located in Valley Springs. The district lies entirely within Minnehaha County. The district owns two sites for future building development, one on Six-Mile Road in the Sioux Falls future growth area, and one adjacent to Robert Bennis Elementary located along Park Street in southern Brandon. The Brandon Valley School District has planned for most of its growth to occur between Brandon and Sioux Falls.

VII. PARK AND OPEN SPACE INVENTORY AND NEEDS

A. INVENTORY

Name	Acres	Type	Comments
Pioneer Park	21 acres	Community	sledding hill, playground equipment, ball field, scenic overlook, nature area, picnic area, soccer fields, basketball court, restrooms
Aspen Park	50 acres	Community	8 softball fields, 1 baseball field, swimming pool, picnic area, tennis courts, modern restrooms, playground equipment
Municipal Golf Course	146 acres	Golf Course	18-hole course
Bike trail	NA	Linear	links Big Sioux Recreation area and Aspen Park
McHardy Park	81 acres	Community	sledding, picnic area, recreational ball field, playground equipment, restrooms, lookout tower
Big Sioux Recreation Area	410 acres	State	camping, hiking, canoeing, picnicking, bike trail, archery range, modern comfort stations, playground equipment, cross-country skiing, snowmobiling
Tallgrass Park	3 acres	Neighborhood	playground equipment, parking lot, restrooms
Stone Ridge	1 acre	Neighborhood	undeveloped
The Bluffs	1 acre	Neighborhood	undeveloped

B. FUTURE NEEDS

Neighborhood parks are generally between five and ten acres in size. The effective service area of neighborhood parks is one mile, depending on location, facilities, and accessibility. School/park sites also serve as neighborhood parks and include playground equipment in addition to play fields, parking lots, and multi use paved areas for court games.

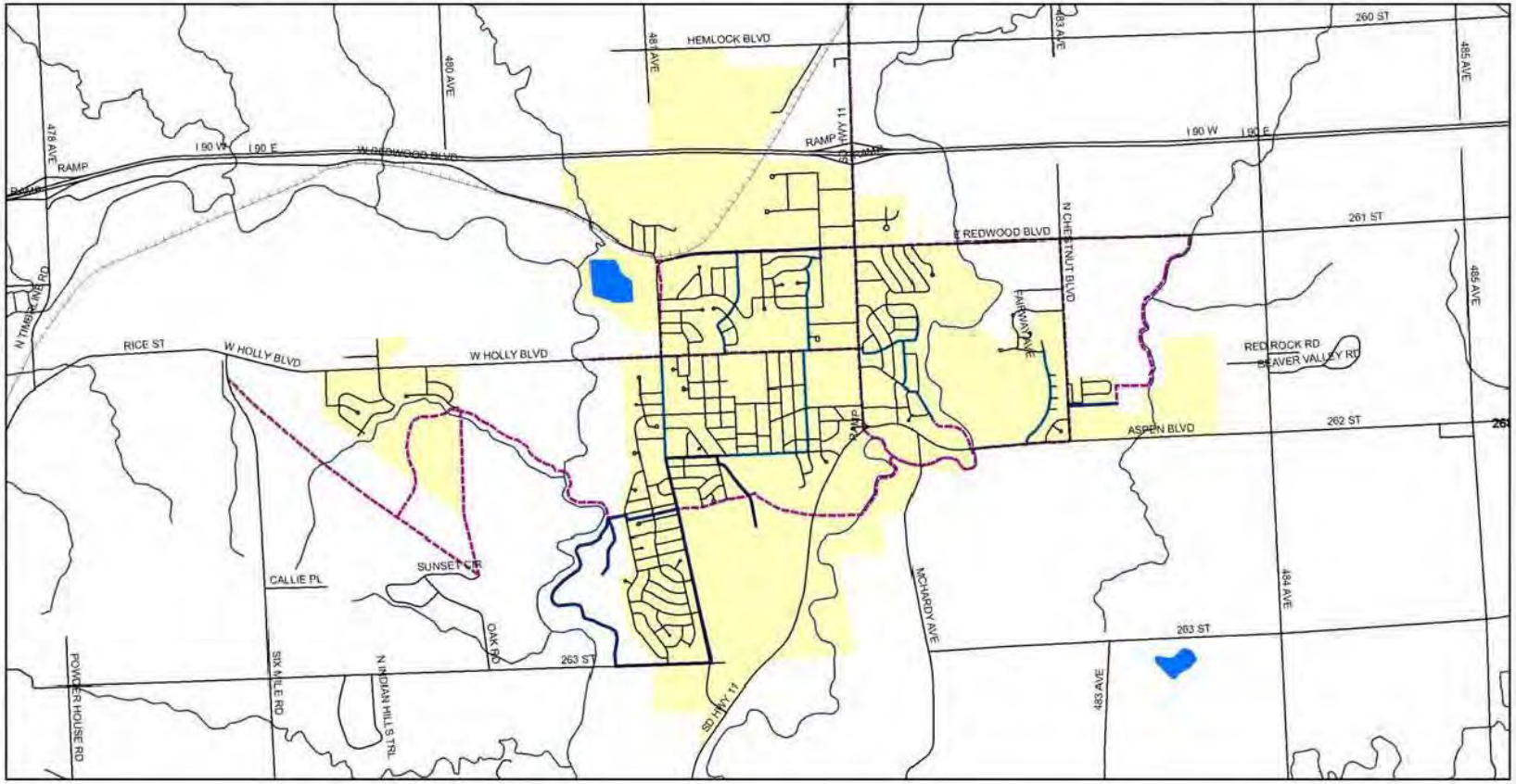
Community parks, because of their larger size, provide a much wider range of activities and facilities than neighborhood parks. The land area requirements generally range from 20 to 40 acres. Specialized facilities such as swimming pools, picnic areas, and athletic complexes can be accommodated in community parks. Community parks that should be provided include areas for passive uses, nature conservation, pools and aquatic centers, and athletic fields. Each of these four types of uses might include other uses such as neighborhood playground space, but generally larger parks will focus on one major type of activity.

Conservation and nature areas are specialized locations which preserve wildlife habitat, woodlands, and wetlands through open space development. Most commonly developed along the stream corridors and natural drainage ways are linear parts or greenways which provide a variety of recreational opportunities to adjacent neighborhoods. These activities easily accommodate the development of a bike trail system.

The parks and open spaces on the Future Land Use Map identify existing park facilities and proposed new facilities within the projected growth areas. A list of the new or expanded facilities is listed in the Capital Improvements Plan Summary on page 32. These facilities will bring nearly all residential development within the service area of both neighborhood and community parks. The specific improvements provided within each park facility should be tailored to meet the needs of the nearby population which it will primarily serve. Where feasible, proposed park sites are integrated with future elementary school sites to permit joint use of facilities. In addition, potential combinations of detention pond sites and neighborhood parks should be reviewed wherever feasible to allow more efficient land utilization and consolidation of maintenance costs.

If new parks are to be provided at a reasonable cost and in proper locations, it is essential that park land acquisition take place prior to residential development. Integration of park and school sites will likewise be feasible only if land acquisition occurs well ahead of residential development.

Expansion of the current bike trail system is proposed to continue. Future trail locations are planned along Holly and Redwood Boulevard, to the west of Brandon along the Big Sioux River and to the east of Brandon linking Aspen Park with McHardy Park. Additional designated bike routes are also proposed along major streets to provide better access to parks and the trail system. (See **Map 6**)



Legend

- Bike Route
- Current Bike Trail
- Future Bike Trail
- Roads
- Rail
- Creeks, Rivers & Lakes
- City Limits

Map 6

BIKE TRAILS

City of Brandon

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VIII. GROWTH AREA ANALYSIS

The costs of extending water and sewer services are the primary considerations in designating future growth. However, other factors must also be considered, which includes capacity of the transportation system and environmental suitability. The following analysis is intended to provide the City of Brandon and Minnehaha County with a guide to land use decisions and direct implementation through subdivision and zoning regulations. **Map 7** illustrates all growth areas by the number indicated.

Growth Area Constraints

Area #1

1. Big Sioux and Split Rock Creek floodplains.
2. Existing development along Sioux Boulevard and SD Highway 11.
3. Sand and gravel pits.
4. Drainage between Sioux Boulevard and SD Highway 11.
5. Sewer and water are available to most of area.
6. Indian burial grounds.

Area #2

1. Water available in most of area with 2 - 15 inch water lines across river.
2. Limited area to develop beyond.
3. Need for I-90 interchange and associated arterial corridor/collectors - large cost.

Area #3

1. Need separate lift station for area.
2. A water tower is needed (Area #2 water tower will be satisfactory).
3. Significant amount of existing rural residential development.
4. Much of terrain is hilly with steep slopes.

Area #4

1. Water and sewer available.

Area #5

1. Water and sewer available.
2. Will need to upgrade existing lift station (lift station pumping to another lift station).
3. Transportation issues - Redwood Boulevard as arterial.
4. Water runs along south side of property.

Area #6

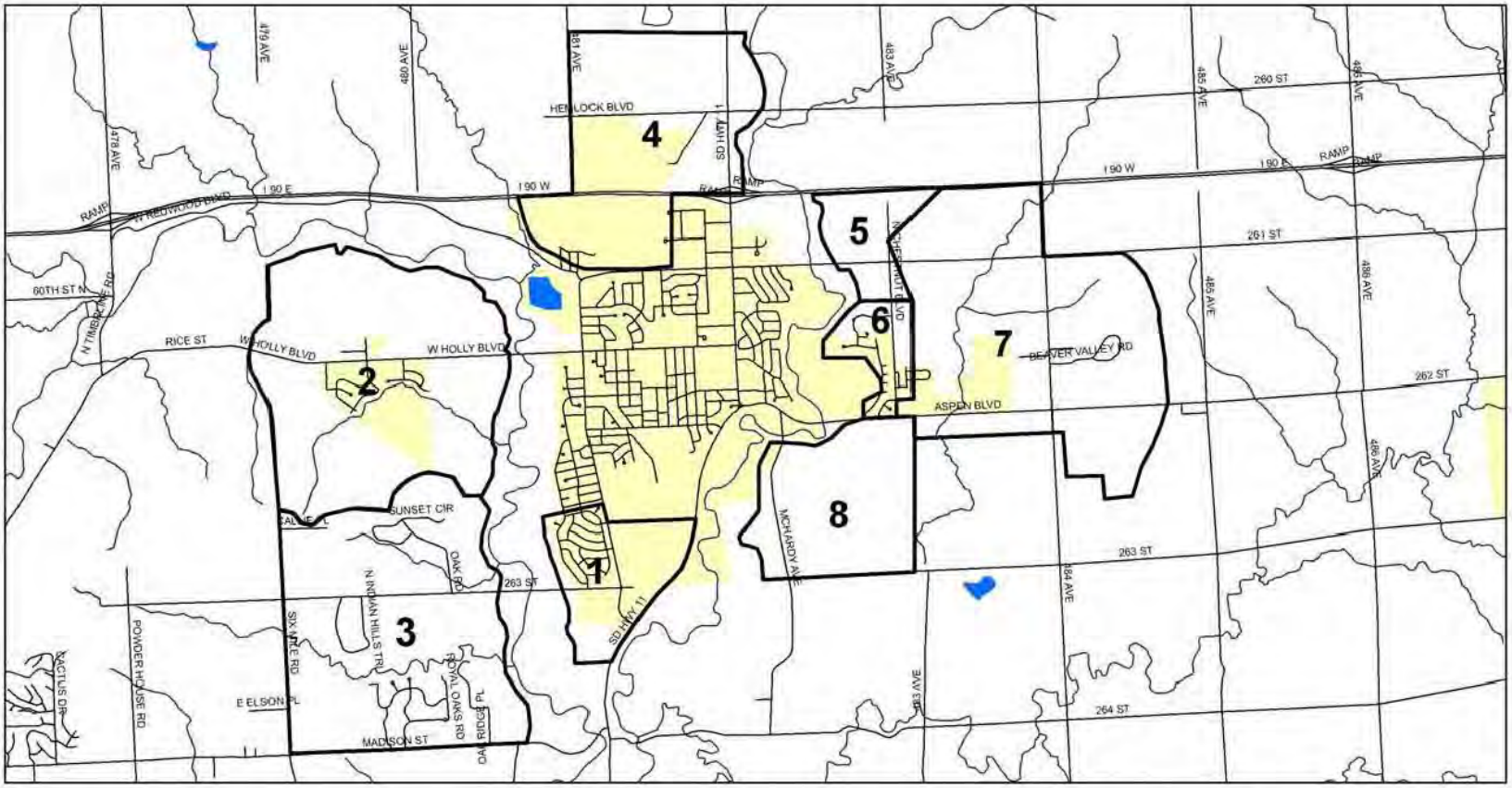
1. Water and sewer available.

Area #7

1. Need new lift station and force main *(See Stockwell Engineers Preliminary Study)*.
2. A new water tower and treatment plant will be needed beyond 20 year planning period.
3. Transportation issues – Chestnut and Redwood Boulevard and other arterial options.

Area #8

1. Need to upgrade lift station.
2. Water and sewer available.
3. Sewer will need to have force main upgrade.



Legend

- Growth Areas
- Rivers, Creeks & Lakes
- Roads
- Rail
- City Limits

Map 7

GROWTH AREAS

City of Brandon

This information has been secured from sources we believe to be reliable, however, we do not guarantee the accuracy of the information contained herein. This map does not eliminate the need for an onsite investigation.

This map was compiled by: South Eastern Council of Governments

IX. PLANNING POLICY FRAMEWORK

A. GROWTH MANAGEMENT AND CAPITAL IMPROVEMENTS STRATEGY

The City of Brandon details within this plan the types, locations and phasing of land uses. Growth management provides for economical provision of City services by coordinating public facility improvements with private development. To create a focus for the plan, listed below are the following growth management goals, policies, and objectives. In addition, the required capital improvements to facilitate growth and redevelopment are included, such as: streets, water, sewer, drainage, fire, police, and recreation.

Goal 1. Encourage Development and Redevelopment Within Existing City Limits Area

Objective 1 - Allow development within existing sanitary sewer basins as detailed by future land use map

Policy 1 - Sewer Basin #1 is open for development and will be developed as indicated by future land use map; except, preserve the Indian burial grounds in the southern section and wetland areas in the central section of the area.

Policy 2 - Encourage all other existing sewer basins in the city to develop as indicated by the future land use map.

Policy 3 - Develop proper drainage as the existing area develops with a mix of open space and proper site planning.

Goal 2. Direct New Growth into Designated Future Growth Areas

Objective 1 - Allow development into Growth Area #2 with regard to the following policies

Policy 1 - Continue to expand sewer services to the area through an area assessment.

Policy 2 - Continue to expand water services to the area through an area assessment and eventually construct a water tower to provide water service to southwestern sections of area.

Objective 2 - Allow development into Growth Area #4 with regard to the following policies

Policy 1 - Continue to extend sewer lines for future growth.

Policy 2 - Continue to extend water lines for future growth.

Policy 3 - Maintain area as a future industrial and office park area.

Policy 4 - Develop a tree and landscaped area on both sides of Interstate 90 as a method to soften the area's look and create an attractive gateway to the city.

Policy 5 - Encourage annexation of Corson and surrounding area for water and sewer issues.

Objective 3 - Encourage development within Growth Area #6 as detailed by future land use map

Policy 1 - Construct drainage area for existing and future growth.

Objective 4 - Encourage development within Growth Area #7 with regard to the following policies and as detailed by future land use map

Policy 1 - Continue to extend or expand sewer services to the area through an area assessment.

Policy 2 - Continue to extend or expand water services to the area through an area assessment.

Policy 3 - Construct drainage area for future development.

Objective 5 – Carefully examine growth into Growth areas #3, #5, and #8 due to high water and sewer system constraints

Goal 3. Construct and upgrade the major street system to handle new growth

Objective 1 - Construct an arterial road system to provide optimum traffic mobility

Policy 1 - Develop Redwood Boulevard into an arterial road from SD Highway 11 to 484th Avenue.

Policy 2 - Continue to develop Chestnut Avenue into an arterial section road from County Highway 264 to Redwood Boulevard.

Policy 3 - Widen Rice Street/Holly Boulevard to a 4 or 5-lane urban section from Six-Mile Road to Sioux Boulevard in a phased project and strictly limit access through shared driveways and maintain 100 foot right-of-way.

Policy 4 - Add a stop light at Sioux and Split Rock Boulevard to control projected increase in traffic.

Policy 5 - Study the overall regional transportation needs of growth area #2 including Holly Boulevard and Park Street through the Metropolitan Planning Organization process. The study should include the identification of a new I-90 interchange and associated arterial links as indicated on the Major Street Plan, improvements to current arterial systems to handle projected future traffic volumes, and access management guidelines.

Policy 6 - Investigate options to increase traffic control devices, turning lanes and a deceleration lane on Holly Boulevard at the Bluffs and Eagle Creek Development.

Objective 2 - Complete projects to enhance the safety of the transportation system

Policy 1 - Develop sidewalks in all areas of town to create safe neighborhoods by requiring developers to construct or assessing landowners at the directive of the City.

Goal 4. Improve Community Services for all residents of Brandon

Objective 1 - Improve Public Services and Buildings

Policy 1 - Complete construction of a new city government center.

Policy 2 - Complete construction of a community recreation center.

Objective 2 - Improve Park and Recreation Opportunities for Citizens

Policy 1 - Construct a bike trail from McHardy Park to the Brandon Golf Course area with the trail leading under SD 264 at the bridge to provide safe community access to the city park system.

Policy 2 - Construct a bike path along Redwood Boulevard to Pioneer Park to provide an access to bike path system for people in north residential neighborhoods.

Policy 3 - Construct additional playground equipment and a soccer complex at McHardy Park.

Policy 4 - Designate city bike routes to help provide a safe place for bike riding (See **Map 6**).

Policy 5 - Construct an extension of the bike trail from Aspen Park to McHardy Park alongside the railroad track right-of-way.

Policy 6 - Expand Aspen Park and add baseball and softball fields.

Policy 7 - Add a park area and associated bike trail in Growth Area #2 for neighborhood open space and recreational opportunities.

Policy 8 - Construct the Sioux Falls/Brandon bike path located in the growth area while also providing an area for open space and recreational needs on the north side of the Big Sioux River.

Policy 9 - Designate open space to construct a neighborhood park in Area #6.

Policy 10 - Designate open space to construct a neighborhood park in Area #2.

Policy 11 - Designate open space to construct a neighborhood park in Area #7.

Goal 5. Preserve the Function and Character of the Rural Area

Objective 1 - Encourage agriculture to remain the dominant land use activity

Policy 1 - Only agricultural uses will be allowed in the City's agricultural zones.

Objective 2 - Discourage scattered residential, commercial, or industrial development

Policy 1 - Work with Minnehaha County to ensure all proposed development within Brandon's growth areas are annexed and serviced with municipal utilities.

Goal 6. Improve Local Government

Objective 1 – Improve Communication

Policy 1 - Increase communication with the Brandon Valley School District.

Policy 2 - Increase communication with the public by holding informal public meetings and coffees.

Policy 3 - Increase communication with the city staff.

Objective 2 – Ensure financial stability of the city

Policy 1 - Establish fire and ambulance districts.

Policy 2 - Develop land development fees.

Policy 3 - Establish relationships with financial institutions.

Policy 4 - Continue to promote commercial and industrial expansion.

Policy 5 - Pursue donations through a community fund.

Objective 3 – Improve city staff management

Policy 1 - Provide adequate personnel to meet the needs of the increased workload.

Policy 2 - Provide leadership for a smooth transition of new staff.

Objective 4 – Remain current with new technologies

X. PLANNING STRATEGY

The City of Brandon has committed to shape the future of the community, to enhance economic development, and maintain a high quality of life for all citizens of the community. The following goals, objectives, and policies will guide the Planning and Zoning Commission and City Council, and are the basis for enforcement of the zoning and subdivision ordinances.

Goal 1. Ensure the Health and Safety of Citizens

Objective 1 - Separate structures for health and safety

Policy 1 - Sideyard setbacks will comply with fire safety separation distances for residential structures and minimum requirements for commercial and industrial structures.

Policy 2 - Ensure buildings and structures do not encroach on residential building air space.

Objective 2 - Design lots and blocks to emphasize cost efficiency and community values

Policy 1 - Require the City's consulting engineer review the utility plans before a plat is approved.

Policy 2 - Review the lot and block designs based upon subdivision design standards.

Objective 3 - All streets need adequate visibility at intersections and driveways

Policy 1 - Ensure adequate visibility at intersections and driveways by ensuring that structures do not obstruct the view of intersecting traffic.

Objective 4 - Design local streets to emphasize land access and safety

Policy 1 - Design residential streets with 66 feet right-of-ways and no more than 36 feet pavement width.

Objective 5 - Design major streets to emphasize mobility, safety, and adequate off-street parking

Policy 1 - Implement access management guidelines as a part of the subdivision ordinance.

Policy 2 - Maintain a policy of safe speed limits for all collectors and arterial roads. Limit the number of stop signs or stop lights to maintain an even traffic flow.

Policy 3 - Ensure single-family developments and other low intensity uses have driveway access off local or collector streets and not off major streets. Arterial streets should have limited access.

Policy 4 - Require development of a consistent collector street system as indicated by the Major Street Plan.

Policy 5 - Implement SD Highway 11/Splitrock Boulevard Access Plan as prepared by the South Dakota Department of Transportation and the City of Brandon.

Goal 2. Protect Natural Resources

Objective 1 - Retain runoff with open natural drainage systems

Policy 1 - Utilize open space such as parks or backyards to help naturally drain new developments.

Policy 2 - Complete drainage basin plans ahead of development.

Objective 2 - Create greenways and linear open spaces within floodplain areas

Policy 1 - Maintain the Big Sioux River and Split Rock Creek floodplains for open space, recreation areas, and bike path opportunities.

Policy 2 - Do not allow development to encroach upon the floodplains.

Objective 3 - Design around significant wetlands

Policy 1 - Preserve wetland areas as a part of drainage systems and park system where possible.

Objective 4 - Do not allow development on steep slopes

Policy 1 - Do not allow development to encroach into steep slope areas of Big Sioux River and Split Rock Creek areas.

Objective 5 - Limit development in areas with poor soils and high water table

Policy 1 - Maintain an open space area around the Brandon well fields in Aspen Park.

Goal 3. Enhance the Visual Quality of the Community

Objective 1 - Separate heavy industrial and residential uses

Policy 1 - Create a buffer zone for transitional areas between industrial, commercial, and residential areas.

Policy 2 - Create an office park between the industrial park and Redwood Boulevard.

Policy 3 - Create buffer zones for the proposed commercial zones.

Objective 2 - Soften the look of all uses to enhance the community's image as an attractive place

Policy 1 - Institute appropriate landscape regulations for all uses.

Policy 2 - Utilize the following gateways to Brandon as a way to create community identity through community welcome signage, landscape beautification, and design criteria.

* I-90 and Split Rock Boulevard
* Sioux Boulevard and Split Rock Boulevard
* Holly Boulevard and Six-Mile Road

Objective 3 - Create a transition from commercial to residential areas

Policy 1 - Require the use of berms, fences, and additional setbacks as measures to create an appropriate transition to single-family uses.

Objective 4 - Encourage the appropriate siting and concentration of uses and structures

Policy 1 - Create a manufactured housing zoning district regulation.

Policy 2 - Add telecommunication tower regulations to ensure their appropriate placement and mitigate negative visual features.

Policy 3 - Allow appropriate fences that do not obscure peoples' view.

Policy 4 - Allow signs of an appropriate size relative to the lot size and limit their numbers.

Policy 5 - Allow accessory buildings in a rear yard location with appropriate setbacks.

XI. PLAN IMPLEMENTATION

The best possible way to implement a comprehensive plan is to utilize all of the administrative tools available in order to influence development in a positive manner. There are many tools which can be utilized, including: zoning regulations, subdivision regulations, policy plans, capital improvements plans, annexation studies, and well-rounded community involvement.

Local Governing and Advisory Boards. The key players in the implementation of a Comprehensive Plan are the Planning and Zoning Commission and the City Council. It is the duty of the governing body of Brandon to encourage progress by utilizing all of the tools available to ensure orderly growth and development can take place. With public input, the Planning and Zoning Commission and the City Council can create a balance between industry, commerce, and housing, allowing utilization of the resources available to facilitate civic improvement.

Local Regulatory Tools. Perhaps the most widely utilized administrative tools are the Zoning Ordinance and Subdivision Regulations. It is essential to revise either or both of these documents when they conflict with the Comprehensive Plan. It is especially important to create a cooperative agreement between Minnehaha County and the City of Brandon to insure the Brandon urban growth area is developed according to the Comprehensive Plan recommendations.

Annexation. If the orderly growth of Brandon is to continue over the planning period, it is essential the City continue an active annexation program. The boundaries for providing municipal services should generally coincide with the corporate limits. Areas designated by the land use plan as future growth areas of the City should be annexed in advance of major development as should existing rural subdivisions which lie adjacent to the City. This policy will assure that sufficient development land to accommodate the future growth of the urban areas is maintained.

Capital Improvements Planning. The purpose of capital improvements planning is to provide local government officials with a guide for budgeting for major improvements which will benefit the community. The City must review current infrastructure and identify and address any deficiencies prior to consideration of future development. It is the intention of the City to upgrade a portion of existing utilities and transportation routes on an annual basis. Information within the Comprehensive Plan will be utilized in constructing the Brandon capital improvement plan. On the following page is a list of major capital improvements over the 20-year study period.

Capital Improvements Summary of Needs 2007 - 2027

General

- Sidewalks along Splitrock Boulevard
- Redwood drainage repair

Police

- Garage for police behind City Hall

Water

- Construction in growth area #7 to include water booster station and water mains
- Construction of water tower to service area #2 (south of water pressure line)
- Extend water line from well #3 to water treatment plant
- Dedicated trunk line to growth area #4
- Controls from well #3 to water treatment plant
- Increase line size from the water treatment plant to 5th and Aspen
- Increase line size from the water treatment plant to Richland Park Addition

Street

- Reconstruction of Holly from Sioux Boulevard to Splitrock Boulevard and should be included in the transportation study in growth area #2
- Improve drainage at Main and Aspen
- Reconstruction of Redwood Boulevard and Chestnut Avenue and should be included in the transportation study in growth area #7
- Construction of arterial roads in growth area #2
- Construction of arterial roads in growth area #7
- Re-pave Rushmore Drive from Splitrock Boulevard to Teton Drive
- Overlay parts of Aspen Boulevard
- Construction of a 2-lane arterial from I-90 interchange to Redwood Boulevard
- I-90 Interchange, bridge and arterial extension to Six Mile Road
- Expand the turn lanes/deceleration lanes at Sandstone Avenue to Heritage Road along Holly Boulevard
- Add a stop light at the intersection of Redwood Boulevard and Splitrock Boulevard

Golf Course

- Chipping green and bunker on practice range

Parks

- Expansion of Aspen Park (McHardy Park) with additional softball and baseball fields
- Construction of additional soccer fields and playground equipment in McHardy Park
- Add lights on diamonds C & D in Aspen Park
- Bike trail from Pioneer Park to McHardy Park
- New park construction in growth area #2 south of Holly Boulevard
- Reconstruction of Aspen Park Avenue
- Big Sioux River bike trail Phase 2

- Bike trail from new area #2 park to Big Sioux Recreation area
- Pool blanket to preserve heat
- Park development around the Sweetman property on Aspen Boulevard
- Construction of a pool on the east side

APPENDIX 1
Land Use Location and Design Criteria

Residential

Low density (3 to 6 units/acre)

*Access to local street system-avoid direct access to arterial streets
*Convenient to neighborhood school, park, and commercial services
*Avoid environmentally sensitive areas such as wetlands and drainage ways

Medium density (6 to 16 units/acre)

*Access to major street system
*Well designed transition to adjacent land uses
*Provision of useable open space based on project size
*Transition between low density neighborhood and major streets
*Adjacent to neighborhood commercial center

High density (16 to 40 units/acre)

*Adjacent to principal arterials near major commercial, institutional, or employment centers
*Well designed transition to adjacent land use
*Provision of viable open space based on project size

Commercial

Highway oriented and regional centers

*Adjacent to major streets and regional highways
*Controlled access to arterial streets
*Quality architecture and well designed transition to adjacent uses

Community centers

*Intersection of arterial streets and along transit routes
*Mixed use development including office, institutional, or multifamily residences
*Well designed transition to adjacent uses

Neighborhood retail, office, and convenience services

*Convenient vehicular and pedestrian access to residential areas
*Adjacent to major street intersections
*Design compatible with surrounding uses
*Well designed transition to adjacent uses
*Located within residential, employment, or institutional centers

Downtown area

*Pedestrian orientation
*Quality urban design standards
*Mixed uses including office, retail, institutional, cultural and entertainment
*Orientation to green way where feasible
*Consolidate off-street parking areas
*Residential uses within walking distance of the Central Business District (CBD)

Industrial

General light industrial

*Regional highway access located close to major arterial streets
*Rail access for industrial uses requiring it
*Buffered from residential and other adjacent land uses

*Industrial park setting with building design and landscape amenities
*Include office, warehousing and limited retail uses

Limited heavy industrial

*Access to major streets
*Well designed buffer to adjacent land uses
*Minimize environmental impacts on surrounding properties

Mixed Use

Institutional, office, and other mixed use development

*Convenient to intended market area
*Vehicular access to major streets
*Minimization of traffic impact on adjacent uses
*Orderly expansion of institutional uses near residential areas
*Design compatibility with adjacent uses
*Include retail, multifamily and business-technology land uses

Appendix D
Water Sample Results

600 N. Main Ave, Suite 100
Sioux Falls, SD 57104
Ph. (605) 338-6668
Fax. (605) 338-8750
www.stockwellengineers.com

SOUTH DAKOTA DEPARTMENT OF HEALTH

DIVISION OF ADMINISTRATION

Public Health Laboratory

615 East Fourth Street
Pierre, South Dakota 57501-1700
605/773-3368 FAX: 605/773-6129
www.state.sd.us/doh/lab/index.htm

Submitter copy to:

Date: 7/12/2013

LABER,GABE-111277
600 N MAIN AVE SUITE 100
SIOUX FALLS, SD 57104

Spec #: E13EC003382
Subm #:
Lab: ENV CHEMISTRY
Tel #: (605)773-3368

Source

BRANDON/CITY WATER

Date Rcvd:	7/3/2013	Location	SAMPLE TAP
Time Rcvd:	0701	Site Location:	WELL #1
Date Coll:	7/2/2013	Source Sampled:	WELL
Time Coll:	0945	Source:	WELL
Spec Type:	WATER	Tap Location:	SAMPLE TAP
Coll By:	DONOVAN C./GABE LABER	Type of Sample:	RAW
		medium	water

Final Results

Nitrate	Nitrate-N	7.0	mg/L	Limit: 10.0
Fluoride		0.28	mg/L	
Chloride		69	mg/L	
Iron, Total		0.06	mg/L	
Manganese		0.06	mg/L	
Sulfate		39.4	mg/L	
SOLIDS, TOTAL DISS.		484	mg/L	
Standard Method 2540C				
PH		7.74	pH UNITS	
EPA Method 150.1				
Alkalinity-M		261	mg/L	
Alkalinity-P		0	mg/L	
Bicarbonate		318	mg/L	
Carbonate		0	mg/L	
Conductivity		818	umho/cm	
Calcium		106	mg/L	
Magnesium		27.7	mg/L	
SM3111B				
Hardness (calc)		379	mg/L	
Langlier Index		0.63		
Sodium		26.1	mg/L	
Potassium		3.9	mg/L	

(continued)

SOUTH DAKOTA DEPARTMENT OF HEALTH

DIVISION OF ADMINISTRATION

Public Health Laboratory

615 East Fourth Street
Pierre, South Dakota 57501-1700
605/773-3368 FAX: 605/773-6129
www.state.sd.us/doh/lab/index.htm

Date: 7/12/2013

Submitter copy to:

LABER,GABE-111277
600 N MAIN AVE SUITE 100
SIOUX FALLS, SD 57104

Spec #: E13EC003382
Subm #:
Lab: ENV CHEMISTRY
Tel #: (605)773-3368

Source

BRANDON/CITY WATER

Specimen Comments:
%error = 1.8/3.7

SOUTH DAKOTA DEPARTMENT OF HEALTH

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Public Health Laboratory

615 East Fourth Street
Pierre, South Dakota 57501-1700
605/773-3368 FAX: 605/773-6129
www.state.sd.us/doh/lab/index.htm

Submitter copy to:

Date: 7/12/2013

LABER,GABE-111277
600 N MAIN AVE SUITE 100
SIOUX FALLS, SD 57104

Spec #: E13EC003383
Subm #:
Lab: ENV CHEMISTRY
Tel #: (605)773-3368

Source

BRANDON/CITY WATER

Date Rcvd: 7/3/2013
Time Rcvd: 0701
Date Coll: 7/2/2013
Time Coll: 0915
Spec Type: WATER
Coll By: DONOVAN C./GABE LABER
Location HYDRANT NEXT TO WELL

Site Location: HYDRANT NEXT TO WELL
Source Name WELL #3
Source Sampled: WELL
Source: WELL
Tap Location: HYDRANT NEXT TO WELL
Type of Sample: RAW
medium water

Final Results

Nitrate	Nitrate-N	<0.2	mg/L	Limit: 10.0
Fluoride		2.30	mg/L	
Chloride		9	mg/L	
Iron, Total		2.74	mg/L	
Manganese		0.18	mg/L	
Sulfate		76.8	mg/L	
SOLIDS, TOTAL DISS.		466	mg/L	
Standard Method 2540C				
PH		7.66	pH UNITS	
EPA Method 150.1				
Alkalinity-M		307	mg/L	
Alkalinity-P		0	mg/L	
Bicarbonate		374	mg/L	
Carbonate		0	mg/L	
Conductivity		737	umho/cm	
Calcium		92.4	mg/L	
Magnesium		29.0	mg/L	
SM3111B				
Hardness (calc)		350	mg/L	
Langlier Index		0.57		
Sodium		26.9	mg/L	

(continued)

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Pierre, South Dakota 57501-1700
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Date: 7/12/2013

Submitter copy to:

LABER,GABE-111277
600 N MAIN AVE SUITE 100
SIOUX FALLS, SD 57104

Spec #: E13EC003383
Subm #:
Lab: ENV. CHEMISTRY
Tel #: (605)773-3368

Source
BRANDON/CITY WATER

Potassium	5.9 mg/L

Specimen Comments:
%error = 1.2/3.8

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Submitter copy to:

Date: 7/12/2013

LABER,GABE-111277
600 N MAIN AVE SUITE 100
SIOUX FALLS, SD 57104

Spec #: E13EC003384
Subm #:
Lab: ENV CHEMISTRY
Tel #: (605)773-3368

Source

BRANDON/CITY WATER

Date Rcvd:	7/3/2013	Site Location:	PRECHEM ROOM
Time Rcvd:	0705	Source Name	WELL #6
Date Coll:	7/2/2013	Source Sampled:	WELL
Time Coll:	0950	Source:	WELL
Spec Type:	WATER	Tap Location:	PRECHEM ROOM
Coll By:	DONOVAN C./GABE LABER	Telephone Numb*	3386668
		Type of Sample:	RAW
Location	PRECHEM ROOM	medium	water

Final Results

Nitrate	Nitrate-N	<0.2	mg/L	Limit: 10.0
Fluoride		0.54	mg/L	
Chloride		4	mg/L	
Iron, Total		1.88	mg/L	
Manganese		0.37	mg/L	
Sulfate		142	mg/L	
SOLIDS, TOTAL DISS.		540	mg/L	
Standard Method 2540C				
PH		7.91	pH UNITS	
EPA Method 150.1				
Alkalinity-M		292	mg/L	
Alkalinity-P		0	mg/L	
Bicarbonate		356	mg/L	
Carbonate		0	mg/L	
Conductivity		777	umho/cm	
Calcium		108	mg/L	
Magnesium		34.6	mg/L	
SM3111B				
Hardness (calc)		412	mg/L	
Langlier Index		0.85		
Sodium		29.3	mg/L	
Potassium		4.5	mg/L	

(continued)

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Date: 7/12/2013

Submitter copy to:

LABER,GABE-111277
600 N MAIN AVE SUITE 100
SIOUX FALLS, SD 57104

Spec #: E13EC003384
Subm #:
Lab: ENV CHEMISTRY
Tel #: (605)773-3368

Source

BRANDON/CITY WATER

Specimen Comments:
%error = 3.7/3.7

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Pierre, South Dakota 57501-1700
605/773-3368 FAX: 605/773-6129
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Date: 7/12/2013

Submitter copy to:

LABER,GABE-111277
600 N MAIN AVE SUITE 100
SIOUX FALLS, SD 57104

Spec #: E13EC003385
Subm #:
Lab: ENV CHEMISTRY
Tel #: (605)773-3368

Source

BRANDON/CITY WATER

Date Rcvd: 7/3/2013
Time Rcvd: 0705
Date Coll: 7/2/2013
Time Coll: 1000
Spec Type: WATER
Coll By: DONOVAN C./GABE LABER
Location SHOP

Site Location: SHOP
Source Sampled: TREATED
Source: TREATED
Tap Location: SHOP
Telephone Numb* 3386668
Type of Sample: TREATED
medium water

Final Results

Nitrate	Nitrate-N	0.8	mg/L	Limit: 10.0
Fluoride		1.14	mg/L	
Chloride		24	mg/L	
Iron, Total		0.14	mg/L	
Manganese		0.12	mg/L	
Sulfate		128	mg/L	
SOLIDS, TOTAL DISS.		538	mg/L	
Standard Method 2540C				
PH		7.84	pH UNITS	
EPA Method 150.1				
Alkalinity-M		291	mg/L	
Alkalinity-P		0	mg/L	
Bicarbonate		355	mg/L	
Carbonate		0	mg/L	
Conductivity		824	umho/cm	
Calcium		106	mg/L	
Magnesium		33.3	mg/L	
SM3111B				
Hardness (calc)		402	mg/L	
Langlier Index		0.77		
Sodium		27.3	mg/L	
Potassium		4.6	mg/L	

(continued)

SOUTH DAKOTA DEPARTMENT OF HEALTH

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615 East Fourth Street
Pierre, South Dakota 57501-1700
605/773-3368 FAX: 605/773-6129
www.state.sd.us/doh/lab/index.htm

Date: 7/12/2013

Submitter copy to:

LABER,GABE-111277
600 N MAIN AVE SUITE 100
SIOUX FALLS, SD 57104

Spec #: E13EC003385
Subm #:
Lab: ENV CHEMISTRY
Tel #: (605)773-3368

Source

BRANDON/CITY WATER

Specimen Comments:
%error = 0.3/3.7

WRAP Review Sheet
Drinking Water Facilities Funding Application
Applicant: Minnehaha Community Water Corp.

Project Title:	Connection to Big Sioux CWS and Madison
Funding Requested:	$1,800,000
Other Proposed Funding:	$0
Total Project Cost:	$1,800,000
Project Description:	The project consists of improvements to the Minnehaha Community Water Corporation (MCWC) distribution system which will enable MCWC to receive additional water from the Lewis & Clark Regional Water System (L&CRWS). These improvements will then allow MCWC to deliver 1.0 MGD to Big Sioux Community Water System (BSCWS) who will then, in turn, use the extra capacity to deliver up to 1.0 MGD to the City of Madison.
Alternatives Evaluated:	MCWC considered an alternative of which there are 7 improvements that allow MCWC to take on 1.75 MGD at MCWC north connection from L&CRWS and distribute 0.75 MGD to MCWC and deliver 1.0 MGD to BSCWS. These improvements, when implemented together, allow for the delivery of water to Tower 3B whereby BSCWS will be able to distribute the 1.0 MGD to the City of Madison. These improvements include installation of pipe that either distributes water to Tower 3B directly, distribute water to Tower 3A or Tower 3, connect Booster Pump Station 4 to Hartford Pump Station, or close loops in the distribution system allowing for more water to be distributed to BSCWS. The lengths and sizes of these installations are 5,300’ of 16”pipe, 10,600’ of 12” pipe, 5,300’ of 10” pipe, 3,000’ of 12” pipe, 16,000’ of 8” pipe, and 5,300’ of 6” pipe.
Implementation Schedule:	MCWC anticipates bidding the project in August 2015 with a project completion date of November 2016
Service Population:	9,460
Current Domestic Rate:	$52.75 per 7,000 gallons usage

Proposed Domestic Rate at Project Completion:	$52.75 per 7,000 gallons usage

Interest Rate: 3.00% Term: 20 years Security: System Revenue

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan, MCWC would have 395% debt coverage based on system revenue generated with the current rate of $52.75 for 7,000 gallons usage.

ENGINEERING REVIEW COMPLETED BY: NICK NELSON

FINANCIAL REVIEW COMPLETED BY: JON PESCHONG

Drinking Water Facilities Funding Application

Consolidated Water Facilities Construction Program (CWFCP)
Drinking Water State Revolving Fund Program (DWSRF)

Applicant	**Proposed Funding Package**	
Minnehaha Community Water Corp.		
Address	CWFCP / DWSRF	$1,800,000
	Local Cash	
47381 248th St Dell Rapids, SD 57022	Other	
	Other	
Subapplicant	Other	
DUNS Number	**TOTAL**	$1,800,000

Project Title: Connection to Big Sioux CWS and Madison

Description:

A water distribution system improvement project which will enable Minnehaha Community Water Corp. to receive additional water from the Lewis & Clark Regional Water System. These improvements will, in turn, allow MCWC to deliver 1.0 MGD to Big Sioux Community Water System. Big Sioux will use the extra capacity to deliver up to 1.0 MGD to the City of Madison.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Scott J. Buss, Executive Director

Name & Title of Authorized Signatory (Typed)

Scott J Buss 12/26/14

Signature Date

Professional Consultants

Application Prepared By: Minnehaha Community Water Corp.

Contact Person: Scott Buss

Mailing Address: 47381 248th St

City, State, and Zip: Dell Rapids, SD 57022

Telephone Number: 605-428-3374 Fax: 605-428-3395

Email address: mcwc@siouxvalley.net

Consulting Engineering Firm: Banner Associates

Contact Person: Chad Bachman

Mailing Address: 409 22nd Ave S

City, State, and Zip: Brookings, SD 57006

Telephone Number: 605-692-6342 Fax: 605-692-5714

Email address: chadb@bannerassociates.com

Legal Counsel's Firm: Lammers, Lammers, & Kliebacher

Legal Counsel: Jerome Lammers

Mailing Address: 108 N Egan Ave

City, State, and Zip: Madison, SD 57042

Telephone Number: 605-256-6677 Fax: 605-256-6679

Email address: jb87d@lammerskleibacker.com

This section applies only to political subdivisions

Bond Counsel's Firm: _____

Bond Counsel: _____

Mailing Address: _____

City, State, and Zip: _____

Telephone Number: _____ Fax: _____

Email address: _____

BUDGET SHEET

Cost Classification	A CWFCP / DWSRF	B	C	D	E	Total Funds
1. Administrative Expenses						
A. Personal Services	$10,000.00					$10,000.00
B. Travel						
C. Legal including Bond Counsel	$6,000.00					$6,000.00
D. Other						
2. Land, Structure, Right-of-Way						
3. Engineering						
A. Bidding and Design Fees	$62,900.00					$62,900.00
B. Project Inspection Fees	$94,400.00					$94,400.00
C. Other Construction Plans of Record	$7,500.00					$7,500.00
4. Construction and Project Improvement	$1,572,000.00					$1,572,000.00
5. Equipment						
6. Contractual Services						
7. Other Geotechnical Services	$4,000.00					$4,000.00
8. Other Crop Reimbursement	$24,000.00					$24,000.00
9. Subtotal (Lines 1-8)	$1,780,800.00					$1,780,800.00
10. Contingencies						
11. Total (Lines 9 and 10)	$1,780,800.00					$1,780,800.00
12. Total %	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%

Columns A - E: Identify each funding source and enter the amounts budgeted by cost category.

Comments:

Method of Financing

Source Header	Secured Funds	Unsecured Funds (Date Anticipated)
Local Cash (Identify Source)		
Other (Explain) _____		
Other (Explain) _____		
Other (Explain) _____		
Other (Explain) _____		
Other (Explain) _____		
TOTAL		

Comments:

7.3.1 Repayment Information

Interest rate and term you are applying for: 3 %, 20 years.

What security is being pledged toward the repayment of this loan?
(Political Subdivisions Only)

- ☐ 1. General Obligation bond (requires bond election)
- ☐ 2. Water Revenue bond
- ☐ 3. Project Surcharge Revenue bond
- ☐ 4. Sales Tax Revenue bond

7.3.2 Documents That Must Be Submitted With The Application

Financial Documents

1. Most recent audit or unaudited financial statement to include specific accounting of pledged funds.
2. Current year's budget.

Planning and Legal Documents

1. Governing user charge ordinance or resolution and its effective date.
2. Resolution of authorized signatory for submission of the Drinking Water SRF application and signing of payment requests. This resolution must also include the maximum loan amount requested, interest rate and term being applied for, description of proposed project, and security pledged towards repayment of the loan.
3. Facilities Plan (8.3.18).
4. Capacity Assessment Worksheets (section 8.3.16).

Items 5-7 apply to Nonprofit Entities only

5. By-laws
6. Articles of Incorporation
7. Certificate of Good Standing from Secretary of State

7.3.3 General Information

The month and day your fiscal year begins: January 1st

Population Served

Current 9,460 2000 7,600 1990 4,400

Top Five Employers Within 30 Miles	Number of Employees	Type of Business
Sanford	7,337	Health Care
Avera	6,096	Health Care
Wells Fargo	3,467	Financial
Citibank	3,200	Financial
John Morrell	3,200	Food Processing

Please indicate employers within boundary of issuing entity with an asterisk (*).

7.3.4 Drinking Water Utility Information

Current Water Utility Debt

Year	2002	2009					
Purpose	System Expansion	Lewis & Clark					
Security Pledged	Corp Assets	Corp Assets					
Amount	$6,500,000.00	$3,250,000.00					
Maturity Date (mo/yr)	7/2024	4/2048					
Debt Holder	BWNR	US Rural Dev					
Debt Coverage Requirement	110%	100%					
Avg. Annual Required Payment	$419,688.00	$168,096.00					
Outstanding Balance	$3,746,565.00	$3,069,187.00					

Use additional sheets if more room is required to list all current water utility debt.

Drinking Water Utility Cash Flow

	Prior Year	Prior Year	Current Year	Future Year #
Fiscal Year	2012	2013	2014	2015
OPERATING CASH FLOW				
Water Sales	$3,411,223	$3,224,780.0	$3,195,950.00	$3,350,000.00
Surcharge Fee	$62,112	$55,051.00	$64,950.00	$55,000.00
Other (Explain) Misc & Equipment Rental	$52,548	$53,038.00	$58,500.00	$44,000.00
OPERATING PAYMENTS				
Personal Services				
Chemical, Material & Supplies	($394,783)	($300,607.00)	($310,260.00)	($315,000.00)
Electric & Other Utilities	($243,287)	($243,916.00)	($251,325.00)	($255,000.00)
Other (Explain) Purchased Water	($134,101)	($258,081.00)	($253,800.00)	($255,000.00)
General &Administrative	($1,149,640)	($997,139.00)	($1,264,000.00)	($1,175,000.00)
NET CASH FROM OPERATIONS	$1,604,072	$1,533,126.0	$1,240,015.00	$1,449,000.00
NONOPERATING CASH FLOW				
Interest Income	$121,252.00	$97,370.00	$86,000.00	$85,000.00
Other Revenue (Explain) Membership Fee	$5,125.00	$7,400.00	$7,300.00	$6,000.00
Mainline Relocation Revenue	$0.00	$590,272.00	$0.00	$0.00
Transfers In (Explain)				
Members Aid in Construction	$56,000.00	$74,235.00	$60,000.00	$60,000.00
Fixed Asset Sale (Explain)				
Sale of Equipment			$41,500.00	
Transfers Out (Explain)				
Mainline Relocation Expense		($764,280.00)		
Fixed Asset Purchases (Explain) AMR			($75,000.00)	($500,000.00)
Backhoe & Dump Truck			($175,000.00)	
Debt Payment (Principal Only)	($1,745,514.0	($322,939.00)	($334,654.00)	($346,800.00)
Debt Payment (Interest Only)	($333,910.00)	($259,400.00)	($250,000.00)	($250,000.00)
Other Expenses (Explain)				
NET CASH FROM NONOPERATING	($1,897,047)	($577,342.00)	($639,854.00)	($945,800.00)
Net Increase (Decrease) in Cash	($292,975)	$955,784.00	$600,161.00	$503,200.00
Beginning Cash Balance	$2,961,982	$2,669,007.0	$3,634,791.00	$4,234,952.00
Ending Cash Balance	$2,669,007	$3,624,791	$4,234,952.00	$4,738,152.00
RESTRICTED BALANCE	$60,940	$77,560.00	$94,180.00	$110,800.00
UNRESTRICTED BALANCE	$2,608,067	$3,547,231	$4,140,772.00	$4,627,352.00

Future Year: First full year after project completion.

Restricted Funds Breakdown:

Amount	Anticipated Expense	Method Used to Encumber

Water Fees:

Attach current and proposed rate ordinances or resolutions and rate schedules.

Municipal or Sanitary District - monthly rates at 5,000 gallons (670 cubic feet)

Other Community Water System - monthly rates at 7,000 gallons (935 cubic feet)

Check one: ____ Incorporated Municipality or Sanitary District

or

✓ Other Community Water System

Monthly:	Current Rate	Proposed Rate	# of Accounts	Average use gallons/cubic feet
Domestic	$47.75	$52.75	2,500	7500 gal
Business	$47.75	$52.75	2,500	7500 gal
Other:				

Are fees based on usage or flat rate? based on usage

When is proposed fee scheduled to take effect? January 1, 2015

When did the current fee take effect? January 1, 2012

What was the fee prior to the current rate? $45.25 for 7,000 gallons

Attach current and proposed rate ordinances or resolutions and rate schedules.

Five Largest Customers	Type of Business	% of System Revenues
Dell Rapids	Municipality	4%
Hartford	Municipality	3%
Crooks	Municipality	2%
Garretson	Municipality	2%
Boadwine Farms	Municipality	1%

7.3.5 Property Tax Information

(Complete only if General Obligation bond is pledged to repay your loan.)

Three year valuation trend:

Year	_____	_____	_____
Assessed Valuation	_____	_____	_____
Full & True Valuation	_____	_____	_____

Three year levies and collection trend:

Year	_____	_____	_____
Amount Levied	_____	_____	_____
Collected	_____	_____	_____
Penalties/Interest	_____	_____	_____
Late Payments	_____	_____	_____

Five Largest Taxpayers	Description	Assessed Valuation
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Comments:

List all current debt secured by General Obligation bond:

Year					
Purpose					
Security Pledged					
Amount					
Maturity Date (mo/yr)					
Debt Holder					
Debt Coverage Requirement					
Avg. Annual Required Payment					
Outstanding Balance					

Use additional sheets if more room is required to list all current G.O. debt.

Comments:

7.3.6 Sales Tax Information

(Complete only if sales tax is pledged to repay your loan.)

Sales tax revenue history for the most current fifteen months:

Month/Year	Amount Collected

Comments:

List all current debt secured by sales tax:

Year Issued					
Purpose					
Amount					
Maturity Date (mo/yr)					
Debt Holder					
Debt Coverage Requirement					
Avg. Annual Required Payment					
Outstanding Balance					

Use additional sheets if more room is required to list all current sales tax debt.

Comments:

7.3.7 Facilities Plan Checklist.

Before submitting the application, please take a few moments to complete the following checklist. Addressing these items prior to submitting the application will expedite the review process

Checklist of SRF Facilities Plan Requirements

Have the following items been addressed?

- Submission of a Facilities Plan to the department that addresses those items found in section 8.3.18. _____
- A public hearing held discussing the project and the use of an SRF loan to finance the project. (See section 8.3.15) _____
- Minutes of the public hearing prepared and submitted to the department for inclusion into the final Facilities Plan. _____
- The affidavit of publication of the public hearing received and submitted to the department for inclusion into the final Facilities Plan. (See section 8.3.15) _____
- The four review agencies contacted and responses received for inclusion into the final Facilities Plan. (See section 8.3.18) _____
- The Cultural Resources Effects Assessment Summary and supporting documentation, such as an archaeological survey or Historic Register database search. (See section 8.3.20) _____

7.3.8 Certification of Drinking Water Needs Categories

Identify the loan amount associated with the needs category or categories described below. If the loan addresses needs in more than one category, please break down the total amount into estimated amounts for each category.

Definition	Loan Amount
Transmission/Distribution	$1,800,000.00
Treatment	
Storage	
Source	
System Purchase	
Restructuring	
1452(k) Loan Activities	
1. To acquire land or a conservation easement for source water protection.	
2. To implement voluntary, incentive-based source water quality protection measures.	
TOTAL	$1,800,000.00

Scott J. Buss, Executive Director, MCWC

Name of Applicant

Scott J. Buss

Signature of Authorized Representative

12/26/14

Date

7.3.9 Preaward Compliance Review

FORM Approved By OMB: No. 2030-0020 Expires 12-31-2011

United States Environmental Protection Agency
Washington, DC 20460

Preaward Compliance Review Report for All Applicants and Recipients Requesting EPA Financial Assistance

Note : Read instructions on other side before completing form.

I. Applicant/Recipient (Name, Address, State, Zip Code).	DUNS No.
Minnehaha Community Water Corp., 47381 248th St, Dell Rapids, SD, 57022	034761510

II. Is the applicant currently receiving EPA assistance? No

III. List all civil rights lawsuits and administrative complaints pending against the applicant/recipient that allege discrimination based on race, color, national origin, sex, age, or disability. (Do not include employment complaints not covered by 40 C.F.R. Parts 5 and 7. See instructions on reverse side.) N/A

IV. List all civil rights lawsuits and administrative complaints decided against the applicant/recipient within the last year that allege discrimination based on race, color, national origin, sex, age, or disability and enclose a copy of all decisions. Please describe all corrective action taken. (Do not include employment complaints not covered by 40 C.F.R. Parts 5 and 7. See instructions on reverse side.) N/A

V. List all civil rights compliance reviews of the applicant/recipient conducted by any agency within the last two years and enclose a copy of the review and any decisions, orders, or agreements based on the review. Please describe any corrective action taken. (40 C.F.R. § 7.80(c)(3)). N/A

VI. Is the applicant requesting EPA assistance for new construction? If no, proceed to VII; if yes, answer (a) and/or (b) below. No

a. If the grant is for new construction, will all new facilities or alterations to existing facilities be designed and constructed to be readily accessible to and usable by persons with disabilities? If yes, proceed to VII; if no, proceed to VI(b).b. If the grant is for new construction and the new facilities or alterations to existing facilities will not be readily accessible to and usable bypersons with disabilities, explain how a regulatory exception (40 C.F.R. § 7.70) applies.

VII.* Does the applicant/recipient provide initial and continuing notice that it does not discriminate on the basis of race, color, national origin, sex,age, or disability in its programs or activities? (40 C.F.R. § 5.140 and § 7.95) Yes

a. Do the methods of notice accommodate those with impaired vision or hearing? b. Is the notice posted in a prominent place in the applicant's offices or facilities or, for education programs and activities, in appropriate periodicals and other written communication? c. Does the notice identify a designated civil rights coordinator?

VIII.* Does the applicant/recipient maintain demographic data on the race, color, national origin, sex, age, or handicap of the population it serves? (40 C.F.R. § 7.85(a)) No

IX.* Does the applicant/recipient have a policy/procedure for providing access to services for persons with limited English proficiency? (40 C.F.R. Part 7, E.O. 13166) No

X.* If the applicant/recipient is an education program or activity, or has 15 or more employees, has it designated an employee to coordinate its compliance with 40 C.F.R. Parts 5 and 7? Provide the name, title, position, mailing address, e-mail address, fax number, and telephone number of the designated coordinator. N?A

XI* If the applicant/recipient is an education program or activity, or has 15 or more employees, has it adopted grievance procedures that assure the prompt and fair resolution of complaints that allege a violation of 40 C.F.R. Parts 5 and 7? Provide a legal citation or Internet address for, or a copy of, the procedures. N/A

For the Applicant/Recipient I certify that the statements I have made on this form and all attachments thereto are true, accurate and complete. I acknowledge that any knowingly false or misleading statement may be punishable by fine or imprisonment or both under applicable law. I assure that I will fully comply with all applicable civil rights statutes and EPA regulations.

A. Signature of Authorized Official	B. Title of Authorized Official	C. Date
Scott Jones	Executive Director	12/26/14

For the U.S. Environmental Protection Agency I have reviewed the information provided by the applicant/recipient and hereby certify that the applicant/recipient has submitted all preawardcompliance information required by 40 C.F.R. Parts 5 and 7; that based on the information submitted, this application satisfies the preaward provisionsof 40 C.F.R. Parts 5 and 7; and that the applicant has given assurance that it will fully comply with all applicable civil rights statutes and EPA regulations.

A. Signature of Authorized EPA Official See ** note on reverse side.	B. Title of Authorized EPA Official	C. Date

Instructions for EPA FORM 4700-4 (Rev. 03/2008) General

Recipients of Federal financial assistance from the U.S.Environmental Protection Agency must comply with the following statutes and regulations.

Title VI of the Civil Rights Acts of 1964 provides that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. The Act goes on to explain that the statute shall not be construed to authorize action with respect to any employment practice of any employer, employment agency, or labor organization (except where the primary objective of the Federal financial assistance is to provide employment).

Section 13 of the 1972 Amendments to the Federal Water Pollution Control Act provides that no person in the United States shall on the ground of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under the Federal Water Pollution Control Act, as amended. Employment discrimination on the basis of sex is prohibited in all such programs or activities.

Section 504 of the Rehabilitation Act of 1973 provides that no otherwise qualified individual with a disability in the United States shall solely by reason of disability be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. Employment discrimination on the basis of disability is prohibited in all such programs or activities.

The Age Discrimination Act of 1975 provides that no person on the basis of age shall be excluded from participation under any program or activity receiving Federal financial assistance. Employment discrimination is not covered. Age discrimination in employment is prohibited by the Age Discrimination in Employment Act administered by the Equal Employment Opportunity Commission.

Title IX of the Education Amendments of 1972 provides that no person in the United States on the basis of sex shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance. Employment discrimination on the basis of sex is prohibited in all such education programs or activities. Note: an education program or activity is not limited to only those conducted by a formal institution.

40 C.F.R. Part 5 implements Title IX of the Education Amendments of 1972.

40 C.F.R. Part 7 implements Title VI of the Civil Rights Act of 1964, Section 13 of the 1972 Amendments to the Federal Water Pollution Control Act, and Section 504 of The Rehabilitation Act of 1973.

The Executive Order 13166 (E.O. 13166) entitled; "Improving Access to Services for Persons with Limited English Proficiency" requires Federal agencies work to ensure that recipients of Federal financial assistance provide meaningful access to their LEP applicants and beneficiaries.

Items

"Applicant" means any entity that files an application or unsolicited proposal or otherwise requests EPA assistance. 40 C.F.R. §§ 5.105, 7.25.

"Recipient" means any entity, other than applicant, which will actually receive EPA assistance. 40 C.F.R. §§ 5.105, 7.25.

"Civil rights lawsuits and administrative complaints" means any lawsuit or administrative complaint alleging discrimination on the basis of race, color, national origin, sex, age, or disability pending or decided against the applicant and/or entity which actually benefits from the grant, but excluding employment complaints not covered by40 C.F.R. Parts 5 and 7. For example, if a city is the named applicant but the grant will actually benefit the Department of Sewage, civil rights lawsuits involving both the city and the Department of Sewage should be listed.

"Civil rights compliance review" means any review assessing the applicant's and/or recipient's compliance with laws prohibiting discrimination on the basis of race, color, national origin, sex, age, or disability.

Submit this form with the original and required copies of applications, requests for extensions, requests for increase of funds, etc. Updates of information are all that are required after the initial application submission.

If any item is not relevant to the project for which assistance is requested, write "NA" for "Not Applicable."

In the event applicant is uncertain about how to answer any questions, EPA program officials should be contacted for clarification.

* Questions VII – XI are for informational use only and will not affect an applicant's grant status. However, applicants should answer all questions on this form. (40 C.F.R. Parts 5 and 7).

** Note: Signature appears in the Approval Section of the EPA Comprehensive Administrative Review For Grants/Cooperative Agreements & Continuation/Supplemental Awards form.

Approval indicates, in the reviewer's opinion, questions I – VI of Form 4700-4 comply with the preaward administrative requirements for EPA assistance.

"Burden Disclosure Statement"

EPA estimates public reporting burden for the preparation of this form to average 30 minutes per response. This estimate includes the time for reviewing instructions, gathering and maintaining the data needed and completing and reviewing the form. Send comments regarding the burden estimate, including suggestions for reducing this burden, to
U.S. EPA, Attn: Collection Strategies Division (MC 2822T), Office of Information Collection, 1200 Pennsylvania Ave., NW, Washington, D.C. 20460; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

The information on this form is required to enable the U.S.Environmental Protection Agency to determine whether applicants and prospective recipients are developing projects, programs and activities on a nondiscriminatory basis as required by the above statutes and regulations.

7.3.10 Certification Regarding Debarment, Suspension, and Other Responsibility Matters

The prospective participant certifies to the best of its knowledge and belief that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within a three year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and

(d) Have not within a three year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

I understand that a false statement on this certification may be grounds for rejection of this proposal or termination of the award. In addition, under 18 U.S.C. §1001, a false statement may result in a fine of up to $10,000 or imprisonment for up to 5 years, or both.

Scott J. Buss, Executive Director

Name & Title of Authorized Representative

Scott J. Buss 12/26/14

Signature of Authorized Representative / Date

___ I am unable to certify to the above statements. Attached is my explanation

Tanya Schmidt
LOGOUT

Entity Dashboard

- Entity Overview
- Entity Record
  - Core Data
  - Assertions
  - Reps & Certs
    - POCs
  - Reports
- Service Contract Report
- BioPreferred Report
  - Exclusions
  - Active Exclusions
  - Inactive Exclusions
- Excluded Family Members

BACK TO USER DASHBOARD

MINNEHAHA COMMUNITY WATER, CORP.
DUNS: 034761510 CAGE Code: 33XM4
Status: Active

47381 248TH ST
DELL RAPIDS, SD, 57022-5305 ,
UNITED STATES

Expiration Date: 04/21/2015
Purpose of Registration: Federal Assistance Awards Only

Entity Overview

Entity Information

DUNS: 034761510
Name: MINNEHAHA COMMUNITY WATER, CORP.
Business Type: Business or Organization
POC Name: Tanya Schmidt
Registration Status: Active
Activation Date: 04/21/2014
Expiration Date: 04/21/2015

Exclusions

Active Exclusion Records? No

SAM | System for Award Management 1.0

IBM v1.P.24.20150116-1831
WWW9

Note to all Users: This is a Federal Government computer system. Use of this system constitutes consent to monitoring at all times.

Minnehaha Community Water, Corp.

Phone: 428-3374 or 1-800-584-9243
Fax: 428-3395 Email: mcwcbilling@siouxvalley.net

All charges are to be figured on the even 1,000 gallons used. The minimum charge is payable EVERY MONTH after water is available to the premises, even if NO water is actually used. Payment of the minimum charge monthly guarantees your continued water rights.

RESIDENTIAL RATE SCHEDULE

GALLONS USED	MONTHLY CHARGE	GALLONS USED	MONTHLY CHARGE
0	$30.00	50,000	$166.50
1,000	$33.25	51,000	$169.75
2,000	$36.50	52,000	$173.00
3,000	$39.75	53,000	$176.25
4,000	$43.00	54,000	$179.50
5,000	$46.25	55,000	$182.75
6,000	$49.50	56,000	$186.00
7,000	$52.75	57,000	$189.25
8,000	$56.00	58,000	$192.50
9,000	$59.25	59,000	$195.75
10,000	$61.50	60,000	$199.00
11,000	$63.75	61,000	$202.25
12,000	$66.00	62,000	$205.50
13,000	$68.25	63,000	$208.75
14,000	$70.50	64,000	$212.00
15,000	$72.75	65,000	$215.25
16,000	$75.00	66,000	$218.50
17,000	$77.25	67,000	$221.75
18,000	$79.50	68,000	$225.00
19,000	$81.75	69,000	$228.25
20,000	$84.00	70,000	$231.50
21,000	$86.50	71,000	$234.75
22,000	$89.00	72,000	$238.00
23,000	$91.50	73,000	$241.25
24,000	$94.00	74,000	$244.50
25,000	$96.50	75,000	$247.75
26,000	$99.00	76,000	$251.00
27,000	$101.50	77,000	$254.25
28,000	$104.00	78,000	$257.50
29,000	$106.50	79,000	$260.75
30,000	$109.00	80,000	$264.00
31,000	$111.75	81,000	$267.25
32,000	$114.50	82,000	$270.50
33,000	$117.25	83,000	$273.75
34,000	$120.00	84,000	$277.00
35,000	$122.75	85,000	$280.25
36,000	$125.50	86,000	$283.50
37,000	$128.25	87,000	$286.75
38,000	$131.00	88,000	$290.00
39,000	$133.75	89,000	$293.25
40,000	$136.50	90,000	$296.50
41,000	$139.50	91,000	$299.75
42,000	$142.50	92,000	$303.00
43,000	$145.50	93,000	$306.25
44,000	$148.50	94,000	$309.50
45,000	$151.50	95,000	$312.75
46,000	$154.50	96,000	$316.00
47,000	$157.50	97,000	$319.25
48,000	$160.50	98,000	$322.50
49,000	$163.50	99,000	$325.75

The rate is **$3.25** for each additional 1,000 gallons over 99,000.
Water rates are effective beginning with the January 1, 2015 billing date.

SELF BILLING INSTRUCTIONS

Read *only* the first 4 numbers on the LEFT side of the meter. Enter those 4 numbers exactly as they appear from left to right, including any zeros, in the 4 boxes marked Present Reading. Disregard the last 3 numbers on the right side of the meter. Do not round the reading.

Find your Previous Reading on your billing Record Card: use the previous month's Present Reading and fill it in on the Billing Card to send in with your payment. Subtract the readings to find the gallons used. The zeroes are already entered for your convenience to show how many thousand gallons were used. Look up this amount on the rate schedule to find the amount owed.

If you will follow this procedure, many over and under billing problems for you and the office staff can be eliminated.

EXAMPLE - If your meter shows **0034890**, it should be entered as:

0034 000

REMINDERS

Read your meter promptly on the 1st of each month.
Send your payment with the billing card by the 10th.
Payments or readings received with a postmark later than the 10th are delinquent and assessed a **$5.00** late charge.

Two notices are sent to delinquent accounts before disconnection for non-payment. Disconnect day is on or after the 10th of the month following the bill date. If you receive notice of an underpayment on your account for more than 90 days, it is cause for disconnection.

Be *sure* to fill out the Billing Record Card inside this chart for your records, AND copy the numbers on to the Billing Card you send along with your payment.

NOTE: We need the exact meter reading every month. DO NOT estimate your reading. If our meter readers find your meter to be UNDER or OVER reported on a continuing basis, you will be charged $50.00 per trip to obtain an accurate meter reading. Continued violation of this rule is cause for disconnection of the water service.

WATER RECORD CHART INSIDE

Minnehaha Community Water, Corp.
Phone: 428-3374 or 1-800-584-9243
Fax: 428-3395 Email: mcwcbilling@siouxvalley.net

All charges are to be figured on the even 1,000 gallons used. The minimum charge is payable EVERY MONTH after water is available to the premises, even if NO water is actually used. Payment of the minimum charge monthly guarantees your continued water rights.

FARM RATE SCHEDULE

GALLONS USED	MONTHLY CHARGE	GALLONS USED	MONTHLY CHARGE
0	$30.00	50,000	$151.50
1,000	$33.25	51,000	$153.75
2,000	$36.50	52,000	$156.00
3,000	$39.75	53,000	$158.25
4,000	$43.00	54,000	$160.50
5,000	$46.25	55,000	$162.75
6,000	$49.50	56,000	$165.00
7,000	$52.75	57,000	$167.25
8,000	$56.00	58,000	$169.50
9,000	$59.25	59,000	$171.75
10,000	$61.50	60,000	$174.00
11,000	$63.75	61,000	$176.25
12,000	$66.00	62,000	$178.50
13,000	$68.25	63,000	$180.75
14,000	$70.50	64,000	$183.00
15,000	$72.75	65,000	$185.25
16,000	$75.00	66,000	$187.50
17,000	$77.25	67,000	$189.75
18,000	$79.50	68,000	$192.00
19,000	$81.75	69,000	$194.25
20,000	$84.00	70,000	$196.50
21,000	$86.25	71,000	$198.75
22,000	$88.50	72,000	$201.00
23,000	$90.75	73,000	$203.25
24,000	$93.00	74,000	$205.50
25,000	$95.25	75,000	$207.75
26,000	$97.50	76,000	$210.00
27,000	$99.75	77,000	$212.25
28,000	$102.00	78,000	$214.50
29,000	$104.25	79,000	$216.75
30,000	$106.50	80,000	$219.00
31,000	$108.75	81,000	$221.25
32,000	$111.00	82,000	$223.50
33,000	$113.25	83,000	$225.75
34,000	$115.50	84,000	$228.00
35,000	$117.75	85,000	$230.25
36,000	$120.00	86,000	$232.50
37,000	$122.25	87,000	$234.75
38,000	$124.50	88,000	$237.00
39,000	$126.75	89,000	$239.25
40,000	$129.00	90,000	$241.50
41,000	$131.25	91,000	$243.75
42,000	$133.50	92,000	$246.00
43,000	$135.75	93,000	$248.25
44,000	$138.00	94,000	$250.50
45,000	$140.25	95,000	$252.75
46,000	$142.50	96,000	$255.00
47,000	$144.75	97,000	$257.25
48,000	$147.00	98,000	$259.50
49,000	$149.25	99,000	$261.75

The rate is **$2.25** for each additional 1,000 gallons over 99,000.
Water rates are effective beginning with the January 1, 2015 billing date.

SELF BILLING INSTRUCTIONS

Read only the first 4 numbers on the LEFT side of the meter. Enter these 4 numbers exactly as they appear from left to right, including any zeros, in the 4 boxes marked Present Reading. Disregard the last 3 numbers on the right side of the meter. Do not round the reading.

Find your Previous Reading on your Billing Record Card. Use the previous month's Present Reading and fill it in on the Billing Card to send in with your payment. Subtract the readings to find the gallons used. The zeroes are already entered for your convenience to show how many thousand gallons were used. Look up this amount on the rate schedule to find the amount owed.

If you will follow this procedure, many over and under billing problems for you and the office staff can be eliminated.

EXAMPLE - If your meter shows 0034890, it should be entered as:

E0034 0 0 0

REMINDERS

Read your meter properly on the 1st of the month.
Send your payment with the billing card by the 10th.
Payment received after the 10th of the month incurs a 10% late fee and an additional fee of $5.00 per month.

Two notices are sent to delinquent accounts before disconnection for non-payment. Disconnect days are on or after the 10th of the month following the bill date. If you receive notice of a minimum payment on your account for more than 90 days, it is cause for disconnection.

Be sure to fill out the Billing Record Card inside this chart for your records AND copy the numbers on to the Billing Card you send along with your payment.

NOTE - We need the exact meter reading every month. DO NOT estimate your reading. If our meter readers find your meter to be UNDER or OVER reported on a continuing basis, you will be charged $50.00 per trip to obtain an accurate meter reading. Continued violation of this rule is cause for disconnection of the water service.

WATER RECORD CHART INSIDE

RESOLUTION NO. 2015-01

RESOLUTION AUTHORIZING AN APPLICATION FOR FINANCIAL ASSISTANCE, AUTHORIZING THE EXECUTION AND SUBMITTAL OF THE APPLICATION, AND DESIGNATING AN AUTHORIZED REPRESENTATIVE TO CERTIFY AND SIGN PAYMENT REQUESTS.

WHEREAS, Minnehaha Community Water Corporation, a nonprofit corporation organized and existing under the laws of the State of South Dakota (the "Corporation"), has determined it is necessary to proceed with improvements to its Drinking Water System, including but not limited to a Connection to Big Sioux CWS and Madison, (the "Project"); and

WHEREAS, the Corporation has determined that financial assistance will be necessary to undertake the Project and an application for financial assistance to the South Dakota Board of Water and Natural Resources (the "Board") will be prepared; and

WHEREAS, it is necessary to designate an authorized representative to execute and submit the Application on behalf of the Corporation and to certify and sign payment requests in the event financial assistance is awarded for the Project,

NOW THEREFORE BE IT RESOLVED by the Corporation as follows:

1. The District hereby approves the submission of an Application for financial assistance in an amount not to exceed $1,800,000 to the South Dakota Board of Water and Natural Resources for the Project..

2. The Executive Director is hereby authorized to execute the Application and submit it to the South Dakota Board of Water and Natural Resources, and to execute and deliver such other documents and perform all acts necessary to effectuate the Application for financial assistance

3. The Executive DIrector is hereby designated as the authorized representative of the Corporation to do all things on its behalf to certify and sign payment requests in the event financial assistance is awarded for the Project.

Adopted at Dell Rapids, South Dakota, this 27 day of January 2015.

APPROVED:

Lloyd A Rose

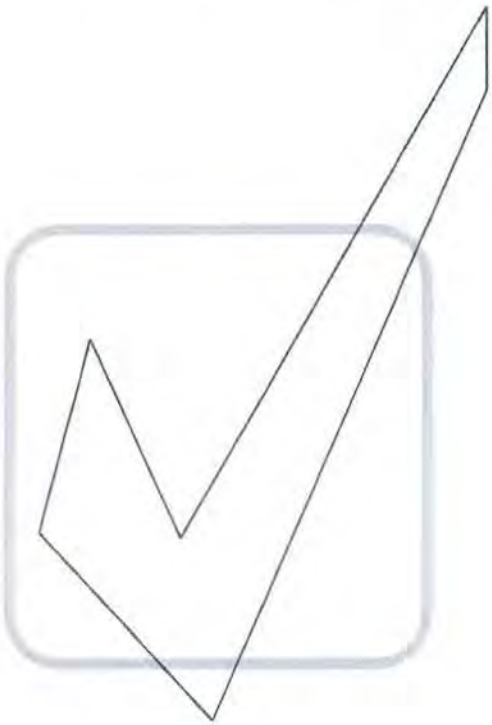
BY: President (Title)

(Seal)

Attest: Scott Bum

Executive Dir. (Title)

8.3.16 Capacity Assessment Worksheets for Public Water Systems



Department of Environment and Natural Resources

Revised January 2007

Introduction

Because you are in the process of applying for a Drinking Water State Revolving Fund (DWSRF) loan, it is necessary for you to complete the following worksheets. The Safe Drinking Water Act requires that a system applying for a DWSRF loan must demonstrate that it has financial, managerial, and technical capacity. What exactly does that mean?

- ***Technical capacity*** - the physical infrastructure of the water system, including but not limited to the source water adequacy, infrastructure adequacy, and technical knowledge. In other words, does your treatment system work the way it is supposed to? Are you providing the safest and cleanest water possible and required by law to your customers right now, and will you be able to in the future?

- ***Managerial capacity*** - the management structure of the water system, including but not limited to ownership accountability, staffing and organization, and effective linkages. In simpler terms, do you have a capable and trained staff? Do you have an effective management structure?

- ***Financial capacity*** - the financial resources of the water system, including but not limited to the revenue sufficiency, credit worthiness, and fiscal controls. Basically, does your system have a budget and enough revenue coming in to cover costs, repairs, and replacements?

If it is determined that your system does NOT have the required capacity, you may still qualify for a DWSRF loan if it is going to be used to ensure that your system will have the necessary capacity. If you have questions while completing the following worksheets, please call our office at **(605) 773-3754** , and we will be happy to help.

After DENR receives these worksheets, we will study them and other information located in our files to make a determination whether or not your public water system has the technical, financial, and managerial capacity to be eligible to apply for a DWSRF loan. A final report will be available upon completion of the analysis.

Applicant: Minnehaha Community Water Corp.

Prepared by: Scott Buss
Executive Director

Phone #: 605-428-3374

Date: 12/10/2014

Glossary of Terms

Contaminant: Any physical, chemical, biological, or radiological substance or matter in water;

Disinfectant: Any oxidant, including chlorine, chlorine dioxide, chloramine, and ozone, that is added to water in any part of the treatment or distribution process and that is intended to kill or inactivate pathogenic microorganisms;

Disinfectant contact time: The time in minutes that it takes for water to move from the point of disinfectant application or the previous point of disinfectant residual measurement to a point before or at the point where residual disinfectant concentration is measured;

Filtration: A process for removing particulate matter from the water by passing the water through porous media;

Ground Water: The supply of fresh water found beneath the surface of the ground, usually in aquifers, which is often used for supplying wells and springs;

Ground Water Under the Direct Influence of Surface Water: Any water beneath the surface of the ground with a significant occurrence of insects, macroorganisms, algae, or large-diameter pathogens such a *Giardia lamblia* ; or any water with significant and relatively rapid shifts in water quality characteristics such as turbidity, temperature, conductivity, or pH which closely correlate to climatological or surface water conditions;

Maximum Contaminant Level (MCLs): The maximum permissible level of a contaminant in water delivered to any user of a public water system. MCLs are enforceable standards;

mg/L: milligrams per liter - equivalent to parts per million;

µg/L: micrograms per liter - equivalent to parts per billion;

NTU: nephelometric turbidity unit;

psi: pounds per square inch

Surface Water: All water that is open to the atmosphere and subject to surface runoff;

Turbidity: A cloudy condition in water due to suspended silt or organic matter; and

Waiver: A process used by the Department of Environment and Natural Resources that allows a public water system to reduce or eliminate monitoring for a particular chemical.

The Technical Portion of your System

Your Water Supply

Please check the appropriate box: *Yes*, *No*, or *Unknown* for each section. Please try to determine the answer to every question. ***If a section or question does not apply to your system, please check NA for not applicable.***

Water Supply and Existing Demands	**Yes**	**No**	**Unknown**	**NA**
Do you know how much water you pump on an average day? ***Amount:*** 2.5 Million Gallons	☑	☐	☐	☐
Do you know how much water you pump on a peak day? ***Amount:*** 5 Million Gallons	☑	☐	☐	☐
Do you know the maximum amount of water you can pump from your source? ***Amount:*** 7 Million Gallons	☑	☐	☐	☐
Is your source capacity higher than your peak day demand? ***Percentage higher or lower:*** 40% Higher	☑	☐	☐	☐
Can you meet peak demand without pumping at peak capacity for extended periods? ***Longest time pumping at peak demand:*** < 1 week/year	☑	☐	☐	☐
Have you been able to provide adequate volumes of water during drought cycles?	☑	☐	☐	☐
Have you had to restrict usage at any time for any reason? ***Please specify:***	☐	☑	☐	☐
Does your system have an emergency or supplemental water supply? ***Please specify:*** Lewis & Clark	☑	☐	☐	☐
Do you have an Emergency Response Plan that will allow you to meet system demand during a drought or shortage, such as the loss of the largest source? ***If yes, please attach.***	☑	☐	☐	☐
Water Demand	**Yes**	**No**	**Unknown**	**NA**
Do you know whether your system demands will be growing, declining, or remain stable over the next ten years? ***Please check:*** ☑ ***growing,*** ☐ ***declining, or*** ☐ ***stable.***	☑	☐	☐	☐
Does your source have additional water available for appropriation?	☐	☑	☐	☐
Do you have a water right? ***Water right permit number(s):*** 4838A-3, 5063-3, and 5716-3	☑	☐	☐	☐
If you have large commercial, industrial, or irrigation users, do you know their long-term plans and understand their needs?	☑	☐	☐	☐
Purchased Water	**Yes**	**No**	**Unknown**	**NA**
If you purchase water from another system or a wholesaler, do you know their long-term plans?	☑	☐	☐	☐
Do you have a contract to purchase water? ***If yes, with whom?*** Lewis & Clark Regional Water	☑	☐	☐	☐
Are you currently staying within your contract?	☑	☐	☐	☐
Are you knowledgeable about other demands being placed on the same water source that you are using?	☑	☐	☐	☐

Alternative Sources	Yes	No	Unknown	NA
Are alternative water sources possibly available to you?	☑	☐	☐	☐
Are you knowledgeable of the characteristics and costs of using alternative sources?	☑	☐	☐	☐
Water Source	**Yes**	**No**	**Unknown**	**NA**
Do you know the depth of your well? ***Depth*** 50-150 ft	☑	☐	☐	☐
Do you know the geologic name of the aquifer system from which your water is drawn? ***If yes, geologic name:*** Big Sioux Aquifer, SF Management Unit	☑	☐	☐	☐
Are all abandoned water sources properly managed and disconnected to prevent accidental contamination or problems with current water system facilities?	☑	☐	☐	☐

Treatment - Microbiological Contamination

Is your system using surface water or ground water under the influence of surface water? ☐ **yes** ☑ **no**

(If you checked "no", skip to the next section - Ground Water Systems – unless your water system requires treatment other than just disinfection.)

Surface Water Systems

Filtration Plant Condition	Yes	No	Unknown	NA
Is your filter plant in good physical condition (free from spalling concrete, peeling paint)?	☐	☐	☐	☐
If constructed more than 20 years ago, have treatment processes been upgraded to meet current standards?	☐	☐	☐	☐
Are repair parts available?	☐	☐	☐	☐
Do you have redundancy (back-ups/automatic switch-overs) for all major mechanical units? ***If no, list units you do NOT have redundancy for:*** _____	☐	☐	☐	☐
Can your plant achieve a filtered water turbidity of 0.3 NTU?	☐	☐	☐	☐
Do you have on-line continuous turbidimeters on each filter?	☐	☐	☐	☐
Have you adopted a turbidity goal lower than the standard? ***If yes, list goal:*** daily	☐	☐	☐	☐
Do you have the capability to add coagulant before the filter?	☐	☐	☐	☐

Ground Water Systems

Ground Water Under the Influence of Surface Water	Yes	No	Unknown	NA
Is your water free from variations in turbidity and temperature after storm events?	☑	☐	☐	☐
Well Construction and Protection				

Do you know when your well was constructed? ***List year:*** 2010	☑	☐	☐	☐
Is your well(s) constructed according to current South Dakota regulations?	☑	☐	☐	☐
Do you have a source water protection plan?	☑	☐	☐	☐
Is your wellhead finished with a pitless adapter that will prevent contamination from surface water?	☑	☐	☐	☐

Disinfection

Do you disinfect? ☑ **yes** ☐ **no** ***(If "no", skip to the Infrastructure - Pumping section)***

Disinfection	**Yes**	**No**	**Unknown**	**NA**
Do you regularly inspect and maintain your disinfection / chlorination equipment? ***Type of Equipment:*** hypochlorite generation, ammonia ***How often?*** daily ***Disinfectant used:*** chloramination	☑	☐	☐	☐
Do you have back-up equipment? ***Type:*** bulk delivery	☑	☐	☐	☐
Do you have adequate contact time following disinfection and before the first user in the distribution system (30 minutes for ground water systems)? ***Contact time:***	☑	☐	☐	☐
Can you detect a chlorine residual at taps at the ends of the distribution system? ***Free Chlorine Residual:*** ***Total Chlorine Residual:*** 1 ppm (if using chloramines)	☑	☐	☐	☐

Disinfection By-Products

Treatment for the Control of Disinfection By-Products	**Yes**	**No**	**Unknown**	**NA**
If you treat surface water, are you already practicing or could you adopt "enhanced coagulation" in your current plant?	☐	☐	☐	☑
If you treat surface water, could you still meet current contact-time requirements if disinfection were not allowed before sedimentation?	☐	☐	☐	☑

Treatment - Security

Treatment Security	**Yes**	**No**	**Unknown**	**NA**
Has the system implemented procedures to improve security of its facilities? (i.e. limiting access to sensitive sites, protecting computer and control equipment etc.)	☑	☐	☐	☐
Are chemicals used for treatment properly stored and secure?	☑	☐	☐	☐
Does the water system track chemical usage? (i.e. a sudden	☑	☐	☐	☐

increase in usage may signal potential contamination or tampering.

Infrastructure - Pumping

Condition of Pumping Equipment	**Yes**	**No**	**Unknown**	**NA**
Do you routinely inspect for signs of pump or pump motor problems? ***How often:*** daily, monthly, yearly	☑	☐	☐	☐
Once diagnosed, are problems corrected in a timely enough manner to avoid crisis financing, costly repairs, and unscheduled downtime?	☑	☐	☐	☐
Do you hire a qualified pump contractor to perform an inspection of all pumping equipment, identify potential problems, and perform maintenance, on an annual basis?	☐	☑	☐	☐
Standby/Emergency Power Equipment	**Yes**	**No**	**Unknown**	**NA**
Is there sufficient standby/emergency power capacity to supply 100% of the average daily demand of the system (excluding fire demand)?	☑	☐	☐	☐
Are any existing standby/emergency power equipment, controls and switches tested or exercised routinely under load conditions, for at least 30 minutes at a time?	☑	☐	☐	☐
Has the local electric utility been made aware of the standby/emergency power provisions made by the water system, so that they can reinforce and safeguard the electrical facilities serving the water operations?	☑	☐	☐	☐

Infrastructure - Storage

Storage Capacity	**Yes**	**No**	**Unknown**	**NA**
Does the system have sufficient gravity-flow (non-pumped) or emergency generator-supported pumping capability to ensure adequate distribution storage to provide safe and adequate service for up to 24 hours without power? ***If no, how long:*** _____	☑	☐	☐	☐
Is there reserve capacity in the tank for fire protection support? ***Amount:*** _____	☐	☐	☐	☑
Security Measures	**Yes**	**No**	**Unknown**	**NA**
Are any openings, such as vent pipes, screened to protect against the entrance of small animals, birds, and small insects?	☑	☐	☐	☐
Are access hatches locked?	☑	☐	☐	☐
Is the tank and the immediate surrounding area fenced?	☑	☐	☐	☐
Control Systems				
Is there a high and low water level signal system to control the pumps?	☑	☐	☐	☐

Is there a drain valve or hydrant to allow for draining of the tank?	☑	☐	☐	☐
Tank Maintenance				
Is the tank inspected at least every three years by a qualified tank contractor for evidence of corrosion or pitting, leakage, and structural weakness?	☑	☐	☐	☐
Is the tank contractor capable of analyzing the coating of paint on the interior and exterior surfaces of the tank to determine if it contains lead or other hazardous materials?	☑	☐	☐	☐

Infrastructure - Distribution

System Maintenance	**Yes**	**No**	**Unknown**	**NA**
Do you have an accurate map of your distribution system that indicates main sizes and valve locations?	☑	☐	☐	☐
Does the operator routinely flush, test, and maintain the hydrants in the system? ***How often:***	☐	☑	☐	☐
Are the locations of valves in the mains and curb stops on the service lines precisely known?	☑	☐	☐	☐
Does the system keep a log of distribution system breaks to identify weak areas in the system?	☑	☐	☐	☐
Are histories, locations, size, and type of mains and service lines detailed on records in a secure area?	☑	☐	☐	☐
Are all valves exercised and lubricated periodically?	☐	☑	☐	☐
Is the system free of severe "water hammer" problems?	☑	☐	☐	☐
Are meter pits, pressure regulating valves, altitude valves, blow-offs, and other appurtenances maintained on a regular basis?	☑	☐	☐	☐
Unaccounted-for Water	**Yes**	**No**	**Unknown**	**NA**
Is unaccounted-for water in the water system monitored and analyzed each month?	☑	☐	☐	☐
Is the unaccounted-for water less than 15 percent of the total water delivered to the mains? ***List percentage of unaccounted for water:*** 12 %	☑	☐	☐	☐
	Yes	**No**	**Unknown**	**NA**
Are the normal operating pressures in the distribution system between 25 psi and 125 psi? ***Normal operating pressure:*** >40 psi	☑	☐	☐	☐
Do you have a routine leak detection and repair program?	☑	☐	☐	☐
Are all sources of supply and customers metered?	☑	☐	☐	☐
Are the meters calibrated and tested routinely to ensure their accuracy and reliability?	☑	☐	☐	☐
Water Quality in Distribution System	**Yes**	**No**	**Unknown**	**NA**
Does your system have an active cross-connection control program?	☐	☑	☐	☐

Are any inspections for cross-connections performed?	☐	☑	☐	☐
Is there a program for installing and testing backflow prevention devices where potential contamination is present?	☐	☑	☐	☐
Is there a program to eliminate "dead-ends" in the mains, where feasible?	☐	☑	☐	☐
Construction Standards	**Yes**	**No**	**Unknown**	**NA**
Are the majority of your mains 6 inches in diameter or larger? ***List percentage:*** <20%	☐	☑	☐	☐
Is there a program to gradually replace sub-standard sized mains?	☑	☐	☐	☐
Are there suitable rights-of-way and easements provided to the water system for expansion, maintenance, and replacement of mains and services?	☑	☐	☐	☐
Is there sufficient earth cover (six feet) to protect the mains from frost damage or heavy loads, if driven over?	☑	☐	☐	☐
Are materials of mains designed and selected to resist corrosion, electrolysis, and deterioration?	☑	☐	☐	☐
Distribution System Problems	**Yes**	**No**	**Unknown**	**NA**
Do you receive any complaints regarding water quality (taste, odor, color, etc.)? ***List number of complaints/year:*** <5/year ***Most common complaint:*** class 3 water treatment and	☑	☐	☐	☐
Can you maintain adequate pressure in the distribution system under all conditions of flow?	☑	☐	☐	☐

The Management Portion of your System

Please mark the appropriate box: *Yes*, *No*, or *Unknown* for each section. Please try to determine the answer to every question. ***If a section does not apply to your system, please write NA for not applicable.***

Operation & Maintenance

Operations Staff	**Yes**	**No**	**Unknown**	**NA**
Does the person operating your system have current water treatment plant and water distribution operator certification credentials from DENR? ***If yes, list classification(s):*** class 3 water treatment and distribution	☑	☐	☐	☐
Does your operator receive additional training on an ongoing basis to keep current on new developments in the field?	☑	☐	☐	☐
Future Operational Demands	**Yes**	**No**	**Unknown**	**NA**
Does your water system obtain any regular or occasional technical assistance from outside sources, such as DENR, your engineer, other utilities or organizations specifically dedicated to providing technical assistance? ***If yes, who*** engineer, SDARWS	☑	☐	☐	☐

Management & Administration

Who's in Charge?	**Yes**	**No**	**Unknown**	**NA**
Is there a clear plan of organization and control among the people responsible for management and operation of the system?	☑	☐	☐	☐
Does your system have written personnel policies and job descriptions signed by the employees?	☑	☐	☐	☐
Are the limits of the operator's authority clearly known?	☑	☐	☐	☐
Does everyone involved in operations know who is responsible for each area?	☑	☐	☐	☐
Is someone responsible for scheduling work?	☑	☐	☐	☐
Security	**Yes**	**No**	**Unknown**	**NA**
Does the system have procedures for handling new and terminated employees (i.e. collecting keys, changing locks and computer passwords)?	☑	☐	☐	☐
Rules and Standards	**Yes**	**No**	**Unknown**	**NA**
Do you have explicit rules and standards for system modifications?	☑	☐	☐	☐
Do you have rules governing new hook-ups?	☑	☐	☐	☐
Do you have a water main extension policy?	☑	☐	☐	☐
Do you have standard construction specifications to be followed?	☑	☐	☐	☐

	Yes	No	Unknown	NA
Do you have measures to assure cross-connection control and backflow prevention?	☑	☐	☐	☐
Do you have policies or rules describing customer rights and responsibilities?	☑	☐	☐	☐
Regulatory Compliance Program	**Yes**	**No**	**Unknown**	**NA**
Do you fully understand monitoring requirements and have a scheduling mechanism to assure compliance?	☑	☐	☐	☐
Do you know how to obtain clarification or explanation of requirements?	☑	☐	☐	☐
Do you have a mechanism to obtain the most recent information on regulatory requirements?	☑	☐	☐	☐
Do you maintain adequate records to document compliance? ***If yes, for how long?*** no time limit	☑	☐	☐	☐
Did your system have any violations of the primary drinking water standards in the last year?	☐	☑	☐	☐
Did your system have any monitoring or reporting violations in the last year?	☐	☑	☐	☐
Do you know what to do in the event of a violation?	☑	☐	☐	☐
Emergencies	**Yes**	**No**	**Unknown**	**NA**
Do you have an Emergency Response Plan?	☑	☐	☐	☐
Is there a contingency for making emergency interconnections to neighboring systems, and do you know they will work if needed?	☑	☐	☐	☐
Does everyone involved in operations know what they are to do in the event of contamination from a toxic hazardous waste spill in your source water or a main break or a tank failure?	☑	☐	☐	☐
Do you have a clear chain-of-command protocol for emergency action?	☑	☐	☐	☐
Is someone responsible for emergency operations, for communications with state regulators, for customer relations, for media relations? ***If yes, who (title):*** Executive DIrector	☑	☐	☐	☐
Safety	**Yes**	**No**	**Unknown**	**NA**
Do you have a safety program defining measures to be taken if someone is injured?	☑	☐	☐	☐
Has the entire staff been properly trained in the location and use of safety equipment?	☑	☐	☐	☐
Does everyone understand the risks and safety measures involved in handling water treatment chemicals?	☑	☐	☐	☐
Do you have written operating procedures for both routine and emergency system operations?	☑	☐	☐	☐
Are you fully aware of Occupational Safety and Health Administration (OSHA) confined space (such as trenches/manholes) regulations?	☑	☐	☐	☐
Does the system work with customers to promote their awareness of security?	☑	☐	☐	☐
Does the system have a communication plan to alert customers of a natural or intentional threat to public health?	☑	☐	☐	☐

Maintenance	**Yes**	**No**	**Unknown**	**NA**
Do you have a planned maintenance management system -- a system for scheduling routine preventive maintenance (line flushing, pumps, meters, storage tanks, etc.)?	☑	☐	☐	☐
Do you have a system for assuring adequate inventory of essential spare parts and back-up equipment?	☑	☐	☐	☐
Do you have relationships with contractors and equipment vendors to assure prompt priority service?	☑	☐	☐	☐
Do you have records and data management systems for system operating and maintenance data, for regulatory compliance data, and for system management and administration?	☑	☐	☐	☐
Management Capability	**Yes**	**No**	**Unknown**	**NA**
Are you getting the outside services and technical assistance you need? Do you have adequate legal counsel, insurance, engineering advice, technical/operations assistance, rate case preparation, and financial advice?	☑	☐	☐	☐

The Financial Portion of your System

Please mark the appropriate box: Yes, *No*, or *Unknown* for each section. Please try to determine the answer to every question. ***If a section does not apply to your system, please write NA for not applicable.***

Financial Planning Mechanisms	**Yes**	**No**	**Unknown**	**NA**
Does your system develop and follow an annual budget that is approved by the governing body?	☑	☐	☐	☐
Does the governing body review a monthly summary of revenues and expenses of the utility system?	☑	☐	☐	☐
Do you have within the annual budget separate reserve accounts for equipment replacement, capital improvement, depreciation or security upgrades? ***If so, list accounts:*** depreciation	☑	☐	☐	☐
Does the system have reserve funds available in the event of an emergency?	☑	☐	☐	☐
Do you have a capital budget or capital improvement plan that projects future capital investment needs some distance (at least five years) into the future?	☑	☐	☐	☐
Do you have a process for scheduling and committing to capital projects?	☑	☐	☐	☐
Does your planning process take account of all the potential capital needs suggested by your answers to the technical questions in these worksheets?	☑	☐	☐	☐
Does your long-term planning incorporate analysis of alternative strategies that might offer cost saving to customers, such as consolidation with other nearby systems or sharing of operations and management expenses with other nearby systems?	☑	☐	☐	☐
Rates/Billing - Are they Adequate?	**Yes**	**No**	**Unknown**	**NA**
Do you regularly review your rates? ***How often?*** yearly	☑	☐	☐	☐
Do you have a plan in place for periodic increases in rates?	☑	☐	☐	☐
Is the rate structure based on metered watered use? ***List rates per 1000 gallons:*** $30 mimimum plus $3.25/1000 (i.e. $22 minimum plus $2.50/1000 gallons)	☑	☐	☐	☐
Does the rate per 1000 gallons change as consumption increases? ***If so, please describe***: increasing rate blocks	☑	☐	☐	☐
Does the rate structure assure proportionality among users?	☑	☐	☐	☐
Do you have procedures for billing and collection?	☑	☐	☐	☐
Is your billing collection rate greater than 95%?	☑	☐	☐	☐
Do you have collection procedures specifically for delinquent accounts?	☑	☐	☐	☐

Financial Planning Mechanisms - Are they Adequate?	Yes	No	Unknown	NA
Does your system have audited financial statements prepared by a certified public accountant (CPA)?	☑	☐	☐	☐
Does your water system income exceed operating expenses (including debt service)?	☑	☐	☐	☐
Does your water utility support other enterprise funds or the general fund?	☐	☑	☐	☐
Does your system require revenues from other enterprise funds or the general fund for normal operations?	☐	☑	☐	☐
Do you employ standardized accounting and tracking systems?	☑	☐	☐	☐
Do you track budget performance?	☑	☐	☐	☐
Do you keep records to substantiate depreciation of fixed assets and accounting for reserve funds?	☑	☐	☐	☐
Are financial management recordkeeping systems organized?	☑	☐	☐	☐
Are controls exercised over expenditures?	☑	☐	☐	☐
Are controls exercised to keep from exceeding your budget?	☑	☐	☐	☐
Are there purchasing procedures?	☑	☐	☐	☐
Did your system's governing body review this assessment before returning it to the South Dakota Department of Environment and Natural Resources?	☑	☐	☐	☐

8.3.16.1 Financial Spreadsheet

Complete the financial spreadsheet on the following page using the guidance presented on the reverse side of the form.

GUIDELINES:

This cash flow projection form provides a systematic method of estimating cash receipts, disbursements and balances. The entries listed on the form will not necessarily apply to every PWS, and some entries may not be included which would be pertinent to each PWS. It is suggested, therefore, that the form be adapted to each particular PWS, with appropriate changes in the entries as may be required.

Procedure: Most of the entries on the form are self-explanatory; however, the following suggestions are offered to simplify the procedure:

(1) First gather the audited financial statements, internally prepared statements or budgets and other information for the current year and the two prior years. Include the most recent audited financial statement with your self-assessment report.

(2) Complete the columns for the prior two years using actual data from your audited financial statements, if available, or your internally prepared financial statements. Keep in mind, for purposes of this analysis, it is important to use **cash** receipts and disbursements. ***Suggestion: Round amounts to the nearest dollar.***

(3) Complete the current year's column using the most recent budget information. Include all expenditures incurred by the utility.

(4) Complete the form using the suggestions in the partial form below for each entry. Be sure to include any expenditures resulting from planned plant improvement and estimate the impact of inflation on all expenditures.

(5) Item #1 (Beginning Cash on Hand) plus Item #3 (Total Cash Receipts) minus Item #6 (Total Cash Paid Out) should equal Item #7 (Ending Cash Position).

(6) Item #13 (Total Added to Reserves) plus Item #14 (Operating Cash) should equal Item #7 (Ending Cash Position).

(7) Item #1 (Beginning Cash on Hand) should equal Item #14 (Ending Cash Position) from the prior financial period.

(8) Items #8 & 9 are used together to determine the impact of the rate structure on the equivalent residential user. If industrial or business customers contribute a significant portion of the revenues, these amounts should be looked at separately. Consideration should be given to design a rate structure so that each

category of user pays its proportional share of the costs of operating and maintaining the PWS.

(9) Item #10 is used to determine to what extent a PWS's net operating income is able to cover its debt service requirements.

(10)Item #11 is used to determine to what extent a PWS's rate structure produces revenues sufficient to cover operating expenses.

(11)Item #14 is the operating cash balance at year end. The operating cash balance at the end of any financial period should be adequate to meet the cash requirements for a minimum of one month. If there is too little cash, additional cash may have to be injected or expenditures may have to be reduced. If there is excessive cash on hand, the money should be invested or otherwise deposited into interest bearing accounts (e.g., set up reserves for replacement or capital improvements, etc.)

Financial Spreadsheet

Applicant: Minnehaha Community Water
Completed by: Scott Buss
Date: 12/10/2014

4 Year Projections	Last Year Actual	Current Year Budget Year 1 Projected	Year 2 Projected	Year 3 Projected	Year 4 Projected
Enter Year:	2013	2014	2015	2016	2017
1. Beginning Cash on Hand	$2,678,910	$3,319,831	$4,757,834	$5,893,134	$7,083,564
2. Cash Receipts:					
a. Unmetered Water Revenue					
b. Metered Water Revenue	$3,224,780	$3,195,950	$3,350,000	$3,400,000	$3,450,000
c. Other Water Revenue					
d. Total Water Revenues (2a through 2c)	$3,224,780	$3,195,950	$3,350,000	$3,400,000	$3,450,000
e. Connection Fees	$7,400	$7,800	$5,000	$5,000	$5,000
f. Interest and Dividend Income	$97,370	$85,950	$85,000	$85,000	$85,000
g. Other Income	$98,081	$123,414	$125,000	$125,000	$125,000
h. Total Cash Revenues (2d through 2g)	$3,427,631	$3,413,114	$3,565,000	$3,615,000	$3,665,000
i. Transfers in/Additional Rev Needed					
j. Loans, Grants or other Cash			$900,000	$900,000	
Please specify					
Hwy 19 Relocation Project	$590,272				
3. Total Cash Receipts (2h through 2j)	$4,017,903	$3,413,114	$4,465,000	$4,515,000	$3,665,000
4. Total Cash Available (1+3)	$6,696,813	$6,732,945	$9,222,834	$10,408,134	$10,748,564
5. Operating Expenses					
a. Salaries and wages	$506,021	$484,302	$495,000	$505,000	$515,000
b. Employee Pensions and Benefits	$224,445	$186,233	$195,000	$200,000	$205,000
c. Purchased Water	$252,821	$246,650	$250,000	$260,000	$270,000
d. Purchased Power	$231,948	$237,400	$245,000	$250,000	$255,000
e. Fuel for Power Production	$12,845	$3,800	$4,000	$4,000	$4,000
f. Chemicals	$199,715	$185,000	$190,000	$195,000	$200,000
g. Materials and Supplies					
h. Engineering Services	$12,180	$14,500	$12,500	$12,750	$13,000
i. Contractual Services – Other					
j. Equip. Rent/Real Property					
k. Transportation Expenses	$122,143	$147,973	$130,000	$135,000	$140,000
l. Laboratory					
m. Insurance	$43,868	$46,273	$49,000	$52,000	$55,000
n. Regulatory Commission Expenses	$3,400	$3,400	$3,400	$3,400	$3,400
o. Advertising					
p. Miscellaneous	$0				
q. Total Cash O&M Expenses (5a through 5p)	$1,609,386	$1,555,531	$1,573,900	$1,617,150	$1,660,400
r. Replacement Expenditures					
s. Total OM&R Expenditures (5q+5r)	$1,609,386	$1,555,531	$1,573,900	$1,617,150	$1,660,400
t. Loan Principal/Capital Lease Payments					
u. Loan Interest Payments	$259,400	$250,400	$245,000	$255,000	$265,000
v. Transfers Out	$1,430,636				
w. Capital Purchases (specify):					
Big Sioux/Madison Project			$900,000	$900,000	
AMR Meter Project		$75,000	$500,000	$425,000	
x. Other					
6. Total Cash Paid Out (5s through 5x)	$3,299,422	$1,880,931	$3,218,900	$3,197,150	$1,925,400
7. Ending Cash Position (4 - 6)	$3,397,391	$4,852,014	$6,003,934	$7,210,984	$8,823,164

Financial Spreadsheet

Applicant: Minnehaha Community Water Corp.
Completed by: Scott Buss
Date: 12/10/2014

4 Year Projections	Last Year Actual	Current Year Budget Year 1 Projected	Year 2 Projected	Year 3 Projected	Year 4 Projected
8. Number of Customer Accounts	4,902	4,950	5,000	5,050	5,100
9. Avg Annual User Charge Account (2d/8)	$658	$646	$670	$673	$676
10. Coverage Ratio (2h-5s)/(5t+5u)	7.0	7.4	8.1	7.8	7.6
11. Operating Ratio (2d/5s)	2.0	2.1	2.1	2.1	2.1
12. Additions to Reserve Funds for the Year:					
a. Debt Service Reserve	$77,560	$94,180	$110,800	$127,420	$144,040
b. Bond Retirement Reserve					
c. Capital Improvement Reserve					
d. Replacement Reserve					
e. Other					
13. Total Reserves (12a through 12e)	$77,560	$94,180	$110,800	$127,420	$144,040
14. Year End Operating Cash (7 – 13)	$3,319,831	$4,757,834	$5,893,134	$7,083,564	$8,679,124

4 Year Projections	Last Year Actual	Current Year Budget	Year 2 Projected	Year 3 Projected	Year 4 Projected
1. Beginning Cash on Hand	For the prior period and the current year budget, use the actual cash balance. For all other years, cash on hand should equal item #14 from previous period.				
2. Cash Receipts:					
a. Unmetered Water Revenue	All cash received/estimated for water supplied to residential, commercial, industrial and public customers where the customer charge is not based on quantity, i.e., its based on diameter of service pipe, room, foot of frontage or other type units.				
b. Metered Water Revenue	all cash received/estimated for water supplied to residential, commercial, industrial and public customers where the charge is based on quantity of water delivered.				
c. Other Water Revenue	Other cash received/estimated from sale of water, e.g., sales for irrigation, sales for resale, inter- municipal sales, advalorem taxes (OM&R portion) etc.				
d. Total Water Revenues (2a through 2c)	**Self-explanatory**				
e. Connection Fees	All cash received/estimated for connection of customer service during the year.				
f. Interest and Dividend Income	All cash received/estimated on interest income from securities, loans, notes, etc., whether the securities are carried as investments or included in sinking or reserve accounts.				
g. Other Income	Other revenues collected/estimated during the period (e.g., disconnection or change in service fees, Profit on materials billed to customers, servicing of customer lines, late payment fees, rents, sales of assets, advalorem taxes (infrastructure portion) etc.).				
h. Total Cash Revenues (2d through 2g)	**Self-explanatory**				
i. Transfers in/Additional Rev Needed	Includes transfers from other funds w/i the municipality or can be used as a "plug" figure when determining the additional cash needed to cover cash needs.				
j. Loans, Grants or other Cash Injection	Includes loans or grants from financial institutions, inter-municipal loans, state or federal sources.				
3. Total Cash Receipts (2h through 2j)	**Self-explanatory**				
4. Total Cash Available (1+3)	**Self-explanatory**				
5. Operating Expenses	Use actual amounts paid when completing the prior year. Estimate the amounts for projected years based on prior year amounts, trends and other known variables (including those related to needs identified in the self-assessment.				
a. Salaries and wages	Cash expenditures made/estimated for salaries, bonuses and other consideration for work related to the O&M of the facility, including administration, and compensation for officers, directors, etc.				
b. Employee Pensions and Benefits	Paid vacations, paid sick leave, health insurance, unemployment insurance, pension plan, etc.				
c. Purchased Water	Amounts paid/estimated for cost of water purchased for resale.				
d. Purchased Power	Amounts paid/estimated for all electrical power for the utility.				
e. Fuel for Power Production	Amounts paid/estimated for fuel purchased for the production of power to operate pumps, etc.				
f. Chemicals	Amounts paid/estimated for chemicals used in the treatment and distribution.				
g. Materials and Supplies	Amounts paid/estimated for materials and supplies used for O&M of the PWS other than those under contractual services.				
h. Contractual Services – Engineering	Amounts paid/estimated to outside engineers to perform ongoing engineering work for the facility.				
i. Contractual Services - Other	Amounts paid/estimated for costs of outside accounting, legal, managerial, and other services.				
j. Rental of Equipment/Real Property	Amounts paid/estimated for costs associated w/the rental of equipment, buildings and real property.				
k. Transportation Expenses	Amounts paid/estimated for automobile, truck, equipment, and other vehicle use and maintenance.				
l. Laboratory	Self-explanatory				
m. Insurance	Amounts paid/estimated for vehicle, liability, workers' compensation and other insurance.				
n. Regulatory Commission Expenses	Amounts paid/estimated for rate cases and other activities with a regulatory commission				
o. Advertising	Amounts paid/estimated for informational, instructional and other advertising.				
p. Miscellaneous	Amounts paid/estimated for all expenses not included elsewhere (e.g. permit fees, training, etc.).				
q. Total Cash O&M Expenses (5a through 5p)	**Total of lines 5a through 5p.**				
r. Replacement Expenditures	Amounts paid/estimated for replacement of equipment to maintain system integrity.				
s. Total OM&R Expenditures (5q+r)					
t. Loan Principal/Capital Lease Payments	Include cash payments made/estimated for principal on all loans, including vehicle and equipment purchases on time payments and capital lease payments.				
u. Loan Interest Payments	Self-explanatory				

v. Transfers Out	Include cash transfers made/estimated to funds or entities outside the PWS.
w. Capital Purchases (specify):	Amount of cash outlays/estimates for items such as equipment, building, vehicle purchases, and leasehold improvements that were not a part of the initial design of the PWS infrastructure.
6. Total Cash Paid Out (5s through 5x)	Self-explanatory
7. Ending Cash Position (4 – 6)	Self-explanatory
8. Number of Customer Accounts	Use most recent system data or expected increases.
9. Ave User Charge per Customer (2d/8)	Self-explanatory
10. Coverage Ratio (2h-5s)/(5t+5u)	Measure of the sufficiency of net operating profit to cover the debt service requirements of the system. A bond covenant might require this to meet or exceed certain limits (e.g. 1.25)
11. Operating Ratio (2d/5s)	Measure of whether operating revenues are sufficient to cover OM&R expenses. An operating ratio of 1.0 is the bare Minimum for a self-supporting facility. With debt service requirements, the operating ratio would have to be higher.
12. Additions to Reserve Funds for the Year:	Do not include depreciation as a reserve unless there is actually a "depreciation' reserve that has cash set-aside for future expansion. **Include only amounts that are added to the reserve funds for the year (i.e., do not include accrued interest on CDs).**
a. Debt Service Reserve	Funds specifically set-aside to meet debt service requirements or requirements set forth in a loan Convenant/bond indenture.
b. Bond Retirement Reserve	Funds specifically set aside to retire debt as it is scheduled.
c. Capital Improvement Reserve	Funds specifically set aside to meet long-term objectives for major facility expansion, improvement and/or the construction of a new facility.
d. Replacement Reserve	Funds specifically set aside for the future replacement of equipment needed to maintain the integrity of the facility over its useful life.
e. Other	Other cash set-aside for reserve.
13. Total Added to Reserves (12a through 12e)	**Total of lines 12a through 12e.**
14. Year End Operating Cash (7-13)	**All non-reserved cash.**

8.3.17 Capacity Requirements for New Drinking Water System

Certificate of Approval: Obtaining a certificate of approval for a new drinking water system is required by law. More importantly, a certificate of approval shows that the drinking water system has gone through the planning process. Planning is critical for all new, as well as existing, water systems. A system that lacks technical, managerial, or financial capacity will have problems complying with all of the requirements of the 1996 Safe Drinking Water Act amendments. Since new water systems are required to complete the planning process, this will help ensure that these systems have adequate capacity and that the public will be provided with safe drinking water.

Who needs a certificate of approval?

All new community and nontransient noncommunity water systems that begin operation after October 1, 1999, are required to obtain a certificate of approval from the Department of Environment and Natural Resources (DENR) before beginning operation.

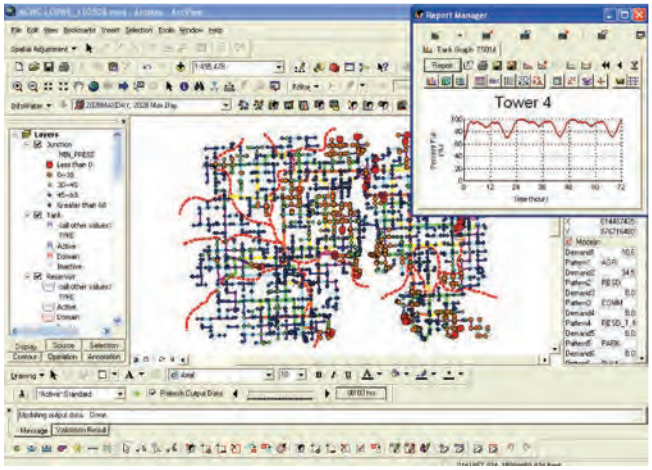
This includes water systems that do not meet the definition of community or nontransient noncommunity water system (NTNC) at start-up, but are designed to one day meet that definition. For example, a developer plats out 30 lots for homes in the development, but when the water system begins operation, there are only four homes connected to the system. Obviously, the intent is for this water system to one day be large enough to qualify as a public water system; therefore, the developer must meet all the new water system requirements.

Any system that has infrastructure in place before October 1, 1999, and then becomes a new community or NTNC water system only by the addition of new users is not required to obtain a certificate of approval.

What is the process for obtaining a certificate of approval?

DENR recommends that you apply as soon as possible to receive approval of the required documents in a timely manner. Approval may be delayed if more information is needed by the department during the review process. The following are minimum guidelines for certificate approval.

- Submit the New Water System Application and business plan no later than *90 days* before you anticipate beginning operation.
- Submit plans and specifications no later than *30 days* before the anticipated bid-letting and contract award date.
- Submit the operations and maintenance manual as soon as practicable before system start-up



Preliminary Engineering Report

Connection To BSCWC and Madison

Minnehaha Community Water Corporation

Dell Rapids, SD

September 2014

Submitted by

Banner Associates, Inc.
www.bannerassociates.com

BAI 07561.00.03

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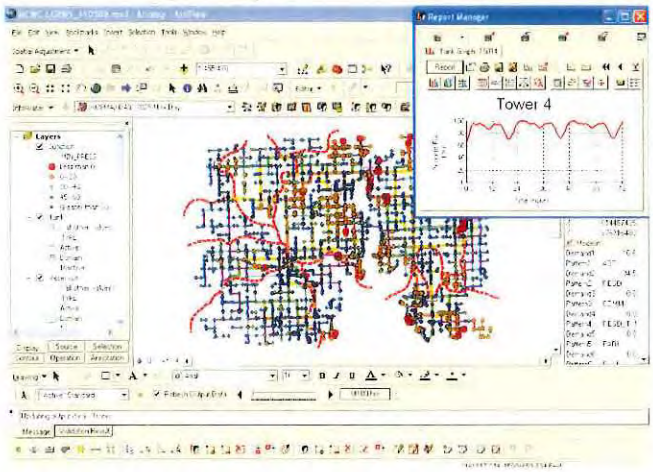
Engineering | Architecture | Surveying



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CONNECTION TO BSCW AND MADISON

MINNEHAHA COMMUNITY WATER CORPORATION

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SECTION 1: INTRODUCTION, AUTHORIZATION, AND PURPOSE

1.1 INTRODUCTION

This report summarizes the water distribution system improvements needed in the Minnehaha Community Water Corporation (MCWC) system to provide 1.0 MGD through a connection to the Big Sioux Community Water Corporation (BSCWC) system. This 1.0 MGD demand will be used to supply water to the City of Madison and to BSCWC customers around the Lake Madison area. MCWC and the City of Madison are members of the Lewis and Clark Regional Water System (L&CRWS) and both have reserved capacities of approximately 1.0 MGD from the L&CRWS system. MCWC is currently purchasing water from L&CRWS through their West Connection along Highway 42 west of Sioux Falls, SD. However, shortages in federal funding of L&CRWS have caused the City of Madison to investigate other options of obtaining potable water until the L&CRWS project is complete.

MCWC has agreed to participate in a "wheeling project" that will allow MCWC to deliver 1.0 MGD of water into the BSCWC water distribution, which in returns allows BSCWC to deliver up to 1.0 MGD to the City of Madison. MCWC currently does not have the treatment capacity necessary to sell an additional 1.0 MGD to BSCWC/Madison. MCWC must purchase the 1.0 MGD additional capacity from L&CRWS and make improvements within their system to accept the additional water. MCWC has been working with L&CRWS to develop a third connection to L&CRWS on the Northwest side of Crooks, SD. This proposed connection is approximately two (2) miles from Tower 3A and was anticipated to deliver a maximum flow of 0.75 MGD into the MCWC system. The "wheeling project" would require BSCWC to connect to the MCWC system near Tower 3B, which is currently being filled by the pumps at the water treatment plant. The water needed for this additional 1.0 MGD connection will be taken from Tower 3B; therefore, decreasing the MCWC water available to satisfy the system's existing and future demands. It is being proposed that the water

supply used to satisfy the BSCWC/Madison demand would be replaced with additional water (1.0 MGD) supplied from L&CRWS at the proposed MCWC North connection. The MCWC distribution system must be capable of accepting the 1.75 MGD (1.0 MGD for Madison/BSCWC and 0.75 MGD for MCWC) L&CRWS supply necessary to replace the water being sold to BSCWC/Madison

This project is contingent on L&CRWS completing Segment 1 (approximately 5 miles of 16-inch pipe) and Segment 5 (approximately 5 miles of 14-inch pipe) of the Madison Service line and BSCWC completing system improvements that include the construction of approximately seventeen (17) miles of 12-inch transmission pipe and a associated booster pump station east of Chester, SD. Both of these projects are scheduled to be designed, constructed and put into service by fall of 2016.

1.2 AUTHORIZATION

This study was authorized under the General Engineering Services agreement between Banner Associates, Inc. and the Minnehaha Community water Corporation at their August 2014 Board meeting.

1.3 PURPOSE

The purpose of this report is to:

- Identify scope of improvements to be considered,
- Document the need for improvements,
- Present an estimate of the probable costs for those improvements,
- Determine impact to Customer water rates based on different loan/grant amounts,
- Provide an implementation plan for the design and construction of those improvements.

1.4 ORGANIZATION OF REPORT

This report is organized into a total of four sections. The topics covered in each of the sections are summarized as follows:

SECTION 1	INTRODUCTION, AUTHORIZATION, AND PURPOSE
SECTION 2	NEED FOR THE PROJECT
SECTION 3	EVALUATION OF IMPROVMENETS
SECTION 4	PROPOSED PLAN AND IMPLEMENTATION SCHEDULE

END OF SECTION 1

SECTION 2: NEED FOR THE PROJECT

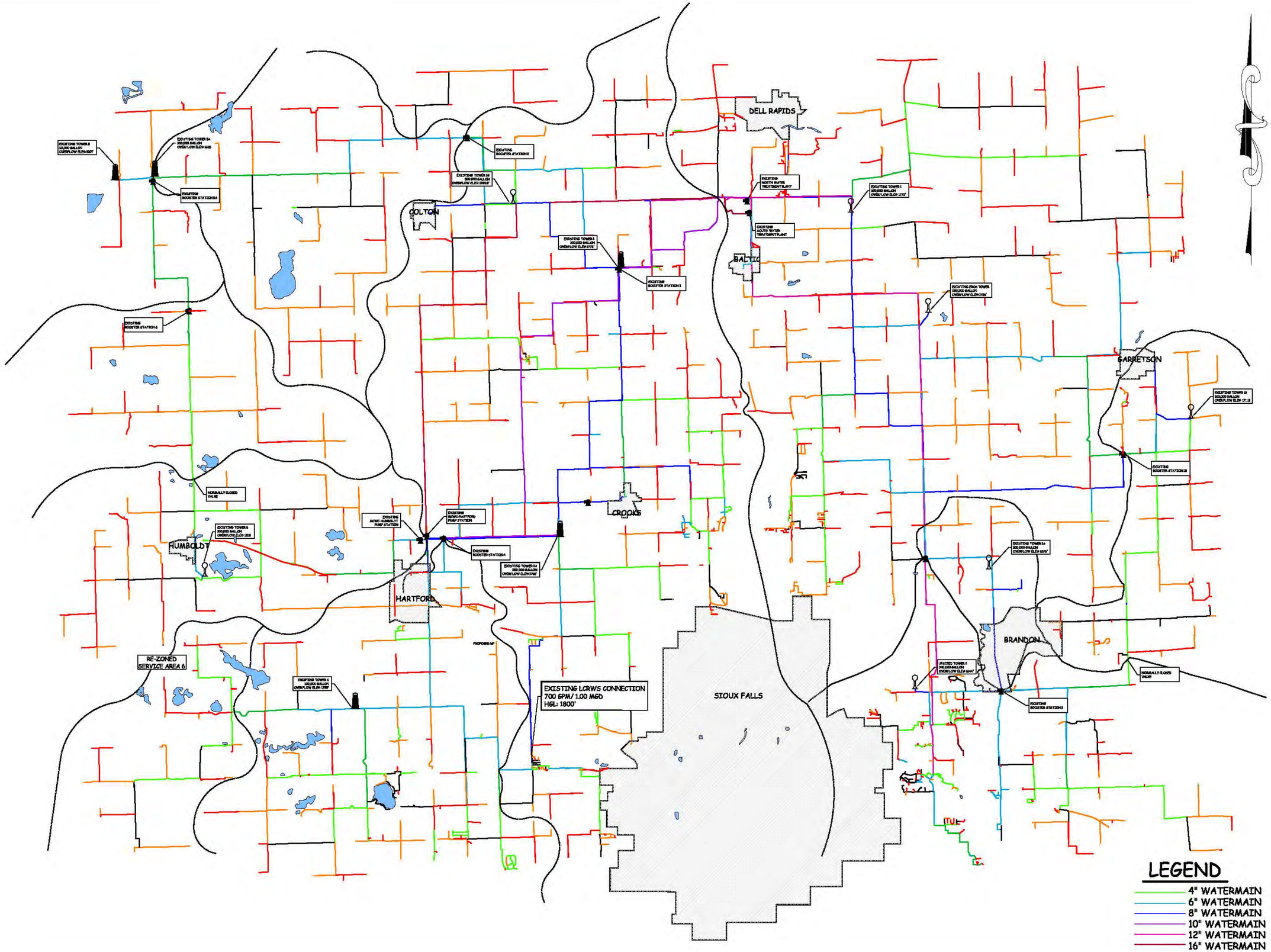
2.1 PLANNING AREA IDENTIFICATION AND PROJECT NEED

The planning area for this study includes the rural areas of Minnehaha County, South Dakota. The improvements investigated for the Minnehaha Community Water Corporation (MCWC) water system will be located in the west side of MCWC near the City of Hartford Crooks and Colton.

Improvements are needed within the MCWC west distribution system to receive 1.75 MGD (0.75 MGD for MCWC demands and 1.00 MGD for City of Madison demands) from L&CRWS at the proposed MCWC North connection near Crooks, SD. There are currently three (3) proposed connections to L&CRWS. The MCWC West service is located on 12th Street west of the City of Sioux Falls, approximately seven miles south and one mile west of MCWC Tower 3A and has been operational since August 2012. The proposed MCWC East service is located on 10th Street east of the City of Sioux Falls, approximately three miles south of MCWC Tower 2. The third connection is the proposed MCWC North connection. This is a proposed pump station that will house pumps and meters for the City of Madison, SD and pumps and meters for the third MCWC connection.

2.2 EXISTING SYSTEM

2.2.1 Treatment and Distribution: The current MCWC system includes two treatment plants located between the Cities of Dell Rapids and Baltic and water mains throughout Minnehaha County ranging from 2-inch to 18-inch pipe that deliver water to six communities: Dell Rapids, Baltic, Garretson, Crooks, Hartford, and Humboldt. In 2004, MCWC upsized its treatment process and installed an 18-inch transmission main that will allow the additional capacity of the water treatment plant to be transported out in the distribution system. The project planning area and the existing system is shown in Figure 2.1: Existing MCWC System Map.



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NOT FOR CONSTRUCTION

PROJECT TITLE:

MCWC SYSTEM IMPROVEMENTS CONNECTION TO BSCWC/MADISON

PROJECT LOCATION:

DELL RAPIDS, SOUTH DAKOTA

REV.	DATE	DESCRIPTION

DRAWN BY: K.R.M
DESIGNED BY: K.R.M
CHECKED BY: C.E.B
JOB NO: 07561.00.03
DATE: SEPTEMBER 2014

SCALE REDUCTION BAR

SHEET TITLE:

EXISTING MCWC SYSTEM MAP

FIGURE NO.:

FIGURE 2.1

F:\07561-00-03\Reports\Report\Draft Reports\MCWC_System_Map 08-08-14.dwg\9/22/2014 5:05 PM

2.2.2 West Service Area: The west service area is comprised of seven elevated storage towers and six booster pump stations. Water is pumped from the treatment plant, via three (3) miles of a new 18-inch pipe and three (3) miles of 16-inch, to Tower 3B. Tower 3B is a 500,000 gallon spheroid tower with an overflow elevation of 1769.5 feet. The new 16-inch piping stops approximately one (1) mile east of Tower 3B. All the water in the 16-inch pipe is necked down into an existing 8-inch pipe that connects to Tower 3B. This 8-inch bottleneck significantly limits the amount of water that can be pumped into Tower 3B.

Water is pumped to Tower 3 by a pair of existing 10-inch pipes. Tower 3 is a 150,000 gallon legged tower with an overflow elevation of 1772 feet. Valves are closed in the distribution system which isolates the new 18-inch and 16-inch transmission pipes from the 10-inch transmission pipes. MCWC staff have indicated that if the distribution system valves are open, Tower 3 overflows before Tower 3B is completely filled.

Booster Station 3 is located at the base of Tower 3 and houses three pumps capable of pumping water from Tower 3 to Tower 3A, although only two pumps are typically used and the third is for redundancy. This pump station was operating near capacity prior to the 2006 improvements associated with the Hartford connection. Those improvements provided another means of filling Tower 3A. Prior to 2006, booster pump station 3 was the only means of filling tower 3A.

The MCWC-Hartford Pump Station, constructed in 2006, is a combined pump station that houses pumps that deliver water to the City of Hartford, SD and to Tower 3A. There are currently two (2) pumps installed in this pump station with room for four (4) pumps total in this facility. All four (4) pumps will draw water through the 16-inch PVC pipe that is hydraulically connected to Tower 3B. Tower 3B is a 500,000 gallon tower with an overflow of 1769.5 feet and is the source of water for the MCWC-Hartford Pump Station. The MCWC-Hartford Pump Station includes one (1) pump that is dedicated to provide water to the City of Hartford from Tower 3B. This pump is called to start and stop based on the water level in

the 500,000 gallon city of Hartford tower that is located on the north side of town. The other pump that is installed in this pump station is used to fill Tower 3A. Both pump share suction piping but are isolated from each other on the discharge side of the pumps. In the event of pump failure, valves in the pump station can be open or closed resulting in either one of the pumps being able to pump to either the City of Hartford's tower or Tower 3A. This configuration is used to keep the water fresh n the 16-inch suction piping. If these pumps were not allowed to pump water to tower 3A there is some concern that during low demand periods, the water in the 16-inch pipe could become stagnant and lose its chlorine residual.

The MCWC-Humboldt Pump Station, constructed in 2007, provides water to Service area 6 and the City of Humboldt from Tower 3A. 6-inch piping between the pump station and Tower 6 is used to convey water to this service area. Tower 6 is a 100,000 gallon elevated tower with an HGL of 1818 feet. The Humboldt pump station is constructed on the same building site as the Hartford pump station and also relies on water coming through the 16-inch pipe from Tower 3B. The pumps in the Humboldt pump station are called to start and stop based on the water level in Tower 6. This pump station is the lead call for delivering water into service area 6.

Under maximum day demand conditions, the pumps located in the Hartford and Humboldt pump station deliver approximately 880 gpm from Tower 3B to other parts of the MCWC system (as described in the previous paragraph). This water is carried from Tower 3B to the suction side of the pumps through the 16-inch transmission pipe that was installed in 2006 when the City of Hartford increased their water supply from MCWC.

Tower 4 is a 100,000 gallon elevated water tower with an overflow of 1755 feet. Booster Station 4 supplies water from Tower 3A to Tower 4 through a 6-inch line. The L&CRWS West meter house is located north of Highway 42 at the intersection of 467th Avenue and 265th Street. This meter house is constructed with pumps that are capable of delivering water into two (2) different service areas and was brought on-line in August 2012. L&CRWS pumps can

pump water into the service area served by Tower 4 (HGL of 1755') and into the service area served by Tower 3A (HGL of 1772'). Since August 2012, MCWC has purchased approximately 12,000,000 gallons per month or 400,000 gallons per day from L&CRWS at this location. Of the 400,000 gallons per day, approximately 250,000 gallons per day goes to the North to Tower 3A and the remaining 150,000 gallons per day goes to Tower 4. There are currently significant bottlenecks within the MCWC system in Service Area 4 that limits the amount of water that can be delivered into this service area. Currently the discharge of the L&CRWS pumps is limited to 120 psi in effort to minimize line breaks downstream of this connection. Significant piping improvements are needed is additional water (greater than 400,000 gallons per day) is taken from the L&CRWS system at this point in the MCWC distribution system.

Booster Station 5 pumps water from Tower 3B to Tower 5A through a 5-inch pipe. Tower 5A is a 100,000 gallon tower with an overflow elevation of 1826.5 feet. This pump station is located on the north side of 246th Street approximately one-half mile west of the intersection of 466th avenue and 246th Street. This pump station was operating at its maximum capacity during periods of maximum day demands. Bottlenecks on the suction and discharge side of this pump station significantly limit the amount of water that could be pumped through this pump station. Prior to 2007, all the water needed for Service area 6 and the City of Humboldt, SD was pumped by through this pump station. Delivering water into service area 6 through the Humboldt pump station (located at the same location as the Hartford pump station), took a significant amount of demand off of Pump Station 5 and has delayed the need for improvements on the suction and discharge piping around this pump station.

Booster Station 5A is located at the base of Tower 5A and moves water from Tower 5A to Tower 5 through a 6-inch pipe. Tower 5 is a 30,000 gallon tower with an overflow elevation of 1907.5 feet. In 2013, approximately 80,000 feet of 4-inch and 6-inch pipe was installed with the reconstruction of Highway 19. Existing piping was upsized to decrease head losses in the piping to allow the removal of the control valve station three (3) miles north of

Humboldt, SD on Highway 19. The control valve facility, located at the intersection of Highway19 and 256th street was abandoned in the Spring of 2014. Modifications were made in Booster Station 6 pumps that allow water to flow by gravity from Tower 5 to Tower 6 during normal demands. A control valve and associated controls were added to this facility to decrease pumping costs associated with this pump station. New pumps were also installed in this facility and are used to fill Tower 6 during periods of high demands. Demands within service area 6 can be supplied from either the Humboldt Pump station that pumps water off of the 16-inch pipe located in service area 3 or through the 6-inch pipe along Highway 19 that pumps water from service area 5.

2.2.3 East Service Area: All the improvements associated with the connection to BSCWC/Madison needed to MCWC system are on the West side of the system. The following is a scaled back narrative for the operation of the east system. The east service area is comprised of five elevated storage towers and two booster pump stations. Water is pumped from the treatment plant, via parallel 12-inch pipe and 8-inch pipe, to Tower 1 and via a 12-inch pipe to the EROS Tower. Tower 1 is a 150,000 gallon tower with an overflow elevation of 1770 feet and the EROS Tower is a 250,000 gallon tower with an overflow elevation of 1725.5 feet. Booster Station 1B pumps water from Tower 1 to Tower 1B near Garretson through 8-inch and 6-inch pipe. Tower 1B is a 100,000 gallon tower with an overflow elevation of 1711.5 feet, which serves the City of Garretson at an HGL of 1673 feet. Controls allow flow from Tower 1 through the 12-inch line to Tower 1A, which is a 300,000 gallon tower with an overflow elevation of 1576 feet. Booster Station 2 pumps water from Tower 1A to Tower 2 through an 8-inch pipe. Tower 2 is an approximately 100,000 gallon tower with an overflow of 1623.5 feet.

2.2.4 Water Storage Reservoirs: MCWC has several elevated water storage towers located throughout their distribution system. Elevated water storage towers provide a buffer between pumping capacities and peak hour demands that occur during maximum day

demands. The following table is summary of the existing water towers that are located in the water distribution system.

Table 2-1: Existing MCWC Water Storage

	HGL (ft)	Low Water Elev. (ft)	Head Range (ft)	Diameter (ft)	Height (ft)	Storage (gal)
Tower 3	1772	1744	28	30	125	150,000
Tower 3A	1765	1737	28	35	185	200,000
Tower 3B	1769.5	1729.5	40	46	138	500,000
Tower 4	1755	1734.4	20.6	30	130	100,000
Tower 5	1907.5	1895.5	12	20	100	30,000
Tower 5A	1826.5	1804.5	22	28	85	100,000
Tower 6	1818	1790	28	25	128	100,000
					WEST TOTAL:	**1,180,000**
EROS	1725.5	1695.5	30	38	130	250,000
Tower 1	1770	1742	28	30	130	150,000
Tower 1A	1576	1546.7	29.3	42	129.5	300,000
Tower 1B	1711.5	1690.5	21	30	121	100,000
Tower 2	1623.5	1602.9	20.6	30	115	100,000
					EAST TOTAL:	**900,000**
					TOTAL STORAGE:	**2,080,000**

2.3 EVALUATION OF CURRENT SYSTEM

2.3.1. Water Demands: Water records obtained from 2013 were used to determine the minimum, average and maximum month demands. The average annual daily demand is the average amount of water used during any typical day. This demand is calculated by dividing the total annual flow by 365 days. The average annual daily demand for MCWC in 2013 is 1,435 gpm (2.066 MGD). The minimum annual daily demand (February) for MCWC in 2013 is 1,151 gpm (1.657 MGD) and the maximum month demand (July) for MCWC in 2013 is 2,253 gpm (3.244 MGD). The maximum day demand for 2013 was approximately 2,800 gm (4.000 MGD). 2013 was a normal year with regards to weather; therefore, water demands did not deviate too far from what was expected.

The computer model uses the maximum day demand to evaluate system performance and determine necessary system improvements. The maximum daily demand is the maximum total volume of water pumped from the two water treatment plants and purchased from the L&CRWS connection in a single 24-hour period. The maximum day demand seen in 2012 is not the historical high maximum day demand seen on the system in the recent years. MCWC experienced their highest maximum day demand during August 2012. The 2012 maximum day demand of 5.100 MGD experienced was greater than the previous historic peak day demand of 3,094 gpm (4.456 MGD) that was experienced in July 2006 and greater than the maximum day demand experienced in 2013. The historic peak day demand recorded in 2012 was 3,542 gpm (5.100 MGD), or approximately 13% greater than the peak day demand seen in 2006. As of 2012, the historical peak day demand of 5.100 MGD is the largest the system has seen to date; therefore, the computer simulations will use these demand for all maximum day analysis.

2.3.2. Service Area Water Demands: GIS data received from MCWC was used to determine where in the system water usage was occurring. After the 2012 maximum day demands were entered into the computer model, GIS functions were utilized to determine the minimum, average, maximum monthly and maximum day demands were for each service area. The following table is summary of the water demands for each service area.

Table 2-2: Existing and Projected Water Use

Service Area	2012 Min Month (gpm)	2012 Ave Month (gpm)	2012 Max Month (gpm)	2012 Max Day (gpm)
1	312	460	776	1,008
1A	9	14	23	30
1B	81	120	202	263
2	112	166	279	363
3	401	591	997*	1295*
4	82	120	203*	264*
5	30	44	74	96
5A	7	10	16	22
6	62	92	155*	201*
East	515	760	1,280	1,664
West	581	857	1,445	1,878
TOTAL	**1,096**	**1,617**	**2,726**	**3,542**

It should be noted from the table above that during periods of maximum monthly and maximum daily demands, water usage within Service Area 3, 4 and 6 exceed the 1.75 MGD capacity desired from the L&CRWS-MCWC North connection.

2.3.3. Description of Hydraulic Computer Model: A computer model of the MCWC water distribution system was constructed using Infowater. Infowater is GIS-based modeling software produced by MWH Soft, Inc. that provides network analysis and dynamic simulation computations under extended period conditions. The model includes storage tanks and pipe in the existing water distribution system. MCWC provided the following information used in the model:

- distribution system map, pipe materials, and sizes,
- elevated water tower elevations,
- pump station flow rates,
- and the overall water demand of the distribution system.

Banner Assoc. Inc. obtained GIS shapefiles from MCWC that included the location and sizes of all the water distribution system piping that is currently in-service. This information

was imported in the computer model to help create the computer model. MCWC staff also included an ArcView shape file that included all the current customers. These customers' data files were linked to the monthly water usage records. By doing this, Banner Associates, Inc. was able to create a very accurate model of the system using real time water use records. Water use data from August 2012 was imported into the model. Actual water usage records were multiplied by a constant to obtain water demands that equaled the historical maximum day water demands of 3,542 gpm (5.100 MGD).

Demands from the historical maximum day demand (5.100 MGD) were input into the computer model. Each customer was assigned a demand pattern to reflect how the customer takes water during a 24-hour period of time. The computer model determined that a peak hour demand of approximately 5,000 gpm (7.200 MGD) occurs for a period of time during the maximum day.

2.3.4. Evaluation of Distribution, Storage, and Treatment Systems: The existing computer model was used to evaluate the possibility of taking 1.75 MGD (0.75 MGD for MCWC demands and 1.00 MGD for BSCWC/Madison demands) from the proposed L&CRWS North connection into the MCWC distribution system. The existing system is capable of supplying the historical maximum day demand (5.100 MGD) with minimal effect on pressure and water quality. There are no locations in the existing system that experience pressures less than 30 psi during the peak demand days. Prior to system improvements that were completed before 2006, MCWC struggled with keeping water towers (Tower 3 and 3A) full during the peak day demands. System improvements (including installation of 16-inch and 18-inch transmission main, construction of Tower 3B, and construction of the Hartford pump station) completed at that time have greatly improved service on the west side of the system.

The existing L&CRWS connection has been in operation since August 2012. Using the computer model and verified in the field, it was determined that the existing system is only

be able to handle a flow rate of approximately 120 gpm at the L&CRWS west side connection. Any flow greater than 120 gpm cause pressures to exceed the recommended operating pressure of 120 psi for class 160 PVC pipe. Operating pipe greater than the recommended operating pressure can increase the potential for water main breaks. Therefore, the existing distribution system is inadequate to accept the reserved capacity volume of 700 gpm from the LCRWS connection. In order to utilize the contract amount of water available from LCRWS, additional water system improvements are required in this area. The system improvements needed for MCWC to take the Contract amount of 700 gpm (1.00 MGD) at this connection point was documented in a Water Utility Planning Document titled "MCWC Connection to L&CRWS" prepared by Banner Associates and dated January 2009. This document identified approximately $11.7M of improvements that were needed on the West side of MCWC's system to accept the full reserved capacity of 1,100 gpm (1.63 MGD) from L&CRWS.

The system improvements and associated costs outlined in the Water Utility Planning Document prompted MCWC to send a letter on April 28, 2010 to L&CRWS asking them to investigate the possibly of adding a third connection point to the L&CRWS system somewhere closer to Tower 3A. Getting additional water through this third L&CRWS connection is that only way that MCWC can supply the 1.0 MGD BSCWC/Madison requested demand. The water distribution system was evaluated to determine if 1.75 MGD could be delivered into the existing MCWC pipes.

The proposed location of the L&CRWS – MCWC North connection is at the intersection of 257th Street and 469th Avenue. MCWC currently has an existing 8-inch pipe located at this intersection. This pipe is currently used to convey water between the City of Crooks, SD and Tower 3A. The Computer model was used to determine the maximum volume of water that could be introduced into the system at this location without exceeding the pressure rating of the pipe that is currently in the ground. Pressures during normal operation conditions range from 77 psi to 88 psi during maximum day demands. The pipe in this area is all pressure

class 160 pipe which has a normal operating pressure of 120 psi. A supply of 520 gpm (0.75 MGD) was added to the computer model and it produced operating pressures of approximately 100 psi during maximum day demands. A supply of 1215 gpm (1.75 MGD) was added to the computer model and it produced operating pressures greater than 150 psi during maximum day demands; therefore, the existing distribution system is incapable of accepting the proposed supply for MCWC and the BSCWC/Madison demands.

2.4 FUTURE CONDITIONS

2.4.1 Population Projections: Surrounding communities that have had significant growth in the past decades are Brandon, Tea, Hartford, Humboldt, and Dell Rapids. Based on the 2009 MCWC Facility Plan prepared by Banner Associates, Inc, Dell Rapids and Brandon have experienced increased populations of 20% and 61%, respectively in the last decade. The smaller cities of Tea, Hartford, and Humboldt have had population increases in the last decade of 121%, 46%, and 11%, respectively. Other factors that would justify using a high rate of increase in the population projection include the close proximity to the City of Sioux Falls, increased growth of surrounding communities, and the possibility of additional access from the interstate system to the smaller communities. Industrial development is not expected to have a major impact during its growth period.

2.4.2 Forecast of Water Usage: The water demands were projected for the future improvements were based on an average annual increase of water use of approximately 5 percent (5%). Based on this, future maximum day demands in 2034 would be 7,974 gpm (11.482 MGD). These demands were projected for each service area to size improvements. Historic water usage data was used to geographically associate water use with each service area. Forecasted data indicated that a demand of approximately 3,746 gpm (5.394 MGD) will occur in the east half of MCWC and 4,228 gpm (6.089 MGD) for the west half of MCWC. The east side demands include the demands for Dell Rapids and Baltic. Without these whole sale customers added into the calculations, the resulting east side demand would be

approximately two-thirds of the west side demands. The following table summarizes the existing and projected water use.

Table 2-4: Existing and Projected Water Use

Service Area	2012 Min Day (gpm)	2012 Avg Day (gpm)	2012 Max Day (gpm)	2012 Peak Day (gpm)		2019 Max Day (gpm)	2034 Max Day (gpm)
1	312	460	776	1,008		1,092	2,269
1A	9	14	23	30		32	67
1B	81	120	202	263		285	592
2	112	166	279	363		393	817
3	278	410	691	897		972	2,020
4	82	120	203	264		286	594
5	30	44	74	96		104	216
5A	4	6	10	14		15	31
5PRV	3	4	6	8		9	19
6	62	92	155	201		218	453
Hartford	123	181	306	398		430	895
East	515	760	1,280	1,664		1,802	3,746
West	581	857	1,445	1,878		2,034	4,228
TOTAL	**1,096**	**1,617**	**2,726**	**3,542**		**3,836**	**7,974**

END OF SECTION 2

SECTION 3:EVALUATION OF IMPROVEMENTS

3.1 GENERAL

MCWC sent a letter on April 28, 2010 to L&CRWS asking the water provider to investigate the possibility of adding a third connection to their system. The design of the L&CRWS system included a pump station immediately west of Crooks, SD. This proposed pump station was intended to booster pressures to deliver water to the City of Madison, SD. Ultimately it was decided that any additional pumps and meters that were needed for this third MCWC connection could be housed in this proposed pump station. Banner Associates prepared a technical Memorandum for L&CRWS dated May 21, 2010 that recommended system improvements that would allow L&CRWS to deliver 0.75 MGD to the MCWC distribution system at this location. This connection is commonly referred to as the L&CRWS - MCWC North connection. The L&CRWS transmission piping (suction and discharge piping) were preliminarily designed around a 1.75 MGD flowrate (1.0 MGD for the City of Madison and 0.75 MGD for MCWC).

MCWC's improvements to the water distribution system were investigated and evaluated to determine how the 1.0 MGD that would be delivered to BSCWC (through the BSCWC proposed 12-inch transmission piping and associated pump station) would be replaced in the MCWC system. Using a computer model of the existing MCWC water distribution system, it was determined that if additional water could be taken through the L&CRWS – MCWC North connection, the BSCWC demand of 1.0 MGD would be available through a connection just north of Tower 3B.

3.2 DEVELOPMENT OF IMPROVEMENTS

The investigated improvements within the MCWC distribution system looked at what piping is needed to take the entire allocated supply of 1.75 MGD (1.0 MGD for the City of Madison and

0.75 MGD for MCWC) from the MCWC North connection into the MCWC's water distribution system. Taking the additional 1.0 MGD through the MCWC north connection would allow the 1.0 MGD demand to be delivered into the BSCWC proposed system improvements.

The proposed improvements were developed by Banner Associates Inc. with the input of MCWC staff. Banner Associates, Inc. utilized the computer modeling program InfoWater to help determine the hydraulic feasibility of the improvements. InfoWater is a GIS-based computer modeling software produced by Innovyze, Inc. that provides water distribution system network analysis and dynamic simulation computations. The computer model accurately represents all of the different components in a water distribution system including tanks, pumps, valves, customers, etc. The model of the MCWC used was originally constructed for the capital improvements master plan and was updated with customer billing information from 2012, a year of high water usage. More specifically, the billing records from August 2012 were used in the model to attain an operator reported 5.100 MGD maximum day demands. This maximum day demand of 5.1 MGD was used in the analysis of the improvements to represent a worst-case scenario in the system. The improvements were developed to maintain a minimum pressure of 20 psi in the area of interest. The pressure of 20 psi is the minimum safe operating pressure in a water distribution system according to 10 States Standards and the South Dakota Department of Environment and Natural Resources (SDDENR).

The water delivered to the City of Madison would essentially be traveling through three different water distribution systems before arriving at the city, including: Lewis & Clark, Minnehaha Community Water Corporation, and Big Sioux Community Water System. There are projects that need to be completed by L&CRWS and BSCWC that need to be completed before or concurrently with the MCWC proposed improvements.

L&CRWS will need to construct Segment 1 and Segment 5 pipeline. Segment 1 is a five (5) mile section of 16-inch piping which extends the existing L&CRWS distribution. Proposed Segment 1 piping would convey water from the intersection of 262nd Street and West Benson

Road to the proposed L&CRWS – MCWC North meter house adjacent to 262nd Street. Segment 5 of the L&C Madison Line is a 14-inch section of pipe that stretches 5.1 miles from the intersection of Highway 34 and 459th Avenue on the north side of Lake Madison to the City of Madison's water treatment plant. Segment 5 would tie directly into the BSCWS system and deliver water directly into the City of Madison's ground storage reservoir. L&C Segment 1 and Segment 5 are not currently in place and would be completed by other entities should this plan move forward. Both of these proposed pipe lines need to be designed and constructed to make the three proposed alternatives viable.

3.2.1 Improvement 1 – 5,300 feet of 16-inch Transmission Pipe: The proposed 1.0 MGD demand that will be supplied to BSCWC will be taken as close to possible to the existing Tower 3B. Tower 3B has an overflow elevation of 1770 feet and will provide adequate pressure to the suction side of the proposed BSCWC pump station through the proposed BSCWC 12-inch pipe. Tower 3B will act as a buffer between the MCWC and BSCWC water systems. When a call for water in the BSCWC system is needed, the proposed pump station located east of Chester, SD will be called to turn on and start pumping from Tower 3B. Tower 3B is currently and will continue to be filled with pumps at the Water Treatment Plant. Using the computer model, a bottleneck in the water distribution was discovered. This bottleneck restricted the amount of water that could be delivered to Tower 3B and created higher discharge pressures on the downstream side of the high service pumps.

Water is currently delivered to Tower 3B by the High Service pumps through six (6) miles of 16-inch pipe located north of 248th street. The 16-inch pipe stops one mile east of Tower 3B where it ties into an existing 8-inch pipe. This improvement would include approximately 5,300 feet of 16-inch PVC pipe. The proposed piping would tie into an existing 16-inch stub out that is located at the southeast corner of the intersection of 248th street and 467th Avenue. A 16-inch tee, 16-inch valve and 16-inch cap is installed in this location for this proposed connection. There is an existing 12-

inch pipe installed under 248th Street heading north. It is proposed that the BSCWC connection be located on the north side of 248th Street and connected to the existing 12-inch pipe.

3.2.2 Improvement 2 - 10,600 feet of 12-inch Transmission Pipe: The L&CRWS pump station/meter house will be constructed at the intersection of 257th Street and 469th Avenue. This pump station will house the pumps needed to deliver 1.75 MGD from the L&CRWS system into the MCWC distribution system. Piping improvements are needed to convey the L&CRWS away from the pump station/meter house. It is recommended that 10,600 feet of 12-inch pipe be installed from the L&CRWS pump station/meter house to Tower 3A. Tower 3A has an overflow elevation of 1765' and provides water for a significant portion of Service Area 3 and 4. One mile of 12-inch pipe shall be installed adjacent to 469th Avenue from 257th Street to 258th street and one mile of pipe adjacent to 258th Street from 469th Avenue to 468th avenue. It is recommended that the 12-inch pipe cross under 468th Avenue and tie directly into Tower 3A. This improvement will allow water to flow directly from the L&CRWS pump station/meter house to the tower.

3.2.3 Improvement 3 - 5,300 feet of 10-inch Transmission Pipe: A second transmission pipe is needed to convey the water away from the L&CRWS pump station/meter house. It is recommended that 5,300 feet of 10-inch piping be installed from the intersection of 469th Avenue and 257th Street one mile to the north to 256th street. The proposed piping will tie into the existing 8-inch piping at this intersection. This10-inch pipe will help convey water to Tower 3. Tower 3 has an overflow elevation of 1772' and can provide water for a significant portion of Service Area 3 and 4. It is recommended that the proposed pipe also tie into the existing 8-inch pipe that provides water to the city of Crooks, SD.

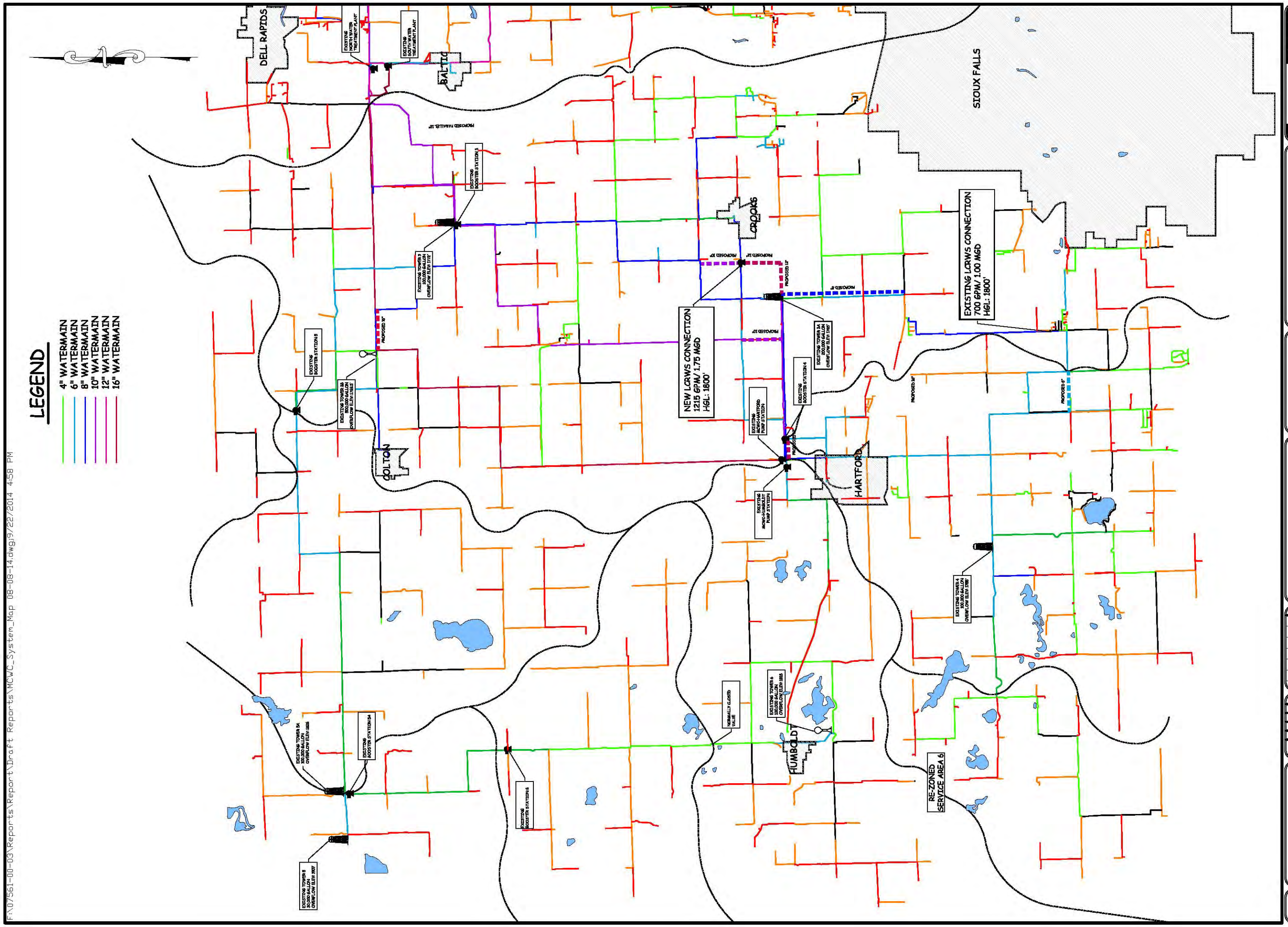
3.2.4 Improvement 4 - 3,000 feet of 12-inch Transmission Pipe: Water is conveyed west from Tower 3A by an existing parallel 8-inch and 10-inch pipe that run adjacent to 258th street. The 8-inch pipe runs approximately four (4) miles to the Hartford Pump station. The 10-inch pipe runs approximately three and half (3.5) miles to Booster Pump Station 4. Prior to the installation of the Hartford pump Station, the Booster Pump Station 4 was fed from water coming from of Tower 3A. Once the Hartford Pump Station was brought on-line, pumps in the Hartford Pump Station are used to supplement water to Tower 3A. Banner recommends installing 3,000 feet of 12-inch pipe between Booster Pump Station 4 and the Hartford Pump Station. This will allow water through the L&CRWS MCWC North connection to be supplied to the suction side of Booster Pump Station 4 and the suction side of the Hartford Pump Station. Making this connection decreases the amount of water that is supplied to the Hartford Pump Station through the existing 16-inch transmission pipe that is installed between Tower 3B and the Hartford Pump station. Decreasing flows through the existing 16-inch transmission pipe free up capacity in Tower 3B; therefore allowing BSCWC to take up to 1.0 MGD directly from Tower 3B.

3.2.5 Improvement 5 – 5,300 feet of 10-inch Transmission Pipe: Banner recommends installing 5,300 feet of 10-inch pipe adjacent to 467th Avenue between 257th Street and 258th Street. This improvement finishes a loop in the distribution system between Tower 3 and Tower 3A. Currently there is an existing 10-inch pipe that ties into two (2) existing 6-inch pipes at the intersection of 467th Avenue and 257th Street. Creating this loop allows the two towers to cycle (fill and drain) together. The computer models shows periods of times when flow greater than 350 gpm will be conveyed north through the proposed 10-inch pipe to move water L&CRWS water away from Tower 3A.

3.2.6 Improvement 6 - 16,000 feet of 8-inch Transmission Pipe: An additional transmission pipe is needed to convey water south out of Tower 3A. MCWC currently has an

existing 8-inch pipe located three (3) miles south of Tower 3A at the intersection of 468th Avenue and 261st Street. Banner recommends installing 16,000 feet of 8-inch pipe adjacent to 468th Avenue from 258th Street to 261st Street. This improvement creates a loop in the distribution system between the discharge side of the L&CRWS west meter house and Tower 3A.

3.2.7 Improvement 7 – 5,300 feet of 6-inch Distribution Pipe: In discussions with MCWC staff, they indicated that flow is currently limited by existing piping on the discharge side of the L&CRWS west meter house. MCWC limits the amount of flow into their system based on maintain a constant discharge pressure of 140 psi. Banner recommends that 5,300 feet of 6-inch pipe be installed on the downstream side of the L&CRWS pumps that pump water into Service Area 4. A new 6-inch pipe should be installed adjacent to 265th Street between 465th Avenue and 466th Avenue. This will create a loop in the system between existing 6-inch pipes. The model indicated that this improvement would decrease discharge pressures by approximately 15 psi and allow an additional 50 to 75 gpm to be pumped from the L&CRWS west meter house during periods of peak demands.



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Designing Projects, Building Trust

CONSULTANTS:

FOR REVIEW ONLY
NOT FOR CONSTRUCTION

PROJECT TITLE:

MCWC SYSTEM IMPROVEMENTS CONNECTION TO BSCWC/MADISON

PROJECT LOCATION:

DELL RAPIDS, SOUTH DAKOTA

REV.	DATE	DESCRIPTION

DRAWN BY: K.R.M.
DESIGNED BY: K.R.M.
CHECKED BY: C.E.B.
JOB NO: 07561.00.03
DATE: SEPTEMBER 2014

0 1/2" 1"
SCALE REDUCTION BAR

SHEET TITLE:

PROPOSED MCWC IMPROVEMENTS 2014

FIGURE NO.:

FIGURE 3.1

F:\07561-00-03\Reports\Report\Draft Reports\MCWC_System_Map 08-08-14.dwg;9/22/2014 4:58 PM

3.3 OPINION OF PROJECT AND O&M COSTS

Improvements are needed to the MCWC system to be able to deliver the desired 1.0 MGD water to the City of Madison, through the BSCWC water system. Opinions of probable project costs were developed for each of the investigated Improvements. It is recommended that all seven (7) improvements be constructed under a single General Contractor and administered under a single Contract. A more detailed cost estimate is provided in Appendix A for each alternative. The probable project costs for the improvements is presented and evaluated are summarized below:

Improvements: 16", 12", 10" and 8" Transmission and 6" Distribution Piping Improvements with the MCWC Distribution System

Probable Project Costs: $1,780,800

Opinion of Annual O&M: $0

It is anticipated that there will not be any increase in annual operational and maintenance costs for the MCWC system due to the proposed improvements. All the improvements are being made to loop the distribution system and increase system capacity to allow more water to flow within the system; therefore, costs associated with pumping will actually decrease due to the system improvements. All costs associated with pumping the L&CRWS water will be paid for by L&CRWS and allocated to the associated L&CRWS members; therefore, pumping costs associated with pumping where determined to be zero.

3.4 SUMMARY AND RECOMMENDATIONS

In summary, the Minnehaha Community Water Corporation must make the proposed improvements to their current distribution system in order to deliver 1.0 MGD water to the City of Madison, SD through the BSCWC proposed piping. Seven (7) system improvements were presented and evaluated using the computer model of their system. Banner Associates

Inc. recommends proceeding with all seven (7) improvements as discussed in the previous section. This alternative will allow the MCWC to deliver up to 1.00 MGD or 700 gpm to the BSCWC system without jeopardizing service to existing customers by lowering system pressures below the minimum standard of 20 psi.

END OF SECTION 3

SECTION 4: PROPOSED PLAN AND IMPLEMENTATION SCHEDULE

4.1 INTRODUCTION

This section summarizes the proposed water distribution improvements for the Minnehaha Community Water Corporation distribution system.

4.2 RECOMMENDED WATER DISTRIBUTION IMPROVEMENTS

The recommended water distribution improvements for the MCWC are all seven (7) improvements discussed in the previous section. These improvements will allow the MCWC system to deliver up to 1.00 MGD or 700 gpm to the BSCWC without lowering system pressures to existing MCWC customers below the minimum standard of 20 psi. BSCWC will pump this water to their ethanol Tower where it will gravity feed to the City of Madison and into the Service area around Lake Madison. Refer to Figure 3.1 for the proposed layout of the new water distribution facilities.

The Opinion of Probable Project Cost for the proposed project is $1,780,800. Costs for the project are shown in Table 4.1: Probable Project Costs. For a complete list of all construction materials and prices for project see Appendix A.

Table 4.1: Probable Project Cost

Opinion of Probable Construction Cost	$1,429,000
Contingencies	$143,000
Geotechnical, Crop Reimbursement, Administration & Legal	$44,000
Engineering	
Design	$62,900
Construction Administration, Inspection, & Staking	$101,900
OPINION OF PROBABLE PROJECT COST	**$1,780,800**

4.3 ESTIMATED REVENUE REQUIREMENTS AND UTILITY RATE ADJUSTMENTS

The following section looks at the impact to water user rates and the projected costs and debt service calculations.

4.3.1 Revenue Requirements and Probable Water Rate Adjustments: It was assumed for purposes of rate calculations that the project will be financed with a combination of grants and loans. The total probable project costs for the water distribution system improvements total $1,780,800. Calculation of annual debt service cost has been completed based on a 50%, 60%, 70%, and 80% grant and prevailing interest rates for loans. Grant funding will be requested from the State of South Dakota and will be based on the needs of the community and the improvements recommended. It is assumed that MCWC will be eligible for a Consolidated Water Facilities loan with a 20-yr term at 3.00% interest. Table 4.2: Impact on Water Rates for Distribution System Improvements contains a breakdown of costs associated with the proposed project using 50%, 60%, 70%, and 80% grants.

Table 4.2: Impact on Water Rates for Distribution System Improvements

	MCWC Takes Out State Consolidated Loan			
Opinion of Probable Construction Costs	$1,429,000	$1,429,000	$1,429,000	$1,429,000
Engineering, Administration, and Contingencies	$351,800	$351,800	$351,800	$351,800
Opinion of Probable Project Costs	**$1,780,800**	**$1,780,800**	**$1,780,800**	**$1,780,800**
Grant	50%	60%	70%	80%
Grant Amount	$890,400	$1,068,480	$1,246,560	$1,424,640
Local Share	$890,400	$712,320	$534,240	$356,160
Annual Debt Retirement (including 10% debt reserve)	$65,834	$52,667	$39,500	$26,334
Annual O/M Account	$0	$0	$0	$0
Minimum Payment	$25.00	$25.00	$25.00	$25.00
Number of Accounts	4944	4944	4944	4944
Increase due to Project	$1.01	$0.81	$0.61	$0.40
Proposed Minimum Payment	$26.01	$25.81	$25.61	$25.40
Number of Years	20	20	20	20
Loan Rate/yr	3.00%	3.00%	3.00%	3.00%

4.3.2 Allocated Costs to the Big Sioux Community Water Corporation: Preliminary discussions between Minnehaha Community Water Corporation and Big Sioux Community Water Corporation have investigated several possibilities on how costs would be allocated. It was agreed, depending on the level of grant obtained through the Consolidated Water Facilities program that MCWC would cover the debt service associated with the piping described with the proposed improvements evaluated in the previous section. MCWC has proposed to BSCWC (and subsequently the City of Madison, SD) that water will be sold to BSCWC at the same costs that MCWC is paying for water to L&CRWS. L&CRWS currently has the same rate structure for all of their customers. It is currently set at $2.12 for the first 25% of the customers reserve capacity (1.105 MGD for MCWC West Connection) and $0.68/1000 gallons for any water exceeding that. Based on MCWC current water usage of 400,000 gpd, their current cost of water ranges from approximately $1.70 to $1.65/ 1000 gallons.

Preliminary calculates anticipate water costs ranging from $1.40 to $1.10/ 1000 gallons based on the actual volume of water BSCWC is willing to take through their proposed connection. It is proposed that any increase in the costs of water from L&CRWS to MCWC will be passed along to BSCWC in increased water rates.

One thing that MCWC might consider doing is passing the operating and maintenance costs along to BSCWC for the operation of the high service pumps to deliver the additional water to BSCWC/City of Madison. The water delivered to the BSCWC connection will ultimate come from the high service pumps and water treatment plant. The actual water being delivered through this connection will be replaced with water through the L&CRWS – MCWC north connection however; the pumping costs associated with getting MCWC to BSCWC connection will need to be paid for directly by MCWC. Preliminary energy use calculations determined that power costs associated with the high service pumps located at the water treatment plant were $0.10/1000 gallons pumped. This is based on pumping 500,000 gpd (350 gpm) from the underground clearwell to a discharge pressure of 135 psi, assuming a 95%, 75% and 90% for motor efficiency, pump efficiency, and VFD efficiency, respectively. A cost of power was assumed to be $0.08/ KwHr. It should be noted that the actual volume of water used to determine pumping costs is insignificant. The pumping cost per thousand gallons is dependent on the pumping conditions, efficiencies and cost of power.

4.4 IMPLEMENTATION PLAN AND SCHEDULE

Completion of the improvements recommended in this report will require scheduling and coordination of activities for planning, design and construction of the improvements. The activities necessary in the near future are those associated with the final planning and design activities to qualify the project for State Consolidated Water Facilities funding and design of the recommended distribution system. Several of the critical tasks and

associated target dates are summarized in Table 4.3: Implementation Schedule – Approval Granted in March 2015. The Implementation Schedule is dependent on the DENR taking action on both the Grant and Loan requests at the March 2015 meeting. Because only one amendment is allowed to an approved request, the bid opening is scheduled in August 2015 to allow MCWC time to amend the loan application prior to the August 2015 meeting if the full funding was not awarded at the March 2015 meeting.

Table 4.3: Implementation Schedule – Approval Granted in March 2015

TASK	DATE
Presentation and Acceptance of PER	September, 2014
State Water Plan Application	October 1, 2014
Placement on State Water Plan	November, 2014
Funding Application Due	January 1, 2015
DENR Action on Funding Request	March, 2015
Submittal of Plans and Specifications for DENR Review	July, 2015
Open Bids for Construction of System Improvements	August, 2015
Amend Loan Application (if needed)	August, 2015
Award Contract	September, 2015
Notice to Proceed (30 days after Award of Contract)	October, 2015
Substantial Completion of Improvements	October, 2016
Final Completion of Improvements	November, 2016
Complete One Year Warranty period	November, 2017

END OF SECTION 4

APPENDIX A:

COST ESTIMATE

Opinion of Probable Project Cost

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Location: Big Sioux Rural Water/MCWC Connection - MCWC Improvements
Date: Monday, September 22, 2014
Project: System Interconnect - Big Sioux/MCWC/LCRWS
BAI 07561.00.00

ITEM NO.	SPEC SECTION	DESCRIPTION OF WORK AND MATERIALS	QUANTITY	UNIT	UNIT PRICE	TOTAL
1	**Div. 1**	Mobilization and Demobilization	1	Lump Sum	$ 42,000.00	$ 42,000.00
		Imported Granular Embedment	1020	Ton	$ 20.00	$ 20,400.00
		Compaction - Moisture/Density Tests	34	Each	$ 110.00	$ 3,740.00
		Furnish 16" C905 PVC (Class 235) Watermain	5500	L.F.	$ 34.60	$ 190,300.00
		Install 16" PVC Watermain	5500	L.F.	$ 18.00	$ 99,000.00
		Furnish 12" C900 PVC (Class 235) Watermain	13600	L.F.	$ 17.60	$ 239,360.00
		Install 12" PVC Watermain	13600	L.F.	$ 8.00	$ 108,800.00
		Furnish 10" C900 PVC (Class 235) Watermain	10600	L.F.	$ 13.90	$ 147,340.00
		Install 10" PVC Watermain	10600	L.F.	$ 8.00	$ 84,800.00
		Furnish 8" C900 PVC (Class 235) Watermain	16000	L.F.	$ 9.20	$ 147,200.00
		Install 8" PVC Watermain	16000	L.F.	$ 6.00	$ 96,000.00
		Furnish 6" C900 PVC (Class 235) Watermain	5300	L.F.	$ 3.60	$ 19,080.00
		Install 6" PVC Watermain	5300	L.F.	$ 6.00	$ 31,800.00
		16-inch Road Crossing	2	Lump Sum	$ 3,500.00	$ 7,000.00
		12-inch Road Crossing	3	Lump Sum	$ 1,500.00	$ 4,500.00
		10-inch Road Crossing	6	Lump Sum	$ 1,000.00	$ 6,000.00
		Connection to existing 16-inch Pipe	2	Lump Sum	$ 5,000.00	$ 10,000.00
		Connection to existing 10-inch Pipe	1	Lump Sum	$ 3,000.00	$ 3,000.00
		Connection to existing 4-inch Pipe	2	Lump Sum	$ 2,500.00	$ 5,000.00
		Connection to Pump Station (Hartford BPS & BPS 4)	2	Lump Sum	$ 5,000.00	$ 10,000.00
		16” x 16” x 12” D.I. MJ Tee w/Joint Restraints	2	Each	$ 3,500.00	$ 7,000.00
		16” D.I. MJ 90d bend w/Joint Restraints	2	Each	$ 2,000.00	$ 4,000.00
		12” D.I. MJ 90d bend w/Joint Restraints	4	Each	$ 2,000.00	$ 8,000.00
		10” D.I. MJ 90d bend w/Joint Restraints	4	Each	$ 1,500.00	$ 6,000.00
		16” Gate Valve and Box w/Joint Restraints	2	Each	$ 5,500.00	$ 11,000.00
		12” Gate Valve and Box w/Joint Restraints	5	Each	$ 2,500.00	$ 12,500.00
		10” Gate Valve and Box w/Joint Restraints	10	Each	$ 2,000.00	$ 20,000.00
		Interstate Crossing - Bore and Jack	500	L.F.	$ 75.00	$ 37,500.00
		Air Release Valve - Manual	15	Each	$ 1,500.00	$ 22,500.00
		Tracer Wire	51000	LF	$ 0.25	$ 12,750.00
		Surface Restoration	47	Acres	$ 250.00	$ 11,750.00
					Contingencies (10% Construction Costs) =	$143,000
					Opinion of Probable Construction Costs =	**$1,572,000**
					Design and Bid Phase Services =	$62,900
					Resident Engineering and Surveying =	$94,400
					Operation and Maintenance Manual =	$0
					Construction Plans of Record =	$7,500
					Total Engineering =	$164,800
					Geotechnical Services =	$4,000
					Crop Reimbursement=	$24,000
					Administration and Legal =	$16,000
					Opinion of Probable Project Cost =	**$1,780,800**

APPENDIX B:

MCWC WATER USAGE

MONTHLY BILLING SUMMARY

BILLING DATE	GALLONS PUMPED	TOTAL GALLONS SOLD	GALLONS SOLD @ BULK RATE	* # OF BILLING TRANS-ACTIONS*	*AVG. GALS. SOLD PER TRANS-ACTION*	WATER SALES & LATE FEES BILLED	*AVG. AMT. BILLED per TRANS-ACTION*	*NO. OF ACTIVE BILLING SERVICES*	TOTAL PAID ON ACCOUNT	ACCTS. OVER 60 DAYS PAST DUE	NO. OF DELQ. ACCTS. 30 Days	# DISCON-NECTS WAIT-ING FOR TER-MINATION	TOTAL TERMINATED MEMBER-SHIPS	TOTAL REINSTATED MEMBER-SHIPS	WATER LOSS PERCENTAGE	TOTAL PUMPED FROM PLANTS	TOTAL FROM West LEWIS & CLARK METER BLDG.	Gallons Water Lost
1/1/2012	64,182,000	54,473,000	21,770,000	4,838	6,760	$ 249,326.71	$ 44.18	4,802	$ 250,284.70	$ 616.26	203	14	365	143	15.13%			9,709,000
2/1/2012	64,799,000	52,180,000	20,181,000	4,843	6,607	$ 246,417.07	$ 43.62	4,807	$ 246,527.83	$ 560.31	211	14	365	145	19.47%			12,619,000
3/1/2012	59,574,000	49,389,000	19,563,000	4,885	6,106	$ 242,348.16	$ 42.37	4,808	$ 238,919.43	$ 625.32	170	14	365	145	17.10%			10,185,000
4/1/2012	66,228,000	59,214,000	22,366,000	4,825	7,637	$ 262,989.45	$ 46.18	4,811	$ 265,540.99	$ 678.93	205	10	367	145	10.59%			7,014,000
5/1/2012	69,671,000	58,058,000	21,932,000	4,840	7,464	$ 260,670.35	$ 45.99	4,814	$ 256,719.24	$ 629.45	209	7	369	145	16.67%			11,613,000
6/1/2012	80,262,000	68,154,000	27,496,000	4,822	8,432	$ 283,578.53	$ 48.84	4,818	$ 283,651.73	$ 858.50	209	8	369	146	15.09%	79,688,000	574,000	12,108,000
7/1/2012	103,746,000	94,859,000	35,814,000	4,892	12,070	$ 344,532.91	$ 58.21	4,822	$ 349,142.26	$ 846.27	173	9	369	146	8.57%	101,870,000	1,876,000	8,887,000
8/1/2012	137,468,000	122,782,000	51,876,000	4,790	14,804	$ 397,918.22	$ 65.35	4,831	$ 394,375.64	$ 970.15	231	9	369	148	10.68%	127,492,000	9,976,000	14,686,000
9/1/2012	94,911,000	86,784,000	32,695,000	4,866	11,116	$ 325,446.10	$ 55.71	4,836	$ 319,403.27	$ 959.44	223	10	369	149	8.56%	82,121,000	12,790,000	8,127,000
10/1/2012	86,221,000	79,729,000	31,836,000	4,852	9,871	$ 307,208.45	$ 52.46	4,834	$ 310,216.19	$ 757.80	222	14	369	149	7.53%	72,539,000	13,682,000	6,492,000
11/1/2012	71,133,000	60,637,000	22,482,000	4,838	7,887	$ 267,315.65	$ 47.21	4,837	$ 269,266.83	$ 659.01	246	14	370	150	14.76%	57,301,000	13,832,000	10,496,000
12/1/2012	61,371,000	55,133,000	21,400,000	4,805	6,905	$ 253,359.41	$ 44.60	4,843	$ 254,519.44	$ 798.92	212	14	371	150	10.16%	48,378,000	12,993,000	6,238,000
Year Totals	**959,566,000**	**841,392,000**	**329,411,000**			**$3,441,111.01**			**$3,438,567.55**									
Average	**79,963,833**	**70,116,000**	**27,450,917**	**4,841**	**8,805**		**$49.56**	**4,822**		**$ 746.70**	**210**	**11**			**12.86%**			**118,174,000**
1/1/2013	62,824,000	52,929,000	21,155,000	4,892	6,495	$ 249,262.29	$ 43.63	4,848	$ 253,761.28	$ 733.05	198	14	371	150	15.75%	49,696,000	13,128,000	9,895,000
2/1/2013	61,858,000	52,188,000	21,358,000	4,831	6,382	$ 246,509.23	$ 43.30	4,855	$ 244,032.42	$ 1,365.21	234	15	371	150	15.63%	48,960,000	12,898,000	9,670,000
3/1/2013	56,987,000	46,420,000	18,958,000	4,909	5,594	$ 234,962.30	$ 41.13	4,856	$ 233,834.53	$ 1,248.18	201	14	371	150	18.54%	44,816,000	12,171,000	10,567,000
4/1/2013	62,004,000	52,766,000	21,043,000	4,872	6,511	$ 247,547.81	$ 43.90	4,856	$ 246,243.65	$ 1,075.29	213	15	371	150	14.90%	49,617,000	12,387,000	9,238,000
5/1/2013	60,135,000	53,510,000	20,053,000	4,869	6,871	$ 252,476.11	$ 45.02	4,856	$ 253,005.23	$ 707.88	224	14	372	150	11.02%	47,437,000	12,698,000	6,625,000
6/1/2013	71,613,000	64,077,000	25,384,000	4,887	7,918	$ 273,431.70	$ 47.79	4,859	$ 269,544.63	$ 608.40	239	13	372	151	10.52%	58,491,000	13,122,000	7,536,000
7/1/2013	76,404,000	70,451,000	28,863,000	4,927	8,441	$ 289,474.88	$ 49.49	4,867	$ 296,303.89	$ 567.83	192	15	372	151	7.79%	63,203,000	13,201,000	5,953,000
8/1/2013	106,456,000	97,322,000	41,686,000	4,847	11,478	$ 344,882.08	$ 57.39	4,870	$ 338,481.04	$ 572.22	229	15	376	151	8.58%	91,198,000	15,258,000	9,134,000
9/1/2013	93,917,000	85,274,000	36,537,000	4,889	9,969	$ 320,462.74	$ 53.59	4,879	$ 319,221.82	$ 696.38	236	14	378	151	9.20%	78,236,000	15,681,000	8,643,000
10/1/2013	80,306,000	72,714,000	28,052,000	4,907	9,102	$ 294,665.53	$ 50.98	4,889	$ 294,842.11	$ 905.88	226	13	380	152	9.45%	66,694,000	13,612,000	7,592,000
11/1/2013	63,959,000	55,504,000	22,022,000	4,900	6,833	$ 256,933.29	$ 44.66	4,897	$ 257,633.75	$ 800.95	227	13	380	152	13.22%	50,762,000	13,197,000	8,455,000
12/1/2013	58,967,000	50,956,000	21,498,000	4,892	6,021	$ 245,589.76	$ 43.10	4,902	$ 252,321.45	$ 550.85	230	16	380	152	13.59%	47,792,000	11,175,000	8,011,000

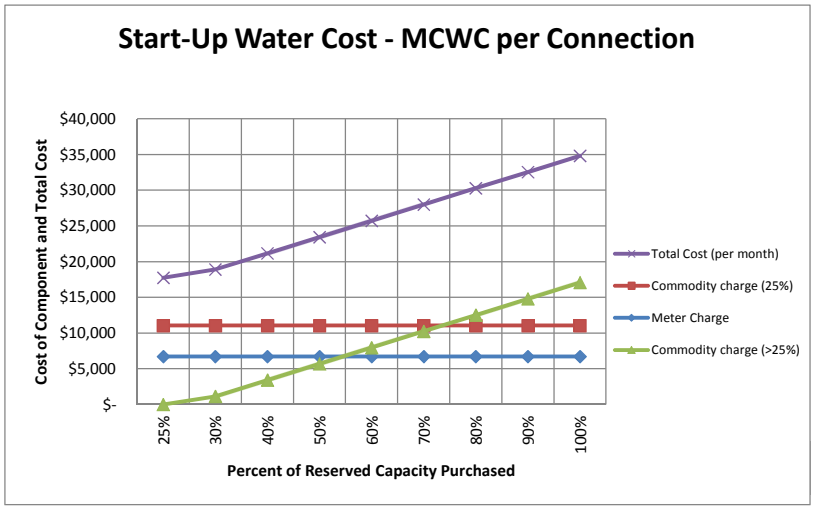
APPENDIX C:

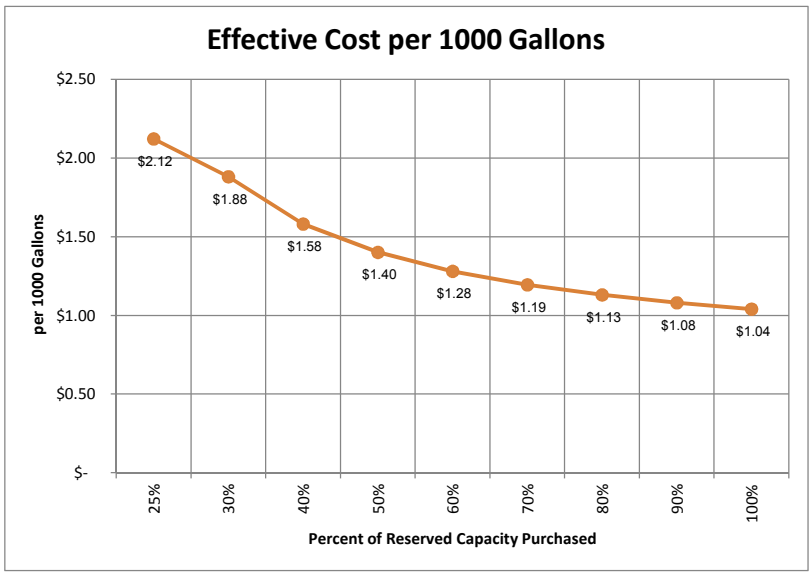
L&CRWS WATER RATE STRUCTURE

MCWC - West Connection

Meter charge =	$ 6,094	per month per MGD	
Commodity charge (25%) =	$ 1.32	per 1000 gallons	
Commodity charge (>25%) =	$ 0.68	per 1000 gallons	This is the "delta" number between 4.44 and 6 MGD
Reserved Capacity =	1.101	MGD	

	Percent of Reserved Capacity Purchased								
	25%	30%	40%	50%	60%	70%	80%	90%	100%
Demand (MGD)	0.28	0.33	0.44	0.55	0.66	0.77	0.88	0.99	1.10
Demand (1,000 gals/month)	8,368	10,042	13,389	16,737	20,084	23,431	26,779	30,126	33,474
Meter Charge	$ 6,706.45	$ 6,706.45	$ 6,706.45	$ 6,706.45	$ 6,706.45	$ 6,706.45	$ 6,706.45	$ 6,706.45	$ 6,706.45
Commodity charge (25%)	$ 11,046.27	$ 11,046.27	$ 11,046.27	$ 11,046.27	$ 11,046.27	$ 11,046.27	$ 11,046.27	$ 11,046.27	$ 11,046.27
Commodity charge (>25%)	$ -	$ 1,138.10	$ 3,414.30	$ 5,690.50	$ 7,966.70	$ 10,242.90	$ 12,519.10	$ 14,795.31	$ 17,071.51
Total Cost (per month)	$ 17,752.72	$ 18,890.82	$ 21,167.02	$ 23,443.22	$ 25,719.42	$ 27,995.62	$ 30,271.82	$ 32,548.02	$ 34,824.22
Units sold (1000 gallons)	8,368.39	10,042.06	13,389.42	16,736.77	20,084.13	23,431.48	26,778.83	30,126.19	33,473.54
Effective Cost per 1000 gallons	$ 2.12	$ 1.88	$ 1.58	$ 1.40	$ 1.28	$ 1.19	$ 1.13	$ 1.08	$ 1.04





WRAP Review Sheet
Drinking Water Facilities Funding Application
Applicant: City of Canton

Project Title:	Water Source Improvements
Funding Requested:	$1,550,000
Other Proposed Funding:	$420,000 - Local Cash
Total Project Cost:	$1,970,000
Project Description:	This project includes the installation of two new wells and upgrades to the existing pumps and control system.
Alternatives Evaluated:	"No Action Alternative" would not address the need for additional reliable well capacity or address the sediment problems with the most current well. "Two Additional Dakota Aquifer Wells Alternative" includes drilling, construction, and development of a two new wells to replace two existing wells and allow Canton to remain a self-sustaining community. This is recommended. "Existing High Service Pump Upgrade Alternative" is a replacement of the current pump station with new pumps and VFD motors, upgrading the SCADA system, and installation of a diesel generator. This is recommended. "Additional Wells in Big Sioux Alluvium Sand Alternative" is considered an option, however, may involve high treatment costs if the groundwater is considered under the influence of surface water and at risk of contamination from pathogens and viruses. Treatment of surface water requires high additional costs and therefore this is not a recommended alternative. "Supplement Flows with South Lincoln Rural Water System Alternative" would allow the city of Canton to continue to provide water with the existing wells and only purchase the amount required to meet flow projections. This alternative would require cost sharing the construction of a booster pump station or a water tower with SLRWS on a supply line near Canton. This alternative is not recommended. "South Lincoln Rural Water System Alternative" will use the

rural water system to supply water to meet the demands of the city of Canton. SLRWS is currently adding customers north of the city and consideration has already been given to improvements near Canton. It is likely that if Canton were added to the system they would likely participate in funding the 7 to 9 miles of new transmission main installation. This alternative is not recommended at this time.

Implementation Schedule:	Canton anticipates bidding the project in July 2015 with a project completion date of May 2016.
Service Population:	4,224
Current Domestic Rate:	$31.20 per 5,000 gallons usage
Proposed Domestic Rate at Project Completion:	$31.20 per 5,000 gallons usage

Interest Rate: 3% Term: 30 years Security: Surcharge Revenue

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan Canton would have to enact a surcharge of approximately $5.44. When added to current rate of $31.20/5,000 gallons residents would be paying $36.64/5,000 gallons.

25% Funding Subsidy:	$387,500 subsidy with a loan of $1,162,500
Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of $1,162,500 Canton would have to enact a surcharge of approximately $4.08 thereby paying a rate $35.28/5,000 gallons.

50% Funding Subsidy:	$775,000 subsidy with a loan of $775,000
Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of $775,000 Canton would have to enact a surcharge of approximately $2.72 thereby paying a rate $33.92/5,000 gallons.

75% Funding Subsidy:	$1,162,500 subsidy with a loan of $387,500
Coverage at 75% Subsidy:	Based on a 75% subsidy and a loan of $387,500 Canton would have to enact a surcharge of approximately $1.36 thereby paying a rate $32.56/5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: CLAIRE PESCHONG

FINANCIAL REVIEW COMPLETED BY: ELAYNE LANDE

SECOG

SOUTH EASTERN COUNCIL OF GOVERNMENTS

SOUTH DAKOTA

December 31, 2014

Mr. Mike Perkovich, Program Administrator,
Water &Waste Funding Program
SD-DENR 523 East Capitol
Pierre, SD 57501-3182

Dear Mr. Perkovich:

Enclosed, please find the Drinking Water State Revolving Loan Funding Application for the City of Canton's **Water Source Improvement Project.** Included with the general application are the following appendices:

✓ Appendix A – Supplemental Signed Application Forms including the Certification of Needs Categories, EPA Preaward Compliance Review, and Certification Regarding Debarment, Suspension, and Other Responsibility Matters.

✓ Appendix B – Signed Application Resolution
✓ Appendix C – User Rate Ordinance – effective 4-5-2013
✓ Appendix D – Amortization Schedule – Water Debt – Maturity date 12-1-2024
✓ Appendix E – Water System Capacity Assessment with financial spreadsheets.
✓ Appendix F – 2012 Financial Statements – Audit Report for the period ended 12-31-2012
✓ Appendix G – 2013 Financial Statements – Audit Report for the period ended 12-31-2013
✓ Appendix H – 2014 Budget with 2 page excerpt from 2014 Revenue Guideline & 1 page from 2014 Expense Guideline.
✓ Appendix I – 2015 Budget (3p.) with 2p. excerpt from 2015 Expense Budget & 1p. excerpt from 2015 Revenue Budget.
✓ Appendix J – Public Hearing Information, and Affidavit of Publication
✓ Appendix K – Facility Plan (JSA & HRD – Dated August, 2013)
w/ Environmental Review Record Agency Responses
& Cultural Resources Effects Assessment Summary.

I also note here that Canton recently conducted a test well program and they have identified a couple of potential well sites and are in a position to efficiently move forward with this project.

Sincerely,

Kevin Burnison

Kevin Burnison – Planner II
Enclosures

Filename CantonWellsSRFAuthRes&PubHrgNoticeNov72014.docx Filelocation P:\11/ProjAdmin/Lin/Canton/DWSRFWells2013

500 N. Western Ave. Suite 100 • Sioux Falls, SD 57104
Phone: 605.367.5390 • Fax: 605.367.5394
Website: www.secog.org • E-mail: kevin@secog.org
Lynne Keller Forbes, Executive Director

RECEIVED
JAN - 2 2015
Division of Financial
& Technical Assistance

SD EForm - 2126LD V2

Drinking Water Facilities Funding Application

Consolidated Water Facilities Construction Program (CWFCP)
Drinking Water State Revolving Fund Program (DWSRF)

Applicant	Proposed Funding Package	
City of Canton		
Address	CWFCP / DWSRF	$1,550,000
	Local Cash	$420,000
210 N. Dakota Street Canton, SD 57013-1834	Other	
	Other	
Subapplicant	Other	
DUNS Number 033541236	**TOTAL**	$1,970,000

Project Title: Water Source Improvements: 2 new wells & upgrade existing wells with high service pumps

Description:

The first component of the project includes the installation of two new wells that will replace existing wells #7 and #11 which are no longer performing as needed. This project is needed due to the fact that these two existing wells have shown a decrease in capacity due to age.

The second component of the project includes replacing and upgrading the existing high service pumps and controls that have some components that date back to pre-1966. New pump technology provided for an opportunity for greater efficiency.

Two new wells and upgrading the existing pumps and controls will allow the City of Canton meet its existing and future requirements.

The City of Canton has a reserve fund established for its utility. Canton's current water rate consists of $19.55 base per meter for the first 100 cubic feet, and $2.05 per 100 cubic feet above that, which translates to approximately $30.37 per month for 5,000 gallons.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Chuck Smith, Mayor, City of Canton — 12/18/14

Name & Title of Authorized Signatory (Typed) — Signature — Date

Professional Consultants

Application Prepared By: South Eastern Council of Governments (SECOG)

Contact Person: Kevin Burnison

Mailing Address: 500 N. Western Avenue, Suite 100

City, State, and Zip: Sioux Falls, SD 57104

Telephone Number: (605) 367-5390 Fax: (605) 367-5394

Email address: kevin@secog.org

Consulting Engineering Firm: JSA Engineering and Land Surveyors

Contact Person: Myron Adam

Mailing Address: 6810 S. Lyncrest Avenue, Suite 101

City, State, and Zip: Sioux Falls, SD 57108

Telephone Number: (605) 367-1036 Fax: (605) 367-1002

Email address: mkadam.jsa@midconetwork.com

Legal Counsel's Firm: Frieberg, Nelson, & Ask, LLP

Legal Counsel: Larry Nelson

Mailing Address: 206 E. 5th Street

City, State, and Zip: Canton, SD 57103

Telephone Number: (605) 987-2686 Fax: (605) 987-5779

Email address: lnelson@frieberglaw.com

This section applies only to political subdivisions

Bond Counsel's Firm: Meierhenry, Sargent, LLP

Bond Counsel: Todd Meierhenry

Mailing Address: 315 S. Phillips Ave

City, State, and Zip: Sioux Falls, SD 57104

Telephone Number: (605) 336-3075 Fax: (605) 336-2593

Email address: todd@meierhenrylaw.com

BUDGET SHEET

Cost Classification	A CWFCP / DWSRF	B Local Funds	C	D	E	Total Funds
1. Administrative Expenses						
A. Personal Services						
B. Travel						
C. Legal including Bond Counsel	$9,000.00					$9,000.00
D. Other	$3,000.00					$3,000.00
2. Land, Structure, Right-of-Way	$8,000.00	$20,000.00				$28,000.00
3. Engineering						
A. Bidding and Design Fees	$80,000.00	$82,000.00				$162,000.00
B. Project Inspection Fees	$80,000.00	$82,000.00				$162,000.00
C. Other Geotechnical	$10,000.00					$10,000.00
4. Construction and Project Improvement	$1,170,000.00	$201,000.00				$1,371,000.00
5. Equipment						
6. Contractual Services						
7. Other	$55,000.00					$55,000.00
8. Other						
9. Subtotal (Lines 1-8)	$1,415,000.00	$385,000.00				$1,800,000.00
10. Contingencies	$135,000.00	$35,000.00				$170,000.00
11. Total (Lines 9 and 10)	$1,550,000.00	$420,000.00				$1,970,000.00
12. Total %	78.68%	21.32%	0.00%	0.00%	0.00%	100.00%

Columns A - E: Identify each funding source and enter the amounts budgeted by cost category.

Comments: Per Myron Adam cost estimate dated 11-20-2014.

Filename CantonWellsFundAppE2126LDV2Nov112014.pdf
Filelocation: P111/ProjAdmin/Lincoln/Canton/DWSRFWells2013

Method of Financing

Source Header		Secured Funds	Unsecured Funds (Date Anticipated)
Local Cash (Identify Source)	General Fund	$420,000.00	
Other (Explain)	CWFCP/DW-SRF		$1,550,000.00
Other (Explain)			
Other (Explain)			
Other (Explain)			
Other (Explain)			
TOTAL		$420,000.00	$1,550,000.00

Comments:
Funding announcements are anticipated in March, 2015.

7.3.1 Repayment Information

Interest rate and term you are applying for: 3 %, 30 years.

What security is being pledged toward the repayment of this loan?
(Political Subdivisions Only)

- ☐ 1. General Obligation bond (requires bond election)
- ☐ 2. Water Revenue bond
- ☒ 3. Project Surcharge Revenue bond
- ☐ 4. Sales Tax Revenue bond

7.3.2 Documents That Must Be Submitted With The Application

Financial Documents

1. Most recent audit or unaudited financial statement to include specific accounting of pledged funds.
2. Current year's budget.

Planning and Legal Documents

1. Governing user charge ordinance or resolution and its effective date.
2. Resolution of authorized signatory for submission of the Drinking Water SRF application and signing of payment requests. This resolution must also include the maximum loan amount requested, interest rate and term being applied for, description of proposed project, and security pledged towards repayment of the loan.
3. Facilities Plan (8.3.18).
4. Capacity Assessment Worksheets (section 8.3.16).

Items 5-7 apply to Nonprofit Entities only

5. By-laws
6. Articles of Incorporation
7. Certificate of Good Standing from Secretary of State

7.3.3 General Information

The month and day your fiscal year begins: January 1

Population Served

Current 3,057 2000 3,110 1990 2,787

Top Five Employers Within 30 Miles	Number of Employees	Type of Business
Sandford Health Systems	8,420	Health Care
Avera Health	6,343	Health Care
John Morrell & Co.	3,300	Meat Processing
Sioux Falls School District	3,000	Education
Wells Fargo	2,858	Financial Services

Please indicate employers within boundary of issuing entity with an asterisk (*).

7.3.4 Drinking Water Utility Information

Current Water Utility Debt

Year	2005
Purpose	Drinking Water #1
Security Pledged	Water Revenue
Amount	$496,001.50
Maturity Date (mo/yr)	12-1-2024
Debt Holder	BWNR
Debt Coverage Requirement	110%
Avg. Annual Required Payment	$34,888.28
Outstanding Balance	$293,298.81

Use additional sheets if more room is required to list all current water utility debt.

Drinking Water Utility Cash Flow - 30 Year Loan

	Prior Year	Prior Year	Current Year	Future Year*
	2012	2013	2014	2017
OPERATING CASH FLOW				
Water Sales	$ 623,682	$ 581,824	$ 657,000	$ 657,000
Other Water Revenue			$ 40,900	$ 40,900
Other Water Revenue: Connection Fees			$ 1,000	$ 1,000
Other Water Revenue: Tower Rent, etc				$ -
OPERATING PAYMENTS				
Personal Services	$ (116,334)	$ (148,673)	$ (90,000)	$ (98,345)
Employee Pensions & Benefits			$ (33,500)	$ (36,606)
Chemical, Material & Supplies & Elect etc	$ (297,567)	$ (258,858)	$ (25,000)	$ (27,318)
Purchased Power			$ (55,000)	$ (60,100)
Materials & Supplies			$ (53,500)	$ (58,461)
Machinery & Equip, Land&Bldg,Meters,Hydrants			$ (105,000)	$ (114,736)
Eng. Ins. Transportation, Misc			$ (77,553)	$ (84,744)
NET CASH FROM OPERATIONS	$ 209,781	$ 174,293	$ 259,347	$ 218,589
NONOPERATIONAL CASH FLOW				
Interest Income	$ 2,907	$ 3,296	$ 3,000	$ 3,000
Other Revenue: Sale of Investments		$ 14,833		$ -
Loans or Other Cash			$ 30,000	
Transfers In				
Recived From Interfund Services				
Fixed Asset Sale (Explain)				
Transfers Out (Explain): Due to Other Funds			$ (73,000)	
Fixed Assets - Purchased/ Match for new project	$ (102,823)	$ (42,215)	$ (420,000)	
Debt Payment (Principal Only)	$ (40,805)	$ (51,602)	$ (24,093)	$ (59,150)
Debt Payment (Interest Only)	$ (14,781)	$ (15,387)	$ (10,795)	$ (54,278)
Other Expenses				
NET CASH FROM NONOPERATING	$ (155,502)	$ (91,075)	$ (494,888)	$ (110,427)
Net Increase (Decrease) in Cash	$ 54,279	$ 83,218	$ (235,541)	$ 108,162
Beginning Cash Balance	$ 691,007	$ 745,286	$ 828,504	$ 1,007,924
Ending Cash Balance	$ 745,286	$ 828,504	$ 592,963	$ 1,116,086
RESTRICTED BALANCE	$ -	$ -	$ -	$ -
UNRESTRICTED BALANCE	$ 745,286	$ 828,504	$ 592,963	$ 1,116,086

*Future Year: First full year after project completion

Canton Water Source Improvement Project
Cash Flow Sheets Explanations
12-30-2014

2012 Cash Flow Statement:

1. These numbers are from the 2012 audit report.

2013Cash Flow Statement:

1. These numbers are from the 2013 audit report.

2014Cash Flow Statement:

1. These numbers are from the 2014 budget.
2. Included in Non-operating Cash Flow: Fixed Assets Purchased: is $420,000 City Match for this new project.

2017 Cash Flow Statement:

1. These numbers are projections based on operating expenses projected with a 3% increase and projected revenues to have no increase.
2. Other notes: the City of Canton is working with SDRWA to review rates and look at whether rates as they relate to meter size should be adjusted.

Filename CantonWelisSRFAuthRes&PubHrgNoticeNov72014.docx Filelocation P111/ProjAdmin/Lin/Canton/DWSRFWells2013

Canton Water Source Improvement Project
Cash Flow Sheets Explanations
12-30-2014

Restricted Funds Breakdown:

Amount	Anticipated Expense	Method Used to Encumber

Water Fees:

Attach current and proposed rate ordinances or resolutions and rate schedules.

Municipal or Sanitary District - monthly rates at 5,000 gallons (670 cubic feet)

Other Community Water System - monthly rates at 7,000 gallons (935 cubic feet)

Check one: ✓ Incorporated Municipality or Sanitary District

or

____ Other Community Water System

Monthly:	Current Rate	Proposed Rate	# of Accounts	Average use gallons/cubic feet
Domestic	$31.20		1,108	3,568 gallons/mo
Business	$32.82		215	20,734 gallons/m
Other: Corrected 1-28-15			1,323	Total Accounts

Are fees based on usage or flat rate? usage

When is proposed fee scheduled to take effect? NA

When did the current fee take effect? 4-5-2013

What was the fee prior to the current rate? _____

Attach current and proposed rate ordinances or resolutions and rate schedules.

Five Largest Customers	Type of Business	% of System Revenues
Adams Thermal Systems	Industrial Manufacturer	11%
Keystone	Alcohol & Drug Treatment Center	2%
Canton Good Samaritan Center	Senior Home	1%
Canton School District	School System - K12	1%
Cedars End Country Home	Mobile Home Court	1%

Canton

City of Canton Water Source Improvement Project

Appendix A
Supplemental Signed Application Forms including:

-Certification of Needs Categories,
-EPA Preaward Compliance Review,
-and Certification Regarding Debarment, Suspension, and Other Responsibility Matters.

7.3.8 Certification of Drinking Water Needs Categories

Identify the loan amount associated with the needs category or categories described below. If the loan addresses needs in more than one category, please break down the total amount into estimated amounts for each category.

Definition	Loan Amount
Transmission/Distribution	
Treatment	
Storage	
Source	$1,550,000.00
System Purchase	
Restructuring	
1452(k) Loan Activities	
1. To acquire land or a conservation easement for source water protection.	
2. To implement voluntary, incentive-based source water quality protection measures.	
TOTAL	$1,550,000.00

City of Canton, Mayor Chuck Smith, Authorized Rep

Name of Applicant

Signature of Authorized Representative

2/12/15

Date

7.3.9 Preaward Compliance Review

FORM Approved By OMB: No. 2030-0020 Expires 12-31-2011

United States Environmental Protection Agency
Washington, DC 20460

Preaward Compliance Review Report for All Applicants and Recipients Requesting EPA Financial Assistance

Note : Read instructions on other side before completing form.

I. Applicant/Recipient (Name, Address, State, Zip Code).	DUNS No.
City of Canton, 210 N. Dakota Street, Canton, SD 57103	033541236

II. Is the applicant currently receiving EPA assistance? Yes.

III. List all civil rights lawsuits and administrative complaints pending against the applicant/recipient that allege discrimination based on race, color, national origin, sex, age, or disability. (Do not include employment complaints not covered by 40 C.F.R. Parts 5 and 7. See instructions on reverse side.) N/A

IV. List all civil rights lawsuits and administrative complaints decided against the applicant/recipient within the last year that allege discrimination based on race, color, national origin, sex, age, or disability and enclose a copy of all decisions. Please describe all corrective action taken. (Do not include employment complaints not covered by 40 C.F.R. Parts 5 and 7. See instructions on reverse side.) N/A

V. List all civil rights compliance reviews of the applicant/recipient conducted by any agency within the last two years and enclose a copy of the review and any decisions, orders, or agreements based on the review. Please describe any corrective action taken. (40 C.F.R. § 7.80(c)(3)). N/A

VI. Is the applicant requesting EPA assistance for new construction? If no, proceed to VII; if yes, answer (a) and/or (b) below. N/A

a. If the grant is for new construction, will all new facilities or alterations to existing facilities be designed and constructed to be readily accessible to and usable by persons with disabilities? If yes, proceed to VII; if no, proceed to VI(b).b. If the grant is for new construction and the new facilities or alterations to existing facilities will not be readily accessible to and usable bypersons with disabilities, explain how a regulatory exception (40 C.F.R. § 7.70) applies.

VII.* Does the applicant/recipient provide initial and continuing notice that it does not discriminate on the basis of race, color, national origin, sex,age, or disability in its programs or activities? (40 C.F.R. § 5.140 and § 7.95)

a. Do the methods of notice accommodate those with impaired vision or hearing? Yes b. Is the notice posted in a prominent place in the applicant's offices or facilities or, for education programs and activities, in appropriate periodicals and other written communication? Yes c. Does the notice identify a designated civil rights coordinator? Yes

VIII.* Does the applicant/recipient maintain demographic data on the race, color, national origin, sex, age, or handicap of the population it serves? (40 C.F.R. § 7.85(a)) Yes

IX.* Does the applicant/recipient have a policy/procedure for providing access to services for persons with limited English proficiency? (40 C.F.R. Part 7, E.O. 13166) Yes

X.* If the applicant/recipient is an education program or activity, or has 15 or more employees, has it designated an employee to coordinate its compliance with 40 C.F.R. Parts 5 and 7? Provide the name, title, position, mailing address, e-mail address, fax number, and telephone number of the designated coordinator. N/A

XI* If the applicant/recipient is an education program or activity, or has 15 or more employees, has it adopted grievance procedures that assure the prompt and fair resolution of complaints that allege a violation of 40 C.F.R. Parts 5 and 7? Provide a legal citation or Internet address for, or a copy of, the procedures. N/A

For the Applicant/Recipient I certify that the statements I have made on this form and all attachments thereto are true, accurate and complete. I acknowledge that any knowingly false or misleading statement may be punishable by fine or imprisonment or both under applicable law. I assure that I will fully comply with all applicable civil rights statutes and EPA regulations.

A. Signature of Authorized Official	B. Title of Authorized Official	C. Date
	Mayor Chuck Smith, City of Canton	12/18/14

For the U.S. Environmental Protection Agency I have reviewed the information provided by the applicant/recipient and hereby certify that the applicant/recipient has submitted all preawardcompliance information required by 40 C.F.R. Parts 5 and 7; that based on the information submitted, this application satisfies the preaward provisionsof 40 C.F.R. Parts 5 and 7; and that the applicant has given assurance that it will fully comply with all applicable civil rights statutes and EPA regulations.

A. Signature of Authorized EPA Official See ** note on reverse side.	B. Title of Authorized EPA Official	C. Date

EPA Form 4700-4 (Rev. 03/2008). Previous editions are obsolete.

7.3.10 Certification Regarding Debarment, Suspension, and Other Responsibility Matters

The prospective participant certifies to the best of its knowledge and belief that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within a three year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and

(d) Have not within a three year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

I understand that a false statement on this certification may be grounds for rejection of this proposal or termination of the award. In addition, under 18 U.S.C. §1001, a false statement may result in a fine of up to $10,000 or imprisonment for up to 5 years, or both.

Chuck Smith, Mayor, City of Canton

Name & Title of Authorized Representative

12/18/14

Signature of Authorized Representative Date

____ I am unable to certify to the above statements. Attached is my explanation

City of Canton Water Source Improvement Project

Appendix B
– Signed Application Resolution

RESOLUTION NO. 1223

RESOLUTION AUTHORIZING AN APPLICATION FOR FINANCIAL ASSISTANCE, AUTHORIZING THE EXECUTION AND SUBMITTAL OF THE APPLICATION, AND DESIGNATING AN AUTHORIZED REPRESENTATIVE TO CERTIFY AND SIGN PAYMENT REQUESTS.

WHEREAS, the City of Canton (the "City") has determined it is necessary to proceed with improvements to its Water Source and Water Distribution System, including but not limited to the Water Well Replacement Project (the "Project");

WHEREAS, the City has determined that financial assistance will be necessary to undertake the Project and an application for financial assistance to the South Dakota Board of Water and Natural Resources (the "Board") will be prepared; and

WHEREAS, it is necessary to designate an authorized representative to execute and submit the Application on behalf of the City and to certify and sign payment requests in the event financial assistance is awarded for the Project.

NOW THEREFORE BE IT RESOLVED by the City as follows:

1. The City hereby approves the submission of an Application for financial assistance in an amount not to exceed $1,970,500 to the South Dakota Board of Water and Natural Resources for the Project.

2. The Mayor is hereby authorized to execute the Application and submit it to the South Dakota Board of Water and Natural Resources, and to execute and deliver such other documents and perform all acts necessary to effectuate the Application for financial assistance.

3. The Mayor is hereby designated as the authorized representative of the City to do all things on its behalf to certify and sign payment requests in the event financial assistance is awarded for the Project.

Adopted at the City of Canton, South Dakota, this 15th day of December, 2014.

APPROVED:

Chuck Smith, Mayor, City of Canton

(Seal)

Attest:

Kyle Cwach, City Finance Officer

City of Canton Water Source Improvement Project

Appendix C
– User Rate Ordinance – effective 4-5-2013

ORDINANCE # 1012

AN ORDINANCE AMENDING WATER AND WASTEWATER (SEWER) CHARGES AND SERVICES INSIDE AND OUTSIDE THE CORPORATE LIMITS OF THE CITY OF CANTON.

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF CANTON, SOUTH DAKOTA THAT CHAPTER 13.12., SECTION 13.12.010 WATER RATES AND SERVICES. A. B., SECTION 13.12.030 WASTEWATER (SEWER) RATES INSIDE THE CORPORATE LIMITS OF THE CITY OF CANTON A. B. C. AND SECTION 13.12.040 WASTEWATER (SEWER) RATES AND SERVICE OUTSIDE THE CORPORATE LIMITS OF THE CITY OF CANTON A. B. C. OF THE CANTON MUNICIPAL CODE ARE HEREBY AMENDED TO READ AS FOLLOWS:

13.12.010 Water Rates and Services.

A. Residential Water Rate: A person serviced by the City of Canton, South Dakota as any single family dwelling unit in which each water service is metered independently shall be charged the following rates for water service:

0 to 100 cubic feet	$19.55 Base Charge per meter
101 cubic feet and above	$19.55 Base Charge per meter plus $2.05 per 100 cubic feet above 101 cubic feet

B. Commercial and Industrial Water Rate: A business or other legal entity serviced by the City of Canton, South Dakota.

0 to 100 cubic feet	$20.60 Base Charge per meter
101 to 25,000 cubic feet	$20.60 Base Charge per meter plus $ 2.15 per 100 cubic feet from 101 to 25,000 cubic feet
25,001 to 50,000 cubic feet	$20.60 Base Charge per meter plus $ 2.15 per 100 cubic feet from 101 to 25,000 plus $2.05 per 100 cubic feet above 25,001 to 50,000 cubic feet
50,001 and above	$20.60 Base Charge per meter plus $ 2.15 per 100 cubic feet from 101 to 25,000 plus $2.05 per 100 cubic feet above 25,001 to 50,000 cubic feet plus $2.00 per 100 cubic feet above 50,000 cubic feet

13.12.030 Wastewater (Sewer) rates inside the corporate limits of the City of Canton.

A. Residential Wastewater (Sewer) Rate: A person serviced by the City of Canton, South Dakota as a single family dwelling unit in which each water service is metered independently and is serviced by the sanitary wastewater (sewer) system.

The City of Canton determines that all residential wastewater (sewer) customers receiving wastewater service from the City shall be charged a residential wastewater rate based upon 100% of the total water usage as calculated from the water meter readings for each account. The fee for wastewater usage shall be as follows:

0 to 167 cubic feet	$25.75 Base Charge per meter
168 to 2,000 cubic feet	$25.75 Base Charge per meter plus $ 2.70 per 100 cubic feet to 2,000 cubic feet
2001 cubic feet and above	Cap of $75.27

B. Residential Wastewater (Sewer) Rate with Two Water Meters on One Service: A person serviced by the City of Canton, South Dakota as any single family dwelling unit which has two water distribution system meters on one water service and is connected to the wastewater (sewer) system.

The City of Canton determines that residential wastewater (sewer) customers receiving wastewater service from the City in that manner shall be charged at a rate of 100% of the total water usage as calculated from the main water meter servicing the residential structure. The fee for wastewater usage shall be as follows:

0 to 167 cubic feet	$25.75 Base Charge per meter
168 cubic feet and above	$25.75 Base Charge per meter plus $ 2.70 per 100 cubic feet

C. Commercial and Industrial Wastewater (Sewer) Rate: A business or other legal entity serviced by the City of Canton, South Dakota and is connected to the sanitary wastewater (sewer) system.

0 to 167 cubic feet	$30.40 Base Charge per meter
168 cubic feet and above	$30.40 Base Charge per meter plus $ 3.35 per 100 cubic feet

Commercial and industrial customer charges shall be based on 100% consumption of water in each month.

13.12.040 Wastewater (sewer) rates and service outside the corporate limits of the City of Canton.

A. Residential Wastewater (Sewer) Rate: A person serviced by the City of Canton, South Dakota as any single family dwelling unit in which each water service is metered independently.

The City of Canton determines that all residential wastewater (sewer) customers receiving wastewater service from the City shall be charged at a rate of 100% of the total water usage as calculated from the water meter readings for each account.

0 to 167 cubic feet	$38.60 Base Charge per meter
168 to 2,000 cubic feet	$38.60 Base Charge per meter plus $ 4.05 per 100 cubic feet to 2,000 cubic feet
2001 cubic feet and above	Cap of $112.88

Residential wastewater (sewer) rates shall be based on consumption of water in each month and shall be adjusted to reflect any changes in usage.

B. Residential Wastewater (Sewer) Rate with Two Water Meters on One Service: A person serviced by the City of Canton, South Dakota as any single family dwelling unit which has two water distribution system meters on one water system and is connected to the wastewater (sewer) system.

The City of Canton determines that residential wastewater (sewer) customers receiving wastewater service from the City in that manner shall be charged at a rate of 100% of the total water usage as calculated from the main water meter servicing the residential structure. The fee for wastewater usage shall be as follows:

0 to 167 cubic feet	$38.60 Base Charge per meter
168 cubic feet and above	$38.60 Base Charge per meter plus $ 4.05 per 100 cubic feet

C. Commercial and Industrial Wastewater (Sewer) Rate: A business or other legal entity serviced by the City of Canton, South Dakota and is connected to the sanitary wastewater (sewer) system.

0 to 167 cubic feet	$45.60 Base Charge per meter
168 to 50,000 cubic feet	$45.60 Base Charge per meter plus $ 5.05 per 100 cubic feet to 50,000 cubic feet
50,001 cubic feet and above	$45.60 Base Charge per meter plus $ 5.05 per 100 cubic feet to 50,000 cubic feet plus $4.30 per 100 cubic feet above 50,000 cubic feet

Commercial and industrial customer charges shall be based on 100% consumption of water in each month and shall be adjusted to reflect any changes in usage.

_____
Charles Smith, Mayor

ATTEST:

_____
Kyle Cwach
Finance Officer

First Reading: February 19, 2013
Second Reading: March 4, 2013
Publish: March 14, 2013
Effective Date: April 5, 2013

City of Canton Water Source Improvement Project

Appendix D
– Amortization Schedule – Water Debt – Maturity date 12-1-2024

AMORTIZATION SCHEDULE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$496,001.50		12-01-2024					

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "***" has been omitted due to text length limitations.

Borrower: City of Canton- Drinking Water # 1
210 N Dakota
Canton, SD 57013-1834

auto deduct

Lender: THE FIRST NATIONAL BANK IN SIOUX FALLS
AS TRUSTEE FOR SOUTH DAKOTA DEPARTMENT
OF ENVIRONMENT AND NATURAL RESOURCES
PIERRE, SD 57501

Disbursement Date:
Interest Rate: 3.600

Repayment Schedule: Installment
Calculation Method: 30/360 U.S. Rule

Payment Number	Payment Date	Payment Amount	Interest Paid **	Principal Paid	Remaining Balance
1	06-01-2005	8,722.07	4,291.79	4,430.28	491,571.22
2	09-01-2005	8,722.07	4,301.24	4,420.83	487,150.39
3	12-01-2005	8,722.07	4,262.57	4,459.50	482,690.89
2005 TOTALS:		26,166.21	12,855.60	13,310.61	
4	03-01-2006	8,722.07	4,223.55	4,498.52	478,192.37
5	06-01-2006	8,722.07	4,184.18	4,537.89	473,654.48
6	09-01-2006	8,722.07	4,144.48 *	4,577.59 *	469,076.89
7	12-01-2006	8,722.07	4,104.42	4,617.65	464,459.24
2006 TOTALS:		34,888.28	16,656.63	18,231.65	
8	03-01-2007	8,722.07	4,064.02	4,658.05	459,801.19
9	06-01-2007	8,722.07	4,023.26	4,698.81	455,102.38
10	09-01-2007	8,722.07	3,982.14	4,739.93	450,362.45
11	12-01-2007	8,722.07	3,940.67	4,781.40	445,581.05
2007 TOTALS:		34,888.28	16,010.09	18,878.19	
12	03-01-2008	8,722.07	3,898.84	4,823.23	440,757.82
13	06-01-2008	8,722.07	3,856.63	4,865.44	435,892.38
14	09-01-2008	8,722.07	3,814.06	4,908.01	430,984.37
15	12-01-2008	8,722.07	3,771.11	4,950.96	426,033.41
2008 TOTALS:		34,888.28	15,340.64	19,547.64	
16	03-01-2009	8,722.07	3,727.79	4,994.28	421,039.13
17	06-01-2009	8,722.07	3,684.10	5,037.97	416,001.16
18	09-01-2009	8,722.07	3,640.01	5,082.06	410,919.10
19	12-01-2009	8,722.07	3,595.54	5,126.53	405,792.57
2009 TOTALS:		34,888.28	14,647.44	20,240.84	
20	03-01-2010	8,722.07	3,550.68	5,171.39	400,621.18
21	06-01-2010	8,722.07	3,505.44	5,216.63	395,404.55
22	09-01-2010	8,722.07	3,459.79	5,262.28	390,142.27
23	12-01-2010	8,722.07	3,413.74	5,308.33	384,833.94
2010 TOTALS:		34,888.28	13,929.65	20,958.63	
24	03-01-2011	8,722.07	3,367.30	5,354.77	379,479.17
25	06-01-2011	8,722.07	3,320.44	5,401.63	374,077.54
26	09-01-2011	8,722.07	3,273.18	5,448.89	368,628.65
27	12-01-2011	8,722.07	3,225.50	5,496.57	363,132.08
2011 TOTALS:		34,888.28	13,186.42	21,701.86	
28	03-01-2012	8,722.07	3,177.41	5,544.66	357,587.42
29	06-01-2012	8,722.07	3,128.89	5,593.18	351,994.24
30	09-01-2012	8,722.07	3,079.95	5,642.12	346,352.12
31	12-01-2012	8,722.07	3,030.58	5,691.49	340,660.63
2012 TOTALS:		34,888.28	12,416.83	22,471.45	
32	03-01-2013	8,722.07	2,980.78	5,741.29	334,919.34
33	06-01-2013	8,722.07	2,930.54	5,791.53	329,127.81
34	09-01-2013	8,722.07	2,879.87	5,842.20	323,285.61
35	12-01-2013	8,722.07	2,828.75	5,893.32	317,392.29
2013 TOTALS:		34,888.28	11,619.94	23,268.34	
36	03-01-2014	8,722.07	2,777.18	5,944.89	311,447.40
37	06-01-2014	8,722.07	2,725.17	5,996.90	305,450.50
38	09-01-2014	8,722.07	2,672.69	6,049.38	299,401.12
39	12-01-2014	8,722.07	2,619.76	6,102.31	293,298.81

** INTEREST PAID also includes Admin Surcharge amounts

AMORTIZATION SCHEDULE
(Continued)

			Int	Prin	
2014 TOTALS:		**34,888.28**	**10,794.80**	**24,093.48**	
40	03-01-2015	8,722.07	2,566.36	6,155.71	287,143.10
41	06-01-2015	8,722.07	2,512.51	6,209.56	280,933.54
42	09-01-2015	8,722.07	2,458.16	6,263.91	274,669.63
43	12-01-2015	8,722.07	2,403.36	6,318.71	268,350.92
2015 TOTALS:		**34,888.28**	**9,940.39**	**24,947.89**	
44	03-01-2016	8,722.07	2,348.07	6,374.00	261,976.92
45	06-01-2016	8,722.07	2,292.30	6,429.77	255,547.15
46	09-01-2016	8,722.07	2,236.04	6,486.03	249,061.12
47	12-01-2016	8,722.07	2,179.28	6,542.79	242,518.33
2016 TOTALS:		**34,888.28**	**9,055.69**	**25,832.59**	
48	03-01-2017	8,722.07	2,122.04	6,600.03	235,918.30
49	06-01-2017	8,722.07	2,064.28	6,657.79	229,260.51
50	09-01-2017	8,722.07	2,006.03	6,716.04	222,544.47
51	12-01-2017	8,722.07	1,947.27	6,774.80	215,769.67
2017 TOTALS:		**34,888.28**	**8,139.62**	**26,748.66**	
52	03-01-2018	8,722.07	1,887.98	6,834.09	208,935.58
53	06-01-2018	8,722.07	1,828.19	6,893.88	202,041.70
54	09-01-2018	8,722.07	1,767.86	6,954.21	195,087.49
55	12-01-2018	8,722.07	1,707.02	7,015.05	188,072.44
2018 TOTALS:		**34,888.28**	**7,191.05**	**27,697.23**	
56	03-01-2019	8,722.07	1,645.63	7,076.44	180,996.00
57	06-01-2019	8,722.07	1,583.72	7,138.35	173,857.65
58	09-01-2019	8,722.07	1,521.25	7,200.82	166,656.83
59	12-01-2019	8,722.07	1,458.25	7,263.82	159,393.01
2019 TOTALS:		**34,888.28**	**6,208.85**	**28,679.43**	
60	03-01-2020	8,722.07	1,394.69	7,327.38	152,065.63
61	06-01-2020	8,722.07	1,330.57	7,391.50	144,674.13
62	09-01-2020	8,722.07	1,265.90	7,456.17	137,217.96
63	12-01-2020	8,722.07	1,200.66	7,521.41	129,696.55
2020 TOTALS:		**34,888.28**	**5,191.82**	**29,696.46**	
64	03-01-2021	8,722.07	1,134.84	7,587.23	122,109.32
65	06-01-2021	8,722.07	1,068.46	7,653.61	114,455.71
66	09-01-2021	8,722.07	1,001.49	7,720.58	106,735.13
67	12-01-2021	8,722.07	933.93	7,788.14	98,946.99
2021 TOTALS:		**34,888.28**	**4,138.72**	**30,749.56**	
68	03-01-2022	8,722.07	865.79	7,856.28	91,090.71
69	06-01-2022	8,722.07	797.04	7,925.03	83,165.68
70	09-01-2022	8,722.07	727.70	7,994.37	75,171.31
71	12-01-2022	8,722.07	657.75	8,064.32	67,106.99
2022 TOTALS:		**34,888.28**	**3,048.28**	**31,840.00**	
72	03-01-2023	8,722.07	587.19	8,134.88	58,972.11
73	06-01-2023	8,722.07	516.00	8,206.07	50,766.04
74	09-01-2023	8,722.07	444.20	8,277.87	42,488.17
75	12-01-2023	8,722.07	371.78	8,350.29	34,137.88
2023 TOTALS:		**34,888.28**	**1,919.17**	**32,969.11**	
76	03-01-2024	8,722.07	298.70	8,423.37	25,714.51
77	06-01-2024	8,722.07	225.00	8,497.07	17,217.44
78	09-01-2024	8,722.07	150.66	8,571.41	8,645.03
79	12-01-2024	8,722.07	76.04	8,646.03	0.00
2024 TOTALS:		**34,888.28**	**750.40**	**34,137.88**	
TOTALS:		**689,043.53**	**193,042.03**	**496,001.50**	

NOTICE: This is an estimated loan amortization schedule. Actual amounts may vary if payments are made on different dates or in different amounts.

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Int Prin

City of Canton Water Source Improvement Project

Appendix E
– Water System Capacity Assessment with financial spreadsheets.

8.3.16 Capacity Assessment Worksheets for Public Water Systems

Department of Environment and Natural Resources

Revised January 2007

Introduction

Because you are in the process of applying for a Drinking Water State Revolving Fund (DWSRF) loan, it is necessary for you to complete the following worksheets. The Safe Drinking Water Act requires that a system applying for a DWSRF loan must demonstrate that it has financial, managerial, and technical capacity. What exactly does that mean?

- ***Technical capacity*** - the physical infrastructure of the water system, including but not limited to the source water adequacy, infrastructure adequacy, and technical knowledge. In other words, does your treatment system work the way it is supposed to? Are you providing the safest and cleanest water possible and required by law to your customers right now, and will you be able to in the future?

- ***Managerial capacity*** - the management structure of the water system, including but not limited to ownership accountability, staffing and organization, and effective linkages. In simpler terms, do you have a capable and trained staff? Do you have an effective management structure?

- ***Financial capacity*** - the financial resources of the water system, including but not limited to the revenue sufficiency, credit worthiness, and fiscal controls. Basically, does your system have a budget and enough revenue coming in to cover costs, repairs, and replacements?

If it is determined that your system does NOT have the required capacity, you may still qualify for a DWSRF loan if it is going to be used to ensure that your system will have the necessary capacity. If you have questions while completing the following worksheets, please call our office at **(605) 773-3754**, and we will be happy to help.

After DENR receives these worksheets, we will study them and other information located in our files to make a determination whether or not your public water system has the technical, financial, and managerial capacity to be eligible to apply for a DWSRF loan. A final report will be available upon completion of the analysis.

Applicant: City of Canton

Prepared by: Myron Adam -

Phone #: (605) 367- 1036

Date: 12-15-2014

Glossary of Terms

Contaminant: Any physical, chemical, biological, or radiological substance or matter in water;

Disinfectant: Any oxidant, including chlorine, chlorine dioxide, chloramine, and ozone, that is added to water in any part of the treatment or distribution process and that is intended to kill or inactivate pathogenic microorganisms;

Disinfectant contact time: The time in minutes that it takes for water to move from the point of disinfectant application or the previous point of disinfectant residual measurement to a point before or at the point where residual disinfectant concentration is measured;

Filtration: A process for removing particulate matter from the water by passing the water through porous media;

Ground Water: The supply of fresh water found beneath the surface of the ground, usually in aquifers, which is often used for supplying wells and springs;

Ground Water Under the Direct Influence of Surface Water: Any water beneath the surface of the ground with a significant occurrence of insects, macroorganisms, algae, or large-diameter pathogens such a *Giardia lamblia*; or any water with significant and relatively rapid shifts in water quality characteristics such as turbidity, temperature, conductivity, or pH which closely correlate to climatological or surface water conditions;

Maximum Contaminant Level (MCLs): The maximum permissible level of a contaminant in water delivered to any user of a public water system. MCLs are enforceable standards;

mg/L: milligrams per liter - equivalent to parts per million;

µg/L: micrograms per liter - equivalent to parts per billion;

NTU: nephelometric turbidity unit;

psi: pounds per square inch

Surface Water: All water that is open to the atmosphere and subject to surface runoff;

Turbidity: A cloudy condition in water due to suspended silt or organic matter; and

Waiver: A process used by the Department of Environment and Natural Resources that allows a public water system to reduce or eliminate monitoring for a particular chemical.

The Technical Portion of your System

Your Water Supply

Please mark ☒ the appropriate box: *Yes*, *No*, or *Unknown* for each section. Please try to determine the answer to every question. ***If a section or question does not apply to your system, please write NA for not applicable.***

Water Supply and Existing Demands	**Yes**	**No**	**Unknown**
Do you know how much water you pump on an average day? ***Amount:*** 342,000 gal	☒	☐	☐
Do you know how much water you pump on a peak day? ***Amount:*** 710,000 gal	☒	☐	☐
Do you know the maximum amount of water you can pump from your source? ***Amount:*** 800 gpm	☒	☐	☐
Is your source capacity higher than your peak day demand? ***Percentage higher or lower:*** 38% higher	☒	☐	☐
Can you meet peak demand without pumping at peak capacity for extended periods? Yes ***Longest time pumping at peak demand:***	☒	☐	☐
Have you been able to provide adequate volumes of water during drought cycles?	☒	☐	☐
Have you had to restrict usage at any time for any reason? ***Please specify:*** Only during inspection/maintenance of elevated tower and ground storage reservoir.	☒	☐	☐
Does your system have an emergency or supplemental water supply? ***Please specify:*** SLRWS (South Lincoln Rural Water)	☒	☐	☐
Do you have an Emergency Response Plan that will allow you to meet system demand during a drought or shortage, such as the loss of the largest source? ***If yes, please attach.***	☐	☒	☐
Water Demand	**Yes**	**No**	**Unknown**
Do you know whether your system demands will be growing, declining, or remain stable over the next ten years? ***Please circle: growing, declining, or stable***	☒	☐	☐
Does your source have additional water available for appropriation? FUTURE USE PERMIT 1262-3 and 5219-3	☒	☐	☐
Do you have a water right? ***Water right permit number(s):*** 5216-3, 5217-3, 5218-3, 6499-3, 6743-3	☒	☐	☐
If you have large commercial, industrial, or irrigation users, do you know their long-term plans & understand their needs?	☐	☒	☐
Purchased Water	**Yes**	**No**	**Unknown**
If you purchase water from another system or a wholesaler, do you know their long-term plans?	☐	☒	☐
Do you have a contract to purchase water? ***If yes, with whom?***	☐	☒	☐
Are you currently staying within your contract? N/A	☐	☐	☐

Are you knowledgeable about other demands being placed on the same water source that you are using?	☒	☐	☐
Alternative Sources	**Yes**	**No**	**Unknown**
Are alternative water sources possibly available to you?	☒	☐	☐
Are you knowledgeable of the characteristics and costs of using alternative sources? Facilities Plan completed 2013 / updated in 2014	☒	☐	☐
Water Source	**Yes**	**No**	**Unknown**
Do you know the depth of your well? ***Depth:*** #1-415', #6-445', #8-475', #9-527', #12-517'	☒	☐	☐
Do you know the geologic name of the aquifer system from which your water is drawn? ***If yes, geologic name:*** DAKOTA	☒	☐	☐
Are all abandoned water sources properly managed and disconnected to prevent accidental contamination or problems with current water system facilities?	☒	☐	☐

Treatment - Microbiological Contamination

Is your system using surface water or ground water under the influence of surface water? ☐ **yes** ☒ **no**

(if you checked "no", skip to the next section - Ground Water Systems – unless your water system requires treatment other than just disinfection).

Surface Water Systems

Filtration Plant Condition	**Yes**	**No**	**Unknown**
Is your filter plant in good physical condition (free from spalling concrete, peeling paint)?	☐	☐	☐
If constructed more than 20 years ago, have treatment processes been upgraded to meet current standards?	☐	☐	☐
Are repair parts available?	☐	☐	☐
Do you have redundancy (back-ups/automatic switch-overs) for all major mechanical units? ***If no, list units you do NOT have redundancy for:*** _____	☐	☐	☐
Can your plant achieve a filtered water turbidity of 0.3 NTU?	☐	☐	☐
Do you have on-line continuous turbidimeters on each filter?	☐	☐	☐
Have you adopted a turbidity goal lower than the standard? ***If yes, list goal:*** _____	☐	☐	☐
Do you have the capability to add coagulant before the filter?	☐	☐	☐

Ground Water Systems

Ground Water Under the Influence of Surface Water	**Yes**	**No**	**Unknown**
Is your water free from variations in turbidity and	☒	☐	☐

temperature after storm events?			
Well Construction and Protection			
Do you know when your well was constructed? ***List year:*** #1-1975, #6-1965, #8-1977, #9-1988, #12-2007	☒	☐	☐
Is your well(s) constructed according to current South Dakota regulations? wells likely constructed according to regulations when installed	☒	☐	☐
Do you have a source water protection plan?	☒	☐	☐
Is your wellhead finished with a pitless adapter that will prevent contamination from surface water?	☒	☐	☐

Disinfection

Do you disinfect? ☒ **yes** ☒ **no** ***(if "no", skip to the Infrastructure - Pumping section)***

Disinfection	**Yes**	**No**	**Unknown**
Do you regularly inspect and maintain your disinfection / chlorination equipment? ***Type of Equipment:*** REGAL ***How often?*** DAILY ***Disinfectant used:*** CHLORINE GAS	☒	☐	☐
Do you have back-up equipment? ***Type:*** REGAL and HYDRO	☒	☐	☐
Do you have adequate contact time following disinfection and before the first user in the distribution system (30 minutes for ground water systems)? For January 2012, flow=450 gpm, volume=330.3 kgal, residual Cl=0.48 ***Contact time:*** and baffling factor = 0.3, the average contact time was 107 minutes.	☒	☐	☐
Can you detect a chlorine residual at taps at the ends of the distribution system? ***Free Chlorine Residual:*** 0.45 PPM ON JAN 31, 2011 WATER TEMP 14.1deg C ***Total Chlorine Residual:*** N/A (if using chloramines)	☒	☐	☐

Disinfection By-Products

Treatment for the Control of Disinfection By-Products	**Yes**	**No**	**Unknown**
If you treat surface water, are you already practicing or could you adopt "enhanced coagulation" in your current plant?	☐	☐	☐
If you treat surface water, could you still meet current contact-time requirements if disinfection were not allowed before sedimentation?	☐	☐	☐

Treatment - Security

Treatment Security	**Yes**	**No**	**Unknown**
Has the system implemented procedures to improve security of its facilities? (i.e. limiting access to sensitive sites, protecting computer and control equipment etc.)	☒	☐	☐
Are chemicals used for treatment properly stored and secure?	☒	☐	☐

Does the water system track chemical usage? (i.e. a sudden increase in usage may signal potential contamination or tampering. DAILY	☒	☐	☐

Infrastructure - Pumping

Condition of Pumping Equipment	**Yes**	**No**	**Unknown**
Do you routinely inspect for signs of pump or pump motor problems? ***How often:*** DAILY	☒	☐	☐
Once diagnosed, are problems corrected in a timely enough manner to avoid crisis financing, costly repairs, and unscheduled downtime?	☒	☐	☐
Do you hire a qualified pump contractor to perform an inspection of all pumping equipment, identify potential problems, and perform maintenance, on an annual basis?	☒	☐	☐
Standby/Emergency Power Equipment	**Yes**	**No**	**Unknown**
Is there sufficient standby/emergency power capacity to supply 100% of the average daily demand of the system (excluding fire demand)?	☒	☐	☐
Are any existing standby/emergency power equipment, controls and switches tested or exercised routinely under load conditions, for at least 30 minutes at a time?	☒	☐	☐
Has the local electric utility been made aware of the standby/emergency power provisions made by the water system, so that they can reinforce and safeguard the electrical facilities serving the water operations?	☒	☐	☐

Infrastructure - Storage

Storage Capacity	**Yes**	**No**	**Unknown**
Does the system have sufficient gravity-flow (non-pumped) or emergency generator-supported pumping capability to ensure adequate distribution storage to provide safe and adequate service for up to 24 hours without power? ***If no, how long:*** _____	☒	☐	☐
Is there reserve capacity in the tank for fire protection support? assume no well supply, Avg Day: 408,000 gallons reserve ***Amount:*** fire flow of 1000 gpm, 6.8 hour duration	☒	☐	☐
Security Measures	**Yes**	**No**	**Unknown**
Are any openings, such as vent pipes, screened to protect against the entrance of small animals, birds, and small insects?	☒	☐	☐
Are access hatches locked?	☒	☐	☐
Is the tank and the immediate surrounding area fenced? GSR is not fenced, elevated tower is fenced	☒	☒	☐
Control Systems			
Is there a high and low water level signal system to control the pumps?	☒	☐	☐

Is there a drain valve or hydrant to allow for draining of the tank?	☒	☐	☐
Tank Maintenance			
Is the tank inspected at least every three years by a qualified tank contractor for evidence of corrosion or pitting, leakage, and structural weakness?	☒	☐	☐
Is the tank contractor capable of analyzing the coating of paint on the interior and exterior surfaces of the tank to determine if it contains lead or other hazardous materials?	☒	☐	☐

Infrastructure - Distribution

System Maintenance	**Yes**	**No**	**Unknown**
Do you have an accurate map of your distribution system that indicates main sizes and valve locations?	☒	☐	☐
Does the operator routinely flush, test, and maintain the hydrants in the system? ***How often:*** SPRING AND FALL	☒	☐	☐
Are the locations of valves in the mains and curb stops on the service lines precisely known? MOST, NOT ALL	☒	☐	☐
Does the system keep a log of distribution system breaks to identify weak areas in the system?	☒	☐	☐
Are histories, locations, size, and type of mains and service lines detailed on records in a secure area?	☒	☐	☐
Are all valves exercised and lubricated periodically?	☐	☒	☐
Is the system free of severe "water hammer" problems? City along with SDRWA determined system free of severe water hammer	☒	☐	☐
Are meter pits, pressure regulating valves, altitude valves, blow-offs, and other appurtenances maintained on a regular basis?	☒	☐	☐
Unaccounted-for Water	**Yes**	**No**	**Unknown**
Is unaccounted-for water in the water system monitored and analyzed each month? review is annual	☐	☒	☐
Is the unaccounted-for water less than 15 percent of the total water delivered to the mains? ***List percentage of unaccounted-for water:*** 3.3%	☒	☐	☐
	Yes	**No**	**Unknown**
Are the normal operating pressures in the distribution system between 25 psi and 125 psi? ***Normal operating pressure:*** 65PSI	☒	☐	☐
Do you have a routine leak detection and repair program?	☐	☒	☐
Are all sources of supply and customers metered?	☒	☐	☐
Are the meters calibrated and tested routinely to ensure their accuracy and reliability?	☐	☒	☐
Water Quality in Distribution System	**Yes**	**No**	**Unknown**
Does your system have an active cross-connection control program?	☐	☒	☐

Are any inspections for cross-connections performed? as part of State plumbing inspections only on new construction	☐	☒	☐
Is there a program for installing and testing backflow prevention devices where potential contamination is present?	☐	☒	☐
Is there a program to eliminate "dead-ends" in the mains, where feasible?	☒	☐	☐
Construction Standards	**Yes**	**No**	**Unknown**
Are the majority of your mains 6 inches in diameter or larger? ***List percentage:*** 74% of mains 6 inch and larger	☒	☐	☐
Is there a program to gradually replace sub-standard sized mains? City replaces stretches on a time/needed basis - no specific program	☐	☒	☐
Are there suitable rights-of-way and easements provided to the water system for expansion, maintenance, and replacement of mains and services?	☒	☐	☐
Is there sufficient earth cover (six feet) to protect the mains from frost damage or heavy loads, if driven over?	☒	☐	☐
Are materials of mains designed and selected to resist corrosion, electrolysis, and deterioration?	☒	☐	☐
Distribution System Problems	**Yes**	**No**	**Unknown**
Do you receive any complaints regarding water quality (taste, odor, color, etc.)? ***List number of complaints/year:*** 10-15 per year ***Most common complaint:*** Odor, taste and clarity.	☒	☐	☐
Can you maintain adequate pressure in the distribution system under all conditions of flow? pressure is maintained above a minimum 20 psi during peak demands and during fire demands	☐	☐	☒

The Management Portion of your System

Please mark ☒ the appropriate box: *Yes*, *No*, or *Unknown* for each section. Please try to determine the answer to every question. ***If a section does not apply to your system, please write NA for not applicable.***

Operation & Maintenance

Operations Staff	**Yes**	**No**	**Unknown**
Does the person operating your system have current water treatment plant and water distribution operator certification credentials from DENR?	☒	☐	☐
If yes, list classification(s): Require Class I for treatment and Class II for distribution. City operators currently maintain Class II certification in both treatment and distribution.			
Does your operator receive additional training on an ongoing basis to keep current on new developments in the field?	☒	☐	☐
Future Operational Demands	**Yes**	**No**	**Unknown**
Does your water system obtain any regular or occasional technical assistance from outside sources, such as DENR, your engineer, other utilities or organizations specifically dedicated to providing technical assistance?	☒	☐	☐
If yes, who: SDDENR AND SDRWA			

Management & Administration

Who's in Charge?	**Yes**	**No**	**Unknown**
Is there a clear plan of organization and control among the people responsible for management and operation of the system?	☒	☐	☐
Does your system have written personnel policies and job descriptions signed by the employees?	☒	☐	☐
Are the limits of the operator's authority clearly known?	☒	☐	☐
Does everyone involved in operations know who is responsible for each area?	☒	☐	☐
Is someone responsible for scheduling work?	☒	☐	☐
Security	**Yes**	**No**	**Unknown**
Does the system have procedures for handling new and terminated employees (i.e. collecting keys, changing locks and computer passwords)?	☒	☐	☐
Rules and Standards	**Yes**	**No**	**Unknown**
Do you have explicit rules and standards for system modifications? City adopted engineering design standards in 2012 with 2014 updates.	☒	☐	☐
Do you have rules governing new hook-ups?	☒	☐	☐
Do you have a water main extension policy?	☒	☐	☐
Do you have standard construction specifications to be followed? City adopted standard specifications as part of engineering design standards in 2012 with updates in 2014.	☒	☐	☐

	Yes	No	Unknown
Do you have measures to assure cross-connection control and backflow prevention?	☒	☐	☐
Do you have policies or rules describing customer rights and responsibilities?	☒	☐	☐
Regulatory Compliance Program	**Yes**	**No**	**Unknown**
Do you fully understand monitoring requirements and have a scheduling mechanism to assure compliance?	☒	☐	☐
Do you know how to obtain clarification or explanation of requirements?	☒	☐	☐
Do you have a mechanism to obtain the most recent information on regulatory requirements?	☒	☐	☐
Do you maintain adequate records to document compliance? ***If yes, for how long?*** 20+years	☒	☐	☐
Did your system have any violations of the primary drinking water standards in the last year?	☐	☒	☐
Did your system have any monitoring or reporting violations in the last year?	☐	☒	☐
Do you know what to do in the event of a violation?	☒	☐	☐
Emergencies	**Yes**	**No**	**Unknown**
Do you have an Emergency Response Plan?	☒	☐	☐
Is there a contingency for making emergency interconnections to neighboring systems, and do you know they will work if needed?	☒	☐	☐
Does everyone involved in operations know what they are to do in the event of contamination from a toxic hazardous waste spill in your source water or a main break or a tank failure?	☒	☐	☐
Do you have a clear chain-of-command protocol for emergency action?	☒	☐	☐
Is someone responsible for emergency operations, for communications with state regulators, for customer relations, for media relations? ***If yes, who (title):*** Sean Pederson, City Manager	☒	☐	☐
Safety	**Yes**	**No**	**Unknown**
Do you have a safety program defining measures to be taken if someone is injured?	☒	☐	☐
Has the entire staff been properly trained in the location and use of safety equipment?	☒	☐	☐
Does everyone understand the risks and safety measures involved in handling water treatment chemicals?	☒	☐	☐
Do you have written operating procedures for both routine and emergency system operations?	☐	☒	☐
Are you fully aware of Occupational Safety and Health Administration (OSHA) confined space (such as trenches/manholes) regulations?	☐	☐	☒
Does the system work with customers to promote their awareness of security?	☒	☐	☐

Does the system have a communication plan to alert customers of a natural or intentional threat to public health? City is registered member of NIXLE and utilizes other social media (web page, Facebook, Twitter).	☒	☐	☐
Maintenance	**Yes**	**No**	**Unknown**
Do you have a planned maintenance management system -- a system for scheduling routine preventive maintenance (line flushing, pumps, meters, storage tanks, etc.)?	☒	☐	☐
Do you have a system for assuring adequate inventory of essential spare parts and back-up equipment?	☒	☐	☐
Do you have relationships with contractors and equipment vendors to assure prompt priority service?	☒	☐	☐
Do you have records and data management systems for system operating and maintenance data, for regulatory compliance data, and for system management and administration?	☒	☐	☐
Management Capability	**Yes**	**No**	**Unknown**
Are you getting the outside services and technical assistance you need? Do you have adequate legal counsel, insurance, engineering advice, technical/operations assistance, rate case preparation, and financial advice?	☒	☐	☐

The Financial Portion of your System

Please mark ☒ the appropriate box: *Yes*, *No*, or *Unknown* for each section. Please try to determine the answer to every question. ***If a section does not apply to your system, please write NA for not applicable.***

Financial Planning Mechanisms	**Yes**	**No**	**Unknown**
Does your system develop and follow an annual budget that is approved by the governing body?	☒	☐	☐
Does the governing body review a monthly summary of revenues and expenses of the utility system?	☒	☐	☐
Do you have within the annual budget separate reserve accounts for equipment replacement, capital improvement, depreciation or security upgrades? ***If so, list accounts:*** Equipment Reserve, GSR Reserve, and System Improvement Reserve	☒	☐	☐
Does the system have reserve funds available in the event of an emergency?	☒	☐	☐
Do you have a capital budget or capital improvement plan that projects future capital investment needs some distance (at least five years) into the future?	☒	☐	☐
Do you have a process for scheduling and committing to capital projects? Staff review of system and potential improvements on an annual basis	☒	☐	☐
Does your planning process take account of all the potential capital needs suggested by your answers to the technical questions in these worksheets? Staff has sound understanding of entire system	☒	☐	☐
Does your long-term planning incorporate analysis of alternative strategies that might offer cost saving to customers, such as consolidation with other nearby systems or sharing of operations and management expenses with other nearby systems? City performed water source study in 2012	☒	☐	☐
Rates/Billing - Are they Adequate?	**Yes**	**No**	**Unknown**
Do you regularly review your rates? ***How often?*** Annually	☒	☐	☐
Do you have a plan in place for periodic increases in rates? No formal plan in place however City Commission requests periodic rate increases.	☐	☒	☐
Is the rate structure based on metered watered use? ***List rates per 1000 gallons:*** (City rate based on 100 CF = 748 gallons approx.) Residential: 0-748 gallons is $19.55 plus $2.05 per 748 gallons thereafter	☒	☐	☐
Does the rate per 1000 gallons change as consumption increases? ***If so, please describe*** base rate stays the same then $2.00 per 748 gallons	☒	☐	☐
Does the rate structure assure proportionality among users? Yes. Commercial and industrial users do pay higher rates than residential.	☒	☐	☐
Do you have procedures for billing and collection?	☒	☐	☐

Is your billing collection rate greater than 95%?	☒	☐	☐
Do you have collection procedures specifically for delinquent accounts?	☒	☐	☐
Financial Planning Mechanisms - Are they Adequate?	**Yes**	**No**	**Unknown**
Does your system have audited financial statements prepared by a certified public accountant (CPA)?	☒	☐	☐
Does your water system income exceed operating expenses (including debt service)?	☒	☐	☐
Does your water utility support other enterprise funds or the general fund?	☐	☒	☐
Does your system require revenues from other enterprise funds or the general fund for normal operations?	☐	☒	☐
Do you employ standardized accounting and tracking systems?	☒	☐	☐
Do you track budget performance?	☒	☐	☐
Do you keep records to substantiate depreciation of fixed assets and accounting for reserve funds?	☒	☐	☐
Are financial management recordkeeping systems organized?	☒	☐	☐
Are controls exercised over expenditures?	☒	☐	☐
Are controls exercised to keep from exceeding your budget?	☒	☐	☐
Are there purchasing procedures?	☒	☐	☐
Did your system's governing body review this assessment before returning it to the South Dakota Department of Environment and Natural Resources? City Manager performed review.	☒	☐	☐

8.3.16.1.1

Financial Spreadsheet

Applicant: City of Canton - Drinking Water

Completed by: SECOG

Date: 2/13/2015

4 Year Projections	Last Year Actual (From Audit)	Current Year Budget Current Year 1	Year 2 Projected	Year 3 Projected	Year 4 Projected
Enter Year:	2013	2014	2015	2016	2017
1. Beginning Cash on Hand	**$745,286**	**$828,504**	**$592,963**	**$807,235**	**$1,007,925**
2. Cash Receipts:					
a. Unmetered water Revenue		$400	$400	$400	$400
b. Metered Water Revenue	$581,824	$657,000	$657,000	$657,000	$657,000
c. Other Water Revenue		$40,500	$40,500	$40,500	$40,500
d. Total Water Revenues (2a through 2c)	**$581,824**	**$697,900**	**$697,900**	**$697,900**	**$697,900**
e. Connection Fees		$1,000	$1,000	$1,000	$1,000
f. Interest and Dividend Income	$3,296	$3,000	$3,000	$3,000	$3,000
g. Other -Sale of Investments	$14,833		$0	$0	$0
h. Total Cash Revenues (2d through 2g)	**$599,953**	**$701,900**	**$701,900**	**$701,900**	**$701,900**
i. Transfers in/Additional Rev Needed (Depreciation)					
j. Loans, Grants orother Cash		$30,000			
Received from Interfund Services					
Due from Other Funds					
3. Total Cash Receipts (2h through 2j)	**$599,953**	**$731,900**	**$701,900**	**$701,900**	**$701,900**
4. Total Cash Available (1+3)	**$1,345,239**	**$1,560,404**	**$1,294,863**	**$1,509,135**	**$1,709,825**
5. Operating Expenses					
a. Salaries and Wages	$148,673	$90,000	$92,700	$95,481	$98,345
b. Employee Pensions and Benefits		$33,500	$34,505	$35,540	$36,606
c. Purchased Water			$0	$0	$0
d. Purchased Power		$55,000	$56,650	$58,350	$60,100
e. Fuel for Power Productin			$0	$0	$0
f. Chemicals, mat'ls, supplies	$258,858	$25,000	$25,750	$26,523	$27,318
g. Materials and Supplies		$53,500	$55,105	$56,758	$58,461
h. Engineering Services			$0	$0	$0
i. Contractual Services - Other			$0	$0	$0
j. Equip. Rent/Real Property			$0	$0	$0
k. Transportation Expenses			$0	$0	$0
l. Misc		$77,553	$79,880	$82,276	$84,744
m. Insurance			$0	$0	$0
n. Water Improvements, Land, bldg, M&E, meters, hydrants		$105,000	$108,150	$111,395	$114,736
			$0	$0	$0
o. Advertising			$0	$0	$0
p. Paid for Interfund Services			$0	$0	$0
q. Total Cash O&M Expenses (5a through 5p)	**$407,531**	**$439,553**	**$452,740**	**$466,322**	**$480,311**
r. Replacement Expenditures					
s. Total OM&R Expenditures (5q+5r)	**$407,531**	**$439,553**	**$452,740**	**$466,322**	**$480,311**
t. Loan Principal/Capital Lease Payments	$51,602	$24,093	$24,948	$25,833	$59,150
u. Loan Interest Payments	$15,387	$10,795	$9,940	$9,056	$54,278
v. Transfers Out					
w. Capital Purchases (specify):	$42,215	$420,000			
Due to Other Funds		$73,000			
x. Other					
6. Total Cash Paid Out (5s through 5x)	**$516,735**	**$967,441**	**$487,628**	**$501,210**	**$593,739**
7. Ending Cash Position (4 - 6)	**$828,504**	**$592,963**	**$807,235**	**$1,007,925**	**$1,116,086**

Financial Spreadsheet

Applicant: City of Canton - Drinking Water

Completed by: SECOG

Date: 2/13/2015

4 Year Projections	Last Year Actual	Current Year Budget Year 1 Projected	Year 2 Projected	Year 3 Projected	Year 4 Projected
8. Number of Customer Accounts	1323	1323	1323	1323	1323
9. Avg Annual User Charge Account (2d/8)	$439.78	$527.51	$527.51	$527.51	$527.51
10. Coverage Ratio (2h-5s)/(5t+5u)	2.87	7.52	7.14	6.75	1.95
11. Operating Ratio (2d/5s)	1.43	1.59	1.54	1.50	1.45
12. Additions to Reserve Funds for the Year:					
a. Debt Service Reserve					
b. Bond Retirement Reserve					
c. Capital Improvement Reserve					
d. Replacement Reserve					
e. Other					
13. Total Reserves (12a through 12e)	$0	$0	$0	$0	$0
14. Year End Operating Cash (7 - 13)	**$828,504**	**$592,963**	**$807,235**	**$1,007,925**	**$1,116,086**
	2013	2014	2015	2016	2017

City of Canton Water Source Improvement Project

Appendix F
– 2012 Financial Statements
– Audit Report for the period ended 12-31-2012

CITY OF CANTON

AUDIT REPORT

DECEMBER 31, 2012

CITY OF CANTON
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INDEDPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

City Council
City of Canton
Canton, South Dakota

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Canton, South Dakota (City) as of December 31, 2012, and for the year then ended, and the related notes to financial statements which collectively comprise the City's basic financial statements, and have issued my report thereon dated May 10, 2013. My report includes a reference to other auditors who audited the financial statements of "The Canton Housing and Redevelopment Commission" as described in my report on the City of Canton's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, I do not express an opinion on the effectiveness of the City's internal control.

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Current Audit Findings and Questioned Costs, I identified certain deficiencies in internal control that I consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis. I consider the deficiency described in the accompanying Schedule of Current Audit Findings and Questioned Costs as item number 2012-01 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Canton's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to Findings

The City of Canton's response to the findings identified in my audit is described in the accompanying Schedule of Current Audit Findings and Questioned Costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is intended solely to describe the scope of my testing of internal control and compliance and the results of testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. As required by South Dakota Codified Law 4-11-11, this report is a matter of public record and its distribution is not limited.

May 10, 2013

Gary L. Larson, CPA

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

City Council
City of Canton
Canton, South Dakota

Report on Compliance for Each Major Federal Program

I have audited the City of Canton, South Dakota (City) compliance with the types of compliance requirements described in *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2012. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Current Audit Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the City's major federal programs based on my audit of the types of compliance requirements referred to above.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct

and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination on the City's compliance.

Opinion on Each Major Federal Program

In my opinion, the City of Canton complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each on major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the City's internal control over compliance.

My consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, I identified certain deficiencies in internal control over compliance that I consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their

assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. I consider the deficiencies in internal control over compliance described in the accompanying Schedule of Current Audit Findings and Questioned Costs at item 2012-02 to be a material weakness.

The City's response to the findings identified in my audit are described in the accompanying Schedule of Current Audit Findings and Questioned Costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purposes. As required by South Dakota Codified Law 4-11-11, this report and my report on compliance for each major federal program are matters of public record and their distribution is not limited.

May 10, 2013

Gary L. Larson, CPA

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INDEPENDENT AUDITOR'S REPORT

City Council
City of Canton
Canton, South Dakota

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Canton, South Dakota as of December 31, 2012, and for the year then ended, and the related Notes to the Financial Statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I did not audit the financial statements of the "Canton Housing and Redevelopment Commission" (HRC) which represent 100% of the total assets at June 30, 2012 and 100% of the total revenue for the year then ended of the aggregate discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to me, and my opinions, insofar as they relate to the HRC in the component unit column, are based on the report of the other auditors. I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Opinions

In my opinion, based on my audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Canton as of December 31, 2012, and the respective changes in financial position and, where applicable cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information:
Accounting principles generally accepted in the United States of America require that the OPEB Funding Progress and Budgetary Comparison Schedules on pages 60 through 69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. I have applied certain limited procedures to the required supplementary information in accordance with

auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

The City has omitted the Management's Discussion and Analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriated operational, economic or historical context. My opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The Schedule of Expenditures of Federal Awards, which is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting required by Governmental Auditing Standards

In accordance with the *Governmental Auditing Standards*, I have also issued my report dated May 10, 2013 on my consideration of the City of Canton's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of the internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the City's internal control over financial reporting and compliance.

May 10, 2013

CITY OF CANTON
STATEMENT OF NET POSITION
DECEMBER 31, 2012

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-type Activities	TOTAL
ASSETS:			
Cash and cash equivalents	$2,398,481	$2,219,752	$4,618,233
Investments	511,750	0	511,750
Receivables	152,536	490,206	642,742
Inventories	57,026	149,815	206,841
Prepaid expenses	20,460	4,215	24,675
Other:			
Deposits, restricted	67,416	0	67,416
Investments, restricted	0	44,500	44,500
Capital assets:			
Land and construction in progress	392,529	143,235	535,764
Other capital assets, net of depreciation	3,368,974	9,128,058	12,497,032
TOTAL ASSETS	$6,969,172	$12,179,781	$19,148,953
LIABILITIES:			
Accounts payable	$51,557	$85,988	$137,545
Other current liabilities	31,140	63,062	94,202
Noncurrent liabilities:			
Due within one year	42,788	207,221	250,009
Due in more than one year	84,090	2,157,584	2,241,674
TOTAL LIABILITIES	209,575	2,513,855	2,723,430
NET POSITION:			
Net Investment in capital assets	3,748,995	6,921,818	10,670,813
Restricted for:			
Insurance	67,416	0	67,416
Debt service	0	44,500	44,500
Other	0	0	0
Unrestricted	2,943,186	2,699,608	5,642,794
TOTAL NET POSITION	6,759,597	9,665,926	16,425,523
TOTAL LIABILITIES AND NET POSITION	$6,969,172	$12,179,781	$19,148,953

The accompanying notes to financial statements
are an integral part of this statement.

Component Unit
$49,855
214,245
6,461
0
1,531
0
0
25,811
237,498
$535,401

$3,043
22,494
0
6,001
31,538
263,309
0
0
23,494
217,060
503,863
$535,401

CITY OF CANTON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

		PROGRAM REVENUES	
Functions/Programs	Expenses	Changes for Services	Operating Grants and Contributions
Governmental Activities:			
General government	$507,149	$240,565	$0
Public safety	492,002	7,231	1,123
Public works	639,534	14,252	82,246
Health and welfare	13,121	505	0
Culture and recreation	461,057	51,287	0
Conservation and development	51,431	0	0
*Interest on long-term debt	508	0	0
TOTAL GOVERNMENTAL ACTIVITIES	2,164,802	313,840	83,369
Business-type Activities:			
Liquor	812,728	824,409	0
Water	522,017	620,408	0
Sewer	504,119	767,733	0
Airport	240,888	29,045	0
TOTAL BUSINESS-TYPE ACTIVITIES	2,079,752	2,241,595	0
TOTAL PRIMARY GOVERNMENT	$4,244,554	$2,555,435	$83,369
COMPONENT UNIT:			
Housing and Redevelopment Commission	$412,574	$87,077	$273,400

* The City does not have interest expense related to the governmental functions. This amount includes indirect interest on long-term debt.

GENERAL REVENUES:
Property taxes
Sales taxes
State shared revenues
Unrestricted investment earnings
Other general revenues
TRANSFERS
Total General Revenues and Transfers

Change in net position

Net Position-beginning

NET POSITION-ending

The accompanying notes to financial statements are an integral part of this statement.

NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION

Capital Grants and Contributions	Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit
$0	($266,584)	$0	($266,584)	$0
0	(483,648)	0	(483,648)	0
35,357	(507,679)	0	(507,679)	0
0	(12,616)	0	(12,616)	0
0	(409,770)	0	(409,770)	0
0	(51,431)	0	(51,431)	0
0	(508)	0	(508)	0
35,357	(1,732,236)	0	(1,732,236)	0
0	0	11,681	11,681	0
0	0	98,391	98,391	0
0	0	263,614	263,614	0
2,474,239	0	2,262,396	2,262,396	0
2,474,239	0	2,636,082	2,636,082	0
$2,509,596	($1,732,236)	$2,636,082	$903,846	$0
$56,857	$0	$0	$0	$4,760
	1,111,006	0	1,111,006	0
	940,483	0	940,483	0
	30,380	0	30,380	0
	20,134	2,946	23,080	8,001
	48,383	0	48,383	0
	(51,000)	51,000	0	0
	2,099,386	53,946	2,153,332	8,001
	367,150	2,690,028	3,057,178	12,761
	6,392,447	6,975,898	13,368,345	491,102
	$6,759,597	$9,665,926	$16,425,523	$503,863

CITY OF CANTON
BALANCE SHEET-GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	General Fund	BBB Fund	Other Governmental Funds
ASSETS			
Cash and cash equivalents	$2,349,624	$38,181	$10,676
Accounts receivable	28,872	0	10
Taxes receivable-			
Delinquent	30,140	0	0
Due from other governments	90,048	3,466	0
Investments	500,000	0	11,750
Supply inventory	57,026	0	0
Deposits	67,416	0	0
Prepaid expenses	20,460	0	0
TOTAL ASSETS	$3,143,586	$41,647	$22,436
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	$51,557	$0	$0
Accured wages	31,140	0	0
Deferred revenue	30,140	0	0
Total Liabilities	112,837	0	0
FUND BALANCES:			
Nonspendable for:			
Inventory	57,026	0	0
Deposit	67,416	0	0
Prepaid expenses	20,460	0	0
Restricted:			
Promotion of City	0	41,647	0
Committed:			
Library	0	0	22,436
Assigned:			
Capital accumulations	1,201,229	0	0
Next year's budget	115,642	0	0
Unassigned	1,568,976	0	0
Total Fund Balance	3,030,749	41,647	22,436
TOTAL LIABILITIES AND FUND BALANCES	$3,143,586	$41,647	$22,436

The accompanying notes to financial statements are an integral part of this statement.

Total Governmental Funds
$2,398,481
28,882
30,140
93,514
511,750
57,026
67,416
20,460
$3,207,669
$51,557
31,140
30,140
112,837
57,026
67,416
20,460
41,647
22,436
1,201,229
115,642
1,568,976
3,094,832
$3,207,669

CITY OF CANTON
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2012

Total Fund Balances-Government Funds	$3,094,832
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therfore are not reported in the funds	3,761,503
Long-term liabilities, including financing leases payable, accrued leave and other post employment benefits are not due and payable in the current period and therefore are not reported in the funds	(126,878)
Property taxes and special assessments receivable are reported in the period to be financed by the property tax levy or special assessment for both the governmental funds and the statement of net position, but in the funds statement the amounts that are not "available" (within a 30 day period) are offset with deferred revenue	30,140
Net Position-Governmental Funds	$6,759,597

The accompanying notes to financial statement are an integral part of this statement.

CITY OF CANTON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	General Fund	BBB Fund	Other Governmental Funds
Revenues:			
Taxes-			
General property taxes	$1,111,610	$0	$0
General sales taxes	890,923	49,559	0
Licenses and permits	22,476	0	0
Intergovernmental Revenue-			
Federal grants	36,479	0	0
State shared revenues	100,762	0	0
County shared revenues	11,863	0	0
Charges for goods and services-			
General government	218,089	0	0
Public safety	6,529	0	0
Highways and streets	3,805	0	0
Sanitation	10,392	0	0
Health	505	0	0
Culture and recreation	40,087	0	11,200
Fines and Forfeits			
Court fines and costs	703	0	0
Miscellaneous Revenue			
Interest earned	20,134	0	0
Contributions	9,508	0	0
Special assessments	1,165	0	0
Other	49,531	0	0
Total Revenue	$2,534,561	$49,559	$11,200

The accompanying notes to financial statements are an integral part of this statement.

Total Governmental Funds
$1,111,610
940,482
22,476
36,479
100,762
11,863
218,089
6,529
3,805
10,392
505
51,287
703
20,134
9,508
1,165
49,531
$2,595,320

CITY OF CANTON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	General Fund	BBB Fund	Other Governmental Funds
Expenditures:			
General Governement			
Legislative	$24,032	$0	$0
Executive	202,809	0	0
Elections	27	0	0
Financial administration	180,963	0	0
Other	77,458	0	0
Public Safety			
Police	387,801	0	0
Fire	55,370	0	0
Public Works			
Highways and streets	515,857	0	0
Sanitation	63,441	0	0
Health and Welfare			
Health	13,121	0	0
Culture and Recreation			
Recreation	166,223	0	0
Parks	112,878	0	0
Libraries	129,742	0	8,296
Conservation and development			
Economic opportunity	24,931	26,500	0
Deb Services	6,495	0	0
Capital outlay	155,942	0	0
Total Expenditures	2,117,090	26,500	8,296
Excess of Revenues Over (Under) Expenditures	417,471	23,059	2,904
Other Financing Sources (Uses):			
Transfer-out	(51,000)	0	0
Proceeds of long-term debt	15,010	0	0
Net Change in Fund Balances	381,481	23,059	2,904
FUND BALANCE, JANUARY 1, 2012	2,649,268	18,588	19,532
FUND BALANCE, DECEMBER 31, 2012	$3,030,749	$41,647	$22,436

The accompanying notes to financial statements are an integral part of this statement.

Total Governmental Funds
$24,032
202,809
27
180,963
77,458
387,801
55,370
515,857
63,441
13,121
166,223
112,878
138,038
51,431
6,495
155,942
2,151,886
443,434
(51,000)
15,010
407,444
2,687,388
$3,094,832

CITY OF CANTON
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2012

Net Changes in Fund Balances-Total Governmental Funds	$407,444
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	597
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	5,987
Proceeds of long-term debt are reported as revenue in the funds statement, but are an increase in liabilities in the activities statement.	(15,010)
Property tax and special assessment revenues are reported in the period to be financed by the property tax levy or special assessment for both the governmental funds and the governmental activities, but in the funds statement, any amounts that are not "available" are offset with deferred revenue.	(1,713)
Governmental funds do not reflect the change in accrued leave, or OPEB but the statement of activities reflects the changes through expenditures	(30,155)
Change in Net Position of Governmental Activities	$367,150

The accompanying notes to financial statements are an integral part of this statement.

CITY OF CANTON
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2012

	ENTERPRISE FUNDS		
	Liquor Fund	Water Fund	Sewer Fund
ASSETS:			
Current Assets:			
Cash and cash equivalents	$343,110	$745,286	$1,131,356
Accounts receivable	90,873	59,467	82,868
Due from other governments	0	0	0
Inventory	0	102,353	38,691
Prepaid expenses	0	2,323	1,892
Due from Airport Fund	0	0	186,383
Total Current Assets	433,983	909,429	1,441,190
Other Assets:			
Restricted investments	0	14,833	29,667
Capital Assets:			
Land	600	10,000	37,990
Buildings	60,069	20,602	363,593
Improvements other than buildings	0	3,313,728	4,979,461
Machinery and equipment	7,987	217,908	265,745
Accumulated Depreciation	(54,406)	(1,252,289)	(1,479,675)
Construction-in-progress	0	0	25,791
Total Capital Assets	14,250	2,309,949	4,192,905
TOTAL ASSETS	$448,233	$3,234,211	$5,663,762

The accompanying notes to financial statements are an integral part of this statement.

Airport Fund	Total
$0	$2,219,752
209	233,417
256,789	256,789
8,771	149,815
0	4,215
0	186,383
265,769	3,050,371
0	44,500
68,854	117,444
0	444,264
2,688,106	10,981,295
65,914	557,554
(68,685)	(2,855,055)
0	25,791
2,754,189	9,271,293
$3,019,958	$12,366,164

CITY OF CANTON
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2012

	ENTERPRISE FUNDS		
	Liquor Fund	Water Fund	Sewer Fund
LIABILITIES			
Current Liabilities:			
Accounts payable	$63,640	$14,728	$7,317
Accrued wages	0	2,846	2,656
Due to Sewer Fund	0	0	0
Customer deposits	0	57,560	0
Bonds payable current:			
Revenue	0	51,602	147,953
Accrued leave-current	0	3,833	3,833
Total Current Liabilities	63,640	130,569	161,759
Non-current Liabilities:			
Bonds payable:			
Revenue	0	317,392	1,832,528
Accrued leave payable	0	3,832	3,832
Total Non-current Liabilities	0	321,224	1,836,360
NET POSITION			
Net investment in capital assets	14,250	1,940,955	2,212,424
Restricted net position:			
Restricted for debt service	0	14,833	29,667
Unrestricted net position	370,343	826,630	1,423,552
Total Net Position	384,593	2,782,418	3,665,643
TOTAL LIABILITIES AND NET POSITION	$448,233	$3,234,211	$5,663,762

The accompanying notes to financial statements are an integral part of this statement.

Airport Fund	Total
$303	$85,988
0	5,502
186,383	186,383
0	57,560
0	199,555
0	7,666
186,686	542,654
0	2,149,920
0	7,664
0	2,157,584
2,754,189	6,921,818
0	44,500
79,083	2,699,608
2,833,272	9,665,926
$3,019,958	$12,366,164

CITY OF CANTON
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	ENTERPRISE FUNDS		
	Liquor Fund	Water Fund	Sewer Fund
OPERATING REVENUES:			
Charges for goods and services	$811,556	$620,408	$767,733
Lottery sales	12,853	0	0
Total Operating Revenue	824,409	620,408	767,733
OPERATING EXPENSES:			
Personal services	0	116,579	100,400
Other current expense	25,820	305,627	209,058
Cost of goods sold	783,899	0	0
Depreciation	3,009	85,030	128,425
Total Operating Expenses	812,728	507,236	437,883
Operating Income (Loss)	11,681	113,172	329,850
Non-operating Revenue (Expense)			
Interest earned	0	2,907	39
Interest expense	0	(14,781)	(66,236)
Total Non-operating Revenue (Expense)	0	(11,874)	(66,197)
Income (Loss) before Contributions and Transfers	11,681	101,298	263,653
Conributed capital	0	0	0
Transfers-in	0	0	0
Change in Net Position	11,681	101,298	263,653
NET POSITION, BEGINNING	372,912	2,681,120	3,401,990
NET POSITION, ENDING	$384,593	$2,782,418	$3,665,643

The accompanying notes to financial statements are an integral part of this statement.

Airport Fund	Total
$29,045	$2,228,742
0	12,853
29,045	2,241,595
0	216,979
232,066	772,571
0	783,899
8,822	225,286
240,888	1,998,735
(211,843)	242,860
0	2,946
0	(81,017)
0	(78,071)
(211,843)	164,789
2,474,239	2,474,239
51,000	51,000
2,313,396	2,690,028
519,876	6,975,898
$2,833,272	$9,665,926

CITY OF CANTON
STATEMENT OF CASH FLOWS-PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	ENTERPRISE FUNDS		
	Liquor Fund	Water Fund	Sewer Fund
Cash Flows from Operating Activities:			
Receipts from customers	$833,924	$623,682	$762,650
Payments to suppliers	(809,638)	(297,567)	(207,093)
Payments to employees	0	(116,334)	(99,973)
Net Cash Provided by Operating Activities	24,286	209,781	455,584
Cash Flows from Noncapital Activities:			
Loans (to) from other funds	0	0	(186,383)
Operating transfers-in	0	0	0
Cash Flows from Capital and Related Financing Activities:			
Contributed capital received	0	0	0
Purchase of capital assets	0	(102,823)	(190,937)
Principal paid on capital debt	0	(40,805)	(125,130)
Interest paid on capital debt	0	(14,781)	(66,236)
Cash Flows from Investing Activities:			
Cash received from interest	0	2,907	39
Net Increase (Decrease) in Cash and Cash Equivalents	24,286	54,279	(113,063)
Cash and Cash Equivalents Beginning of Year	318,824	691,007	1,244,419
Cash and Cash Equivalents End of Year	$343,110	$745,286	$1,131,356
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating Income (loss)	$11,681	$113,172	$329,850
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation expense	3,009	85,030	128,425
Changes in Assets and Liabilities:			
Receivables	9,515	(2,021)	(5,083)
Inventories	0	1,598	4,443
Prepaids	0	(29)	(23)
Accounts payable	81	6,491	(2,455)
Accrued wages and leave	0	245	427
Deposits	0	5,295	0
Net Cash Provided by Operating Activities	$24,286	$209,781	$455,584

The accompanying notes to financial statements are an integral part of this statement.

Airport Fund	Total
$39,707	$2,259,963
(241,491)	(1,555,789)
0	(216,307)
(201,784)	487,867
186,383	0
51,000	51,000
2,217,450	2,217,450
(2,338,638)	(2,632,398)
0	(165,935)
0	(81,017)
0	2,946
(85,589)	(120,087)
85,589	2,339,839
$0	$2,219,752
($211,843)	$242,860
8,822	225,286
10,662	13,073
(5,446)	595
0	(52)
(3,979)	138
0	672
0	5,295
($201,784)	$487,867

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Financial Reporting Entity:

The reporting entity of the City of Canton consists of the primary government (which includes all of the funds, organizations, institutions, agencies, departments, and offices that make up the legal entity, plus those funds for which the primary government has a fiduciary responsibility, even though those fiduciary funds may represent organizations that do not meet the criteria for inclusion in the financial reporting entity); those organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

A component unit of the City of Canton will have the following characteristics:

1. The voting majority of the unit's board is appointed by the City Council; and,

2. The City Council is able to impose its will on the unit; or

3. The unit has the ability to provide specific financial benefits to or impose specific financial burdens on the City of Canton.

4. The unit will also be considered a component unit if it is fiscally dependent upon the City of Canton.

Even though the Canton Housing and Redevelopment Commission is a separate legal entity, it meets the above criteria and is considered a component unit of the City of Canton.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial statements for Canton Housing and Redevelopment Commission are on file at:

Canton Housing and Redevelopment Commission
903 West Fifth
Canton, South Dakota 57013

b. Basis of Presentation:

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the reporting entity as a whole (the City). They include all funds of the reporting entity except fiduciary funds. The statements distinguish between the *governmental and business-type*. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities.

Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by recipients of goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or it meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
2. Total assets, liabilities, revenues or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined, or
3. Management has elected to classify one or more governmental or enterprise funds as major for consistency in reporting from year to year, or because of public interest in the fund's operations.

The funds of the financial reporting entity are described below:

Governmental Funds:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is always considered to be a major fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations or other governments or major capital projects) that are legally restricted to expenditures for specified purposes.

BBB Tax Fund - to account for a 3rd cent sales tax on motel rooms, restaurants and bars which may only be used for the promotion of the City, land acquisitions, civic centers and auditoriums and debt service related to these acquisitions (SDCL 10-52-8). This is a major fund.

Library Fund - to account for library contributions, fines and other revenues and related expenditures. This is not a major fund.

Proprietary Funds:

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The enterprise funds do not apply any Financial Accounting Standards Board (FASB) Statements and interpretation issued after November 30, 1989.

Liquor Fund - a fund used to record financial transactions related to liquor operations. This fund is financed by user charges. This is a major fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Water Fund - a fund used to record financial transactions related to water utility operations. This fund is financed by user charges and grants. This is a major fund.

Sewer Fund - a fund used to record financial transactions related to sewer operations. This fund is financed by user charges. This is a major fund.

Airport Fund - a fund used to record financial transaction related to airport operations. This fund is financed by user charges. This is a major fund.

b. Measurement Focus and Basis of Accounting:

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

Measurement Focus:

Government-wide Financial Statements:

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus, applied on the accrual basis of accounting.

Fund Financial Statements:

In the fund financial statements, the "current financial resources" measurement focus and the modified accrual basis of accounting are applied to governmental fund types, while the "economic resources" measurement focus and the accrual basis of accounting are applied to the proprietary funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting:

Government-wide Financial Statements:

In the government-wide Statement of Net Position and Statement of Activities governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues and related assets are recorded when earned (usually when the right to receive cash vests); and, expenses and related liabilities are recorded when an obligation is incurred (usually when the obligation to pay cash in the future vests).

Fund Financial Statements:

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues, including property taxes, are recognized when they become measurable and available. "Available" means resources are collected or to be collected soon enough after the end of the fiscal year that they can be used to pay the bills of the current period. The accrual period does not exceed one bill-paying cycle, and for the City of Canton, the length of that cycle is 30 days. The revenues which are accrued at December 31, 2012 are sales tax, state shared revenues and miscellaneous other revenues.

Under the modified accrual basis of accounting, receivables may be measurable but not available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Reported deferred revenues are those where asset recognition criteria have been met but for which revenue recognition criteria have not been met.

Expenditures are generally recognized when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which are recognized when due.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

All proprietary funds and fiduciary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

c. Interfund Eliminations and Reclassifications:

Government-wide Financial Statements:

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances in the fund financial statement have been eliminated or reclassified, as follows.

1. In order to minimize the grossing-up effect on assets and liabilities within the governmental and business-type activities columns of the primary government, amounts reported as internal receivables and payables have been eliminated in the governmental and business-type activities columns, except for the net, residual amounts due between governmental and business-type activities, which are presented as Internal Balances.

2. In order to minimize the doubling-up effect on internal service fund activity, certain "centralized expenses" including an administrative overhead component, are charged as direct expenses to funds or programs in order to show all expenses that are associated with a service, program, department or fund. When expenses are charged, in this manner, expense reductions occur in the General Fund, so that expenses are reported only in the function to which they relate.

Fund Financial Statements:

Noncurrent portions of long-term interfund receivables (reported in "advance to" asset accounts) are equally offset by a fund balance "nonspendable" classification

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

which indicates that they do not constitute "available spendable resources" since they are not a component of net current assets. Current portions of interfund receivables (reported in "Due from" asset accounts) are considered "available spendable resources".

e. Capital Assets:

Capital assets include land, buildings, machinery and equipment, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for significantly greater number of years than most capital assets.

The accounting treatment over capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statement

Capital assets are recorded at historical cost, or estimated cost, where actual cost could not be determined. Donated capital assets are valued at their estimated fair value on the date donated. Reported cost values include ancillary charges necessary to place the asset into its intended location and condition for use. Subsequent to initial capitalization, improvements or betterments that are significant and which extend the useful file of a capital asset are also capitalized.

The total December 31, 2012 balance of governmental activities capital assets includes approximately 10 percent for which the costs were determined by estimates of the original costs. The total December 31, 2012 balance of business-type capital assets includes about

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

10 percent for which the costs were determined by estimation of the original cost. These estimated original costs were established by reviewing applicable historical costs of similar items and basing the estimations thereon.

Infrastructure assets used in general government operations, consisting of certain improvements other than buildings, including roads, bridges, sidewalk, drainage systems and lighting systems acquired prior to January 1, 2004, were not required to be capitalized by the City. Infrastructure assets acquired since January 1, 2004 are recorded at cost, and classified as "Improvements other than Buildings".

For governmental activities Capital Assets, construction-period interest is not capitalized, in accordance with USGAAP, while for capital assets used in business-type activities/proprietary fund's operations, construction period interest is capitalized in accordance with USGAAP.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the government-wide Statement of Activities with net capital assets reflected in the Statement of Net Position. Accumulated depreciation is reported on the government-wide Statement of Net Position and on each proprietary fund's Statement of Net Position.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	ALL	-	-
Buildings	50,000	Straight-line	25-75 years

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Improvements	25,000	Straight-line	10-30 years
Machinery and Equipment	5,000	Straight-line	5-50 years

Land, an inexhaustible capital asset, is not depreciated.

f. Long-term Liabilities:

The accounting treatment of long-term liabilities depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term liabilities to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term liabilities consist primarily of revenue bonds payable, capital leases payable and compensated absences.

In the fund financial statements, debt proceeds are reported as revenues (other financing sources), while payments of principal and interest are reported as expenditures when they become due. The accounting for proprietary fund long-term debt is on the accrual basis, the same in the fund statements as in the government-wide statements.

g. Cash Flows and Cash Equivalents:

The City pools the cash resources of its funds for cash management purposes. The proprietary funds essentially have access to the entire amount of their cash resources on demand. Accordingly, each proprietary fund's equity in the cash management pool is considered to be cash and cash equivalents for the purpose of the Statement of Cash Flows.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h. Program Revenues:

Program revenues derive directly from the program itself or from parties other than the City's taxpayers or citizenry, as a whole. Program revenues are classified into three categories, as follows.

1. Charges for services - These arise from charges to customers, applicants or others who purchase, use or directly benefit from the goods, services or privileges provided, or are otherwise directly affected by the services.
2. Program-specific operating grants and contributions - These arise from mandatory and voluntary non-exchange transactions with other governments, organizations or individuals that are restricted for use in a particular program.
3. Program-specific capital grants and contributions - These arise from mandatory and voluntary non-exchange transactions with other governments, organizations or individuals that are restricted for the acquisition of capital assets for use in a particular program.

i. Proprietary Funds Revenue and Expense Classifications:

In the proprietary fund's Statement of Revenues, Expenses and Changes in Net Position, revenues and expenses are classified in a manner consistent with how they are classified in the Statement of Cash Flows. That is, transactions for which related cash flows are reported as capital and related financing activities or investing activities are not reported as components of operating revenues or expenses.

j. Equity Classifications:

Government-wide Statements:

Equity is classified as net position and is displayed in three components:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. Net investment in capital assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation (if applicable) and reduced by the outstanding balance. of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

2. Restricted net position - Consists of net position with constraints places on their use either by (a) external groups such as creditors, grantors, contributors or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.

3. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

Fund Financial Statements:

Governmental fund equity is classified as fund balance, and may distinguish between "Non-spendable", "Restricted", "Committed", "Assigned" and "Unassigned" components. Proprietary fund equity is classified the same as in the government-wide financial statements.

k. Application of Net Position or Fund Balances:

The City uses restricted or committed amounts of net position first when both restricted and unrestricted amounts are available unless there are legal documents/contracts that prohibit this, such as a grant agreement requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balance Classification Policies and Procedures:

In accordance with Government Accounting Standards Board (GASB) No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the City classifies governmental fund balances as follows:

1. Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

2. Restricted- includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

3. Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.

4. Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Finance Officer.

5. Unassigned - includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The City does not have a formal minimum fund balance policy.

2. DEPOSITS AND INVESTMENTS, CREDIT RISK, CONCENTRATIONS OF CREDIT RISK AND INTEREST RATE RISK

The City follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by statutes. These restrictions are summarized below.

Deposits - The City deposits are made in qualified public depositories as defined by SDCL 4-6A-1, 9-22-6, 9-22-6.1, and 9-22-6.2, and may be in the form of demand or time deposits.

Qualified depositories are required by SDCL 4-6A-3 to maintain at all times, segregated from their other assets, eligible collateral having a value equal to at least 100 percent of the public deposit accounts which exceed deposit insurance such as the FDIC and NCUA. In lieu of pledging eligible securities, a qualified public depository may furnish irrevocable standby letter of credit issued by Federal Home Loan Banks accompanied by written evidence of that banks public debt rating which may not be less than "AA" or a qualified public depository may furnish a corporate surety bond of a corporation authorized to do business in South Dakota.

Investments - In general, SDCL 4-5-6 permits municipal funds to be invested in (a) securities of the United States and securities guaranteed by the United States government either directly or indirectly; or (b) repurchase agreements fully collateralized by securities described in (a); or in shares of an open-end, no-load fund administered by an investment company whose investments are in securities described in (a) and repurchase agreements described in (b). also, SDCL 4-5-9 requires that investments shall be in the physical custody of the political subdivision or may be deposited in a safekeeping account with any bank or trust company designated by the political subdivision as its fiscal agent.

Credit Risk - State law limits investments for the City, as discussed above. The City has no investment policy that would further limit investment choices.

As of December 31, 2012 the City had no investments other than certificates of deposit.

2. DEPOSITS AND INVESTMENTS, CREDIT RISK, CONCENTRATIONS OF CREDIT RISK AND INTEREST RATE RISK (continued)

Custodial Credit Risk - Deposits - The risk that, in the event of a depository failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of December 31, 2012, none of the City deposits in financial institutions were exposed to custodial credit risk.

Custodial Credit Risk - Investments - The risk that, in the event of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

Concentration of Credit Risk - The City places no limit on the amount that may be invested in any one issuer. 100 percent of the City's investments are in an external investment pool.

Interest Rate Risk - The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Assignment of Investment Income - State law allows income from deposits and investments to be credited to either the General Fund or the fund making the investment. The City's policy is to credit all income from investments to the fund making the investment.

3. DEFERRED REVENUE

Receivables, such as taxes receivable, may be measurable but not available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Reported deferred revenues are those where asset recognition criteria have been met but which revenue recognition criteria have not been met.

4. INVENTORY

Inventory in the General Fund consists of expendable supplies held for consumption. Supply inventories are recorded at cost.

Inventory acquired for resale or for supplies in the proprietary funds are recorded as an asset when acquired. The consumption of inventories is charged to expense as it is consumed. Inventories held for resale are recorded at the lower of cost or market, on the first-in, first-out cost flow assumption.

Government-wide Financial Statements:

In the government-wide financial statements, inventory is recorded as an asset at the time of purchase, and charged to expense as it is consumed.

Fund Financial Statements:

In the fund financial statements, inventory is recorded as an asset at the time of purchase, and charged to expense as it is consumed. Material supply inventories are off-set by a fund balance "nonspendable" classification which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

5. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2012 follows:

	Balance 1/1/12	Additions	Deletions	Balance 12/31/12
Governmental Activities:				
Capital Assets Not being Depreciated				
Land	$ 290,166	$ -	$ -	$ 290,166
Construction In Progress	45,343	57,020	-	102,363
Totals	$ 335,509	$ 57,020	$ -	$ 392,529

5. CHANGES IN CAPITAL ASSETS (continued)

	Balance 1/1/12	Additions	Deletions	Balance 12/31/12
Capital Assets being Depreciated				
Buildings	$2,349,855	$ -	$ -	$2,349,855
Improvements	1,096,901	-	-	1,096,901
Equipment	1,814,742	98,922	60,672	1,852,992
Totals	5,261,498	98,922	60,672	5,299,748
Less accumulated Depreciation for:				
Building	589,939	53,609	-	643,548
Improvements	227,240	24,929	-	252,169
Equipment	1,003,912	91,817	60,672	1,035,057
Total	1,821,091	170,355	60,672	1,930,774
Total Capital Assets being Depreciated-Net	3,440,407	(71,433)	-	3,368,974
Governmental Activity Capital Assets Net	$3,775,916	$ (14,413)	$ -	$3,761,503

Depreciation expense was charged to functions as follows:

General Government	$ 31,058
Public Safety	37,228
Public Works	55,381
Culture and Recreation	46,693
	$170,355

5. CHANGES IN CAPITAL ASSETS (continued)

	Balance 1/1/12	Additions	Deletions	Balance 12/31/12
Business-type Activities:				
Capital Assets not being Depreciated:				
Land	$ 117,444	$ -	$ -	$ 117,444
Construction-in-Progress	175,950	-	150,159	25,791
Total Capital Assets not being depreciated	293,394	-	150,159	143,235
Capital Assets being Depreciated:				
Buildings	444,264	-	-	444,264
Improvements	8,971,826	2,670,666	661,197	10,981,295
Equipment	408,813	184,491	35,750	557,554
Totals	9,824,903	2,855,157	696,947	11,983,113
Less accumulated Depreciation for:				
Building	67,439	11,059	-	78,498
Improvements	2,926,393	110,540	493,189	2,543,744
Equipment	162,492	103,687	33,366	232,813
Total	3,156,324	225,286	526,555	2,855,055
Total Capital Assets Being Depreciated, Net	6,668,579	2,629,871	170,392	9,128,058
Business-type Activity Capital Assets Net	$6,961,973	$2,629,874	$ 320,551	$9,271,293

5. CHANGES IN CAPITAL ASSETS (continued)

Depreciation expense was charged to functions as follows:

Liquor	$ 3,009
Water	85,030
Sewer	128,425
Airport	8,822
	$225,286

See note 15 for construction in progress.

6. LONG-TERM DEBT

A summary of changes in long-term debt follows:

	Capital Leases	Compensated Absences	O.P.E.B.	Total
Governmental Activities:				
Debt Payable, January 1, 2012	$ 3,485	$ 76,185	$ 23,040	$102,710
Increases	15,010	9,570	11,759	36,339
Decreases	(5,987)	(6,184)	-	(12,171)
Debt payable, December 31, 2012	$ 12,508	$ 79,571	$ 34,799	$126,878
Due within One Year	$ 3,002	$ 39,786	$ -	$ 42,788

Business-type Activities:

	Other	Revenue	Absences	Total
Debt Payable, January 1, 2012	$140,000	$2,375,409	$ 14,121	$2,529,530
Increases	-	-	8,270	8,270

6. LONG-TERM DEBT (continued)

	Other	Revenue	Absences	Total
Decreases	$(55,000)	$(110,935)	$ (7,060)	$ (172,995)
Debt payable, December 31, 2012	$ 85,000	$2,264,474	$ 15,331	$2,364,805
Due within One Year	$ 85,000	$ 114,554	$ 7,667	$ 207,221

Debt payable at December 31, 2012 is comprised of the following:

Governmental Activities:

Financing (Capital Acquisition) Leases:

Copier, due in monthly payments of $276, including 4% interest, due in 2017. Payments are made by the General Fund	$ 12,508

The purchase price at the commencement of the financing (capital acquisition) lease was:

Principal	$15,010
Interest	1,628
	$16,638

Compensated Absences: Vested sick leave payable, payable as used or on termination. Payments to be made from the General Fund	79,571
Other Post Employment Benefits (OPEB): Estimated future healthcare benefits to retired employees (see Note 14)	34,799
Total Governmental Activities	$ 126,878

6. LONG-TERM DEBT (continued)

Business-type Activities:	
State Revolving Fund Loans:	
Drinking Water #1, maturing in 2024 with an interest rate of 3.5%. The payments are made from the Water Fund	$ 340,661
Clean Water #2, maturing in 2024 with an interest rate of 3.5%. The payments are made from the Sewer Fund	408,748
Clean Water #3, maturing in 2031, with an interest rate of 3%. The payments are made from the Sewer Funds.	1,515,065
1998 Certificates of Participation, matures 1/01/2019, interest rates of 4% to 5.5%. Retired 1/3 by the Water Fund and 2/3 by the Sewer Fund	85,000
Accrued Leave, payable by the Water and Sewer Fund	15,331
Total Business-type Activities	$2,364,805

The annual requirements to amortize all debt outstanding as of December 31, 2012, excluding compensated absences and O.P.E.B. is as follows:

Governmental Activities:

Year Ending December 31,	Capital Lease Principal	Capital Lease Interest
2013	$ 3,002	$ 315
2014	3,002	315
2015	3,002	315
2016	3,002	315
2017	500	52
Total	$ 12,508	$ 1,313

6. LONG-TERM DEBT (continued)

Business-type Activities:

Year Ending December 31,	Certificate of Participation		SRF Loans		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	$ 85,000	$ 3,570	$ 114,554	$ 70,306	$ 199,554	$ 73,876
2014		-	118,291	66,568	118,291	66,568
2015	-	-	122,152	62,708	122,152	62,708
2016	-	-	126,139	58,721	126,139	58,721
2017	-	-	130,257	54,602	130,257	54,602
2018-2022	-	-	717,951	206,348	717,951	206,348
2023-2027	-	-	601,547	92,502	601,547	92,502
2028-2032	-	-	333,583	17,778	333,583	17,778
Total	$ 85,000	$ 3,570	$2,264,474	$629,533	$2,349,474	$633,103

7. PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied on or before October 1 and payable in two installments on or before April 30 and October 31 of the following year.

The City is permitted by several state statutes to levy varying amounts of taxes per $1,000 of taxable valuation on taxable real property in the City.

8. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

During the year ended December 31, 2012 the City managed its risk as follows:

8. RISK MANAGEMENT (continued)

Employee Health Insurance:

The City purchases health insurance for its employees from a commercial carrier. The policy carries a $500 deductible. Settled claims resulting from these risks have not exceeded the coverage over the past three years.

Workmen's Compensation:

The City joined the South Dakota Municipal League Worker's Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. The objective of the Fund is to formulate, develop and administer, on behalf of the member organizations, a program of worker's compensation coverage, to obtain lower costs for that coverage, and to develop a comprehensive loss control program. The City's responsibility is to initiate and maintain a safety program to give its employees safe and sanitary working conditions and to promptly report to and cooperate with the Fund to resolve any worker's compensation claims. The City pays an annual premium to provide worker's compensation coverage for its employees, under a retrospectively rated policy and the premiums are accrued based on the ultimate cost of the experience to date of the Fund members. Coverage limits are set by state statute. The pool pays the first $325,000 of any claim per individual. The pool has reinsurance which covers up to $2,000,000 per individual per incident.

The City does not carry additional insurance to cover claims in excess of the upper limit. Settled claims resulting from these risks have not exceeded the liability coverage for the past three years.

Liability:

The City joined the South Dakota Public Assurance Alliance, a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local

8. RISK MANAGEMENT (continued)

government entities. The objective of the SDPAA is to administer and provide risk management services and risk sharing facilities to the members and to defend and protect the members against liability, to advise members on loss control guidelines and procedures and provide them with risk management services, loss control and risk reduction information and to obtain lower costs for that coverage. The City's responsibility is to promptly report to and cooperate with the SDPAA to resolve any incident which could result in a claim being made by or against the City. The City pays an annual premium, to provide liability coverage detailed below, under a claims-made policy and the premiums are accrued based on the ultimate cost of the experience to date of the SDPAA member, based on their exposure or type of coverage. The City pays an annual premium to the pool to provide coverage for automobile and general liability.

The agreement with the SDPPA provides that the above coverage's will be provided to a $5,000,000 limit. Member premiums are used by the Pool for payment of claims and to pay for reinsurance for claims in excess of $250,000 to the upper limit. A portion of the member premiums are also allocated to a cumulative reserve fund. The City would be eligible to receive a refund for a percentage of the amount allocated to the cumulative reserve fund on the following basis:

End of the City's first full year	50%
End of the City's second full year	60%
End of the City's third full year	70%
End of the City's fourth full year	80%
End of the City's fifth full year	90%
End of the City's sixth full year and thereafter	100%

As of December 31, 2012, the City has a vested balance in the cumulative reserve fund of $67,416.

The City carries a $500 deductible for official's liability coverage and $2,000 law enforcement liabilities.

8. RISK MANAGEMENT (continued)

The City does not carry additional insurance to cover claims in excess of the upper limit. Settled claims resulting from these risks have not exceeded the liability coverage for the past three years.

Unemployment Benefits:

The City provides coverage for claims for unemployment benefits by paying into the Unemployment Compensation Fund established by state law and managed by the State of South Dakota.

9. RETIREMENT PLAN

All employees, except firemen, part-time or seasonal, participate in the South Dakota Retirement System (SDRS), a cost-sharing, multiple employer public employee retirement system established to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement, disability and survivor's benefits. The right to receive retirement benefits vests after three years of credited service. Authority for establishing, administering and amending plan provisions are found in South Dakota Codified Law 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the SDRS, P. O. Box 1098, Pierre, SD 57501-1098 or calling (605) 773-3731.

General employees are required by state statute to contribute 6% of their salary to the plan, while public safety employees contribute at 8%. State statute also requires the employer to contribute an amount equal to the employee's contribution. State statute also requires the employer to make an additional contribution of 6.2% for any compensation exceeding the maximum taxable amount for social security for general employees only. The City's share of contributions to the SDRS for the fiscal years ended December 31, 2012, 2011 and 2010 were $55,644, $51,349 and $52,732 respectively, equal to the required contribution.

10. RESTRICTED NET ASSETS

The following table shows the net assets restricted for other purposes on the Statement of Net Assets:

Restriction	Restricted by	Amount
Debt Service	Debt covenants	$ 44,500
Insurance	Contract agreement	67,416
		$111,916

11. INTERFUND LOANS AND TRANSFERS

The Sewer Fund loaned the Airport Fund $186,383 to cover a temporary cash overdraft created by construction of runway improvements. The "loan" will be repaid when grant funds are received.

During 2012 the City transferred $51,000 from the General Fund to the Airport Fund to subsidize its operations.

12. RELATED ORGANIZATIONS

The City of Canton's library benefits from gifts from the "Canton City Library Foundation, Inc.," a non-profit corporation.

The City of Canton received a donation of a building from the "Canton Depot Foundation, Inc." valued at approximately $172,000. The City continues to receive the benefit of on going maintenance of this building from the "Canton Depot Foundation, Inc."

GASB Statement No. 39 requirements to report these entities as component units do not apply because:

a. The economic resources received and held by the two "Foundations" are not necessarily held for the direct benefit of the City and may be directed elsewhere at the discretion of the directors.
b. The City does not have the ability to access the economic resources owned by the "Foundations".
c. Any resources received by the City from these entities are not significant.

13. PLEDGED REVENUES

The City has pledged future water customers' revenues, net of specified operating expenses, to repay $368,994 in water system revenue bonds issued in 1998 and 2005. Proceeds from the bonds provided financing for the construction of water system infrastruction.

The bonds are payable solely from water customer net revenues and are payable through 2024. Annual principal and interest payments on the bonds are expected to require less than 80% of net revenues. The total principal and interest remaining to be paid on the bonds is $530,417. Principal and interest paid for the current year and total customer net revenue were $55,586 and $198,202, respectively.

The City has also pledged future sewer customers' revenues, net of specified operating expenses, to repay $1,980,481 in sewer system revenue bonds issued in 1998, 2005 and 2010. Proceeds from the bonds provided financing for the construction of sewer system improvements.

The bonds are payable solely from sewer customer net revenues and are payable through 2031. Annual principal and interest payments on the bonds are expected to require less than 75% of net revenues. The total principal and interest remaining to be paid on the bonds is $2,452,160. Principal and interest paid for the current year and the total customer net revenues were $191,366 and $458,275, respectively.

14. POST EMPLOYMENT BENEFITS

Plan Description:
The City of Canton's Postemployment Health Care Plan is a single-employer defined benefit healthcare plan which provides medical benefits to eligible retirees and their spouses. The Plan is authorized by SDCL 6-1-16 and is administered by the City of Canton. The Plan does not issue a stand-alone financial report.

14. POST EMPLOYMENT BENEFITS (continued)

Funding Policy:
The contributions of plan members and the City are established by City policy. The required contribution is based on projected "pay-as-you-go" financing requirements, with an additional amount to prefund benefits as determined annually by the City. For 2012, the required contribution to the Plan was $11,759. Since no contribution was made in 2012, the City accrued a liability of $11,759, as of December 31, 2012.

Annual OPEB cost and Net OPEB Obligation:
The City's annual other postemployment benefit (OPEB) expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfounded actuarial liability over a period not to exceed thirty years.

The following table shows the City's annual OPEB cost for the year, the amount actually contributed to the Plan and changes in the City's net OPEB obligation to the Plan.

	2012	2011	2010
Annual required contribution	$ 10,607	$ 6,912	$ 7,680
Interest on net OPEB obligation	1,152	768	-
Adjustment to ARC	-	-	-
Annual OPEB Cost	11,759	7,680	7,680
Contribution made	-	-	-
Increase in net OPEB obligation	11,759	7,680	7,680
Net OPEB Obligation, beginning of year	23,040	15,360	7,680
Net OPEB Obligation, end of year	$34,799	$23,040	$15,360

14. POST EMPLOYMENT BENEFITS (continued)

The City's annual OPEB cost is $11,759 for 2012, of which the pay-as-you-go cost was 44.7% or $5,256.

Funded Status:
The Plan is on a "pay-as-you-go" basis, therefore it is not funded as of December 31, 2012.

Actuarial Assumptions:
The December 31, 2012 actuarial valuation was compiled using the "projected unit credit" actuarial cost method. The assumptions included a 5% rate of return (net of administrative expenses) and an annual health-care cost trend of 10% initially, grading to 5% over 10 years. The amortization period of the unfounded liability is 30 years.

15. CONSTRUCTION IN PROGRESS

Projects in progress as of December 31, 2012 were as follows:

Project Name	Authorized Total	Spent through December 31, 2012	Committed	Additional Debt Needed
Water Line	$ 500,000	$ 25,791	$ 474,209	$ -
Bridge Renovation	1,000,000	102,363	897,637	-
Total	$1,500,000	$ 128,154	$1,371,846	$ -

CITY OF CANTON
OTHER POST EMPLOYMENT BENEFITS FUNDING PROGRESS
DECEMBER 31, 2012

	Valuation Dates January 1 2009	2012
Actuarial Accrued Liability (AAL)	$ 57,783	$ 53,194
Actuarial Value of Plan Assets	-	-
Unfunded Actuarial Accrued Liability (UAAL)	57,783	53,194
Funded Ration	0.0%	0.0%
Covered Payroll (active plan members)	1,238,601	1,317,002
UAAL as a Percentage of Covered Payroll	4.67%	4.09%

CITY OF CANTON
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		
	Original	Final	Actual Amount
REVENUES			
Taxes:			
General property taxes	$1,128,494	$1,128,494	$1,111,610
General sales and use taxes	735,000	735,000	890,923
Licenses and permits	14,900	14,900	22,476
Intergovernmental Revenue			
Federal grants	0	0	36,479
State shared revenue	83,500	83,500	100,762
County shared revenue	18,000	18,000	11,863
Charges for Goods and Services			
General government	191,100	191,100	218,089
Public safety	3,800	3,800	6,529
Highways and streets	11,650	11,650	3,805
Sanitation	24,500	24,500	10,392
Health	500	500	505
Culture and recreation	44,500	44,500	40,087
Fines and Forfeits			
Court fines	1,000	1,000	703
Miscellaneous Revenue			
Investment earnings	35,000	35,000	20,134
Special assessments	2,000	2,000	1,165
Contributions	1,400	1,400	9,508
Other	12,500	12,500	49,531
Total Revenue	$2,307,844	$2,307,844	$2,534,561

The accompanying notes to required supplemental information are an integral part of this schedule.

Variance Final Budget- Positive (Negative)
($16,884)
155,923
7,576
36,479
17,262
(6,137)
26,989
2,729
(7,845)
(14,108)
5
(4,413)
(297)
(14,866)
(835)
8,108
37,031
$226,717

CITY OF CANTON
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		
	Original	Final	Actual Amount
EXPENDITURES			
General Government			
Legislative	$25,000	$38,000	$24,032
Execution	204,800	229,800	202,809
Elections	3,400	3,400	27
Financial administration	204,800	215,305	192,962
Other	73,500	100,500	77,458
Public Safety			
Police	461,900	461,900	414,609
Fire	74,800	104,800	55,370
Public Works			
Highways and streets	652,600	779,600	582,795
Sanitation	57,050	74,050	65,941
Health and Welfare			
Health	37,100	37,100	13,121
Culture and Recreation			
Recreation	147,150	193,150	166,223
Parks	136,150	139,650	124,590
Libraries	181,895	181,895	165,727
Conservation and Development			
Economic development	33,900	33,900	24,931
Debt Service	0	6,495	6,495
Total Expenditures	$2,294,045	$2,599,545	$2,117,090

The accompanying notes to required supplemental information are an integral part of this schedule.

Variance Final Budget- Positive (Negative)
$13,968
26,991
3,373
22,343
23,042
47,291
49,430
196,805
8,109
23,979
26,927
15,060
16,168
8,969
0
$482,455

CITY OF CANTON
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		
	Original	Final	Actual Amount
Excess of Revenue over (under) Expenditures	$13,799	($291,701)	$417,471
Other Financing Sources (Uses)			
Proceeds of long-term debt	0	15,010	15,010
Transfers-out	(51,000)	(51,000)	(51,000)
Total Other Financing Sources (Uses)	(51,000)	(35,990)	(35,990)
Net Change in Fund Balances	(37,201)	(327,691)	381,481
FUND BALANCE-Beginning	2,649,268	2,649,268	2,649,268
FUND BALANCE-Ending	$2,612,067	$2,321,577	$3,030,749

The accompanying notes to required supplemental information are an integral part of this schedule.

Variance Final Budget- Positive (Negative)
$709,172
0
0
0
709,172
0
$709,172

CITY OF CANTON
BUDGETARY COMPARISON SCHEDULE - BBB FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		
	Original	Final	Actual Amount
REVENUES			
Taxes			
General Sales Tax	$30,000	$30,000	$49,559
EXPENDITURES			
Conservation and development:			
Economic opportunity	26,500	26,500	26,500
Net Change in Fund Balances	3,500	3,500	23,059
FUND BALANCE-Beginning	18,588	18,588	18,588
FUND BALANCE-Ending	$22,088	$22,088	$41,647

The accompanying notes to required supplemental information are an integral part of this schedule.

CITY OF CANTON
NOTED TO REQUIRED SUPPLEMENTARY INFORMATION

Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. At the first regular board meeting in September of each year or within ten days thereafter, the governing board introduces the annual appropriation ordinance for the ensuing fiscal year.

2. After adoption by the governing board, the operating budget is legally binding and actual expenditures for each purpose cannot exceed the amounts budgeted, except as indicated in number 4.

3. A line item for contingencies may be included in the annual budget. Such a line item may not exceed 5 percent of the total municipal budget and may be transferred by resolution of the governing board to any other budget category that is deemed insufficient during the year.

4. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows the adoption of supplemental budgets.

5. Unexpended appropriations lapse at year end unless encumberd by resolution to the governing board.

6. Formal budgetary integration is employed as a management control devise during the year for the General Fund.

7. Budgets for the General and BBB Funds are adopted on a basis consistent with generally accepted accounting practices (GAAP), except for capital outlay expenditures. For budgetary purposes, capital outlay expenditures are reported as a departmental expenditure. For GAAP purposes, capital outlays are reported as a separate line item.

CITY OF CANTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

Federal Grantor/Pass through Grantor Program Title	Federal CFDA Number	Pass through Grantor's Number	Expenditures
Department of Justice:			
Indirect Federal Funding:			
S.D. Department of Public Safety:			
Bulletproof Vest Partnership	16.607	N/A	$1,122
Department of Transportation:			
Direct Federal Funding:			
Airport Improvement Program (Note 2)	20.106	N/A	2,398,497
Indirect Federal Funding:			
S.D. Department of Transportation:			
Highway Planning and Construction:			
Transportation Enhancement Projects	20.205	N/A	35,357
Total Department of Transportation			2,433,854
General Services Administration			
Indirect Federal Funding:			
SD Federal Property Agency,			
Donation of Federal Surplus (Note 3)	39.003	N/A	24,584
GRAND TOTAL			$2,459,560

Note 1: The accompanying Schedule fo Expenditures of Federal Awards includes the federal grant activity of the City and is presented on the modified accrual/full accrual basis of accounting unless otherwise noted. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-profit Organizations.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

Note 2: This represents a Major Federal Assistance Program.

Note 3: The amount reported represents 23.3% of the original cost of federal surplus property received by the City.

CITY OF CANTON
SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS

1. SUMMARY OF AUDITOR'S RESULTS

a. An unqualified opinion was issued on the financial statement.

b. A material weakness was disclosed by the audit and is reported in Section 2, Finding Number 2012-01.

c. No instances of noncompliance were noted by the audit.

d. A material weakness in internal control over major programs was noted. It is reported below in Section 3, Finding Number 2012-02.

e. An unqualified report was issued on compliance for major programs.

f. Audit findings required to be reported under Section _.510(a) of OMB Circular A-133 are listed below as Findings Number 2012-01 and 2012-02.

g. Programs treated as major programs for this audit were:

Name	CFDA Number
Airport Improvement Program	20.106

h. The dollar threshold used to distinguish between Type A and Type B programs was $300,000.

i. The entity was not qualified as a low risk auditee as described in Section _.520 of OMB Circular A-133.

CITY OF CANTON
SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS

2. FINANCIAL STATEMENT FINDINGS

FINDING NUMBER 2012-01:

A material weakness is present due to a lack of segregation of duties in the revenue, expenditure and payroll functions.

CRITERIA:
To obtain adequate internal control, the duties of collecting and handling of cash must be segregated from the recording of cash transactions. The duties of preparing, mailing or otherwise distributing checks should be segregated from the recording process. Various other accounting functions should be performed by different people to insure a proper segregation of duties.

POSSIBLE ASSERTED EFFECT:
Inaccurate financial statements and/or misappropriations of funds could result from a lack of segregation on duties.

RECOMMENDATION:
Management should remain aware of this situation and attempt to provide compensating controls wherever and whenever possible and practical.

CITY RESPONSE:
The City officials agree with this comment. The Mayor and City Commission are responsible for the corrective action plans for this comment. This comment is a result of the size of the City of Canton which precludes staffing at a level sufficient to provide an ideal environment for internal controls. The City of Canton management is aware of this problem and is attempting to provide compensating controls wherever and whenever possible and practical. However, this lack of segregation of duties regarding the revenues, expenditures and payroll function continues to exist.

CITY OF CANTON
SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS

3. FEDERAL AWARD FINDINGS

FINDING NUMBER 2012-02:

A material weakness in internal control over federal programs exists due to a lack of segregation of duties. See Finding Number 2012-01 above for further explanation.

Major Federal Programs affected: See 1g above. All programs treated as majors were effected.

Compliance requirements affected: Allowable costs/cost principles.

POSSIBLE ASSERTED EFFECT:
Inaccurate financial statements and/or misappropriations of funds could result from a lack of segregation on duties.

RECOMMENDATION:
Management should remain aware of this situation and attempt to provide compensating controls wherever and whenever possible and practical.

CITY RESPONSE:
The City officials agree with this finding and are responsible for the corrective action plan. This comment is a result of the size of the City of Canton which precludes staffing at a level sufficient to provide an ideal environment for internal controls. The City of Canton has determined it is not cost beneficial to employ additional personnel just to be able to adequately segregate duties for the revenue, expenditures and payroll functions. The City of Canton is aware of this problem and is attempting to provide compensating controls wherever and whenever possible and practical. However, this lack of segregation of duties regarding the revenues, expenditures and payroll function continues to exist.

CITY OF CANTON
SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING NUMBER 2010-01, 2010-02 and 2011-01:

A lack of proper segregation of duties is the present situation in the City's accounting department.

This finding was first reported in 1989.

CURRENT STATUS:

The condition remains the same as of December 31, 2012.

City of Canton Water Source Improvement Project

Appendix G
– 2013 Financial Statements
– Audit Report for the period ended 12-31-2013

CITY OF CANTON

AUDIT REPORT

DECEMBER 31, 2013

CITY OF CANTON
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INDEDPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

City Council
City of Canton
Canton, South Dakota

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Canton, South Dakota (City) as of December 31, 2013, and for the year then ended, and the related notes to financial statements which collectively comprise the City's basic financial statements, and have issued my report thereon dated May 2, 2014. My report includes a reference to other auditors who audited the financial statements of "The Canton Housing and Redevelopment Commission" as described in my report on the City of Canton's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, I do not express an opinion on the effectiveness of the City's internal control.

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Current Audit Findings, I identified certain deficiencies in internal control that I consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis. I consider the deficiency described in the accompanying Schedule of Current Audit Findings as item number 2013-001 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Canton's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to Findings

The City of Canton's response to the findings identified in my audit is described in the accompanying Schedule of Current Audit Findings. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is intended solely to describe the scope of my testing of internal control and compliance and the results of testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. As required by South Dakota Codified Law 4-11-11, this report is a matter of public record and its distribution is not limited.

May 2, 2014

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INDEPENDENT AUDITOR'S REPORT

City Council
City of Canton
Canton, South Dakota

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Canton, South Dakota as of December 31, 2013, and for the year then ended, and the related Notes to the Financial Statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I did not audit the financial statements of the "Canton Housing and Redevelopment Commission" (HRC) which represent 100% of the total assets at June 30, 2013 and 100% of the total revenue for the year then ended of the aggregate discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to me, and my opinions, insofar as they relate to the HRC in the component unit column, are based on the report of the other auditors. I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Opinions

In my opinion, based on my audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Canton as of December 31, 2013, and the respective changes in financial position and, where applicable cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

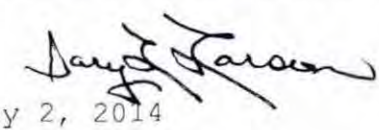
Required Supplementary Information:
Accounting principles generally accepted in the United States of America require that the OPEB Funding Progress and Budgetary Comparison Schedules on pages 56 through 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. I have applied certain limited procedures to the required supplementary information in accordance with

auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

The City has omitted the Management's Discussion and Analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriated operational, economic or historical context. My opinion on the basic financial statements is not affected by this missing information.

Other Reporting required by Governmental Auditing Standards

In accordance with the *Governmental Auditing Standards*, I have also issued my report dated May 2, 2014 on my consideration of the City of Canton's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations and contracts and other matters. The purpose of that report is to describe the scope of my testing of the internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the City's internal control over financial reporting and compliance.



May 2, 2014

CITY OF CANTON
STATEMENT OF NET POSITION
DECEMBER 31, 2013

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-type Activities	TOTAL
ASSETS:			
Cash and cash equivalents	$2,809,079	$2,640,242	$5,449,321
Investments	511,750	0	511,750
Receivables	162,054	288,793	450,847
Inventories	70,052	155,853	225,905
Prepaid expenses	21,795	4,801	26,596
Other:			
Deposits, restricted	67,416	0	67,416
Restricted cash	0	0	0
Capital assets:			
Land and construction in progress	394,565	209,747	604,312
Other capital assets, net of depreciation	3,402,964	9,105,183	12,508,147
TOTAL ASSETS	7,439,675	12,404,619	19,844,294
LIABILITIES:			
Accounts payable	22,546	87,597	110,143
Other current liabilities	32,109	67,286	99,395
Noncurrent liabilities:			
Due within one year	46,379	125,507	171,886
Due in more than one year	96,439	2,097,324	2,193,763
TOTAL LIABILITIES	197,473	2,377,714	2,575,187
NET POSITION:			
Net Investment in capital assets	3,788,023	7,106,530	10,894,553
Restricted for:			
Insurance	67,416	0	67,416
Housing assistance	0	0	0
Unrestricted	3,386,763	2,920,375	6,307,138
TOTAL NET POSITION	$7,242,202	$10,026,905	$17,269,107

The accompanying notes to financial statements
are an integral part of this statement.

Component Unit
$17,316
205,156
2,883
0
1,531
0
34,238
25,611
206,730
493,465
1,632
19,054
0
4,133
24,819
232,341
0
34,238
202,067
$468,646

CITY OF CANTON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

		PROGRAM REVENUES	
Functions/Programs	Expenses	Changes for Services	Operating Grants and Contributions
Governmental Activities:			
General government	$549,612	$238,965	$0
Public safety	494,318	2,601	13,348
Public works	576,491	142,845	0
Health and welfare	27,032	475	0
Culture and recreation	686,970	49,302	0
Conservation and development	85,209	0	0
*Interest on long-term debt	315	0	0
TOTAL GOVERNMENTAL ACTIVITIES	2,419,947	434,188	13,348
Business-type Activities:			
Liquor	845,204	855,658	0
Water	490,473	580,638	0
Sewer	607,821	767,811	0
Airport	125,721	39,801	0
TOTAL BUSINESS-TYPE ACTIVITIES	2,069,219	2,243,908	0
TOTAL PRIMARY GOVERNMENT	$4,489,166	$2,678,096	$13,348
COMPONENT UNIT:			
Housing and Redevelopment Commission	$431,546	$89,874	$299,105

* The City does not have interest expense related to the governmental functions. This amount includes indirect interest on long-term debt.

GENERAL REVENUES:
Property taxes
Sales taxes
State shared revenues
Unrestricted investment earnings
Other general revenues
TRANSFERS
Total General Revenues and Transfers

Change in net position

Net Position-beginning

NET POSITION-ending

The accompanying notes to financial statements are an integral part of this statement.

NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION

Primary Government				
Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Unit
$0	($310,647)	$0	($310,647)	$0
0	(478,369)	0	(478,369)	0
18,046	(415,600)	0	(415,600)	0
0	(26,557)	0	(26,557)	0
114,452	(523,216)	0	(523,216)	0
0	(85,209)	0	(85,209)	0
0	(315)	0	(315)	0
132,498	(1,839,913)	0	(1,839,913)	0
0	0	10,454	10,454	0
51,948	0	142,113	142,113	0
84,776	0	244,766	244,766	0
20,105	0	(65,815)	(65,815)	0
156,829	0	331,518	331,518	0
$289,327	($1,839,913)	$331,518	($1,508,395)	$0
$0	$0	$0	$0	($42,567)
	1,155,214	0	1,155,214	0
	1,086,718	0	1,086,718	0
	29,953	0	29,953	0
	18,463	3,461	21,924	7,350
	58,170	0	58,170	0
	(26,000)	26,000	0	0
	2,322,518	29,461	2,351,979	7,350
	482,605	360,979	843,584	(35,217)
	6,759,597	9,665,926	16,425,523	503,863
	$7,242,202	$10,026,905	$17,269,107	$468,646

CITY OF CANTON
BALANCE SHEET-GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	General Fund	BBB Fund	Other Governmental Funds
ASSETS			
Cash and cash equivalents	$2,749,248	$49,525	$10,306
Accounts receivable	21,977	0	9
Taxes receivable-			
Delinquent	30,189	0	0
Due from other governments	105,912	3,967	0
Investments	500,000	0	11,750
Supply inventory	70,052	0	0
Deposits	67,416	0	0
Prepaid expenses	21,795	0	0
TOTAL ASSETS	$3,566,589	$53,492	$22,065
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	$19,431	$3,115	$0
Accrued wages	32,109	0	0
Total Liabilities	51,540	3,115	0
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-Property taxes	30,189	0	0
FUND BALANCES:			
Nonspendable for:			
Inventory	70,052	0	0
Deposit	67,416	0	0
Prepaid expenses	21,795	0	0
Restricted:			
Promotion of City	0	50,377	0
Committed:			
Library	0	0	22,065
Assigned:			
Capital accumulations	1,443,729	0	0
Next year's budget	418,245	0	0
Unassigned	1,463,623	0	0
Total Fund Balance	3,484,860	50,377	22,065
TOTAL LIABILITIES AND FUND BALANCES	$3,566,589	$53,492	$22,065

The accompanying notes to financial statements are an integral part of this statement.

Total Governmental Funds
$2,809,079
21,986
30,189
109,879
511,750
70,052
67,416
21,795
$3,642,146
$22,546
32,109
54,655
30,189
70,052
67,416
21,795
50,377
22,065
1,443,729
418,245
1,463,623
3,557,302
$3,642,146

CITY OF CANTON
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2013

Total Fund Balances-Government Funds	$3,557,302
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therfore are not reported in the funds	3,797,529
Long-term liabilities, including financing leases payable, accrued leave and other post employment benefits are not due and payable in the current period and therefore are not reported in the funds	(142,818)
Property taxes receivable are reported in the period to be financed by the property tax levy for both the governmental funds and the statement of net position, but in the funds statement the amounts that are not "available" (within a 30 day period) are offset with deferred inflows of resources	30,189
Net Position-Governmental Funds	$7,242,202

The accompanying notes to financial statement are an integral part of this statement.

CITY OF CANTON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	General Fund	BBB Fund	Other Governmental Funds
Revenues:			
Taxes-			
General property taxes	$1,155,165	$0	$0
General sales taxes	1,030,636	56,082	0
Licenses and permits	42,117	0	0
Intergovernmental Revenue-			
Federal grants	13,348	0	0
State shared revenues	113,707	0	0
County shared revenues	9,652	0	0
Charges for goods and services-			
General government	238,965	0	0
Public safety	1,680	0	0
Highways and streets	30,028	0	0
Sanitation	19,411	0	0
Health	475	0	0
Culture and recreation	38,814	0	10,488
Fines and Forfeits			
Court fines and costs	921	0	0
Miscellaneous Revenue			
Interest earned	18,463	0	0
Contributions	114,452	0	0
Other	16,053	0	0
Total Revenue	$2,843,887	$56,082	$10,488

The accompanying notes to financial statements are an integral part of this statement.

Total Governmental Funds
$1,155,165
1,086,718
42,117
13,348
113,707
9,652
238,965
1,680
30,028
19,411
475
49,302
921
18,463
114,452
16,053
$2,910,457

CITY OF CANTON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	General Fund	BBB Fund	Other Governmental Funds
Expenditures:			
General Governement			
Legislative	$32,710	$0	$0
Executive	170,162	0	0
Elections	3,291	0	0
Financial administration	208,773	0	0
Other	83,211	0	0
Public Safety			
Police	390,997	0	0
Fire	65,075	0	0
Public Works			
Highways and streets	459,879	0	0
Sanitation	58,277	0	0
Health and Welfare			
Health	27,032	0	0
Culture and Recreation			
Recreation	374,903	0	0
Parks	124,461	0	0
Libraries	134,080	0	10,859
Conservation and development			
Economic opportunity	37,857	47,352	0
Debt Services	3,317	0	0
Capital outlay	189,751	0	0
Total Expenditures	2,363,776	47,352	10,859
Excess of Revenues Over (Under) Expenditures	480,111	8,730	(371)
Other Financing Sources (Uses):			
Transfer-out	(26,000)	0	0
Net Change in Fund Balances	454,111	8,730	(371)
FUND BALANCE, JANUARY 1, 2013	3,030,749	41,647	22,436
FUND BALANCE, DECEMBER 31, 2013	$3,484,860	$50,377	$22,065

The accompanying notes to financial statements are an integral part of this statement.

Total Governmental Funds
$32,710
170,162
3,291
208,773
83,211
390,997
65,075
459,879
58,277
27,032
374,903
124,461
144,939
85,209
3,317
189,751
2,421,987
488,470
(26,000)
462,470
3,094,832
$3,557,302

CITY OF CANTON
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2013

Net Changes in Fund Balances-Total Governmental Funds	$462,470
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	36,026
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	3,002
Property tax revenues are reported in the period to be financed by the property tax levy for both the governmental funds and the governmental activities, but in the funds statement, any amounts that are not "available" are offset with deferred inflows of resources.	49
Governmental funds do not reflect the change in accrued leave or OPEB but the statement of activities reflects the changes through expenditures	(18,942)
Change in Net Position of Governmental Activities	$482,605

The accompanying notes to financial statements are an integral part of this statement.

CITY OF CANTON
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2013

	ENTERPRISE FUNDS		
	Liquor Fund	Water Fund	Sewer Fund
ASSETS:			
Current Assets:			
Cash and cash equivalents	$354,462	$828,504	$1,369,338
Accounts receivable	88,681	58,605	82,146
Due from other governments	0	0	58,489
Inventory	0	127,942	19,771
Prepaid expenses	0	2,646	2,155
Total Current Assets	443,143	1,017,697	1,531,899
Capital Assets:			
Land	600	10,000	37,990
Buildings	60,069	20,602	363,593
Improvements other than buildings	0	3,392,815	5,136,774
Machinery and equipment	7,987	227,908	275,745
Accumulated Depreciation	(57,189)	(1,339,373)	(1,611,553)
Construction-in-progress	0	0	92,303
Total Capital Assets	11,467	2,311,952	4,294,852
TOTAL ASSETS	$454,610	$3,329,649	$5,826,751

The accompanying notes to financial statements are an integral part of this statement.

Airport Fund	Total
$87,938	$2,640,242
872	230,304
0	58,489
8,140	155,853
0	4,801
96,950	3,089,689
68,854	117,444
0	444,264
2,688,106	11,217,695
65,914	577,554
(126,215)	(3,134,330)
0	92,303
2,696,659	9,314,930
$2,793,609	$12,404,619

CITY OF CANTON
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2013

	ENTERPRISE FUNDS		
	Liquor Fund	Water Fund	Sewer Fund
LIABILITIES			
Current Liabilities:			
Accounts payable	$59,563	$12,820	$15,062
Accrued wages	0	3,378	2,911
Customer deposits	0	60,997	0
Bonds payable current:			
Revenue	0	24,093	94,198
Accrued leave-current	0	3,618	3,598
Total Current Liabilities	59,563	104,906	115,769
Non-current Liabilities:			
Bonds payable:			
Revenue	0	293,299	1,796,810
Accrued leave payable	0	3,617	3,598
Total Non-current Liabilities	0	296,916	1,800,408
NET POSITION			
Net investment in capital assets	11,467	1,994,560	2,403,844
Unrestricted net position	383,580	933,267	1,506,730
Total Net Position	$395,047	$2,927,827	$3,910,574

The accompanying notes to financial statements are an integral part of this statement.

Airport Fund	Total
$152	$87,597
0	6,289
0	60,997
0	118,291
0	7,216
152	280,390
0	2,090,109
0	7,215
0	2,097,324
2,696,659	7,106,530
96,798	2,920,375
$2,793,457	$10,026,905

CITY OF CANTON
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

		ENTERPRISE FUNDS	
	Liquor Fund	Water Fund	Sewer Fund
OPERATING REVENUES:			
Charges for goods and services	$842,875	$580,638	$767,811
Lottery sales	12,783	0	0
Total Operating Revenue	855,658	580,638	767,811
OPERATING EXPENSES:			
Personal services	0	148,775	102,439
Other current expense	18,379	234,797	311,823
Cost of goods sold	824,042	0	0
Depreciation	2,783	91,514	132,579
Total Operating Expenses	845,204	475,086	546,841
Operating Income (Loss)	10,454	105,552	220,970
Non-operating Revenue (Expense)			
Interest earned	0	3,296	165
Interest expense	0	(15,387)	(60,980)
Total Non-operating Revenue (Expense)	0	(12,091)	(60,815)
Income (Loss) before Contributions and Transfers	10,454	93,461	160,155
Conributed capital	0	51,948	84,776
Transfers-in	0	0	0
Change in Net Position	10,454	145,409	244,931
NET POSITION, BEGINNING	384,593	2,782,418	3,665,643
NET POSITION, ENDING	$395,047	$2,927,827	$3,910,574

The accompanying notes to financial statements are an integral part of this statement.

Airport Fund	Total
$39,801	$2,231,125
0	12,783
39,801	2,243,908
0	251,214
68,191	633,190
0	824,042
57,530	284,406
125,721	1,992,852
(85,920)	251,056
0	3,461
0	(76,367)
0	(72,906)
(85,920)	178,150
20,105	156,829
26,000	26,000
(39,815)	360,979
2,833,272	9,665,926
$2,793,457	$10,026,905

CITY OF CANTON
STATEMENT OF CASH FLOWS-PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	ENTERPRISE FUNDS		
	Liquor Fund	Water Fund	Sewer Fund
Cash Flows from Operating Activities:			
Receipts from customers	$857,851	$581,824	$710,307
Payments to suppliers	(846,499)	(258,858)	(285,158)
Payments to employees	0	(148,673)	(102,653)
Net Cash Provided (Used) by Operating Activities	11,352	174,293	322,496
Cash Flows from Noncapital Activities:			
Loans (to) from other funds	0	0	186,383
Operating transfers-in	0	0	0
Cash Flows from Capital and Related Financing Activities:			
Contributed capital received	0	0	0
Purchase of capital assets	0	(42,215)	(150,277)
Principal paid on capital debt	0	(51,602)	(89,472)
Interest paid on capital debt	0	(15,387)	(60,980)
Cash Flows from Investing Activities:			
Sale of investments	0	14,833	29,667
Cash received from interest	0	3,296	165
Net Increase in Cash and Cash Equivalents	11,352	83,218	237,982
Cash and Cash Equivalents Beginning of Year	343,110	745,286	1,131,356
Cash and Cash Equivalents End of Year	$354,462	$828,504	$1,369,338
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating Income (loss)	$10,454	$105,552	$220,970
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation expense	2,783	91,514	132,579
Changes in Assets and Liabilities:			
Receivables	2,192	1,185	(57,503)
Inventories	0	(25,589)	18,920
Accounts payable	(4,077)	(1,908)	7,745
Accrued wages and leave	0	102	(215)
Deposits	0	3,437	0
Net Cash Provided (used) by Operating Activities	$11,352	$174,293	$322,496

The accompanying notes to financial statements are an integral part of this statement.

Airport Fund	Total
$39,138	$2,189,120
(67,710)	(1,458,225)
0	(251,326)
(28,572)	479,569
(186,383)	0
26,000	26,000
276,893	276,893
0	(192,492)
0	(141,074)
0	(76,367)
0	44,500
0	3,461
87,938	420,490
0	2,219,752
$87,938	$2,640,242
($85,920)	$251,056
57,530	284,406
(663)	(54,789)
631	(6,038)
(150)	1,610
0	(113)
0	3,437
($28,572)	$479,569

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Financial Reporting Entity:

The reporting entity of the City of Canton consists of the primary government (which includes all of the funds, organizations, institutions, agencies, departments, and offices that make up the legal entity, plus those funds for which the primary government has a fiduciary responsibility, even though those fiduciary funds may represent organizations that do not meet the criteria for inclusion in the financial reporting entity); those organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

A component unit of the City of Canton will have the following characteristics:

1. The voting majority of the unit's board is appointed by the City Council; and,

2. The City Council is able to impose its will on the unit; or

3. The unit has the ability to provide specific financial benefits to or impose specific financial burdens on the City of Canton.

4. The unit will also be considered a component unit if it is fiscally dependent upon the City of Canton.

Even though the Canton Housing and Redevelopment Commission is a separate legal entity, it meets the above criteria and is considered a component unit of the City of Canton.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial statements for Canton Housing and Redevelopment Commission are on file at:

Canton Housing and Redevelopment Commission
903 West Fifth
Canton, South Dakota 57013

b. Basis of Presentation:

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the reporting entity as a whole (the City). They include all funds of the reporting entity except fiduciary funds. The statements distinguish between the *governmental and business-type*. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities.

Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by recipients of goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or it meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
2. Total assets, liabilities, revenues or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined, or
3. Management has elected to classify one or more governmental or enterprise funds as major for consistency in reporting from year to year, or because of public interest in the fund's operations.

The funds of the financial reporting entity are described below:

Governmental Funds:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is always considered to be a major fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations or other governments or major capital projects) that are legally restricted to expenditures for specified purposes.

BBB Tax Fund - to account for a 3rd cent sales tax on motel rooms, restaurants and bars which may only be used for the promotion of the City, land acquisitions, civic centers and auditoriums and debt service related to these acquisitions (SDCL 10-52-8). This is a major fund.

Library Fund - to account for library contributions, fines and other revenues and related expenditures. This is not a major fund.

Proprietary Funds:

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Liquor Fund - a fund used to record financial transactions related to liquor operations. This fund is financed by user charges. This is a major fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Water Fund - a fund used to record financial transactions related to water utility operations. This fund is financed by user charges and grants. This is a major fund.

Sewer Fund - a fund used to record financial transactions related to sewer operations. This fund is financed by user charges. This is a major fund.

Airport Fund - a fund used to record financial transaction related to airport operations. This fund is financed by user charges. This is a major fund.

b. Measurement Focus and Basis of Accounting:

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

Measurement Focus:

Government-wide Financial Statements:

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus, applied on the accrual basis of accounting.

Fund Financial Statements:

In the fund financial statements, the "current financial resources" measurement focus and the modified accrual basis of accounting are applied to governmental fund types, while the "economic resources" measurement focus and the accrual basis of accounting are applied to the proprietary funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting:

Government-wide Financial Statements:

In the government-wide Statement of Net Position and Statement of Activities governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues and related assets are recorded when earned (usually when the right to receive cash vests); and, expenses and related liabilities are recorded when an obligation is incurred (usually when the obligation to pay cash in the future vests).

Fund Financial Statements:

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues, including property taxes, are recognized when they become measurable and available. "Available" means resources are collected or to be collected soon enough after the end of the fiscal year that they can be used to pay the bills of the current period. The accrual period does not exceed one bill-paying cycle, and for the City of Canton, the length of that cycle is 30 days. The revenues which are accrued at December 31, 2013 are sales tax, state shared revenues and miscellaneous other revenues.

Under the modified accrual basis of accounting, receivables may be measurable but not available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Reported deferred revenues are those where asset recognition criteria have been met but for which revenue recognition criteria have not been met.

Expenditures are generally recognized when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which are recognized when due.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

All proprietary funds and fiduciary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

c. Interfund Eliminations and Reclassifications:

Government-wide Financial Statements:

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances in the fund financial statement have been eliminated or reclassified, as follows.

1. In order to minimize the grossing-up effect on assets and liabilities within the governmental and business-type activities columns of the primary government, amounts reported as internal receivables and payables have been eliminated in the governmental and business-type activities columns, except for the net, residual amounts due between governmental and business-type activities, which are presented as Internal Balances.

2. In order to minimize the doubling-up effect on internal service fund activity, certain "centralized expenses" including an administrative overhead component, are charged as direct expenses to funds or programs in order to show all expenses that are associated with a service, program, department or fund. When expenses are charged, in this manner, expense reductions occur in the General Fund, so that expenses are reported only in the function to which they relate.

Fund Financial Statements:

Noncurrent portions of long-term interfund receivables (reported in "advance to" asset accounts) are equally offset by a fund balance "nonspendable" classification

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

which indicates that they do not constitute "available spendable resources" since they are not a component of net current assets. Current portions of interfund receivables (reported in "Due from" asset accounts) are considered "available spendable resources".

e. Capital Assets:

Capital assets include land, buildings, machinery and equipment, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for significantly greater number of years than most capital assets.

The accounting treatment over capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statement

Capital assets are recorded at historical cost, or estimated cost, where actual cost could not be determined. Donated capital assets are valued at their estimated fair value on the date donated. Reported cost values include ancillary charges necessary to place the asset into its intended location and condition for use. Subsequent to initial capitalization, improvements or betterments that are significant and which extend the useful file of a capital asset are also capitalized.

The total December 31, 2013 balance of governmental activities capital assets includes approximately 10 percent for which the costs were determined by estimates of the original costs. The total December 31, 2013 balance of business-type capital assets includes about

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

10 percent for which the costs were determined by estimation of the original cost. These estimated original costs were established by reviewing applicable historical costs of similar items and basing the estimations thereon.

Infrastructure assets used in general government operations, consisting of certain improvements other than buildings, including roads, bridges, sidewalk, drainage systems and lighting systems acquired prior to January 1, 2004, were not required to be capitalized by the City. Infrastructure assets acquired since January 1, 2004 are recorded at cost, and classified as "Improvements other than Buildings".

For governmental activities Capital Assets, construction-period interest is not capitalized, in accordance with USGAAP, while for capital assets used in business-type activities/proprietary fund's operations, construction period interest is capitalized in accordance with USGAAP.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the government-wide Statement of Activities with net capital assets reflected in the Statement of Net Position. Accumulated depreciation is reported on the government-wide Statement of Net Position and on each proprietary fund's Statement of Net Position.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	ALL	-	-
Buildings	50,000	Straight-line	25-75 years

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Improvements	25,000	Straight-line	10-30 years
Machinery and Equipment	5,000	Straight-line	5-50 years

Land, an inexhaustible capital asset, is not depreciated.

f. Long-term Liabilities:

The accounting treatment of long-term liabilities depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term liabilities to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term liabilities consist primarily of revenue bonds payable, capital leases payable and compensated absences.

In the fund financial statements, debt proceeds are reported as revenues (other financing sources), while payments of principal and interest are reported as expenditures when they become due. The accounting for proprietary fund long-term debt is on the accrual basis, the same in the fund statements as in the government-wide statements.

g. Cash Flows and Cash Equivalents:

The City pools the cash resources of its funds for cash management purposes. The proprietary funds essentially have access to the entire amount of their cash resources on demand. Accordingly, each proprietary fund's equity in the cash management pool is considered to be cash and cash equivalents for the purpose of the Statement of Cash Flows.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h. Program Revenues:

Program revenues derive directly from the program itself or from parties other than the City's taxpayers or citizenry, as a whole. Program revenues are classified into three categories, as follows.

1. Charges for services - These arise from charges to customers, applicants or others who purchase, use or directly benefit from the goods, services or privileges provided, or are otherwise directly affected by the services.
2. Program-specific operating grants and contributions - These arise from mandatory and voluntary non-exchange transactions with other governments, organizations or individuals that are restricted for use in a particular program.
3. Program-specific capital grants and contributions - These arise from mandatory and voluntary non-exchange transactions with other governments, organizations or individuals that are restricted for the acquisition of capital assets for use in a particular program.

i. Deferred Inflows and Deferred Outflows of Resources:

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent consumption of net position that applies to a future period or periods. These items will not be recognized as an outflow of resources until the applicable future period.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent acquisitions of net position that applies to a future period or periods. These items will not be recognized as an inflow of resources until the applicable future period.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Proprietary Funds Revenue and Expense Classifications:

In the proprietary fund's Statement of Revenues, Expenses and Changes in Net Position, revenues and expenses are classified in a manner consistent with how they are classified in the Statement of Cash Flows. That is, transactions for which related cash flows are reported as capital and related financing activities or investing activities are not reported as components of operating revenues or expenses.

k. Equity Classifications:

Government-wide Statements:

Equity is classified as net position and is displayed in three components:

1. Net investment in capital assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation (if applicable) and reduced by the outstanding balance. of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
2. Restricted net position - Consists of net position with constraints places on their use either by (a) external groups such as creditors, grantors, contributors or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
3. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

Fund Financial Statements:

Governmental fund equity is classified as fund balance, and may distinguish between "Non-spendable", "Restricted", "Committed", and "Assigned" and "Unassigned" components. Proprietary fund equity is classified the same as in the government-wide financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUTED)

1. Application of Net Position or Fund Balances:

The City uses restricted or committed amounts of net position first when both restricted and unrestricted amounts are available unless there are legal documents/contracts that prohibit this, such as a grant agreement requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Fund Balance Classification Policies and Procedures:

In accordance with Government Accounting Standards Board (GASB) No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the City classifies governmental fund balances as follows:

1. Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
2. Restricted- includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
3. Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
4. Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Finance Officer.
5. Unassigned - includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The City does not have a formal minimum fund balance policy.

2. DEPOSITS AND INVESTMENTS, CREDIT RISK, CONCENTRATIONS OF CREDIT RISK AND INTEREST RATE RISK

The City follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by statutes. These restrictions are summarized below.

Deposits - The City deposits are made in qualified public depositories as defined by SDCL 4-6A-1, 9-22-6, 9-22-6.1, and 9-22-6.2, and may be in the form of demand or time deposits.

Qualified depositories are required by SDCL 4-6A-3 to maintain at all times, segregated from their other assets, eligible collateral having a value equal to at least 100 percent of the public deposit accounts which exceed deposit insurance such as the FDIC and NCUA. In lieu of pledging eligible securities, a qualified public depository may furnish irrevocable standby letter of credit issued by Federal Home Loan Banks accompanied by written evidence of that banks public debt rating which may not be less than "AA" or a qualified public depository may furnish a corporate surety bond of a corporation authorized to do business in South Dakota.

Investments - In general, SDCL 4-5-6 permits municipal funds to be invested in (a) securities of the United States and securities guaranteed by the United States government either directly or indirectly; or (b) repurchase agreements fully collateralized by securities described in (a); or in shares of an open-end, no-load fund administered by an investment company whose investments are in securities described in (a) and repurchase agreements described in (b). also, SDCL 4-5-9 requires that investments shall be in the physical custody of the political subdivision or may be deposited in a safekeeping account with any bank or trust company designated by the political subdivision as its fiscal agent.

Credit Risk - State law limits investments for the City, as discussed above. The City has no investment policy that would further limit investment choices.

As of December 31, 2013 the City had no investments other than certificates of deposit.

2. DEPOSITS AND INVESTMENTS, CREDIT RISK, CONCENTRATIONS OF CREDIT RISK AND INTEREST RATE RISK (continued)

Custodial Credit Risk - Deposits - The risk that, in the event of a depository failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of December 31, 2013, none of the City deposits in financial institutions were exposed to custodial credit risk.

Custodial Credit Risk - Investments - The risk that, in the event of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

Concentration of Credit Risk - The City places no limit on the amount that may be invested in any one issuer. 100 percent of the City's investments are in an external investment pool.

Interest Rate Risk - The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Assignment of Investment Income - State law allows income from deposits and investments to be credited to either the General Fund or the fund making the investment. The City's policy is to credit all income from investments to the fund making the investment.

3. DEFERRED INFLOWS OF RESOURCES

Receivables, such as taxes receivable, may be measurable but not available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Reported "deferred inflows of resources" are those where asset recognition criteria have been met but which revenue recognition criteria have not been met.

4. INVENTORY

Inventory in the General Fund consists of expendable supplies held for consumption. Supply inventories are recorded at cost.

Inventory acquired for resale or for supplies in the proprietary funds are recorded as an asset when acquired. The consumption of inventories is charged to expense as it is consumed. Inventories held for resale are recorded at the lower of cost or market, on the first-in, first-out cost flow assumption.

Government-wide Financial Statements:

In the government-wide financial statements, inventory is recorded as an asset at the time of purchase, and charged to expense as it is consumed.

Fund Financial Statements:

In the fund financial statements, inventory is recorded as an asset at the time of purchase, and charged to expense as it is consumed. Material supply inventories are off-set by a fund balance "nonspendable" classification which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

5. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2013 follows:

	Balance 1/1/13	Additions	Deletions	Balance 12/31/13
Governmental Activities:				
Capital Assets Not being Depreciated				
Land	$ 290,166	$ -	$ -	$ 290,166
Construction In Progress	102 363	14,860	12,824	104,399
Totals	$ 392,529	$ 14,860	$ 12,824	$ 394,565

5. CHANGES IN CAPITAL ASSETS (continued)

	Balance 1/1/13	Additions	Deletions	Balance 12/31/13
Capital Assets being Depreciated				
Buildings	$2,349,855	$ 33,441	$ -	$2,383,296
Improvements	1,096,901	31,537	-	1,128,438
Equipment	1,852,992	140,783	21,046	1,972,729
Totals	5,299,748	205,761	21,046	5,484,463
Less accumulated Depreciation for:				
Building	643,548	54,877	-	698,425
Improvements	252,169	19,925	-	272,094
Equipment	1,035,057	95,949	20,026	1,110,980
Total	1,930,774	170,751	20,026	2,081,499
Total Capital Assets being Depreciated-Net	3,368,974	35,010	1,020	3,402,964
Governmental Activity Capital Assets Net	$3,761,503	$ 49,870	$ 13,844	$3,797,529

Depreciation expense was charged to functions as follows:

General Government	$ 31,503
Public Safety	38,246
Public Works	58,335
Culture and Recreation	42,667
	$170,751

5. CHANGES IN CAPITAL ASSETS (continued)

	Balance 1/1/13	Additions	Deletions	Balance 12/31/13
Business-type Activities:				
Capital Assets not being Depreciated:				
Land	$ 117,444	$ -	$ -	$ 117,444
Construction-in-Progress	25,791	66,512	-	92,303
Total Capital Assets not being depreciated	143,235	66,512	-	209,747
Capital Assets being Depreciated:				
Buildings	444,264	-	-	444,264
Improvements	10,981,295	241,531	5,131	11,217,695
Equipment	557,554	20,000	-	577,554
Totals	11,983,113	261,531	5,131	12,239,513
Less accumulated Depreciation for:				
Building	78,498	10,834	-	89,332
Improvements	2,543,744	239,606	5,131	2,778,219
Equipment	232,823	33,966	-	266,789
Total	2,855,065	284,406	5,131	3,134,330
Total Capital Assets Being Depreciated, Net	9,128,048	(22,875)	-	9,105,183
Business-type Activity Capital Assets Net	$9,271,273	$ 43,637	$ -	$9,314,930

5. CHANGES IN CAPITAL ASSETS (continued)

Depreciation expense was charged to functions as follows:

Liquor	$ 2,783
Water	91,514
Sewer	132,579
Airport	57,530
	$284,406

See note 15 for construction in progress.

6. LONG-TERM DEBT

A summary of changes in long-term debt follows:

	Capital Leases	Compensated Absences	O.P.E.B.	Total
Governmental Activities:				
Debt Payable, January 1, 2013	$ 12,508	$ 79,571	$ 34,799	$126,878
Increases	-	8,533	11,758	20,291
Decreases	(3,002)	(1,349)	-	(4,351)
Debt payable, December 31, 2013	$ 9,506	$ 86,755	$ 46,557	$142,818
Due within One Year	$ 3,002	$ 43,377	$ -	$ 46,379

Business-type Activities:

	Other	Revenue	Absences	Total
Debt Payable, January 1, 2013	$ 85,000	$2,264,474	$ 15,331	$2,364,805
Increases	-	58,489	33	58,522

6. LONG-TERM DEBT (continued)

	Other	Revenue	Absences	Total
Decreases	$(85,000)	$(114,563)	$ (933)	$ (200,496)
Debt payable, December 31, 2013	$ -	$2,208,400	$ 14,431	$2,222,831
Due within One Year	$ -	$ 118,291	$ 7,216	$ 125,507

Debt payable at December 31, 2013 is comprised of the following:

Governmental Activities:

Financing (Capital Acquisition) Leases:

Copier, due in monthly payments of $276, including 4% interest, due in 2017. Payments are made by the General Fund	$ 9,506

The purchase price at the commencement of the financing (capital acquisition) lease was:

Principal	$15,010
Interest	1,628
	$16,638

Compensated Absences: Vested sick leave payable, payable as used or on termination. Payments to be made from the General Fund	86,755
Other Post Employment Benefits (OPEB): Estimated future healthcare benefits to retired employees (see Note 14)	46,557
Total Governmental Activities	$ 142,818

6. LONG-TERM DEBT (continued)

Business-type Activities:	
State Revolving Fund Loans:	
Drinking Water #1, maturing in 2024 with an interest rate of 3.5%. The payments are made from the Water Fund	$ 317,392
Clean Water #2, maturing in 2024 with an interest rate of 3.5%. The payments are made from the Sewer Fund	380,829
Clean Water #3, maturing in 2031, with an interest rate of 3%. Payments are made from the Sewer Fund.	1,451,690
Clean Water #4, maturing in 2043, with an interest rate of 3.25%. Payments will be paid by the Sewer Fund. Balance represents 2013 draws on a loan expected to be $732,000.	58,489
Accrued Leave, payable by the Water and Sewer Fund	14,431
Total Business-type Activities	$ 2,222,831

The annual requirements to amortize all debt outstanding as of December 31, 2013, excluding compensated absences and O.P.E.B. is as follows:

Governmental Activities:

Year Ending December 31,	Capital Lease Principal	Capital Lease Interest
2014	$ 3,002	$ 315
2015	3,002	315
2016	3,002	315
2017	500	52
Total	$ 9,506	$ 998

6. LONG-TERM DEBT (continued)

Business-type Activities:

Year Ending December 31,	SRF LOANS Principal	SRF LOANS Interest
2014	$ 118,291	$ 66,568
2015	122,152	62,708
2016	126,139	58,721
2017	130,257	54,603
2018	134,510	50,349
2019-2023	741,402	182,890
2024-2028	542,791	74,508
2029-2033	292,858	8,879
Total	$2,208,400	$ 559,226

7. PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied on or before October 1 and payable in two installments on or before April 30 and October 31 of the following year.

The City is permitted by several state statutes to levy varying amounts of taxes per $1,000 of taxable valuation on taxable real property in the City.

8. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

During the year ended December 31, 2013 the City managed its risk as follows:

8. RISK MANAGEMENT (continued)

Employee Health Insurance:

The City purchases health insurance for its employees from a commercial carrier. The policy carries a $500 deductible. Settled claims resulting from these risks have not exceeded the coverage over the past three years.

Workmen's Compensation:

The City joined the South Dakota Municipal League Worker's Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. The objective of the Fund is to formulate, develop and administer, on behalf of the member organizations, a program of worker's compensation coverage, to obtain lower costs for that coverage, and to develop a comprehensive loss control program. The City's responsibility is to initiate and maintain a safety program to give its employees safe and sanitary working conditions and to promptly report to and cooperate with the Fund to resolve any worker's compensation claims. The City pays an annual premium to provide worker's compensation coverage for its employees, under a retrospectively rated policy and the premiums are accrued based on the ultimate cost of the experience to date of the Fund members. Coverage limits are set by state statute. The pool pays the first $325,000 of any claim per individual. The pool has reinsurance which covers up to $2,000,000 per individual per incident.

The City does not carry additional insurance to cover claims in excess of the upper limit. Settled claims resulting from these risks have not exceeded the liability coverage for the past three years.

Liability:

The City joined the South Dakota Public Assurance Alliance, a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local

8. RISK MANAGEMENT (continued)

government entities. The objective of the SDPAA is to administer and provide risk management services and risk sharing facilities to the members and to defend and protect the members against liability, to advise members on loss control guidelines and procedures and provide them with risk management services, loss control and risk reduction information and to obtain lower costs for that coverage. The City's responsibility is to promptly report to and cooperate with the SDPAA to resolve any incident which could result in a claim being made by or against the City. The City pays an annual premium, to provide liability coverage detailed below, under a claims-made policy and the premiums are accrued based on the ultimate cost of the experience to date of the SDPAA member, based on their exposure or type of coverage. The City pays an annual premium to the pool to provide coverage for automobile and general liability.

The agreement with the SDPPA provides that the above coverage's will be provided to a $5,000,000 limit. Member premiums are used by the Pool for payment of claims and to pay for reinsurance for claims in excess of $250,000 to the upper limit. A portion of the member premiums are also allocated to a cumulative reserve fund. The City would be eligible to receive a refund for a percentage of the amount allocated to the cumulative reserve fund on the following basis:

End of the City's first full year	50%
End of the City's second full year	60%
End of the City's third full year	70%
End of the City's fourth full year	80%
End of the City's fifth full year	90%
End of the City's sixth full year and thereafter	100%

As of December 31, 2013, the City has a vested balance in the cumulative reserve fund of $67,416.

The City carries a $500 deductible for official's liability coverage and $2,000 law enforcement liabilities.

8. RISK MANAGEMENT (continued)

The City does not carry additional insurance to cover claims in excess of the upper limit. Settled claims resulting from these risks have not exceeded the liability coverage for the past three years.

Unemployment Benefits:

The City provides coverage for claims for unemployment benefits by paying into the Unemployment Compensation Fund established by state law and managed by the State of South Dakota.

9. RETIREMENT PLAN

All employees, except firemen, part-time or seasonal, participate in the South Dakota Retirement System (SDRS), a cost-sharing, multiple employer public employee retirement system established to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement, disability and survivor's benefits. The right to receive retirement benefits vests after three years of credited service. Authority for establishing, administering and amending plan provisions are found in South Dakota Codified Law 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the SDRS, P. O. Box 1098, Pierre, SD 57501-1098 or calling (605) 773-3731.

General employees are required by state statute to contribute 6% of their salary to the plan, while public safety employees contribute at 8%. State statute also requires the employer to contribute an amount equal to the employee's contribution. State statute also requires the employer to make an additional contribution of 6.2% for any compensation exceeding the maximum taxable amount for social security for general employees only. The City's share of contributions to the SDRS for the fiscal years ended December 31, 2013, 2012 and 2011 were $57,201, $55,644, and $51,349 respectively, equal to the required contribution.

10. RESTRICTED NET POSITION

The following table shows the net position restricted for other purposes on the Statement of Net Position.

Restriction	Restricted by	Amount
Insurance	Contract agreement	$ 67,416

11. INTERFUND LOANS AND TRANSFERS

In 2012, the Sewer Fund loaned the Airport Fund $186,383 to cover a temporary cash overdraft created by construction of runway improvements. The "loan" was repaid in 2013.

During 2013 the City transferred $26,000 from the General Fund to the Airport Fund to subsidize its operations.

12. RELATED ORGANIZATIONS

The City of Canton's library benefits from gifts from the "Canton City Library Foundation, Inc.," a non-profit corporation.

The City of Canton received a donation of a building from the "Canton Depot Foundation, Inc." valued at approximately $172,000. The City continues to receive the benefit of on going maintenance of this building from the "Canton Depot Foundation, Inc."

GASB Statement No. 39 requirements to report these entities as component units do not apply because:

a. The economic resources received and held by the two "Foundations" are not necessarily held for the direct benefit of the City and may be directed elsewhere at the discretion of the directors.
b. The City does not have the ability to access the economic resources owned by the "Foundations".
c. Any resources received by the City from these entities are not significant.

13. PLEDGED REVENUES

The City has pledged future water customers' revenues, net of specified operating expenses, to repay $317,392 in water system revenue bonds issued in 1998 and 2005. Proceeds from the bonds provided financing for the construction of water system infrastruction.

The bonds are payable solely from water customer net revenues and are payable through 2024. Annual principal and interest payments on the bonds are expected to require less than 80% of net revenues. The total principal and interest remaining to be paid on the bonds is $463,420. Principal and interest paid for the current year and total customer net revenue were $66,989 and $197,065, respectively.

The City has also pledged future sewer customers' revenues, net of specified operating expenses, to repay $1,891,008 in sewer system revenue bonds issued in 1998, 2005 and 2010. Proceeds from the bonds provided financing for the construction of sewer system improvements.

The bonds are payable solely from sewer customer net revenues and are payable through 2031. Annual principal and interest payments on the bonds are expected to require less than 75% of net revenues. The total principal and interest remaining to be paid on the bonds is $2,304,198. Principal and interest paid for the current year and the total customer net revenues were $150,452 and $353,549, respectively.

14. POST EMPLOYMENT BENEFITS

Plan Description:
The City of Canton's Postemployment Health Care Plan is a single-employer defined benefit healthcare plan which provides medical benefits to eligible retirees and their spouses. The Plan is authorized by SDCL 6-1-16 and is administered by the City of Canton. The Plan does not issue a stand-alone financial report.

14. POST EMPLOYMENT BENEFITS (continued)

Funding Policy:
The contributions of plan members and the City are established by City policy. The required contribution is based on projected "pay-as-you-go" financing requirements, with an additional amount to prefund benefits as determined annually by the City. For 2013, the required contribution to the Plan was $11,758. Since no contribution was made in 2013, the City accrued a liability of $11,758, as of December 31, 2013.

Annual OPEB cost and Net OPEB Obligation:
The City's annual other postemployment benefit (OPEB) expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfounded actuarial liability over a period not to exceed thirty years.

The following table shows the City's annual OPEB cost for the year, the amount actually contributed to the Plan and changes in the City's net OPEB obligation to the Plan.

	2013	2012	2011
Annual required contribution	$10,018	$ 10,607	$ 6,912
Interest on net OPEB obligation	1,740	1,152	768
Adjustment to ARC	-	-	-
Annual OPEB Cost	11,758	11,759	7,680
Contribution made	-	-	-
Increase in net OPEB obligation	11,758	11,759	7,680
Net OPEB Obligation, beginning of year	34,799	23,040	15,360
Net OPEB Obligation, end of year	$ 46,557	$ 34,799	$23,040

14. POST EMPLOYMENT BENEFITS (continued)

The City's annual OPEB cost is $11,758 for 2013, of which the pay-as-you-go cost was 44.7% or $5,256.

Funded Status:
The Plan is on a "pay-as-you-go" basis, therefore it is not funded as of December 31, 2013.

Actuarial Assumptions:
The December 31, 2013 actuarial valuation was compiled using the "projected unit credit" actuarial cost method. The assumptions included a 5% rate of return (net of administrative expenses) and an annual health-care cost trend of 10% initially, grading to 5% over 10 years. The amortization period of the unfunded liability is 30 years.

15. CONSTRUCTION IN PROGRESS

Projects in progress as of December 31, 2013 were as follows:

Project Name	Authorized Total	Spent through December 31, 2013	Committed	Additional Debt Needed
Water Line	$ 500,000	$ 92,303	$ 407,697	$ -
Bridge Renovation	1,000,000	104,399	895,601	-
Total	$1,500,000	$ 196,702	$1,303,298	$ -

CITY OF CANTON
OTHER POST EMPLOYMENT BENEFITS FUNDING PROGRESS
DECEMBER 31, 2013

	Valuation Dates - January 1		
	2013	2012	2011
Actuarial Accrued Liability (AAL)	$ 53,184	$ 53,194	$ 57,783
Actuarial Value of Plan Assets	-	-	-
Unfunded Actuarial Accrued Liability (UAAL)	53,184	53,194	57,783
Funded Ration	0.0%	0.0%	0.0%
Covered Payroll (active plan members)	1,317,002	1,317,002	1,238,601
UAAL as a Percentage of Covered Payroll	4.09%	4.09%	4.67%

CITY OF CANTON
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		
	Original	Final	Actual Amount
REVENUES			
Taxes:			
General property taxes	$1,167,753	$1,167,753	$1,155,165
General sales and use taxes	800,000	800,000	1,030,636
Licenses and permits	15,400	15,400	42,117
Intergovernmental Revenue			
Federal grants	0	0	13,348
State shared revenue	82,500	82,500	113,707
County shared revenue	18,000	18,000	9,652
Charges for Goods and Services			
General government	201,000	201,000	238,965
Public safety	4,800	4,800	1,680
Highways and streets	11,650	11,650	30,028
Sanitation	26,000	26,000	19,411
Health	500	500	475
Culture and recreation	45,500	45,500	38,814
Fines and Forfeits			
Court fines	1,000	1,000	921
Miscellaneous Revenue			
Investment earnings	30,000	30,000	18,463
Contributions	2,300	2,300	114,452
Other	14,500	14,500	16,053
Total Revenue	$2,420,903	$2,420,903	$2,843,887

The accompanying notes to required supplemental information are an integral part of this schedule.

Variance Final Budget- Positive (Negative)
($12,588)
230,636
26,717
13,348
31,207
(8,348)
37,965
(3,120)
18,378
(6,589)
(25)
(6,686)
(79)
(11,537)
112,152
1,553
$422,984

CITY OF CANTON
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		
	Original	Final	Actual Amount
EXPENDITURES			
General Government			
Legislative	$24,850	$37,850	$32,710
Execution	222,100	250,600	170,162
Elections	3,400	4,400	3,291
Financial administration	221,700	233,700	208,773
Other	75,050	116,550	102,331
Public Safety			
Police	453,200	453,200	390,997
Fire	89,050	141,050	65,075
Public Works			
Highways and streets	805,750	1,537,750	558,227
Sanitation	60,000	60,000	58,277
Health and Welfare			
Health	25,500	31,500	27,032
Culture and Recreation			
Recreation	119,400	471,400	374,903
Parks	161,950	166,950	146,561
Libraries	210,295	210,295	184,263
Conservation and Development			
Economic development	34,900	42,400	37,857
Debt Service	3,400	3,400	3,317
Total Expenditures	$2,510,545	$3,761,045	$2,363,776

The accompanying notes to required supplemental information are an integral part of this schedule.

Variance Final Budget- Positive (Negative)
$5,140
80,438
1,109
24,927
14,219
62,203
75,975
979,523
1,723
4,468
96,497
20,389
26,032
4,543
83
$1,397,269

CITY OF CANTON
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		
	Original	Final	Actual Amount
Excess of Revenue over (under) Expenditures	($89,642)	($1,340,142)	$480,111
Other Financing Sources (Uses)			
Transfers-out	(26,000)	(26,000)	(26,000)
Total Other Financing Sources (Uses)	(26,000)	(26,000)	(26,000)
Net Change in Fund Balances	(115,642)	(1,366,142)	454,111
FUND BALANCE-Beginning	3,030,749	3,030,749	3,030,749
FUND BALANCE-Ending	$2,915,107	$1,664,607	$3,484,860

The accompanying notes to required supplemental information are an integral part of this schedule.

Variance Final Budget- Positive (Negative)
$1,820,253
0
0
1,820,253
0
$1,820,253

CITY OF CANTON
BUDGETARY COMPARISON SCHEDULE - BBB FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		
	Original	Final	Actual Amount
REVENUES			
Taxes			
General Sales Tax	$30,000	$30,000	$56,082
EXPENDITURES			
Conservation and development:			
Economic opportunity	26,500	54,500	47,352
Net Change in Fund Balances	3,500	(24,500)	8,730
FUND BALANCE-Beginning	41,647	41,647	41,647
FUND BALANCE-Ending	$45,147	$17,147	$50,377

The accompanying notes to required supplemental information are an integral part of this schedule.

Variance Final Budget- Positive (Negative)
$26,082
7,148
33,230
0
$33,230

CITY OF CANTON
NOTED TO REQUIRED SUPPLEMENTARY INFORMATION

Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. At the first regular board meeting in September of each year or within ten days thereafter, the governing board introduces the annual appropriation ordinance for the ensuing fiscal year.

2. After adoption by the governing board, the operating budget is legally binding and actual expenditures for each purpose cannot exceed the amounts budgeted, except as indicated in number 4.

3. A line item for contingencies may be included in the annual budget. Such a line item may not exceed 5 percent of the total municipal budget and may be transferred by resolution of the governing board to any other budget category that is deemed insufficient during the year.

4. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows the adoption of supplemental budgets.

5. Unexpended appropriations lapse at year end unless encumberd by resolution to the governing board.

6. Formal budgetary integration is employed as a management control devise during the year for the General Fund.

7. Budgets for the General and BBB Funds are adopted on a basis consistent with generally accepted accounting practices (GAAP), except for capital outlay expenditures. For budgetary purposes, capital outlay expenditures are reported as a departmental expenditure. For GAAP purposes, capital outlays are reported as a separate line item.

CITY OF CANTON
SCHEDULE OF CURRENT AUDIT FINDINGS

FINDING NUMBER 2013-001:

A material weakness is present due to a lack of segregation of duties in the revenue, expenditure and payroll functions.

CRITERIA:
To obtain adequate internal control, the duties of collecting and handling of cash must be segregated from the recording of cash transactions. The duties of preparing, mailing or otherwise distributing checks should be segregated from the recording process. Various other accounting functions should be performed by different people to insure a proper segregation of duties.

POSSIBLE ASSERTED EFFECT:
Inaccurate financial statements and/or misappropriations of funds could result from a lack of segregation on duties.

RECOMMENDATION:
Management should remain aware of this situation and attempt to provide compensating controls wherever and whenever possible and practical.

CITY RESPONSE:
The City officials agree with this comment. The Mayor and City Commission are responsible for the corrective action plans for this comment. This comment is a result of the size of the City of Canton which precludes staffing at a level sufficient to provide an ideal environment for internal controls. The City of Canton management is aware of this problem and is attempting to provide compensating controls wherever and whenever possible and practical. However, this lack of segregation of duties regarding the revenues, expenditures and payroll function continues to exist.

CITY OF CANTON
SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING NUMBER 2012-01, 2012-02 and 2011-01:

A lack of proper segregation of duties is the present situation in the City's accounting department.

This finding was first reported in 1989.

CURRENT STATUS:

The condition remains the same as of December 31, 2013.

City of Canton Water Source Improvement Project

Appendix H

– 2014 Budget with 2 page excerpt from 2014 Revenue Guideline & 1 page from 2014 Expense Guideline.

ORDINANCE NO. 1016
2014 APPROPRIATIONS
An ordinance Appropriating Funds for FY 2014
City of Canton, SD

Be It Ordained, by the City of Canton, SD, that the following sums are appropriated to meet the needs of the municipality for Fiscal Year 2014

GENERAL FUND REVENUES:		2014 Budget	
General Property Taxes	$	1,194,100.00	
General Sales Taxes	$	850,000.00	
Penalties & Interest			
Licenses & Permits	$	18,550.00	
State Grants			
State Shared Revenue	$	99,500.00	
County Shared Revenue	$	11,000.00	
County in Lieu of Taxes	$	500.00	
Charges for Goods & Services	$	297,450.00	
Fines & Forfeits	$	1,000.00	
Miscellaneous Revenue	$	26,000.00	
Donations & Grants	$	2,000.00	
Solid Waste Fees	$	22,500.00	
Other Financing Sources	$	100,000.00	
TOTAL GENERAL FUND REVENUES:			**$ 2,622,600.00**

GENERAL FUND EXPENDITURES:				
General Government				
City Commission	$	24,850.00		
Elections	$	3,600.00		
City Attorney	$	25,300.00		
Finance Office	$	207,500.00		
City Manager	$	221,750.00		
General Government Buildings	$	86,700.00		
Total General Government			**$ 569,700.00**	
Public Safety				
Police	$	478,100.00		
Vol. Fire Department	$	458,050.00		
Animal Control	$	5,950.00		
West Nile Control	$	23,550.00		
Rescue Services	$	-		
Total Public Safety			**$ 965,650.00**	
Public Works				
Highways and Streets	$	490,800.00		
Street Lights & Traffic Signals	$	84,200.00		
Snow Removal	$	94,700.00		
Street Cleaning	$	190,250.00		
Solid Waste/Rubble Site	$	62,500.00		
Total Public Works			**$ 922,450.00**	

2014 Budget Ordinance
P. 1 of 3

ORDINANCE NO. 1016
2014 APPROPRIATIONS
An ordinance Appropriating Funds for FY 2014
City of Canton, SD

Culture & Recreation				
Recreation	$ 29,550.00			
Swimming Pool	$ 133,750.00			
Parks	$ 154,450.00			
Library	$ 217,145.00			
Economic Development & Assistance	$ 22,150.00			
Total Culture & Recreation		$ 557,045.00		
TOTAL GENERAL FUND EXPENDITURES:			$ 3,014,845.00	
Expenses Over (Under) Revenue			$ 392,245.00	
Transfer to the Airport Fund			$ 26,000.00	
Appropriated to CIP reserve				
Appropriated from Reserves/Surplus			$ 418,245.00	
General Fund Balance			0.00	

Other Tax Supported Funds	BBB Tax Fund	Library Fines Fund	Airport Operation
Capital Projects			
Debt Reduction			
Operating Expenses	$ 16,500.00	$ 16,000.00	$ 76,100.00
Economic Development			
Total Appropriation:	**$ 16,500.00**	**$ 16,000.00**	**$ 76,100.00**
General Property Taxes:			
Sales Taxes:	$ 35,000.00		
Estimated Revenue:		$ 16,000.00	$ 50,100.00
Other Financing Sources:			$ 26,000.00
Total Revenue Sources	**$ 35,000.00**	**$ 16,000.00**	**$ 76,100.00**
Balance To (From) Reserves:	$ 18,500.00	$ -	$ -

The Finance Officer is directed to certify the following tax levies to the Lincoln County Auditor.

For General Fund Purposes: $1,178,100.00

Charles Smith, Mayor

Attest: _____
Kyle Cwach, Finance Officer

First Reading: July 15, 2013
Second Reading: August 19, 2013
Adopted: August 19, 2013
Published: August 29, 2013
Effective: January 1, 2014

2014 Budget Ordinance
P. 2 of 3

ORDINANCE NO. 1016
2014 APPROPRIATIONS
An ordinance Appropriating Funds for FY 2014
City of Canton, SD

Addenda

The following Enterprise Operations are not subject to appropriations and are included for information only.

Enterprise Operations:	Liquor Fund:	Water Fund:	Sewer Fund:
Revenue:			
Operating Revenues:	$ 832,850.00	$ 703,400.00	$ 815,500.00
Video Lottery Income	$ 10,000.00		
Other Store Markups:	$ 12,000.00		
Other Income:	$ -	$ -	$ -
Revenue Totals:	**$ 854,850.00**	**$ 703,400.00**	**$ 815,500.00**
Operating Expense:	$ 851,000.00	$ 1,039,700.00	$ 562,100.00
Transfer	$ 100,000.00		
Debt Service Expense	$ -	$ 36,000.00	$ 151,000.00
Expense Totals:	**$ 951,000.00**	**$ 1,075,700.00**	**$ 713,100.00**
Balance To (From) Reserves:	$ (96,150.00)	$ (372,300.00)	$ 102,400.00

KB source Karen L 12-24-2014 email.

2014 Budget Ordinance
P. 3 of 3

CITY OF CANTON
Expenditure Guideline

Account Descr	2014 YTD Budget	SEPTEMBER 2014 Amt	2014 YTD Amt	2014 Balance	2014 % of Budget
FUND 602 Water Fund					
DEPT 4332 Water Billing Expense					
E 602-4332-411000 Salaries & Wages	$0.00	$0.00	$0.00	$0.00	0.00%
E 602-4332-412000 Social Security	$0.00	$0.00	$0.00	$0.00	0.00%
E 602-4332-413000 Retirement	$0.00	$0.00	$0.00	$0.00	0.00%
E 602-4332-414000 Workmens Comp	$0.00	$0.00	$0.00	$0.00	0.00%
E 602-4332-415000 Group Insurance	$0.00	$0.00	$0.00	$0.00	0.00%
E 602-4332-416000 Unemployment	$0.00	$0.00	$0.00	$0.00	0.00%
E 602-4332-421000 Insurance	$300.00	$0.00	$4,282.14	-$3,982.14	1427.38%
E 602-4332-422000 Professional Serv	$1,500.00	$31.28	$438.37	$1,061.63	29.22%
E 602-4332-422100 Administration F	$39,000.00	$0.00	$0.00	$39,000.00	0.00%
E 602-4332-423000 Publishing	$100.00	$0.00	$0.00	$100.00	0.00%
E 602-4332-425000 Repairs & Mainte	$1,000.00	$0.00	$0.00	$1,000.00	0.00%
E 602-4332-426100 Supplies & Mater	$3,500.00	$554.74	$1,406.15	$1,873.70	46.47%
E 602-4332-426130 Office Supplies	$100.00	$0.00	$0.00	$100.00	0.00%
E 602-4332-426170 Postage	$5,000.00	$735.00	$3,232.10	$1,400.40	71.99%
E 602-4332-427000 Travel & Training	$200.00	$0.00	$0.00	$200.00	0.00%
E 602-4332-427100 Mileage	$150.00	$0.00	$0.00	$150.00	0.00%
E 602-4332-427300 Registration Fees	$100.00	$0.00	$0.00	$100.00	0.00%
E 602-4332-429100 Other Expense	$600.00	$0.00	$15.35	$584.65	2.56%
E 602-4332-429120 RSVP Donation	$1,250.00	$0.00	$1,250.00	$0.00	100.00%
E 602-4332-434100 Computers & Sof	$16,000.00	$0.00	$9,584.15	$6,415.85	59.90%
DEPT 4332 Water Billing Expense	$68,800.00	$1,321.02	$20,208.26	$48,004.09	
DEPT 4335 Water Administration					
E 602-4335-411000 Salaries & Wages	$90,000.00	$6,658.22	$68,575.11	$14,778.00	83.58%
E 602-4335-412000 Social Security	$7,000.00	$491.39	$5,068.25	$1,440.52	79.42%
E 602-4335-413000 Retirement	$5,500.00	$399.51	$3,704.58	$1,396.60	74.61%
E 602-4335-414000 Workmens Comp	$3,000.00	$0.00	$2,645.81	$354.19	88.19%
E 602-4335-415000 Group Insurance	$17,500.00	$2,391.23	$20,333.85	-$4,041.31	123.09%
E 602-4335-416000 Unemployment	$500.00	$0.00	$230.35	$269.65	46.07%
E 602-4335-417000 Leave Payable E	$0.00	$0.00	$0.00	$0.00	0.00%
E 602-4335-421000 Insurance	$10,500.00	$0.00	$4,282.14	$6,217.86	40.78%
E 602-4335-422000 Professional Serv	$28,000.00	$247.55	$11,272.76	$16,727.24	40.26%
E 602-4335-422100 Administration F	$34,000.00	$0.00	$0.00	$34,000.00	0.00%
E 602-4335-423000 Publishing	$800.00	$0.00	$237.03	$512.57	35.93%
E 602-4335-424000 Rentals	$200.00	$0.00	$0.00	$200.00	0.00%
E 602-4335-425000 Repairs & Mainte	$11,000.00	$532.13	$7,302.59	$3,282.70	70.16%
E 602-4335-425100 Motor Vehicle Re	$3,000.00	$0.00	$80.50	$2,919.50	2.68%
E 602-4335-425200 Equipment Repai	$7,000.00	$0.00	$0.00	$7,000.00	0.00%
E 602-4335-425210 Well Repair & Ma	$30,000.00	$0.00	$5,603.52	$24,396.48	18.68%
E 602-4335-426100 Supplies & Mater	$50,000.00	$2,416.58	$34,448.50	$14,927.65	70.14%
E 602-4335-426110 Motor Vehicle Fu	$4,000.00	$0.00	$3,472.50	$527.50	86.81%
E 602-4335-426111 Motor Vehicle Oil	$1,000.00	$0.00	$55.04	$944.96	5.50%
E 602-4335-426112 Tires	$3,000.00	$0.00	$685.70	$2,314.30	22.86%
E 602-4335-426150 Chemicals	$25,000.00	$2,070.03	$17,166.13	$7,833.87	68.66%
E 602-4335-426160 Uniforms	$2,500.00	$162.90	$943.41	$1,522.35	39.11%
E 602-4335-426170 Postage	$1,100.00	$0.00	$133.32	$838.94	23.73%
E 602-4335-427000 Travel & Training	$5,000.00	$37.10	$112.10	$4,887.90	2.24%
E 602-4335-427100 Mileage	$500.00	$0.00	$165.13	$334.87	33.03%
E 602-4335-427300 Registration Fees	$1,500.00	$0.00	$1,782.00	-$282.00	118.80%
E 602-4335-428100 Electricity	$55,000.00	$4,928.97	$34,807.23	$15,623.69	71.59%
E 602-4335-428200 Heating	$6,000.00	$23.02	$1,891.82	$4,108.18	31.53%

Water Fund Expenditures - Excerpt from 2014 Expenditure Guideline
P. 1 of 2

CITY OF CANTON
Expenditure Guideline

Account Descr	2014 YTD Budget	SEPTEMBER 2014 Amt	2014 YTD Amt	2014 Balance	2014 % of Budget
E 602-4335-428300 Telephone	$2,500.00	$52.98	$736.27	$1,744.93	30.20%
E 602-4335-428320 Cellular Phone S	$1,500.00	$63.72	$503.02	$935.75	37.62%
E 602-4335-428500 Garbage Fees	$1,000.00	$25.00	$193.75	$781.25	21.88%
E 602-4335-429100 Other Expense	$6,600.00	$0.00	$125.42	$6,474.58	1.90%
E 602-4335-429420 Contingency Fun	$1,500.00	$0.00	$0.00	$1,500.00	0.00%
E 602-4335-429999 Water Deposit R	$0.00	$0.00	$0.00	$0.00	0.00%
E 602-4335-431000 Land	$10,000.00	$0.00	$0.00	$10,000.00	0.00%
E 602-4335-432000 Buildings	$6,000.00	$0.00	$0.00	$6,000.00	0.00%
E 602-4335-433112 Water Improvem	$420,000.00	$0.00	$0.00	$420,000.00	0.00%
E 602-4335-433114 Equipment Reser	$15,000.00	$0.00	$0.00	$15,000.00	0.00%
E 602-4335-434000 Machinery & Equ	$12,500.00	$39.99	$49,877.37	-$37,377.37	399.02%
E 602-4335-434100 Computers & Sof	$22,500.00	$0.00	$8,444.63	$14,055.37	37.53%
E 602-4335-434300 Water Meters	$200.00	$0.00	$7,155.57	-$6,955.57	3577.79%
E 602-4335-434310 Fire Hydranta	$10,000.00	$0.00	$0.00	$10,000.00	0.00%
E 602-4335-435000 Furniture, etc.	$15,000.00	$0.00	$0.00	$15,000.00	0.00%
E 602-4335-436300 Curb & Gutter Re	$2,000.00	$0.00	$0.00	$2,000.00	0.00%
E 602-4335-436400 Street Resurfacin	$2,000.00	$0.00	$0.00	$2,000.00	0.00%
E 602-4335-436914 GSR Improveme	$10,000.00	$0.00	$6,010.64	$3,989.36	60.11%
E 602-4335-439000 Capital Improve	$0.00	$0.00	$0.00	$0.00	0.00%
E 602-4335-444100 SRF Loan - Princi	$24,000.00	$6,049.38	$17,991.17	$6,008.83	74.96%
E 602-4335-444110 SRF Loan - Inter	$12,000.00	$2,672.69	$8,175.04	$3,824.96	68.13%
E 602-4335-445100 Debt Leasing - Pr	$0.00	$0.00	$0.00	$0.00	0.00%
E 602-4335-445110 Debt Leasing - In	$0.00	$0.00	$0.00	$0.00	0.00%
E 602-4335-445120 Debt Leasing - T	$0.00	$0.00	$0.00	$0.00	0.00%
E 602-4335-456000 Loss on Dispositi	$0.00	$0.00	$0.00	$0.00	0.00%
E 602-4335-457000 Depreciation Exp	$30,000.00	$0.00	$0.00	$30,000.00	0.00%
DEPT 4335 Water Administration	$1,006,900.00	$29,262.39	$324,212.25	$668,018.30	
FUND 602 Water Fund	$1,075,700.00	$30,583.41	$344,420.51	$716,022.39	

Water Fund Expenses

Excerpt from 2014 Expenditure Guideline

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CITY OF CANTON
Revenue Guideline

Account Descr	2014 YTD Budget	SEPTEMBER 2014 Amt	2014 YTD Amt	2014 Balance	2014 % YTD Balance
FUND 602 Water Fund					
DEPT 3810 Water Revenues					
R 602-3810-60100 Interest Revenue	$3,000.00	$294.89	$2,610.71	$389.29	12.98%
R 602-3810-70100 Customer Deposits -	$0.00	$0.00	$0.00	$0.00	0.00%
R 602-3810-81100 Metered & Flat Rate	$675,000.00	$52,128.60	$406,962.15	$242,454.33	39.71%
R 602-3810-81110 Unallocated Water Re	$0.00	$636.96	$604.21	-$1,127.95	0.00%
R 602-3810-81200 Bulk Water Sales	$400.00	$74.50	$287.55	$112.45	28.11%
R 602-3810-81300 Sale of Services and	$1,000.00	$0.00	$0.00	$1,000.00	100.00%
R 602-3810-81400 Service Charges - Wa	$500.00	$0.00	$0.00	$500.00	100.00%
R 602-3810-81910 Water Hook-Up Fees	$1,000.00	$225.00	$1,296.94	-$296.94	-29.69%
R 602-3810-81915 Water Meter Sales	$0.00	$0.00	$1,862.60	-$1,862.60	0.00%
R 602-3810-81920 Late Fees - Water	$7,000.00	$710.00	$5,720.00	$1,270.00	18.29%
R 602-3810-81930 Interest Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
R 602-3810-81940 State Water Fees Coll	$0.00	-$10.00	-$13.37	$13.37	0.00%
R 602-3810-81960 Rental of Water Towe	$14,500.00	$0.00	$0.00	$14,500.00	100.00%
R 602-3810-81990 Other Water Revenue	$1,000.00	$0.00	$20.00	$980.00	98.00%
R 602-3810-91300 Sale of General Fixed	$0.00	$0.00	$0.00	$0.00	0.00%
DEPT 3810 Water Revenues	$703,400.00	$54,059.95	$419,350.79	$257,931.95	40.38%
FUND 602 Water Fund	$703,400.00	$54,059.95	$419,350.79	$257,931.95	40.38%

Water Fund Revenues

Excerpt from 2014 Revenue Guideline

City of Canton Water Source Improvement Project

Appendix I – 2015 Budget (3p.) with 2p. excerpt from 2015 Expense Budget & 1p. excerpt from 2015 Revenue Budget.

ORDINANCE NO. 1026
2015 APPROPRIATIONS
An ordinance Appropriating Funds for FY 2015
City of Canton, SD

Be It Ordained, by the City of Canton, SD, that the following sums are appropriated to meet the needs of the municipality for Fiscal Year 2015

GENERAL FUND REVENUES:		2015 Budget	
General Property Taxes	$	1,229,832.00	
General Sales Taxes	$	875,000.00	
Penalties & Interest			
Licenses & Permits	$	18,550.00	
State Grants			
State Shared Revenue	$	99,500.00	
County Shared Revenue	$	11,000.00	
County in Lieu of Taxes	$	500.00	
Charges for Goods & Services	$	297,450.00	
Fines & Forfeits	$	1,000.00	
Miscellaneous Revenue	$	26,000.00	
Donations & Grants	$	3,000.00	
Solid Waste Fees	$	22,500.00	
Other Financing Sources	$	150,000.00	
TOTAL GENERAL FUND REVENUES:			**$ 2,734,332.00**

GENERAL FUND EXPENDITURES:				
General Government				
City Commission	$	39,850.00		
Elections	$	4,100.00		
City Attorney	$	27,300.00		
Finance Office	$	258,250.00		
City Manager	$	189,350.00		
General Government Buildings	$	105,700.00		
Total General Government			**$**	**624,550.00**
Public Safety				
Police	$	489,800.00		
Vol. Fire Department	$	127,800.00		
Animal Control	$	3,950.00		
West Nile Control	$	41,050.00		
Total Public Safety			**$**	**662,600.00**
Public Works				
Highways and Streets	$	943,050.00		
Street Lights & Traffic Signals	$	94,200.00		
Snow Removal	$	109,700.00		
Street Cleaning	$	40,250.00		
Solid Waste/Rubble Site	$	62,500.00		
Total Public Works			**$**	**1,249,700.00**

2015 Budget Ordinance
P. 1 of 3

KB source Kul. e 11-5-14 email

ORDINANCE NO. 1026
2015 APPROPRIATIONS
An ordinance Appropriating Funds for FY 2015
City of Canton, SD

Culture & Recreation				
Recreation	$ 36,050.00			
Swimming Pool	$ 123,450.00			
Parks	$ 157,750.00			
Library	$ 205,695.00			
Economic Development & Assistance	$ 17,650.00			
Total Culture & Recreation		$ 540,595.00		
TOTAL GENERAL FUND EXPENDITURES:			$	3,077,445.00
Expenses Over (Under) Revenue			$	343,113.00
Transfer to the Airport Fund			$	26,000.00
Appropriated from CIP reserve			$	428,500.00
Appropriated from Reserves/Surplus			$	(59,387.00)
General Fund Balance				0.00

Other Tax Supported Funds	**BBB Tax Fund**	**Library Fines Fund**	**Airport Operation**
Capital Projects			
Debt Reduction			
Operating Expenses	$ 40,000.00	$ 16,000.00	$ 409,700.00
Economic Development			
Total Appropriation:	**$ 40,000.00**	**$ 16,000.00**	**$ 409,700.00**
General Property Taxes:			
Sales Taxes:	$ 40,000.00		
Estimated Revenue:		$ 16,000.00	$ 383,700.00
Other Financing Sources:			$ 26,000.00
Total Revenue Sources	**$ 40,000.00**	**$ 16,000.00**	**$ 409,700.00**
Balance To (From) Reserves:	$ -	$ -	$ -

The Finance Officer is directed to certify the following tax levies to the Lincoln County Auditor.

For General Fund Purposes: ***$1,214,732.00***

Charles Smith, Mayor

Attest: _____
Kyle Cwach, Finance Officer

First Reading: August 18, 2014
Second Reading: October 20, 2014
Published: October 30, 2014
Adopted: November 20, 2014
Effective: January 1, 2015

2015 Budget Ordinance
P. 2 of 3

ORDINANCE NO. 1026
2015 APPROPRIATIONS
An ordinance Appropriating Funds for FY 2015
City of Canton, SD

Addenda

The following Enterprise Operations are not subject to appropriations and are included for information only.

Enterprise Operations:	Liquor Fund:	Water Fund:	Sewer Fund:
Revenue:			
Operating Revenues:	$ 844,850.00	$ 703,400.00	$ 815,500.00
Video Lottery Income			
Other Store Markups:	$ 35,500.00		
Other Income:	$ -	$ -	$ -
Revenue Totals:	**$ 880,350.00**	**$ 703,400.00**	**$ 815,500.00**
Operating Expense:	$ 787,500.00	$ 1,159,450.00	$ 1,126,350.00
Transfer	$ 150,000.00		
Debt Service Expense	$ -	$ 36,000.00	$ 151,000.00
Expense Totals:	**$ 937,500.00**	**$ 1,195,450.00**	**$ 1,277,350.00**
Balance To (From) Reserves:	$ (57,150.00)	$ (492,050.00)	$ (461,850.00)

2015 Budget Ordinance
P. 3 of 3

OBJ	OBJ Descr	2012 Amt	2013 Amt	2014 YTD Amt	2014 Budget	2015 Budget
FUND 602 Water Fund						
DEPT 4332 Water Billing Expense						
OBJ Alt Code 410 - Personnel Svcs						
411000	Salaries & Wages	$0.00	$2,082.26	$2,542.40	$0.00	$0.00
412000	Social Security	$0.00	$0.00	$0.00	$0.00	$0.00
413000	Retirement	$0.00	$0.00	$0.00	$0.00	$0.00
414000	Workmens Compensa	$0.00	$0.00	$0.00	$0.00	$0.00
415000	Group Insurance	$0.00	$0.00	$0.00	$0.00	$0.00
416000	Unemployment	$0.00	$0.00	$0.00	$0.00	$0.00
OBJ Alt Code 410 - Pers		$0.00	$2,082.26	$2,542.40	$0.00	$0.00
OBJ Alt Code 420- Other Current Expense						
421000	Insurance	$4,155.50	$0.00	$4,282.14	$300.00	$4,000.00
422000	Professional Services	$386.12	$439.41	$471.61	$1,500.00	$1,500.00
422100	Administration Fee	$33,000.00	$35,000.00	$0.00	$39,000.00	$45,000.00
423000	Publishing	$0.00	$0.00	$0.00	$100.00	$100.00
OBJ Alt Code 420- Other		$37,541.62	$35,439.41	$4,753.75	$40,900.00	$50,600.00
OBJ Alt Code 425 - Repairs & Maintenance						
425000	Repairs & Maintenanc	$99.89	$390.00	$0.00	$1,000.00	$1,000.00
OBJ Alt Code 425 - Repa		$99.89	$390.00	$0.00	$1,000.00	$1,000.00
OBJ Alt Code 426 - Supplies & Materials						
426100	Supplies & Materials	$813.32	$1,274.68	$2,170.07	$3,500.00	$3,500.00
426130	Office Supplies	$42.50	$0.00	$0.00	$100.00	$100.00
426170	Postage	$4,477.50	$3,921.75	$3,967.10	$5,000.00	$5,000.00
OBJ Alt Code 426 - Supp		$5,333.32	$5,196.43	$6,137.17	$8,600.00	$8,600.00
OBJ Alt Code 427 - Travel & Training						
427000	Travel & Training	$0.00	$10.00	$0.00	$200.00	$200.00
427100	Mileage	$0.00	$0.00	$0.00	$150.00	$150.00
427300	Registration Fees	$0.00	$0.00	$0.00	$100.00	$100.00
OBJ Alt Code 427 - Trav		$0.00	$10.00	$0.00	$450.00	$450.00
OBJ Alt Code 429 - Other Expense						
429100	Other Expense	$668.26	$23.19	$15.35	$600.00	$600.00
429120	RSVP Donation	$1,250.00	$1,250.00	$1,250.00	$1,250.00	$0.00
OBJ Alt Code 429 - Othe		$1,918.26	$1,273.19	$1,265.35	$1,850.00	$600.00
OBJ Alt Code 430 - Capital Expense						
434100	Computers & Softwar	$0.00	$0.00	$9,584.15	$16,000.00	$2,500.00
OBJ Alt Code 430 - Capit		$0.00	$0.00	$9,584.15	$16,000.00	$2,500.00
DEPT 4332 Water Billing Ex		$44,893.09	$44,391.29	$24,282.82	$68,800.00	$63,750.00

Water Expenses
Excerpt from 2015 Expense Budget

OBJ	OBJ Descr	2012 Amt	2013 Amt	2014 YTD Amt	2014 Budget	2015 Budget
DEPT 4335 Water Administration						
OBJ Alt Code 410 - Personnel Svcs						
411000	Salaries & Wages	$89,042.78	$77,941.02	$90,200.97	$90,000.00	$96,000.00
412000	Social Security	$6,633.13	$5,878.43	$6,831.15	$7,000.00	$7,500.00
413000	Retirement	$4,883.41	$4,443.18	$5,134.62	$5,500.00	$5,500.00
414000	Workmens Compensa	$2,294.10	$90.14	$2,645.81	$3,000.00	$3,000.00
415000	Group Insurance	$13,075.21	$18,145.38	$27,769.54	$17,500.00	$18,500.00
416000	Unemployment	$650.25	$324.76	$270.88	$500.00	$500.00
417000	Leave Payable Expen	$605.28	-$430.31	$0.00	$0.00	$0.00
OBJ Alt Code 410 - Pers		$117,184.16	$106,392.60	$132,852.97	$123,500.00	$131,000.00
OBJ Alt Code 420- Other Current Expense						
421000	Insurance	$4,360.50	$11,465.08	$4,282.14	$10,500.00	$12,000.00
422000	Professional Services	$40,151.27	$35,300.94	$12,969.50	$28,000.00	$28,000.00
422100	Administration Fee	$33,000.00	$30,000.00	$0.00	$34,000.00	$37,000.00
423000	Publishing	$291.67	$404.26	$341.89	$800.00	$800.00
424000	Rentals	$0.00	$0.00	$0.00	$200.00	$200.00
OBJ Alt Code 420- Other		$77,803.44	$77,170.28	$17,593.53	$73,500.00	$78,000.00
OBJ Alt Code 425 - Repairs & Maintenance						
425000	Repairs & Maintenanc	$60,257.75	$31,424.72	$34,564.18	$11,000.00	$11,000.00
425100	Motor Vehicle Repair	$0.00	$0.00	$80.50	$3,000.00	$3,000.00
425200	Equipment Repair &	$0.00	$0.00	$0.00	$7,000.00	$7,000.00
425210	Well Repair & Maint	$0.00	$0.00	$5,603.52	$30,000.00	$30,000.00
OBJ Alt Code 425 - Repa		$60,257.75	$31,424.72	$40,248.20	$51,000.00	$51,000.00
OBJ Alt Code 426 - Supplies & Materials						
426100	Supplies & Materials	$23,100.64	$9,393.39	$43,153.91	$50,000.00	$50,000.00
426110	Motor Vehicle Fuels	$4,807.37	$4,773.10	$5,460.42	$4,000.00	$4,000.00
426111	Motor Vehicle Oil	$0.00	$532.01	$55.04	$1,000.00	$1,000.00
426112	Tires	$2,390.91	$2,767.97	$685.70	$3,000.00	$3,000.00
426150	Chemicals	$17,469.55	$17,897.81	$23,244.55	$25,000.00	$25,000.00
426160	Uniforms	$1,377.07	$1,534.38	$1,465.99	$2,500.00	$2,500.00
426170	Postage	$319.28	$958.93	$370.75	$1,100.00	$1,100.00
OBJ Alt Code 426 - Supp		$49,464.82	$37,857.59	$74,436.36	$86,600.00	$86,600.00
OBJ Alt Code 427 - Travel & Training						
427000	Travel & Training	$2,164.26	$847.41	$174.10	$5,000.00	$5,000.00
427100	Mileage	$0.00	$0.00	$165.13	$500.00	$500.00
427300	Registration Fees	$1,346.50	$1,135.00	$1,782.00	$1,500.00	$1,500.00
OBJ Alt Code 427 - Trav		$3,510.76	$1,982.41	$2,121.23	$7,000.00	$7,000.00
OBJ Alt Code 428 - Utility Expense						
428100	Electricity	$50,383.87	$60,417.04	$48,099.16	$55,000.00	$55,000.00
428200	Heating	$1,396.06	$2,247.18	$2,239.32	$6,000.00	$6,000.00
428300	Telephone	$795.57	$772.85	$898.60	$2,500.00	$2,500.00
428320	Cellular Phone Servic	$768.42	$805.44	$686.70	$1,500.00	$1,500.00
428500	Garbage Fees	$225.00	$268.75	$268.75	$1,000.00	$1,000.00
OBJ Alt Code 428 - Utilit		$53,568.92	$64,511.26	$52,192.53	$66,000.00	$66,000.00
OBJ Alt Code 429 - Other Expense						
429100	Other Expense	$1,005.32	$3,235.60	$128.25	$6,600.00	$6,600.00
429420	Contingency Fund	$0.00	$0.00	$0.00	$1,500.00	$1,500.00
429999	Water Deposit Refund	$0.00	$0.00	$0.00	$0.00	$0.00
456000	Loss on Disposition of	$1,906.62	$0.00	$0.00	$0.00	$0.00
457000	Depreciation Expense	$85,030.38	$91,513.96	$0.00	$30,000.00	$30,000.00

Excerpt from 2015 Expense Budget

OBJ	OBJ Descr	2012 Amt	2013 Amt	2014 YTD Amt	2014 Budget	2015 Budget
OBJ Alt Code 429 - Othe		$87,942.32	$94,749.56	$128.25	$38,100.00	$38,100.00
OBJ Alt Code 430 - Capital Expense						
431000	Land	$0.00	$0.00	$0.00	$10,000.00	$10,000.00
432000	Buildings	$0.00	$0.00	$0.00	$6,000.00	$6,000.00
433112	Water Improvements	$0.00	$0.00	$0.00	$420,000.00	$420,000.00
433114	Equipment Reserve	$0.00	$0.00	$0.00	$15,000.00	$30,000.00
434000	Machinery & Equipme	$2,538.44	$15,390.72	$49,989.87	$12,500.00	$12,500.00
434100	Computers & Softwar	$3,998.69	$1,098.12	$10,399.63	$22,500.00	$2,500.00
434300	Water Meters	$5,065.12	$117.59	$7,155.57	$200.00	$2,000.00
434310	Fire Hydranta	$0.00	$0.00	$0.00	$10,000.00	$10,000.00
435000	Furniture, etc.	$0.00	$0.00	$0.00	$15,000.00	$15,000.00
436300	Curb & Gutter Repair	$155.00	$0.00	$0.00	$2,000.00	$2,000.00
436400	Street Resurfacing	$854.00	$0.00	$0.00	$2,000.00	$2,000.00
436914	GSR Improvement Pr	$0.00	$0.00	$6,010.64	$10,000.00	$10,000.00
439000	Capital Improvements	$0.00	$0.00	$0.00	$0.00	$80,000.00
OBJ Alt Code 430 - Capit		$12,611.25	$16,606.43	$73,555.71	$525,200.00	$602,000.00
OBJ Alt Code 440 - Debt Service						
444100	SRF Loan - Principal P	$0.00	$1,147.51	$17,991.17	$24,000.00	$24,000.00
444110	SRF Loan - Interest P	$12,416.83	$12,215.71	$8,175.04	$12,000.00	$12,000.00
445100	Debt Leasing - Princip	$0.00	$0.00	$0.00	$0.00	$0.00
445110	Debt Leasing - Intere	$1,864.25	$1,190.01	$0.00	$0.00	$0.00
445120	Debt Leasing - Trust	$500.00	$833.33	$0.00	$0.00	$0.00
OBJ Alt Code 440 - Debt		$14,781.08	$15,386.56	$26,166.21	$36,000.00	$36,000.00
DEPT 4335 Water Administr		$477,124.50	$446,081.41	$419,294.99	$1,006,900.00	$1,095,700.00

Water Expenses

Excerpt from 2015 Expense Budget

P. 3 of 3

SRC	SRC Descr	2012 Amt	2013 Amt	2014 YTD Amt	2014 Budget	2015 Budget
80937	Lucky s-5% markup	$0.00	$0.00	$0.00	$0.00	$0.00
80938	Chebs Beer 5%	$3,506.59	$3,797.53	$2,451.73	$3,000.00	$3,000.00
80939	5% Railhaus Beer Markup	$0.00	$0.00	$0.00	$0.00	$0.00
DEPT 3805 Other Liquor Stores		$789,589.48	$736,664.12	$641,325.40	$832,850.00	$832,850.00
DEPT 3810 Water Revenues						
80150	Powerhouse Lease	$8,000.00	$11,125.00	$6,000.00	$12,000.00	$12,000.00
DEPT 3810 Water Revenues		$8,000.00	$11,125.00	$6,000.00	$12,000.00	$12,000.00
DEPT 4992 Other Liquor Stores						
80216	Dollar General-Liquor Invoic	$0.00	$12,188.61	$8,743.46	$4,500.00	$4,500.00
80217	Wheel-Liquor Invoices	$10,119.30	$21,538.10	$14,135.36	$6,000.00	$6,000.00
80337	Dollar General-Beer Invoices	$3,678.16	$16,430.89	$16,385.07	$4,500.00	$4,500.00
80338	Wheel-Beer Invoicer	$0.00	$39,826.14	$44,273.32	$18,000.00	$18,000.00
80916	Dollar General 10%	$0.00	$1,039.19	$874.34	$500.00	$500.00
80917	Wheel 10%	$0.00	$1,273.25	$1,413.53	$500.00	$500.00
80940	Dollar General 5%	$0.00	$799.09	$819.23	$500.00	$500.00
80941	Wheel 5%	$0.00	$1,991.30	$2,213.67	$1,000.00	$1,000.00
DEPT 4992 Other Liquor Stores		$13,797.46	$95,086.57	$88,857.98	$35,500.00	$35,500.00
FUND 601 Liquor Fund		$824,409.01	$855,658.84	$740,998.36	$890,350.00	$880,350.00

SRC	SRC Descr	2012 Amt	2013 Amt	2014 YTD Amt	2014 Budget	2015 Budget
FUND 602 Water Fund						
DEPT 3810 Water Revenues						
60100	Interest Revenue	$2,907.05	$3,296.40	$3,213.87	$3,000.00	$3,000.00
70100	Customer Deposits - Water	$0.00	$0.00	$0.00	$0.00	$0.00
81100	Metered & Flat Rate Wat Sal	$595,652.80	$567,809.98	$537,196.09	$675,000.00	$675,000.00
81110	Unallocated Water Receipts	-$27.66	-$377.16	$5,246.06	$0.00	$0.00
81200	Bulk Water Sales	$611.25	$348.25	$287.55	$400.00	$400.00
81300	Sale of Services and Supplie	$34.31	$162.04	$0.00	$1,000.00	$1,000.00
81400	Service Charges - Water	-$10.00	$0.00	$0.00	$500.00	$500.00
81910	Water Hook-Up Fees	$1,505.60	$1,729.46	$1,571.94	$1,000.00	$1,000.00
81915	Water Meter Sales	$1,209.49	$196.23	$1,912.60	$0.00	$0.00
81920	Late Fees - Water	$6,910.38	$6,830.00	$7,545.00	$7,000.00	$7,000.00
81930	Interest Revenue	$0.00	$0.00	$0.00	$0.00	$0.00
81940	State Water Fees Collected	$0.00	$0.00	-$13.37	$0.00	$0.00
81960	Rental of Water Tower Spac	$14,472.12	$3,689.67	$0.00	$14,500.00	$14,500.00
81990	Other Water Revenues	$50.00	$52,197.51	$270.08	$1,000.00	$1,000.00
91300	Sale of General Fixed Assets	$0.00	$0.00	$0.00	$0.00	$0.00
DEPT 3810 Water Revenues		$623,315.34	$635,882.38	$557,229.82	$703,400.00	$703,400.00
FUND 602 Water Fund		$623,315.34	$635,882.38	$557,229.82	$703,400.00	$703,400.00

Water Revenues
Excerpt from 2015 Revenue Budget
P. 1 of 1

City of Canton Water Source Improvement Project

Appendix J

– Public Hearing Information

-Notice and Affidavit of Publication

-Public Hearing Signup sheets: 12-15-2014

-City Council Minutes from 12-15-2014 (un-approved).

Affidavit of Publication

STATE OF SOUTH DAKOTA
COUNTY OF LINCOLN

ANDY WILCOX

being first duly sworn on his oath says; that the Sioux Valley News is a legal weekly newspaper of general circulation as required by South Dakota Code of Nineteen Hundred Thirty-Nine, and any acts amendatory thereto, printed and published by the Sioux Valley News, Inc., in Canton, in said county and State, and has been such legal newspaper during the time hereinafter mentioned; that he is and during all of said time was publisher of said newspaper and has personal knowledge of the facts stated *in this affidavit; that the advertisement headed:*

City of Canton
Notice of Public Hearing

a printed copy of which is hereto attached, was printed and published in said newspaper for **ONE** successive week(s) upon the following dates, to-wit:

December 4, 2014

that the full amount of the fees charged for publishing the same to-wit: the sum of **$14.80** inures solely to the benefit of the publishers of said newspaper; that no agreement or understanding for any division of this sum has been made with any other person; and that no part of said sum has been agreed to be paid to any person whomsoever.

Andy Wilcox

Ascribed and sworn to before me this **4th** day of **December, 2014.**

Teresa J. Wilcox

Notary Public, South Dakota

(Seal) TERESA J. WILCOX NOTARY Seal PUBLIC STATE OF SOUTH DAKOTA

My Commission Expires
December 9, 2020

CITY OF CANTON
Notice of Public Hearing for the Canton Well Replacement Project
12/15/2014 @ 7:00 PM

The City of Canton is seeking $1,970,500 of funding from the Board of Water and Natural Resources for improvements to its Water Source and Water Distribution System, including but not limited to the Water Well Replacement Project. The funds could be either a grant from the state Consolidated Water Facilities Construction Program or a loan from the Drinking Water State Revolving Fund (SRF) Program. The Drinking Water SRF loan terms are 3% for 20 years, and the Board of Water and Natural Resources may forgive all or a portion of loan principal. The amount, source of funds, and terms will be determined by the Board of Water and Natural Resources when the application is presented at a scheduled board meeting.

The purpose of the public hearing is to discuss the proposed project, the proposed financing, and the source of repayment for the loan. The public is invited to attend and comment on the project.

The public hearing will be held as a part of the regularly scheduled Canton City Commission meeting which is held at the Canton Depot, 600 West Fifth, Canton, SD on Monday, December 15, 2014 at 7:00 PM.

Published in the Sioux Valley News on December 4, 2014 at the total approximate cost of $14.80.

City of Canton

Public Hearing For Public Facilities Plan - Drinking Water
& Drinking Water State Revolving Loan Fund "Funding Application"
Water Source Improvement Project (2 new wells & replace existing high service pumps.)

7:00 PM, Monday, December 15, 2014
at the Depot Viking Room,

Please sign in:

NAME	ADDRESS / REPRESENTING
Bill Thorson	503 N Lincoln Canton
Karen Leffler	1104 E Eldred Canton
PAUL GARBERS	1016 ANGEL LANE
Ryan Vandemore	39 Park lane Canton
Mark Swier	714 E Eldur
Theo Dykstra Jr	32 Park Lane Canton

Sign In Sheet
P. 1 of 3

City of Canton

Public Hearing For Public Facilities Plan - Drinking Water
& Drinking Water State Revolving Loan Fund "Funding Application"
Water Source Improvement Project (2 new wells & replace existing high service pumps.)
As part of regular City Council meeting - 7:00 PM, Monday, December 15, 2014
at the Depot Viking Room,

Please sign in:

NAME	ADDRESS / REPRESENTING
Andy Wilcox	Sioux Valley News
Lucy Wilcox	412 W 5th St
Paul Konietzko	509 E 1st Canton SD
Kyle Ventsch	HDR Engineering
Justin Blade	

Filename CantonWellsSRFAuthRes&PubHrgNoticeNov72014.docx Filelocation P111/ProjAdmin/Lin/Canton/DWSRFWells2013

Sign In Sheet
P. 2 of 3

City of Canton

Public Hearing For Public Facilities Plan - Drinking Water
& Drinking Water State Revolving Loan Fund "Funding Application"
Water Source Improvement Project (2 new wells & replace existing high service pumps.)
As part of regular City Council meeting - 7:00 PM, Monday, December 15, 2014
at the Depot Viking Room,

Please sign in:

NAME	ADDRESS / REPRESENTING
Myron Adam	SFSD JJA ENGINEERS
Kevin Baymiz	SECOG
Gary Chan	Airport Board
Jeff Fosse	814 E 5 Canton
David N Miller	400 N WEST ST CANTON

Filename CantonWellsSRFAuthRes&PubHrgNoticeNov72014.docx Filelocation P111/ProjAdmin/Lin/Canton/DWSRFWells2013

Sign In Sheet
P. 3 of 3

MINUTES OF CANTON CITY COMMISSION MEETING
DECEMBER 15, 2014

The Canton City Commission met at the Depot Viking Room, on Monday, December 15th, 2014 at 7:00 p.m. with the following members present: Commissioners Bogue, Den Hartog, Devick, Ekle, Elrod, Frick, Toso, Ziebarth and Mayor Smith.

Also present were City Manager Pederson and Finance Officer Cwach

Guests who signed in are as follows: Andy Wilcox, Lucy Wilcox, Paul Konietzko, Kyle Ventsch, Justin Blade, Bill Thorson, Karen Leffler, Paul Garbers, Ryan Vandemore, Mark Swier, Theo Dykstra Jr. Myron Adam, Kevin Burnison, Jerry Chaon, Jeff Fossum and David Miller.

The Pledge of Allegiance was recited.

CONSENT CALENDAR
Commissioner Bogue moved and Commissioner Frick seconded to approve the consent calendar consisting of the following: 1) to approve the minutes from the December 1st, 2014 Commission Meeting and that they are signed and published; 2) to approve the warrants to be listed at the end of the minutes; 3) to approve the month end reports for November; 4) to approve the agenda. Unanimous approval.

VISITOR DIALOGUE: Paul Garbers spoke on the addressing and mailbox issues he is having. Paul Konietzko spoke on his potential moving of his business into the down town area and wondered about support and an Ordinance change to allow full service restaurant liquor license.

WELL IMPROVEMENT-PUBLIC HEARING
This being the time and place for a public hearing on a proposed well and water system improvement. Mayor Smith opened the hearing.
Myron Adam, City Engineer, and DelRon Peters, Consulting Engineer with HDR, presented a presentation and talked about the need for the project, the alternatives considered, description of the proposed project, proposed financing for the project, an amount of SRF loan to be borrowed, revenue pledged for repayment, interest rate and term of the loan, and the effect of the financing on user rates. Mayor Smith closed the hearing.
Commissioner Ziebarth moved and Commissioner Elrod seconded to approve the following Resolution and that it be given a number, signed and published. Unanimous approval.

RESOLUTION NO. 1223

RESOLUTION AUTHORIZING AN APPLICATION FOR FINANCIAL ASSISTANCE, AUTHORIZING THE EXECUTION AND SUBMITTAL OF THE APPLICATION, AND DESIGNATING AN AUTHORIZED REPRESENTATIVE TO CERTIFY AND SIGN PAYMENT REQUESTS.

WHEREAS, the City of Canton (the "City") has determined it is necessary to proceed with improvements to its Water Source and Water Distribution System, including but not limited to the Water Well Replacement Project (the "Project");

WHEREAS, the City has determined that financial assistance will be necessary to undertake the Project and an application for financial assistance to the South Dakota Board of Water and Natural Resources (the "Board") will be prepared; and

WHEREAS, it is necessary to designate an authorized representative to execute and submit the Application on behalf of the City and to certify and sign payment requests in the event financial assistance is awarded for the Project.

NOW THEREFORE BE IT RESOLVED by the City as follows:

1. The City hereby approves the submission of an Application for financial assistance in an amount not to exceed $1,970,500 to the South Dakota Board of Water and Natural Resources for the Project.

2. The Mayor is hereby authorized to execute the Application and submit it to the South Dakota Board of Water and Natural Resources, and to execute and deliver such other documents and perform all acts necessary to effectuate the Application for financial assistance.

3. The Mayor is hereby designated as the authorized representative of the City to do all things on its behalf to certify and sign payment requests in the event financial assistance is awarded for the Project.

Adopted at the City of Canton, South Dakota, this 15th day of December, 2014.

APPROVED:

_____

Chuck Smith, Mayor, City of Canton

(Seal)

Attest: _____

Kyle Cwach, City Finance Officer

AIRPORT WILDLIFE FENCE-GRANT APPLICATION

Commissioner Bogue moved and Commissioner Ekle seconded to approve a grant application for a wildlife fence around the Airport, as presented and on file and authorize the Mayor to sign. Unanimous approval.

2015 SALARY RESOLUTION

Commissioner Devick moved and Commissioner Toso seconded to not pass the 2015 Salary Resolution, as presented. Commissioners DenHartog, Devick, Ekle, Elrod, Frick, Toso, and Mayor Smith voted aye. Commissioners Bogue and Ziebarth voted nay. Motion carries.

Commissioner Toso moved and Commissioner Frick seconded to have the 2014 Step and Grade adjusted by a 2.5% COLA and brought forward for the 2015 Step and Grade for a new Salary Resolution. Unanimous approval.

LIBRARY BOARD APPOINTMENT
Commissioner Frick moved and Commissioner Toso seconded to appoint Wheeler Gill to the Library Board. Unanimous approval.

CHAMBER AND CEDC BEAUTIFICATION EFFORTS
Commissioner Toso moved and Commissioner Elrod seconded to concur with the use of money from the sale of a building to be used towards Beautification and Marketing Efforts and to have the proposal brought before the Commission for approval. Unanimous approval.

CONNECTING KIDS CONTRACT
Commissioner Frick moved and Commissioner DenHartog seconded to approve a contract with Connecting Kids for the Recreation and Pool programs, as presented and on file, and authorize the Mayor to sign. Unanimous approval.

2015 LIQUOR OPERATING AGREEMENTS
Commissioner Devick moved and Commissioner Ekle seconded to approve the 2015 operating agreements, as presented and on file, and authorize the Mayor to sign. Unanimous approval.

2015 LIQUOR LICENSE RENEWALS
Commissioner Bogue moved and Commissioner Ziebarth seconded to approve the 2015 liquor license renewals, as presented and on file, and authorize the Mayor to sign. Unanimous approval.

FEE ADJUSTMENT-NSF
Commissioner Toso moved and Commissioner Elrod seconded to set the NSF fee at $30.00. Unanimous approval.

BEAVER CREEK LIFT STATION PROJECT-PAY REQUEST
Commissioner Ziebarth moved and Commissioner Devick seconded to approve a pay application in the amount of $132,937.11 for the Beaver Creek Lift Station Project, as presented and on file and authorize the Mayor to sign. Unanimous approval.

DIALOGUE:
City Manager Pederson commented:

The new pictures that the Depot Foundation hung in the Viking room, and thanked them for all their work.

Thanked the organizations for the open houses they have had and for the upcoming ones.

Commissioner Bogue commented on a letter of support for the Depot projects.

Commissioner DenHartog commented on the new bridge.

Commissioner Toso asked about the use of the new chemical on the streets.

Mayor Smith wished everyone a Merry Christmas and a Happy New Year.

Commissioner Toso moved and Commissioner Frick seconded to adjourn into executive session for a personnel issue pursuant to SDCL 1-25-2.

Commissioner Toso moved and Commissioner Elrod seconded to reconvene into regular session.

Commissioner Frick moved and Commissioner Elrod seconded to adjourn.

_____

Kyle Cwach
Finance Officer

WARRANTS:

12-5-14: All Phase Electric, Inc, 16,238.80, Services; Allied Oil & Tire Co,Inc, 730.50, Drum return; A-OK Sanitary Service, 560.00, Services; Aramark Uniform Services, 157.85, Supplies; Billion Auto, 344.77, Equipment; Bubba's Quality Auto Parts, 2007.10, Parts & Supplies; C & R Supply Inc, 11.40, Supplies; Canton Home & Farm Supply, 276.02, Supplies; City of Canton, 8.14, Collected Accounts; City of Sioux Falls, 1526.00, Services; Coulander Manure Handling, 3972.00, Services; Dakota Supply Group, 1440.90, Supplies; Display Sales, 188.10, Supplies; DNE Trucking, 500.00, Services; Fastenal Company, 581.76, Supplies; First Bank & Trust-CC, 2367.25, Travel & Postage; Frantzen Reporting, 40.80, Transcript Fee; G&K Services Inc, 139.26, Uniforms; Grainger, 175.73, Supplies; Hydraulic World, Inc, 151.76, Supplies; Matheson Tri-Gas Inc, 61.50, Gas; Mid-American Research Chemical, 3164.26, Chemicals; Neves Uniforms & Equipment, 158.97, Uniforms; Blue Tarp Financial, 449.98, Tools; Novak Sanitary Service, 5141.11, Services; Petty Cash Account, 9.90, Reimbursement; Pfeifer Implement Co, Inc, 279.28, Supplies; Pheasantland Industries, 660.56, Supplies; Plunketts Pest Control, 120.82, Services; Pro Flooring, 55.00, Services; Raymons Lawn Service, 50.00, Services; RDO Trust #80-5800, 948.10, Repairs; Rural Route 1 Services, 80.75, Mats; SDML Work Comp Fund, 30,104.00, Workers comp; Sioux Valley News, 557.32, Publishing; Sturdevant's Auto Parts, 1682.05, Supplies; Sunset Aviation, 2570.00, Fee & Rent; Sure Test, 266.83, Testing; Tri-State Aerial, LTD, 631.47, Spraying; Vander Haag's Inc, 12,775.00, 1998 International Truck; VIEVU, 193.00, Repairs; WOW Business, 700.86, Phone; Xcel Energy, 5622.16, Electricity.

12-5-14: Farmers State Bank, 27,028.21, Payroll; First Bank & Trust, 5626.12, Social Security; First Bank & Trust, 3851.02, Federal Withholdings; Home Federal Savings Bank, 1517.56, HSA Payments; Kansas Pymtcenter, 93.69, Employee Deductions; Office of Child Support, 92.31, Employee Deductions; SDRS Supplemental, 232.50, SDRS 457.

12-12-14: American Engineering Testing, 2081.00, Testing; Butler Cat Inc, 533.98, Crank Seal; C & R Supply Inc, 94.31, Supplies; Canton Sunshine Foods, 52.32, Supplies; CenturyLink, 253.76, Circuit; Empire Business Systems, 265.00, W2s; Fastenal Company, 24.47, Supplies; Frantzen Reporting, 75.80, Reporting; Frislie Construction, 4016.25, Services; G&K Services Inc, 139.26, Uniforms; Grainger, 117.87, Supplies; JSA Consulting Engineers, 39,633.50, Fees-Beaver Creek ; Justice Fire & Safety, LLC, 732.50, Maintenance; Lincoln County Highway Dept, 442.09, Spraying; Lite Electric, 509.83, Services; Midwest Alarm Co., Inc, 420.00, Services; RDO Trust #80-5800, 127.19, Supplies; Sanford Occupational Medicine, 83.25, Testing; SD DENR, 84.00, Training; SD One Calls, 66.42, Locates; Serendipity, 42.40, Arrangement; Sioux Falls Networks, 80.00, Services; Southeastern Electric Coop, 76.00, Electricity; Splash & Dash Car Wash, 42.00,

Car Washes; Vacuum Center, 12.50, Bags; Vander Haag's Inc, 146.49, Supplies; Verizon Wireless, 507.74, Phones; Xcel Energy, 7636.85, Electricity.

12-12-14: Beal Distributing Inc, 26,745.71, Purchases; City of Canton, 3.79, Water/Sewer; Dakota Beverage, 15,386.71, Purchases; Johnson Bros. Famous Brands, 6367.38, Purchases; Republic National Distributing, 5363.32, Purchases; SD State Treasurer, 161.30, Sales Taxes.

December
~~January~~ 15, 2014
City of Canton Minutes Excerpt

WELL IMPROVEMENT-PUBLIC HEARING
This being the time and place for a public hearing on a proposed well and water system improvement.
Mayor Smith opened the hearing.
Myron Adam, City Engineer, and DelRon Peters, Consulting Engineer with HDR, presented a presentation and talked about the need for the project, the alternatives considered, description of the proposed project, proposed financing for the project, an amount of SRF loan to be borrowed, revenue pledged for repayment, interest rate and term of the loan, and the effect of the financing on user rates.
Mayor Smith closed the hearing.
Commissioner Ziebarth moved and Commissioner Elrod seconded to approve the following Resolution and that it be given a number, signed and published. Unanimous approval.

RESOLUTION NO. 1223

RESOLUTION AUTHORIZING AN APPLICATION FOR FINANCIAL ASSISTANCE, AUTHORIZING THE EXECUTION AND SUBMITTAL OF THE APPLICATION, AND DESIGNATING AN AUTHORIZED REPRESENTATIVE TO CERTIFY AND SIGN PAYMENT REQUESTS.

WHEREAS, the City of Canton (the "City") has determined it is necessary to proceed with improvements to its Water Source and Water Distribution System, including but not limited to the Water Well Replacement Project (the "Project");

WHEREAS, the City has determined that financial assistance will be necessary to undertake the Project and an application for financial assistance to the South Dakota Board of Water and Natural Resources (the "Board") will be prepared; and

WHEREAS, it is necessary to designate an authorized representative to execute and submit the Application on behalf of the City and to certify and sign payment requests in the event financial assistance is awarded for the Project.

NOW THEREFORE BE IT RESOLVED by the City as follows:

1. The City hereby approves the submission of an Application for financial assistance in an amount not to exceed $1,970,500 to the South Dakota Board of Water and Natural Resources for the Project.

2. The Mayor is hereby authorized to execute the Application and submit it to the South Dakota Board of Water and Natural Resources, and to execute and deliver such other documents and perform all acts necessary to effectuate the Application for financial assistance.

3. The Mayor is hereby designated as the authorized representative of the City to do all things on its behalf to certify and sign payment requests in the event financial assistance is awarded for the Project.

Adopted at the City of Canton, South Dakota, this 15th day of December, 2014.

APPROVED:

_____

Chuck Smith, Mayor, City of Canton

(Seal)

Attest: _____

Kyle Cwach, City Finance Officer

City of Canton Water Source Improvement Project

Appendix K

– Facility Plan (JSA & HRD – Dated August, 2013)

w/ Environmental Review Record Agency Responses
& Cultural Resources Effects Assessment Summary.

See
City Hall
or JSA Engineering
or KBernison

Secog
Also has this on a CD.

City of Canton Water Source Improvement Project

Appendix K

– Facility Plan (JSA & HRD – Dated August, 2013)

w/ Environmental Review Record Agency Responses
& Cultural Resources Effects Assessment Summary.

City of Canton
Water Supply Facilities
Facility Plan

Prepared for
City of Canton
Canton, South Dakota

Prepared by
JSA Engineers/Land Surveyors & HDR Engineering, Inc.

JSA ENGINEERS AND LAND SURVEYORS
Land Development · Municipal · Streets · Water · Sewer · GPS · Construction Staking

HDR

August 2013

REGISTERED PROFESSIONAL ENGINEER
Derek W. Peters
SOUTH DAKOTA
11-9-14

Memo

Date: Tuesday, November 11, 2014

Project: *City of Canton Water Supply Facilities – Facility Plan*

To: Type recipient(s) here

From: DelRon Peters, PE
Project Manager
HDR Engineering, Inc.

Subject: Revised Conceptual Cost Estimate for City of Canton Facility Plan

Dear XXX,

A facility plan was previously submitted for the city of Canton, SD that analyzed the existing and future water demands for the city and provided alternatives for a supplemental source of water. The recommended alternative –*Two additional Dakota Aquifer wells: One in Chautauqua Park and one to replace Wells #7 and #11* would include the drilling, construction, and development of two new wells within the Dakota aquifer.

The facility plan had the estimated project costs divided into three phases:

Phase 1 – Additional Dakota Aquifer Well to replace Wells #7 and #11 - $550,000

Phase 2 – Existing High Service Pumps Upgrade - $446,000

Phase 3 – Additional Dakota Aquifer Well Outside Floodplain - $795,000

Therefore, the estimated total conceptual project cost for the entire project was $1,791,000. Initially, this project was scheduled to be constructed in 2014; however, the schedule has since been revised and constitutes the need for an updated conceptual cost estimate. The updated costs are shown below in the table.

Description:	Cost:
Phase 1 – Additional Well	**$605,000**
Phase 2 – High Service Pumps Upgrade	**$491,000**
Phase 3 – Additional Well Outside Floodplain	**$874,500**

The revised total estimated project cost for the city of Canton if the improvements are performed in phases is **$1,970,500.**

If you have any further questions, or need additional information, please contact me at 605-977-7740 or DelRon.Peters@hdrinc.com.

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I. Project Executive Summary

A. Project Description

The city of Canton, South Dakota (SD) is located 20 minutes south and east of Sioux Falls, SD, on highway 18, bordered by the Big Sioux River to the southeast and State Highway 11 to the west. Canton is the county seat of Lincoln County with a 2010 Census population of 3,057. The purpose of this study is to analyze existing and future water demands for the city of Canton and provide alternatives for a supplemental source of water to meet requirements through year 2035. This study will include an alternatives evaluation, including costs, potential environmental impacts, and justification for the selected alternative.

B. Project Need

With the population of Canton, SD projected to increase at a steady rate and the city having experienced steady industrial growth inside the Industrial Park, additional groundwater wells are crucial to meet the water demands of the city for peak day in 2035. Having a reliable water source is a significant asset for the city; however, the capacity of existing wells is declining due to age. The existing equipment in wells #7 and #11 is non-operational and the high service pumps that fill the elevated water tower and provide pressure to the distribution system were installed in 1989-90 with motors that date back to pre-1966. The controls for these pumps were also installed in 1966 and require an upgrade. This project is essential for the following reasons:

- Existing wells that are drilled in the Dakota Aquifer yield good water quality, but have shown a decrease in capacity due to age.
- Based on existing capacity, the current city wells cannot yield enough water to meet the requirement of 1.21 MGD in 2035.

C. Selection of a recommended alternative

Alt No.1 – Two additional Dakota Aquifer wells: One in Chautauqua Park and one to replace Wells #7 and #11 is the recommended alternative as it allows the city of Canton to remain a self-sustaining community. This alternative would include the drilling, construction, and development of two new wells within the Dakota aquifer. These wells shall be complete with pumps/motors, controls, electrical service, backup generator, and all appurtenances to make the well operational. Water pipeline is to be installed and will require surface grading and paving. Also included in this alternative is an upgrade to the existing high service pump station.

D. Proposed Project Cost

The estimated project cost for Alternative No. 1 was divided into three phases:

Phase 1 – Additional Dakota Aquifer Well to replace Wells #7 and #11 - **$550,000**

Phase 2 – Existing High Service Pumps Upgrade - **$446,000**

Phase 3 – Additional Dakota Aquifer Well Inside Floodplain - **$781,000**

Or

Additional Dakota Aquifer Well Outside Floodplain - **$795,000**

The estimated total conceptual project cost for the entire project is either **$1,732,000** or **$1,741,000**, depending on the selected location of the second well. These costs include 25% *contingency and undeveloped design costs and 20% engineering, construction, and administration* for all phases.

E. Project Schedule

As shown in the project implementation schedule, if the entire project design was initiated in late 2013, the facility improvements would not be completed until the year 2015. Several variables will affect the need for accomplishing the upgrade by 2015.

Project Implementation Schedule

ITEM	DATE
Initiate Design	December 2013
Draft Documents to City	February 2014
Obtain Permits	April 2014
Final Contract Documents	April 2014
Advertise	April 2014
Bid Letting	May 2014
Award Contracts	May 2014
Begin Construction	June 2014
Complete Construction	January 2015

F. Environmental Impacts of Selected Plan

An assessment of impacts for the preferred alternative was completed for each environmental resource (See Section X, Environmental Considerations). The summary of issues discussed in the resource sections includes:

- No long term impacts due to the selected alternative will occur for land use, noise, public services, public facilities, wetlands, air quality, agricultural lands, wild and scenic rivers, fish, wildlife, water quality, parks recreation areas, regulated materials, historical structures, archeological sites and water quality.
- *The selected alternative will result in temporary impacts for noise, air quality,* floodplain, and recreational areas.
- The selected alternative may result in a well completed in the floodplain depending on final well site locations.
- The selected alternative may require further analysis of identified archaeological sites depending on chosen well site locations.

II. Introduction/Project Development

The city of Canton's water supply consists of five active wells located throughout the city, all of which are in the sandstones of the Dakota formation. Due to age, the capacity of the existing wells is declining. At the same time, the population of Canton is projected to increase at a steady rate. Therefore, the quantity of water produced is not adequate to meet the future demands of the city. Alternatives to consider for an additional water supply include: 1) drilling additional wells in the Dakota aquifer, 2) constructing Big Sioux alluvium wells, 3) supplementing existing capacity by utilizing an existing connection to South Lincoln Rural Water System or 4) transferring the responsibility of supplying water to the city of Canton to South Lincoln Rural Water System. Refer to Figure 1 for a general project location map and Figure 2 for a map showing the study area within the city of Canton, SD.

HDR

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N

0 2.5 5 10 Miles

Project Location Map
City of Canton, SD
Water Supply Facility Plan

August 2013

Figure 1

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0 250 500 1,000 1,500 2,000 Feet

Study Area
City of Canton, SD
Water Supply Facility Plan

August 2013

Figure 2

A. Purpose/Scope of Report

The purpose of this report is to summarize an evaluation of the current and future water requirements for the city of Canton, SD.

The scope of services for the Facility Plan includes the following:

1. Evaluation of existing and future water demands
2. Environmental Considerations
3. Alternative Development and Selection:
   a. Evaluation of water supply and associated treatment alternatives and related capital costs and operation and maintenance costs.
   b. Selection of a recommended alternative
4. Prioritize recommended improvements into the capital improvements program
5. Development of implementation schedule
6. Evaluation of user rate impacts
7. Public hearing assistance
8. Submittal to SD DENR for review and approval

B. Previous Studies/Related Documents

The following related studies have been conducted recently. There have been no complete facility planning studies specific to well capacity completed.

i. Comprehensive Plan for 2007 to 2027

The Comprehensive Plan for 2000 to 2020 and subsequently the Comprehensive Plan for 2007 to 2027 were prepared by the South Eastern Council of Governments (SECOG) at the direction of the Planning Commission and City Commission of Canton, SD. The zoning and population projections from the Comprehensive Plan 2007 to 2027 are being used as a basis for predicting future water demands.

ii. Recommendations for Wells 11 and 13, City of Canton, SD (2010)

A technical memorandum was completed as a review of the well performance issues observed in the City of Canton wells #11 and #13. Historical well performance data was evaluated and used to arrive at ideas and recommendations for improving the performance of both wells.

III. Population Projections

A. Design Period

The City of Canton's planning engineer, JSA Engineers and Land Surveyors, along with HDR Inc. were contracted to complete this Facility Plan which defines the City of Canton's water requirements through year 2035.

B. Land Use

The existing and future land uses have been addressed in the Comprehensive Plan by South Eastern Council of Governments (SECOG) at the direction of the Planning Commission and City Commission of Canton, SD.

i. Existing Land Use

Table 1, from the Comprehensive Plan; provides the current land use allocations within City Limits.

Table 1 Summary of Existing Land Use for the City of Canton, SD

(Source: Comprehensive Plan)

Land Use	Acres Consumed
Single Family	11 acres
Office/Institutional	5 acres
Commercial	41 acres
Industrial	43 acres
Vacant	184 acres

C. Water Supply Service Area Projections

Table 2 indicates the historical population since 1960 (U.S. Census Bureau).

Table 2 Historical Population for the City of Canton, SD

	1960	1970	1980	1990	2000	2010
Historical Population	2,511	2,665	2,886	2,787	3,110	3,057
% Increase		30%	9%	8.8%	13.7%	-1.7%

From the population growth forecast through the year 2035, the 20-year population trend predicted a population of 4,368 in 2035, refer to Table 3.

Table 3 Projected Population for the City of Canton, SD

	2000 Census	2010 Census	2015	2020	2025	2030	2035
City Projected Population	3,110	3,057	3,283	3,526	3,787	4,067	4,368
% Increase		-1.7%	7.4%[2]	7.4%[2]	7.4%[2]	7.4%[2]	7.4%[2]

1. Comprehensive Plan for 2007 to 2027 -prepared by SECOG at the direction of the Planning Commission and City Commission of Canton, SD.
2. Average projected 5 year increase in population based on 7-Year trend as provided in the Comprehensive Plan for 2000 to 2027.

In accordance with the Comprehensive Plan, a majority of this population growth will occur in the north and northeast areas of the community. Industrial and commercial growth is planned for the area west of town in the industrial park.

D. Industrial Users

The city of Canton's water demand is largely dependent on the presence of industries and having an excellent supply of water is a significant asset to attracting new industries to Canton. As the success of developing new industries increases, the population, and thus the water use will increase. There are currently six main industries located in Canton (Source: cantonsd.org).

- The Eastern Farmers Co-op built in 1860, and employs approximately 54 people.
- Adams Thermal Systems, a company of approximately 1,100 employees, manufactures oil coolers, radiators and other engine cooling systems and components primarily for use in off-highway vehicles such as agricultural and construction equipment.
- Bid-Well, a Terex Company, specializes in concrete paving equipment. This business, founded in Canton, employs 49 people.
- Johnson Feed, Inc. distributes a wide range of salt products, as well as baler twine, tires, dog food and other items. They employ approximately 350 people and have 250 trucks going to 48 states.
- Fastek Products and its division, Midwest Molding is owned and operated in Canton. This company employs about 100 people. Fastek specializes in die cast items, plastic injection molding, and parts for the window industry.
- Legacy Electronics builds memory modules, circuit boards, and other computer components and employs approximately 75 people.

These industries use water for fabricating, washing, processing, transporting, cooling, and in the products that are produced.

IV. Evaluation of Existing and Future Water Demands

A. Existing Demand

The city of Canton has seen steady industrial growth recently and intends to continue to promote that development by providing reliable infrastructure.

The peak day demands for 2001 through 2011 are shown in Table 4.

Table 4 City of Canton, SD Water Usage

Year	Yearly Total (gal.)	Daily Average (gal.)	Max Day (gal.)	Min Day (gal.)
2001	108,000,000	295,890		
2002	114,600,000	313,973		
2003	125,050,000	342,603		
2004	133,740,000	366,411	710,000	180,000
2005	123,640,000	338,740		
2006	130,050,000	356,301	830,000	170,000
2007	119,710,000	327,973	770,000	150,000
2008	112,320,000	307,726	630,000	210,000
2009	104,200,000	285,479	570,000	170,000
2010	106,750,000	292,466	570,000	170,000
2011	124,650,000	341,507	710,000	170,000

Part of the apparent decrease in water used displayed in the table has been from a series of water rate increases and watering restrictions placed on the City's water customers each year. Canton has been projected with solid growth that takes into account both the residential and industrial developments.

The growth of a new industrial park next to the present Canton Industrial Park is anticipated. *This includes 71.5 acres of property purchased by the Canton Development Corporation and will* provide a place for industrial and commercial development. New businesses in the Industrial Park may be very large water users, placing an increasing demand on the system.

B. Evaluation of Future Demand:

Historical water demands were utilized to evaluate trends and project the average and maximum flow demands for the year 2035. Table 5 summarizes the historical water consumption and peaking factors for the city of Canton, SD. Based on the data presented in Table 5, the projected average and peak water demands, through the year 2035, are summarized in Table 6.

Table 5 City of Canton, SD Water Consumption Data

Max. Per Capita Consumption	118.3
Avg. Per Capita Consumption	105.2
Min. Per Capita Consumption	93.2
Max. Peak Factor	2.35
Avg. Peak Factor	2.10
Min. Peak Factor	1.94

Table 6 Projected Water Demands for Canton, SD

Year	Projected Population	Average Day Demand Projection (MGD)	Max Day Demand Projection (MGD)
2015	3,283	0.39	0.91
2020	3,526	0.42	0.98
2025	3,787	0.45	1.05
2030	4,067	0.48	1.13
2035	4,368	0.52	1.21

As shown in Table 6, the projected 2035 average day demand is 0.52 MGD and the maximum day demand is 1.21 MGD.

Figure 3 illustrates the projected water use over the design period. The projections consider the average day water demands between 2007 and 2011 and the highest average annual use that occurred in 2004. When considering the average day over the extended period of 2002 to 2011, the projected peak day demand is 1.08 MGD. However, if the peak day is based on the highest one year annual average (2004) the projected maximum day demand is 1.21 MGD. As shown by the trend, the period of time between 2007 and 2010 were years with lower than normal water usage, due to higher precipitation. As a result, it is recommended to base future water demands at 1.21 MGD.

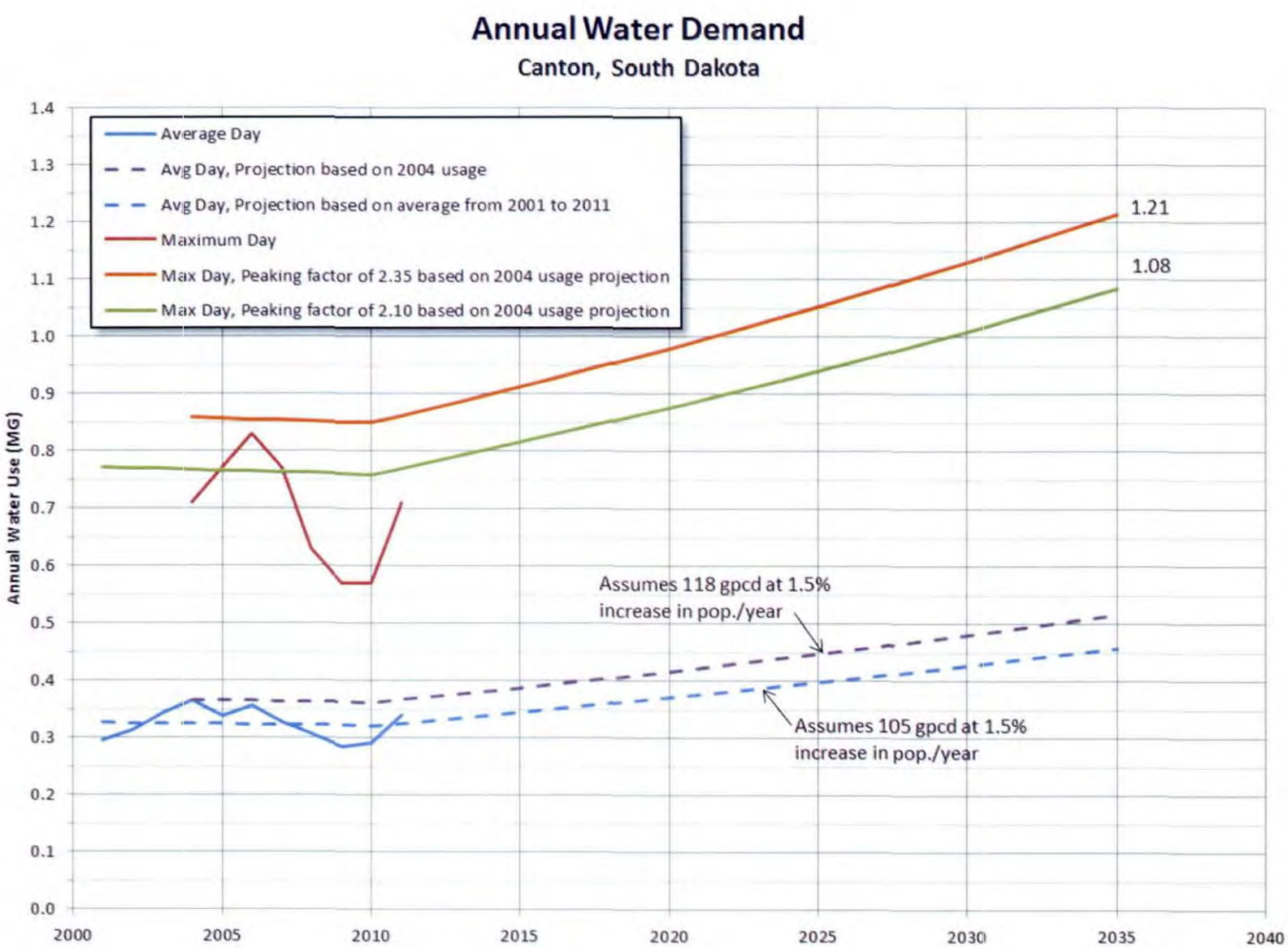

Figure 3 City of Canton, SD Annual Water Demand

V. Background Information

A. Existing Water Source

Canton currently obtains water from five wells, wells #1, #6, #8, #9, and #12, which are all located in the sandstones of the Dakota formation. Table 7 summarizes the location, size, depth, and maximum yield from the city of Canton's existing wells. These flow rates were obtained from the peak day of 2012, which had a demand of 0.84 MGD. Based on Table 7, the capacity of the existing system is 0.83 MGD, assuming well #7 is not being used and taking well #12 out of service. Well # 12 was not considered as Ten States Standards requires capacity to equal or exceed design day max demand with the largest producing well out of service. To meet the demand of 840 gpm in the year 2035 an increased yield of 265 gpm is required.

Table 7 City of Canton, SD Existing Well Information

Well #	Installation Date	Diameter	Depth	Actual GPM	Status	Location
1	1975	8"	430'	93	active	Shop
6	1965	10"	443'	115	active	7th & Howard
7	1918	20'	30'	100	Emergency	12th & Bartlett
8	1977	10"	475'	167	active	8th & Johnson
9	1988	12"	520'	200	active	9th & Main
11	1989	12"	518'		inactive	12th & Bartlett
12	2006	12"	520'	250	active	9th & Cedar
13	2006	12"	473'		inactive	N. of Hwy 18

The city of Canton's initial water system was constructed from 1910-1965 and consisted of wells, ground level storage, elevated storage, and a distribution system. Canton's elevated tower has a capacity of 250,000 gallons and the ground storage reservoir has a volume of 500,000 gallons.

All of the wells discharge into the Ground Storage Reservoir except #13, which pumps directly into the water distribution system with a 6" water line. The city has three high service pumps which were installed in 1989-90 that supply water from the ground storage reservoir to the city's water distribution system. One pump motor is pre-1966, one was installed in 1966, and the third was replaced 5 years ago. The controls associated with the high service pumps have not been updated and date back to the 1960's. The existing high service pumps are Weinman pumps capable of 400 gpm @ 265 ft. TDH.

The current capacity of the three high service pumps is 1200 gpm, which is adequate to meet the peak demand of 840 gpm (1.21 MGD) in the year 2035. Refer to Figure 4 for the locations of the existing Canton wells.

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Feet

0 250 500 1,000 1,500 2,000

Existing Well Locations
City of Canton, SD
Water Supply Facility Plan

August 2013

Figure 4

Well #7 is used as a backup well when water demand exceeds the capacity of the other wells. This well was installed in 1918 has a diameter of 27 feet and is shallow in depth. It is constructed in a gravel terrace, which is not part of the Big Sioux River Outwash. In 2004, a 12" diameter steel casing and a 250 gpm submersible pump were installed in well #7. Yield of the well varies from 100 to 250 gpm depending on saturated thickness, but is throttled to 100 gpm due to poor quality water.

Well #11 was installed in 1989 and believed to have operated sand free until 2007. From the data provided by the City, it appears that well #11 began pumping sand in 2007, after a sudden flow rate increase from 150 gpm to 200 gpm. In 2009, a video inspection revealed heavy pipe scale on the inside of the casing and an obstruction above the screen. The obstruction was removed, the casing and screen were cleaned, and the well was videoed. However, the pump performance of the well was still poor and the specific capacity does not meet the requirements.

Well #13 was completed in 2007 to replace well #10; however, it pumps turbid water during startup, for roughly 15 minutes, after a period of non-use. This well was drilled 200 ft. east of well #10 and well #10 was then abandoned. The reasoning for abandoning well #10 was because of issues with production yield and turbid water. As noted in the technical memorandum "Recommendations for Wells 11 and 13, City of Canton, SD (2010)", it is believed that the most likely source of the silt/clay size particles in the well discharge is native formation materials that are entering the well through the screen and gravel pack. A water sample collected by the City in February 2008 concluded that approximately 93% of the solids in the well discharge are of mineral origin and are primarily in the silt size particle range. As a result, well #13 is only used during emergencies.

For distribution, water is pumped into the system with 3 pumps in service having a total pumping capacity of 1,200 gpm. If well #13 is being used the total pumping capacity increases to approximately 1,500 gpm. The City also has an emergency inter-connect with South Lincoln Rural Water System that could add about 250 gpm of capacity for a grand total of 1,750 gpm.

B. Area Geology

There are two aquifer systems located near the city of Canton that can produce water of adequate quality and quantity to support municipal supply. The first is the Cretaceous age Dakota formation, which is comprised of sandstone; the second is the Big Sioux River outwash deposits adjacent to the Big Sioux River. The Dakota Formation is the primary bedrock aquifer system in northwestern Iowa and southeastern South Dakota, and is relied upon by numerous communities as their primary water supply.

Water from the Dakota formation is of good quality which requires no filtration and only needs chlorination. This water is generally of better quality than water from the Big Sioux aquifer. However, the Dakota formation is a complex system which is primarily composed of alternating, relatively thin layers of inter-bedded sand, sandstone, clay, and shale, which means selecting a location and predicting the quantity of water available from this formation is difficult.

The city of Canton's older wells were shallower and did not draw water from the lowermost layer of sand in the Dakota formation; however, well #13 is deep and does penetrate this deep layer of sand. Water quality tests performed on the existing wells indicate that high levels of radium exist in the deepest layer of sand and blending water is crucial to maintain radium levels below the MCL.

C. Water Quality

i. Primary Drinking Water Regulations

Primary Drinking Water standards for inorganics, organics, and radionuclides are in place to protect public health, establish maximum contaminant levels, and are required for systems serving 25 or more people. Table 8 lists the inorganic water quality for a treated/composite sample obtained from source wells #1, #6, #7, #8, #9, #11, and #12 and also for wells #12 and #13 independently.

Table 8 Primary Drinking Water Standards for Inorganic Contaminants Compared to Existing Wells for City of Canton, SD

Contaminant	Primary Standard		Treated/ Composite (11/2010)	Well #12 (10/07)	Well #13 (12/06)
	MCL	MCLG			
Antimony	0.006	0.006	< 0.0002		
Arsenic	0.010	0	< 0.001		
Asbestos (fiber>10 microns)	7 million fibers per liter (MFL)	7 MFL			
Barium	2	2	0.0134		
Beryllium	0.004	0.004	< 0.0002		
Cadmium	0.005	0.005	< 0.0002		
Total Chromium	0.1	0.1	0.0103		
Copper	TT; Action Level =1.3	1.3			
Cyanide (as free Cyanide)	0.2	0.2			
Fluoride	4.0	4.0	1.19	1.05	0.99
Lead	TT; Action Level =0.015	0			
Mercury	0.002	0.002	< 0.0001		
Nitrate (as N)	10	10	< 0.2	< 0.2	< 0.2
Nitrite (as N)	1	1	< 0.02	< 0.02	< 0.02
Selenium	0.05	0.05	0.0006		
Thallium	0.002	0.0005	< 0.0001		
Notes: Units are in milligrams per liter (mg/L).					

The analytical results indicate that Canton's source water has inorganic contaminant concentrations below the primary standard MCL values.

ii. Primary Drinking Water Standards for Organic Contaminants

Table 9 presents the organic contaminant concentrations from the city of Canton's treated water.

Table 9 Primary Drinking Water Standards for Organic Contaminants Compared to City of Canton's Treated Water

Contaminant	Primary Standard		Canton Treated Water (6/2011) (mg/L)
	MCL (mg/L)	MCLG (mg/L)	
Acrylamide	TT	0	
Alachlor	0.002	0	< 0.000440
Atrazine	0.003	0.003	
Benzene	0.005	0	< 0.000500
Benzo(a)pyrene (PAHs)	0.0002	0	< 0.000200
Carbofuran	0.04	0.04	< 0.00198
Carbon Tetrachloride	0.005	0	
Chlordane	0.002	0	< 0.000440
Chlorobenzene	0.1	0.1	< 0.000500
2,4-D	0.07	0.07	< 0.00100
Dalapon	0.2	0.2	< 0.0100
1,2-Dibromo-3-chloropropane (DBCP)	0.002	0	< 0.00004
o-Dichlorobenzene	0.6	0.6	< 0.000500
p-Dichlorobenzene	0.07	0.07	< 0.000500
1,2-Dichloroethane	0.005	0	< 0.000500
1,1-Dichloroethylene	0.007	0.007	< 0.000500
cis-1,2-Dichloroethylene	0.07	0.07	< 0.000500
trans-1,2-Dichloroethylene	0.1	0.1	< 0.000500
Dichloromethane	0.005	0	
1,2-Dichloropropane	0.005	0	< 0.000500
Di(2-ethylhexyl) adipate	0.4	0.4	
Di(2-ethylhexyl) phthalate	0.006	0	
Dinoseb	0.007	0.007	< 0.00100
Dioxin (2,3,7,7-TCDD)	0.00000003	0	
Diquat	0.02	0.02	< 0.00088
Endothall	0.1	0.1	< 0.0198
Endrin	0.002	0.002	< 0.000100
Epichlorohydrin	TT	0	
Ethylbenzene	0.7	0.7	< 0.000500
Ethyl dibromide	0.00005	0	
Glyphosate	0.7	0.7	< 0.0132
Heptachlor	0.0004	0	< 0.000400
Heptachlor epoxide	0.0002	0	< 0.000100
Hexachlorobenzene	0.001	0	
Hexachlorocyclopentadiene	0.05	0.05	< 0.000220
Lindane	0.0002	0.0002	< 0.000100
Methoxychlor	0.04	0.04	
Oxamyl (Vydate)	0.2	0.2	< 0.00200
Polychlorinated biphenyls (PCBs)	0.0005	0	
Pentachlorophenol	0.001	0	< 0.000500

Contaminant	Primary Standard		Canton Treated Water (6/2011) (mg/L)
	MCL (mg/L)	MCLG (mg/L)	
Picloram	0.5	0.5	< 0.00100
Simazine	0.004	0.004	
Styrene	0.1	0.1	< 0.000500
Tetrachloroethylene	0.005	0	< 0.000500
Toluene	1	1	< 0.000500
Toxaphene	0.003	0	< 0.000100
2,4,5-TP (Silvex)	0.05	0.05	< 0.00100
1,2,4-Trichlorobenzene	0.07	0.07	
1,1,1-Trichloroethane	0.20	0.2	< 0.000500
1,1,2-Trichloroethane	0.005	0.003	
Trichloroethylene	0.005	0	< 0.000500
Vinyl chloride	0.002	0	< 0.000500
Xylenes (total)	10	10	< 0.000500

As shown in Table 9, the concentrations of organic contaminants measured for the city of Canton's treated water are below the MCLs required for the primary drinking water standards. The City is meeting the requirements and has no violations in terms of this regulation.

iii. Primary Drinking Water Standards for Radionuclides

Natural radioactivity can occur due to water passing over radioactive elements such as geologic uranium. Natural radioactivity is measured as gross alpha activity, radium isotopes 226 and 228, and uranium. The concentration of alpha particles and radium were measured for the treated/composite water as well as for wells #10 and #13 (Table 10).

Table 10 Primary Drinking Water Standards for Radionuclides Compared to Existing Wells in City of Canton, SD

Contaminant	Primary Standard		Treated/ Composite (10/2008)	Well #10 (2002)	Well #13 (12/2007)
	MCL	MCLG			
Alpha particles	5 pCi/L	0	8.3 pCi/L	3.7 pCi/L	1.7 pCi/L
Beta particles and photon emitters	4 millirems per year	0			
Radium 226 and Radium 228	5 pCi/L	0	2.4 pCi/L	2.0 pCi/L	1.9 pCi/L
Uranium	30 µg/L	0			

Table 10 compares water quality for the city of Canton's blended water, which is a combination of the various wells, to the primary standard. The total concentration of radium measured in the city of Canton's water supply is below the primary standard of 5 pCi/L, indicating that the City is meeting the regulation requirements for radionuclides.

iv. Secondary Drinking Water Regulations

Secondary Drinking Water standards are in place to provide aesthetically appealing water. These standards are recommended and systems have a choice to comply.
Table 11Table 11 shows the constituent concentration for a treated/composite sample and also wells #12 and #13.

Table 11 Secondary Drinking Water Standards for Inorganic Contaminants Compared to Existing Wells in the City of Canton, SD

Contarninant	SMCL (mg/L)	Treated / Composite	Well #12	Well #13
Aluminum	0.2			
Chloride	250	46	35	74
Color	15 cu			
Copper	1.0			
Corrosivity	Noncorrosive			
Foaming Agents	0.5			
Iron	0.3	0.40	0.45	0.76
Manganese	0.05	0.06	0.06	0.05
Odor	3 TON			
pH	6.5 – 8.5	7.58	7.58	7.69
Silver	0.10			
Sodium	250	123	127	124
Sulfate	250	250	240	261
Total Dissolved Solids	500	717	693	825
Zinc	5			

At low concentrations, chloride is not harmful to humans, but may cause corrosion when concentrations are above 250 mg/L. As shown in the table, the concentration of chloride was measured to be below the SMCL.

Levels of iron and manganese over the SMCL can result in discolorations to plumbing fixtures and laundered goods, as well as impair the taste of drinking water and other beverages made from water. These levels can be reduced through chemical oxidation with filtration, lime softening, or manganese greensand. The concentrations for iron and manganese shown in the table are slightly above the SMCL recommended. The city of Canton adds an orthophosphate to the water to keep these constituents in solution and prevent buildup and precipitation in the distribution system. The City has had little to no historical complaints regarding fixture discolorations.

The pH value of the water is important to monitor as corrosion and the release of metals may occur at a pH level below 6.5. If the pH level goes above 8.5, mineral incrustations within distribution system pipes may occur. Additionally, a bitter taste can occur, the effectiveness of chlorine disinfection is reduced, and the rate of formation of disinfection by-products increases. The measured pH for the city of Canton's water samples is within the range recommended by the secondary standard.

The primary health effect associated to sodium is increased blood pressure (hypertension) and a SMCL of 250 mg/L has been set as the threshold concentration at which water tastes salty. High concentrations of sulfate (600 mg/L) in water can produce a laxative effect on users that are not accustomed. As shown above, the sulfate concentration measured in the city of Canton's water is at or above the SMCL.

The importance of measuring the total dissolved solids concentration is to understand if a substance with excessive concentration is present. Hardness, taste, mineral deposition, and corrosion are properties that result from high dissolved solids concentration. A total dissolved solids concentration over the SMCL, as measured in the City's water, indicates that the water may have an unusual taste to non-regular users and precipitation or corrosion may occur in pipes, depending on the properties of the water.

v. Disinfection By-products

Disinfection of the city well water is performed through the addition of aqueous chlorine. When chlorine is used as the primary disinfectant it is necessary to measure the concentration of disinfection by-products (DBP's) that can occur as a result of the reaction of chlorine with organics. Total trihalomethanes (TTHM's) are measured and include compounds such as chloroform, bromodichloromethane, dibromochloromethane and tribromomethane. These compounds do not occur naturally and are produced during the disinfection of treated water by the action of the disinfectant on organic compounds. Haloacetic acids are another class of DBP's that can be produced through disinfection of water. Because the city of Canton has demonstrated that TTHM and HAA concentrations are less than one-half the drinking water standards, the system is on reduced monitoring and meets compliance with the Stage 2 DBP Rule.

vi. Lead and Copper

Lead and copper enter drinking water primarily through plumbing materials. Exposure to lead and copper may cause health problems ranging from stomach distress to brain damage. Table 8 does not include concentrations for lead and copper as these constituents are measured at the customer taps and not at the wells. However, lead and copper samples collected for the Lead and Copper Rule demonstrate that the City meets the drinking water standards.

vii. Non-regulated Drinking Water Compounds

The compounds of importance to understand the system's water quality, but are not regulated by the EPA are listed in Table 12. These compounds are important in assisting customers in determining their need for individual point of use (home softener) treatment.

Table 12 Non-regulated Drinking Water Compounds for the City of Canton, SD

Contaminant	Treated/ Composite (11/10) (mg/L)	Well #12 (mg/L)	Well # 13 (mg/L)
Alkalinity – M (as CaCO3)	293	299	285
Alkalinity – P (as CaCO3)	0	0	0
Calcium	75.9	82.8	97.7
Magnesium	26.0	25.4	33.8
Potassium	16.2	19.9	18.2

The concentration of alkalinity in the water is a measure of the water's ability to resist a change in pH. The calcium and magnesium concentrations are the major components for hardness. Based on the above information, total hardness is approximately 300 mg/L as $CaCO_3$ and calcium hardness is approximately 190 mg/L as $CaCO_3$. The city of Canton's water can be classified as hard.

viii. Comparison of Water Quality Data

Table 13 provides a comparison of the water quality data available for the city of Canton's wells as compared to the Dakota aquifer and Big Sioux Alluvium water quality.

Table 13 Water Quality Data for City of Canton, SD

Parameter	Big Sioux (1990)	Dakota (1990)	Well # 12 (2006)	Well # 13 (2006)	Well #12 (2007)	Blend (2004) (Treated)	Blend (2010) (Treated)
Nitrate (mg/L)	2.75	<0.04	0.1	0.1	<0.2	<0.1	< 0.2
Nitrite (mg/L)					<0.02	<0.02	
Fluoride (mg/L)			1.07	0.99	1.05	1.11	1.19
Chloride (mg/L)	20	68	57	74	35	45	46
Iron (mg/L)	0.025	0.19	0.4	0.76	0.45	0.46	0.4
Manganese (mg/L)			0.08	0.05	0.06	0.05	0.06
Sulfate (mg/L)	364	258	248	261	240	237	250
TDS (mg/L)	863	756	741	825	693	710	717
pH			7.75	7.69	7.58	7.58	7.58
Alkalinity M (mg/L)			288	285	299	290	293
Alkalinity P (mg/L)			0	0	0	0	0
Bicarbonate (mg/L)			351	348	365	354	357
Carbonate (mg/L)			0	0	0	0	0
Conductivity (umho/cm)			1190	1310	1110	1110	1100
Calcium (mg/L)	151	90	80.6	97.7	82.8	73.3	75.9
Magnesium (mg/L)	59	30	27.4	33.8	25.4	26.8	26
Total Hardness (mg/L)	619	347	314	383	311	293	296
Sodium (mg/L)	43	128	127	124	127	127	123
Potassium (mg/L)			18.6	18.2	19.9	18.7	16.2
Ammonia (mg/L)					1.38		

As shown in Table 13, the sulfate, total dissolved solids, and total hardness concentrations are greater for water obtained from the Big Sioux aquifer as compared to the Dakota Aquifer. The Dakota aquifer, however, has higher concentrations of chloride, iron, and sodium in the groundwater.

An ammonia concentration of 1.38 mg/L recorded for well #12 will cause an excess chlorine demand in order to achieve breakpoint chlorination. Theoretically, ammonia will require more than 7.6 mg/L of chlorine to remove 1 mg/L of ammonia; however, blending the water from well #12 with other wells minimizes the chlorine requirement.

In conclusion, the water from the Dakota aquifer has shown to be of good quality, but drilling and testing the area would be necessary to delineate layer thickness, quality of water, and availability of water prior to construction of a new well.

D. Review of current and potential treated water limits

In summary, the city of Canton meets the requirements of the primary drinking water regulations by having treated water with parameter concentrations below the MCL values. Under the secondary drinking water regulations, the City exceeds the SMCL for iron, manganese, sulfate, and total dissolved solids. These concentrations are addressed through the addition of a polyphosphate used to sequester the iron and manganese and inhibit corrosion. The city of Canton is currently on reduced monitoring and meets compliance with the Stage 2 DBP Rule by having concentrations of TTHM's and HAA's below the MCL standards; therefore, no changes are proposed to the existing treatment.

Water quality tests performed on the existing wells indicate that measurable levels of radium exist in the deepest layer of sand in the Dakota aquifer and that the blending of well water is important to maintain radium levels below the MCL.

VI. Alternative Development and Selection

A. Evaluation of water supply and related capital (construction) costs

This chapter describes the options reviewed to increase the capacity of the raw water supply. The review process consists of an evaluation of the monetary and non-monetary costs of alternatives. Monetary costs include an assessment of initial construction costs, costs for replacement of equipment during the project life and annual operation and maintenance costs. Non-monetary considerations include environmental impacts, implementation capability, energy and resource utilization and reliability of the proposed facilities.

The following alternatives will be analyzed to determine which action is best suited to meet the City's needs through design year 2035.

- No Action Alternative.
- Alt No. 1. – Two additional Dakota aquifer wells: One in Chautauqua Park and one to replace Wells #7 and #11.
- Alt No. 2. – Additional wells in Big Sioux Alluvium.
- Alt No. 3. - Supplement with South Lincoln Rural Water.
- Alt No. 4. - Replace with South Lincoln Rural Water.

The review of new water sources was conducted as a desktop study using existing data. This excludes test drilling, hydrogeologic testing, and water sample collection to further validate source water characteristics. The study includes:

- Identifying water supply sources, routing potential pipelines, determining treatment requirements, and generating conceptual project costs for each alternative.
- Maps were developed to show potential water diversion points, aquifer characteristics, and estimated water quantity available.

i. No Action Alternative

Based on the sediment problems with the most current well (constructed in 2006), it would not be prudent for the City to adopt a no action policy. If this alternative was implemented, the system would continue to operate as it does currently, with wells that do not have reliable capacity for the year 2035. This alternative is not a viable option to meeting the city's future demands.

ii. Alt. No. 1. Two additional Dakota aquifer wells: One in Chautauqua Park and one to replace wells #7 and #11

The expectations for this alternative are summarized below:

- Well drilling will occur in an unconfined aquifer with sand/gravel layers.
- Anticipated well yield is130 to 200 gpm.
- Water quality should be similar to the existing wells, which is reasonably good.
- Well depth will be 400 to 500 feet below ground surface.
- A pitless adaptor and valve vault will be used on well discharge for wells outside floodplain and a well house for wells inside floodplain.
- Provide soft start for the motor to reduce the toque delivered during well startup and a backup generator to keep well operational during power outages.
- Furnish and install well water pipeline to connect well discharge to water main.
- Abandonment of two existing wells.
- Replacement of existing high service pumps, installation of a new diesel generator, and upgrades to SCADA system.

a) Summary of Work and Opinion of Probable Costs

(1) Phase 1 – Additional Dakota Aquifer Well to replace Wells #7 and #11

This phase would include the drilling, construction, and development of a new well to replace existing wells #7 and #11 on property owned by the city of Canton. This well shall be complete with pumps/motors, controls, electrical service, backup generator, and all appurtenances to make the well operational. The new well will be constructed near wells #7 and #11; placement of a new well would require wells #7 and #11 to be abandoned in accordance with State of South Dakota Regulations. Existing well #7 has a structure over it that would also require demolition. The location of the new well shown in Figure 5 is preliminary and selected based on available aquifer, water quality, and well yield data.

Water pipeline is to be installed and will require surface grading and paving. Dewatering is also anticipated to facilitate installation. Refer to Table 14 for the opinion of probable costs for Phase 1.

Table 14 – Probable Costs for Phase 1 of Alt. No. 1:
Additional Dakota Aquifer Well to replace Wells #7 and #11

Item	Cost
One (1) New Raw Water Well	
Mobilization	$25,000
Test Hole Drilling-Geophysical Log	$9,000
Well Drilling, Casing, and Screen	$130,000
Pitless Unit with Adaptor	$10,000
Pump and Motor w/ soft start	$25,000
Backup Generator	$30,000
Finished Well Development	$5,000
Water Analysis	$450
Sieve Analysis for Well Design	$400
Valve Vault	$15,000
Well Disinfection	$1,400
SCADA Installation	$11,000
Electrical Service	$25,000
Site Restoration	$2,000
Sub-Total One New Raw Water Well	$289,250
Wellfield Piping	
Mobilization	$8,000
Pipeline Construction	$10,000
Dewatering	$40,000
Site Work, Grading & Paving	$2,000
Abandonment of Well #11	$3,000
Abandonment of Well #7	$10,000
Sub-Total Wellfield Piping	$73,000
Contingencies and Undeveloped Design Costs	$ 91,000
Total Construction Cost	$ 454,000
Geotechnical	$5,000
Floodplain Study	$0
Land Acquisition/Easements	$0
Engineering, Construction and Administration	$ 91,000
Project Cost	$ 550,000

(2) Phase 2 – Existing High Service Pumps Upgrade

Phase 2 of this alternative is an upgrade to the existing high service pump station. This pump station was constructed in the 1960's and is in need of maintenance upgrades to facilitate technological advances. The addition of VFD's on the pump motors will allow the motor to start slowly and run more efficiently on the pump curve. Table 15 shows the costs for replacement of the existing pumps and motors, upgrading the existing SCADA system, and installing a diesel generator.

Table 15– Probable Costs for Phase 2 of Alt. No. 1: Existing High Service Pumps Upgrade

Item	Cost
Mobilization	$15,000
New Pumps and Motors with VFD"s	$202,000
Diesel Generator	$55,000
Upgrade SCADA System	$25,000
Sub-Total High Service Pumps Upgrade	$ 297,000
Contingencies and Undeveloped Design Costs	$ 74,000
Total Construction Cost	$ 371,000
Geotechnical	$0
Floodplain Study	$0
Land Acquisition/Easements	$0
Engineering, Construction and Administration	$ 75,000
Project Cost	$ 446,000

(3) Phase 3 – Additional Dakota Aquifer Well within study area

As shown in Figure 5, there are two proposed well locations and three alternative locations for phase 2 of alternative 1. This phase includes the drilling, construction, and development of a new well at one of the recommended locations. This well shall be complete with pumps/motors, controls, electrical service, backup generator, and all appurtenances to make the well operational.

The two proposed locations and alternate location no. 3 are all located on property owned by the city of Canton; however, these locations are also within the 100 year flood plain of the Big Sioux River. Ten States Standards requires that all structures, electrical, and mechanical equipment shall be protected from physical damage by the 100 year flood. In order for wells to be constructed in this location the pump/controls will need to be located on an elevated platform or set in a pump house that is placed on granular fill. A topographic map was included in Figure 5 to show the contours of the ground surface elevation, size, shape, and distribution of features on the land surface. Based on the figure, the pump house would be elevated in the range of six (6) feet to sixteen (16) feet above the ground elevation of the park. A gravel access road and ramp would then be constructed to allow for maintenance of the well as Ten State Standards requires all facilities to remain accessible during the 25-year flood.

Also, well locations within the FEMA approximated flood zone may be more difficult to locate as there are no base flood elevations (BFE) for the Big Sioux River through Canton. The BFE will need to be established to more accurately define the elevation for the wellhead to ensure the well is protected from flooding and contamination. A cost to perform this survey is given in Table 16.

Water pipeline is to be installed and will require surface grading and paving. It should be noted that any deviations in waterline routing from the surveyed areas as shown in Figure 5 will require an updated cultural resources survey. Dewatering is anticipated to facilitate installation. Refer to Table 16 for the opinion of probable costs for placing a well within the Big Sioux floodplain.

Table 16 – Probable Costs for Phase 3 of Alt. No. 1: Additional Dakota Aquifer Well Inside Floodplain

Item	Cost
One (1) New Raw Water Well – Inside Floodplain	
Mobilization	$25,000
Test Hole Drilling-Geophysical Log	$9,000
Well Drilling, Casing, and Screen	$135,000
Well House	$60,000
Earthwork – Embankment	$5,000
Pump and Motor w/ soft start	$30,000
Backup Generator	$30,000
Finished Well Development	$5,000
Water Analysis	$450
Sieve Analysis for Well Design	$400
Well Disinfection	$1,400
SCADA Installation	$11,000
Electrical Service	$25,000
Grading and Site Work	$3,500
Sub-Total One New Raw Water Well	$340,750
Wellfield Piping	
Mobilization	$10,500
Pipeline Construction	$48,000
Dewatering	$60,000
Site Work, Grading & Paving	$18,000
Sub-Total Wellfield Piping	$136,500
Contingencies and Undeveloped Design Costs	$ 119,000
Total Construction Cost	$ 596,000
Geotechnical	$5,000
Floodplain Study	$40,000
Land Acquisition/Easements	$20,000
Engineering, Construction and Administration	$ 120,000
Project Cost	$ 781,000

Alternate locations 1 and 2 are shown outside the Federal Emergency Management Agency (FEMA) flood zone A (Figure 5), but will require land acquisition and a detailed cultural survey to construct. As indicated in the Environmental section of this facility plan, an initial survey revealed artifact scatter in these areas and it was recommended that a detailed cultural resources survey be performed to establish the extent.

Well installation costs vary depending on the placement of the new well; one major difference in cost is that well locations outside the floodplain are completed using a pitless adaptor unit and valve vault on the well discharge, as compared to building a well house on a mound of fill. The opinion of probable costs for constructing an additional well outside the Big Sioux River floodplain is provided in Table 17.

Table 17 – Probable Costs for Phase 3 of Alt. No. 1: Additional Dakota Aquifer Well Outside Floodplain

Item	Cost
One (1) New Raw Water Well – Outside Floodplain	
Mobilization	$25,000
Test Hole Drilling-Geophysical Log	$9,000
Well Drilling, Casing, and Screen	$130,000
Pitless Unit with Adaptor	$10,000
Pump and Motor w/ soft start	$25,000
Backup Generator	$30,000
Finished Well Development	$5,000
Water Analysis	$450
Sieve Analysis for Well Design	$400
Valve Vault	$15,000
Well Disinfection	$1,400
SCADA Installation	$11,000
Electrical Service	$25,000
Site Restoration	$2,000
Sub-Total One New Raw Water Well	$289,250
Wellfield Piping	
Mobilization	$14,000
Pipeline Construction	$72,000
Dewatering	$60,000
Site Work, Grading & Paving	$30,000
Sub-Total Wellfield Piping	*$176,000*
Contingencies and Undeveloped Design Costs	$ 117,000
Total Construction Cost	$ 583,000
Geotechnical	$5,000
Floodplain Study	$40,000
Cultural Resources Survey	$10,000
Land Acquisition/Easements	$40,000
Engineering, Construction and Administration	$ 117,000
Project Cost	*$ 795,000*

(4) One Additional Dakota Aquifer Well within study area, one to replace Well #7 and #11, and Upgrade to High Service Pumps

The cost if all three phases were to be constructed at one time is given in Table 18 and Table 19, for the second well constructed inside and outside the floodplain, respectively. The main difference in cost between phasing and completing the entire alternative as one project is the mobilization.

Table 18 – Probable Costs for Phases 1, 2, and 3 of Alt. No. 1: One additional Dakota Aquifer Well to replace Wells #7 and #11, one additional well inside floodplain, and upgrade to high service pumps

Item	Cost
Well and Pipeline Construction	
Mobilization	$40,000
Sub-Total Mobilization	$40,000
One (1) New Raw Water Well	$264,250
One (1) New Raw Water Well – Inside Floodplain	$315,750
Wellfield Piping	$191,000
Sub-Total Two Raw Water Wells and Wellfield Piping	$771,000
Existing High Service Pumps Upgrade	$297,000
Sub-Total High Service Pumps Upgrade	$ 297,000
Contingencies and Undeveloped Design Costs	$ 277,000
Total Construction Cost	$ 1,385,000
Geotechnical	$10,000
Floodplain Study	$40,000
Land Acquisition/Easements	$20,000
Engineering, Construction and Administration	$ 277,000
Project Cost	$ 1,732,000

Table 19 – Probable Costs for Phases 1, 2, and 3 of Alt. No. 1: One additional Dakota Aquifer Well to replace Wells #7 and #11, one additional well outside floodplain, and upgrade to high service pumps

Item	Cost
Well and Pipeline Construction	
Mobilization	$40,000
Sub-Total Mobilization	$40,000
One (1) New Raw Water Well	$264,250
One (1) New Raw Water Well – Outside Floodplain	$264,250
Wellfield Piping	$227,000
Sub-Total Two Raw Water Wells and Wellfield Piping	$755,500
Existing High Service Pumps Upgrade	$297,000
Sub-Total High Service Pumps Upgrade	$ 297,000
Contingencies and Undeveloped Design Costs	$ 274,000
Total Construction Cost	$ 1,367,000
Geotechnical	$10,000
Floodplain Study	$40,000
Cultural Resources Survey	$10,000
Land Acquisition/Easements	$40,000
Engineering, Construction and Administration	$ 274,000
Project Cost	$ 1,741,000

b) Advantages and Disadvantages

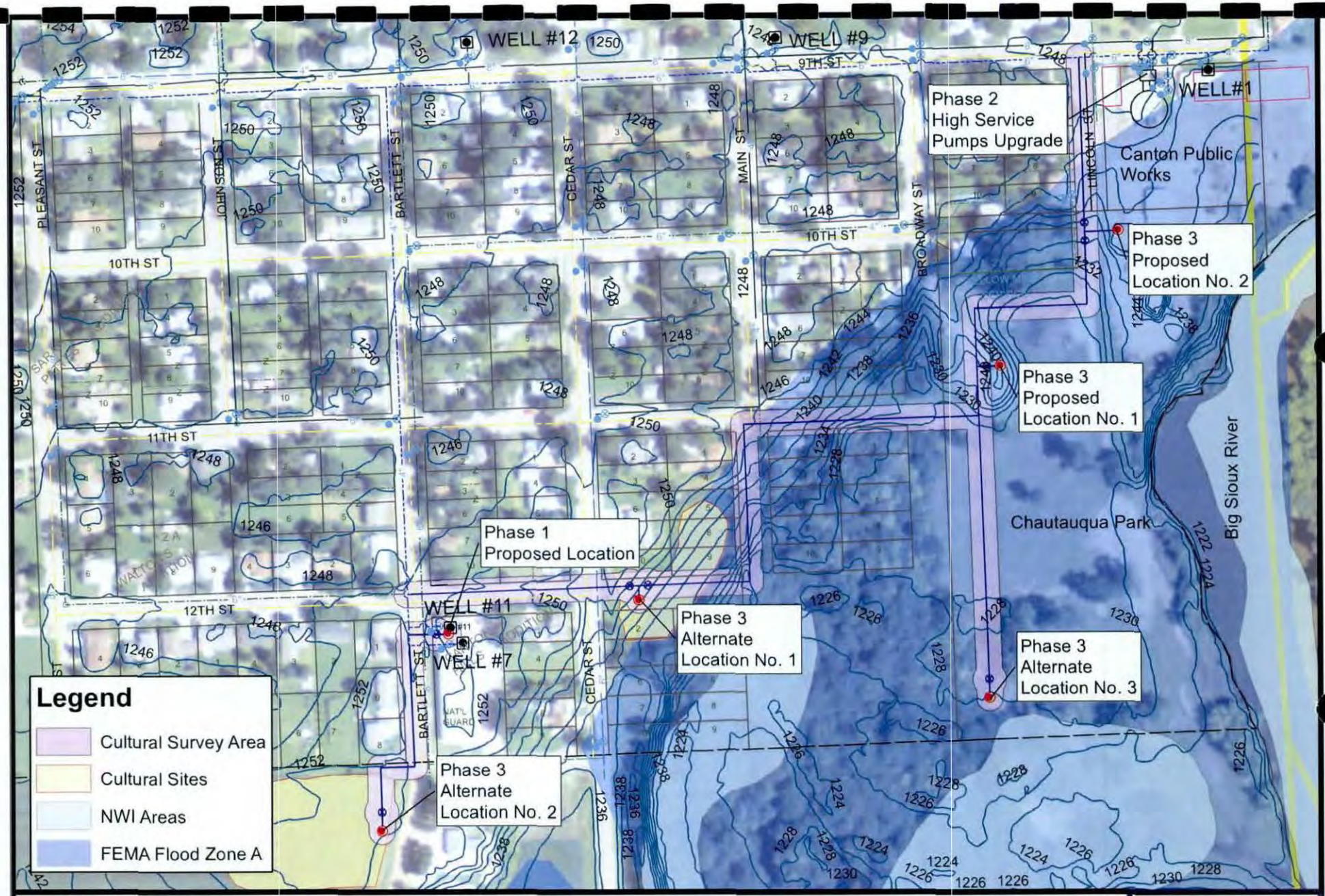
(1) Advantages

- The Dakota aquifer has consistent water quality that only requires disinfection and a sequestering agent.
- Reliable source of water.

- Proposed well locations are in close proximity to existing infrastructure.
- Operation and maintenance expenses are minimal.

(2) Disadvantages

- Variability in soil strata make the yield difficult to predict.
- If wells are located in the 100 year floodplain of the Big Sioux River: well pumps and controls need to be elevated, an access road is required, and there is risk of flooding and contamination.
- Floodplain survey is required to establish base flood elevations.
- No guarantee that yield and water quality will match the existing wells.



HDR

JSA ENGINEERS AND LAND SURVEYORS

N

0 250 500 Feet

Alternative 1 Proposed Well Locations
City of Canton, SD
Water Supply Facility Plan

August 2013

Figure 5

iii. Alt. No. 2. Additional Wells in Big Sioux Alluvium

The Big Sioux alluvial sand is considered an alternative, but may involve high treatment costs if groundwater is considered under the influence of surface water. It is possible that groundwater from the Big Sioux alluvial sand will be considered under the direct influence of surface water since a portion of the groundwater source's recharge is from the Big Sioux River. With surface water nearby, the groundwater source is at risk of contamination from pathogens and viruses that are not normally found in groundwater. If applicable, the series of Surface Water Treatment Rules apply to requirements for treatment of Giardia and Cryptosporidium; pathogens found in surface water. Treatment of surface water requires the construction of an extensive facility, along with land acquisition and hiring of additional personnel. An estimated cost for a surface water treatment plant capable of treating 0.50 MGD would be $1,250,000 to $1,500,000, not including the cost of wells, pipeline, etc.

iv. Alt. No. 3. Supplement with South Lincoln Rural Water

Alternative no. 3 includes the use of South Lincoln Rural Water System (SLRWS) to supplement the flows achieved through the existing wells. For this alternative, Canton would continue to provide water with the existing wells and only purchase the amount required to meet flow projections. Existing connections to the city of Canton's distribution system are at the intersection of 479th Ave. and 282nd St. and north of Adams Thermal. Under high demand conditions, the city of Canton would require an additional supply of 265 gpm. The bulk rate for South Lincoln Rural Water is $3 per 1000 gallons and it is being investigated whether the city would be required to buy a set minimum amount of water.

No formal negotiations have been made with South Lincoln Rural Water, but distribution system pressure and flow, where the systems connect, would be more consistent by adding a water tower 2 miles west of downtown Canton and/or adding a booster pump station on the SLRWS supply line near Canton. In order for the city of Canton to fully rely on water from South Lincoln, the City would have to undertake a portion of the bill for the construction of a water tower and all necessary piping and valves. The amount of cost sharing required for this alternative would need to be determined by SLRWS.

a) Summary of Work

This alternative would utilize the existing connection that SLRWS has with the city of Canton to supplement flows. However, in order to achieve an additional supply of 265 gpm from SLRWS, the city of Canton would need to cover a portion of the costs for the construction of a water tower or booster station as an addition to SLRWS' water supply system. The city of Canton would also pay South Lincoln Rural Water System for all water used.

b) Advantages and Disadvantages

(1) <u>Advantages</u>

- Supply of good quality water
- Removes risk involved with locating and installing a new well
- Receive water supply during city power outages

(2) <u>Disadvantages</u>

- Inter-connect used with permission only

- *Use of existing connection to SLRWS may be limited during peak demand periods*
- Could be troublesome, inconvenient, and/or expensive to maintain connections
- No control over rate increases

v. Alt. No. 4. Replace with South Lincoln Rural Water

Alternative No. 4 includes the use of the South Lincoln Rural Water System to supply water to meet the demands for the city of Canton. SLRWS is currently adding customers north of the city and consideration has already been given to improvements near Canton.

SLRWS has an 8" main two miles south of Worthing, South Dakota on Louise Avenue (7.5 miles east to main) and a 12" main roughly 9 miles from the city of Canton. It is likely that if Canton were to be added to the system they would likely participate in 7.5- 9 miles of new transmission main installation. Percent participation and actual infrastructure requirements would be determined by SLRWS.

A request for estimated participation (dollars) and any water purchase caveats for SLRWS to provide Canton with an additional water supply was sent to SLRWS and no response was received. A copy of the email that was sent is included in Appendix E.

a) Summary of Work

This alternative would rely solely on SLRWS to supply water to the city of Canton. In order for Canton to receive water from SLRWS, the city may be required to take part in a new transmission line installation and would also have to pay for all water that is used.

b) Advantages and Disadvantages

(1) <u>Advantages</u>

- Dependable, high-quality water supply
- No maintenance required for wells, treatment equipment, or high service pumps
- No treatment required other than the current disinfection by SLRWS
- Existing wells could be used as a backup, if needed

(2) <u>Disadvantages</u>

- Potential high capital costs for watermain installation
- Distribution system hydraulics should be evaluated
- Canton would rely primarily on another source for their water supply
- Monthly costs for water service could rise quickly if large amounts of water are used

VII. Prioritize Recommended Improvements into the Capital Improvements Program (CIP)

A. Selection of a recommended alternative

Alt No.1 – Two additional Dakota Aquifer wells: One in Chautauqua Park and one to replace Wells #7 and #11 is the recommended alternative as it allows the city of Canton to remain a self-sustaining community. This alternative would include the drilling, construction, and development of two new wells within the Dakota aquifer. These wells shall be complete with pumps/motors, controls, electrical service, backup generator, and all appurtenances to make the well operational. Water pipeline is to be installed and will require surface grading and paving. Also included in this alternative is an upgrade to the existing high service pump station.

B. Wellfield Location

Due to the high yield variability of the aquifer, test drilling must be performed prior to determining the location of a production well. The proposed location of the new wells is in the Dakota aquifer in Sections 22 and 23 T98N R49W, on the South side of town. These wells will be located west of the Big Sioux River and be in the vicinity of existing wells. The City currently has five active wells located within these sections, providing a good indication of the aquifer characteristics and the water quality.

C. Proposed Project Cost

The estimated project cost for Alternative No. 1 was divided into three phases:

Phase 1 – Additional Dakota Aquifer Well to replace Wells #7 and #11 - **$550,000**

Phase 2 – Existing High Service Pumps Upgrade - **$446,000**

Phase 3 – Additional Dakota Aquifer Well Inside Floodplain - **$781,000**

Or

Additional Dakota Aquifer Well Outside Floodplain - **$795,000**

The estimated total conceptual project cost for the entire project is either **$1,732,000** or **$1,741,000**, depending on the selected location of the second well. These costs include 25% contingency and undeveloped design costs and 20% engineering, construction, and administration for all phases.

D. Environmental Impacts of Selected Plan

An assessment of impacts for the preferred alternative was completed for each environmental resource (See Section X, Environmental Considerations). The summary of issues discussed in the resource sections includes:

- No long term impacts due to the selected alternative will occur for land use, noise, public services, public facilities, wetlands, air quality, agricultural lands, wild and scenic rivers, fish, wildlife, water quality, parks recreation areas, regulated materials, historical structures, archeological sites and water quality.
- The selected alternative will result in temporary impacts for noise, air quality, floodplain, and recreational areas.

- The selected alternative may result in a well completed in the floodplain depending on final well site locations.
- The selected alternative may require further analysis of identified archaeological sites depending on chosen well site locations.

VIII. Development of Implementation Schedule

As shown in the project implementation schedule in Table 20, if the entire project design was initiated in late 2013, the facility improvements would not be completed until the year 2015. Several variables will affect the need for accomplishing the upgrade by 2015.

Table 20 Project Implementation Schedule

ITEM	DATE
Initiate Design	December 2013
Draft Documents to City	February 2014
Obtain Permits	April 2014
Final Contract Documents	April 2014
Advertise	April 2014
Bid Letting	May 2014
Award Contracts	May 2014
Begin Construction	June 2014
Complete Construction	January 2015

Proposed Financing

- **Estimated Total Project Cost:** $1,970,500
- The cost of the project will be funded through user fees
  - Rate increase occurred in April 2013.
  - $1.22 per 100 cubic feet for domestic users
  - $1.07 per 100 cubic feet for business users
- SRF Loan Expected
  - Total of $1,970,500
- Interest Rate & Term of SRF Loan
  - 3.0% for 20 years

X. Environmental Considerations

A. Environmental Impacts

This section describes social and environmental resources of the Study Area. The Study Area encompasses all areas where project activities may take place involving the construction of Alternative 1, from now on referred to as the Selected Alternative. This analysis focuses on the resources of two alternatives, the No Action Alternative and the Selected Alternative. Alternatives 3 and 4 include supplementing and replacing Canton's current water supply with South Lincoln Rural Water. As previously mentioned, the Selected Alternative would occur in three phases described below (See Figure 6).

Phase 1: One additional Dakota aquifer well (Phase 1, Proposed Location) would be drilled to replace well #7 (used for emergency only) and well #11 (currently inactive). Both existing wells would be abandoned in accordance to the State of South Dakota. A structure above well #7 would be demolished.

Phase 2: Replacement of existing pumps and motors, upgrade the existing SCADA system, and install a diesel generator at the existing high service pump station.

Phase 3: One additional Dakota aquifer well would be drilled at either Phase 3, Proposed Location #1or #2. Three alternative locations have been identified if Proposed Location #1 and #2 are both found to be unsuitable (Figure 6).

A structure may be placed around each of the new wells which would house a generator and pumps. The proposed pipeline would be placed below grade to connect the new wells to existing pipeline.

B. Floodplains

i. Existing Conditions

The city of Canton and Lincoln County are participants of the Flood Insurance Program. The Study Area contains the FEMA-designated 100 year floodplain (Zone A)[1] (Figure 6). Based on the site contours, the floodplain elevation ranges from 1,236 to 1,243 feet throughout the Study Area.

ii. Alternatives Impacts

The No-Action Alternative would not impact existing floodplains in the Study Area.

The selected alternative would likely result in impacts to the 100-year floodplain. Impacts would result under the circumstances that either Proposed Locations #1 and #2 or Alternative Location #3 is selected for placement of a well. Under these scenarios, fill material would be placed in the 100-year floodplain (Zone A). If either Alternative Location #1 or #2 is chosen, no floodplain impacts would result from the selected alternative. Pipeline will be installed below grade and

[1] Flood Map 46083C0287C, http://gis1.msc.fema.gov/Website/newstore/Viewer.htm

trenches will return to existing contours; therefore, floodplain impacts for pipeline installation will be temporary.

If during final design of the selected alternative, a floodplain effect does occur, the City of Canton will be required to coordinate with the local floodplain authorities to determine the documentation necessary to construct in the floodplain.

C. Wetlands and Other Water of the U.S.

i. Existing Conditions

Potential wetlands within the Study Area were identified through a desktop analysis of National Wetland Inventory (NWI) mapping, U.S. Geological Survey (USGS) mapping, and aerials of the Study Area. This section summarizes results of this desktop analysis. No formal delineations have been completed for this environmental review. During final design, the USACE will be coordinated with regarding the selected alternative and formal wetland delineation will be completed.

The USFWS provides the NWI as a resource to determine wetland areas. Based on the NWI, a forested palustrine wetland associated with the Big Sioux River floodplain was identified. Based on desktop analysis, it was determined that actual wetland boundaries would follow closely to the NWI boundaries (Figure 6).

ii. Alternatives Impacts

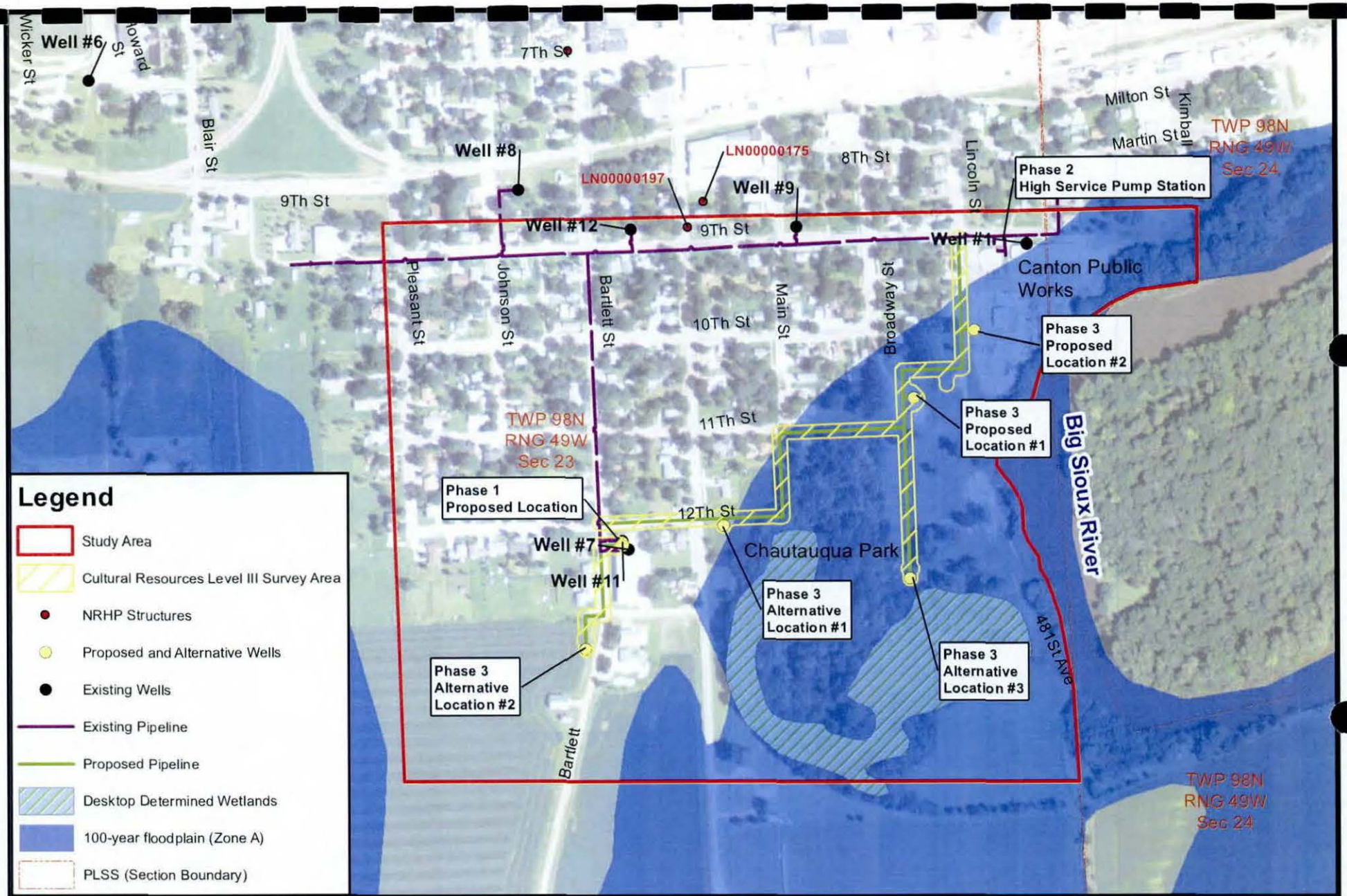
The No-Action Alternative would have no impacts on wetlands or waterways.

The selected alternative would not impact any wetlands based on the desktop analysis. If wetlands are found during formal wetland delineation and will be impacted based on final design, a 404 permit application would be submitted to USACE for a Nationwide Permit (NWP) #12, Utility Line Activities.

This NWP provides authorization for this activity under the following criteria:

- There is no change in preconstruction contours.
- Material from the trench may be side cast but may not exceed a total of 3 months and may not be placed in such a manner that it is dispersed by currents or other forces.
- In wetlands, the top 6 to 12 inches of the trench should normally be backfilled with topsoil from the trench.
- The trench cannot be constructed in such a manner as to drain waters of the U.S.
- Construction of access and temporary maintenance is allowed provided that this does not cause a loss of greater than ½ acre of non-tidal waters of the U.S.

During final design, impacts to wetlands and other waters of the U.S. would be minimized if possible, and trenches would be returned to pre-existing conditions



HDR

JSA ENGINEERS AND LAND SURVEYORS

N

0 250 500 Feet

Floodplain, Wetlands, and Cultural Resources
City of Canton, SD
Water Supply Facility Plan

August 2013

Figure 6

D. Historical, Archaeological, Cultural Resources

i. Existing Conditions

Section 106 of the National Historic Preservation Act of 1966 (NHPA) requires Federal agencies to determine whether their undertakings would have adverse impacts on historic properties that are listed on or are eligible on the National Register of Historic Places (NRHP).
In an effort to make this determination, an archeological records search was conducted for the Study Area. Two historic structures listed as eligible on the National Register of Historic Places are located within and near the Study Area (LN00000175 and LN00000197). LN00000175 is a single family dwelling constructed in 1889 in good overall condition. LN00000197 is the Heritage House constructed in 1883 and is owned by the Canton Area Historical Society (Figure 6).

Troy Kogel of Kogel Archaeological Consulting Services conducted a Level III survey of cultural resources along a 50-foot-wide corridor of the proposed pipeline and well sites. See Appendix B for the Level III Cultural Resources Survey of a Proposed Water Pipeline and Well Sites in Canton, Lincoln County, South Dakota. During the survey, two archaeological sites were identified; however, their eligibility status has not yet been determined. These sites are not noted on Figure 6; state law SDCL Section 1-20-21-2, and Section 304 of the NHPA direct that the location of specific sites be withheld as confidential to protect their integrity and cannot be specifically referred to in public documents or figures.

Site 39LN101 consists of a historic artifact scatter located on a terrace of the former Big Sioux River channel. Site 39LN102 consists of a historic artifact on a flat, upland plain. Neither of the site's National Register eligibility status can be determined from the survey level data. If avoidance is not possible, these sites should be evaluated to determine their National Register eligibility status.

ii. Alternatives Impacts

The No-Action Alternative would not affect any archeological sites or historic structures.

The selected alternative would not affect historic structures or archaeological sites with the condition that the sites are avoided by all construction activities including staging and borrow areas. If the two archaeological sites identified can not be avoided, a National Register of Historic Places evaluation is recommended for the affected site(s). If the sites can be avoided, a finding of *no historic properties affected* is recommended and no further evaluations work is recommended. However, if buried prehistoric or historic cultural materials are encountered during construction, work should cease in that area and the State Historical Preservation Office (SHPO) should be contacted immediately.

E. Noise

i. Existing Conditions

The Study Area is located within the city of Canton; therefore, the area also has an existing noise level.

ii. Alternatives Impacts

The No-Action Alternative would not affect noise within the Study Area.

The selected alternative would not impact long-term noise levels within the Study Area. Temporary noise impacts to surrounding areas would occur during construction. Activities such as grading, drilling, and open trenching would create new and additional noise sources.

Best Management Practices (BMPs) will be utilized to mitigate for construction-related noise impacts. BMPs would include reducing noise levels due to construction in any residential areas during the evening and night, the most sensitive timefrome for noise impacts. Therefore, the selected alternative would cause short-term noise impacts; however, will be lessened by the implemented BMPs.

F. Agricultural Lands

i. Existing Conditions

The Farmland Protection Policy Act of 1981 (7 CFR 658) requires that federal projects minimize the conversion of farmland to nonagricultural uses. To the extent practicable, state and local farmland policies are to be considered. Specially classified farmlands, such as prime farmland, unique farmland, and farmland of statewide or local importance, are closely scrutinized under this act.

Minimal farmland is present within the southwest portion of Study Area. From an aerial review, the area appears to be used for crop production.

i. Alternatives Impacts

The No-Action Alternative and the selected alternative would not affect farmland. The NRCS responded on March 12, 2013 stating that the Project would have no impact to prime or important farmland (see Appendix A).

G. Wild and Scenic Rivers

The Wild and Scenic River Act, as amended, describes those river segments designated or eligible to be included in the Wild and Scenic River System. The No-Action Alternative and selected alternative will not impact any Wild and Scenic rivers in the Study Area.

H. Fish and Wildlife Protection

i. Existing Conditions

Wildlife habitat in the Study Areas varies from existing urban areas, park, forests, and farmland. The Big Sioux River flows along the east side of the Study Area and the riparian area includes forested and wetland areas. In accordance with Section 7 (c) of the Endangered Species Act of 1973, consultation for the Project was initiated for the presence of threatened and endangered (T&E) species with the South Dakota Field Office of U.S. Fish and Wildlife Service (USFWS) and the South Dakota Department of Game, Fish, and Parks (SDGFP). State T&E species and species of management concern are regulated under South Dakota Statues 34A-8 and 34A-8A,

respectively. SDGFP maintains a list of species determined to be threatened or endangered within the State.

Within Lincoln County, the federally listed T&E species are the Topeka shiner, pallid sturgeon and western prairie fringed orchid. The bald eagle, although delisted, remains protected under the Bald and Golden Eagle Protection Act and Migratory Bird Treaty Act (USFWS, 2013). Bald eagles are associated with riparian habitat along coasts, rivers, and lakes.

Table 21 Federally Listed Species for Lincoln County

GROUP	Species	Certainty of Occurrence	Status
FISH	TOPEKA SHINER	KNOWN	Endangered
PLANT	WESTERN PRAIRIE FRINGED ORCHID	POSSIBLE	Threatened
FISH	PALLID STURGEON	KNOWN	Endangered

In order to determine the potential state listed T&E species within Lincoln County, the list of T&E species on SDGFP website (SDGFP, 2013) was compared to the wildlife management plan (SDGFP, 2006). State T&E species that are potentially found within Lincoln County are listed in the following table (SDGFP, 2006).

Table 22 State Listed Species for Lincoln County

GROUP	Species
BIRD	OSPREY
BIRD	PEREGRINE FALCON
MAMMAL	NORTHERN RIVER OTTER

Migratory birds are protected under the Migratory Bird Treaty Act (16 USC 703-712, as amended). Migratory birds are known to use the Study Areas for nesting, which occurs primarily between April 1 and July 15.

ii. Alternatives Impacts

The No-Action Alternative would have no direct effect on fish or wildlife habitat.

The following paragraphs discuss the federal and state listed species that have been previously documented in Lincoln County and their potential to occur within the Study Area:

Western prairie fringed orchid – The western prairie fringed orchid, a Federal threatened species, is potentially found in Lincoln Counties in areas of tall grass prairies or in disturbed areas of subirrigated prairies, swales in sand dune complexes and meadows. Habitat loss through conversion of prairies to cropland and other uses and overgrazing is the most serious threat to the orchid (USFWS, 1996).

- The Study Area does contain grassy areas within Chautauqua Park; however, these areas are mowed intensively and do not appear to have the appropriate habitat for these species.

Topeka shiner – The Topeka shiner, a federally endangered species, is known to occupy tributaries and stretches of the Big Sioux River.

- Although the Big Sioux River is adjacent to the Study Area, construction activities will avoid impacts to the river.

Pallid sturgeon - The pallid sturgeon, a federally listed endangered species, is known to occur in swift waters of large, turbid, free-flowing rivers. The project alternatives are located within Lincoln County which has been listed as a county that the pallid sturgeon has been known to occupy. The listing for the pallid sturgeon for Lincoln County is based on the species being caught in the Big Sioux River in May 2009.

- The selected alternative would not affect the Big Sioux River or any potential Pallid Sturgeon habit.

Migratory Birds – The selected alternative exists mainly within the City of Canton and partially within rural lands just south of Canton.

- The removal of large trees will be avoided when possible for the selected alternative.

In a USFWS letter dated February 28, 2013, a determination of No Effect to T&E species was made. The USFWS concurred with the determination and stated they had no objection to the Project on March 13, 2013 it states that the Project as described will have no significant impact on fish and wildlife resources (see Appendix A).

A letter received from the SDGFP, dated March 5, 2013, stated that the Project will have no impact on fish and wildlife resources (see Appendix A).

I. Water Quality and Quantity

i. Existing Conditions

Water resources in the Study Area includes groundwater resources and the Big Sioux River bordering the Study Area to the east. During a desktop review, a forested wetland associated with the Big Sioux River floodplain in the Study Area.

The Big Sioux River segment downstream of the Study Area is designated by the South Dakota Department of Environment and Natural Resources (SD DENR) as R17 extending from Nine Mile Creek to near Fairview. This segment of the Big Sioux River is currently not meeting the designated uses of warm water semi permanent fish life due to total suspended solids and immersion recreation due to fecal coliform bacteria (SDDENR, 2012).

Public water supplies in the City of Canton rely on underground aquifers. The Dakota Sandstone Aquifer supplies the city.

ii. Alternative Impacts

The No-Action Alternative will have an impact on water quantity or quality.

The selected alternative would withdraw approximately an additional 130-200 gpm per well from the Dakota Sandstone Aquifer. It is expected that this withdrawal will not have an effect to water supplies in the short term or long term. Degradation of water quality is not anticipated from the selected alternative.

National Pollutant Discharge Elimination System (NPDES) Stormwater Regulations requires erosion prevention during the construction of the selected alternative. The requirements include reestablishment of vegetation, and installation of temporary sediment and erosion control structures. BMPs will be implemented to minimize impacts to the adjacent waterways.

J. Public Services, Facilities, and Recreational Resources

i. Existing Conditions

Public services that are provided to the Study Area include fire protection, ambulance emergency services, and law enforcement. Public facilities include water supply and infrastructure.

The Canton Recreation Board is responsible for the current parks and recreational areas within the city limits. The city of Canton has approximately seven parks available for the public to use. Chautauqua Park is located within the Study Area and can be accessed from 10th Street & South Broadway or 10th Street & South Lincoln (City of Canton, 2013). No Land and Water Conservation Funds have been utilized within Chautauqua Park.

ii. Alternative Impacts

The No-Action Alternative would not impact recreational areas, however would negatively impact the current and future water supply to the city of Canton.

The selected alternative would not impact public services, facilities, and recreational resources long-term. Temporarily impacts to Chautauqua Park may occur during Phase 3. Pipeline would be installed below grade within the park if Alternative Location #3 is chosen. Coordination with the City of Canton will continue throughout final design to provide the appropriate detours during construction to allow access to the park. An access plan would be developed for the park as part of the final design if needed and requested by the city of Canton.

K. Regulated Materials

i. Existing Conditions

Properties where hazardous materials spills or leaks have occurred may present risk to a project. Contaminated, or potentially contaminated, properties are a concern to projects because of associated liability of the potential cleanup costs and the safety concerns related to exposure to contaminated soil, surface water, or groundwater.

A search of the South Dakota Department of Environment and Natural Resources (SDDENR) SPILLS database for spills or regulated materials that could affect the Project was conducted for the Study Area (SD DENR, 2013). One site was identified (ID No. 2003.044) on 223 East 9th Street near the East 9th Street / Lincoln Street intersection where 100 gallons of diesel fuel was spilled on April 10, 2003. The sites status has been closed as of June 20, 2003.

ii. Alternative Impacts

The No-Action Alternative and selected alternative would not impact or be adversely impacted by regulated materials in the Study Area.

During construction, the contractor should be aware of areas of soil staining, objectionable odors, or if buried drums and underground storage tanks are discovered. If any are noted during construction, coordination with SD DENR is required prior to continuing work in those areas.

L. Air Quality

i. Existing Conditions

The U.S. Environmental Protection Agency (USEPA) regulates air pollutants in part by primary and secondary National Ambient Air Quality Standards (NAAQS). SD DENR has adopted the Federal regulations by reference and operates a network of air monitors that track the regulated pollutants at various locations in South Dakota.

The nearest air quality monitoring site located in Sioux Falls monitors concentrations of particulate matter and other regulated pollutants (ozone, nitrogen dioxide, and sulfur dioxide). The Study Area is in attainment of primary and secondary regulatory standards for ambient air quality (SDDENR, 2010).

ii. Alternative Impacts

The No-Action Alternative would not adversely impact air quality in the Study Area.

The selected alternative would only have short term impacts on air quality during construction. Specifications will be in place for fugitive dust control measures. Construction would cause short-term elevations of air emissions. During construction, air emissions would be minimized through smooth traffic-flow patterns and regular scheduling of water sprinkling for dust suppression, if needed.

Emissions would be generated from the emergency back up generators in times of power outages and testing. During final design, a minor source construction permit application would be submitted to the SDDENR Air Quality Program. As part of this application, emissions calculations for criteria pollutants would be submitted. It is anticipated that these emergency back up generators would meet the exemption ARSD 74:36:04:02:01) which stipulates that if emissions for a source are below 25 tons per year of criteria pollutants, then a permit is not required. This will ensure that the applicable requirements of the New Source Performance Standard (NSPS) in Subpart IIII as stated in the South Dakota Administrative Rule (ARSD) 74:36:07:88 would be met.

M. Future Actions

i. Selected Alternative

The following measures will be employed during the implementation of the Selected Alternative:

- Floodplains-- During final design of the selected alternative (Phase 3), the city of Canton will be required to coordinate with the local floodplain authorities to determine documentation necessary for the placement of fill into the 100-year floodplain if Proposed Location #1 or #2 or alternative Location #3 is chosen.
- Wetlands--A USACE Section 404 permit, if required, would need to be obtained with a Section 401Water Quality Certification. The wetland impacts will need to be confirmed with formal wetland delineation and during the final design avoidance, minimization, and compensation will need to be part of the permitting process.
- Cultural Resources—If Alternative Locations #1 or #2 are selected for drilling a well during Phase 3, further evaluation of the identified archaeological sites would need to be conducted to determine if they are eligible for the National Register of Historic Places. If buried prehistoric or historic cultural materials are encountered during construction, work should cease in that area and the SHPO should be contacted immediately.
- Noise-- BMPs will be utilized to mitigate for construction-related noise impacts; therefore, short-term impacts of the Selected Alternatives will be lessened by the implemented BMPs. Construction operations will be restricted to 7:00 a.m. to 7:00 p.m. to reduce impacts of noise on adjacent residential areas.
- Threatened and Endangered-- If any federal or state listed T&E species are observed during construction of the project, the appropriate agencies will be notified.
- Water Quality-- Soil erosion will be minimized through the enforcement of the Soil Erosion and Sedimentation Control Plan. Construction operations will include dust control measures.
- Water Quality-- The NPDES Stormwater Regulations prevent erosion during the construction of the Selected Alternative. The requirements include reestablishment of vegetation, and installation of temporary sediment and erosion control structures. BMPs will be implemented to minimize runoff into waterways.
- Air Quality-- Construction would cause short-term elevations of air emissions. During construction, air emissions would be minimized through smooth traffic-flow patterns and regular scheduling of water sprinkling for dust suppression, if needed.
- Regulated Materials-- During construction, the contractor should be aware of areas of soil staining, objectionable odors, or if buried drums and underground storage tanks are discovered. If any are noted during construction, coordination with SDDENR is required prior to continuing work in those areas.
- Proper placement and compaction of stockpiled soil will be required.

Coordination will continue throughout final design to provide the appropriate detours during construction to allow access for the public services that exist within the area.

ii. Permits Required

The following permits could potentially be required for this Project:

- A USACE Section 404 permit, with Section 401 Water Quality Certification if required, would need to be obtained. Construction of a utilities line within a wetland area would typically be authorized by USACE under Nationwide Permit (NWP) # 12, Utility Line Activities.
- A NPDES permit would also be required, which includes the preparation of a SWPPP.

XI. Public Hearing Assistance

Public participation was encouraged during the development of the SRF Project Plan. A Public Hearing to present the SRF Project Plan was held on xxx. A presentation was given to provide details on the SRF Project Plan, more specifically the recommended alternative and corresponding cost opinions for the city of Canton Water Supply Facilities Facility Plan.

The Public Hearing notice was published on xxx in the local newspaper and an affidavit of the notice is included in Appendix.

On xxx, the Public Hearing began at xxx p.m. with a presentation, which summarized the information contained in the Water Supply Facility Plan, City of Canton, Lincoln County, South Dakota, including:

- Need for the Project
- Population and Demand Projections
- Alternative Analysis
- Environmental Impacts
- Recommended Alternative

During the Q & A portion of the Public Hearing, the public stated it understood the need for the project. In summary, no objections were received from the public on the selected alternative or the project cost.

XII. Submittal to SD DENR for Review and Approval

XIII. REFERENCES

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Appendix A. Environmental Review Agency Letters

February 28, 2013

Leslie Murphy
SD Dept of Game, Fish, & Parks
Division of Wildlife
Joe Foss Building 523 E. Capitol Avenue
Pierre, SD 57501-3181

Subject: City of Canton – State Revolving Funds (SRF); Water Supply Facilities Facility Plan

Dear Ms. Murphy:

The City of Canton (the City) is currently developing a Water Supply Facility Plan (Facility Plan) that will meet the funding requirements of the State Drinking Water Revolving Loan Fund administered by South Dakota Department of Environment and Natural Resources (SD DENR). Completing this Facility Plan is important to ensure adequate potable water supply is available to the City for the next 20 years.

The City's current water supply comes from groundwater wells within the Dakota Aquifer. The water supply is declining due to age of the City's existing wells, therefore constructing more wells is crucial to meeting the projected requirement for the City of 1.21 MGD in 2035. Furthermore, the existing equipment in Wells # 7 and #11 is non-operational due to age and wear (see Figure 1). The high service pumps that fill the elevated water tower and provide pressure to the distribution system were installed in 1989-90 with motors that date back to pre-1966. The controls for these pumps were also installed in 1966 and require an upgrade.

The No Action Alternative and one build alternative have been selected to be analyzed as part of the Facility Plan. The build alternative consists of drilling two additional wells in the Dakota aquifer. Two wells will be selected from the five proposed locations noted on Figure 1. In addition, a proposed pipe would be installed below grade and would follow platted streets connecting the proposed wells to an existing pipe (the Project).

Agency coordination letters are being sent to both state and federal agencies. As part of our early coordination efforts, we are alerting you to the initiation of this study and requesting any comments you may have about the Project, specifically anything within the Study Area, due to your agency's area of expertise and/or jurisdiction by law.

Please submit your comments by March 20, 2013, so that the Project's environmental documentation can be accomplished, and the project can move forward and be constructed in a timely manner. If you have any questions

regarding the enclosed information, please feel free to call me at (605) 977-7740. Thank you for your consideration of this Project.

Sincerely
HDR ENGINEERING, INC.

Rebecca Baker

Rebecca Baker
Environmental Scientist

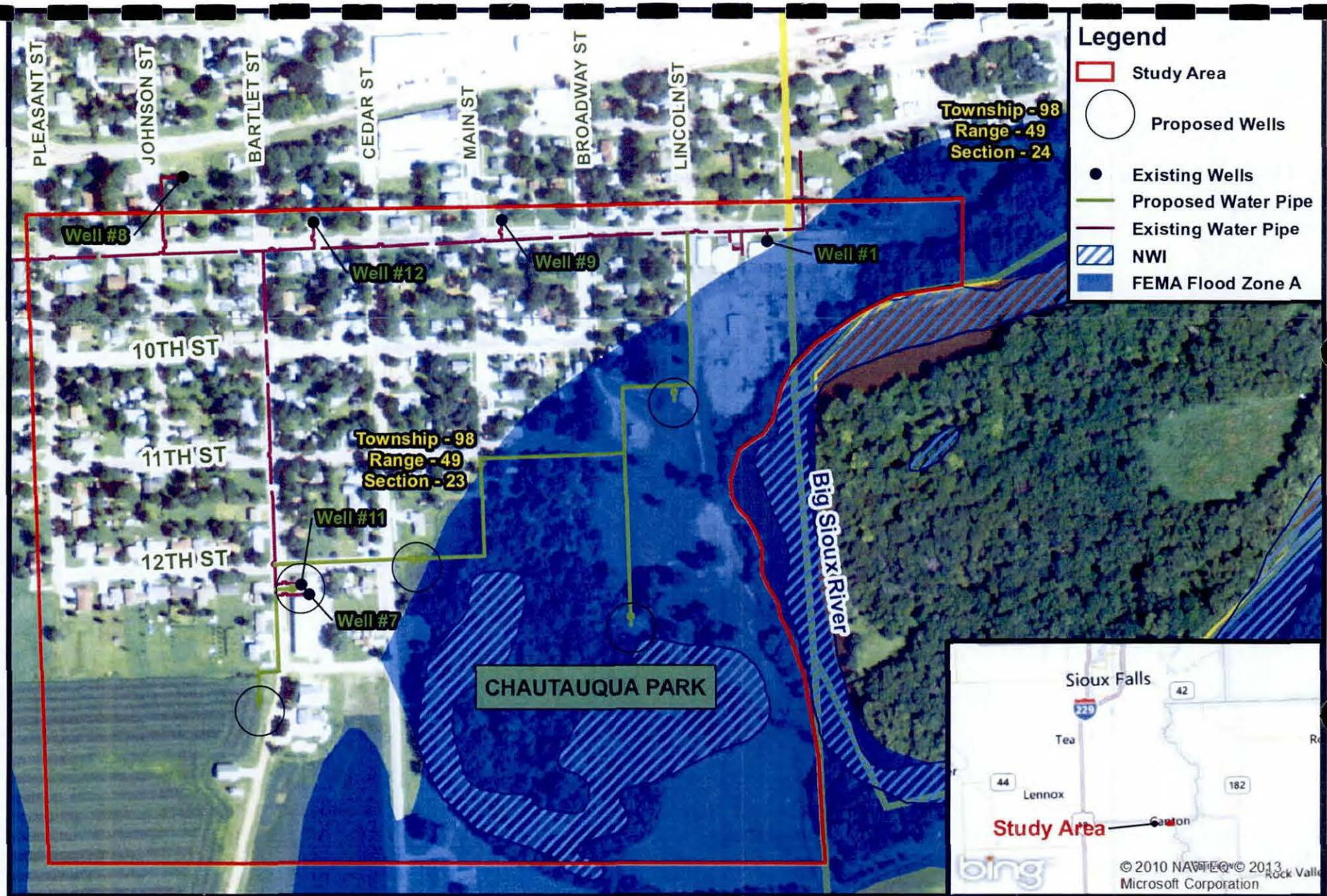
Attachment – Project Location

Cc Myron Adam, PE/LS – JSA Engineers and Land Surveyors

HDR Engineering, Inc.

6300 S Old Village Place
Suite 100
Sioux Falls, SD 57108-2102

Phone: (605) 977-7740
Fax: (605) 977-7747
www.hdrinc.com



HDR

JSA ENGINEERS AND LAND SURVEYORS

Project Location

City of Canton
Water Supply Facilities
Facility Plan

February 2013

Figure 1

DEPARTMENT OF GAME, FISH, AND PARKS
Foss Building
523 East Capitol
Pierre, South Dakota 57501-3182

March 5, 2013

Ms. Rebecca Baker
HDR Engineering, Inc.
6300 S. Old Village Place, Suite 100
Sioux Falls, SD US 57108-2102

RE: Water Supply Facilities Plan
Canton, South Dakota

Dear Ms. Baker:

The South Dakota Department of Game, Fish and Parks, Wildlife Division, has reviewed the revised project involving improvements to the water supply system in the City of Canton, South Dakota.

At this time, the project described will have no impacts on fish and wildlife resources. However, if the project design changes or if new information becomes available, please submit the changes for review.

If you have any other questions, please feel free to contact me at 605.773.6208.

Sincerely,

Leslie Murphy
Leslie Murphy
Senior Biologist

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MAR 04 2013
U.S. FISH & WILDLIFE SERVICE

This constitutes a report of the Department of The Interior prepared in accordance with the Fish and Wildlife Coordination Act (16 U.S.C. 661 et seq.). We have reviewed and have NO OBJECTION to this proposed project.

3/13/13 Scott
Date Field Supervisor

February 28, 2013

Natalie Gates
U.S. Fish and Wildlife Service
420 S. Garfield Avenue
Pierre, SD 57501-5408

Subject: City of Canton – State Revolving Funds (SRF); Water Supply Facilities Facility Plan

Dear Ms. Gates:

The City of Canton (the City) is currently developing a Water Supply Facility Plan (Facility Plan) that will meet the funding requirements of the State Drinking Water Revolving Loan Fund administered by South Dakota Department of Environment and Natural Resources (SDDENR). Completing this Facility Plan is important to ensure adequate potable water supply is available to the City for the next 20 years.

The City's current water supply comes from groundwater wells within the Dakota Aquifer. The water supply is declining due to age of the City's existing wells, therefore constructing more wells is crucial to meeting the projected requirement for the City of 1.21 MGD in 2035. Furthermore, the existing equipment in Wells # 7 and #11 is non-operational due to age and wear (see Figure 1). The high service pumps that fill the elevated water tower and provide pressure to the distribution system were installed in 1989-90 with motors that date back to pre-1966. The controls for these pumps were also installed in 1966 and require an upgrade.

The No Action Alternative and one build alternative have been selected for environmental consideration as part of the Facility Plan. The build alternative consists of drilling two additional wells in the Dakota aquifer. Two wells will be selected from the five proposed locations noted on Figure 1. Both wells would have a well house constructed to protect the well pumps. In addition, a proposed water pipe would be installed below grade and would follow platted streets connecting the proposed wells to an existing water pipe (the Project).

Agency coordination letters are being sent to both state agencies and federal agency districts. As part of our early coordination efforts, we are alerting you to the initiation of this study and requesting any comments you may have about the Project, specifically anything within the Study Area, due to your agency's area of expertise and/or jurisdiction by law.

HDR Engineering, Inc.
6300 S Old Village Place
Suite 100
Sioux Falls, SD 57108-2102
Phone: (605) 977-7740
Fax: (605) 977-7747
www.hdrinc.com

According to the U.S. Fish & Wildlife Service (USFWS) South Dakota Field Office's Endangered Species by County List (updated 21 February 2013), the following species are known to occur in Lincoln County:

County	Group	Species	Certainty of Occurrence	Status	Determination
LINCOLN	FISHES	TOPEKA SHINER	KNOWN	E	NO EFFECT
		PALLID STURGEON	KNOWN	E	NO EFFECT
	FLOWERING PLANTS	WESTERN PRAIRIE FRINGED ORCHID	POSSIBLE	T	NO EFFECT

Please send your review and concurrence with our determination above and any additional comments regarding wetland easements, refuges, etc. as they relate to the Project to me by March 20, 2013, so that the project's environmental documentation can be accomplished, and the project can move forward and be constructed in a timely manner. If you have any questions regarding the enclosed information, please feel free to call me at (605) 977-7740. Thank you for your consideration of the Project.

Sincerely,
HDR ENGINEERING, INC.

Rebecca Baker

Rebecca Baker
Environmental Scientist

Attachments – Project Location

Cc Myron Adam, PE/LS – JSA Engineers and Land Surveyors

HDR Engineering, Inc.

6300 S Old Village Place
Suite 100
Sioux Falls, SD 57108-2102

Phone: (605) 977-7740
Fax: (605) 977-7747
www.hdrinc.com

February 28, 2013

Deanna Peterson
USDA-NRCS
200 Fourth Street SW
Huron, SD 57350-2475

Subject: City of Canton – State Revolving Funds (SRF); Water Supply Facilities Facility Plan

Dear Ms. Peterson:

The City of Canton (the City) is currently developing a Water Supply Facility Plan (Facility Plan) that will meet the funding requirements of the State Drinking Water Revolving Loan Fund administered by South Dakota Department of Environment and Natural Resources (SDDENR). Completing this Facility Plan is important to ensure adequate potable water supply is available to the City for the next 20 years.

The City's current water supply comes from groundwater wells within the Dakota Aquifer. The water supply is declining due to age of the City's existing wells, therefore constructing more wells is crucial to meeting the projected requirement for the City of 1.21 MGD in 2035. Furthermore, the existing equipment in Wells # 7 and #11 is non-operational due to age and wear (see Figure 1). The high service pumps that fill the elevated water tower and provide pressure to the distribution system were installed in 1989-90 with motors that date back to pre-1966. The controls for these pumps were also installed in 1966 and require an upgrade.

The No Action Alternative and one build alternative have been selected for environmental consideration as part of the Facility Plan. The build alternative consists of drilling two additional wells in the Dakota aquifer. Two wells will be selected from the five proposed locations noted on Figure 1. Both wells would have a well house constructed to protect the well pumps. In addition, a proposed water pipe would be installed below grade and would follow platted streets connecting the proposed wells to an existing water pipe (the Project).

Agency coordination letters are being sent to both state agencies and federal agency districts. As part of our early coordination efforts, we are alerting you to the initiation of this study and requesting any comments you may have about the Project, specifically anything within the Study Area, due to your agency's area of expertise and/or jurisdiction by law.

HDR Engineering, Inc.

6300 S Old Village Place
Suite 100
Sioux Falls, SD 57108-2102

Phone: (605) 977-7740
Fax: (605) 977-7747
www.hdrinc.com

Please submit your comments by March 20, 2013, so that the Project's environmental documentation can be accomplished, and the project can move forward and be constructed in a timely manner. If you have any questions regarding the enclosed information, please feel free to call me at (605) 977-7740. Thank you for your consideration of this Project.

Sincerely,
HDR ENGINEERING, INC.

Rebecca Baker

Rebecca Baker
Environmental Scientist

Attachment – Project Location

Cc Myron Adam, PE/LS – JSA Engineers and Land Surveyors

HDR Engineering, Inc.

6300 S Old Village Place
Suite 100
Sioux Falls, SD 57108-2102

Phone: (605) 977-7740
Fax: (605) 977-7747
www.hdrinc.com

United States Department of Agriculture

NRCS

Natural Resources Conservation Service
200 Fourth Street SW
Huron, South Dakota 57350

Phone: (605) 352-1200
Fax: (605) 352-1270

March 12, 2013

Ms. Rebecca Baker
Environmental Scientist
6300 S. Old Village Place, Suite 100
Sioux Falls, South Dakota 57108

RE: City of Canton – State Revolving Funds; Water Supply Facilities Facility Plan

Dear Ms. Baker:

Thank you for the opportunity to provide comments on the above projects. This project will have no effect on prime or important farmland.

The Natural Resources Conservation Service (NRCS) would advise the applicant to consult with the local NRCS and Farm Service Agency (FSA) offices regarding any USDA easements or contracts in the project area that may be affected.

If you have any questions, please contact Barb Hall, GIS Specialist, at (605) 352-1256.

Sincerely,

Deanna M Peterson

DEANNA M. PETERSON
State Soil Scientist

February 28, 2013

Randall Sellers
US Army Corps of Engineers
Planning Division Attention: CENWO-PW-AE
1616 Capitol Avenue
Omaha, NE 68102-4901

Subject: City of Canton – State Revolving Funds (SRF); Water Supply Facilities Facility Plan

Dear Mr. Sellers:

The City of Canton (the City) is currently developing a Water Supply Facility Plan (Facility Plan) that will meet the funding requirements of the State Drinking Water Revolving Loan Fund administered by South Dakota Department of Environment and Natural Resources (SDDENR). Completing this Facility Plan is important to ensure adequate potable water supply is available to the City for the next 20 years.

The City's current water supply comes from groundwater wells within the Dakota Aquifer. The water supply is declining due to age of the City's existing wells, therefore constructing more wells is crucial to meeting the projected requirement for the City of 1.21 MGD in 2035. Furthermore, the existing equipment in Wells # 7 and #11 is non-operational due to age and wear (see Figure 1). The high service pumps that fill the elevated water tower and provide pressure to the distribution system were installed in 1989-90 with motors that date back to pre-1966. The controls for these pumps were also installed in 1966 and require an upgrade.

The No Action Alternative and one build alternative have been selected for environmental consideration as part of the Facility Plan. The build alternative consists of drilling two additional wells in the Dakota aquifer. Two wells will be selected from the five proposed locations noted on Figure 1. Both wells would have a well house constructed to protect the well pumps. In addition, a proposed water pipe would be installed below grade and would follow platted streets connecting the proposed wells to an existing water pipe (the Project).

Agency coordination letters are being sent to both state agencies and federal agency districts. As part of our early coordination efforts, we are alerting you to the initiation of this study and requesting any comments you may have about the Project, specifically anything within the Study Area, due to your agency's area of expertise and/or jurisdiction by law.

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6300 S Old Village Place
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Please submit your comments by March 20, 2013, so that the Project's environmental documentation can be accomplished, and the project can move forward and be constructed in a timely manner. If you have any questions regarding the enclosed information, please feel free to call me at (605) 977-7740. Thank you for your consideration of this Project.

Sincerely
HDR ENGINEERING, INC.

Rebecca Baker

Rebecca Baker
Environmental Scientist

Attachment – Project Location

Cc Myron Adam, PE/LS – JSA Engineers and Land Surveyors

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Fax: (605) 977-7747
www.hdrinc.com

DEPARTMENT OF THE ARMY
CORPS OF ENGINEERS, OMAHA DISTRICT
1616 CAPITOL AVENUE
OMAHA NE 68102-4901

REPLY TO
ATTENTION OF

March 13, 2013

Planning, Programs, and Project Management Division

Ms. Rebecca Baker
HDR Engineering, Inc.
6300 S Old Village Place, Suite 100
Sioux Falls, South Dakota 57108

Dear Ms. Baker:

The U.S. Army Corps of Engineers, Omaha District (Corps) has reviewed your letter dated February 28, 2013 regarding the environmental report on the City of Canton's proposed development of an improved Water Supply Facility Plan that will involve the drilling of two new groundwater wells and installation of additional water pipe in Canton, South Dakota. The Corps offers the following comments:

The City of Canton's plans should be coordinated with the state water quality office in which the project is located to ensure compliance with federal and state water quality standards and regulations mandated by the Clean Water Act and administered by the U.S. Environmental Protection Agency (USEPA). Please coordinate with the South Dakota Department of Environment & Natural Resources concerning state water quality programs.

If you have not already done so, it is recommended you consult with the U.S. Fish and Wildlife Service and the South Dakota Department of Game, Fish and Parks regarding fish and wildlife resources. In addition, the South Dakota State Historic Preservation Office should be contacted for information and recommendations on potential cultural resources in the project area.

Since the proposed project does not appear to be located within Corps owned or operated lands, we are providing no floodplain or flood risk information. However, the enclosed project map the Corps received from HDR Engineering shows that three out of five of the proposed well sites and the proposed location to install new water pipe for this project are located in a Federal Emergency Management Agency (FEMA) Flood Zone. To determine if the proposed project may impact areas designated as a FEMA special flood hazard area, please consult the following floodplain management office:

South Dakota, Division of Emergency Management
Attention: Nicole Prince
118 W. Capitol Ave.
Pierre, South Dakota 57501-5070
Nicole.prince@state.sd.us
T-605-773-3238
F-605-773-3580

Any proposed placement of dredged or fill material into waters of the United States (including jurisdictional wetlands) requires Department of the Army authorization under Section 404 of the Clean Water Act. You can visit the Omaha District's Regulatory website for permit applications and related information. Please review the information on the provided website (http://www.nwo.usace.army.mil/Missions/RegulatoryProgram.aspx) to determine if this project requires a 404 permit. For a detailed review of permit requirements, preliminary and final project plans should be sent to:

U.S. Army Corps of Engineers
Pierre Regulatory Office
Attention: CENWO-OD-R-SD/Naylor
28563 Powerhouse Road, Room 120
Pierre, South Dakota 57501

In addition, please update your records with our current mailing address:

U.S. Army Corps of Engineers, Omaha District
Planning Branch
Attention: CENWO-PM-AC
1616 Capitol Ave.
Omaha, Nebraska 68102-4901

If you have any questions, please contact Ms. Amanda Ciurej of my staff at (402) 995-2897.

Sincerely,

Eric Laux
Acting Chief, Environmental Resources and Missouri River
Recovery Program Plan Formulation Section

Appendix B. Cultural Resources Survey

5.12.3 CULTURAL RESOURCES EFFECTS ASSESSMENT SUMMARY

Applicant:
Address:

Project Contact:
Telephone Number:

Legal Location of Project: T98N, R49W, NE1/4 of Section 23

City: Canton County: Lincoln Project No.:

Project Description:

The city of Canton proposes to install a water pipeline and associated wells. Most of the proposed pipeline will be installed along existing Lincoln, Broadway, Main, Bartlett, 11th and 12th Street rights-of-way, while smaller segments of the water pipeline crosses wooded areas on the Big Sioux River floodplain. The proposed pipeline will tie into an existing water pipeline at the intersections of 12th Street & Bartlett Street and 9th Street & Lincoln Street. The proposed project area encompasses an area of approximately 4.1 acres (1.7 hectares).

For projects that involve new construction or vacant land please include information as to what previously occupied the site and whether that site has any known historic or archaeological significance.

Two sites, 39LN101 and 39LN102, were identified within undeveloped portions of the proposed project area. Sites 39LN101 and 39LN102 are associated with former farmsteads that once stood in these locations. Historical and archaeological significance of these sites is unknown.

Please describe below or attach information supporting the determination of effect.

If Sites 39LN101 and 39LN102 can be avoided by the proposed project, a determination of *no historic properties affected* is recommended.

A map showing the project location is required. Drawings or photographs may also be helpful.

Please indicate the effect the project will have on cultural resources based on the review performed:

[x] No Historic Properties Affected: There are no historic properties present or the undertaking will not affect any properties eligible for or listed in the National Register of Historic Places.

[ ] No Adverse Effect: This property is listed in or eligible for the National Register of Historic Places. This project will have no adverse effect upon the historic significance of the property because the proposed undertaking meets the Secretary of the Interior's Standards for the Treatment of Historic Properties.

[ ] Adverse Effect: This property is listed in or eligible for the National Register of Historic Places. This project will have an adverse effect upon the historic significance of the property. (Attach proposed mitigation measures that may minimize the adverse effect).

Prepared by:

Date: June 30, 2013

DETERMINATION OF EFFECTS

I have reviewed the project description and the information provided concerning historical and cultural effects of this project. Based on that review, the Department of Environment and Natural Resources concurs with the applicant's determination of the effects that the construction of this project will have on historical or cultural resources. Additionally, if historical or cultural resources are discovered during project construction, the contractor is required to cease construction and notify the State Historic Preservation Officer.

Approved by_____ Date_____

SD Department of Environment and Natural Resources

A Level III Cultural Resources Survey of A Proposed Water Pipeline and Well Sites in Canton, Lincoln County, South Dakota

Lower Big Sioux Archaeological Region

Submitted by

Kogel
Archaeological
Consulting Services

1818 West 26th Street
Sioux Falls, South Dakota 57105

June 30, 2013

Troy Kogel
Principal Investigator

Prepared for

HDR Engineering, Inc.
6300 Old Village Place, Suite 100
Sioux Falls, South Dakota 57108

Appendix C. Public Hearing Information

Appendix D. Site Geology

i. Study Area Geology

The surficial deposits which surround the Canton area consist primarily of glacial drift, which is composed of both till and outwash. Glacial till is generally a low permeability, heterogeneous, deposit that consists of a mix of poorly sorted, sand, silt and clay. Glacial outwash consists primarily of sand and gravel that has been sorted and deposited by glacial melt water. Glacial till is not considered an aquifer, while glacial outwash generally is considered to be an aquifer. Within the study area, glacial till is the primary surficial deposit in all areas except along the Big Sioux River and associated tributaries. Glacial outwash deposits are observed near the Big Sioux River and are located adjacent to recent alluvial deposits associated with the River.

Underlying these surficial deposits are the following bedrock units (from youngest to oldest): Cretaceous age Niobrara Formation, Carlile Shale, Greenhorn Limestone, Graneros Shale, and Dakota Formation. Below the Cretaceous age rocks is the basement rock which is the Precambrian Sioux Quartzite. The thickness of the Cretaceous rocks is approximately 600 feet in the Canton area (SDGS, 1965). Near Canton, a Paleozoic age white sandstone is sometimes encountered below the Cretaceous age rocks and above the Precambrian Sioux Quartzite. This Paleozoic sandstone is encountered in areas where there is a depression (valley) in the elevation of the Precambrian rocks.

ii. Study Area Aquifer Systems

Two aquifer systems exist near Canton that can produce water of adequate quality and quantity to support municipal supply. These aquifers are the sandstone units of the Cretaceous age Dakota Formation and the outwash/alluvium deposits adjacent to the Big Sioux River.

The city of Canton currently has eight wells penetrating the Dakota aquifer of which five are active and three are inactive. The option of drilling a new well or wells into the Dakota aquifer located near the city was evaluated and based on the number of municipal wells previously constructed in the Dakota aquifer near Canton, the likely outcome of drilling additional Dakota wells near the City should be reasonably predictable. For this reason, there is no need to drill observation wells in the Dakota aquifer. This would be cost prohibitive and would not provide additional information. It is necessary, however, to drill a test hole and construct a geophysical log in order to properly design the well.

a) Dakota Aquifer

The Dakota formation is an artesian type aquifer and is comprised of buried sand, sandstone, siltstone, and shale. The aquifer has an estimated 4.3 million acre-feet of water storage and underlies an area of 484 square miles. The aquifer extends into Turner and Clay Counties to the west, Union County to the south and enters Iowa to the east. Sioux Quartzite rock borders the aquifer on the north causing the general direction of groundwater movement to be southerly. Recharge of the aquifer can occur through: 1) underflow from the west, 2) leakage from the quartzite to the north, and 3) buried glacial aquifers to the west and north.

The Dakota formation is the primary bedrock aquifer system in northwestern Iowa and southeastern South Dakota, and is relied upon by numerous communities as their primary water supply. The Dakota formation is a regionally extensive formation that is available over a large

portion of Lincoln County and includes the areas immediately surrounding Canton. Within the study area, the Dakota formation is overlain by glacial drift or the Cretaceous age Graneros Shale, which act as confining units to the aquifer. The Dakota formation is underlain by the Pre-Cambrian age Sioux Quartzite which forms the base of the aquifer. Within the Canton area, the top of the Dakota formation is encountered approximately 300 feet below ground surface (bgs) and the bottom of the aquifer (top of the Sioux Quartzite) is encountered between 600 and 650 feet bgs.

The Dakota aquifer near Canton was evaluated in the *Hydrogeologic Investigation of the Dakota Formation to Identify Additional Municipal Well Sites for the City of Canton, South Dakota* (SDGS, 1990). As part of this study, the following geologic cross sections were developed, shown below as Figure D-1 through Figure D-3.

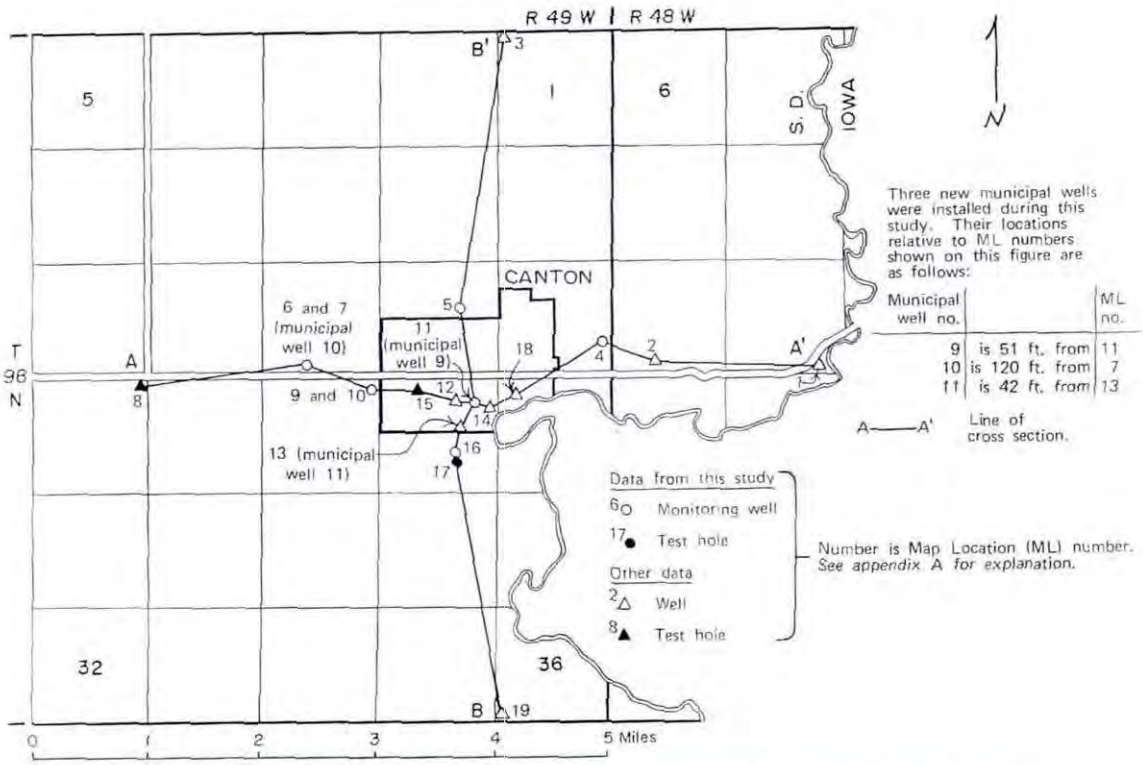

Figure D-1 Dakota Aquifer Cross Section Location Map (Source: SDGS, 1990)

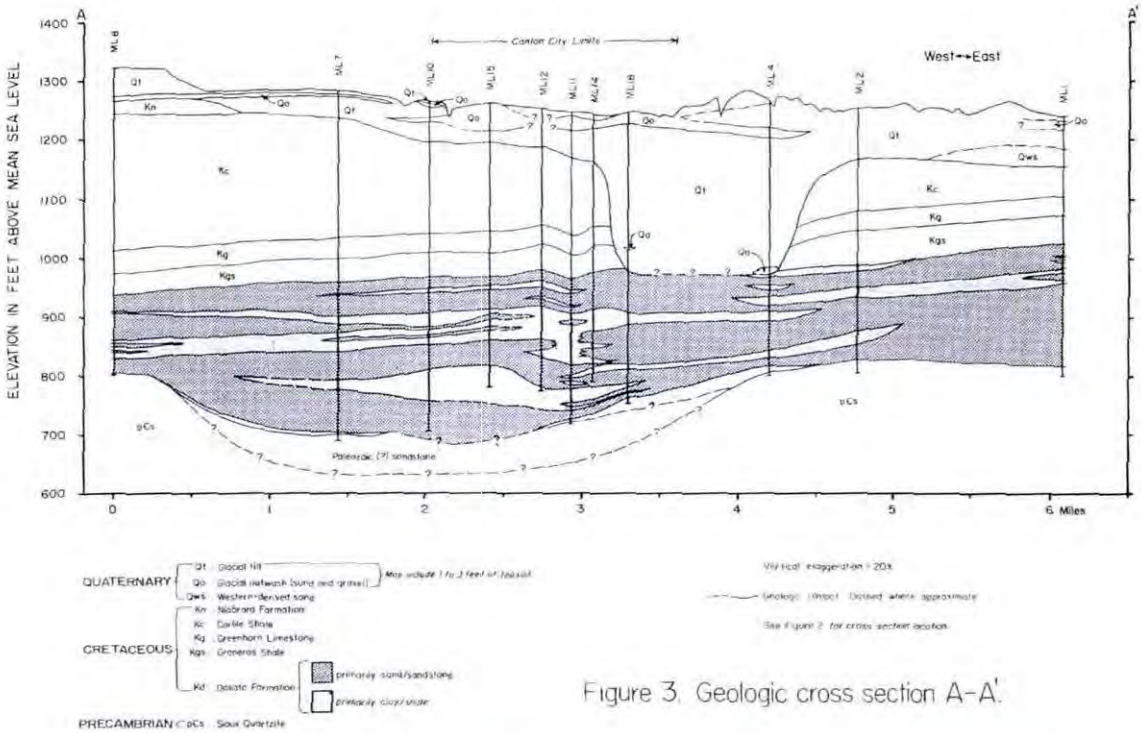

Figure 3. Geologic cross section A-A'.

Figure D-2 Dakota Aquifer Cross Section Near Canton, SD (East-West) (Source: SDGS, 1990)

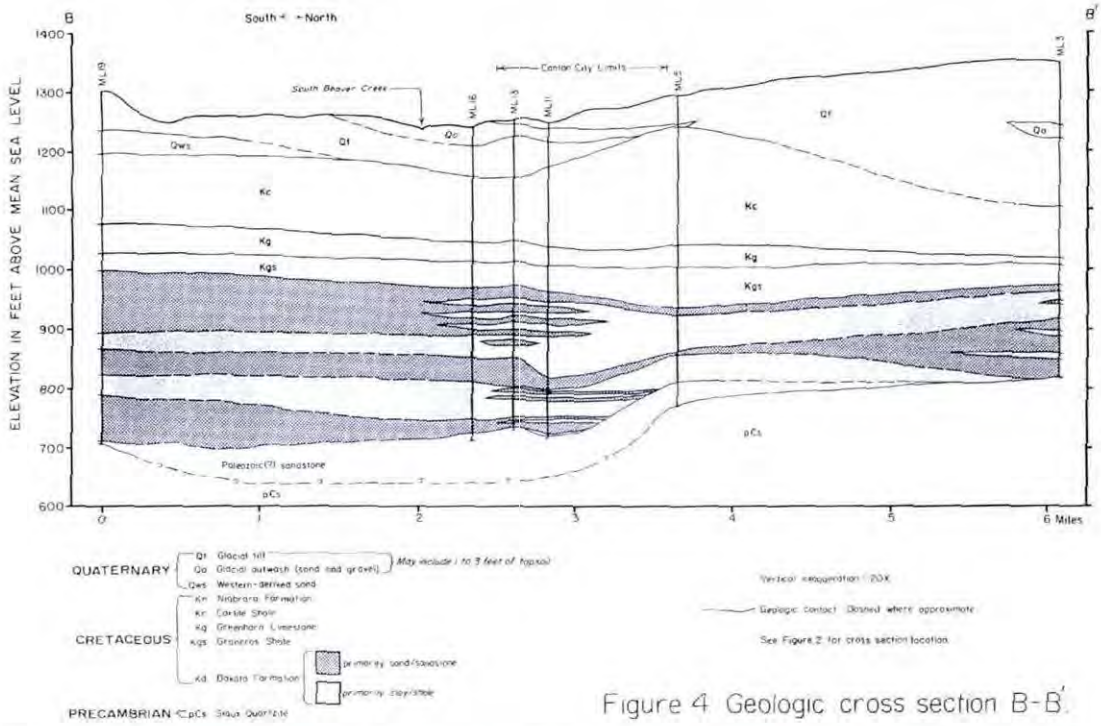

Figure D-3 Dakota Aquifer Cross Section Near Canton, South Dakota (North-South) (Source: SDGS, 1990)

The thickness of the Dakota aquifer increases to the South and West of the Canton area, as observed through the review of these cross sections. However, it does not appear that the thickness of the Dakota aquifer increases appreciably from what is observed at City Well #13, which was drilled near the abandoned City Well #10. The depth to the bottom of the Dakota aquifer observed in Well #13 is approximately 560 feet bgs. Given these observations, it can be concluded that a Dakota aquifer well drilled to the west of the City will produce very similar yields to what was observed in Well #10/13. A well could be placed in Section 15, west of town, where the Dakota aquifer is as good as it gets in terms of thickness and production rates; however, there is a chance that the water supply cannot be used due to high turbidity. The interbedded/alternating nature of the Dakota Formation can complicate the installation and development of high capacity municipal wells.

(1) Aquifer Properties

The Dakota formation is a complex system which is primarily composed of alternating, relatively thin, units of shale and sandstone. The inter-bedded/alternating nature of the Dakota formation makes it very difficult to predict the location of a good water supply well. This alternating sequence of sandstone and shale can also complicate the installation and development of high capacity municipal wells.

Within the Canton area, depth to water is typically between 100 and 150 feet bgs. Aquifer pumping tests performed on City Well #9 and #10 indicated an aquifer transmissivity of 2,800 gallons per day per foot (gpd/ft) at Well #9 and 10,000 to 12,000 gpd/ft at Well #10 (SDGS, 1990). The specific capacity of Well #13 was reported as 2.5 gallons per minute per foot of drawdown (gpm/ft) following a 12 hour pumping test conducted after the well was installed. This specific capacity is consistent with an aquifer that has a transmissivity reported for Wells #9 and

#10. The storage coefficient calculated at these well sites ranged from 0.0002 to 0.0008, indicating confined conditions (SDGS, 1990).

(2) Well Yield

The well yield observed in the City's older Dakota wells (#1, #3, #4, #6, and #8) ranged from 80 to 200 gpm (SDGS, 1990). These older wells did not typically penetrate the full thickness of the Dakota aquifer. City wells that did penetrate deeper into the Dakota, such as Well #12 and #13, have pumping rates that range from 250 to 400 gpm. The variability of these flow rates is related to the transmissivity of the formation at the well site. The aquifer transmissivity is directly related to the amount of sandstone encountered at the well site and the degree of aquifer penetration. Based on the aquifer parameters reported for the Dakota, it appears that a reasonable sustainable pumping rate for a well that fully penetrates the aquifer is 250 to 400 gpm.

b) Big Sioux Aquifer

The Big Sioux aquifer is a shallow alluvial and glaciofluvial aquifer associated with the Big Sioux River system. The Big Sioux aquifer consists of poorly to well-sorted surficial outwash that ranges from medium sand to medium gravel. The extents of the aquifer are generally limited to the flood plain of the Big Sioux River and its tributaries. The aquifer is underlain by till or bedrock. In most locations, the aquifer becomes coarser and more sorted with depth. The aquifer generally has unconfined (water-table) conditions.

Because this aquifer consists of shallow sand and gravel deposits, two different types of water supply wells could be developed:

1. Traditional Vertical Wells

The saturated thickness of the Big Sioux aquifer is highly variable and ranges from 40 to 80 feet bgs. Therefore, it is difficult to predict a typical yield for a well constructed in this aquifer. However, based on the data available, a yield between 200 and 500 gpm appears reasonable, although higher well yields may be possible depending on local geology.

2. Radial Collector Wells

A radial collector well consists of a large caisson with laterals that are horizontally projected out of the caisson and into the aquifer. The laterals are typically located near the base of the aquifer and are constructed using standard well screen materials. The primary advantage of a radial collector well is that the screen intakes are located near the base of the aquifer and therefore there is much more available drawdown, which increases the well yield. Based on the geology observed near Canton and the yield observed from radial collector wells installed near Sioux Falls, the estimated flow rate for these wells is 1.5 to 2.5 MGD.

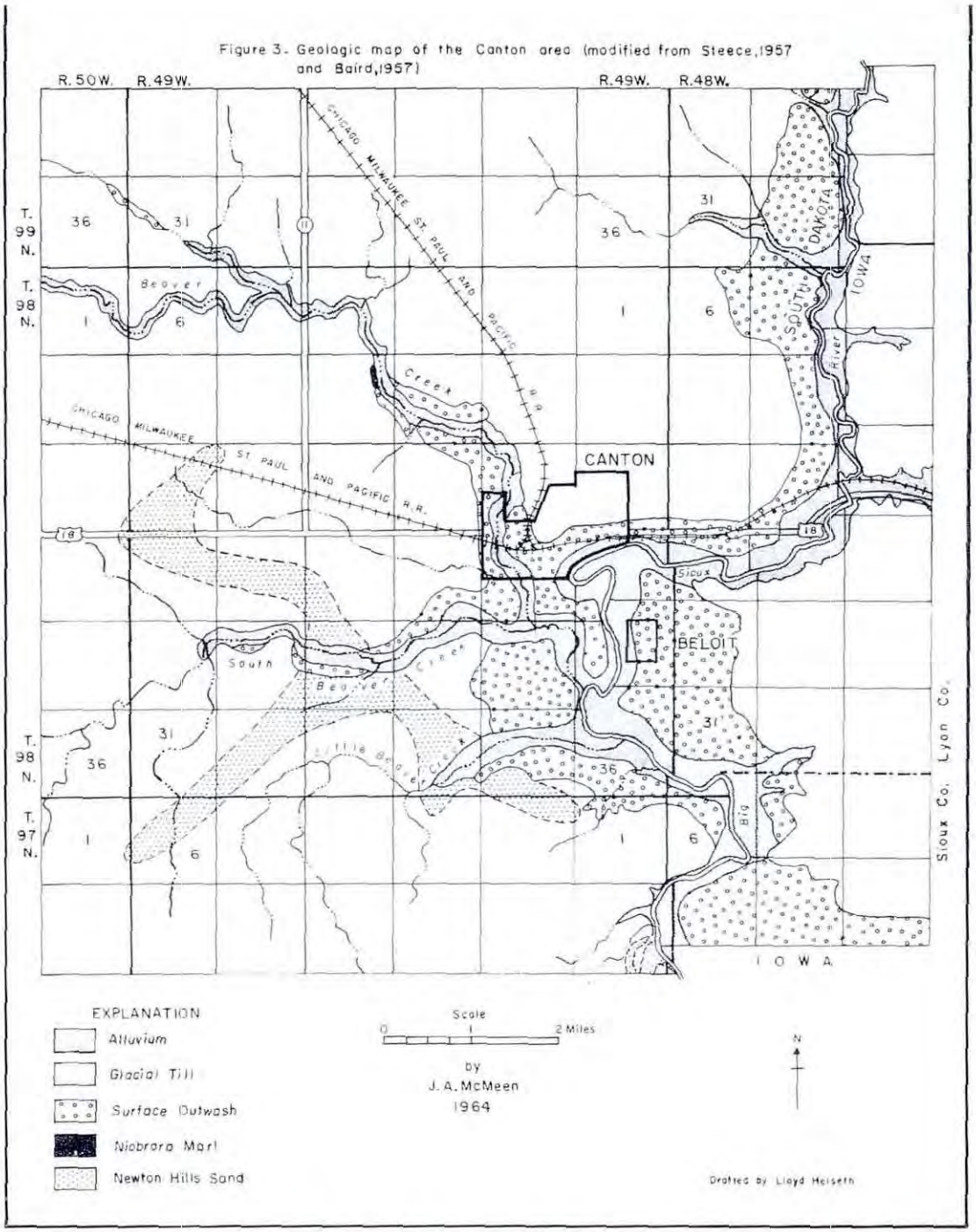

Figure D-4 Extents of Alluvium/Outwash (Big Sioux Aquifer) near Canton (Source SDGS 1969 Study)

(1) Aquifer Properties

Depth to water in the Big Sioux aquifer is typically shallow, ranging from 10 to 20 feet bgs. Aquifer tests reported indicate that most hydraulic conductivity values range from 300 to 800 ft/day (USGS, 1998), which indicates the sediments are primarily comprised of sands or gravel. Using an average saturated thickness of 20 feet (SDGS, 1969), the aquifer transmissivity would be 44,880 gpd/ft to 119,680 gpd/ft. The storage coefficient calculated at these well sites ranged from 0.10 to 0.17, indicating unconfined conditions (SDGS, 1990).

(2) Well Yield

The well yield in an unconsolidated deposit such as the Big Sioux aquifer will be highly variable and will be a function of the depth to bedrock, the depth to water, and the permeability of the materials encountered. Given what is presented within the SDGS 1965 study (Groundwater Supply for the City of Canton, South Dakota), it appears reasonable to anticipate well yields between 200 and 500 gpm for wells that are installed in the Big Sioux aquifer. Well yields that exceed 500 gpm may be possible, depending on the depth to bedrock and formation permeability encountered.

Numerous radial collector wells were constructed in the Big Sioux aquifer near Sioux Falls. The flow rate of those wells ranges from 1.5 to 2.5 million gallons per day (MGD) (correspondence with Ranney collector wells).

iii. Aquifer Water Quality

a) Dakota Aquifer

The water quality of the Dakota aquifer (near Canton) was evaluated in a study performed by the South Dakota Geological Survey (SDGS, 1990). In order to analyze the water quality of the Dakota, a total of seven (7) wells were sampled by the SDGS for standard water quality parameters. The average value from those seven (7) well samples is presented in Table D-1.

Table D-1 Water Quality Results (Source: SDGS 1990 Study)

Parameter	Aquifer [1]	
	Big Sioux [2]	Dakota Formation [3]
Calcium	151	90
Magnesium	59	30
Sodium	43	128
Sulfate	364	258
Chloride	20	68
Iron [4]	0.025	0.19
Nitrate-Nitrogen	2.75	<0.04
Dissolved Solids	863	756
Hardness	619	347

[1] Numbers represent average concentrations, in milligrams per liter, for the listed parameters.

As evidenced by the results presented in Table D-1, the water quality from the Dakota formation is generally of good quality. The only issues are that the water can be characterized as very hard and has a Total Dissolved Solids value that is over the Environmental Protection Agency secondary standard of 500 mg/L.

In the same SDGS 1990, water samples were also collected for select inorganic compounds and radionuclides. A total of four (4) wells were sampled, including two of Canton's municipal wells (Well #9 and #10). The results of those samples are presented in Table D-2.

Table D-2 Water Quality Results of Selected Inorganic Compounds and Radionuclides (Source: SDGS 1990 Study)

			Well identification and sample-collection date			
			Well at ML 7 (R2-88-09)	Well at ML 11 (R2-88-02)	Municipal well 9	Municipal well 10
Parameter	Maximum Limit [1]	Units [2]	07-05-88	07-05-88	08-22-88	04-13-89
Arsenic	50	ug/L	8.7	6.1	5.8	<1.0
Barium	1000	ug/L	175	132	26	13
Cadmium	10	ug/L	1.2	<1.0	<1.0	<1.0
Chromium	50	ug/L	11.0	6.7	2.0	<1.0
Lead	50	ug/L	11.7	9.2	9.4	3.6
Mercury	2	ug/L	<0.2	<0.2	<0.2	<0.2
Selenium	10	ug/L	1.2	3.4	5.1	<1.0
Silver	50	ug/L	4.6	<1.0	<1.0	<1.0
Fluoride	2.4	mg/L	1.04	0.71	1.14	0.76
Gross Alpha	15	pCi/L	---	---	---	10.5±4.5
Radium 226	---	pCi/L	2.3±0.5	3.0±0.5	4.5±0.9	1.8±0.3
Radium 228	---	pCi/L	2.9±0.5	2.5±0.8	1.3±0.7	---
Combined Total Radium 226 + 228	5	pCi/L	5.2	5.5	5.8	---

[1] U.S. Environmental Protection Agency maximum contaminant level (U.S. Environmental Protection Agency, 1985).
[2] ug/L = micrograms per liter; mg/L = milligrams per liter; pCi/L = picocuries per liter

See appendix D for additional information.

Many of the EPA maximum contaminant levels (MCLs) have changed since the SDGS 1990 study was authored. Using current EPA MCL values, only combined radium values are exceeded. It appears that the municipal wells installed prior to Well 9 and 10 were shallower and did not penetrate the lowermost sand unit of the Dakota aquifer, while Wells 9 and 10 did penetrate this layer. The SDGS concluded that the lowermost sand layer of the Dakota may be the cause of the high radium (SDGS, 1990). Inspection of the water quality results from Lyon and Sioux Rural Water District indicate that one of their Dakota wells has had a similar radium issue.

a) Big Sioux Aquifer

The water quality of the Big Sioux aquifer was evaluated in a study performed by the United States Geological Survey (USGS, 1985). The study collected water quality samples from 95 monitoring wells constructed in the Big Sioux aquifer which were located throughout the eastern portion South Dakota. The results of these samples are presented in Table D-3.

Table D-3 Statistical summary of chemical-quality data for water samples collected from the observation wells

Variable	GM	GD	value	ximum value
Calcium (mg/L)	107	1.81	8.0	494
Magnesium (mg/L)	40	1.70	4.8	162
Sodium (mg/L)	25	2.33	1.0	133
SAR	.53	2.07	.1	3.1
Potassium (mg/L)	3.5	2.30	.1	19
Bicarbonate (mg/L)	419	1.72	38	1,070
Sulfate (mg/L)	127	2.95	5.0	1,500
Chloride (mg/L)	6.5	2.59	1.0	62
Fluoride (mg/L)	.33	1.61	.1	1.0
Nitrate nitrogen (mg/L)	.35	5.33	.1	22
Boron (ug/L)	120.0	2.66	0.0	575
Cadmium (ug/L)	.56	1.95	0.0	3.6
Iron (ug/L)	172	6.07	10	5,880
Manganese (ug/L)	320	5.17	10	5,000
Zinc (ug/L)	14	3.55	5.0	2,120
Dissolved solids (mg/L)	554	1.70	104	2,740
Specific conductance (umhos/cm)	848	1.55	146	2,960
Hardness (mg/L)	434	1.74	55	1,900
Temperature (°C)	9.0	1.8	4.0	12.0

The temperature data were not converted to logarithms because these data are normally distributed. The mean and standard deviation are an arithmetic mean and an arithmetic standard deviation.

Where: GM = the geometric mean that is the antilog of the mean logarithm of the concentration and specific-conductance values; GD = the geometric standard deviation that is the antilog of the mean logarithm of the standard deviation of the concentration and specific-conductance values; SAR = sodium- adsorption ratio; mg/L = milligrams per liter: ug/L = micrograms per liter; umhos/cm = micromhos per centimeter at 25 C; C = degrees Celsius

As evidenced by the results presented in Table D-3, the water quality from the Big Sioux aquifer is generally of good quality. The primary water quality parameters of concern are hardness, total dissolved solids, and manganese. The water can be characterized as very hard and has a total dissolved solids value that is over the Environmental Protection Agency secondary standard of 500 mg/L. Additionally, the manganese concentrations exceed the EPA secondary standard of 0.05 mg/L. Inspection of the water quality results from Lyon and Sioux Rural Water District indicate similar water quality results as those reported in Table D-3.

Wells constructed in the Big Sioux aquifer are more susceptible to anthropogenic contamination, including volatile organic compounds (VOCs) and nitrate, than wells constructed in the Dakota aquifer. This is due to the unconfined nature of the Big Sioux aquifer. VOC compounds were not reported in the water quality data reviewed, however nitrate was reported at levels above the MCL in the USGS study.

Appendix E. Correspondence

Lentsch, Kyle

From: Peters, DelRon
Sent: Tuesday, February 26, 2013 3:58 PM
To: tom@slrws.com
Cc: Myron Adam; Jeff Fossum; Quail, Steven; Lentsch, Kyle
Subject: Canton Water Supply -Facility Plan: South Lincoln RWS, Inc. as alternate source

Tom,

We have discussed the potential for the City of Canton to obtain South Lincoln (SL) Rural Water with both JSA and the City of Canton. Please provide any input and forward the following to your engineer for review and input on any cost sharing and other requirements that would be required for the City of Canton to obtain South Lincoln Rural Water. As discussed, we will include South Lincoln's proposal as an alternative in the City of Canton Water Supply Facility plan and determine feasibility.

Please note the items we discussed are below.

1. SLRWS is adding customers north of the City and consideration has already been given to a improvements near canton.
2. SL currently provides service to customers north of Canton and has to connections to the city. One connects with Canton 479th and 272nd and the other connection is north of Adams Thermal.
3. Use of existing Canton connections to SL may be a limitation if utilized on a continuous basis during peak demands.
4. SL has an 8" main two miles south of Worthing on Louise (7.5 miles east to main) and a 12" main 9 miles from the City of Canton (verify). 8" line runs one mile east and to 6" to 478th ave. two miles east of Canton... then runs 1-mile north and 2 miles east.
5. It is likely that if Canton were to be added to the system they would likely participate in 7.5- 9 miles of new watermain? Percent participation and actual infrastructure requirements would need to determined by SL engineers.
6. There would be no treatment required other than the current disinfection by SL.
7. Since our last discussion below the SL current bulk water rate has been raised from $2 per 1000 gallons to $3 per 1000 gallons.
8. South Lincoln has an additional water right and allocation from Lewis and Clark.
9. South Lincoln would like to know what the needs of Canton are so that they can assess what Canton's participation would be, and offer SL water service as an option.

Assumptions:

1. Canton would continue to provide water with the existing wells and only purchase the amount required to meet flow projections.

Action Item:

1. Provide an estimated participation (dollars) and any water purchase caveats for South Lincoln to provide Canton's projected water needs of an additional supply of 265 gpm during peak use periods.
2. Would Canton be required to buy a set minimum amount of water? Note that a minimum water use was not discussed.
3. Verify watermain and pressure information.

Thanks
Del

DELRON PETERS
P.E.

HDR Engineering Inc.
Project Manager

6300 S. Old Village Place, Suite 100 | Sioux Falls, SD 57108-2102
605.977.7745 | c: 605.212-8886| f: 605.977-7747

delron.peters@hdrinc.com| hdrinc.com

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Ref...

Contact at DGR: Matt Oedekoven

SL Contact: *Thomas Rausch:*
South Lincoln RWS, Inc.
PO Box 155
Canton, SD 57013
372-4211
372-4214 (fax)
Thomas Rausch
tom@slrws.com

WRAP Review Sheet
Drinking Water Facilities Funding Application
Applicant: City of Wessington Springs

Project Title:	Wessington Springs Main Street Infrastructure Improvements Project-Watermain
Funding Requested:	$259,600
Other Proposed Funding:	$0 - Local Cash
Total Project Cost:	$259,600
Project Description:	The project proposes to replace three blocks of asbestos cement pipe (ACP) watermain on Main Street with PVC pipe watermain.
Alternatives Evaluated:	"Do Nothing Alternative" was evaluated for the water distribution system but not considered as it will not address any of the system's deficiencies. The facilities plan evaluated four water distribution alternatives to improve Wessington Springs' overall drinking water system. "Improve System Alternative" will replace several ACP and cast iron pipe (CIP) watermains in the low pressure section of Wessington Springs. This alternative was evaluated but not recommended at this time since it is deemed not the City's first priority. "Leak Detection Survey Alternative" proposes to hire a leak detection professional to locate areas of watermain leaks within the system. This alternative was evaluated but not recommended at this time since it is deemed not the City's first priority. "Meters and Reading System Alternative" proposes to replace all of the water meters in the system. This alternative was evaluated but not recommended at this time since it is deemed not the City's first priority. "Replace Existing ACP on Main Street Alternative" considers replacing the ACP watermain on Main Street between Dakota and Barrett Avenue with PVC watermain. This alternative was evaluated and recommended as it is considered to be the

	City's first priority.
Implementation Schedule:	The City of Wessington Springs anticipates bidding the project in January 2016 with a project completion date of September 2016
Service Population:	946
Current Domestic Rate:	$33.00 per 5,000 gallons usage
Proposed Domestic Rate at Project Completion:	TBD

Interest Rate: 2.25% Term: 30 years Security: Water Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan Wessington Springs would have to enact a surcharge of approximately $2.02. When added to current rate of $33/5,000 gallons residents would be paying $35.02/5,000 gallons.

25% Funding Subsidy:	$64,750 subsidy with a loan of $194,250
Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of $194,250, Wessington Springs would have to enact a surcharge of approximately $1.51 thereby paying a rate $34.51/5,000 gallons.

50% Funding Subsidy:	$129,500 subsidy with a loan of $129,500
Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of $129,500, Wessington Springs would have to enact a surcharge of approximately $1.01 thereby paying a rate $34.01/5,000 gallons.

75% Funding Subsidy:	$194,250 subsidy with a loan of $64,750
Coverage at 75% Subsidy:	Based on a 75% subsidy and a loan of $64,750, Wessington Springs would have to enact a surcharge of approximately $0.50 thereby paying a rate $33.50/5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: NICK NELSON

FINANCIAL REVIEW COMPLETED BY: ELAYNE LANDE

7.3 Drinking Water Facilities Funding Application

City of Wessington Springs

Main Street Infrastructure Improvements

SD EForm - 2126LD V2

RECEIVED
DEC 31 2014
Division of Financial & Technical Assistance

Drinking Water Facilities Funding Application

Consolidated Water Facilities Construction Program (CWFCP)
Drinking Water State Revolving Fund Program (DWSRF)

Applicant	Proposed Funding Package	
City of Wessington Springs	CWFCP / DWSRF	$259,600
Address	Local Cash	
PO Box 443 Wessington Springs, SD	Other	
	Other	
Subapplicant	Other	
DUNS Number 14-499-5219	**TOTAL**	$259,600

Project Title: Wessington Springs Main Street Infrastructure Improvements Project-Water

Description:

Description: The City of Wessington Springs has retained Schmucker, Paul, Nohr and Associates to prepare a preliminary report to identify the improvements that are needed on Main Street from Dakota Avenue to Blowers Avenue. The proposed improvements are the result of a desire to improve access for vehicle and pedestrian use to the Wessington Springs Main Street business area.

The proposed improvements contained in this report would replace utilities, restore the street surface, and provide improved drainage of Main Street. The proposed improvements would also provide for safer access to pedestrian sidewalks, rebuild sidewalks to the Main Street businesses and improve handicap accessibility.

The Town charges $33.00 ($13.00 minimum + $4.00/1,000 gallons) to 540 household and commercial connections for 5,000 gallons of drinking water. A fee of $24.00 is charged to all users of the sewer system.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Melissa Mebius, Mayor
Name & Title of Authorized Signatory (Typed)

Melissa Mebius 12-29-2014
Signature Date

Professional Consultants

Application Prepared By: Planning and Development District III

Contact Person: Eric Ambroson, Community Development Specialist

Mailing Address: PO Box 687

City, State, and Zip: Yankton, SD 57078

Telephone Number: (605) 665-4408 Fax: (605) 665-0303

Email address: Eric.Ambroson@districtiii.org

Consulting Engineering Firm: Schucker, Paul, Nohr, Associates

Contact Person: Jeff McCormick

Mailing Address: 2100 North Sanborn Blvd.

City, State, and Zip: Mitchell, SD 57301

Telephone Number: (605) 996-7761 Fax: (605) 996-0015

Email address: jmccormick@spn-assoc.com

Legal Counsel's Firm: Blue & Haeder Law Office

Legal Counsel: Gary Blue

Mailing Address: 239 Wisconsin Avenue

City, State, and Zip: Huron, SD 57350

Telephone Number: (605) 352-6783 Fax:

Email address:

This section applies only to political subdivisions

Bond Counsel's Firm: Meierhenry Sargent LLP

Bond Counsel: Todd Meierhenry

Mailing Address: 315 S. Phillips Ave

City, State, and Zip: Sioux Falls, SD 57104

Telephone Number: (605) 336-3075 Fax: (605) 336-2593

Email address: todd@meierhenrylaw.com

BUDGET SHEET

Cost Classification	A CWFCP / DWSRF	B	C	D	E	Total Funds
1. Administrative Expenses						
A. Personal Services						
B. Travel						
C. Legal including Bond Counsel						
D. Other	$1,753.00					$1,753.00
2. Land, Structure, Right-of-Way						
3. Engineering						
A. Bidding and Design Fees	$5,698.00					$5,698.00
B. Project Inspection Fees	$8,328.00					$8,328.00
C. Other						
4. Construction and Project Improvement	$137,567.00					$137,567.00
5. Equipment						
6. Contractual Services						
7. Other						
8. Other						
9. Subtotal (Lines 1-8)	$153,346.00					$153,346.00
10. Contingencies	$11,654.00					$11,654.00
11. Total (Lines 9 and 10)	$165,000.00					$165,000.00
12. Total %	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%

Columns A - E: Identify each funding source and enter the amounts budgeted by cost category.

Comments:

Method of Financing

	Source Header	Secured Funds	Unsecured Funds (Date Anticipated)
Local Cash (Identify Source)			
Other (Explain)	DENR DWSRF Loan/PF		$259,600.00 Mar 27, 2015
Other (Explain)			
Other (Explain)			
Other (Explain)			
Other (Explain)			
	TOTAL		$259,600.00

Comments:

7.3.1 Repayment Information

Interest rate and term you are applying for: 3 %, 20 years.

What security is being pledged toward the repayment of this loan?
(Political Subdivisions Only)

- ☐ 1. General Obligation bond (requires bond election)
- ☐ 2. Water Revenue bond
- ☒ 3. Project Surcharge Revenue bond
- ☐ 4. Sales Tax Revenue bond

7.3.2 Documents That Must Be Submitted With The Application

Financial Documents

1. Most recent audit or unaudited financial statement to include specific accounting of pledged funds.
2. Current year's budget.

Planning and Legal Documents

1. Governing user charge ordinance or resolution and its effective date.
2. Resolution of authorized signatory for submission of the Drinking Water SRF application and signing of payment requests. This resolution must also include the maximum loan amount requested, interest rate and term being applied for, description of proposed project, and security pledged towards repayment of the loan.
3. Facilities Plan (8.3.18).
4. Capacity Assessment Worksheets (section 8.3.16).

Items 5-7 apply to Nonprofit Entities only

5. By-laws
6. Articles of Incorporation
7. Certificate of Good Standing from Secretary of State

7.3.3 General Information

The month and day your fiscal year begins: January 1

Population Served

Current 946 2000 1,011 1990 1,083

Top Five Employers Within 30 Miles	Number of Employees	Type of Business
Dakota Provisions	805	Food Processor
Link Snacks, Inc.	800	Food Processor
United States Government	385	Government
Huron Public Schools	314	Education
Huron Regional Medical Center	265	Health Care

Please indicate employers within boundary of issuing entity with an asterisk (*).

7.3.4 Drinking Water Utility Information

Current Water Utility Debt

Year	2006						
Purpose	Treatment Plant						
Security Pledged	Water revenues						
Amount	$180,000.00						
Maturity Date (mo/yr)	6/10/16						
Debt Holder	American Bank and						
Debt Coverage Requirement	N/A						
Avg. Annual Required Payment	$22,475.72						
Outstanding Balance	$36,605.22						

Use additional sheets if more room is required to list all current water utility debt.

Drinking Water Utility Cash Flow

	Prior Year	Prior Year	Current Year	Future Year #
Fiscal Year	2012	2013	2014**	2017
OPERATING CASH FLOW				
Water Sales	$174,692	$175,404.85	$180,000.00	$190,000.00
Surcharge Fee				$12,960.00
Other (Explain) Bulk water sales		$167.00	$100.00	$150.00
Sales of materials/Other	$527	$880.08	$750.00	$850.00
OPERATING PAYMENTS				
Personal Services	($63,660)	($93,771.73)	($82,050.00)	($83,400.00)
Chemical, Material & Supplies	($38,669)	($49,120.84)	($39,000.00)	($51,000.00)
Electric & Other Utilities	($5,808)	($6,237.31)	($6,000.00)	($6,575.00)
Other (Explain) Repairs/Maintenance	($13,075)	($16,024.03)	($61,000.00)	($40,000.00)
Other	($2,399)	($1,763.98)	($5,500.00)	($11,800.00)
NET CASH FROM OPERATIONS	$51,607	$9,534.04	($12,700.00)	$11,185.00
NONOPERATING CASH FLOW				
Interest Income	$157.54	$139.88	$250.00	$0.00
Other Revenue (Explain)				
Transfers In (Explain)				
Fixed Asset Sale (Explain)				
Transfers Out (Explain) To General Fund	($25,157.54)	($10,139.88)	($14,000.00)	
Fixed Asset Purchases (Explain)				
				##
Debt Payment (Principal Only)	($18,496.93)	($20,740.49)	($20,275.72)	($6,129.69)
Debt Payment (Interest Only)	($3,978.79)	($1,735.23)	($2,200.00)	($5,778.04)
Other Expenses (Explain) Debt Reserve				($1,191.00)
NET CASH FROM NONOPERATING	($47,476)	($32,475.72)	($36,225.72)	($13,098.73)
Net Increase (Decrease) in Cash	$4,131	($22,941.68)	($48,925.72)	($1,913.73)
Beginning Cash Balance	$51,726	$55,857.00	$32,915.32	$4,152.00
Ending Cash Balance	$55,857	$32,915.32	($16,010.40)	$2,238.27
RESTRICTED BALANCE				
UNRESTRICTED BALANCE				

Future Year: First full year after project completion.

2016 assumes existing debt will be retired in June and new project debt service will begin in January.

Restricted Funds Breakdown:

Amount	Anticipated Expense	Method Used to Encumber

Water Fees:

Attach current and proposed rate ordinances or resolutions and rate schedules.

Municipal or Sanitary District - monthly rates at 5,000 gallons (670 cubic feet)

Other Community Water System - monthly rates at 7,000 gallons (935 cubic feet)

Check one: ✓ Incorporated Municipality or Sanitary District

or

___ Other Community Water System

Monthly:	Current Rate	Proposed Rate	# of Accounts	Average use gallons/cubic feet
Domestic	$33.00		475	5750
Business	$35.00		65	10,250
Other:				

Are fees based on usage or flat rate? Usage (Domestic; $13 minimum, plus $4/1,000)

When is proposed fee scheduled to take effect? N/A

When did the current fee take effect? December, 2012

What was the fee prior to the current rate? $24/5,000 gallons

Attach current and proposed rate ordinances or resolutions and rate schedules.

Five Largest Customers	Type of Business	% of System Revenues
Weksota Manor	Assisted Living/Nursing Home	10%
Avera Weskota Medical Center	Hospital	4%
Wessington Springs Grade School	Education	3%
Prairie Lounge	Restaurant/Lounge	3%
Hillcrest Heights	Senior Housing	2%

7.3.5 Property Tax Information

(Complete only if General Obligation bond is pledged to repay your loan.)

Three year valuation trend:

Year	_____	_____	_____
Assessed Valuation	_____	_____	_____
Full & True Valuation	_____	_____	_____

Three year levies and collection trend:

Year	_____	_____	_____
Amount Levied	_____	_____	_____
Collected	_____	_____	_____
Penalties/Interest	_____	_____	_____
Late Payments	_____	_____	_____

Five Largest Taxpayers	Description	Assessed Valuation
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Comments:

List all current debt secured by General Obligation bond:

Year					
Purpose					
Security Pledged					
Amount					
Maturity Date (mo/yr)					
Debt Holder					
Debt Coverage Requirement					
Avg. Annual Required Payment					
Outstanding Balance					

Use additional sheets if more room is required to list all current G.O. debt.

Comments:

7.3.6 Sales Tax Information

(Complete only if sales tax is pledged to repay your loan.)

Sales tax revenue history for the most current fifteen months:

Month/Year	Amount Collected

Comments:

List all current debt secured by sales tax:

Year Issued					
Purpose					
Amount					
Maturity Date (mo/yr)					
Debt Holder					
Debt Coverage Requirement					
Avg. Annual Required Payment					
Outstanding Balance					

Use additional sheets if more room is required to list all current sales tax debt.

Comments:

7.3.7 Facilities Plan Checklist.

Before submitting the application, please take a few moments to complete the following checklist. Addressing these items prior to submitting the application will expedite the review process

Checklist of SRF Facilities Plan Requirements Have the following items been addressed?	
♦ Submission of a Facilities Plan to the department that addresses those items found in section 8.3.18.	×
♦ A public hearing held discussing the project and the use of an SRF loan to finance the project. (See section 8.3.15)	×
♦ Minutes of the public hearing prepared and submitted to the department for inclusion into the final Facilities Plan.	×
♦ The affidavit of publication of the public hearing received and submitted to the department for inclusion into the final Facilities Plan. (See section 8.3.15)	×
♦ The four review agencies contacted and responses received for inclusion into the final Facilities Plan. (See section 8.3.18)	×
♦ The Cultural Resources Effects Assessment Summary and supporting documentation, such as an archaeological survey or Historic Register database search. (See section 8.3.20)	×

7.3.8 Certification of Drinking Water Needs Categories

Identify the loan amount associated with the needs category or categories described below. If the loan addresses needs in more than one category, please break down the total amount into estimated amounts for each category.

Definition	Loan Amount
Transmission/Distribution	$259,600.00
Treatment	
Storage	
Source	
System Purchase	
Restructuring	
1452(k) Loan Activities	
1. To acquire land or a conservation easement for source water protection.	
2. To implement voluntary, incentive-based source water quality protection measures.	
TOTAL	$259,600.00

City of Wessington Springs

Name of Applicant

Melissa Melrus

Signature of Authorized Representative

12/29/2014

Date

7.3.9 Preaward Compliance Review

FORM Approved By OMB: No. 2030-0020 Expires 12-31-2011

United States Environmental Protection Agency
Washington, DC 20460

Preaward Compliance Review Report for All Applicants and Recipients Requesting EPA Financial Assistance

Note : Read instructions on other side before completing form.

I. Applicant/Recipient (Name, Address, State, Zip Code).	DUNS No.
City of Wessington Springs; PO Box 443, Wessington Springs, SD 57382	14-499-5219

II. Is the applicant currently receiving EPA assistance? No

III. List all civil rights lawsuits and administrative complaints pending against the applicant/recipient that allege discrimination based on race, color, national origin, sex, age, or disability. (Do not include employment complaints not covered by 40 C.F.R. Parts 5 and 7. See instructions on reverse side.) None

IV. List all civil rights lawsuits and administrative complaints decided against the applicant/recipient within the last year that allege discrimination based on race, color, national origin, sex, age, or disability and enclose a copy of all decisions. Please describe all corrective action taken. (Do not include employment complaints not covered by 40 C.F.R. Parts 5 and 7. See instructions on reverse side.) None

V. List all civil rights compliance reviews of the applicant/recipient conducted by any agency within the last two years and enclose a copy of the review and any decisions, orders, or agreements based on the review. Please describe any corrective action taken. (40 C.F.R. § 7.80(c)(3)). None

VI. Is the applicant requesting EPA assistance for new construction? If no, proceed to VII; if yes, answer (a) and/or (b) below. No

a. If the grant is for new construction, will all new facilities or alterations to existing facilities be designed and constructed to be readily accessible to and usable by persons with disabilities? If yes, proceed to VII; if no, proceed to VI(b).b. If the grant is for new construction and the new facilities or alterations to existing facilities will not be readily accessible to and usable bypersons with disabilities, explain how a regulatory exception (40 C.F.R. § 7.70) applies. N/A

VII.* Does the applicant/recipient provide initial and continuing notice that it does not discriminate on the basis of race, color, national origin, sex,age, or disability in its programs or activities? (40 C.F.R. § 5.140 and § 7.95) Yes

a. Do the methods of notice accommodate those with impaired vision or hearing? Yes b. Is the notice posted in a prominent place in the applicant's offices or facilities or, for education programs and activities, in appropriate periodicals and other written communication? Yes c. Does the notice identify a designated civil rights coordinator? Yes

VIII.* Does the applicant/recipient maintain demographic data on the race, color, national origin, sex, age, or handicap of the population it serves? (40 C.F.R. § 7.85(a)) Yes

IX.* Does the applicant/recipient have a policy/procedure for providing access to services for persons with limited English proficiency? (40 C.F.R. Part 7, E.O. 13166) Yes

X.* If the applicant/recipient is an education program or activity, or has 15 or more employees, has it designated an employee to coordinate its compliance with 40 C.F.R. Parts 5 and 7? Provide the name, title, position, mailing address, e-mail address, fax number, and telephone number of the designated coordinator. N/A

XI* If the applicant/recipient is an education program or activity, or has 15 or more employees, has it adopted grievance procedures that assure the prompt and fair resolution of complaints that allege a violation of 40 C.F.R. Parts 5 and 7? Provide a legal citation or Internet address for, or a copy of, the procedures. N/A

For the Applicant/Recipient I certify that the statements I have made on this form and all attachments thereto are true, accurate and complete. I acknowledge that any knowingly false or misleading statement may be punishable by fine or imprisonment or both under applicable law. I assure that I will fully comply with all applicable civil rights statutes and EPA regulations.

A. Signature of Authorized Official	B. Title of Authorized Official	C. Date
Melissa Mehrens	Mayor	12-29-2014

For the U.S. Environmental Protection Agency I have reviewed the information provided by the applicant/recipient and hereby certify that the applicant/recipient has submitted all preawardcompliance information required by 40 C.F.R. Parts 5 and 7; that based on the information submitted, this application satisfies the preaward provisionsof 40 C.F.R. Parts 5 and 7; and that the applicant has given assurance that it will fully comply with all applicable civil rights statutes and EPA regulations.

A. Signature of Authorized EPA Official See ** note on reverse side.	B. Title of Authorized EPA Official	C. Date

Instructions for EPA FORM 4700-4 (Rev. 03/2008) General

Recipients of Federal financial assistance from the U.S.Environmental Protection Agency must comply with the following statutes and regulations.

Title VI of the Civil Rights Acts of 1964 provides that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. The Act goes on to explain that the statute shall not be construed to authorize action with respect to any employment practice of any employer, employment agency, or labor organization (except where the primary objective of the Federal financial assistance is to provide employment).

Section 13 of the 1972 Amendments to the Federal Water Pollution Control Act provides that no person in the United States shall on the ground of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under the Federal Water Pollution Control Act, as amended. Employment discrimination on the basis of sex is prohibited in all such programs or activities.

Section 504 of the Rehabilitation Act of 1973 provides that no otherwise qualified individual with a disability in the United States shall solely by reason of disability be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. Employment discrimination on the basis of disability is prohibited in all such programs or activities.

The Age Discrimination Act of 1975 provides that no person on the basis of age shall be excluded from participation under any program or activity receiving Federal financial assistance. Employment discrimination is not covered. Age discrimination in employment is prohibited by the Age Discrimination in Employment Act administered by the Equal Employment Opportunity Commission.

Title IX of the Education Amendments of 1972 provides that no person in the United States on the basis of sex shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance. Employment discrimination on the basis of sex is prohibited in all such education programs or activities. Note: an education program or activity is not limited to only those conducted by a formal institution.

40 C.F.R. Part 5 implements Title IX of the Education Amendments of 1972.

40 C.F.R. Part 7 implements Title VI of the Civil Rights Act of 1964, Section 13 of the 1972 Amendments to the Federal Water Pollution Control Act, and Section 504 of The Rehabilitation Act of 1973.

The Executive Order 13166 (E.O. 13166) entitled: "Improving Access to Services for Persons with Limited English Proficiency" requires Federal agencies work to ensure that recipients of Federal financial assistance provide meaningful access to their LEP applicants and beneficiaries.

Items

"Applicant" means any entity that files an application or unsolicited proposal or otherwise requests EPA assistance. 40 C.F.R. §§ 5.105, 7.25.

"Recipient" means any entity, other than applicant, which will actually receive EPA assistance. 40 C.F.R. §§ 5.105, 7.25.

"Civil rights lawsuits and administrative complaints" means any lawsuit or administrative complaint alleging discrimination on the basis of race, color, national origin, sex, age, or disability pending or decided against the applicant and/or entity which actually benefits from the grant, but excluding employment complaints not covered by40 C.F.R. Parts 5 and 7. For example, if a city is the named applicant but the grant will actually benefit the Department of Sewage, civil rights lawsuits involving both the city and the Department of Sewage should be listed.

"Civil rights compliance review" means any review assessing the applicant's and/or recipient's compliance with laws prohibiting discrimination on the basis of race, color, national origin, sex, age, or disability.

Submit this form with the original and required copies of applications, requests for extensions, requests for increase of funds, etc. Updates of information are all that are required after the initial application submission.

If any item is not relevant to the project for which assistance is requested, write "NA" for "Not Applicable."

In the event applicant is uncertain about how to answer any questions, EPA program officials should be contacted for clarification.

* Questions VII – XI are for informational use only and will not affect an applicant's grant status. However, applicants should answer all questions on this form. (40 C.F.R. Parts 5 and 7).

** Note: Signature appears in the Approval Section of the EPA Comprehensive Administrative Review For Grants/Cooperative Agreements & Continuation/Supplemental Awards form.

Approval indicates, in the reviewer's opinion, questions I – VI of Form 4700-4 comply with the preaward administrative requirements for EPA assistance.

"Burden Disclosure Statement"

EPA estimates public reporting burden for the preparation of this form to average 30 minutes per response. This estimate includes the time for reviewing instructions, gathering and maintaining the data needed and completing and reviewing the form. Send comments regarding the burden estimate, including suggestions for reducing this burden, to
U.S. EPA, Attn: Collection Strategies Division (MC 2822T), Office of Information Collection, 1200 Pennsylvania Ave., NW, Washington, D.C. 20460; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

The information on this form is required to enable the U.S.Environmental Protection Agency to determine whether applicants and prospective recipients are developing projects, programs and activities on a nondiscriminatory basis as required by the above statutes and regulations.

7.3.10 Certification Regarding Debarment, Suspension, and Other Responsibility Matters

The prospective participant certifies to the best of its knowledge and belief that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within a three year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and

(d) Have not within a three year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

I understand that a false statement on this certification may be grounds for rejection of this proposal or termination of the award. In addition, under 18 U.S.C. §1001, a false statement may result in a fine of up to $10,000 or imprisonment for up to 5 years, or both.

Melissa Mebius, Mayor

Name & Title of Authorized Representative

Melissa Mebius Dec 29, 2014

Signature of Authorized Representative Date

____ I am unable to certify to the above statements. Attached is my explanation

City of Wessington Springs
Main Street Infrastructure Improvements

DENR Drinking Water SRF

Attachments

1. Financial Documents
    - Audit
    - Current Budget
2. Planning Documents
    - User Charge Ordinance
    - Authorizing Resolution
3. Facilities Plan
4. Capacity Assessment
5. Financial Spreadsheet
6. Environmental Review

1. Financial Documents

- Audit
- Current Budget

MUNICIPALITY OF WESSINGTON SPRINGS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
For the Year Ended December 31, 2013

	Enterprise Funds			
	Water Fund	**Electric Fund**	**Sewer Fund**	**Totals**
Operating Revenue:				
370/380 Charges for Goods and Services	175,705.85	913,877.71	162,823.14	1,252,406.70
Revenue Dedicated to Servicing Debt		428,001.00		428,001.00
380.05 Lottery Sales				0.00
369 Miscellaneous	746.08	10,476.37	145.00	11,367.45
Total Operating Revenue	176,451.93	1,352,355.08	162,968.14	1,691,775.15
Operating Expenses:				
410 Personal Services	82,103.00	136,654.55	48,056.60	266,814.15
420 Other Current Expense	35,931.31	756,400.68	8,995.54	801,327.53
426.2 Materials	48,958.58	40,580.32	1,309.41	90,848.31
430 Capital Assets				0.00
Total Operating Expenses	166,992.89	933,635.55	58,361.55	1,158,989.99
Operating Income (Loss)	9,459.04	418,719.53	104,606.59	532,785.16
Nonoperating Revenue (Expense):				
330 Operating Grants				0.00
361 Investment Earnings	139.88	1,355.21	740.26	2,235.35
362 Rental Revenue				0.00
441 Debt Service (Principal)	(20,254.16)	(105,000.00)		(125,254.16)
442 Interest Expense (Enter as Negative)	(2,221.56)	(259,761.26)		(261,982.82)
391.03 Sale of Municipal Property				0.00
391.20 Long-Term Debt Issued				0.00
(429)369.01 Other				0.00
Total Nonoperating Revenue (Expense)	(22,335.84)	(363,406.05)	740.26	(385,001.63)

MUNICIPALITY OF WESSINGTON SPRINGS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
For the Year Ended December 31, 2013

	Enterprise Funds			
	Water Fund	Electric Fund	Sewer Fund	Totals
Income (Loss) Before Contributions, Special Items, Extraordinary Items and Transfers	(12,876.80)	55,313.48	105,346.85	147,783.53
391.07 Capital Contributions				0.00
391.1 Transfers In				0.00
511 Transfers Out (Enter as Negative)	(10,139.88)	(10,668.74)	(10,740.26)	(31,548.88)
391.06 (514) Special Items				0.00
391.05 (515) Extraordinary Items				0.00
Change in Net Position	(23,016.68)	44,644.74	94,606.59	116,234.65
Net Position - Beginning	56,232.01	1,055,452.76	220,278.06	1,331,962.83
Adjustments:				
				0.00
				0.00
Adjusted Net Position - Beginning	56,232.01	1,055,452.76	220,278.06	1,331,962.83
NET POSITION - ENDING	33,215.33	1,100,097.50	314,884.65	1,448,197.48

MUNICIPALITY OF WESSINGTON SPRINGS
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
December 31, 2013

	Enterprise Funds			
	Water Fund	Electric Fund	Sewer Fund	Totals
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	33,215.33	395,751.68	314,884.65	743,851.66
106 Cash with Fiscal Agent				0.00
151 Investments				0.00
Total Current Assets	33,215.33	395,751.68	314,884.65	743,851.66
Noncurrent Assets:				
107.1 Restricted Cash and Cash Equivalents		704,345.82		704,345.82
107.2 Restricted Investments				0.00
Total Noncurrent Assets	0.00	704,345.82	0.00	704,345.82
TOTAL ASSETS	33,215.33	1,100,097.50	314,884.65	1,448,197.48
NET POSITION:				
253.20 Restricted for:				
253.21 Revenue Bond Debt Service		416,223.66		416,223.66
253.22 Revenue Bond Retirement		288,122.16		288,122.16
253.23 Revenue Bond Contingency				0.00
253.24 Special Assessment Bond Guarantee				0.00
253.25 Special Assessment Bond Sinking				0.00
253.26 Equipment Repair and/or Replacement				0.00
253.27 Landfill Closure and Post Closure Costs				0.00
253.28 Permanently Restricted Purposes				0.00
253.29 Other purposes	300.00	30,484.26		30,784.26
253.90 Unrestricted	32,915.33	365,267.42	314,884.65	713,067.40
TOTAL NET POSITION	33,215.33	1,100,097.50	314,884.65	1,448,197.48

CITY OF WESSINGTON SPRINGS, SOUTH DAKOTA
Audited Financial Statements
December 31, 2012

MUNICIPALITY OF WESSINGTON SPRINGS
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PRIVATE COMPANIES PRACTICE SECTION

January 31, 2014

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Municipal Council
Municipality of Wessington Springs
Wessington Springs, South Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying modified cash basis financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Municipality of Wessington Springs, South Dakota (Municipality), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements and have issued our report thereon dated January 31, 2014. We issued an adverse opinion on the aggregate discretely presented component unit because the financial statements do not include financial data for the Municipality's legally separate component unit.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Municipality's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control. Accordingly, we do not express an opinion on the effectiveness of the Municipality of Wessington Springs, South Dakota's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Current Audit Findings, we identified a deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or

detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Municipality's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Current Audit Findings as item 2012-01 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Municipality's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Municipality of Wessington Springs, South Dakota in a separate letter dated January 31, 2014.

Municipality's Response to Findings

Municipality of Wessington Springs' response to the finding identified in our audit is described in the accompanying Schedule of Current Audit Findings. The Municipality's response was not subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This report is intended solely to describe the score of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Municipality's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. As required by South Dakota Codified Law 4-11-11, this report is matter of public record and its distribution is not limited.

Snow, Huether & Coyle
Huron, South Dakota

MUNICIPALITY OF WESSINGTON SPRINGS, SOUTH DAKOTA
SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2012

Prior Audit Findings:

2011-01 – Lack of segregation of duties. This is a repeat finding.

Criteria: Standards require that an organization maintain adequate segregation of duties.

Condition: A significant deficiency and material weakness was disclosed by our audit of the financial statements for a lack of segregation of duties.

Cause: This finding is a result of the size of the Municipality of Wessington Springs, South Dakota, which precludes staffing at a level sufficient to provide an ideal environment for internal controls.

Effect: A lack of segregation of duties may increase the risk of misappropriation of assets.

Recommendation for Corrective Action: We understand the Municipality of Wessington Springs, South Dakota has determined it is not cost beneficial to employ additional personnel to be able to adequately segregate duties. Thus, we recommend that the Municipality of Wessington Springs, South Dakota make every reasonable effort to provide compensating controls wherever and whenever possible. However, this lack of segregation of duties continues to exist.

Corrective Action Plan: Linda Willman is the contact person responsible for the corrective action plan for this comment. Municipality of Wessington Springs, South Dakota has determined it is not cost beneficial to employ additional personnel to be able to adequately segregate duties. Municipality of Wessington Springs, South Dakota is aware of this problem and is attempting to provide compensating controls wherever and whenever possible. However, this lack of segregation of duties continues to exist.

MUNICIPALITY OF WESSINGTON SPRINGS, SOUTH DAKOTA
SCHEDULE OF CURRENT AUDIT FINDINGS
For the Year Ended December 31, 2012

Summary of Auditor's Results:

An unqualified opinion was issued on the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information. An adverse opinion was issued on the aggregate discretely presented component unit.

A material weakness was disclosed by our audit of the financial statements for a lack of segregation of duties as discussed in 2012-01.

Our audit disclosed no instances of noncompliance which were material to the financial statements.

Current Audit Findings:

2012-01 – Lack of segregation of duties. This is a repeat finding.

Criteria: Standards require that an organization maintain adequate segregation of duties.

Condition: A significant deficiency and material weakness was disclosed by our audit of the financial statements for a lack of segregation of duties.

Cause: This finding is a result of the size of the Municipality of Wessington Springs, South Dakota, which precludes staffing at a level sufficient to provide an ideal environment for internal controls.

Effect: A lack of segregation of duties may increase the risk of misappropriation of assets.

Recommendation for Corrective Action: We understand the Municipality of Wessington Springs, South Dakota has determined it is not cost beneficial to employ additional personnel to be able to adequately segregate duties. Thus, we recommend that the Municipality of Wessington Springs, South Dakota make every reasonable effort to provide compensating controls wherever and whenever possible. However, this lack of segregation of duties continues to exist.

Corrective Action Plan: Linda Willman is the contact person responsible for the corrective action plan for this comment. Municipality of Wessington Springs, South Dakota has determined it is not cost beneficial to employ additional personnel to be able to adequately segregate duties. Municipality of Wessington Springs, South Dakota is aware of this problem and is attempting to provide compensating controls wherever and whenever possible. However, this lack of segregation of duties continues to exist.

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PRIVATE COMPANIES PRACTICE SECTION

January 31, 2014

INDEPENDENT AUDITOR'S REPORT

Municipal Council
Municipality of Wessington Springs
Wessington Springs, South Dakota

We have audited the accompanying modified cash basis of accounting financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Municipality of Wessington Springs, South Dakota (Municipality), as of December 31, 2012, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

The Municipality's management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1.c.; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in these circumstances. Management is responsible for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness

of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on Aggregate Discretely Presented Component Units

The financial statements referred to above include only the primary government of the Municipality of Wessington Springs, State of South Dakota, which consists of all funds, organizations, institutions, agencies, departments and offices that comprise the Municipality's legal entity. The financial statements do not include financial data for the Municipality's legally separate component unit. Accounting principles generally accepted in the United States of America require financial data for the Municipality's legally separate component unit to be reported with the financial data of the Municipality's primary government unless the Municipality also issues financial statements for the financial reporting entity that include the financial data for its component unit. The Municipality has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the amount by which this departure would affect the assets, liabilities, net assets, revenues, and expenses of the aggregate discretely presented component unit would have been reported as $168,088, $0, $168,088, $162,013, and $338,070, respectively, on a modified cash basis.

Adverse Opinion on Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the Municipality of Wessington Springs, South Dakota, as of December 31, 2012, or the changes in financial position thereof for the year then ended.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position-modified cash basis of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the primary government of the Municipality of Wessington Springs, South Dakota, as of December 31, 2012, and the respective changes in financial position-modified cash basis, thereof for the year then ended in conformity with the modified cash basis of accounting described in Note 1.c. to the financial statements.

Basis of Accounting

We draw attention to Note 1.c. of the financial statements, which describe the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the modified cash basis of accounting financial statements that collectively comprise the Municipality's basic financial statements. The Budgetary Comparison Schedules and Schedule of Changes in Long-Term Debt on pages 28 through 41 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates

directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in the relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2014, on our consideration of the Municipality's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Municipality's internal control over financial reporting and compliance.

Snow, Huether & Coyle
Huron, South Dakota

MUNICIPALITY OF WESSINGTON SPRINGS
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
December 31, 2012

	Primary Government		
	Governmental Activities	**Business-Type Activities**	**Total**
ASSETS:			
Cash and Cash Equivalents	678,495.84	548,171.02	1,226,666.86
Investments			-
Restricted Assets:			
Cash and cash equivalents		783,791.81	783,791.81
Investments		-	-
TOTAL ASSETS	678,495.84	1,331,962.83	2,010,458.67
NET POSITION:			
Restricted for: (See Note 7)			
Capital Projects Purposes		120,961.49	120,961.49
Debt Service Purposes		662,830.32	662,830.32
Permanently Restricted Purposes			
Expendable			-
Non-Expendable			-
Other Purposes	5,186.64	29,454.74	34,641.38
Unrestricted	673,309.20	518,716.28	1,192,025.48
TOTAL NET POSITION	678,495.84	1,331,962.83	2,010,458.67

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF WESSINGTON SPRINGS
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
For the Year Ended December 31, 2012

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position — Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total
Primary Government:							
Governmental Activities:							
General Government	127,212.52	27,410.53		398,782.94	298,980.95		298,980.95
Public Safety	105,507.68	-			(105,507.68)		(105,507.68)
Public Works	767,579.82	89,440.28	42,484.44	1,057.53	(634,597.57)		(634,597.57)
Health and Welfare	439.54				(439.54)		(439.54)
Culture and Recreation	109,143.85	12,948.77	215.00		(95,979.88)		(95,979.88)
Conservation and Development	10,111.00				(10,111.00)		(10,111.00)
Intergovernmental Expenditures					-		-
Operating Agreements	287,140.56	302,947.06			15,806.50		15,806.50
**Capital Outlay - Unallocated					-		-
*Interest and Principal on Long-Term Debt	18,164.56				(18,164.56)		(18,164.56)
Total Governmental Activities	1,425,299.33	432,746.64	42,699.44	399,840.47	(550,012.78)		(550,012.78)
Business-type Activities:							
Water	146,193.40	174,692.19				28,498.79	28,498.79
Electric	1,141,385.87	1,162,014.72				20,629.05	20,629.05
Sewer	52,801.46	118,786.38				65,984.92	65,984.92
						-	-
Total Business-Type Activities	1,340,380.53	1,455,493.29	-	-		115,112.76	115,112.76
Total Primary Government	2,765,679.86	1,888,239.93	42,699.44	399,840.47	(550,012.78)	115,112.76	(434,900.02)
Component Units:							
Housing and Redevelopment Commission							

	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Taxes:			
Property Taxes	155,311.87		155,311.87
Sales Taxes	323,909.69		323,909.69
State Shared Revenues	21,982.62		21,982.62
Grants and Contributions not Restricted to Specific Programs			-
Unrestricted Investment Earnings	1,381.18	2,280.82	3,662.00
Debt Issued	-	-	-
Miscellaneous Revenue	8,357.79	7,547.81	15,905.60
Sale of Municipal Property	1,315.00		1,315.00
Extraordinary Items			-
Transfers	101,222.02	(101,222.02)	-
Total General Revenues, Special Items, Extraordinary Items and Transfers	613,480.17	(91,393.39)	522,086.78
Change in Net Position	63,467.39	23,719.37	87,186.76
Net Position-Beginning	615,028.45	1,308,243.46	1,923,271.91
Adjustments:			
			-
Adjusted Net Position-Beginning	615,028.45	1,308,243.46	1,923,271.91
NET POSITION-ENDING	678,495.84	1,331,962.83	2,010,458.67

* *The Municipality does not have interest expense related to the functions presented above. This amount includes indirect interest expense on general long-term debt.*

** This amount excludes the capital purchases that are included in the direct expenses of the various functions.

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF WESSINGTON SPRINGS
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
December 31, 2012

	General Fund	Add'l Sales Tax Fund	Library Fund	Capital Replacement Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	37,724.25	590,584.95	5,186.64	45,000.00	678,495.84
106 Cash with Fiscal Agent					-
151 Investments					-
107.1 Restricted Cash and Cash Equivalents					-
107.2 Restricted Investments					-
TOTAL ASSETS	37,724.25	590,584.95	5,186.64	45,000.00	678,495.84
FUND BALANCES:					
263 Nonspendable					-
264 Restricted			5,186.64		5,186.64
265 Committed	37,000.00	590,584.95			627,584.95
266 Assigned				45,000.00	45,000.00
267 Unassigned	724.25			-	724.25
TOTAL FUND BALANCES	37,724.25	590,584.95	5,186.64	45,000.00	678,495.84

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF WESSINGTON SPRINGS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2012

	General Fund	Add'l Sales Tax Fund	Library Fund	Capital Replacement Fund	Total Governmental Funds
Revenues:					
310 Taxes:					
311 General Property Taxes	155,153.41				155,153.41
312 Airflight Property Tax					-
313 General Sales and Use Taxes	242,932.22	80,977.47			323,909.69
314 Gross Receipts Business Taxes					-
315 Amusement Taxes					-
316 911 Telephone Surcharge					-
317 Excise Tax					-
318 Tax Deed Revenue					-
319 Penalties and Interest on Delinquent Taxes	158.46				158.46
					-
Total Taxes	398,244.09	80,977.47	-	-	479,221.56
320 Licenses and Permits	1,750.00				1,750.00
330 Intergovernmental Revenue:					
331 Federal Grants	376,072.98				376,072.98
332 Federal Shared Revenue					-
333 Federal Payments in Lieu of Taxes					-
334 State Grants	22,709.96				22,709.96
335 State Shared Revenue:					
335.01 Bank Franchise Tax	1,892.90				1,892.90
335.02 Motor Vehicle Commercial Prorate	2,981.05				2,981.05
335.03 Liquor Tax Reversion	6,727.48				6,727.48
335.04 Motor Vehicle Licenses (5%)	10,333.19				10,333.19
335.06 Fire Insurance Premiums Reversion					-
335.07 Liquor License Reversion					-
335.08 Local Government Highway and Bridge Fund	37,775.58				37,775.58
335.09 911 Remittances					
335.20 Other	48.00				48.00

MUNICIPALITY OF WESSINGTON SPRINGS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2012

	General Fund	Add'l Sales Tax Fund	Library Fund	Capital Replacement Fund	Total Governmental Funds
336 State Payments in Lieu of Taxes	-				-
338 County Shared Revenue:					
338.01 County Road Tax (25%)	4,708.86				4,708.86
338.02 County Highway and Bridge Reserve Tax (25%)					-
338.03 County Wheel Tax					-
338.99 Other					-
339 Other Intergovernmental Revenues			-		-
Total Intergovernmental Revenue	463,250.00	-	-	-	463,250.00
340 Charges for Goods and Services:					
341 General Government	1,482.88				1,482.88
342 Public Safety	-				-
343 Highways and Streets	605.53				605.53
344 Sanitation	88,834.75				88,834.75
345 Health					-
346 Culture and Recreation	11,287.85		-		11,287.85
347 Ambulance					-
348 Cemetery					-
349 Other					-
Total Charges for Goods and Services	102,211.01	-	-	-	102,211.01
350 Fines and Forfeits:					
351 Court Fines and Costs					-
352 Animal Control Fines					-
353 Parking Meter Fines					-
354 Library			1,660.92		1,660.92
359 Other					-
Total Fines and Forfeits	-	-	1,660.92	-	1,660.92

MUNICIPALITY OF WESSINGTON SPRINGS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2012

	General Fund	Add'l Sales Tax Fund	Library Fund	Capital Replacement Fund	Total Governmental Funds
360 Miscellaneous Revenue:					
361 Investment Earnings	25.06	1,353.83	2.29		1,381.18
362 Rentals	24,177.65				24,177.65
363 Special Assessments	1,057.53				1,057.53
364 Maintenance Assessments					-
367 Contributions and Donations from Private Sources	215.00				215.00
368 Liquor Operating Agreement Income	302,947.06				302,947.06
369 Other	8,357.79				8,357.79
Total Miscellaneous Revenue	336,780.09	1,353.83	2.29	-	338,136.21
Total Revenue	1,302,235.19	82,331.30	1,663.21	-	1,386,229.70
Expenditures:					
410 General Government:					
411 Legislative	26,363.87				26,363.87
412 Executive	2,318.49				2,318.49
413 Elections	-				-
414 Financial Administration	85,638.75				85,638.75
419 Other	12,891.41				12,891.41
Total General Government	127,212.52	-	-	-	127,212.52
420 Public Safety:					
421 Police	94,507.68				94,507.68
422 Fire	11,000.00				11,000.00
423 Protective Inspection					-
429 Other Protection					-
Total Public Safety	105,507.68	-	-	-	105,507.68

MUNICIPALITY OF WESSINGTON SPRINGS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2012

	General Fund	Add'l Sales Tax Fund	Library Fund	Capital Replacement Fund	Total Governmental Funds
430 Public Works:					
431 Highways and Streets	119,540.36				119,540.36
432 Sanitation	139,524.14				139,524.14
433 Water					-
434 Electricity					-
435 Airport	13,196.25				13,196.25
436 Parking Facilities					-
437 Cemeteries					-
438 Natural Gas					-
439 Transit					-
Total Public Works	272,260.75	-	-	-	272,260.75
440 Health and Welfare:					
441 Health					-
442 Home Health					-
443 West Nile	439.54				439.54
444 Humane Society					-
445 Drug Education					-
446 Ambulance					-
447 Hospitals, Nursing Homes and Rest Homes					-
449 Other					-
Total Health and Welfare	439.54	-	-	-	439.54
450 Culture and Recreation:					
451 Recreation	42,913.00				42,913.00
452 Parks	21,294.98				21,294.98
455 Libraries	43,629.99		1,305.68		44,935.67
456 Auditorium					-
457 Historical Preservation					-
458 Museums					-
Total Culture and Recreation	107,837.97	-	1,305.68	-	109,143.65

MUNICIPALITY OF WESSINGTON SPRINGS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2012

	General Fund	Add'l Sales Tax Fund	Library Fund	Capital Replacement Fund	Total Governmental Funds
460 Conservation and Development:					
463 Urban Redevelopment and Housing					-
465 Economic Development and Assistance (Industrial Development)	10,111.00				10,111.00
466 Economic Opportunity					-
Total Conservation and Development	10,111.00	-	-	-	10,111.00
470 Debt Service	18,164.56				18,164.56
480 Intergovernmental Expenditures					-
485 Capital Outlay	495,319.07			-	495,319.07
490 Miscellaneous:					
491 Judgments and Losses					-
492 Other Expenditures					-
499 Liquor Operating Agreements	287,140.56				287,140.56
Total Miscellaneous	287,140.56	-	-	-	287,140.56
Total Expenditures	1,423,993.65	-	1,305.68	-	1,425,299.33
Excess of Revenues Over (Under) Expenditures	(121,758.46)	82,331.30	357.53	-	(39,069.63)

MUNICIPALITY OF WESSINGTON SPRINGS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2012

	General Fund	Add'l Sales Tax Fund	Library Fund	Capital Replacement Fund	Total Governmental Funds
Other Financing Sources (Uses):					
391.01 Transfers In	132,575.85			15,000.00	147,575.85
511 Transfers Out	(15,000.00)	(31,353.83)			(46,353.83)
513 Payments to Refunded Debt Escrow Agent					-
391.03 Sale of Municipal Property	1,315.00				1,315.00
391.04 Compensation for Loss or Damage to Capital Assets					-
391.20 Long-Term Debt Issued	-				-
Total Other Financing Sources (Uses)	118,890.85	(31,353.83)	-	15,000.00	102,537.02
391.06 (514) Special Items					-
391.05 (515) Extraordinary Items					-
Net Change in Fund Balance	(2,867.61)	50,977.47	357.53	15,000.00	63,467.39
Fund Balance - Beginning	40,591.86	539,607.48	4,829.11	30,000.00	615,028.45
Adjustments:					
					-
					-
Adjusted Fund Balance - Beginning	40,591.86	539,607.48	4,829.11	30,000.00	615,028.45
FUND BALANCE- ENDING	37,724.25	590,584.95	5,186.64	45,000.00	678,495.84

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF WESSINGTON SPRINGS
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
December 31, 2012

	Enterprise Funds			
	Water Fund	Electric Fund	Sewer Fund	Totals
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	56,232.01	271,660.95	220,278.06	548,171.02
151 Investments				-
Total Current Assets	56,232.01	271,660.95	220,278.06	548,171.02
Noncurrent Assets:				
107.1 Restricted Cash and Cash Equivalents		783,791.81		783,791.81
107.2 Restricted Investments		-		-
Total Noncurrent Assets	-	783,791.81	-	783,791.81
TOTAL ASSETS	56,232.01	1,055,452.76	220,278.06	1,331,962.83
NET POSITION:				
253.20 Restricted for:				
253.21 Revenue Bond Debt Service		415,816.61		415,816.61
253.22 Revenue Bond Retirement		247,013.71		247,013.71
253.23 Revenue Bond Contingency				-
253.24 Special Assessment Bond Guarantee				-
253.25 Special Assessment Bond Sinking				-
253.26 Equipment Repair and/or Replacement		120,961.49		120,961.49
253.27 Landfill Closure and Post Closure Costs				-
253.28 Permanently Restricted Purposes				-
253.29 Other Purposes	375.00	29,079.74		29,454.74
253.90 Unrestricted	55,857.01	242,581.21	220,278.06	518,716.28
TOTAL NET POSITION	56,232.01	1,055,452.76	220,278.06	1,331,962.83

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF WESSINGTON SPRINGS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
For the Year Ended December 31, 2012

	Enterprise Funds			
	Water Fund	Electric Fund	Sewer Fund	Totals
Operating Revenue:				
370/380 Charges for Goods and Services	174,692.19	747,534.96	118,786.38	1,041,013.53
Revenue Dedicated to Servicing Debt		414,479.76		414,479.76
380.05 Lottery Sales				-
369 Miscellaneous	526.54	6,811.27	210.00	7,547.81
Total Operating Revenue	175,218.73	1,168,825.99	118,996.38	1,463,041.10
Operating Expenses:				
410 Personal Services	57,914.71	117,836.46	47,478.98	223,230.15
420 Other Current Expense	29,309.63	595,402.57	4,525.91	629,238.11
426.2 Materials	36,493.34	23,284.12	796.57	60,574.03
430 Capital Assets				-
Total Operating Expenses	123,717.68	736,523.15	52,801.46	913,042.29
Operating Income	51,501.05	432,302.84	66,194.92	549,998.81
Nonoperating Revenue (Expense):				
330 Operating Grants				-
361 Investment Earnings	157.54	1,663.59	459.69	2,280.82
362 Rental Revenue				-
441 Debt Service (Principal)	(18,458.11)	(140,000.00)		(158,458.11)
442 Interest Expense	(4,017.61)	(264,862.52)		(268,880.13)
391.03 Sale of Municipal Property				-
391.20 Long-Term Debt Issued	-	-		-
(429)369.01 Other				-
Total Nonoperating Revenue (Expense)	(22,318.18)	(403,198.93)	459.69	(425,057.42)

MUNICIPALITY OF WESSINGTON SPRINGS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
For the Year Ended December 31, 2012

	Enterprise Funds			
	Water Fund	Electric Fund	Sewer Fund	Totals
Income Before Contributions, Special Items, Extraordinary Items and Transfers	29,182.87	29,103.91	66,654.61	124,941.39
391.07 Capital Contributions				-
391.1 Transfers In			-	-
511 Transfers Out	(25,157.54)	(38,104.79)	(37,959.69)	(101,222.02)
391.06 (514) Special Items				-
391.05 (515) Extraordinary Items				-
Change in Net Position	4,025.33	(9,000.88)	28,694.92	23,719.37
Net Position - Beginning	52,206.68	1,064,453.64	191,583.14	1,308,243.46
Adjustments:				
				-
				-
Adjusted Net Position - Beginning	52,206.68	1,064,453.64	191,583.14	1,308,243.46
NET POSITION - ENDING	56,232.01	1,055,452.76	220,278.06	1,331,962.83

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF WESSINGTON SPRINGS
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
FIDUCIARY FUNDS
December 31, 2012

	Agency Funds
ASSETS:	
Cash and Cash Equivalents	3,408.59
Investments	
TOTAL ASSETS	3,408.59
NET POSITION:	
Restricted (by major category)	
Net Position Held in Agency Capacity	3,408.59
TOTAL NET POSITION	3,408.59

The notes to the financial statements are an integral part of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 1.c, these financial statements are presented on a modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (USGAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

a. Financial Reporting Entity:

The reporting entity of the Municipality of Wessington Springs, (Municipality) consists of the primary government (which includes all of the funds, organizations, institutions, agencies, departments, and offices that make up the legal entity, plus those funds for which the primary government has a fiduciary responsibility, even though those fiduciary funds may represent organizations that do not meet the criteria for inclusion in the financial reporting entity); those organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The Municipality is financially accountable if its Governing Board appoints a voting majority of another organization's governing body and it has the ability to impose its will on that organization, or there is a potential for that organization to provide specific financial benefits to, or impose specific financial burdens on, the Municipality (primary government). The Municipality may also be financially accountable for another organization if that organization is fiscally dependent on the Municipality.

The Housing and Redevelopment Commission of the Municipality of Wessington Springs is a component unit whose financial statements were not included in the municipality's other comprehensive basis of accounting (OCBOA) financial statements. Separately issued financial statements of the Housing and Redevelopment Commission may be obtained from the Wessington Springs Housing and Redevelopment Commission, Wessington Springs, South Dakota.

The Municipality participates in a cooperative unit with the Tri-County Landfill Association. See detailed note entitled "Joint Ventures" for specific disclosures. Joint ventures do not meet the criteria for inclusion in the financial reporting entity as a component unit, but are discussed in these notes because of the nature of their relationship with the Municipality.

b. Basis of Presentation:

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting entity as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the Municipality and for each function of the Municipality's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore are clearly identifiable to a particular function. Program revenues include (a) charges paid by recipients of goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund net position, revenues, and expenditures/expenses. Funds are organized into three major categories; governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Municipality or it meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined, or
3. Management has elected to classify one or more governmental or enterprise funds as major for consistency in reporting from year to year, or because of public interest in the fund's operations.

The funds of the Municipality financial reporting entity are described below:

Governmental Funds:

General Fund – the General Fund is the general operating fund of the Municipality. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is always considered to be a major fund.

Special Revenue Funds- special revenue funds are used to account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments or for major capital projects) that are legally restricted to expenditures for specified purposes.

Additional Sales Tax Fund – to account for fifty percent of an additional one percent sales tax established by local ordinance which, according with the ordinance, may be used only for capital improvement, land acquisition, the funding of public ambulances and medical emergency response vehicles, public hospitals, or nonprofit hospitals with fifty or fewer licensed beds and other public health care facilities or nonprofit health care facilities with fifty or fewer licensed beds, the transfer to the special 911 fund, the purchasing of fire fighting vehicles and equipment, and debt retirement. This is a major fund.

Library Fund – to account for fines and similar charges, deposited in a library board bank account subject to checks by the librarian for library purposes. (SDCL 14-2-42) The Municipality has elected to report this fund as a major fund.

Capital Project Funds – capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or trust funds for individuals, private organizations, or other governments).

A Capital Replacement Fund is used for capital improvements within the City. Funds for these projects usually included grant funds. The municipality has elected to report the Capital Replacement Fund as a major fund.

Proprietary Funds:

Enterprise Funds – enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Water Fund – financed primarily by user charges this fund accounts for the construction and operation of the municipal waterworks system and related facilities. (SDCL 9-47-1) This is a major fund.

Sewer Fund – financed primarily by user charges this fund accounts for the construction and operation of the municipal sanitary sewer system and related facilities. (SDCL 9-48-2) This is a major fund.

Electric Fund – financed primarily by user charges, this fund accounts for the construction and operation of the municipal electrical system and related facilities. (SDCL 9-39-1 and 9-39-26) This is a major fund.

Fiduciary Funds:

Fiduciary funds consist of the following sub-categories and are never considered to be major funds:

Agency Funds – Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The municipality maintains one agency fund to account for employee withholding for medical spending accounts.

c. Measurement Focus and Basis of Accounting:

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus.

The Municipality's basis of accounting is the modified cash basis, which is a basis of accounting other than USGAAP. Under USGAAP, transactions are recorded in the accounts

when revenues are earned and liabilities are incurred. Under the modified cash basis, transactions are recorded when cash is received or disbursed.

Measurement Focus:

Government-wide Financial Statements:
In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus, applied within the limitations of the modified cash basis of accounting as defined below.

Fund Financial Statements:
In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used, applied within the limitations of the modified cash basis of accounting.

Basis of Accounting:
In the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental and business-type activities are presented using a modified cash basis of accounting.

The modified cash basis of accounting involves the measurement of cash and cash equivalents and changes in cash and cash equivalents resulting from cash receipt and disbursement transactions. Under the modified cash basis of accounting, the statement of financial position reports only cash and cash equivalents (those investments with terms to maturity of 90 days (three months) or less at the date of acquisition). Under the modified cash basis of accounting, transactions are recorded in the accounts when cash and/or cash equivalents are received or disbursed and assets and liabilities are recognized to the extent that cash has been received or disbursed. Acceptable modification to the cash basis of accounting implemented by the Municipality in these financial statements is:

1. Recording long-term investments in marketable securities (those with maturities more than 90 days (three months) from the date of acquisition) acquired with cash assets at cost.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) <u>are not recorded</u> in these financial statements.

If the Municipality applied USGAAP, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

d. <u>Deposits and Investments:</u>

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short-term investments with a term to maturity at date of acquisition of three months or less. Investments in open-end mutual fund shares, or similar investments in external investment pools, are also considered to be cash equivalents.

Investments classified in the financial statements consist entirely of certificates of deposit whose term to maturity at date of acquisition exceed three months, and/or those types of investments authorized by South Dakota Codified Law (SDCL) 4-5-6. Under the modified cash basis of accounting, investments are carried at cost.

e. Long-Term Liabilities:

Under the modified cash basis of accounting, cash proceeds from long-term debt issuances is recorded as a receipt, while payments to creditors to reduce long-term debts are recorded as a cost of the program which benefits from the financing. Allocations are made where appropriate. Interest costs are not allocated, but reported as a separate program cost category.

Long-term debts arising from cash transactions of governmental funds are not reported as liabilities in the fund financial statements. Instead, the debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting for long-term debts of proprietary funds is the same in the fund financial statements as it is in the government-wide financial statements.

f. Program Revenues:

Program revenues derive directly from the program itself or from parties other than the municipality's taxpayers or citizenry, as a whole. Program revenues are classified into three categories, as follows:

1. Charges for services – These arise from charges to customers, applicants, or others who purchase, use, or directly benefit from the goods, services, or privileges provided, or are otherwise directly affected by the services.
2. Program-specific operating grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program.
3. Program specific capital grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for the acquisitions of capital assets for use in a particular program.

g. Proprietary Funds Revenue and Expense Classifications:

In the proprietary fund's Statement of Revenues, Expenses and Changes in Fund Net Position, revenue and expenses are classified in a manner consistent with how they are classified in the Statement of Cash Flows. That is, transactions for which related cash flows are reported as capital and related financing activities, noncapital financing activities, or investing activities are not reported as components of operating revenues or expenses.

h. Cash and Cash Equivalents:

The Municipality considers all highly liquid investments as deposits (including restricted assets) with a term to maturity of three months or less, at date of acquisition, to be cash equivalents.

i. Equity Classifications:

Government-wide Financial Statements:

Equity is classified as Net Position and is displayed in two components:

1. Restricted Net Position – Consists of net position with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
2. Unrestricted Net Position -- All other net position that do not meet the definition of "restricted".

Fund Financial Statements:

Governmental fund equity is classified as fund balance, and may distinguish between "Nonspendable", "Restricted", "Committed", "Assigned" and "Unassigned" components. Proprietary fund equity is classified the same as in the government-wide financial statements. The only Fiduciary Funds maintained by the Municipality are Agency Funds which have no fund equity.

j. Application of Net Position:

It is the Municipality's policy to first use restricted Net Position, prior to the use of unrestricted Net Position, when an expense is incurred for purposes for which both restricted and unrestricted Net Position are available.

k. Fund Balance Classification Policies and Procedures:

In accordance with Government Accounting Standards Board (GASB) No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Municipality classifies governmental fund balances as follows:

- Nonspendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Municipal Council.
- Unassigned – includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The Municipal Governing Board committed the following fund balance types by taking the following action:

Fund Balance Type	Amount	Action
General Fund	$ 37,000.00	Ordinance
2nd Penny Fund	590,584.95	Ordinance

The Municipality uses *restricted/committed* amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the Government would first use *committed, then assigned, and lastly unassigned amount* of unrestricted fund balance when expenditures are made.

The Municipality does *not* have a formal minimum fund balance policy.

A schedule of fund balances is provided as follows:

	General Fund	Add'l Sales Tax Fund	Library Fund	Capital Replacement Fund	Total Governmental Funds
Fund Balances:					
Restricted for:					
Library	$ -	$ -	$ 5,186.64	$ -	$ 5,186.64
Committed for:					
Employee Insurance Program	37,000.00	-	-	-	37,000.00
Capital Projects	-	590,584.95	-	-	590,584.95
Assigned to:					
Capital Replacement	-	-	-	45,000.00	45,000.00
Unassigned:	724.25	-	-	-	724.25
Total Fund Balances	$ 37,724.25	$ 590,584.95	$ 5,186.64	$ 45,000.00	$ 678,495.84

2. DEPOSITS AND INVESTMENTS CREDIT RISK, CONCENTRATIONS OF CREDIT RISK AND INTEREST RATE RISK

The Municipality follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by statutes. These restrictions are summarized below:

Deposits – The Municipality's cash deposits are made in qualified public depositories as defined by SDCL 4-6A-1, 9-22-6, 9-22-6.1 and 9-22-6.2, and may be in the form of demand or time deposits. Qualified depositories are required by SDCL 4-6A-3 to maintain at all times, segregated from their other assets, eligible collateral having a value equal to at least 100 percent of the public deposit accounts which exceed deposit insurance such as the FDIC and NCUA. In lieu of pledging eligible securities, a qualified public depository may furnish irrevocable standby letters of credit issued by Federal Home Loan Banks accompanied by written evidence of that bank's public debt rating which may not be less

than "AA" or a qualified public depository may furnish a corporate surety bond of a corporation authorized to do business in South Dakota.

Deposits are reported at cost, plus interest, if the account is of the add-on type.

Investments – In general, SDCL 4-5-6 permits Municipality funds to be invested in (a) securities of the United States and securities guaranteed by the United States government either directly of indirectly; or (b) repurchase agreements fully collateralized by securities described in (a) above; or in shares of an open-ended, no load fund administered by an investment company whose investments are in securities described in (a) above and repurchase agreements described in (b). Also, SDCL 4-5-9 requires investments to be in the physical custody of the political subdivision or may be deposited in a safe keeping account with any bank or trust company designated by the political subdivision as its fiscal agent.

Credit risk – State law limits eligible investments for the municipality, as discussed above. The Municipality has no investment policy that would further limit investment choices.

Under the modified cash basis of accounting investments are stated at cost.

The Municipality did not carry any investments at December 31, 2012.

Concentration of Credit Risk – Municipality places no limit on the amount that may be invested in any one issuer.

Interest Rate Risk – Municipality does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

3. RESTRICTED CASH AND INVESTMENTS

Cash and investments of $783,791.81 in the electric fund are restricted by revenue bond reserve requirements.

4. PROPERTY TAXES

Property taxes are levied on or before October 1, of the year preceding the start of the fiscal year. They attach as an enforceable lien on property, and become due and payable as of January 1, the first day of the fiscal year. Taxes are payable in two installments on or before April 30 and October 31 of the fiscal year.

The Municipality is permitted by several state statutes to levy varying amounts of taxes per $1,000 of taxable valuation on taxable real property in the Municipality.

5. LONG TERM DEBT

A summary of changes in long-term debt is as follows:

	Beginning Balance 1/1/2012	Additions	Deletions	Ending Balance 12/31/2012	Due Within One Year
Primary Government:					
Governmental Activities:					
Notes Payable	$ 43,890.31	$ -	$ (16,273.47)	$ 27,616.84	$ 16,963.23
Total Governmental Activities	$ 43,890.31	$ -	$ (16,273.47)	$ 27,616.84	$ 16,963.23
Business-Type Activities:					
Bonds Payable:					
Revenue	$ 4,835,000.00	$ -	$ (140,000.00)	$ 4,695,000.00	$ 140,000.00
Notes Payable	90,747.50	-	(18,458.11)	72,289.39	19,814.87
Total Business-Type Activities	$ 4,925,747.50	$ -	$ (158,458.11)	$ 4,767,289.39	$ 159,814.87
Total Primary Government	$ 4,969,637.81	$ -	$ (174,731.58)	$ 4,794,906.23	$ 176,778.10

Debt payable as of December 31, 2012, is comprised of the following:

Revenue Bonds:	
Electric Revenue Bonds (Generator), $1,650,000, Series 2006 Final Maturity 11/1/2036, Interest Rate 4.375% to 5.100% Retired by Electric Fund	$1,470,000.00
Electric Revenue Bonds (Transmission), $2,435,000, Series 2006B Final Maturity 01/01/2037, Interest Rate 6.00% to 6.75% Retired by Electric Fund	$2,275,000.00
Revenue Refunding Bonds, $1,100,000, Series 2010A, Final Maturity 03/15/2023, Interest Rate 3.60% to 4.35% Retired by General Fund	$ 950,000.00
Other Long-Term Liabilities:	
Notes Payable on Street Sweeper Final Maturity 05/10/2014, Interest Rate 4.350% Retired by General Fund	$ 16,101.94
Notes Payable on Loader Final Maturity 10/16/2014, Interest Rate 4.350% Retired by General Fund	$ 11,514.90
Notes Payable on Water Plant Final Maturity 06/10/2016, Interest Rate 4.100% Retired by Water Fund	$ 72,289.39

The annual requirements to amortize all debt outstanding as of December 31, 2012, including interest payments of $3,732,320.85 are as follows:

Year Ending December 31,	Electrical Revenue Bonds Series 2006		Electrical Revenue Bonds Series 2006B		Revenue Refunding Bond Series 2010	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	35,000.00	72,345.00	35,000.00	149,782.51	70,000.00	36,540.00
2014	35,000.00	70,813.76	40,000.00	147,438.76	75,000.00	33,930.00
2015	40,000.00	69,282.50	40,000.00	144,938.76	75,000.00	31,230.00
2016	40,000.00	67,532.50	45,000.00	142,282.51	80,000.00	28,440.00
2017	40,000.00	65,782.50	50,000.00	139,313.76	85,000.00	25,470.00
2018 - 2023	290,000.00	350,520.00	360,000.00	760,488.81	565,000.00	76,350.00
2024 - 2036	990,000.00	386,457.50	1,525,000.00	920,585.64	-	-
2037	-	-	180,000.00	6,075.00	-	-
Total	1,470,000.00	1,082,733.76	2,275,000.00	2,410,905.75	950,000.00	231,960.00

Year Ending December 31,	Notes Payable Street Sweeper		Notes Payable Loader		Notes Payable Water Plant	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	10,732.19	526.49	6,527.65	378.23	19,814.87	2,660.85
2014	5,369.75	86.62	4,987.25	101.28	20,639.86	1,835.86
2015	-	-	-	-	21,499.19	976.53
2016	-	-	-	-	10,335.47	155.48
2017	-	-	-	-	-	-
2018 - 2023	-	-	-	-	-	-
2024 - 2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
Total	16,101.94	613.11	11,514.90	479.51	72,289.39	5,628.72

Year Ending December 31,	Total	
	Principal	Interest
2013	177,074.71	262,233.08
2014	180,996.86	254,206.28
2015	176,499.19	246,427.79
2016	175,335.47	238,410.49
2017	175,000.00	230,566.26
2018 - 2023	1,215,000.00	1,187,358.81
2024 - 2036	2,515,000.00	1,307,043.14
2037	180,000.00	6,075.00
Total	4,794,906.23	3,732,320.85

6. INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2012, were as follows:

	TRANSFERS TO:		
Transfer From:	General Fund	Capital Replacement Fund	Total
General Fund	$ -	$ 15,000.00	$ 15,000.00
Additional Sales Tax Fund	31,353.83	-	31,353.83
Water Fund	25,157.54	-	25,157.54
Sewer Fund	37,959.69	-	37,959.69
Electric Fund	38,104.79	-	38,104.79
Total	$132,575.85	$ 15,000.00	$147,575.85

The transfers were made as budgeted operating transfers and to credit interest earning from various funds to the General Fund.

7. RESTRICTED NET POSITION

Restricted Net Position for the year ended December 31, 2012, were as follows:

	Governmental Activities	Business-Type Activities
Debt Service:		
Electric Fund	$ -	$415,816.61
Bond Retirement: Electric Fund	-	247,013.71
Capital Projects	-	120,961.49
Utility Deposits:		
Water Fund	-	375.00
Electric Fund	-	29,079.74
Total Restricted Net Position	$ -	$813,246.55

The business type balances are restricted by the Electric Fund revenue bond reserve requirements.

8. RETIREMENT PLAN

All employees, except for part-time employees, participate in the South Dakota Retirement System (SDRS), a cost-sharing, multiple employer public employee retirement system established to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement, disability and survivor benefits. The right to receive retirement benefits vests after three years of credited service. Authority for

Law 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

General employees are required by state statue to contribute 6 percent of their salary to the plan, while public safety and judicial employees contribute at 8 percent and 9 percent, respectively. State statute also requires the employer to contribute an amount equal to the employee's contribution. The Municipality's share of contributions to the SDRS for the fiscal years ended December 31, 2012, 2011, and 2010, were $20,054.04, $19,561.12, and $19,312.85, respectively, equal to the required contributions each year.

9. JOINT VENTURES

The municipality participates in a joint venture, known as Tri-County Landfill Association, Inc., formed for the purpose of providing solid waste disposal services to participating members.

The members of the joint venture and their relative percentage of participation are as follows:

Plankinton City	2.50%	Murdo City	2.81%
Stickney City	1.33%	Jones County	2.16%
White Lake City	1.73%	Kennebec City	1.17%
Aurora County	7.39%	Oacoma City	1.52%
Chamberlain City	9.70%	Presho City	2.70%
Kimball City	3.07%	Reliance City	.70%
Pukwana City	1.09%	Lyman County	4.30%
Brule County	8.81%	Colome City	1.28%
Buffalo County	1.09%	New Witten City	.36%
Alpena City	1.04%	Winner City	13.84%
Lane City	.29%	Tripp County	13.10%
Wessington Springs City	4.47%	White River City	2.46%
Jerauld County	4.21%	Wood City	.30%
Draper City	.51%	Mellette County	6.07%

The joint venture's governing board is composed of 12 representatives – one from each of the 8 counties and 4 members at large. The board is responsible for adopting the budget and setting service fees at a level adequate to fund the adopted budget.

The municipality retains no equity in the net position of the joint venture, but does have a responsibility to fund deficits of the joint venture in proportion to the relative participation described above.

Separate financial statements for this joint venture are available from Tri-County Landfill Association, Inc.

At December 31, 2012, this joint venture had total fund balance of $781,579 and long-term debt of $118,756.

10. RISK MANAGEMENT

The municipality is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ended December 31, 2012, the Municipality managed its risks as follows:

Employee Health Insurance:

The Municipality purchases health insurance for its employees from a commercial insurance carrier. The Municipality has elected to purchase health insurance with a high deductible for its employees however provides a lower deductible to its employees. The Municipality has elected to be self-insured for the difference of the employees' deductible and the actual insurance deductible on each policy. The Municipality has committed $37,000 in the general fund for the payment of such claims.

Settled claims resulting from these risks have not exceeded the liability coverage for the past three years.

Liability Insurance:

The Municipality purchases liability insurance for risks related to torts; theft or damage to property; and errors and omissions of public officials from a commercial insurance carrier.

Settled claims resulting from these risks have not exceeded the liability coverage for the past three years.

Worker's Compensation:

The Municipality joined the South Dakota Municipal League Worker's Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. The objective of the Fund is to formulate, develop, and administer, on behalf of the member organizations, a program of worker's compensation coverage, to obtain lower costs for that coverage, and to develop a comprehensive loss control program. The Municipality's responsibility is to initiate and maintain a safety program to give its employees safe and sanitary working conditions and to promptly report to and cooperate with the Fund to resolve any worker's compensation claims. The Municipality pays an annual premium, to provide worker's compensation coverage for its employees, under a self-funded program and the premiums are accrued based on the ultimate cost of the experience to date of the Fund members. Coverage limits are set by state statute. The pool pays the first $650,000 of any claim per individual. The pool has reinsurance which covers up to statutory limits in addition to a separate combined employer liability limit of $2,000,000 per incident.

The Municipality does not carry additional insurance to cover claims in excess of the upper limit. Settled claims resulting from these risks have not exceeded the liability coverage over the past three years.

Unemployment benefits:

The Municipality provides coverage for unemployment benefits by paying into the Unemployment Compensation Fund established by state law and managed by the State of South Dakota.

11. REVENUE PLEDGED FOR DEBT SERVICE

The Municipality has pledged future electric customer revenues to repay electric system bonds issued in 2006 and 2010. Proceeds from the bond provided financing for improvements on the Municipality's electric utility system. Annual principal and interest payments on the bonds are expected to require 23 percent of net revenues.

MUNICIPALITY OF WESSINGTON SPRINGS

REQUIRED SUPPLEMENTARY INFORMATION
MUNICIPALITY OF WESSINGTON SPRINGS
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
310 Taxes:				
311 General Property Taxes	155,870.00	155,870.00	155,153.41	(716.59)
312 Airflight Property Tax				-
313 General Sales and Use Taxes	240,000.00	240,000.00	242,932.22	2,932.22
314 Gross Receipts Business Taxes				-
315 Amusement Taxes				-
316 911 Telephone Surcharge				-
317 Excise Tax				-
318 Tax Deed Revenue				-
319 Penalties and Interest on Delinquent Taxes	-	-	158.46	158.46
Total Taxes	395,870.00	395,870.00	398,244.09	2,374.09
320 Licenses and Permits	1,915.00	1,915.00	1,750.00	(165.00)
330 Intergovernmental Revenue:				
331 Federal Grants	-	-	376,072.98	376,072.98
332 Federal Shared Revenue				-
333 Federal Payments in Lieu of Taxes	2,400.00	2,400.00	-	(2,400.00)
334 State Grants			22,709.96	22,709.96
335 State Shared Revenue:				
335.01 Bank Franchise Tax	1,350.00	1,350.00	1,892.90	542.90
335.02 Motor Vehicle Commercial Prorate	2,700.00	2,700.00	2,981.05	281.05
335.03 Liquor Tax Reversion	5,000.00	5,000.00	6,727.48	1,727.48
335.04 Motor Vehicle Licenses (5%)	20,094.00	20,094.00	10,333.19	(9,760.81)
335.06 Fire Insurance Premiums Reversion				-
335.07 Liquor License Reversion				-
335.08 Local Government Highway and Bridge Fund			37,775.58	37,775.58
335.09 911 Remittances				
335.20 Other	72.00	72.00	48.00	(24.00)
336 State Payments in Lieu of Taxes			-	-
338 County Shared Revenue:				
338.01 County Road Tax (25%)			4,708.86	4,708.86
338.02 County Highway and Bridge Reserve Tax (25%)	32,000.00	32,000.00		- (32,000.00)
338.03 County Wheel Tax				-
338.99 Other				-
339 Other Intergovernmental Revenues				-
Total Intergovernmental Revenue	63,616.00	63,616.00	463,250.00	399,634.00

REQUIRED SUPPLEMENTARY INFORMATION
MUNICIPALITY OF WESSINGTON SPRINGS
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
340 Charges for Goods and Services:				
341 General Government	125.00	125.00	1,482.88	1,357.88
342 Public Safety	100.00	100.00	-	(100.00)
343 Highways and Streets	750.00	750.00	605.53	(144.47)
344 Sanitation	89,885.00	89,885.00	88,834.75	(1,050.25)
345 Health				-
346 Culture and Recreation	7,400.00	7,400.00	11,287.85	3,887.85
347 Ambulance				-
348 Cemetery				-
349 Other				-
Total Charges for Goods and Services	98,260.00	98,260.00	102,211.01	3,951.01
350 Fines and Forfeits:				
351 Court Fines and Costs				-
352 Animal Control Fines				-
353 Parking Meter Fines				-
354 Library				-
359 Other				-
Total Fines and Forfeits	-	-	-	-
360 Miscellaneous Revenue:				
361 Investment Earnings	75.00	75.00	25.06	(49.94)
362 Rentals	18,911.00	18,911.00	24,177.65	5,266.65
363 Special Assessments	460.00	460.00	1,057.53	597.53
364 Maintenance Assessments				-
367 Contributions and Donations from Private Sources			215.00	215.00
368 Liquor Operating Agreement Income	330,000.00	330,000.00	302,947.06	(27,052.94)
369 Other	7,900.00	7,900.00	8,357.79	457.79
Total Miscellaneous Revenue	357,346.00	357,346.00	336,780.09	(20,565.91)
Total Revenue	917,007.00	917,007.00	1,302,235.19	385,228.19
Expenditures:				
410 General Government:				
411 Legislative	29,148.00	29,194.00	26,363.87	2,830.13
411.5 Contingency	85,000.00	85,000.00		
Amount Transferred		(42,961.00)		42,039.00
412 Executive	2,753.00	2,753.00	2,318.49	434.51
413 Elections	625.00	625.00	-	625.00
414 Financial Administration	108,508.00	108,623.00	85,638.75	22,984.25
419 Other	15,800.00	15,800.00	12,891.41	2,908.59
Total General Government	241,834.00	199,034.00	127,212.52	71,821.48

REQUIRED SUPPLEMENTARY INFORMATION
MUNICIPALITY OF WESSINGTON SPRINGS
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
420 Public Safety:				
421 Police	96,035.00	96,035.00	94,507.68	1,527.32
422 Fire	11,000.00	11,000.00	11,000.00	-
423 Protective Inspection				-
429 Other Protection				-
Total Public Safety	107,035.00	107,035.00	105,507.68	1,527.32
430 Public Works:				
431 Highways and Streets	215,425.00	232,725.00	215,165.12	17,559.88
432 Sanitation	146,730.00	146,730.00	139,524.14	7,205.86
433 Water				-
434 Electricity				-
435 Airport	14,750.00	431,322.98	431,055.12	267.86
436 Parking Facilities				-
437 Cemeteries				-
438 Natural Gas				-
439 Transit				-
Total Public Works	376,905.00	810,777.98	785,744.38	25,033.60
440 Health and Welfare:				
441 Health				-
442 Home Health				-
443 West Nile	1,060.00	1,060.00	439.54	620.46
444 Humane Society				-
445 Drug Education				-
446 Ambulance				-
447 Hospitals, Nursing Homes and Rest Homes				-
449 Other				-
Total Health and Welfare	1,060.00	1,060.00	439.54	620.46
450 Culture and Recreation:				
451 Recreation	58,495.00	58,495.00	42,913.00	15,582.00
452 Parks	26,740.00	26,740.00	21,294.98	5,445.02
455 Libraries	61,180.00	61,180.00	43,629.99	17,550.01
456 Auditorium				-
457 Historical Preservation				-
458 Museums				-
Total Culture and Recreation	146,415.00	146,415.00	107,837.97	38,577.03
460 Conservation and Development:				
463 Urban Redevelopment and Housing				-
465 Economic Development and Assistance (Industrial Development)	10,325.00	10,325.00	10,111.00	214.00
466 Economic Opportunity				-
Total Conservation and Development	10,325.00	10,325.00	10,111.00	214.00

REQUIRED SUPPLEMENTARY INFORMATION
MUNICIPALITY OF WESSINGTON SPRINGS
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
470 Debt Service			-	-
480 Intergovernmental Expenditures				-
485 Capital Outlay			-	-
490 Miscellaneous:				
491 Judgments and Losses				-
492 Other Expenditures				-
499 Liquor Operating Agreements	300,000.00	303,500.00	287,140.56	16,359.44
Total Miscellaneous	300,000.00	303,500.00	287,140.56	16,359.44
Total Expenditures	1,183,574.00	1,578,146.98	1,423,993.65	154,153.33
Excess of Revenues Over (Under) Expenditures	(266,567.00)	(661,139.98)	(121,758.46)	539,381.52
Other Financing Sources (Uses):				
391.01 Transfers In	273,950.00	273,950.00	132,575.85	(141,374.15)
511 Transfers Out	(15,000.00)	(15,000.00)	(15,000.00)	-
513 Payments to Refunded Debt Escrow Agent				-
391.03 Sale of Municipal Property			1,315.00	1,315.00
391.04 Compensation for Loss or Damage to Capital Assets				-
391.20 General Long-Term Debt Issued			-	-
Total Other Financing Sources (Uses)	258,950.00	258,950.00	118,890.85	(140,059.15)
391.06 (514) Special Items				-
391.05 (515) Extraordinary Items				-
Net Change in Fund Balances	(7,617.00)	(402,189.98)	(2,867.61)	399,322.37
Fund Balance - Beginning	40,591.86	40,591.86	40,591.86	
Adjustments:				
Adjusted Fund Balance - Beginning	40,591.86	40,591.86	40,591.86	-
FUND BALANCE - ENDING	32,974.86	(361,598.12)	37,724.25	399,322.37

REQUIRED SUPPLEMENTARY INFORMATION
MUNICIPALITY OF WESSINGTON SPRINGS
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
ADDITIONAL SALES TAX FUND
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
310 Taxes:				
311 General Property Taxes				-
312 Airflight Property Tax				-
313 General Sales and Use Taxes	85,200.00	85,200.00	80,977.47	(4,222.53)
314 Gross Receipts Business Taxes				-
315 Amusement Taxes				-
316 911 Telephone Surcharge				-
317 Excise Tax				-
318 Tax Deed Revenue				-
319 Penalties and Interest on Delinquent Taxes				-
Total Taxes	85,200.00	85,200.00	80,977.47	(4,222.53)
320 Licenses and Permits	-	-	-	-
330 Intergovernmental Revenue:				
331 Federal Grants				-
332 Federal Shared Revenue				-
333 Federal Payments in Lieu of Taxes				-
334 State Grants				-
335 State Shared Revenue:				
335.01 Bank Franchise Tax				-
335.02 Motor Vehicle Commercial Prorate				-
335.03 Liquor Tax Reversion				-
335.04 Motor Vehicle Licenses (5%)				-
335.06 Fire Insurance Premiums Reversion				-
335.07 Liquor License Reversion				-
335.08 Local Government Highway and Bridge Fund				-
335.09 911 Remittances				-
335.20 Other				-
336 State Payments in Lieu of Taxes				-
338 County Shared Revenue:				
338.01 County Road Tax (25%)				-
338.02 County Highway and Bridge Reserve Tax (25%)				-
338.03 County Wheel Tax				-
338.99 Other				-
339 Other Intergovernmental Revenues				-
Total Intergovernmental Revenue	-	-	-	-

REQUIRED SUPPLEMENTARY INFORMATION
MUNICIPALITY OF WESSINGTON SPRINGS
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
ADDITIONAL SALES TAX FUND
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
340 Charges for Goods and Services:				
341 General Government				-
342 Public Safety				-
343 Highways and Streets				-
344 Sanitation				-
345 Health				-
346 Culture and Recreation				-
347 Ambulance				-
348 Cemetery				-
349 Other				-
Total Charges for Goods and Services	-	-	-	-
350 Fines and Forfeits:				
351 Court Fines and Costs				-
352 Animal Control Fines				-
353 Parking Meter Fines				-
354 Library				-
359 Other				-
Total Fines and Forfeits	-	-	-	-
360 Miscellaneous Revenue:				
361 Investment Earnings	2,500.00	2,500.00	1,353.83	(1,146.17)
362 Rentals				-
363 Special Assessments				-
364 Maintenance Assessments				-
367 Contributions and Donations from Private Sources				-
368 Liquor Operating Agreement Income				-
369 Other				-
Total Miscellaneous Revenue	2,500.00	2,500.00	1,353.83	(1,146.17)
Total Revenue	87,700.00	87,700.00	82,331.30	(5,368.70)
Expenditures:				
410 General Government:				
411 Legislative				-
411.5 Contingency Amount Transferred				-
412 Executive				-
413 Elections				-
414 Financial Administration				-
419 Other				-
Total General Government	-	-	-	-

REQUIRED SUPPLEMENTARY INFORMATION
MUNICIPALITY OF WESSINGTON SPRINGS
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
ADDITIONAL SALES TAX FUND
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
420 Public Safety:				-
421 Police				-
422 Fire				-
423 Protective Inspection				-
429 Other Protection				-
Total Public Safety	-	-	-	-
430 Public Works:				
431 Highways and Streets				-
432 Sanitation				-
433 Water				-
434 Electricity				-
435 Airport	335,200.00	335,200.00		335,200.00
436 Parking Facilities				-
437 Cemeteries				-
438 Natural Gas				-
439 Transit				-
Total Public Works	335,200.00	335,200.00	-	335,200.00
440 Health and Welfare:				
441 Health				-
442 Home Health				-
443 Mental Health Centers				-
444 Humane Society				-
445 Drug Education				-
446 Ambulance				-
447 Hospitals, Nursing Homes and Rest Homes				-
449 Other				-
Total Health and Welfare	-	-	-	-
450 Culture and Recreation:				
451 Recreation				-
452 Parks				-
455 Libraries				-
456 Auditorium				-
457 Historical Preservation				-
458 Museums				-
Total Culture and Recreation	-	-	-	-
460 Conservation and Development:				
463 Urban Redevelopment and Housing				-
465 Economic Development and Assistance (Industrial Development)				-
466 Economic Opportunity				-
Total Conservation and Development	-	-	-	-

REQUIRED SUPPLEMENTARY INFORMATION
MUNICIPALITY OF WESSINGTON SPRINGS
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
ADDITIONAL SALES TAX FUND
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
470 Debt Service				-
480 Intergovernmental Expenditures				-
490 Miscellaneous:				
491 Judgments and Losses				-
492 Other Expenditures	-	-		-
499 Liquor Operating Agreements				-
Total Miscellaneous	-	-	-	-
Total Expenditures	335,200.00	335,200.00	-	335,200.00
Excess of Revenues Over (Under) Expenditures	(247,500.00)	(247,500.00)	82,331.30	329,831.30
Other Financing Sources (Uses):				
391.01 Transfers In				-
511 Transfers Out	(2,500.00)	-	(31,353.83)	(31,353.83)
513 Payments to Refunded Debt Escrow Agent				-
391.03 Sale of Municipal Property				-
391.04 Compensation for Loss or Damage to Capital Assets				-
391.20 General Long-Term Debt Issued				-
Total Other Financing Sources (Uses)	(2,500.00)	-	(31,353.83)	(31,353.83)
391.06 (514) Special Items				-
391.05 (515) Extraordinary Items				-
Net Change in Fund Balances	(250,000.00)	(247,500.00)	50,977.47	298,477.47
Fund Balance - Beginning	539,607.48	539,607.48	539,607.48	
Adjustments:				
Adjusted Fund Balance - Beginning	539,607.48	539,607.48	539,607.48	-
FUND BALANCE - ENDING	289,607.48	292,107.48	590,584.95	298,477.47

REQUIRED SUPPLEMENTARY INFORMATION
MUNICIPALITY OF CITY OF WESSINGTON SPRINGS
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
LIBRARY FUND
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
310 Taxes:				
311 General Property Taxes				-
312 Airflight Property Tax				-
313 General Sales and Use Taxes				-
314 Gross Receipts Business Taxes				-
315 Amusement Taxes				-
316 911 Telephone Surcharge				-
317 Excise Tax				-
318 Tax Deed Revenue				-
319 Penalties and Interest on Delinquent Taxes				-
Total Taxes	-	-	-	-
320 Licenses and Permits	-	-	-	-
330 Intergovernmental Revenue:				
331 Federal Grants				-
332 Federal Shared Revenue				-
333 Federal Payments in Lieu of Taxes				-
334 State Grants				-
335 State Shared Revenue:				
335.01 Bank Franchise Tax				-
335.02 Motor Vehicle Commercial Prorate		-		-
335.03 Liquor Tax Reversion				-
335.04 Motor Vehicle Licenses (5%)				-
335.06 Fire Insurance Premiums Reversion				-
335.07 Liquor License Reversion				-
335.08 Local Government Highway and Bridge Fund				-
335.09 911 Remittances				-
335.20 Other				-
336 State Payments in Lieu of Taxes				-
338 County Shared Revenue:				
338.01 County Road Tax (25%)				-
338.02 County Highway and Bridge Reserve Tax (25%)				-
338.03 County Wheel Tax				-
338.99 Other				-
339 Other Intergovernmental Revenues			-	-
Total Intergovernmental Revenue	-	-	-	-

REQUIRED SUPPLEMENTARY INFORMATION
MUNICIPALITY OF CITY OF WESSINGTON SPRINGS
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
LIBRARY FUND
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
340 Charges for Goods and Services:				
341 General Government				-
342 Public Safety				-
343 Highways and Streets				-
344 Sanitation				-
345 Health				-
346 Culture and Recreation			-	-
347 Ambulance				-
348 Cemetery				-
349 Other				-
Total Charges for Goods and Services	-	-	-	-
350 Fines and Forfeits:				
351 Court Fines and Costs				-
352 Animal Control Fines				-
353 Parking Meter Fines				-
354 Library	1,000.00	1,000.00	1,660.92	660.92
359 Other				-
Total Fines and Forfeits	1,000.00	1,000.00	1,660.92	660.92
360 Miscellaneous Revenue:				
361 Investment Earnings			2.29	2.29
362 Rentals				-
363 Special Assessments				-
364 Maintenance Assessments				-
367 Contributions and Donations from Private Sources				-
368 Liquor Operating Agreement Income				-
369 Other				-
Total Miscellaneous Revenue	-	-	2.29	2.29
Total Revenue	1,000.00	1,000.00	1,663.21	663.21
Expenditures:				
410 General Government:				
411 Legislative				-
411.5 Contingency Amount Transferred				-
412 Executive				-
413 Elections				-
414 Financial Administration				-
419 Other				-
Total General Government	-	-	-	-

REQUIRED SUPPLEMENTARY INFORMATION
MUNICIPALITY OF CITY OF WESSINGTON SPRINGS
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
LIBRARY FUND
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
420 Public Safety:				-
421 Police				-
422 Fire				-
423 Protective Inspection				-
429 Other Protection				-
Total Public Safety	-	-	-	-
430 Public Works:				
431 Highways and Streets				-
432 Sanitation				-
433 Water				-
434 Electricity				-
435 Airport				-
436 Parking Facilities				-
437 Cemeteries				-
438 Natural Gas				-
439 Transit				-
Total Public Works	-	-	-	-
440 Health and Welfare:				
441 Health				-
442 Home Health				-
443 Mental Health Centers				-
444 Humane Society				-
445 Drug Education				-
446 Ambulance				-
447 Hospitals, Nursing Homes and Rest Homes				-
449 Other				-
Total Health and Welfare	-	-	-	-
450 Culture and Recreation:				
451 Recreation				-
452 Parks				-
455 Libraries	1,000.00	1,000.00	1,305.68	(305.68)
456 Auditorium				-
457 Historical Preservation				-
458 Museums				-
Total Culture and Recreation	1,000.00	1,000.00	1,305.68	(305.68)
460 Conservation and Development:				
463 Urban Redevelopment and Housing				-
465 Economic Development and Assistance (Industrial Development)				-
466 Economic Opportunity				-
Total Conservation and Development	-	-	-	-

REQUIRED SUPPLEMENTARY INFORMATION
MUNICIPALITY OF CITY OF WESSINGTON SPRINGS
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
LIBRARY FUND
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
470 Debt Service				-
480 Intergovernmental Expenditures				-
490 Miscellaneous:				
491 Judgments and Losses				-
492 Other Expenditures				-
499 Liquor Operating Agreements				-
Total Miscellaneous	-	-	-	-
Total Expenditures	1,000.00	1,000.00	1,305.68	(305.68)
Excess of Revenues Over (Under) *Expenditures*	-	-	357.53	357.53
Other Financing Sources (Uses):				
391.01 Transfers In				-
511 Transfers Out				-
513 Payments to Refunded Debt Escrow Agent				-
391.03 Sale of Municipal Property				-
391.04 Compensation for Loss or Damage to Capital Assets				-
391.20 General Long-Term Debt Issued				-
Total Other Financing Sources (Uses)	-	-	-	-
391.06 (514) Special Items				-
391.05 (515) Extraordinary Items				-
Net Change in Fund Balances	-	-	357.53	357.53
Fund Balance - Beginning	4,829.11	4,829.11	4,829.11	
Adjustments:				
Adjusted Fund Balance - Beginning	4,829.11	4,829.11	4,829.11	-
FUND BALANCE - ENDING	4,829.11	4,829.11	5,186.64	357.53

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
Schedules of Budgetary Comparisons for the General Fund
and for each major Special Revenue Fund with a legally required budget.

Note 1. Budgets and Budgetary Accounting:

The Municipality follows these procedures in establishing the budgetary data reflected in the schedules:

1. At the first regular board meeting in September of each year or within ten days thereafter, the Municipality Commission introduces the annual appropriation ordinance for the ensuing fiscal year.

2. After adoption by the Municipality Commission, the operating budget is legally binding and actual expenditures for each purpose cannot exceed the amounts budgeted, except as indicated in number 4.

3. A line item for contingencies may be included in the annual budget. Such a line item may not exceed 5 percent of the total municipal budget and may be transferred by resolution of the Municipality Commission to any other budget category that is deemed insufficient during the year.

4. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows the adoption of supplemental budgets.

5. Unexpended appropriations lapse at year end unless encumbered by resolution of the Municipality Commission.

   Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund and special revenue funds.

   The Municipality did not encumber any amounts at either December 31, 2012.

6. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds.

7. Budgets for the General Fund and special revenue funds are adopted on a basis consistent with accounting principles generally accepted in the United States (USGAAP).

Note 2. GAAP/Budgetary Accounting Basis Differences

The financial statements prepared in conformity with USGAAP applied within the context of the modified cash basis of accounting present capital outlay expenditure information in a separate category of expenditures. Under the budgetary basis of accounting, capital outlay expenditures are reported within the function to which they relate. For example, the purchase of a new fire truck would be reported as a capital outlay expenditure on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances, however in the Budgetary RSI Schedule, the purchase of a fire truck would be *reported as an expenditure of the Public Safety/Fire Department function of government,* along with all other current Fire Department related expenditures.

City of Wessington Springs
06/09/2014 1:20 PM
Fund: 602 WATER FUND

Revenue Summary Report
Procesing Month: 12/2012

Page: 1
User ID: LRW

Account Number		Description	Revised Budget	During Month	To Date	% of Budget	Budget Balance
602 361		INTEREST EARNED	400.00	13.12	157.54	39.39	242.46
602 381 1		METERED SALES	160,000.00	1,892.46	174,201.85	108.88	(14,201.85)
602 381 2		BULK WATER SALES	100.00	0.00	0.00	0.00	100.00
602 381 3		SALE OF MATERIALS	100.00	0.00	490.34	490.34	(390.34)
602 381 8		HYDRANT RENTAL	0.00	0.00	0.00	0.00	0.00
602 381 9		OTHER REVENUE	100.00	0.00	526.54	526.54	(426.54)
Subtotal	300	160,700.00	1,905.58	175,376.27	109.13	(14,676.27)	
Fund Total:		160,700.00	1,905.58	175,376.27	109.13	(14,676.27)	

City of Wessington Springs
06/09/2014 1:20 PM
Fund: 602 WATER FUND

Revenue Summary Report
Procesing Month: 12/2013

Page: 1
User ID: LRW

Account Number		Description	Revised Budget	During Month	To Date	% of Budget	Budget Balance
602 361		INTEREST EARNED	250.00	7.39	139.88	55.95	110.12
602 381 1		METERED SALES	170,000.00	14,519.06	175,404.85	103.18	(5,404.85)
602 381 2		BULK WATER SALES	100.00	151.00	167.00	167.00	(67.00)
602 381 3		SALE OF MATERIALS	250.00	0.00	134.00	53.60	116.00
602 381 8		HYDRANT RENTAL	0.00	0.00	0.00	0.00	0.00
602 381 9		OTHER REVENUE	100.00	0.00	746.08	746.08	(646.08)
Subtotal	300	170,700.00	14,677.45	176,591.81	103.45	(5,891.81)	
Fund Total:		170,700.00	14,677.45	176,591.81	103.45	(5,891.81)	

City of Wessington Springs
06/09/2014 1:21 PM
Fund: 602 WATER FUND

Revenue Summary Report
Procesing Month: 05/2014

Page: 1
User ID: LRW

Account Number		Description	Revised Budget	During Month	To Date	% of Budget	Budget Balance
602 361		INTEREST EARNED	250.00	3.37	17.19	6.88	232.81
602 381 1		METERED SALES	180,000.00	13,368.22	63,766.76	35.43	116,233.24
602 381 2		BULK WATER SALES	100.00	0.00	0.00	0.00	100.00
602 381 3		SALE OF MATERIALS	250.00	24.00	156.00	62.40	94.00
602 381 8		HYDRANT RENTAL	0.00	0.00	0.00	0.00	0.00
602 381 9		OTHER REVENUE	500.00	0.00	12.00	2.40	488.00
Subtotal	300	181,100.00	13,395.59	63,951.95	35.31	117,148.05	
Fund Total:		181,100.00	13,395.59	63,951.95	35.31	117,148.05	

Revenue Summary Report
Procesing Month: 12/2012

		During Month	To Date	% of Budget	Budget Balance
Grand Total:	160,700.00	1,905.58	175,376.27	109.13	(14,676.27)

MUNICIPALITY OF WESSINGTON SPRINGS
SCHEDULE OF CHANGES IN LONG-TERM DEBT
For the Year Ended December 31, 2012

Indebtedness	Long-Term Debt 1-Jan-12	Add New Debt	Less Debt Retired	Long-Term Debt 31-Dec-12
Governmental Long-Term Debt:				
231.01 General Obligation Bonds				
231.02 Revenue Bonds				
231.03 Special Assessment Bonds				
236 *Advance from Other Funds*				
237 Other Long-Term Liabilities	43,890.31	0.00	(16,273.47)	27,616.84
Enterprise Long-Term Debt: (only cash basis entities need to complete the enterprise section)				
231.01 General Obligation Bonds				
231.02 Revenue Bonds	4,835,000.00	0.00	(140,000.00)	4,695,000.00
231.03 Special Assessment Bonds				
235 Accrued Landfill Closure and Postclosure Care Costs				
236 Advance from Other Funds				
237 Other Long-Term Liabilities	90,747.50	0.00	(18,458.11)	72,289.39
Total	4,969,637.81	0.00	(174,731.58)	4,794,906.23

(Do not include interest in the above figures)

			2015 Budget				PAGE 1
	ACTUAL	ACTUAL	ACTUAL	ACTUAL		ACTUAL	ESTIMATED
	REVENUES	REVENUES	REVENUES	REVENUES	BUDGETED	REVENUES	REVENUES
	2010	2011	2012	2013	2014	6/30/2014	2015
	9,919.87	20039.47	40591.86				
101 GENERAL FUND							
310 TAXES							
3111 GENERAL PROPERTY TAXES	142,294.26	148,066.09	155,153.41	161,664.07	167,700.00	95,921.00	173,737.00
3116 ALL PRIOR	67.85	98.40		953.27	200.00	144.64	200.00
3117 TAX ON MOBILE HOMES							
3131 SALES & USE TAX	216,068.66	264,713.91	242,932.22	231,108.64	245,000.00	112,509.63	234,000.00
319 PENALTY & INT. TAX	10.00	82.52	158.46	337.20	150.00	45.70	100.00
TOTAL	358,440.77		398,244.09	394,063.18	413,050.00	208,620.97	408,037.00
320 LICENSES & PERMITS							
321 LIQUOR LICENSE	1,505.00	1,485.00	1,355.00	2,015.00	1,622.00	1,325.00	2,000.00
322 DOG LICENSE	30.00		20.00	5.00	10.00	15.00	10.00
323 BICYCLE LICENSE							
324 BUILDING PERMIT	415.00	490.00	375.00	235.00	400.00	85.00	200.00
329 OTHER	125.00	25.00		50.00	25.00	25.00	50.00
TOTAL	2,075.00	2,000.00	1,750.00	2,305.00	2,057.00	1,450.00	2,260.00
330 INTERGOVERNMENTAL REVENUE							
331 FEDERAL GRANT		25,111.07					
3317 AIRPORT GRANT		279,068.45	388,473.94	58,823.43		137,473.58	
3331 PAYMENT IN LIEU OF TAXES	4,812.99	3,467.42		5,053.79	3,000.00		2,800.00
334 STATE GRANTS	113,628.55	135,108.14	10,309.00	33,428.71		452.15	
3351 BANK FRANCHISE TAX	1,079.16	1,329.86	1,892.90	1,562.22	1,600.00	1,726.36	1,700.00
3352 PORT OF ENTRY-MOTOR VEH.	2,733.65	3,184.00	2,981.05	3,076.05	3,000.00	1,240.15	3,000.00
3353 LIQUOR TAX REVERSION	6,155.25	6,322.13	6,727.48	6,507.18	6,500.00	3,613.84	6,500.00
3354 5% MOTOR VEHICLE TAX	7,467.51	8,248.27	10,333.19	11,224.01	10,000.00	6,666.21	11,000.00
3355 AMUSEMENT TAX	120.00	72.00	48.00	60.00	60.00	24.00	60.00
3358 LOCAL GOVT HIGHWAY & BRIDGE							
3381 25% COUNTY ROAD	33,620.44	34,427.15	42,484.44	43,229.61	35,000.00	29,271.27	43,000.00
3382 25% CO. HWY & BRIDGE							
33107 AIRPORT GRANT							
TOTAL	169,617.55	496,338.49	463,250.00	162,965.00	59,160.00	180,467.56	68,060.00

	ACTUAL REVENUES	ACTUAL REVENUES	ACTUAL REVENUES	ACTUAL REVENUES	ESTIMATED REVENUES	ACTUAL REVENUES	ESTIMATED REVENUES
340 CHARGES FOR GOODS & SERVICE	2010	2011	2012	2013	2014	6/30/2014	2015
3412 SALE OF MAPS						-	
3414 COPY FEES	65.37	52.40	104.00	77.05	75.00	17.70	50.00
3418 RECOVERY OF DIRECT EXP.				2,268.46		236.60	
3419 OTHER	7,793.45	6,927.84	1,378.88	127.24		463.59	1,000.00
3429 PUBLIC SAFETY	60.00					308.51	
3439 HIGHWAY & STREETS	5,085.29	1,258.26	605.53	10,451.41	500.00		500.00
STREET SPECIAL ASSESSMENT							*40,000.00*
3441 REFUS COLLECTION	81,499.81	81,855.44	84,025.12	82,764.49	84,800.00	38,889.64	84,800.00
3448 SALES TAX-REFUSE COLL.	11,638.61	4,859.42	4,809.63	5,026.52	5,085.00	2,329.22	5,085.00
TOTAL	*106,142.53*	*94,953.36*	*90,923.16*	*100,715.17*	*90,460.00*	*42,245.26*	*131,435.00*
3469 CULTURE & RECREATION		700.00	2,500.00	1165.23	1,500.00	3,500.00	2,500.00
34691 FIELDHOUSE DONATIONS	*1,830.00*	*3,182.75*	631.00	525.00	600.00	621.00	600.00
34692 CAMPING DONATIONS	2,909.00	4,061.00	5,156.00	3,270.00	1,500.00	399.00	1,000.00
34693 POOL DONATIONS	6,369.75	1,793.13	2,260.85	2,316.50	1,500.00	765.00	1,000.00
34694 SUMMER REC DONATIONS	665.00	810.00	955.00	875.00	900.00	790.00	800.00
TOTAL	117,916.28	105,500.24	193,349.17	108,866.90	96,460.00	6,075.00	5,900.00
350 FINES & FORFEITS							
351 COURT FINES & COSTS							
TOTAL							
360 MISCELLANEOUS REVENUE							
361 INTEREST	74.03	41.73	25.06	57.44	75.00	19.98	25.00
362 RENTALS	12,911.00	14,227.00	24,177.65	17,249.64	11,200.00	7,649.70	24,100.00
3633 PRINCIPAL - CITY	9,496.40	1,941.84	674.21	1,231.41	392.00	395.61	
3634 INTEREST - CITY	734.38	441.97	383.32	332.73	40.00	34.65	
364 SALE OF FIXED ASSETS	6,052.00		1,315.00				
368 LIQUOR OP AGREE	320,483.80	321,614.29	302,947.06	288,724.10	330,000.00	124,814.60	330,000.00
369 OTHER	13,459.72	1,654.61	1,477.86	1,821.12	500.00	35.50	500.00
36901CABLE FRANCHINE	*1,701.53*	*7,084.58*	*6,879.93*	*7,438.35*	*7,300.00*	*3,826.89*	*7,600.00*
38502 AIRPORT				11,104.52	22,000.00	13,711.09	11,096.00
38504 AIRPRT				34,570.69	40,625.00	10,142.14	12,000.00
39104 INSURANCE PROCEED				51,393.73			
TOTAL	364,912.86	347,006.02	337,880.09	413,923.73	412,132.00	160,630.16	385,321.00
GRAND TOTAL REVENUES	1,012,962.46	1,363,805.67	1,303,550.19	1,082,123.81	982,859.00	599,558.95	1,001,013.00

366 INTERFUND TRANSFERS							
START FUND							
ELECTRIC FUND	20,000.00	25,000.00	37,500.00	10,000.00	129,611.79		
SEWER FUND	80,000.00	75,000.00	37,500.00	10,000.00	150,000.00		121,291.05
WATER FUND		1,000.00	25,000.00	10,000.00	14,000.00		
TOTAL INTERFUND TRANSFERS	100,000.00	101,000.00	100,000.00	30,000.00	293,611.79		121,291.05
INTEREST TRANSFERS							
2ND PENNY	3,349.82	1,974.87	1,353.83	1,095.96	1,000.00		1,000.00
WATER FUND	174.36	216.43	157.54	139.88	250.00		100.00
ELECTRIC FUND	2,946.83	1,268.09	604.79	668.74	750.00		500.00
SEWER FUND	2,006.06	943.87	459.69	740.26	800.00		600.00
TOTAL INTEREST TRANSFERS	8,477.07	4,403.26	2,575.85	2,644.84	2,800.00		2,200.00
GRAND TOTAL TRANSFERS	108,477.07	105,403.26	102,575.85	32,644.84	296,411.79		121,488.05
TANSFER TO CAPITAL PROJECTS	(15,000.00)	(15,000.00)	(15,000.00)				
UNENCUMBERED CASH BALANCE	20,039.47	40,591.86	7,724.25		20,100.00		29,600.00
TOTAL MEANS OF FINANCE					1299370.79		1,154,104.05
LESS 5% OF APPROPRIATIONS (SDCL 9-21-21)					64968.54		57,705.21
					1,234,402.25		1,096,398.84

					GENERAL FUND		PAGE 4
					ESTIMATED	ACTUAL	ESTIMATED
	2010	2011	2012	2013	2014	6/30/2014	2015
101 GENERAL FUND							
4111 COUNCIL	25,660.86	30,381.49	24,045.41	25360.32	26,575.00	16,433.47	22,667.84
4114 CLERK OF COUNCIL	2,858.24	2,446.81	2,318.46	1818.46	1,365.00	636.44	1,091.00
4115 CONTINGENCY					85,000.00		85,000.00
4121 MAYOR	2,254.86	2,126.10	2,318.49	2,693.12	2,438.00	740.65	2,438.00
4130 ELECTIONS	486.65				625.00		625.00
4141 ATTORNEY	7,700.00	8,400.00	8,515.00	8,807.70	8,600.00	4,225.50	8,600.00
4142 FINANCE OFFICER	75,203.92	72,719.57	77,123.75	89,589.82	100,800.00	42,655.35	96,567.00
4192 GENERAL GOVT BUILDING	6,364.93	149,771.92	12,891.41	21,403.87	13,500.00	9,255.48	10,900.00
4211 POLICE	66,147.24	69,272.05	94,507.68	93,384.76	95,000.00	49,245.82	95,000.00
4229 FIRE	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00	11,229.36	11,000.00
4311 STREETS	194,259.67	210,939.83	207,031.11	191,333.56	207,858.75	73,157.79	174,925.00
4313 SNOW REMOVAL	597.66	6,034.29	371.96	232.48	5,000.00	1,842.43	2,150.00
4613 STREET LIGHTS	5,659.45	6,637.50	7,762.05	8,563.40	8,000.00	4,499.26	8,000.00
4321 SANITATION	50,034.56	52,431.37	54,201.69	56,853.87	63,925.00	28,459.27	64,065.00
4322 STREET CLEANING	928.15	1,318.63	1,013.59	3,450.24	1,300.00	(913.70)	1,000.00
4323 SOLID WASTE COLLECTION	85,176.60	85,414.05	84,308.86	83,852.75	87,260.00	41,205.81	85,085.00
4350 AIRPORT	127,222.51	312,343.37	431,055.12	249,081.88	55,700.00	40,913.51	25,200.00
4431 WEST NILE	729.58	1,652.03	439.54	1,896.86	1,060.00		1,060.00
4511 SWIMMING POOL	44,306.69	33,824.73	33,277.75	27,719.61	45,700.00	10,932.42	34,835.00
4512 RECREATION	8,654.26	15,461.60	9,635.25	11,699.66	12,360.00	2,835.18	4,000.00
4521 PARKS	28,524.76	18,602.02	21,294.98	17,767.34	33,285.50	15,274.01	15,333.00
4550 LIBRARY	41,341.27	44,183.83	43,629.99	46,241.51	57,550.00	26,244.89	56,657.00
4651 PLANNING & DEVELOPMENT	10,245.94	10,300.81	10,111.00	10,062.15	10,500.00	5,351.70	10,200.00
490 MISCELLANEOUS	300,962.13	288,394.54	287,140.56	292,869.08	300,000.00	101,450.14	280,000.00
	1,096,319.93	1,433,656.54	1,423,993.65	1,255,682.44	1,234,402.25	485,674.78	1,096,398.84

GENERAL FUND		12/31/2010	12/31/2011	12/31/2012	12/31/2013	2014 budget	6/30/2014	2015 budget
COUNCIL								
	SALARIES	$12,400.00	12,080.00	11,445.00	$ 11,520.00	$ 11,680.00	5,280.00	10,560.00
	OASI	$948.60	924.12	875.16	$ 886.60	$ 895.00	403.92	807.84
	WORKMENS COMP.	$0.00	$0.00					
	INSURANCE	$4,521.20	$3,152.88	$1,795.55	$ 3,384.81	$ 3,500.00	$1,819.28	2,000.00
	PROFESSIONAL SERVICES	$4,311.40	$9,485.00	$7,065.00	$ 5,748.00	$ 6,000.00	$6,121.00	6,000.00
	TRAVEL, TRAINING & DUES	$2,836.71	$3,197.23	$2,859.70	$ 2,620.91	$ 3,300.00	$2,779.27	3,000.00
	OTHER	$642.95	$1,542.26	$5.00	$ 1,200.00	$ 1,200.00	$30.00	300.00
COUNCIL		$25,660.86	$30,381.49	$24,045.41	$ 25,360.32	$ 26,575.00	16,433.47	22,667.84
CLERK OF COUNCIL								
	SALARIES	$2,520.00	$2,160.00	$2,040.00	$ 1,600.00	$ 1,200.00	$560.00	960.00
	OASI	$187.04	$157.21	$156.06	$ 122.40	$ 93.00	$42.84	73.40
	RETIREMENT	$151.20	$129.60	$122.40	$ 96.00	$ 72.00	$33.60	57.60
CLERK OF COUNCIL		$2,858.24	$2,446.81	$2,318.46	$ 1,818.40	$ 1,365.00	$636.44	1,091.00
CONTINGENCY								
	OTHER	$0.00	$0.00			$ 85,000.00		85000
CONTINGENCY		$0.00	$0.00			$ 85,000.00		85000
MAYOR								
	SALARIES	$1,640.00	$1,200.00	$1,720.00	$ 1,640.00	$ 1,800.00	$600.00	1,800.00
	OASI	$125.46	$91.80	$131.58	$ 125.46	$ 138.00	$45.90	138.00
	TRAVEL, TRAINING & DUES	$489.40	$834.30	$466.91	$ 927.66	$ 500.00	$94.75	500.00
	OTHER	$0.00	$0.00					
MAYOR		$2,254.86	$2,126.10	$2,318.49	$ 2,693.12	$ 2,438.00	$740.65	2,438.00
ELECTIONS								
	SALARIES	$307.50	$0.00			$ 400.00		400.00
	PUBLISHING	$110.19	$0.00			$ 150.00		150.00
	SUPPLIES & MATERIALS	$68.96	$0.00			$ 75.00		75.00
ELECTIONS		$486.65	$0.00			$ 625.00		625.00
FINANCIAL ADMINISTRATION								
	PROFESSIONAL SERVICES	$7,700.00	$8,400.00	$8,400.00	$ 8,400.00	$ 8,400.00	$4,200.00	8,400.00
	TRAVEL TRAINING DUES			$115.00	$ 407.70	$ 200.00	$25.50	200.00
FINANCIAL ADMINISTRATION		$7,700.00	$8,400.00	$8,515.00	$ 8,807.70	$ 8,600.00	$4,225.50	8,600.00

	12/31/2010	12/31/2011	12/31/2012	12/31/2013	**2014 budget**	6/30/2014	
FINANCE OFFICER							
SALARIES	$36,871.13	$37,355.09	$38,199.70	$ 40,552.15	$ 45,000.00	$21,075.60	44,260.00
OASI	$2,273.48	$2,309.12	$2,338.36	$ 2,429.54	$ 3,445.00	$1,251.56	3,386.00
RETIREMENT	$2,347.49	$2,241.26	$2,291.92	$ 2,417.20	$ 2,700.00	$1,264.51	2,656.00
WORKMENS COMP.	$52.92	$40.12	$40.52	$ 40.84	$ 50.00	$44.94	50.00
GROUP INSURANCE	$9,173.16	$9,917.92	$12,243.64	$ 13,106.33	$ 15,580.00	$6,591.45	14,400.00
UNEMPLOYMENT INS.	$200.00	$0.00				$20.19	50.00
INSURANCE	$1,254.66	$1,171.04	$1,148.00	$ 2,285.76	$ 1,800.00	$944.80	1,000.00
PROFESSIONAL SERVICES	$700.00	$500.00		$ 50.56	$ 500.00		250.00
PUBLISHING	$5,721.30	$4,643.96	$4,817.79	$ 4,803.97	$ 5,000.00	$2,467.47	5,000.00
RENTALS	$456.00	$457.06	$574.85	$ 612.24	$ 625.00	$153.06	615.00
REPAIRS & MAINTENANCE	$1,096.08	$1,612.76	$200.00	$ 413.10	$ 1,500.00		500.00
SUPPLIES & MATERIALS	$3,736.81	$3,534.42	$4,660.99	$ 3,850.11	$ 4,000.00	$3,042.07	4,000.00
TRAVEL, TRAINING & DUES	$2,697.17	$2,404.41	$1,866.69	$ 3,020.50	$ 2,000.00	$1,758.61	2,500.00
UTILITIES	$4,077.30	$4,945.87	$3,924.07	$ 4,847.84	$ 4,500.00	$3,290.61	4,800.00
OTHER	$436.24	$750.24	$632.61	$ 7,944.44	$ 1,000.00	$750.48	1,000.00
OTHER MEDICAL CLAIMS	$3,212.88	$198.65		$ 2,262.21	$ 11,100.00		11,100.00
BOOKS, FURNITURE & EQUIPMENT	$897.30	$637.65	$4,184.61	$ 951.03	$ 2,000.00		1,000.00
FINANCE OFFICER	$75,203.92	$72,719.57	$77,123.75	$ 89,587.82	$ 100,800.00	42,655.35	96,567.00
GENERAL GOVERNMENT BUILDINGS							
INSURANCE	$985.68	$3,734.29	$6,214.32	$1,129.79	$ 2,000.00	$1,392.53	1,400.00
REPAIRS & MAINTENANCE	$3,008.57	$41,391.14	$1,945.13	$12,425.01	$ 5,000.00	$2,730.00	3,000.00
SUPPLIES & MATERIALS	$0.00	$87.36	$5.78	2828.85	$ 500.00	127.74	500.00
UTILITIES	$2,370.68	$4,559.13	$4,726.18	$5,020.22	$ 5,000.00	$5,005.21	5,000.00
OTHER	$0.00	$100,000.00			$ 1,000.00		1,000.00
GENERAL GOVERNMENT BUILDINGS	$6,364.93	$149,771.92	$12,891.41	$21,403.87	$ 13,500.00	$9,255.48	10,900.00

POLICE ADMINISTRATION							page 7	
SALARIES		$33,987.20	$34,611.20	$35,422.40	$42,492.80	$ 39,000.00		
OASI		$2,210.86	$2,223.29	$2,250.05	$2,815.80	$ 2,985.00		
RETIREMENT		$2,719.08	$2,769.00	$2,833.74	$3,091.54	$ 3,120.00		
WORKMENS COMP.		$827.30	$888.09	$786.36	$792.18	$ 800.00	$913.10	
GROUP INSURANCE		$10,540.44	$11,454.10	$12,439.82	$11,747.03	$ 15,000.00		
UNEMPLOYMENT INS.		$100.00	$0.00					
INSURANCE		$662.00	$723.00	$2,003.10	$1,431.00	$ 1,500.00	$230.64	
REPAIRS & MAINTENANCE		$1,803.38	$2,447.38	$2,429.23	$1,509.26	$ 2,000.00	$14.85	
SUPPLIES & MATERIALS		$3,080.82	$3,647.75	$5,888.61	$4,848.29	$ 4,000.00	$385.99	
TRAVEL, TRAINING & DUES		$96.42	$96.42	$17.25	$201.72	$ 150.00	$25.50	
UTILITIES		$519.74	$615.82	$709.99	$780.14	$ 800.00	$175.74	
JERAULD COUNTY PRO SERVICE		$9,600.00	$9,600.00	$9,600.00	$13,200.00	$ 14,400.00	$47,500.00	95,000.00
OTHER MEDICAL CLAIMS		$0.00	$196.00		$8,500.00	$ 7,400.00		
BOOKS, FURNITURE & EQUIPMENT		$0.00	$0.00	$20127.13	$1,975.00	$ 3,845.00		
POLICE ADMINISTRATION		$66,147.24	$69,272.05	$94,507.68	$93,384.76	$ 95,000.00	49,245.82	95,000.00
VOLUNTEER FIRE DEPARTMENT								
WORKMENS COMP.		$937.78	$936.03	$927.20	$915.60	$ 950.00	$992.36	1,000.00
OTHER		$10,062.22	$10,063.97	$10,072.80	$10,084.40	$ 10,050.00	$10,237.00	10,000.00
VOLUNTEER FIRE DEPARTMENT		$11,000.00	$11,000.00	$11,000.00	$11,000.00	$ 11,000.00	$11,229.36	11,000.00

STREETS & HIGHWAYS	12/31/2010	12/31/2011	12/31/2012	12/31/2013	2014 budget	6/30/2014	
SALARIES	$32,519.20	$33,754.84	$34,206.30	$37,867.60	$ 39,000.00	$19,240.00	40,405.00
OASI	$2,140.55	$2,208.51	$2,187.36	$2,407.37	$ 3,000.00	$1,223.55	3,091.00
RETIREMENT	$1,934.10	$2,010.53	$2,053.28	$2,258.53	$ 2,350.00	$1,154.40	2,424.00
WORKMENS COMP.	$2,848.85	$3,089.27	$2,821.03	$2,840.39	$ 4,000.00	$3,244.64	3,300.00
GROUP INSURANCE	$7,826.22	$8,464.52	$10,061.66	$11,547.76	$ 13,500.00	$5,838.84	12,780.00
UNEMPLOYMENT INS.	$133.64	$0.00				$10.36	25.00
INSURANCE	$7,250.57	$4,955.38	$6,476.82	$8,821.09	$ 8,300.00	$7,996.55	8,000.00
PROFESSIONAL SERVICES	$3,380.94	$11,479.82	$2,186.91	$6,163.65	$ 5,000.00		5,000.00
RENTALS	$0.00	$240.00		$450.00	$ 500.00		500.00
REPAIRS & MAINTENANCE	$3,049.48	$7,243.86	$9,586.08	$8,242.83	$ 7,500.00	$2,694.25	6,000.00
SUPPLIES & MATERIALS	$58,447.92	$59,332.23	$33,468.07	$43,171.95	$ 30,000.00	$15,618.16	30,000.00
TRAVEL, TRAINING & DUES	$190.07	$418.82	$428.24	$666.91	$ 500.00	$268.43	500.00
UTILITIES	$4,503.93	$5,606.70	$3,834.13	$5,488.32	$ 6,000.00	$5,245.56	5,500.00
OTHER	$5.00	$0.00	$9.00				
MEDICAL CLAIMS	$3,734.60	$0.00	3,700.00		$ 7,400.00		7,400.00
BOOKS, FURNITURE & EQUIPMENT	$760.87	$0.00	18,504.47	$64.75		$1,794.95	
BOOKS, FURNITURE & EQUIPMENT	$0.00	$0.00					
RESERVE FU							
MACHINE & AUTO EQUIPMENT	$1,111.80	$13,185.00		14.00	$10,000.00		
MACHINE & AUTO EQUIPMENT	$29,295.79	$18,250.88	$18,164.56	$18,164.56	$10,808.75	$8,828.10	
SYSTEM IMPROVEMENTS	$35,126.14	$40,699.47	$59,343.20	$42,663.78	$60,000.00		50,000.00
REVENUE COLLECTED FOR STATE				$500.07			
STREETS & HIGHWAYS	$194,259.67	$210,939.83	$207,031.11	$191,333.56	$ 207,858.75	$73,157.79	174,925.00
SNOW REMOVAL							
PROFESSIONAL SERVICES	$0.00	$0.00		232.48	$1000.00		1,000.00
REPAIRS & MAINTENANCE	$381.74	$5,590.11	$172.06		$2,000.00	$126.34	150.00
SUPPLIES & MATERIALS	$215.92	$444.18	$199.90		$2,000.00	$1,716.09	1,000.00
SNOW REMOVAL	$597.66	$6,034.29	$371.96	232.48	$5000.00	$1,842.43	2,150.00
STREET LIGHTING							
UTILITIES	$5,659.45	$6,637.50	$7,762.05	$8,563.40	$8,000.00	$4,499.26	8,000.00
STREET LIGHTING	$5,659.45	$6,637.50	$7,762.05	$8,563.40	$ 8,000.00	$4,499.26	8,000.00

	12/31/2010	12/31/2011	12/31/2012	12/31/2014	2014 budget	6/30/2014	2015 budget
SANITATION							
SALARIES	$37,941.05	$39,015.27	$39,902.06	$42,537.36	$42,800.00	$21,258.91	44,880.00
OASI	$2,864.38	$2,932.93	$2,991.37	$3,192.78	$3,300.00	$1,595.69	3,435.00
RETIREMENT	$1,821.57	$1,874.89	$1,917.74	$2,053.68	$2,100.00	$1,033.37	2,170.00
WORKMENS COMP.	$187.66	$184.16	$169.19	$165.37	$175.00	$185.12	185.00
GROUP INSURANCE	$5,757.84	$6,221.25	$7,523.01	$7,973.56	$9,100.00	$3,870.16	8,470.00
UNEMPLOYMENT INS.	$137.69	$0.00				$11.30	25.00
INSURANCE	$0.00	$0.00	$1130.00	742.04			
PROFESSIONAL SERVICES	$1,063.03	$975.00			$1,000.00	$350.00	500.00
REPAIRS & MAINTENANCE	$0.00	$28.69			$200.00		
SUPPLIES & MATERIALS	$36.34	$260.00	$1.99	$150.00	$500.00		500.00
TRAVEL, TRAINING & DUES	$0.00	$23.18	$34.50	39.08	$50.00	$150.00	150.00
UTILITIES	$0.00	$0.00					
OTHER	$225.00	$916.00	$531.83		$500.00	$4.72	50.00
OTHER MEDICAL CLAIMS	$0.00	$0.00			$3,700.00		3,700.00
MACHINE & AUTO EQUIPMENT	$0.00	$0.00			$500.00		
SANITATION	$50,034.56	$52,431.37	$54,201.69	$56,853.87	$63,925.00	$28,459.27	64,065.00
STREET CLEANING							
INSURANCE	$250.00	$0.00					
REPAIRS & MAINTENANCE	$678.15	$1,318.63	$1,013.59	$3,450.24	$1,200.00	-$913.70	1,000.00
SUPPLIES & MATERIALS	$0.00	$0.00			$100.00		
STREET CLEANING	$928.15	$1,318.63	$1,013.59	$3,450.24	$1,300.00	-$913.70	1,000.00
SOLID WASTE COLLECTIONS							
OTHER	$80,115.36	$80,413.60	$79,354.88	$79,006.28	$82,175.00	$38,810.40	80,000.00
REVENUE COLLECTED FOR STATE	$5,061.24	$5,000.45	$4,953.98	$4,846.47	$5,085.00	$2,395.41	5,085.00
SOLID WASTE COLLECTIONS	$85,176.60	$85,414.05	$84,308.86	$83,852.75	$87,260.00	$41,205.81	85,085.00

		12/31/2010	12/31/2011	12/31/2012	12/31/2014	2014 budget	6/30/2014	2015 budget
AIRPORT								-
	INSURANCE	$2,269.33	$2,023.25	$2,247.45	$2,750.83	$2,800.00	$3,119.85	3,200.00
	PROFESSIONAL SERVICES	$36,698.69	$20,516.87	$50,196.69	$38,712.34	$10,000.00	$6,210.00	1,000.00
	REPAIRS & MAINTENANCE	$1,205.95	$28.69	$3,408.72	$115.51	$3,000.00	$28,208.44	1,000.00
	SUPPLIES & MATERIALS	$578.99	$268.24	$535.40	$44,691.40	$35,000.00	$509.20	10,000.00
	TRAVEL, TRAINING & DUES	$545.00	$204.20	$25.00	$725.00	$200.00	$476.45	750.00
	UTILITIES	$2,726.78	$2,949.79	$4,079.67	$3,485.38	$4,200.00	$2,055.74	4,000.00
	BOOKS, FURNITURE & EQUIPMENT	$71.90	$448.98	$2,900.01		$500.00		
	SYSTEM IMPROVEMENTS	$83,125.87	$285,903.35	$367,662.18	$158,295.82	0		4,750.00
	REVENUE COLLECTED FOR STATE				$305.60		$333.83	500.00
AIRPORT		$127,222.51	$312,343.37	$431,055.12	$249,081.88	$55,700.00	$40,913.51	25,200.00
WEST NILE								
	INSURANCE	$59.13	$57.03	$58.96	$59.36	$60.00		60.00
	SUPPLIES & MATERIALS	$470.50	$1,595.00	$380.58	$1,837.50	$1,000.00		1,000.00
	BOOKS, FURNITURE & EQUIPMENT	$199.95	$0.00					
WEST NILE		$729.58	$1,652.03	$439.54	$1,896.86	$1,060.00		1,060.00
SWIMMING POOL								
	SALARIES	$14,539.10	$13,846.81	$14,996.61	$15,030.94	$15,000.00	$3,536.89	15,000.00
	OASI	$1,112.24	$1,059.33	$1,147.29	$1,149.89	$1,150.00	$270.57	1,150.00
	WORKMENS COMP.	$165.49	$178.08		100.84	$150.00	$179.08	150.00
	UNEMPLOYMENT INS.	$46.90	$0.00					
	INSURANCE	$693.41	$0.00		808.49	$900.00	$373.94	400.00
	PROFESSIONAL SERVICES	$96.00	$383.00	$477.00	$511.90	$500.00		
	REPAIRS & MAINTENANCE	$2,239.99	$3,742.04	$284.49	$2,337.48	$10,000.00	$289.20	2,500.00
	SUPPLIES & MATERIALS	$12,286.22	$12,423.67	$12,734.71	$5,703.69	$15,000.00	$5,311.95	13,000.00
	UTILITIES	$2,142.22	$1,981.92	$3,031.05	$1,350.56	$2,000.00	$970.79	1,500.00
	BOOKS, FURNITURE & EQUIPMENT	$10,985.12	$209.88	$606.60	$724.92	$1,000.00		1,000.00
	REVENUE COLLECTED FOR STATE				$0.90			135.00
SWIMMING POOL		$44,306.69	$33,824.73	$33,277.75	$27,719.61	$45,700.00	$10,932.42	34,835.00

RECREATION PROGRAMS	12/31/2010	12/31/2011	12/31/2012	12/31/2013	2014 budget	6/30/2014	2015 budget
SALARIES	$5,870.76	$8,381.89	$5,400.00	$4,600.00	$6,000.00	$1,650.00	3625
OASI	$449.13	$641.26	$413.14	$352.00	$460.00	$126.24	275
WORKMENS COMP.	$165.48	$178.07	$208.91	$100.84	$200.00	$89.99	100
UNEMPLOYMENT INS.	$20.47	$0.00					
INSURANCE	$402.88	$0.00	$623.00	$560.14	$600.00	$553.28	
PROFESSIONAL SERVICES	$0.00	$2,300.00	$144.21	$1,000.00	$1,000.00		
SUPPLIES & MATERIALS	$253.29	$2,521.83	$1,045.76	$2,530.46	$2,000.00	$256.31	
TRAVEL, TRAINING & DUES	$1,000.00	$1,181.08	$1,197.08	$1,467.75	$1,500.00	$55.00	
UTILITIES	$492.25	$257.47	$603.15	$941.02	$600.00	$88.46	
SALES TAX				$147.45		$15.90	
RECREATION PROGRAMS	$8,654.26	$15,461.60	$9,635.25	$11,699.66	$12,360.00	$2,835.18	4,000.00
PARKS							
SALARIES	$7,590.25	$7,600.50	$6,298.53	$5,782.72	$7,000.00	$1,826.00	5,000.00
OASI	$580.64	$581.45	$481.84	$442.38	$535.50	$139.70	383.00
WORKMENS COMP.	$411.09	$314.29	$251.58	$221.04	$250.00	$222.78	250.00
UNEMPLOYMENT INS.	$32.14	$0.00					
INSURANCE	$489.70	$148.24	$2,087.95	$482.24	$500.00	$997.44	1,000.00
PROFESSIONAL SERVICES	$0.00	$344.46	$753.72	$208.00	$500.00	$85.00	500.00
REPAIRS & MAINTENANCE	$379.63	$1,367.85	$1,046.87	$1,353.62	$1,000.00	$241.05	1,200.00
SUPPLIES & MATERIALS	$2,533.40	$4,341.69	$5,909.89	$5,099.31	$4,500.00	$918.72	4,000.00
UTILITIES	$1,030.40	$881.96	$954.90	$1,380.20	$1,000.00	$148.32	1,000.00
OTHER	$1,577.51	$2,700.00	$3,500.00	$2,558.65	$3,000.00		
BOOKS, FURNITURE & EQUIPMENT	$13,900.00	$321.58	$9.70	$239.18	$15,000.00	$10,695.00	2,000.00
PARKS	$28,524.76	$18,602.02	$21,294.98	$17,767.34	$33,285.50	$15,274.01	15,333.00

	12/31/2010	12/31/2011	12/31/2012	12/31/2013	2014 budget	6/30/2014	
LIBRARIES							
SALARIES	$18,263.70	$18,624.06	$19,082.70	$19,656.00	$20,250.00	$10,122.84	21,261.00
OASI	$928.52	$918.06	$867.98	$847.85	$1,550.00	$428.83	1,626.00
RETIREMENT	$1,095.90	$1,117.48	$1,145.04	$1,179.36	$1,225.00	$607.36	1,275.00
WORKMENS COMP.	$26.46	$20.06	$20.26	$20.42	$25.00	$22.47	25.00
GROUP INSURANCE	$5,551.30	$6,024.16	$7,193.33	$8,002.79	$9,800.00	$4,217.48	9,260.00
UNEMPLOYMENT INS.	$92.18	$0.00				$5.45	10.00
INSURANCE	$715.80	$0.00	$623.00	$677.02	$700.00	$990.51	1,000.00
REPAIRS & MAINTENANCE	$984.62	$1,704.68		$357.43	$1,500.00	$287.33	800.00
SUPPLIES & MATERIALS	$1,746.54	$2,974.50	$1,419.20	$1,661.56	$2,000.00	$487.80	1,500.00
TRAVEL, TRAINING & DUES	$75.00	$900.14	$653.35	$274.08	$600.00	$195.50	500.00
UTILITIES	$2,868.41	$4,250.95	$3,892.33	$4,751.91	$4,000.00	$3,569.96	4,000.00
OTHER MEDICAL CLAIMS	$0.00	$0.00			$7,400.00		7,400.00
BOOKS, FURNITURE & EQUIPMENT	$8,992.84	$7,649.74	$8,732.80	$8,813.09	$8,500.00	$5,309.36	8,000.00
LIBRARIES	$41,341.27	$44,183.83	$43,629.99	$46,241.51	$57,550.00	$26,244.89	56,657.00
PLANNING & ZONING							
TRAVEL, TRAINING & DUES	$170.94	$300.81	$111.00	$62.15	$500.00	$51.70	200.00
OTHER	$10,075.00	$10,000.00	$10,000.00	$10,000.00	$10,000.00	$5,300.00	10,000.00
PLANNING & ZONING	$10,245.94	$10,300.81	$10,111.00	$10,062.15	$10,500.00	$5,351.70	10,200.00
MISCELLANEOUS							
LIQUOR OPERATING AGREEMENT BIL	$300,962.13	$288,394.54	$287,140.56	$292,869.08	$300,000.00	$101,450.14	280,000.00
MISCELLANEOUS	$300,962.13	$288,394.54	$287,140.56	$292,869.08	$300,000.00	$101,450.14	280,000.00
GENERAL FUND	$1,096,319.93	$1,433,656.54	$1,423,993.65	$1,255,682.44	$1,234,402.25	$485,674.78	1,099,718.84
To Capital Equipment fund							

		12/31/2010	12/31/2011	12/31/2012	12/31/2013	2014 budget	6/30/2014	2015 budget
212 ADDITIONAL SALES TAX								
CASH BALANCE - JAN 1		371,207.89	451,369.42			500,000.00		500,000.00
REVENUES:								
313.1	SALES TAX	$ 80,161.53	$ 88,238.06	$ 80,977.47	$ 82,909.80	$ 82,000.00	$ 37,503.25	82,000.00
361	INTEREST	$ 3,349.82	$ 1,974.87	$ 1,353.83	$ 1,095.96	$ 1,000.00	$ 567.77	1,000.00
TOTAL REVENUES		$ 83,511.35	$ 90,212.93	$ 82,331.30	$ 84,005.76	$ 583,000.00	$ 38,071.02	583,000.00
EXPENDITURES								
ADDITIONAL SALES TAX - 2ND								
ADDITIONAL SALES TAX - 2ND								
	PROFESSIONAL SERVICES		$0.00	$0.00		$ 82,000.00		82,000.00
	OTHER		$0.00	$0.00		$ 500,000.00		500,000.00
ADDITIONAL SALES TAX - 2ND			$0.00	$0.00		$ 582,000.00		582,000.00
ADDITIONAL SALES TAX - 2ND			$0.00	$0.00				
transfer to capital improvement fund		25,627.78						
interest transfer to General Fund		3,149.96	3,349.82	1,974.87		1,000.00		1,000.00
cash retained		371,207.89	451,369.42	539,607.48				
		LIBRARY SPECIAL REVENUE						
		ACTUAL						BUDGET
		12/31/2010	12/31/2011	12/31/2012	12/31/2013	2014 budget	6/30/2014	2015 budget
LIBRARY FINES						$ 300.00		$ 300.00
DONATIONS						$ 400.00		$ 400.00
MEMORIALS						$ 300.00		$ 300.00
TOTAL REVENUE		-				$ 1,000.00		$ 1,000.00
EXPENDITURES								
MISC. EXPENSE						$ 300.00		$ 300.00
SUPPLIES						$ 300.00		$ 300.00
MAINTENANCE						$ 300.00		$ 300.00
BOOKS						$ 100.00		$ 100.00
TOTAL EXPENSES						$ 1,000.00		$ 1,000.00
		CAPITAL REPLACEMENT FUND						
		12/31/2010	12/31/2011	12/31/2012	12/31/2013	2014 budget	6/30/2014	2015 budget

CASH BALANCE			-	15,000.00		45,000.00		-
REVENUES - TRANSFER FROM GENERAL FUND			15000	15000		15000		
								-
CAPITAL PURCHASE						60,000.00		
EXPENSES								
CASH BALANCE RETAINED			15,000.00	30,000.00		-		
							11	-

	WATER FUND	ACTUAL	ACTUAL	ACTUAL		BUDGET	ACTUAL	
602 WATER FUND		12/31/2010	12/31/2011	12/31/2012	12/31/2013	2014 budget	6/30/2014	2015 budget
CASH BALANCE JAN 1ST								28,500.00
REVENUES:								
361 INTEREST		174.36	216.43	157.54	139.88	250.00	18.99	100.00
3811 METERED SALES		*165,450.91*	*165,981.40*	*184,461.01*	*175,404.85*	*180,000.00*	*78,627.68*	*165,000.00*
3812 BULK SALES		76	91.25		167	100.00		
3813 SALE OF MATERIALS		171	44.00	490.34	134	250.00	156.00	200.00
3818 HYDRANT RENTAL								
3819 OTHER		50.98	6,051.42	526.54	746.08	500.00	12.00	500
TOTALS		165,923.25	172,384.50	185,635.43	176591.81	181,100.00	78,814.67	194,300.00
602 WATER FUND								
4331 SOURCE OF SUPPLY								
602 4331 425	REPAIRS & MAINTENANCE	0.00	0.00	0.00	0.00	-		
4331 SOURCE OF SUPPLY		0.00	0.00		0.00	-		
4332 POWER & PUMPING								
602 4332 428	UTILITIES	3,241.10	4,358.85	5,277.20	5,465.48	5,400.00	$ 4,578.44	6,000.00
4332 *POWER & PUMPING*		3,241.10	4,358.85	5,277.20	5,465.48	5,400.00	$ 4,578.44	6,000.00
4333 PURIFICATION								
602 4333 425	REPAIRS & MAINTENANCE	453.79	0.00	3,283.25	699.95	1,000.00	$ 705.32	1,000.00
602 4333 426	SUPPLIES & MATERIALS	16,124.65	25,049.50	22,574.72	27,449.54	24,000.00	$ 12,131.03	25,000.00
4333 PURIFICATION		16,578.44	25,049.50	25,857.97	28,149.49	25,000.00	$ 12,836.35	26,000.00
4334 DISTRIBUTION								
602 4334 411	SALARIES	31,206.40	31,828.90	32,626.80	45,183.00	36,500.00	$ 21,984.00	38,766.00
602 4334 412	OASI	2,374.90	2,401.26	2,447.53	3,407.70	2,800.00	$ 1,658.97	2,966.00
602 4334 413	RETIREMENT	1,872.49	1,909.32	1,957.56	2,710.98	2,190.00	$ 1,319.04	2,326.00
602 4334 414	WORKMENS COMP.	792.27	868.30	711.33	792.99	800.00	$ 899.70	900.00
602 4334 415	GROUP INSURANCE	5,795.33	6,265.49	7,560.50	9,341.20	9,200.00	$ 4,650.47	9,135.00
602 4334 416	UNEMPLOYMENT INS						$ 18.70	50.00
602 4334 425	REPAIRS & MAINTENANCE	664.38	18,436.69	1,735.60	13,955.56	12,000.00	$ 637.76	5,000.00
602 4334 426	SUPPLIES & MATERIALS	7,754.41	4,949.35	8,250.35	14,778.76	9,000.00	$ 8,142.03	9,000.00
602 4334 429	OTHER	0.00	105.00	600.00	162.26	500.00	$ 1,599.16	500.00
602 4334 436	MACHINE & AUTO EQUIPMENT	1,111.80	0.00	59.98			$ 414.25	
602 4334 439	NEW DIST. REPLACEMENT	0.00	0.00			45,000.00	$ 1,311.23	25,000.00
4334 DISTRIBUTION		51,571.98	66,764.31	55,949.65	90,332.45	117,990.00	$ 42,635.31	93,643.00

4335	ADMINISTRATION & GENERAL							
602 4335 411	SALARIES	8,866.37	9,050.34	9,272.88	11,000.00	11,000.00	5,475.60	11,500.00
602 4335 412	OASI	518.25	524.62	557.06	734.60	850.00	388.29	880.00
602 4335 413	RETIREMENT	532.36	543.10	557.96	630.17	660.00	328.51	690.00
602 4335 415	GROUP INSURANCE	1,852.97	2,003.34	2,223.09	2,213.74	2,550.00	1,036.96	2,240.00
602 4335 416	UNEMPLOYMENT INS.	129.34	0.00				0.00	
602 4335 421	INSURANCE	5,077.08	7,169.84	4,423.24	6,585.27	6,600.00	7,280.28	7,300.00
602 4335 422	PROFESSIONAL SERVICES	1,241.47	8,286.80	1,321.80	2,849.85	1,500.00	197.00	1,000.00
602 4335 425	REPAIRS & MAINTENANCE	3,794.12	540.78	7,996.54	1,368.52	3,000.00	367.87	5,000.00
602 4335 426	SUPPLIES & MATERIALS	5,998.22	8,193.59	5,668.27	6,730.28	6,000.00	2,453.82	6,700.00
602 4335 427	TRAVEL, TRAINING & DUES	1,407.24	2,142.68	2,399.49	1,763.98	4,000.00	1,821.39	2,000.00
602 4335 428	UTILITIES	570.54	702.72	530.54	771.83	600.00	282.61	700.00
602 4335 429	OTHER	888.74	27.00	1,575.99		1,000.00	485.82	500.00
602 4335 429 01	MEDICAL CLAIMS-SELF INSURANCE	0.00	0.00		8,818.88	7,400.00	-	7,400.00
4335	ADMINISTRATION & GENERAL	30,876.70	39,184.81	36,526.86	43,467.12	45,160.00	20,118.15	45,910.00
4400	DEBT SERVICE							
602 4400 441	PRINCIPAL	13,080.05	24,151.35	18,496.93	20,740.49	20,275.72	$ 15,440.44	20,275.72
602 4400 442	INTEREST	6,500.00	6,666.56	3,978.79	1,735.23	2,200.00	$ 1,416.35	2,200.00
4400	DEBT SERVICE	19,580.05	30,817.91	22,475.72	22,475.72	22,475.72	$ 16,856.79	22,475.72
602	WATER FUND	121,848.27	166,175.38	146,087.40	189,393.61	216,225.72	$ 97,025.04	19,402,872.00
	NET PROFIT						$ 14,374.28	271.28
	TRANSFER INTEREST TO GENERAL					$ (250.00)		(250.00)
	TRANSFER TO GENERAL FUND	0.00				$ (14,000.00)		
	CASH RETAINED					$ 624.28		21.28
		water sold	27,780	27,780		27,780		
			0.05	0.25		0.50		
no rate change for 3 years								
			1,389.00	6,945.00		13,890.00		

	12/31/2010	12/31/2011	12/31/2012	12/31/2013	2014 budget	6/30/2014	2015 budget
603 ELECTRIC FUND						2014	
CASH BALANCE JAN 1ST					250,000.00		7,400.00
							-
REVENUES:							
361 INTEREST	2,946.83	1,268.09	604.79	668.74	750.00	321.27	500.00
3821 METERED SALES	763,630.64	687,653.29	714,265.49	859,078.00	850,000.00	502,819.80	800,000.00
3822 SALE OF MATERIALS	1,029.40	55,526.80		400.00	1,000.00	75.00	500.00
38220 ELECTRIC SURCHARGE	169,830.50	255,866.68	235,014.43	254,900.79	250,000.00	150,531.27	230,000.00
3823 WHEELING-EAST RIVER	69,432.61	70,610.26	90,839.81	63,518.61	75,000.00	38,784.85	74,000.00
3824 HEARTLAND-BOND REIM.	108,373.18	108,245.56	101,620.47	109,581.60	105,814.00	56,724.92	109,282.50
3828 SALES TAX	47,200.36	48,962.16	55,262.27	54,799.71	56,900.00	31,882.99	50,800.00
3829 OTHER	2,664.58	11,880.68	6,811.27	8,671.85	5,000.00	2,045.84	2,000.00
391241 BONDS-GENERATOR				81,252.93			
391242 BONDS-TRAN. LINE				39,710.51			
TOTAL REVENUE	1,165,108.10	1,240,013.52	1,204,418.53	1,472,582.74	1,594,464.00	783,185.94	1,274,482.50
603 ELECTRIC FUND							
4341 PRODUCTION							
603 4341 411 SALARIES	63,472.80	64,533.25	66,675.74	81,643.81	$ 88,800.00	41,229.50	86,570.00
603 4341 412 OASI	4,424.73	4,455.94	4,731.71	6,052.78	$ 6,800.00	3,076.62	6,625.00
603 4341 413 RETIREMENT	3,808.32	3,871.95	4,000.58	4,665.68	$ 5,350.00	2,473.77	5,195.00
603 4341 414 WORKMENS COMP.	1,342.74	1,343.93	1,213.74	1,226.99	$ 1,300.00	1,577.41	1,300.00
603 4341 415 GROUP INSURANCE	12,838.90	13,871.15	16,113.82	14,979.01	$ 19,200.00	7,951.84	17,230.00
603 4341 416 UNEMPLOYMENT INS.	-	-					
603 4341 426 SUPPLIES & MATERIALS	5,896.59	334.00	8,867.04	17,646.69	$ 6,000.00	842.00	
603 4341 429 SELF INSURANCE CLAIMS	-	931.84	1,114.00	1,462.65	$ 7,400.00		$ 7,400.00
603 4341 451 PURCHASED POWER	554,812.43	604,066.77	549,589.25	619,446.59	$ 675,000.00	394,062.27	$ 576,000.00
4341 PRODUCTION	646,596.51	692,476.99	652,305.88	747,124.20	809,850.00	$ 451,213.41	$ 700,320.00
4342 TRANSMISSION & DISTRIBUTION							
603 4342 425 REPAIRS & MAINTENANCE	4,760.48	11,697.91	543.51	15,481.46	$ 9,000.00	$ 664.68	5,000.00
603 4342 426 SUPPLIES & MATERIALS	16,227.39	18,286.29	8,241.61	16,091.40	$ 15,000.00	$ 10,944.13	12,000.00
603 4342 429 OTHER	62.38	81.32	62.94	50.00	$ 100.00		100.00
603 4342 435 BOOKS, FURNITURE & EQUIPMENT	706.97	-		14.00			
603 4342 439 NEW DIST. REPLACEMENT	-	-		-	$ 25,000.00		25,000.00
4342 TRANSMISSION & DISTRIBUTION	21,757.22	30,065.52	-	31,636.86	$ 49,100.00	$ 11,608.81	42,100.00
4343 GENERAL & ADMINISTRATION							
603 4343 411 SALARIES	17,733.00	18,087.84	18,545.76	20,995.80	$ 22,350.00	$ 10,960.39	23,000.00

603 4343 412	OASI	1,035.96	1,048.42	1,110.72	1,468.49	$ 1,700.00	$ 777.26	1,760.00
603 4343 413	RETIREMENT	1,064.48	1,085.18	1,113.18	1,259.83	$ 1,350.00	$ 657.70	1,380.00
603 4343 415	GROUP INSURANCE	3,703.66	4,003.77	4,331.21	4,362.16	$ 5,050.00	$ 2,075.31	4,475.00
603 4343 416	UNEMPLOYMENT INS.	200.00	0.00		0.00		$ 22.19	
603 4343 421	INSURANCE	12,056.10	11,685.17	12,209.56	14,109.36	$ 15,000.00	$ 17,469.53	15,000.00
603 4343 422	PROFESSIONAL SERVICES	28,532.37	25,095.39	12,934.95	16,355.60	$ 20,000.00	$ 15,201.07	10,000.00
603 4343 425	REPAIRS & MAINTENANCE-BLDGS.	2,477.29	2,745.09	1,943.90	4,992.46	$ 2,500.00	$ 748.99	2,500.00
603 4343 426	SUPPLIES & MATERIALS	7,175.76	5,154.10	6,175.47	6,842.23	$ 6,200.00	$ 5,386.50	6,200.00
603 4343 427	TRAVEL, TRAINING & DUES	2,268.77	3,335.24	2,187.83	3,038.30	$ 3,500.00	$ 3,559.36	3,000.00
603 4343 428	UTILITIES	6,328.89	5,321.05	6,693.75	8,018.84	$ 7,000.00	$ 5,340.65	6,000.00
603 4343 429	OTHER	65.72	0.00	2,595.00	645.12	$ 500.00	$ 1,699.18	500.00
603 4343 429	SELF INSURANCE CLAIMS	0.00				$ 7,400.00	$ -	
603 4343 435	BOOKS, FURNITURE & EQUIPMENT	2,803.53	192.50	5,527.83	17,747.20	$ 5,000.00	$ 641.69	1,000.00
603 4343 454	REVENUE COLLECTED FOR STATE	47,750.45	50,296.81	48,046.96	55,039.11	$ 56,900.00	$ 32,567.49	50,800.00
4343	GENERAL & ADMINISTRATION	133,195.98	128,982.40	0.00	154,874.50	$ 154,450.00	$ 97,107.31	125,615.00
4400	DEBT SERVICE							
603 4400 441	PRINCIPAL-SUBSTATION	85,000.01	79,166.66	72,916.66	73,750.02	75,000.00	$ 37,500.00	78,749.99
603 4400 441	PRINCIPAL-GENERATOR BOND	30,000.00	34,166.68	38,562.73	62,881.16	35,000.00	$ 32,422.42	40,000.00
603 4400 441	PRINCIPAL-TRANSMISSION LINE	35,000.04	32,083.37	54,312.74	121,542.60	40,000.00	$ 64,245.33	40,000.00
603 4400 442	INTEREST-SUBSTATION	42,152.08	40,400.01	44,248.75	35,910.00	33,255.00	$ 16,965.00	30,555.00
603 4400 442	INTEREST -GENERATOR BOND	76,173.18	74,795.55	61,195.35	44,336.28	70,813.76	$ 20,484.50	69,282.50
603 4400 442	INTEREST TRANSMISISON BOND	155,076.24	152,437.61	131,563.54	67,172.17	147,438.76	$ 28,849.05	144,938.76
4400	DEBT SERVICE	423,401.55	413,049.88	402,799.77	405,592.23	401,507.52	$ 200,466.30	403,526.25
603	ELECTRIC FUND	1,224,951.26	1,264,574.79	1,187,369.83	1,339,227.79	1,414,907.52	$ 760,395.83	1,271,561.25
	NET PROFIT							2,921.25
transfer interest to general						(750.00)		(500.00)
transfer to general						$ (85,000.00)		
cash retained						$ 108,623.74		2,421.25

		SEWER FUND - 2015					15	
		ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGET		
		2010	2011	2012	2013	2014 budget	6/30/2014	2015 budget
604 SEWER FUND								
CASH BALANCE JAN 1ST		188,341.98	257,329.91	324,483.33	391,137.94	230,000.00		270,000.00
REVENUES:								
361 INTEREST		2,006.06	943.87	459.69	740.26	800.00	283.53	600.00
3831 SEWER CHARGES		121,959.49	123,167.62	118,786.38	162,823.14	159,000.00	79,421.45	159,000.00
3839 OTHER REVENUE			8,050.00	210.00	145.00	100.00	140.00	100.00
						-		
TOTAL REVENUE		123,965.55	132,161.49	119,456.07	163,708.40	389,900.00	79,844.98	429,700.00
SEWER	EXPENDITURES							
	SALARIES	32,765.22	33,480.20	34,594.00	35,586.58	37,100.00	$ 13,760.00	38,766.00
	OASI	2,499.13	2,554.48	2,620.03	2,693.33	2,800.00	$ 1,036.81	2,966.00
	RETIREMENT	1,965.86	2,008.81	2,060.64	2,099.21	2,300.00	$ 825.60	2,326.00
	WORKMENS COMP.	645.76	706.97	711.33	645.36	700.00	$ 744.63	800.00
	GROUP INSURANCE	5,727.88	6,190.87	7,492.98	7,032.12	9,550.00	$ 3,260.63	9,135.00
	UNEMPLOYMENT INS.	70.66	-					
	INSURANCE	17.66	1,835.55	640.60	94.98	500.00	$ 1,871.65	1,900.00
	PROFESSIONAL SERVICES	545.52	11,403.12	189.00	1,954.45	1,000.00	$ 101.00	1,000.00
	REPAIRS & MAINTENANCE	4,465.09	(73.65)		3,283.62	1,000.00	$ 5.14	1,000.00
	SUPPLIES & MATERIALS	1,378.06	652.65	796.57	1,309.41	1,000.00	$ 576.45	1,000.00
	TRAVEL, TRAINING & DUES	1,524.00	2,104.00	1,716.50	2,954.00	3,000.00	$ 2,393.25	2,500.00
	UTILITIES	884.56	701.59	537.83	708.49	750.00	$ 277.70	750.00
	OTHER	568.75	1,029.05	1,441.98		1,000.00		1,000.00
	OTHER MEDICAL CLAIMS	-	-					
	MACHINE & AUTO EQUIPMENT	1,919.47	2,414.43			2,000.00		
	SYSTEM IMPROVEMENTS	-	-			1,000.00		
SEWER		54,977.62	65,008.07	52,801.46	58,361.55	63,700.00	$ 24,852.86	63,143.00
SEWER FUND		$54,977.62	$65,008.07	$52,801.46		$ 59,335.00	$ 24,852.86	96,557.00
	NET PROFIT	68,987.93	67,153.42	66,654.61	105,346.85		$ 326,200.00	366,557.00
transfer interest to general						$ 750.00	$ (800.00)	(600.00)
transfer to general						$ 139,212.00	$ (150,000.00)	121,291.05
cash retained		68,987.93	67,153.42	66,654.61	105,346.85	$ 156,553.00	$ 175,400.00	244,665.95
		UTILITY DEPOSIT FUND						

	ACTUAL	ACTUAL	ACTUAL				
	2010	2011	2012	2013	budget 2014	6/30/2014	2015 budget
701 UTILITY DEPOSIT FUND							
CASH BALANCE - JAN 1ST					30,704.74		
REVENUES:							
3901 ELECTRIC DEPOSITS	9,760.00	9904.74	11,850.00	11,128.72	10,000.00	4,540.00	10000
3902 WATER DEPOSITS							
TOTAL REVENUES	9,760.00	9904.74	11,850.00	11,128.72	40,704.74	4,540.00	
							-
UTILITY DEPOSIT FUND	ACTUAL 2010	ACTUAL 2011	2012	2013	2014 budget	6/30/2014	2015 budget
UTILITY DEPOSITS	7,250.00	8,475.00	9,156.00	9,799.20	$ 10,000.00	$ 3,950.00	-
REFUND	7,250.00	8,475.00	9,156.00	9,799.20	10,000.00	$ 3,950.00	
UTILITY DEPOSITS							
	7,250.00	8,475.00	9,156.00	9,799.20	10,000.00	$ 3,950.00	10,000.00
UTILITY DEPOSIT FUND							
SURPLUS TO BE TRANSFERRED					10,000.00	3,950.00	10,000.00
IN LIEU OF TAXES							
CASH BALANCE RETAINED							

2. Planning Documents

- User Charge Ordinance
- Authorizing Resolution

A discussion was held on a utility rate increase for electric, water, and sewer services. Following the discussion a motion was made by Christensen, seconded by Zastrow to approve the second reading of Ordinance #771 entitled "An ordinance to amend the Electric, Water, and Sewer Rates for the City of Wessington Springs". Ayes: 5 Nays: 0 Motion carried.

Ordinance # 771

"An ordinance to amend the Electric, Water, and Sewer Rates for the City of Wessington Springs"

ELECTRIC RATES

Residential Service

APPLICABLE TO: Residential customers for all domestic uses in single-family dwellings and individually metered apartments within the service territory of the City of Wessington Springs Electric Utility, including use of motors of not more than 5 horsepower individual capacity.

SERVICE AVAILABLE: Single-phase, 60 hertz, 120/240 volt, 400 amp max., 3-wire, single meter.

MONTHLY RATE:

Customer Charge (No kWh)		$8.50 per meter
plus		
Energy Charge	All kWh @	6.5¢
Plus		
2003 Debt Service Surcharge		
All kWh @		1.3¢
plus		
2006 Debt Service Surcharge		
All kWh @		0.7¢
plus		
2006 Debt Service Surcharge		$2.50 per meter

PROMPT PAYMENT PROVISIONS: All charges are net. If the bill is not paid or mailed and postmarked by the 25th day of the month following the billing date, a late payment charge of 10 percent of the electric charges, electric surcharge, and electric sales tax current balance due will apply. If the 25th of the month falls on a Saturday, Sunday, or Holiday, the due date will be the next working day.

SALES TAX: Sales tax to be added to all electric bills so as to be in compliance with the provisions of the laws of the state of South Dakota.

Small Commercial Service

APPLICABLE TO: Any commercial, industrial, city, or farm load within the service territory of the City of Wessington Springs Electric Utility, for all purposes, where the average monthly consumption over a 12 month period is less than 5000 kWh.

SERVICE AVAILABLE: Single-phase, 60 hertz, 120/240 volt, 400 amp max., 3-wire, single meter; or three-phase, 60 hertz, 240/120V, 208Y/120V, or 480Y/277V, 4-wire, single meter.

MONTHLY RATE:

Customer Charge (No kWh)		$11.00 per meter
plus		
Energy Charge	All kWh @	8.1¢
plus		
2003 Debt Service Surcharge	All kWh @	1.3¢
plus		
2006 Debt Service Surcharge	All kWh @	0.7¢
plus		
2006 Debt Service Surcharge		$5.00 per meter

PROMPT PAYMENT PROVISIONS: All charges are net. If the bill is not paid or mailed and postmarked by the 25th day of the month following the billing date, a late payment charge of 10 percent of the electric charges, electric surcharge, and electric sales tax current balance due will apply. If the 25th of the month falls on a Saturday, Sunday, or Holiday, the due date will be the next working day.

SALES TAX: Sales tax to be added to all electric bills so as to be in compliance with the provisions of the laws of the state of South Dakota.

Large Commercial Service

APPLICABLE TO: Any commercial, industrial, city, or farm load within the City of Wessington Springs Electric Utility service territory, for all purposes, where the average monthly consumption over a 12 month period is more than 5000 kWh, or where the metered maximum demand in any one month exceeds 25kW.

SERVICE AVAILABLE: 60 hertz, three-phase, 240/120 V, 208 Y/120 V, or 480 Y/277 V, 4-wire. Special voltages may be provided at the discretion of the utility. Utility furnishes only one transformer bank and/or one meter.

MONTHLY RATE:

Customer Charge		$21.75 per meter
plus		
Energy Charge	All kWh	3.8¢
plus		
Demand Charge	All kW @	$10.48
plus		
2003 Debt Service Surcharge	All kWh @	1.3¢
plus		
2006 Debt Service Surcharge		

All kWh @	0.7¢
plus	
2006 Debt Service Surcharge	$5.00 per meter

METERED DEMAND: The metered demand for any month shall be the maximum kilowatt demand established by the consumer for any thirty-minute interval during the month as indicated or recorded by a demand meter.

POWER FACTOR ADJUSTMENT: If the customer's average monthly power factor falls below 90%, leading or lagging, the utility may adjust the metered demand by the ratio of 90% to the measured average monthly power factor in percent. Example:

Metered Demand = 739 kW
Ave. Mo. Power Factor = 73.0%
Ratio = 90/73 = 1.2329
Adjusted Demand = (739)(1.2329) = 911 kW

ADJUSTED DEMAND: The adjusted demand consists of the metered demand adjusted for power factor, if applicable.

BILLING DEMAND: The billing demand shall be the maximum measured thirty-minute integrated demand in the billing month.

MEASUREMENT OF DEMAND AND ENERGY: When there are two or more demand and energy metering installations on the customer's premises, the metered quantities shall be determined by adding together the separate meter readings before application of the rate, unless special provisions are agreed to by the utility. At the customer's request, and at the customer's expense, and at the Utility's discretion, the Utility may install special metering that will allow coincident demand billing.

PROMPT PAYMENT PROVISIONS: All charges are net. If the bill is not paid or mailed and postmarked by the 25th day of the month following the billing date, a late payment charge of 10 percent of the electric charges, electric surcharge, and electric sales tax current balance due will apply. If the 25th of the month falls on a Saturday, Sunday, or Holiday, the due date will be the next working day.

City Rate

Energy Charge	All kWh @	5.4¢
plus		
2003 Debt Service Surcharge		
	All kWh @	1.3¢
plus		
2006 Debt Service Surcharge		
	All kWh @	0.7¢
plus		
2006 Debt Service Surcharge		$2.50 per meter

WATER RATES

BE IT ORDAINED that Section 1 of Title 4, Chapter 2 of the Revised Ordinance of the City of Wessington Springs (1981) as amended to read as follows:

Section 1. The following rates are hereby established for consumers taking water from the City Water Works System of the City of Wessington Springs:

COMMERCIAL RATES		RESIDENTIAL RATES	
Monthly Meter Charge	$15.00	Monthly Meter Charge	$13.00
Plus $4.00 per 1000 gallons water		Plus $4.00 per 1000 gallons water	

Water meters shall be read monthly and bills shall be computed monthly. All utility bills become due and payable on the 15th day of each month for the service rendered during the preceding monthly meter reading period. Bills for utility services shall be mailed to the consumer and must be paid on or before the 25th day of the month at the office of the Finance Officer. All consumers having an unpaid account after the 25th day of the month shall be mailed a notice stating the account must be paid or service could be discontinued without further notice.

SEWER RATES

BE IT ORDAINED by the City of Wessington Springs, South Dakota, as follows:

That the minimum charges be established for the use of city sewer facilities by residential and commercial properties within the City of Wessington Springs:

On the date of taking effect of this Ordinance, a charge of twenty-four dollars ($24.00) per month is hereby established for minimum sewer charges.

The monthly sewer bill is based on the water usage for the quarter of January, February, and March of each year. Users with volumes greater than 15,000 gallons per quarter will pay an additional charge of $0.60 per 1000 gallons per month for all flows greater than the 15,000 per quarter.

Any non-residential user with BOD and SS greater than 200 mg/1 BOD and 250 mg/1 SS will pay a surcharge in accordance with the rates set forth in Appendix "A" of Wessington Springs City Ordinance #584.

These rate changes for Electric, Water and Sewer will become effective with the first billing period following the effective date of this Ordinance

Council voting for ordinance: Christensen, Mebius, Kraft, Ness, and Zastrow
Council voting against ordinance: none
First Reading: November 5th, 2012

Second Reading & Adoption: December 3rd, 2012
Published: December 11th, 2011

ATTEST: _____ _____

Linda Willman, Finance Officer Dave Ness, Chairman of the Board

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NOTICE OF PUBLIC HEARING
for the
WESSINGTON SPRINGS MAIN STREET INFRASTRUCTURE PROJECT

The City of Wessington Springs is proposing to upgrade the city's water and wastewater infrastructure. The proposed improvements are the result of a desire to improve access for vehicle and pedestrian use to the Wessington Springs Main Street business area. The proposed improvements contained in this report would replace utilities, restore the street surface, and provide improved drainage of Main Street.

The City of Wessington Springs proposes to apply for up to $165,000 of Drinking Water State Revolving Funds at 3.0% for 20 years. The City of Wessington Springs also proposes to apply for up to $188,000 of Clean Water State Revolving Funds at 3.0% for 20 years. The City plans to pledge surcharge revenues to repay the loans. The total cost of the project is estimated to be $1,330,060, which includes resurfacing Main Street. The purpose of the public hearing is to discuss the proposed project, the proposed financing, and the source of repayment for the loan. The public is invited to attend and comment on the project.

The public hearing will be held at Wessington Springs City Hall on Monday, December 29TH, 2014 at 7:00 pm.

This notice was published once at an estimated cost of $ 110.00

RESOLUTION NO. _____

RESOLUTION AUTHORIZING AN APPLICATION FOR FINANCIAL ASSISTANCE, AUTHORIZING THE EXECUTION AND SUBMITTAL OF THE APPLICATION, AND DESIGNATING AN AUTHORIZED REPRESENTATIVE TO CERTIFY AND SIGN PAYMENT REQUESTS.

WHEREAS, the City of Wessington Springs (the "City") has determined it is necessary to proceed with improvements to its Water System, including but not limited to Main Street Infrastructure Improvements (the "Project"); and

WHEREAS, the City has determined that financial assistance will be necessary to undertake the Project and an application for financial assistance to the South Dakota Board of Water and Natural Resources (the "Board") will be prepared; and

WHEREAS, it is necessary to designate an authorized representative to execute and submit the Application on behalf of the City and to certify and sign payment requests in the event financial assistance is awarded for the Project,

NOW THEREFORE BE IT RESOLVED by the City as follows:

1. The City hereby approves the submission of an Application for financial assistance in an amount not to exceed $ 259,600 to the South Dakota Board of Water and Natural Resources for the Project.

2. The City intends to apply to the Drinking Water Water State Revolving Fund program for consideration of loan funds for a term up of 20 years at a rate of 3.0 %. The City also intends to request assistance in the form of principal forgiveness or grant funding to improve the financial feasibility of the project.

3. The Mayor is hereby authorized to execute the Application and submit it to the South Dakota Board of Water and Natural Resources, and to execute and deliver such other documents and perform all acts necessary to effectuate the Application for financial assistance.

4. The Mayor is hereby designated as the authorized representative of the City to do all things on its behalf to certify and sign payment requests in the event financial assistance is awarded for the Project.

Adopted at Wessington Springs, South Dakota, this 29th day of December 2014.

APPROVED:

Melissa Melcus

Mayor
City of Wessington Springs

(Seal)

Attest: Linda Wilson

City Finance Officer

Loan Summary

Principal:	$259600
Interest Rate:	3%
Loan Term:	20 years

Payment Summary

Number of Payments:	240
Monthly Payment:	**$1,439.74**
Total Principal Paid:	$259,600.00
Total Interest Paid:	$85,936.49
Total Paid:	**$345,536.49**

Yearly Amortization Schedule

Payments	Yearly Total	Principal Paid	Interest Paid	Balance
Year 1 (1-12)	$17,276.82	$9,620.39	$7,656.44	$249,979.61
Year 2 (13-24)	$17,276.82	$9,913.00	$7,363.82	$240,066.61
Year 3 (25-36)	$17,276.82	$10,214.52	$7,062.31	$229,852.09
Year 4 (37-48)	$17,276.82	$10,525.20	$6,751.62	$219,326.89
Year 5 (49-60)	$17,276.82	$10,845.33	$6,431.49	$208,481.56
Year 6 (61-72)	$17,276.82	$11,175.21	$6,101.62	$197,306.35
Year 7 (73-84)	$17,276.82	$11,515.11	$5,761.71	$185,791.24
Year 8 (85-96)	$17,276.82	$11,865.35	$5,411.47	$173,925.89
Year 9 (97-108)	$17,276.82	$12,226.25	$5,050.58	$161,699.64
Year 10 (109-120)	$17,276.82	$12,598.12	$4,678.70	$149,101.52
Year 11 (121-132)	$17,276.82	$12,981.31	$4,295.52	$136,120.21
Year 12 (133-144)	$17,276.82	$13,376.15	$3,900.68	$122,744.07
Year 13 (145-156)	$17,276.82	$13,782.99	$3,493.83	$108,961.07
Year 14 (157-168)	$17,276.82	$14,202.22	$3,074.61	$94,758.86
Year 15 (169-180)	$17,276.82	$14,634.19	$2,642.63	$80,124.67
Year 16	$17,276.82	$15,079.30	$2,197.52	$65,045.36

(181-192)				
Year 17 (193-204)	$17,276.82	$15,537.95	$1,738.87	$49,507.41
Year 18 (205-216)	$17,276.82	$16,010.56	$1,266.27	$33,496.85
Year 19 (217-228)	$17,276.82	$16,497.53	$779.29	$16,999.32
Year 20 (229-240)	$17,276.82	$16,999.32	$277.50	$0.00
Totals	**$345,536.49**	**$259,600.00**	**$85,936.49**	

PRELIMINARY ENGINEERING REPORT
FOR

CITY OF WESSINGTON SPRINGS

MAIN STREET IMPROVEMENTS

Wessington Springs, South Dakota

SPN #14250

July 2014

SPN & Associates
ENGINEERS-PLANNERS- SURVEYORS
2100 NORTH SANBORN BLVD, PO BOX 398
MITCHELL, SOUTH DAKOTA 57301
PHONE 605-996-7761 FAX 605-996-0015

PRELIMINARY ENGINEERING REPORT FOR

MAIN STREET IMPROVEMENTS

CITY OF WESSINGTON SPRINGS

WESSINGTON SPRINGS, SOUTH DAKOTA

SPN # 14250

July 2014

I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly Registered Professional Engineer under the laws of the State of South Dakota.

By _____
Jeffrey P. McCormick, P.E.

Registration Number 8471

Date August 1, 2014

REGISTERED PROFESSIONAL ENGINEER
REG. NO. 8471
JEFFREY P. McCORMICK
SOUTH DAKOTA

SCHMUCKER, PAUL, NOHR & ASSOCIATES
CONSULTING ENGINEERS - SURVEYORS
2100 NORTH SANBORN BLVD, PO BOX 398
MITCHELL, SOUTH DAKOTA 57301

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1 INTRODUCTION

1.1 PURPOSE

The City of Wessington Springs has requested that Schmucker, Paul, Nohr and Associates prepare a preliminary report to identify the improvements that are needed on Main Street from Dakota Avenue to Blowers Avenue. The proposed improvements are the result of a desire to improve access for vehicle and pedestrian use to the Wessington Springs Main Street business area.

The proposed improvements contained in this report would replace utilities, restore the street surface, and provide improved drainage of Main Street. The proposed improvements would also provide for safer access to pedestrian sidewalks, rebuild sidewalks to the Main Street businesses and improve handicap accessibility.

1.2 SCOPE

This report will evaluate the current conditions of the street and sidewalks, storm sewer drainage, maintenance and safety of Main Street in Wessington Springs. An opinion of probable cost will be furnished to aid the City in budgeting and financing a proposed Main Street Improvements Project.

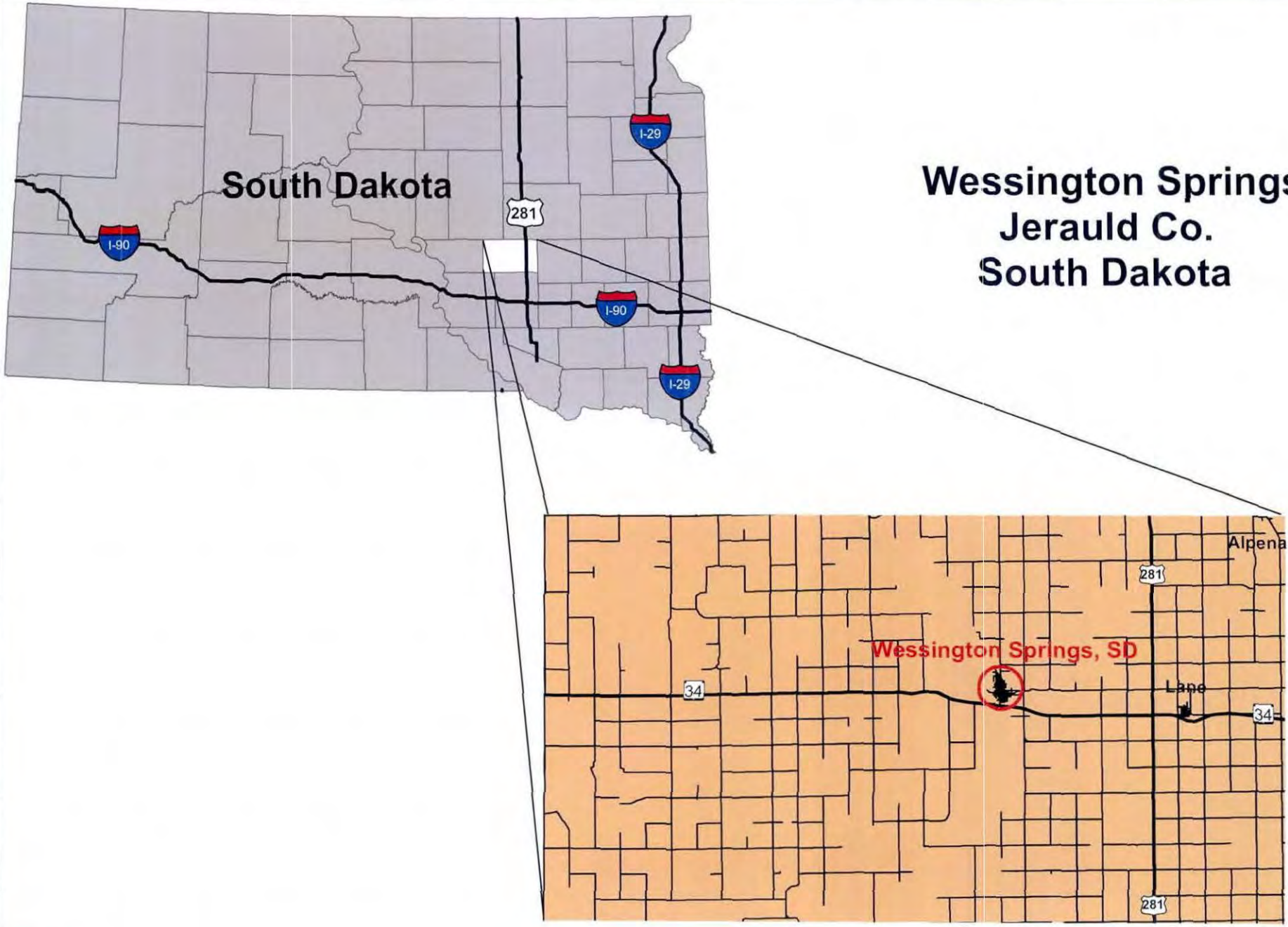
2 COMMUNITY DESCRIPTION

2.1 GENERAL INFORMATION

The City of Wessington Springs is located in east central Jerauld County, South Dakota, on United States Highway 34 as indicated on Figure 2.1-1. The City of Wessington Springs was founded in 1893 and according to the 2010 Census has a population of 956. The City of Wessington Springs is classified as a second class city. Its government consists of a council of seven members, including the Mayor. Full-time sewer/water, electrical and street superintendents are employed by the City Council. These superintendents and their staff provide the necessary public utility maintenance within the community. The city also has a full-time finance officer to assist the council with financial matters.

Wessington Springs has a very active business district that serves the surrounding agricultural area as a retail trade center. The community also provides fairly extensive shopping opportunities and other essential services in its business district. Figure 2.1-2 details the businesses located on Main Street within the proposed project area.

Data from the 2010 Census indicates that the community's median household income of $39,107 was about $9,984 lower than the state's median household income of $49,091. At the time the census data was gathered, approximately 11.9 percent of the families living in the community had incomes at or below the poverty level while 13.8 percent of the families living in South Dakota fell into this category.



SPN

Figure 2.1-1 - Location Map

Figure 2.1-2: Main Street Businesses

2.2 TOPOGRAPHY / CLIMATE

The area's climate is generally described as a continental climate. Winters are relatively long and cold, while summers are fair and hot. Normal annual precipitation for the area is about 20.55 inches. Approximately 75 percent (16 inches) of the total precipitation generally occurs between April and September. Precipitation received from November through March is generally in the form of snowfall, with the average seasonal amount being 29 inches.

Temperatures range from an average daily temperature of 13° F in winter to an average daily maximum of 73° F in summer. However, temperatures have been as low as -28° F and have exceeded 110° F. Winds average 13 miles per hour in spring with prevailing directions from the south during the summer and northwest during the winter months.

Jerauld County is divided into two distinct areas, the Coteau Du Missouri to the west and the James River Basin to the east. The Coteau Du Missouri consists of level to moderately sloping, gently rolling ground and the James River Basin consists of gently sloping ground to the east. The James River and its tributaries form the natural drainage network of Jerauld County and flow eastward at a low gradient across the county.

3 EXISTING CONDITIONS

3.1 EXISTING MAIN STREET

The Wessington Springs City Council has been considering the rehabilitation of its Main Street for many years. In 2008 the Council reviewed a preliminary estimate for the reconstruction. The proposed improvements failed to fit within the City's budget at that time. Since then, no improvements have been made to the streets or sidewalks and the deterioration of the existing surfaces has increased.

In June 2014 Wessington Springs experienced an EF-2 Tornado that caused damage to 10 businesses and 43 homes. Of the 43 damaged homes, 25 were determined to be uninhabitable. As a result of the storm, Wessington Springs' Main Street was used as the main haul route for the clean-up effort that took place on the south and east sides of Wessington Springs. The existing Main Street asphalt surfacing sustained damage as a result of the high volume of the truck traffic from the clean-up effort.

3.2 STREET SURFACING / PARKING

Main Street in Wessington Springs is currently an asphalt surface street 60 feet in width with angled parking on both sides of the street. Main Street is subject to daily truck and passenger vehicle traffic. The asphalt surface in many areas is beginning to break up as shown in Figure 3.2-1.

Portions of Main Street from Barrett Avenue to Blowers Avenue have a temporary gravel surfaced due to a water main replacement as shown in Figures 3.2-2 through 3.2-4. The gravel surfacing is difficult to maintain due to the traffic load and reduced drainage. The adjoining pavement to the gravel surfacing in continually breaking and potholing.

Figure 3.2-1: Main Street Pavement Break-up

Figure 3.2-2: Main Street Utility Trench Patch with Gravel Surfacing

Figure 3.2-3: Main Street Utility Trench Patch with Gravel Surfacing

Figure 3.2-4 Main Street Utility Trench Patch with Rock Surfacing

Photo 3.2-5: Thicken Edge Walk Asphalt Degradation

The intersection of Blowers Avenue and Main Street uses shallow culverts to convey storm water across the intersection. These shallow culverts with no inlet grates are shown in Figures 3.2-6 and 3.2-7. The open end culverts create hazards for pedestrians and need to be replaced.

Portions of Main Street utilized thickened edge sidewalk in lieu of curb and gutter. The asphalt flow line in these areas has degraded allowing drainage to enter the street base material causing damage and creating hazards in the parking and pedestrian use areas as shown in Figure 3.2-5.

Figure 3.2-6: Shallow Culverts

Figure 3.2-7: Shallow Culverts

3.3 SIDEWALKS / BUSINESS ACCESS

Wessington Springs Main Street businesses provide essential goods and services to the surrounding area as illustrated by the number of businesses shown in Figure 2.1-2. Many of the Main Street's sidewalks have begun to fail creating pedestrian hazards such has exposed rebar and surface break-ups. The existing condition and some of the sidewalk hazards are shown in Figures 3.3-1 through 3.3-2. The Wessington Springs Main Street sidewalks are in need of many repairs.

Figure 3.3-1: Exposed Rebar on Sidewalks

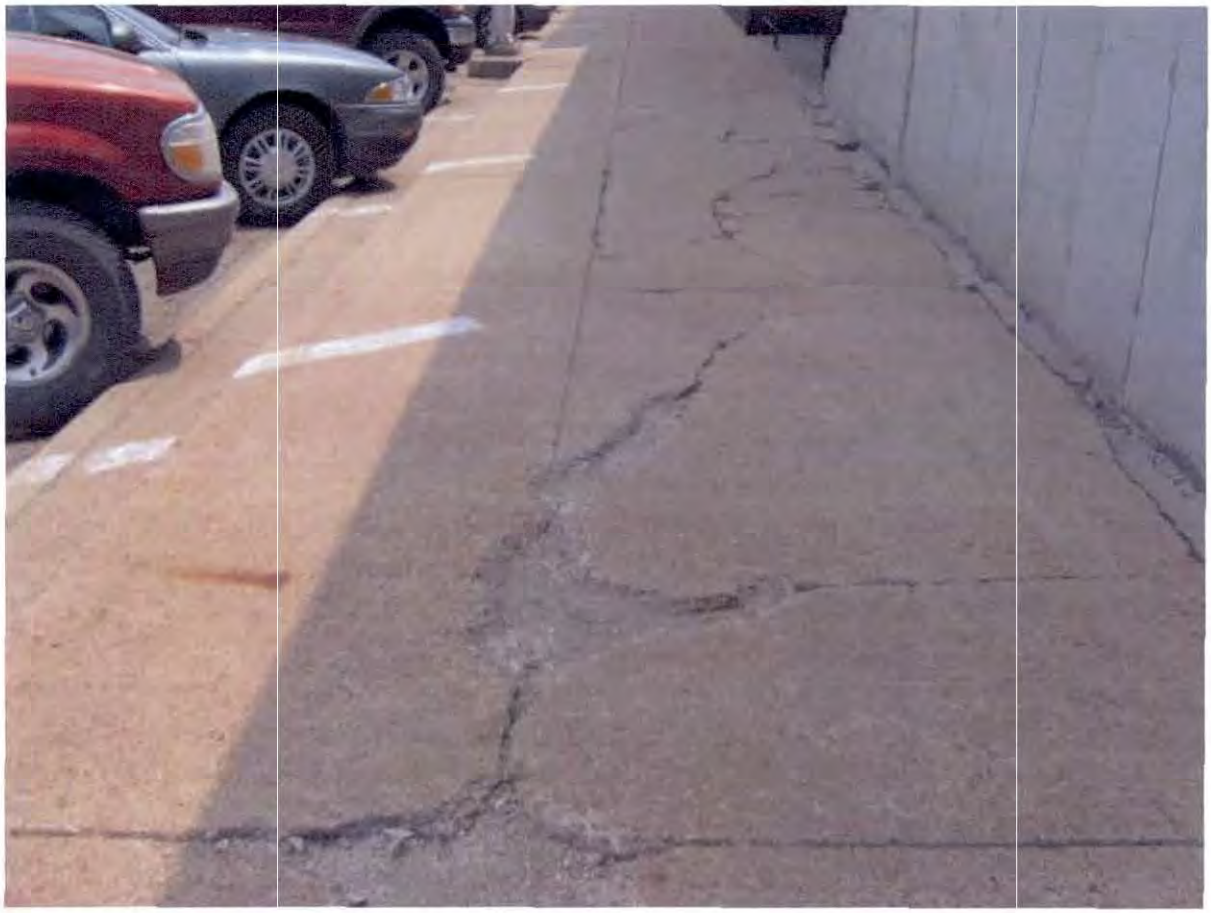


Figure 3.3-2: Sidewalk Break-ups and Potholes

Similar to much of the Wessington Springs community, portions of Main street is located in an area that has significant slope and grade changes. As a result of this, many of the businesses' entry elevations vary significantly throughout Main Street. Some areas have steps from parking areas to sidewalks, as indicated in Figure 3.3-3. Numerous intersections do not provide proper ADA accessible ramps and do not provide detectable warning panels. Figures 3.3-4 and 3.3-5 show two of the intersections that do not provide proper ADA accessibility.

Figure 3.3-3: Steps to Sidewalk Access

Figure 3.3-4: Absence of ADA Ramps at Crosswalks

Figure 3.3-5: Absence of ADA Ramps at Crosswalks

3.4 EXISTING UTILITIES

As discussed previously, the City of Wessington Springs replaced an existing cast-iron water main this past spring. A new polyvinyl chloride (PVC) water main was installed from Blowers Avenue to Barrett Avenue in anticipation of a future Main Street project. When making the water main connection at Barrett Avenue, they discovered that the existing water main that they were connecting to was an asbestos cement pipe (ACP). It was originally thought that the existing water main in Main Street for Dakota Avenue to Barrett Avenue was PVC. Now that they have discovered this line is ACP the City is in the process of obtaining funding to replace this line in conjunction with completing a new street surface.

In 2009 the city completed an evaluation of their sanitary sewer system. The existing sanitary sewer main in Main Street is vitrified clay pipe (VCP). The 2009 evaluation recommended the rehabilitation of the existing VCP in two separate alternatives. The

City is in the process of obtaining funding to replace the sanitary sewer in conjunction with street construction.

Prompted by the June tornado, the City of Wessington Springs is considering the upgrade and replacement of their electrical distribution system and just as discussed for the water and sewer system, the replacement of the street lights and underground electrical is recommended in conjunction with the completion of a new street and sidewalk.

4 EVALUATION OF PROPOSED PROJECT

4.1 MAIN STREET IMPROVEMENTS

The City of Wessington Springs is proposing to reconstruct Main Street from Dakota Avenue to Blowers Avenue. This section of Main Street is approximately 1,250 linear feet in length. The proposed improvements will include asphalt pavement surfacing with concrete curb and gutter, concrete sidewalks, sanitary sewer replacement, water main replacement, and street lighting. The location map of the proposed improvements has been provided in Figure 4.1-1.

The proposed street surfacing will consist of nine inches of gravel base course, three inches of recycled asphalt millings from the existing street surface, and four inches of asphalt surfacing. The street improvements would restore the street to its existing width to allow diagonal parking on both sides. Areas with significant amounts of grade change or difference in building elevations may utilize a uniform slope across the street (without a crown) to better accommodate the elevation change. The different types of potential street cross sections are shown in Figure 4.1-2.

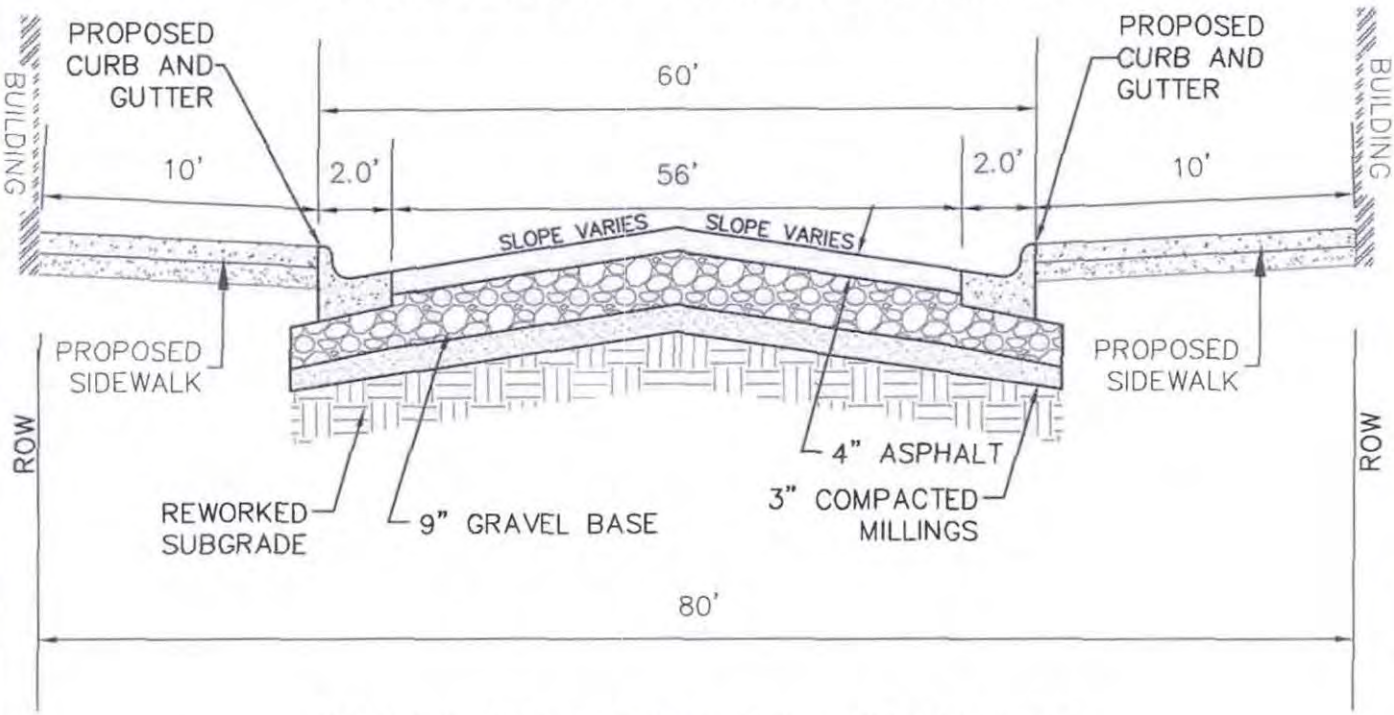
A major challenge in the design of this project will be increasing the ADA accessibility of the project area. Some sidewalks may require switchback type ramps, multiple level curbs as indicated in Figure 4.1-2 or handrails to increase ADA accessibility.

During the construction of the proposed improvements, it is highly recommended that the existing water, sanitary sewer, and street lighting located on Main Street be replaced. A combined street and utilities project tends to be a more economical project rather than completing separate projects at different times.

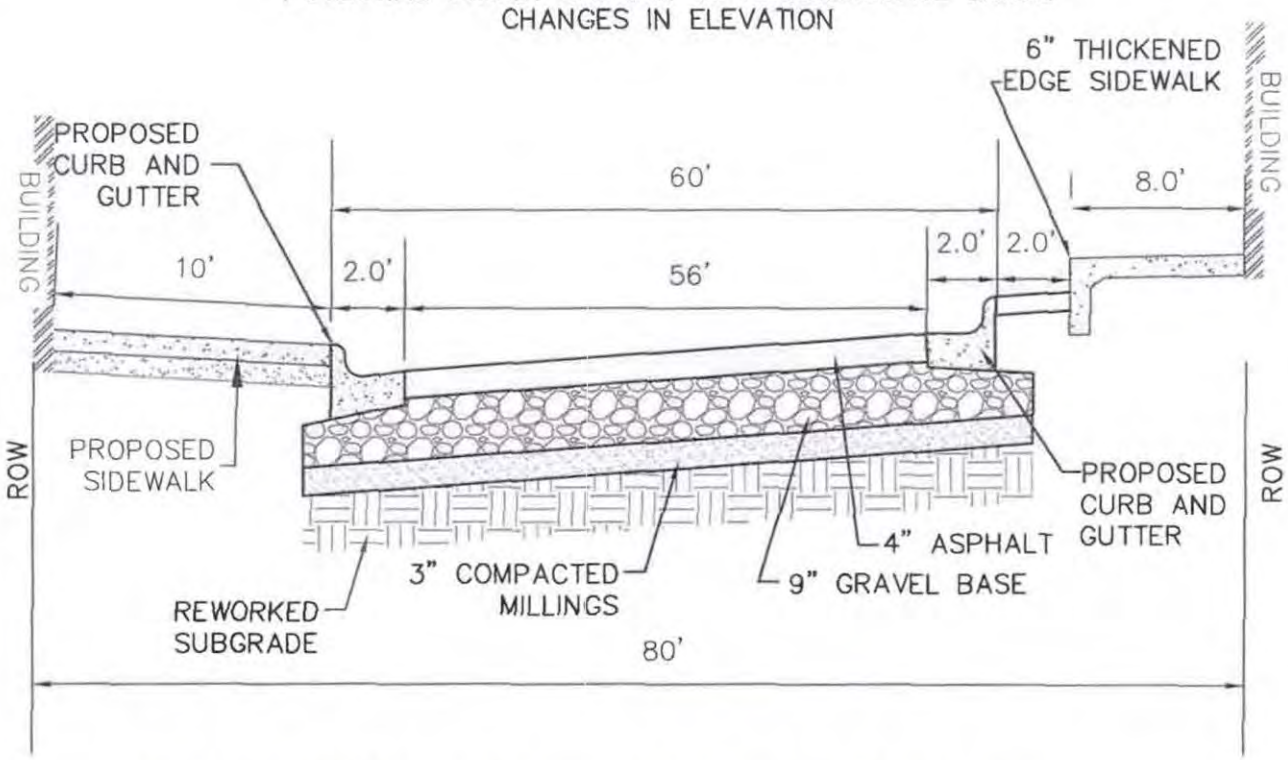
Figure 4.1-1 Proposed Street Improvements

FIGURE 4.1–2: TYPICAL STREET SECTIONS

WESSINGTON SPRINGS, SOUTH DAKOTA
MAIN STREET IMPROVEMENTS
DAKOTA AVENUE TO BLOWERS AVENUE



POTENTIAL STREET SECTION TO ACCOMMODATE LARGE CHANGES IN ELEVATION



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4.2 OPINION OF PROBABLE COST

The following opinion of probable costs reflects the anticipated cost for administration, engineering design and soils investigations, construction, contingencies, construction observation and other costs related to completion of the project. The costs as presented hereinafter are based on an analysis and comparison of projects of similar size and scope. The actual construction and project costs will vary on an individual project basis. The actual bid cost will reflect the bidders' evaluation of construction challenges, weather, soils and difficulty of work. Changes in materials, equipment and energy costs, as well as availability of other construction work at the time of the bid opening, could substantially influence the actual project cost. Construction costs will also vary somewhat based on the quantity of items necessary to construct the project. The construction costs contained in this report are an opinion of costs based on our best judgment without in-depth field measurements.

Different funding sources have different requirements for some of the non-construction items. Therefore, the actual costs of non-construction items should be considered tentative at this time and subject to later modifications and adjustments as the then current situations and funding sources dictate. Further, the period of construction cannot be accurately predicted and the costs as presented hereinafter have not been adjusted to reflect current and projected inflation factors. Therefore, it is important that the estimate of costs as presented herein be reviewed and updated periodically to reflect current construction cost trends. A cost estimate has been provided for the proposed improvements and is shown in Table 4.2.

Table 4.2: Cost Estimate for Main Street Improvements

ITEM #	DESCRIPTION	ESTIMATED QUANTITY		UNIT PRICE	ESTIMATED TOTAL COST
REMOVALS					
1	Full Depth Saw cutting Existing Pavement	450	LF	$5.00	$2,250.00
2	Cold Milling Existing Asphalt Surfacing and Base Course	8,630	SY	$4.00	$34,520.00
3	Remove Existing Curb and Gutter	2,100	LF	$2.00	$4,200.00
4	Remove Existing Concrete Sidewalk	18,300	SF	$0.50	$9,150.00
PAVING					
5	Gravel Base Course	5,400	TN	$25.00	$135,000.00
6	Place and Recompact Millings	8,630	SY	$3.00	$25,890.00
7	Concrete Curb and Gutter	2,100	LF	$25.00	$52,500.00
8	Concrete Sidewalk	18,300	SF	$6.00	$109,800.00
9	Concrete Fillet Section	160	SY	$70.00	$11,200.00
10	Detectable Warning Panels (ADA)	130	SF	$50.00	$6,500.00
11	Handrails, Ramps, Stairs etc.	1	LS	$25,000.00	$25,000.00
12	Street and Parking Striping	1	LS	$10,000.00	$10,000.00
13	Asphalt Surfacing (2" Base Course, 2" Surface Course)	2,200	TN	$110.00	$242,000.00
14	Unclassified Excavation	4,200	CY	$7.00	$29,400.00
SANITARY SEWER					
15	Remove and Replace Sanitary Sewer Manhole	5	EA	$4,000.00	$20,000.00
16	8" PVC Sanitary Sewer Pipe	1,350	LF	$42.00	$56,700.00
17	6" PVC Sanitary Sewer Service Pipe	1,200	LF	$25.00	$30,000.00
18	8" x 6" Sanitary Sewer Service Wye	28	EA	$200.00	$5,600.00
19	Connect to Existing Sanitary Sewer Main	7	EA	$850.00	$5,950.00
20	Connect Sanitary Sewer Service to Existing Service Line	28	EA	$350.00	$9,800.00
21	Bypass Pumping	1	LS	$5,000.00	$5,000.00

Table 4.2.: Cost Estimate for Main Street Improvements (continued)

Water					
22	8" PVC Water Main	760	LF	$40.00	$30,400.00
23	6" PVC Water Main	100	LF	$32.00	$3,200.00
24	8" MJ Gate Valve w/ Box	3	EA	$2,000.00	$6,000.00
25	8" x 6" MJ Tee	4	EA	$800.00	$3,200.00
26	Connect to Existing Water Main	4	EA	$1,500.00	$6,000.00
27	Remove & Replace Fire Hydrant Assembly	2	EA	$3,500.00	$7,000.00
28	2" Service Saddle and Corp Stop	5	EA	$400.00	$2,000.00
29	1" Service Saddle and Corp Stop	23	EA	$300.00	$6,900.00
30	2" CU Water Service Line	200	LF	$40.00	$8,000.00
31	1" CU Water Service Line	920	LF	$35.00	$32,200.00
32	2" Curb Stop with Box, Connect to Existing Water Service	5	EA	$500.00	$2,500.00
33	1" Curb Stop with Box, Connect to Existing Water Service	23	EA	$400.00	$9,200.00
Street Lighting					
34	Luminary Pole with Arm, 18' Mtg Height	18	EA	$2,000.00	$36,000.00
35	Roadway Luminary, LED	18	EA	$2,000.00	$36,000.00
36	2' Diameter Footing	150	FT	$150.00	$22,500.00
37	18" Diameter Junction Box	18	EA	$500.00	$9,000.00
38	Electrical Service Cabinet	2	EA	$6,500.00	$13,000.00
39	2" Rigid Conduit, Schedule 80	1,300	FT	$15.00	$19,500.00
40	Wiring	1	LS	$15,000.00	$15,000.00
Miscellaneous					
41	Mobilization	1	LS	$111,000.00	$111,000.00
42	Traffic Control	1	LS	$10,000.00	$10,000.00
43	Incidental Construction	1	LS	$111,000.00	$111,000.00
				Total Estimated Construction Costs	**$1,330,060.00**
				10% contingencies	**$132,940.00**
				Design Engineering	**$60,000.00**
				Bidding	**$5,000.00**
				Construction Engineering	**$95,000.00**
				Administration	**$20,000.00**
				TOTAL ESTIMATED PROJECT COSTS	**$1,643,000.00**

5 SUMMARY AND RECOMMENDATION

The Wessington Springs City Council has been considering the reconstruction of its main business district for many years. The current street and sidewalk conditions have deteriorated to a point that they cannot meet the vehicle and pedestrian needs of the Wessington Springs business district. The roadway and sidewalks need to be reconstructed to reduce maintenance cost, increase pedestrian safety and to improve ADA accessibility. The existing utilities are also in need of replacement and should be completed in conjunction with or prior to any street reconstruction.

The proposed project will improve the safety of local and business traffic and improve the overall appeal of the Wessington Springs Main Street business area. The City should immediately proceed to budget and secure funding for the proposed improvements. Design work should be completed as soon as possible so the project could be bid as early as possible to aid in securing favorable bid prices.

Table 5: Summary of Cost

Construction Item	Estimated Cost
Street Construction	$929,410
Sanitary Sewer Construction	$133,050
Water Construction	$116,600
Street Lighting	$151,000
Contingencies	$132,940
Engineering / Adminstration	$180,000
Estimated Construction Total	**$1,643,000**
Available Funding	
Community Access Grant	$200,000
Estimated Local Cost of Project	**$1,443,000**

AMENDMENT #1

to the

FACILITY PLAN

for the

WATER SYSTEM

IN

WESSINGTON SPRINGS, SOUTH DAKOTA

PROJECT #13443

December 2014

SPN & Associates

ENGINEERS-PLANNERS- SURVEYORS

2100 NORTH SANBORN BLVD, P.O. BOX 398
MITCHELL, SOUTH DAKOTA 57301
PHONE 605-996-7761 FAX 605-996-0015

AMENDMENT #1

TO THE

FACILITY PLAN

FOR

WATER SYSTEM EVALUATION

IN

CITY OF WESSINGTON SPRINGS

SPN # 13443

DECEMBER 2014

I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly Registered Professional Engineer under the laws of the State of South Dakota.

By _____
Jeffrey P. McCormick, P.E.

Registration Number 8471

Date December 29, 2014

REGISTERED PROFESSIONAL ENGINEER
REG. NO. 8471
JEFFREY P. McCORMICK
SOUTH DAKOTA

SCHMUCKER, PAUL, NOHR & ASSOCIATES
CONSULTING ENGINEERS - SURVEYORS
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MITCHELL, SOUTH DAKOTA 57301

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1 INTRODUCTION

The City of Wessington Springs has requested that Schmucker, Paul, Nohr and Associates (SPN) prepare an Amendment to the Facility Plan Dated October 5, 2011, that reflects the City's desired water distribution system improvement project. The Wessington Springs City Council has been considering the rehabilitation of its Main Street for many years. In 2008 the Council reviewed a preliminary estimate for the reconstruction. The proposed improvements failed to fit within the City's budget at that time.

In June 2014 Wessington Springs experienced an EF-2 tornado that caused damage to 10 businesses and 43 homes. Of the 43 damaged homes, 25 were determined to be uninhabitable. As a result of the storm, Wessington Springs's Main Street was used as the main haul route for the clean-up effort that took place on the south and east sides of Wessington Springs. The existing Main Street asphalt surfacing sustained damage as a result of the high volume of truck traffic during the clean-up effort. The City has already obtained some funds for street repairs through the SDDOT Community Access Program and from FEMA for disaster repairs.

This Amendment supplements the review of the existing water distribution system. As such, there are no changes to Sections 2, 3, 4 and 7; Sections 5 and 6 are updated to reflect the desired project by the Wessington Springs City Council. The Amendment as presented to the City Council will provide the information necessary to make a cost-effective decision on the desired project. The citizens of the community, acting through its elected City Council, can then proceed with the necessary improvements.

5 DEVELOPMENT AND EVALUATION OF ALTERNATIVES

The following alternative shall be added to the report to reflect the desired project by the City of Wessington Springs.

5.4 WATER DISTRIBUTION IMPROVEMENTS

5.4.5 Distribution Alternative 5: Replace Existing ACP on Main Street

This phase considers the replacement of existing ACP water main. As discussed in Distribution Alternative 2 the roughness of ACP becomes high as the pipe ages. In addition, there are some health risks associated with using ACP.

It was originally believed that the existing water main in Main Street from Dakota Avenue to Barrett Avenue was PVC. In 2013 the City replaced the existing CIP from Barrett Avenue to Blowers Avenue in anticipation of a Main Street rehabilitation The existing right-of-way for Main Street is from building face to building face and the proposed street and sidewalk improvements consider the resurfacing for this entire width. Rather than connecting to an old water service line just outside the building it is proposed to make the connection through the foundation wall of the existing businesses. This will provide a new water main and service line under all of the proposed surfacing.

Table 5.4.5-1 shows the estimated costs associated with the proposed water improvements. Asphalt removal and replacement has been considered for a trench width of 10 feet. The location of the proposed improvements is shown in Figure 5.4.5-1.

Figure 5.4.5-1: Proposed Pipe for Alternative 5

Table 5.4.5-1: Estimated Cost for Main Street Water Main Improvements

Item	Description	Quantity	Unit Price	Total Cost
1	Mobilization	1 LS	$14,000.00	$14,000.00
2	Remove and Dispose of Existing Surfacing	1,400 SY	$5.00	$7,000.00
3	8" PVC Water Main	760 LF	$40.00	$30,400.00
4	6" PVC Water Main	100 LF	$32.00	$3,200.00
5	Fire Hydrant	2 EA	$3,000.00	$6,000.00
6	Remove and Dispose of Existing Hydrant	2 EA	$500.00	$1,000.00
7	8" Gate Valve	3 EA	$2,000.00	$6,000.00
8	2" Service Saddle and Corp Stop	5 EA	$400.00	$2,000.00
9	1" Service Saddle and Corp Stop	23 EA	$300.00	$6,900.00
10	2" CU Water Service Line	200 LF	$40.00	$8,000.00
11	1" CU Water Service Line	920 LF	$35.00	$32,200.00
12	1" Curb Stop, Connect to Existing Water Service	5 EA	$500.00	$2,500.00
13	2" Curb Stop, Connect to Existing Water Service	23 EA	$400.00	$9,200.00
11	Miscellaneous Fittings and Connections	1 LS	$9,200.00	$9,200.00
12	Asphalt Surfacing	250 TN	$110.00	$27,500.00
13	Gravel Base Course	600 TN	$25.00	$15,000.00
14	Traffic Control	1 LS	$2,000.00	$2,000.00
15	Erosion and Siltation Control Measures	1 LS	$2,000.00	$2,000.00
			Subtotal	$184,100.00
			Contingencies (10%)	$18,000.00
			Construction Total	$202,100.00
			Administration & Legal	$4,000.00
			Design Engineering	$20,500.00
			Bidding and Contract Documents	$2,000.00
			Construction Engineering	$31,000.00
			Total Probable Project Cost	$259,600.00

6 SELECTION OF ALTERNATIVES

A summary of the total project costs for each of the improvement options discussed in Section 5 is presented below.

Table 6.1: Summary of Costs

Improvement Options	Cost	EUAC
Treatment Alternative 2 - Rural Water	$524,025	$172,439
Treatment Alternative 3 - Rehabilitate WTP	$1,497,600	$225,330
Treatment Alternative 4 - New WTP	$2,669,100	$224,018
Storage Alternative 2 - Rehabilitate GST's	$257,950	-
Distribution Alternative 2 - Improve System	$1,482,800	-
Distribution Alternative 3 - Leak Detection Survey	$8,000	-
Distribution Alternative 4 - Meters and Reading System	$475,020	-
Distribution Alternative 5 - Replace ACP on Main Street	$259,600	-

6.1 WATER TREATMENT

Water Treatment Alternative 2 (Rural Water) is recommended because it appears to be the most economical choice in comparison with the other treatment alternatives. The EUAC for the rural water option is approximately 23 percent lower than the next lowest option which indicates that this option would be the most economical choice for long-term operation.

6.2 WATER STORAGE

Water Storage Alternative 2 (Rehabilitate GST's) is recommended because it will improve the GST's and allow many more years of useful life.

6.3 WATER DISTRIBUTION

Distribution Alternative 2 (Improve System) is recommended to replace the old CIP and ACP that are currently being used. The extension of the upper pressure zone in the southwest part of the City will improve pressures. The valve pit is also needed to replace the current unit which is in poor condition.

Distribution Alternative 3 (Leak Detection Survey) is recommended to provide the City a thorough evaluation of the integrity of the distribution system. Distribution Alternative 4 (Meters and Meter Reading System) is also recommended to upgrade the City's meters and provide the functionality of a drive-by meter reading system. The replacement of the meters is expected to improve the accuracy of water use measurements.

Distribution Alternative 5 (Replace ACP on Main Street) is recommended to replace the old ACP prior to the street reconstruction project.

6.4 SELECTED PLAN

The Wessington Springs City Council has determined that Distribution Alternative 5 as their first priority project. The remaining selected alternatives should be placed on the City's Master Plan and budgeted for in the future.

6.5 DEMONSTRATION OF FINANCIAL CAPABILITY

As part of the cost analysis of the recommended improvements, the City's ability to pay for the projects is evaluated. The total estimated cost for the selected Distribution Alternative 5 is $259,600. For the purpose of this financial evaluation, the total cost of the improvements is assumed to be eligible for a low interest loan from the State

Revolving Fund. This, however, is subject to change due to decisions that must be made by the appropriate funding agencies.

Table 6.3 summarizes the financial data that was supplied by the City Finance Officer and is used to determine the proposed operational surplus or deficit of the water fund. The revenues generated from user fees for the 2014 Budget are listed in Table 6.3.

Because the financing supplied by various funding agencies is unknown at this time, multiple columns of budget information are shown in Table 6.4 based on varying grant percentages. The current water fee schedule is based on water usage. The schedule of water fees indicates a charge of $33 for 5,000 gallons of water use per month. The current minimum recommended rate is $25 for funding considerations. The revenue for the budget year 2015 is expected to remain approximately the same. The operation and maintenance costs for the Water Fund are based on actual costs used to create the 2014 Budget. These costs include the salaries and all costs incurred during the year.

For the purpose of this evaluation a loan based on a 20-year loan period and an interest rate of 3.00 percent is used. The budget analysis indicates that the implementation of the recommended improvements will require an increase in user fees. The increase in user fees will depend on the actual financing that is available. The proposed improvements are expected to significantly increase the annual costs of operation and maintenance. Again, these results are dependent upon the actual grant and funding that would be approved.

The short-lived asset replacement cost used in Tables 6.3 and 6.4 is the amount that the City should budget annually for equipment maintenance and replacement.

Table 6.3: Operation of the Water Fund

Impact on User Fees

Total Cost of Improvements	$259,600
Gross Revenue	$181,100
2014 O & M Cost	$193,550
Increase in O & M Cost After Project	$0
Retirement of Current Debt	$22,476
Short-Lived Asset Replacement	$7,894
Net Income	**-$42,820**
Retirement of Debt Incurred with This Project	$17,449
Amount to Be Set Aside for Debt Reserves	$1,745
Remaining Surplus After Project	**-$62,014**
Increase of Water Charge	$9.75
Number of Accounts	540
Added Revenue	$63,180
Surplus After Increase in Water Charge	**$1,165.66**
Existing Water Charge	$33.00
New Water Charge	$42.75

Table 6.4: Water Rate Analysis

Funding Percentages	0/100	10/90	20/80	40/60	50/50	60/40	80/20	100/0
grant/loan	grant/loan	grant/loan	grant/loan	grant/loan	grant/loan	grant/loan	grant/loan	grant/loan
2014 O & M Cost	$193,550	$193,550	$193,550	$193,550	$193,550	$193,550	$193,550	$193,550
Increase in O & M Cost	$0	$0	$0	$0	$0	$0	$0	$0
Grant Amount	$0	$25,960	$51,920	$103,840	$129,800	$155,760	$207,680	$259,600
Loan Amount	$259,600	$233,640	$207,680	$155,760	$129,800	$103,840	$51,920	$0
Annual Loan Payment	$17,449	$15,704	$13,959	$10,470	$8,725	$6,980	$3,490	$0
Debt Reserves	$1,745	$1,570	$1,396	$1,047	$872	$698	$349	$0
Short-Lived Asset Replacement	$7,894	$7,894	$7,894	$7,894	$7,894	$7,894	$7,894	$7,894
Current Debt Cost	$22,476	$22,476	$22,476	$22,476	$22,476	$22,476	$22,476	$22,476
Total Annual Costs	$243,114	$241,195	$239,276	$235,437	$233,517	$231,598	$227,759	$223,920
Annual Revenue	$181,100	$181,100	$181,100	$181,100	$181,100	$181,100	$181,100	$181,100
Surplus/Deficit After Project	-$62,014	-$60,095	-$58,176	-$54,337	-$52,417	-$50,498	-$46,659	-$42,820
Minimum Water Rate Increase	$9.60	$9.30	$9.00	$8.40	$8.10	$7.80	$7.25	$6.65
Current Rate for 5,000-gallon User	$33.00	$33.00	$33.00	$33.00	$33.00	$33.00	$33.00	$33.00
Proposed Rate for 5,000-gallon User	$42.60	$42.30	$42.00	$41.40	$41.10	$40.80	$40.25	$39.65

6.6 CAPITAL FINANCING PLAN

The City of Wessington Springs will make applications to state and federal resources for loan and grant assistance to complete the project during the upcoming construction season.

6.7 ENVIRONMENTAL EVALUATION

The City of Wessington Springs has requested comments from concerned federal agencies. The correspondence related to these inquiries will be placed in Appendix A upon receipt.

6.8 VIEWS OF THE PUBLIC AND CONCERNED INTEREST GROUPS

The City of Wessington Springs has scheduled a December 29, 2014, public hearing on the proposed project. Information related to the hearing will be submitted after it is conducted.

6.9 DESIGN OF SELECTED PLAN

The design of the improvements to the water system will provide enhanced flexibility in operation and will be designed in accordance with the SD DENR design criteria and the accepted principles and standards for the design of the water distribution system.

6.10 ENVIRONMENTAL IMPACTS OF SELECTED PLAN

Environmental information gathered thus far does not indicate that any state or federal agencies will have environmental concerns related to the project or its proposed construction.

6.11 ARRANGEMENT FOR IMPLEMENTATION

This report provides information to describe the proposed project and to support the decision to proceed with the improvements as quickly as possible. Final design will be completed by the City's consultant and approved by the DENR, as it is definitely a "work of significance." Cost estimates have been prepared and are referenced elsewhere in this document. The project will be bid in accordance with state statutes that govern municipal corporations and will be constructed by the lowest responsible bidder.

The anticipated schedule for the progression of the project is as follows:

Task	Date
Final Funding Package Complete	March, 2015
Begin Design	March, 2015
Plans & Specifications Submitted to DENR	November, 2015
Plans & Specifications Approved by DENR	December, 2015
Advertisement for Bids	January, 2016
Open Bids	January, 2016
Award Bids	February, 2016
Begin Construction	April, 2016
Construction Complete	September, 2016
Project Close-out	October, 2016

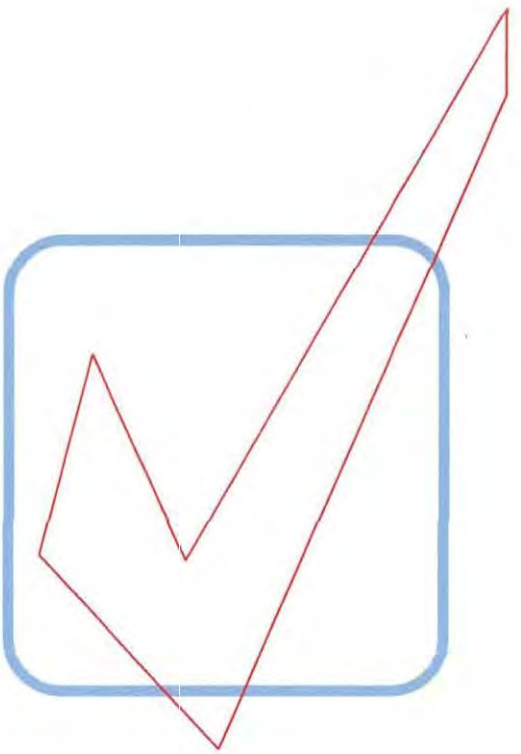
6.12 LAND ACQUISITION

Land acquisition will not be required for the proposed project.

6.13 INTERAGENCY AGREEMENTS

No operating agreements with other agencies are needed as the City of Wessington Springs owns, operates and maintains its municipal water system. Loan documents will have to be executed with the appropriate lender but as Wessington Springs is a municipal corporation, it has the legal authority to enter into such agreements. Wessington Springs's attorney will advise the Council on any legal matters related to this issue.

8.3.16 Capacity Assessment Worksheets for Public Water Systems



Department of Environment and Natural Resources

Revised January 2007

Introduction

Because you are in the process of applying for a Drinking Water State Revolving Fund (DWSRF) loan, it is necessary for you to complete the following worksheets. The Safe Drinking Water Act requires that a system applying for a DWSRF loan must demonstrate that it has financial, managerial, and technical capacity. What exactly does that mean?

- ***Technical capacity*** - the physical infrastructure of the water system, including but not limited to the source water adequacy, infrastructure adequacy, and technical knowledge. In other words, does your treatment system work the way it is supposed to? Are you providing the safest and cleanest water possible and required by law to your customers right now, and will you be able to in the future?

- ***Managerial capacity*** - the management structure of the water system, including but not limited to ownership accountability, staffing and organization, and effective linkages. In simpler terms, do you have a capable and trained staff? Do you have an effective management structure?

- ***Financial capacity*** - the financial resources of the water system, including but not limited to the revenue sufficiency, credit worthiness, and fiscal controls. Basically, does your system have a budget and enough revenue coming in to cover costs, repairs, and replacements?

If it is determined that your system does NOT have the required capacity, you may still qualify for a DWSRF loan if it is going to be used to ensure that your system will have the necessary capacity. If you have questions while completing the following worksheets, please call our office at **(605) 773-3754** , and we will be happy to help.

After DENR receives these worksheets, we will study them and other information located in our files to make a determination whether or not your public water system has the technical, financial, and managerial capacity to be eligible to apply for a DWSRF loan. A final report will be available upon completion of the analysis.

Applicant: City of Wessington Springs

Prepared by: Planning and Development District III
PO Box 687
Yankton, SD 57078

Phone #: (605) 665-4408

Date: 12/30/2014

Glossary of Terms

Contaminant: Any physical, chemical, biological, or radiological substance or matter in water;

Disinfectant: Any oxidant, including chlorine, chlorine dioxide, chloramine, and ozone, that is added to water in any part of the treatment or distribution process and that is intended to kill or inactivate pathogenic microorganisms;

Disinfectant contact time: The time in minutes that it takes for water to move from the point of disinfectant application or the previous point of disinfectant residual measurement to a point before or at the point where residual disinfectant concentration is measured;

Filtration: A process for removing particulate matter from the water by passing the water through porous media;

Ground Water: The supply of fresh water found beneath the surface of the ground, usually in aquifers, which is often used for supplying wells and springs;

Ground Water Under the Direct Influence of Surface Water: Any water beneath the surface of the ground with a significant occurrence of insects, macroorganisms, algae, or large-diameter pathogens such a *Giardia lamblia* ; or any water with significant and relatively rapid shifts in water quality characteristics such as turbidity, temperature, conductivity, or pH which closely correlate to climatological or surface water conditions;

Maximum Contaminant Level (MCLs): The maximum permissible level of a contaminant in water delivered to any user of a public water system. MCLs are enforceable standards;

mg/L: milligrams per liter - equivalent to parts per million;

μg/L: micrograms per liter - equivalent to parts per billion;

NTU: nephelometric turbidity unit;

psi: pounds per square inch

Surface Water: All water that is open to the atmosphere and subject to surface runoff;

Turbidity: A cloudy condition in water due to suspended silt or organic matter; and

Waiver: A process used by the Department of Environment and Natural Resources that allows a public water system to reduce or eliminate monitoring for a particular chemical.

The Technical Portion of your System

Your Water Supply

Please check the appropriate box: *Yes*, *No*, or *Unknown* for each section. Please try to determine the answer to every question. ***If a section or question does not apply to your system, please check NA for not applicable.***

Water Supply and Existing Demands	**Yes**	**No**	**Unknown**	**NA**
Do you know how much water you pump on an average day? ***Amount:*** 200,000 gallons	☑	☐	☐	☐
Do you know how much water you pump on a peak day? ***Amount:*** 240,000 gallons	☑	☐	☐	☐
Do you know the maximum amount of water you can pump from your source? ***Amount:*** 1,872,000 gallons	☑	☐	☐	☐
Is your source capacity higher than your peak day demand? ***Percentage higher or lower:*** _____	☑	☐	☐	☐
Can you meet peak demand without pumping at peak capacity for extended periods? ***Longest time pumping at peak demand:*** 13.3 hours	☑	☐	☐	☐
Have you been able to provide adequate volumes of water during drought cycles?	☑	☐	☐	☐
Have you had to restrict usage at any time for any reason? ***Please specify:*** _____	☐	☑	☐	☐
Does your system have an emergency or supplemental water supply? ***Please specify:*** North Well	☑	☐	☐	☐
Do you have an Emergency Response Plan that will allow you to meet system demand during a drought or shortage, such as the loss of the largest source? ***If yes, please attach.***	☐	☐	☐	☐
Water Demand	**Yes**	**No**	**Unknown**	**NA**
Do you know whether your system demands will be growing, declining, or remain stable over the next ten years? ***Please check:*** ☐ ***growing,*** ☐ ***declining, or*** ☑ ***stable.***	☑	☐	☐	☐
Does your source have additional water available for appropriation?	☑	☐	☐	☐
Do you have a water right? ***Water right permit number(s):*** _____ #10-3, #11-3, 344-3 and #4422-3	☑	☐	☐	☐
If you have large commercial, industrial, or irrigation users, do you know their long-term plans and understand their needs?	☑	☐	☐	☐
Purchased Water	**Yes**	**No**	**Unknown**	**NA**
If you purchase water from another system or a wholesaler, do you know their long-term plans?	☑	☐	☐	☐
Do you have a contract to purchase water? ***If yes, with whom?*** _____	☐	☑	☐	☐
Are you currently staying within your contract?	☐	☐	☐	☑
Are you knowledgeable about other demands being placed on the same water source that you are using?	☑	☐	☐	☐

Alternative Sources	Yes	No	Unknown	NA
Are alternative water sources possibly available to you?	☑	☐	☐	☐
Are you knowledgeable of the characteristics and costs of using alternative sources?	☑	☐	☐	☐
Water Source	**Yes**	**No**	**Unknown**	**NA**
Do you know the depth of your well? ***Depth*** 80 feet	☐	☐	☐	☐
Do you know the geologic name of the aquifer system from which your water is drawn? ***If yes, geologic name:*** _____	☐	☐	☐	☐
Are all abandoned water sources properly managed and disconnected to prevent accidental contamination or problems with current water system facilities?	☑	☐	☐	☐

Treatment - Microbiological Contamination

Is your system using surface water or ground water under the influence of surface water? ☐ **yes** ☑ **no**

(If you checked "no", skip to the next section - Ground Water Systems – unless your water system requires treatment other than just disinfection.)

Surface Water Systems

Filtration Plant Condition	Yes	No	Unknown	NA
Is your filter plant in good physical condition (free from spalling concrete, peeling paint)?	☐	☐	☐	☑
If constructed more than 20 years ago, have treatment processes been upgraded to meet current standards?	☐	☐	☐	☑
Are repair parts available?	☐	☐	☐	☑
Do you have redundancy (back-ups/automatic switch-overs) for all major mechanical units? ***If no, list units you do NOT have redundancy for:*** _____	☐	☐	☐	☑
Can your plant achieve a filtered water turbidity of 0.3 NTU?	☐	☐	☐	☑
Do you have on-line continuous turbidimeters on each filter?	☐	☐	☐	☑
Have you adopted a turbidity goal lower than the standard? ***If yes, list goal:*** _____	☐	☐	☐	☑
Do you have the capability to add coagulant before the filter?	☐	☐	☐	☑

Ground Water Systems

Ground Water Under the Influence of Surface Water	Yes	No	Unknown	NA
Is your water free from variations in turbidity and temperature after storm events?	☑	☐	☐	☐
Well Construction and Protection				

Do you know when your well was constructed? ***List year:*** 1979	☑	☐	☐	☐
Is your well(s) constructed according to current South Dakota regulations?	☑	☐	☐	☐
Do you have a source water protection plan?	☑	☐	☐	☐
Is your wellhead finished with a pitless adapter that will prevent contamination from surface water?	☐	☐	☐	☐

Disinfection

Do you disinfect? ☑ **yes** ☐ **no** ***(If "no", skip to the Infrastructure - Pumping section)***

Disinfection	**Yes**	**No**	**Unknown**	**NA**
Do you regularly inspect and maintain your disinfection / chlorination equipment? ***Type of Equipment:*** _____ ***How often?*** _____ ***Disinfectant used:*** _____	☑	☐	☐	☐
Do you have back-up equipment? ***Type:*** _____	☐	☐	☐	☐
Do you have adequate contact time following disinfection and before the first user in the distribution system (30 minutes for ground water systems)? ***Contact time:*** _____	☑	☐	☐	☐
Can you detect a chlorine residual at taps at the ends of the distribution system? ***Free Chlorine Residual:*** _____ ***Total Chlorine Residual:*** _____ (if using chloramines)	☐	☐	☐	☐

Disinfection By-Products

Treatment for the Control of Disinfection By-Products	**Yes**	**No**	**Unknown**	**NA**
If you treat surface water, are you already practicing or could you adopt "enhanced coagulation" in your current plant?	☐	☐	☐	☑
If you treat surface water, could you still meet current contact-time requirements if disinfection were not allowed before sedimentation?	☐	☐	☐	☑

Treatment - Security

Treatment Security	**Yes**	**No**	**Unknown**	**NA**
Has the system implemented procedures to improve security of its facilities? (i.e. limiting access to sensitive sites, protecting computer and control equipment etc.)	☑	☐	☐	☐
Are chemicals used for treatment properly stored and secure?	☐	☐	☐	☐
Does the water system track chemical usage? (i.e. a sudden	☑	☐	☐	☐

increase in usage may signal potential contamination or tampering.

Infrastructure - Pumping

Condition of Pumping Equipment	Yes	No	Unknown	NA
Do you routinely inspect for signs of pump or pump motor problems? ***How often:*** _____	☑	☐	☐	☐
Once diagnosed, are problems corrected in a timely enough manner to avoid crisis financing, costly repairs, and unscheduled downtime?	☐	☐	☐	☐
Do you hire a qualified pump contractor to perform an inspection of all pumping equipment, identify potential problems, and perform maintenance, on an annual basis?	☑	☐	☐	☐
Standby/Emergency Power Equipment	**Yes**	**No**	**Unknown**	**NA**
Is there sufficient standby/emergency power capacity to supply 100% of the average daily demand of the system (excluding fire demand)?	☑	☐	☐	☐
Are any existing standby/emergency power equipment, controls and switches tested or exercised routinely under load conditions, for at least 30 minutes at a time?	☑	☐	☐	☐
Has the local electric utility been made aware of the standby/emergency power provisions made by the water system, so that they can reinforce and safeguard the electrical facilities serving the water operations?	☑	☐	☐	☐

Infrastructure - Storage

Storage Capacity	Yes	No	Unknown	NA
Does the system have sufficient gravity-flow (non-pumped) or emergency generator-supported pumping capability to ensure adequate distribution storage to provide safe and adequate service for up to 24 hours without power? ***If no, how long:*** _____	☑	☐	☐	☐
Is there reserve capacity in the tank for fire protection support? ***Amount:*** 2000 gpm	☑	☐	☐	☐
Security Measures	**Yes**	**No**	**Unknown**	**NA**
Are any openings, such as vent pipes, screened to protect against the entrance of small animals, birds, and small insects?	☑	☐	☐	☐
Are access hatches locked?	☑	☐	☐	☐
Is the tank and the immediate surrounding area fenced?	☑	☐	☐	☐
Control Systems				
Is there a high and low water level signal system to control the pumps?	☑	☐	☐	☐

Is there a drain valve or hydrant to allow for draining of the tank?	☑	☐	☐	☐
Tank Maintenance				
Is the tank inspected at least every three years by a qualified tank contractor for evidence of corrosion or pitting, leakage, and structural weakness?	☑	☐	☐	☐
Is the tank contractor capable of analyzing the coating of paint on the interior and exterior surfaces of the tank to determine if it contains lead or other hazardous materials?	☑	☐	☐	☐

Infrastructure - Distribution

System Maintenance	**Yes**	**No**	**Unknown**	**NA**
Do you have an accurate map of your distribution system that indicates main sizes and valve locations?	☑	☐	☐	☐
Does the operator routinely flush, test, and maintain the hydrants in the system? ***How often:***	☑	☐	☐	☐
Are the locations of valves in the mains and curb stops on the service lines precisely known?	☑	☐	☐	☐
Does the system keep a log of distribution system breaks to identify weak areas in the system?	☑	☐	☐	☐
Are histories, locations, size, and type of mains and service lines detailed on records in a secure area?	☑	☐	☐	☐
Are all valves exercised and lubricated periodically?	☑	☐	☐	☐
Is the system free of severe "water hammer" problems?	☑	☐	☐	☐
Are meter pits, pressure regulating valves, altitude valves, blow-offs, and other appurtenances maintained on a regular basis?	☑	☐	☐	☐
Unaccounted-for Water	**Yes**	**No**	**Unknown**	**NA**
Is unaccounted-for water in the water system monitored and analyzed each month?	☑	☐	☐	☐
Is the unaccounted-for water less than 15 percent of the total water delivered to the mains? ***List percentage of unaccounted for water:*** 21.2 %	☑	☐	☐	☐
	Yes	**No**	**Unknown**	**NA**
Are the normal operating pressures in the distribution system between 25 psi and 125 psi? ***Normal operating pressure:*** 26-72 psi	☑	☐	☐	☐
Do you have a routine leak detection and repair program?	☑	☐	☐	☐
Are all sources of supply and customers metered?	☑	☐	☐	☐
Are the meters calibrated and tested routinely to ensure their accuracy and reliability?	☑	☐	☐	☐
Water Quality in Distribution System	**Yes**	**No**	**Unknown**	**NA**
Does your system have an active cross-connection control program?	☑	☐	☐	☐

Are any inspections for cross-connections performed?	☑	☐	☐	☐
Is there a program for installing and testing backflow prevention devices where potential contamination is present?	☑	☐	☐	☐
Is there a program to eliminate "dead-ends" in the mains, where feasible?	☑	☐	☐	☐
Construction Standards	**Yes**	**No**	**Unknown**	**NA**
Are the majority of your mains 6 inches in diameter or larger? ***List percentage:*** 88%	☑	☐	☐	☐
Is there a program to gradually replace sub-standard sized mains?	☑	☐	☐	☐
Are there suitable rights-of-way and easements provided to the water system for expansion, maintenance, and replacement of mains and services?	☑	☐	☐	☐
Is there sufficient earth cover (six feet) to protect the mains from frost damage or heavy loads, if driven over?	☑	☐	☐	☐
Are materials of mains designed and selected to resist corrosion, electrolysis, and deterioration?	☑	☐	☐	☐
Distribution System Problems	**Yes**	**No**	**Unknown**	**NA**
Do you receive any complaints regarding water quality (taste, odor, color, etc.)? ***List number of complaints/year:*** _____ ***Most common complaint:*** _____	☐	☑	☐	☐
Can you maintain adequate pressure in the distribution system under all conditions of flow?	☑	☐	☐	☐

The Management Portion of your System

Please mark the appropriate box: *Yes*, *No*, or *Unknown* for each section. Please try to determine the answer to every question. ***If a section does not apply to your system, please write NA for not applicable.***

Operation & Maintenance

Operations Staff	**Yes**	**No**	**Unknown**	**NA**
Does the person operating your system have current water treatment plant and water distribution operator certification credentials from DENR? ***If yes, list classification(s):*** _____	☑	☐	☐	☐
Does your operator receive additional training on an ongoing basis to keep current on new developments in the field?	☑	☐	☐	☐
Future Operational Demands	**Yes**	**No**	**Unknown**	**NA**
Does your water system obtain any regular or occasional technical assistance from outside sources, such as DENR, your engineer, other utilities or organizations specifically dedicated to providing technical assistance? ***If yes, who*** SPN Associates, Mitchell, SD	☑	☐	☐	☐

Management & Administration

Who's in Charge?	**Yes**	**No**	**Unknown**	**NA**
Is there a clear plan of organization and control among the people responsible for management and operation of the system?	☑	☐	☐	☐
Does your system have written personnel policies and job descriptions signed by the employees?	☑	☐	☐	☐
Are the limits of the operator's authority clearly known?	☑	☐	☐	☐
Does everyone involved in operations know who is responsible for each area?	☑	☐	☐	☐
Is someone responsible for scheduling work?	☑	☐	☐	☐
Security	**Yes**	**No**	**Unknown**	**NA**
Does the system have procedures for handling new and terminated employees (i.e. collecting keys, changing locks and computer passwords)?	☑	☐	☐	☐
Rules and Standards	**Yes**	**No**	**Unknown**	**NA**
Do you have explicit rules and standards for system modifications?	☑	☐	☐	☐
Do you have rules governing new hook-ups?	☑	☐	☐	☐
Do you have a water main extension policy?	☑	☐	☐	☐
Do you have standard construction specifications to be followed?	☑	☐	☐	☐

	Yes	No	Unknown	NA
Do you have measures to assure cross-connection control and backflow prevention?	☑	☐	☐	☐
Do you have policies or rules describing customer rights and responsibilities?	☑	☐	☐	☐
Regulatory Compliance Program	**Yes**	**No**	**Unknown**	**NA**
Do you fully understand monitoring requirements and have a scheduling mechanism to assure compliance?	☑	☐	☐	☐
Do you know how to obtain clarification or explanation of requirements?	☑	☐	☐	☐
Do you have a mechanism to obtain the most recent information on regulatory requirements?	☑	☐	☐	☐
Do you maintain adequate records to document compliance? ***If yes, for how long?*** _____	☑	☐	☐	☐
Did your system have any violations of the primary drinking water standards in the last year?	☐	☑	☐	☐
Did your system have any monitoring or reporting violations in the last year?	☐	☑	☐	☐
Do you know what to do in the event of a violation?	☑	☐	☐	☐
Emergencies	**Yes**	**No**	**Unknown**	**NA**
Do you have an Emergency Response Plan?	☑	☐	☐	☐
Is there a contingency for making emergency interconnections to neighboring systems, and do you know they will work if needed?	☑	☐	☐	☐
Does everyone involved in operations know what they are to do in the event of contamination from a toxic hazardous waste spill in your source water or a main break or a tank failure?	☑	☐	☐	☐
Do you have a clear chain-of-command protocol for emergency action?	☑	☐	☐	☐
Is someone responsible for emergency operations, for communications with state regulators, for customer relations, for media relations? ***If yes, who (title):*** _____	☑	☐	☐	☐
Safety	**Yes**	**No**	**Unknown**	**NA**
Do you have a safety program defining measures to be taken if someone is injured?	☑	☐	☐	☐
Has the entire staff been properly trained in the location and use of safety equipment?	☑	☐	☐	☐
Does everyone understand the risks and safety measures involved in handling water treatment chemicals?	☑	☐	☐	☐
Do you have written operating procedures for both routine and emergency system operations?	☑	☐	☐	☐
Are you fully aware of Occupational Safety and Health Administration (OSHA) confined space (such as trenches/manholes) regulations?	☑	☐	☐	☐
Does the system work with customers to promote their awareness of security?	☑	☐	☐	☐
Does the system have a communication plan to alert customers of a natural or intentional threat to public health?	☑	☐	☐	☐

Maintenance	Yes	No	Unknown	NA
Do you have a planned maintenance management system -- a system for scheduling routine preventive maintenance (line flushing, pumps, meters, storage tanks, etc.)?	☑	☐	☐	☐
Do you have a system for assuring adequate inventory of essential spare parts and back-up equipment?	☑	☐	☐	☐
Do you have relationships with contractors and equipment vendors to assure prompt priority service?	☑	☐	☐	☐
Do you have records and data management systems for system operating and maintenance data, for regulatory compliance data, and for system management and administration?	☑	☐	☐	☐
Management Capability	**Yes**	**No**	**Unknown**	**NA**
Are you getting the outside services and technical assistance you need? Do you have adequate legal counsel, insurance, engineering advice, technical/operations assistance, rate case preparation, and financial advice?	☑	☐	☐	☐

The Financial Portion of your System

Please mark the appropriate box: *Yes*, *No*, or *Unknown* for each section. Please try to determine the answer to every question. ***If a section does not apply to your system, please write NA for not applicable.***

Financial Planning Mechanisms	**Yes**	**No**	**Unknown**	**NA**
Does your system develop and follow an annual budget that is approved by the governing body?	☑	☐	☐	☐
Does the governing body review a monthly summary of revenues and expenses of the utility system?	☑	☐	☐	☐
Do you have within the annual budget separate reserve accounts for equipment replacement, capital improvement, depreciation or security upgrades? ***If so, list accounts:*** Capital reserve	☑	☐	☐	☐
Does the system have reserve funds available in the event of an emergency?	☑	☐	☐	☐
Do you have a capital budget or capital improvement plan that projects future capital investment needs some distance (at least five years) into the future?	☑	☐	☐	☐
Do you have a process for scheduling and committing to capital projects?	☑	☐	☐	☐
Does your planning process take account of all the potential capital needs suggested by your answers to the technical questions in these worksheets?	☑	☐	☐	☐
Does your long-term planning incorporate analysis of alternative strategies that might offer cost saving to customers, such as consolidation with other nearby systems or sharing of operations and management expenses with other nearby systems?	☑	☐	☐	☐
Rates/Billing - Are they Adequate?	**Yes**	**No**	**Unknown**	**NA**
Do you regularly review your rates? ***How often?*** _____	☐	☑	☐	☐
Do you have a plan in place for periodic increases in rates?	☐	☑	☐	☐
Is the rate structure based on metered watered use? ***List rates per 1000 gallons:*** Res $33/5,000 gal, Comm $35/5,000 gal (i.e. $22 minimum plus $2.50/1000 gallons)	☑	☐	☐	☐
Does the rate per 1000 gallons change as consumption increases? ***If so, please describe***: _____	☐	☑	☐	☐
Does the rate structure assure proportionality among users?	☑	☐	☐	☐
Do you have procedures for billing and collection?	☑	☐	☐	☐
Is your billing collection rate greater than 95%?	☑	☐	☐	☐
Do you have collection procedures specifically for delinquent accounts?	☑	☐	☐	☐

Financial Planning Mechanisms - Are they Adequate?	Yes	No	Unknown	NA
Does your system have audited financial statements prepared by a certified public accountant (CPA)?	☑	☐	☐	☐
Does your water system income exceed operating expenses (including debt service)?	☑	☐	☐	☐
Does your water utility support other enterprise funds or the general fund?	☐	☑	☐	☐
Does your system require revenues from other enterprise funds or the general fund for normal operations?	☐	☑	☐	☐
Do you employ standardized accounting and tracking systems?	☑	☐	☐	☐
Do you track budget performance?	☑	☐	☐	☐
Do you keep records to substantiate depreciation of fixed assets and accounting for reserve funds?	☑	☐	☐	☐
Are financial management recordkeeping systems organized?	☑	☐	☐	☐
Are controls exercised over expenditures?	☑	☐	☐	☐
Are controls exercised to keep from exceeding your budget?	☑	☐	☐	☐
Are there purchasing procedures?	☑	☐	☐	☐
Did your system's governing body review this assessment before returning it to the South Dakota Department of Environment and Natural Resources?	☑	☐	☐	☐

5. Financial Spreadsheet

Financial Spreadsheet

Applicant: City of Wessington Springs
Completed by: Planning and Development District III
Date: 12/28/2014

4 Year Projections	Last Year Actual	Current Year Budget Year 1 Projected	Year 2 Projected	Year 3 Projected	Year 4 Projected
Enter Year:	2013	2014	2015	2016	2017
1. Beginning Cash on Hand	$55,857	$32,917	($16,009)	($30,285)	$4,152
2. Cash Receipts:					
a. Unmetered Water Revenue					
b. Metered Water Revenue	$175,405	$180,000	$180,000	$180,000	$185,000
c. Other Water Revenue	$1,047	$850	$900	$950	$1,000
d. Total Water Revenues (2a through 2c)	$176,452	$180,850	$180,900	$180,950	$186,000
e. Connection Fees					
f. Interest and Dividend Income	$140	$250	$300		
g. Other Income Surcharge Revenue				$17,500	$17,500
h. Total Cash Revenues (2d through 2g)	$176,592	$181,100	$181,200	$198,450	$203,500
i. Transfers in/Additional Rev Needed					
j. Loans, Grants or other Cash			$0	$259,600	
Please specify					
3. Total Cash Receipts (2h through 2j)	$176,592	$181,100	$181,200	$458,050	$203,500
4. Total Cash Available (1+3)	$232,449	$214,017	$165,191	$427,765	$207,652
5. Operating Expenses					
a. Salaries and wages	$55,686	$47,500	$50,000	$52,000	$54,000
b. Employee Pensions and Benefits	$28,650	$26,450	$28,000	$29,000	$30,000
c. Purchased Water	$0				
d. Purchased Power	$772	$600	$750	$775	$800
e. Fuel for Power Production	$5,465	$5,400	$5,750	$5,800	$5,800
f. Chemicals	$27,450	$24,000	$28,000	$28,500	$29,000
g. Materials and Supplies	$21,509	$15,000	$22,000	$22,500	$23,000
h. Engineering Services	$2,850	$1,500	$2,000	$2,400	$2,800
i. Contractual Services – Other					
j. Equip. Rent/Real Property					
k. Transportation Expenses	$1,764	$4,000	$3,500	$3,750	$4,000
l. Laboratory					
m. Insurance	$6,585	$6,600	$6,750	$6,800	$6,850
n. Regulatory Commission Expenses					
o. Advertising					
p. Miscellaneous	$162	$1,500	$1,250	$1,250	$1,500
q. Total Cash O&M Expenses (5a through 5p)	$150,893	$132,550	$148,000	$152,775	$157,750
r. Replacement Expenditures	$16,024	$61,000	$25,000	$259,600	$35,000
s. Total OM&R Expenditures (5q+5r)	$166,917	$193,550	$173,000	$412,375	$192,750
t. Loan Principal/Capital Lease Payments	$20,740	$20,276	$20,476	$10,138	$9,620
u. Loan Interest Payments	$1,735	$2,200	$2,000	$1,100	$7,656
v. Transfers Out	$10,140	$14,000			
w. Capital Purchases (specify):					
x. Other					
6. Total Cash Paid Out (5s through 5x)	$199,532	$230,026	$195,476	$423,613	$210,027
7. Ending Cash Position (4 - 6)	$32,917	($16,009)	($30,285)	$4,152	($2,375)

Financial Spreadsheet

Applicant: City of Wessington Springs
Completed by: Planning and Development District III
Date: 12/28/2014

4 Year Projections	Last Year Actual	Current Year Budget Year 1 Projected	Year 2 Projected	Year 3 Projected	Year 4 Projected
8. Number of Customer Accounts	540	540	538	536	535
9. Avg Annual User Charge Account (2d/8)	$327	$335	$336	$338	$348
10. Coverage Ratio (2h-5s)/(5t+5u)	0.4	(0.6)	0.4	(19.0)	0.6
11. Operating Ratio (2d/5s)	1.1	0.9	1.0	0.4	1.0
12. Additions to Reserve Funds for the Year:					
a. Debt Service Reserve				$0	$1,728
b. Bond Retirement Reserve					
c. Capital Improvement Reserve					
d. Replacement Reserve					
e. Other					
13. Total Reserves (12a through 12e)				$0	$1,728
14. Year End Operating Cash (7 – 13)	$32,917	($16,009)	($30,285)	$4,152	($4,103)

6. Environmental Review

Planning & Development District III
1808 Summit St PO Box 687
Yankton, SD 57078
(605)665-4408 or 800-952-3562
Fax: (605)665-0303
districtiii@districtiii.org
www.districtiii.org

MEMORANDUM

Date: December 18, 2014

Subject: **Environmental Review – Wessington Springs Main Street Infrastructure Upgrades**

From: Eric Ambroson, Community Development Specialist EA

To: *U.S. Department of Agriculture – NRCS*
U.S. Army Corps of Engineers, Omaha District
U.S. Fish & Wildlife Service
SD Department of Game Fish & Parks – Wildlife Division
SD DENR (Office of Waste Mgmt, Office of Drinking Water, Point Source Control Program, Ground Water Quality Program)

The City of Wessington Springs is eligible for SRF and CDBG funding for the following project:

Main Street Infrastructure Upgrades

The City of Wessington Springs is proposing to upgrade its Main Street infrastructure. Main Street serves as one of the main east-west thoroughfares. The City is planning a resurfacing project for Main Street and also plans the following improvements to its underground infrastructure:

Water Improvements:

Installation of 760 linear feet of 8" PVC water main, and 100 linear feet of 6" PVC water main, gate valves with boxes, tees, saddles and corp stop, service lines and curb stops, removal of asbestos cement pipe, removal and replacement of fire hydrant assembly, and connections.

Sewer Improvements:

Remove and replace manholes, installation of 1,350 linear feet of 8" PVC sewer pipe and 1,200 linear feet of 6" PVC sewer pipe, service wyes, bypass pumping, and connections.

Project maps are included for your reference.

Unless you provide information to the contrary within thirty (30) days of the date of this letter the City of Wessington Springs will consider that your agency has no adverse comments regarding the project.

Your earliest response will be greatly appreciated. Thank you for your assistance.

Planning & Development District III Executive Board:

Donald Reinesch	John Claggett	Rex Winter	Art Hertz	Don Hosek	Delayne Persson	Donita Loudner	Mike Sprenger
Brule County	Davison County	SCWDD	Great Lakes Assn	Wagner	Aurora County	Buffalo County	Fresho
Chairman	Vice-Chairman	Secretary	Treasurer	At-large	At-large	At-large	At-large

ENVIRONMENTAL LETTERS
Wessington Springs Main Street Infrastructure

Received:	Regarding:	Division:	Contact:
_____	**AIR QUALITY**	**DENR**	**Brad Schultz** (605) 773-6038
_____	**FLOOD HAZARDS**	**CORPS**	**Randall Behm** (402) 221-4893
12/23	**DRINKING WATER**	**DENR**	**Mark Mayer** (605) 773-3754
_____	**WETLANDS & ENDANGERED SPECIES**	**FISH & WILDLIFE**	**Don Gober** (605) 224-8693
_____	**FARMLAND PROTECTION**	**NRCS**	**Daniel Schurtliff** (605) 352-1256
12/22	**WETLANDS & ENDANGERED SPECIES**	**GF&P**	**John C. Kirk** (605) 773-4501
_____	**HISTORIC PRESERVATION**	**SHPO**	**Paige Hoskinson** (605) 773-3458
12/22	**SOLID WASTE**	**DENR**	**Vonni Kallemeyyn** (605) 773-3153
_____	**WATER QUALITY**	**DENR**	**John Miller** (605) 773-5286
_____	**AIRPORT CLEARANCE**	**DOT**	**Jennifer Clements** (605) 773-5591
_____	**CORPS Regulatory Office**	**CORPS**	**Steve Naylor** (605) 224-8531
_____	**GROUND WATER QUALITY**	**DENR**	**Matt Hicks** (605) 773-5337

Planning & Development District III
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Yankton, SD 57078
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Fax: (605)665-0303
districtiii@districtiii.org
www.districtiii.org

RECEIVED
DEC 2 2 2014
Dept. of Environment and
Natural Resources
Waste Management

Waste Management Determination
Hazardous Waste/Solid Waste/Asbestos
It appears, based on the information provided, that this project will have little or no impact on the waste management in this area.
EM Approved By: Vonni Kellenegn
Date: 12-22-14
South Dakota Department of Environment & Natural Resources
Phone: (605) 773-3153 Fax: (605) 773-6035

MEMORANDUM

Date: December 18, 2014
Subject: **Environmental Review – Wessington Springs Main Street Infrastructure Upgrades**
From: Eric Ambroson, Community Development Specialist
To: *U.S. Department of Agriculture – NRCS*
U.S. Army Corps of Engineers, Omaha District
U.S. Fish & Wildlife Service
SD Department of Game Fish & Parks – Wildlife Division
SD DENR (Office of Waste Mgmt, Office of Drinking Water, Point Source Control Program, Ground Water Quality Program)

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Planning & Development District III Executive Board:

Donald Reinesch	John Claggett	Rex Winter	Art Hertz	Don Hosek	Delayne Persson	Donita Loudner	Mike Sprenger
Brule County	Davison County	SCWDD	Great Lakes Assn	Wagner	Aurora County	Buffalo County	Presho
Chairman	Vice-Chairman	Secretary	Treasurer	At-large	At-large	At-large	At-large

Planning & Development District III
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districtiii@districtiii.org
www.districtiii.org

RECEIVED
DEC 22 2014
Drinking Water Program

MEMORANDUM

Date: December 18, 2014

Subject: **Environmental Review – Wessington Springs Main Street Infrastructure Upgrades**

From: Eric Ambroson, Community Development Specialist EA

To: *U.S. Department of Agriculture – NRCS*
U.S. Army Corps of Engineers, Omaha District
U.S. Fish & Wildlife Service
SD Department of Game Fish & Parks – Wildlife Division
SD DENR (Office of Waste Mgmt, Office of Drinking Water, Point Source Control Program, Ground Water Quality Program)

The City of Wessington Springs is eligible for SRF and CDBG funding for the following project:

Main Street Infrastructure Upgrades

The City of Wessington Springs is proposing to upgrade its Main Street infrastructure. Main Street serves as one of the main east-west thoroughfares. The City is planning a resurfacing project for Main Street and also plans the following improvements to its underground infrastructure:

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Project maps are included for your reference.

Unless you provide information to the contrary within thirty (30) days of the date of this letter the City of Wessington Springs will consider that your agency has no adverse comments regarding the project.

Your earliest response will be greatly appreciated. Thank you for your assistance.

DRINKING WATER QUALITY DETERMINATION
It appears, based on the information provided, that this project will not have adverse environmental effects to drinking water in this area. This project is approved.
Approved by:
Date: 12-23-14 ID No. 2014146
605-773-3754 Fax 605-773-5286
SOUTH DAKOTA DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES

Planning & Development District III Executive Board:

Donald Reinesch	John Claggett	Rex Winter	Art Hertz	Don Hosek	Delayne Peterson	Donita Loudner	
Mike Sprenger							
Brule County	Davison County	SCWDD	Great Lakes Assn	Wagner	Aurora County	Buffalo County	Presho
Chairman	Vice-Chairman	Secretary	Treasurer	At-large	At-large	At-large	At-large

DEPARTMENT OF GAME, FISH, AND PARKS
Foss Building
523 East Capitol
Pierre, South Dakota 57501-3182

December 22, 2014

Mr. Eric Ambroson
Planning & Development District III
1808 Summit Street
PO Box 687
Yankton, SD 57078

RE: Main Street Infrastructure Upgrades
Wessington Springs, South Dakota

Dear Mr. Ambroson:

The South Dakota Department of Game, Fish and Parks, Wildlife Division, has reviewed the above project involving upgrades to Main Street, including water improvements, sewer improvements, and resurfacing of the street, in the City of Wessington Springs, South Dakota.

At this time, the project described will have no impacts on fish and wildlife resources. However, if the project design changes or if new information becomes available, please submit the changes for review.

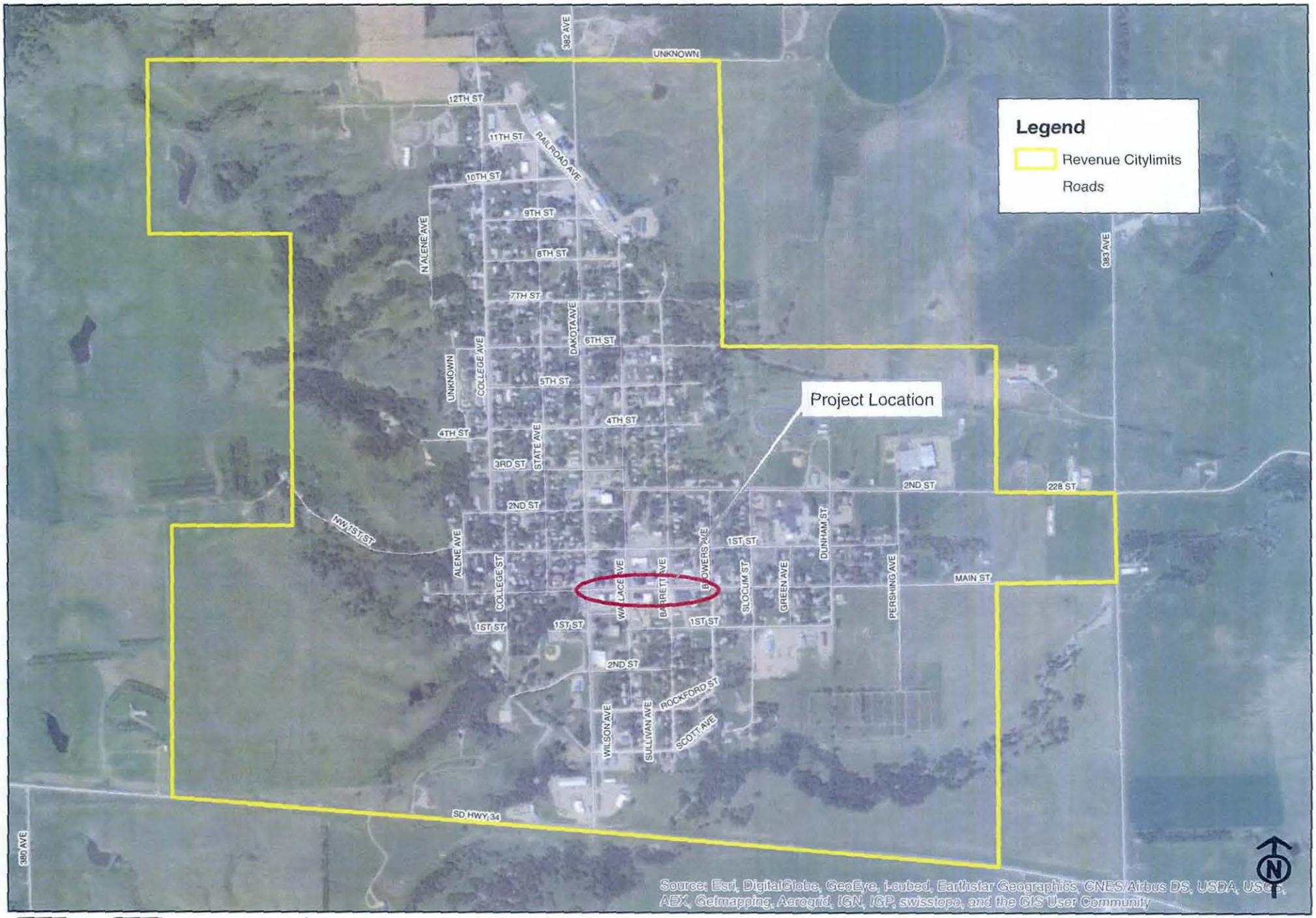
If you have any other questions, please feel free to contact me at 605.773.6208.

Sincerely,

Leslie Murphy

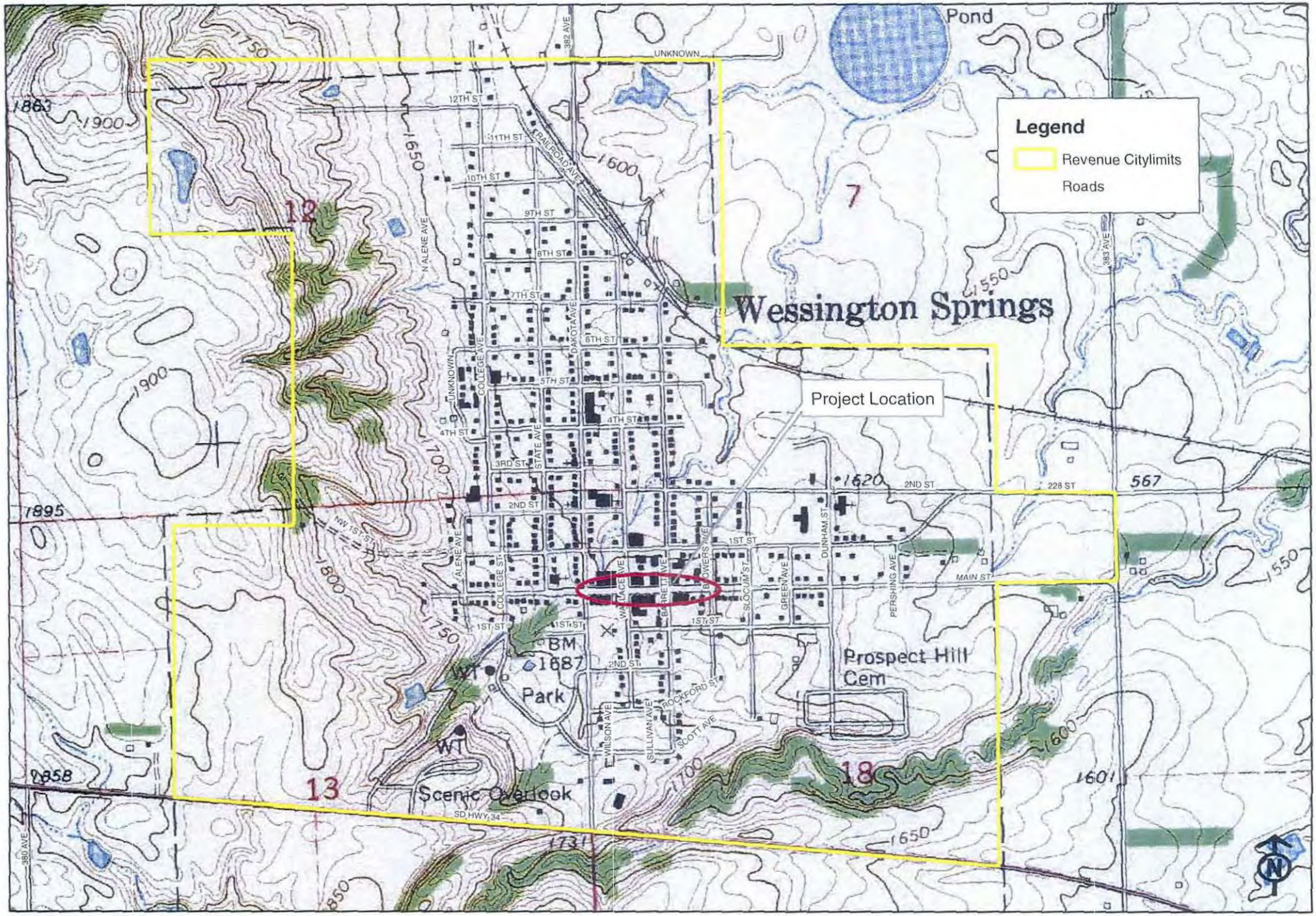
Leslie Murphy
Senior Biologist

City of Wessington Springs; Main Street Infrastructure Project



Project Location

City of Wessington Springs; Main Street Infrastructure Project



0 0.25 0.5 Miles

Topo Map

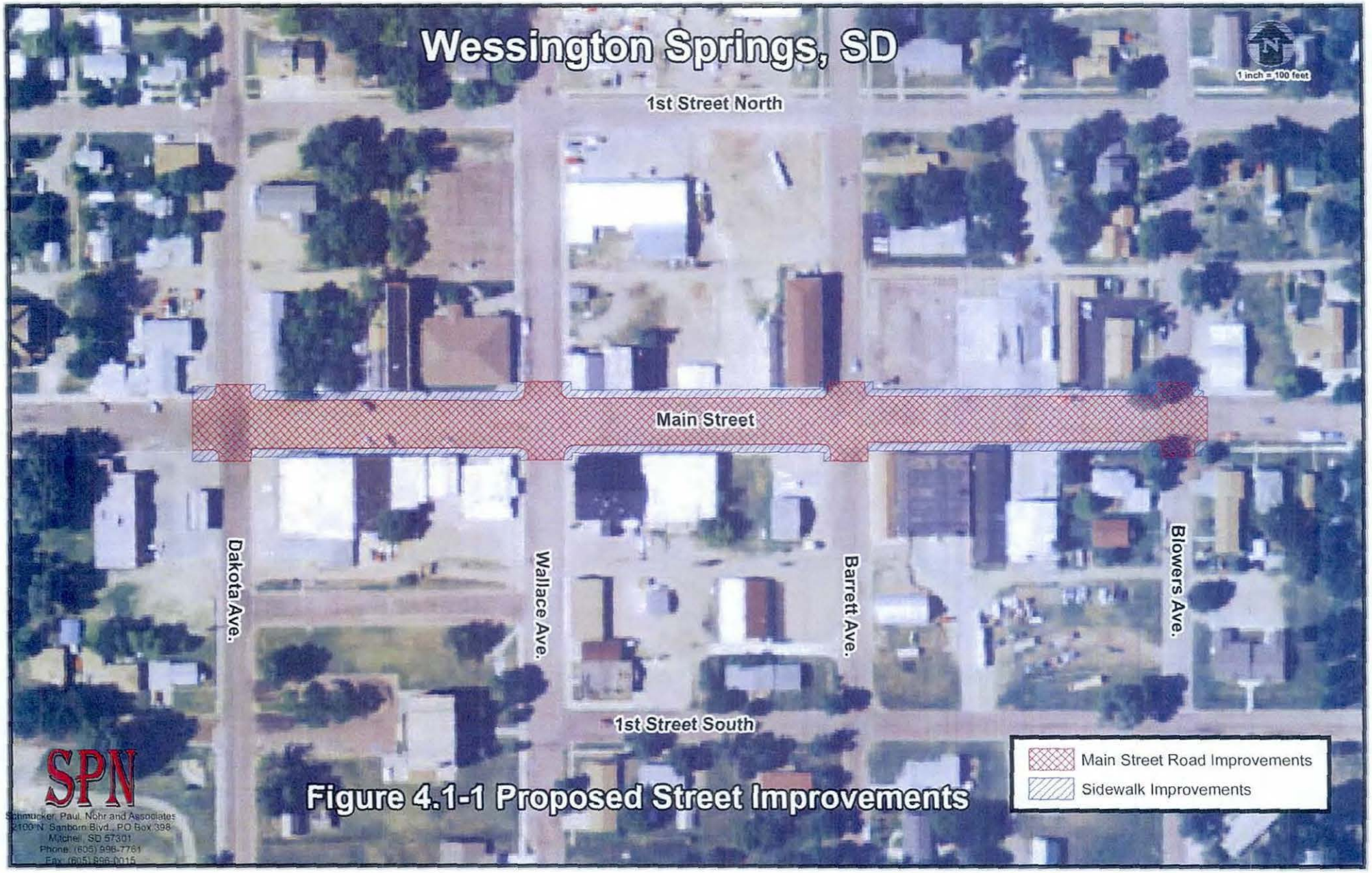


Figure 4.1-1 Proposed Street Improvements

AMENDMENT #1

to the

FACILITY PLAN

for the

WATER SYSTEM

IN

WESSINGTON SPRINGS, SOUTH DAKOTA

PROJECT #13443

December 2014

SPN & Associates
ENGINEERS-PLANNERS- SURVEYORS
2100 NORTH SANBORN BLVD, P.O. BOX 398
MITCHELL, SOUTH DAKOTA 57301
PHONE 605-996-7761 FAX 605-996-0015

AMENDMENT #1

TO THE

FACILITY PLAN

FOR

WATER SYSTEM EVALUATION

IN

CITY OF WESSINGTON SPRINGS

SPN # 13443

DECEMBER 2014

I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly Registered Professional Engineer under the laws of the State of South Dakota.

By _____
Jeffrey P. McCormick, P.E.

Registration Number 8471

Date December 29, 2014

REGISTERED PROFESSIONAL ENGINEER
REG. NO. 8471
JEFFREY P. McCORMICK
SOUTH DAKOTA

SCHMUCKER, PAUL, NOHR & ASSOCIATES
CONSULTING ENGINEERS - SURVEYORS
2100 NORTH SANBORN BLVD, PO BOX 398
MITCHELL, SOUTH DAKOTA 57301

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1 INTRODUCTION

The City of Wessington Springs has requested that Schmucker, Paul, Nohr and Associates (SPN) prepare an Amendment to the Facility Plan Dated October 5, 2011, that reflects the City's desired water distribution system improvement project. The Wessington Springs City Council has been considering the rehabilitation of its Main Street for many years. In 2008 the Council reviewed a preliminary estimate for the reconstruction. The proposed improvements failed to fit within the City's budget at that time.

In June 2014 Wessington Springs experienced an EF-2 tornado that caused damage to 10 businesses and 43 homes. Of the 43 damaged homes, 25 were determined to be uninhabitable. As a result of the storm, Wessington Springs's Main Street was used as the main haul route for the clean-up effort that took place on the south and east sides of Wessington Springs. The existing Main Street asphalt surfacing sustained damage as a result of the high volume of truck traffic during the clean-up effort. The City has already obtained some funds for street repairs through the SDDOT Community Access Program and from FEMA for disaster repairs.

This Amendment supplements the review of the existing water distribution system. As such, there are no changes to Sections 2, 3, 4 and 7; Sections 5 and 6 are updated to reflect the desired project by the Wessington Springs City Council. The Amendment as presented to the City Council will provide the information necessary to make a cost-effective decision on the desired project. The citizens of the community, acting through its elected City Council, can then proceed with the necessary improvements.

5 DEVELOPMENT AND EVALUATION OF ALTERNATIVES

The following alternative shall be added to the report to reflect the desired project by the City of Wessington Springs.

5.4 WATER DISTRIBUTION IMPROVEMENTS

5.4.5 Distribution Alternative 5: Replace Existing ACP on Main Street

This phase considers the replacement of existing ACP water main. As discussed in Distribution Alternative 2 the roughness of ACP becomes high as the pipe ages. In addition, there are some health risks associated with using ACP.

It was originally believed that the existing water main in Main Street from Dakota Avenue to Barrett Avenue was PVC. In 2013 the City replaced the existing CIP from Barrett Avenue to Blowers Avenue in anticipation of a Main Street rehabilitation The existing right-of-way for Main Street is from building face to building face and the proposed street and sidewalk improvements consider the resurfacing for this entire width. Rather than connecting to an old water service line just outside the building it is proposed to make the connection through the foundation wall of the existing businesses. This will provide a new water main and service line under all of the proposed surfacing.

Table 5.4.5-1 shows the estimated costs associated with the proposed water improvements. Asphalt removal and replacement has been considered for a trench width of 10 feet. The location of the proposed improvements is shown in Figure 5.4.5-1.

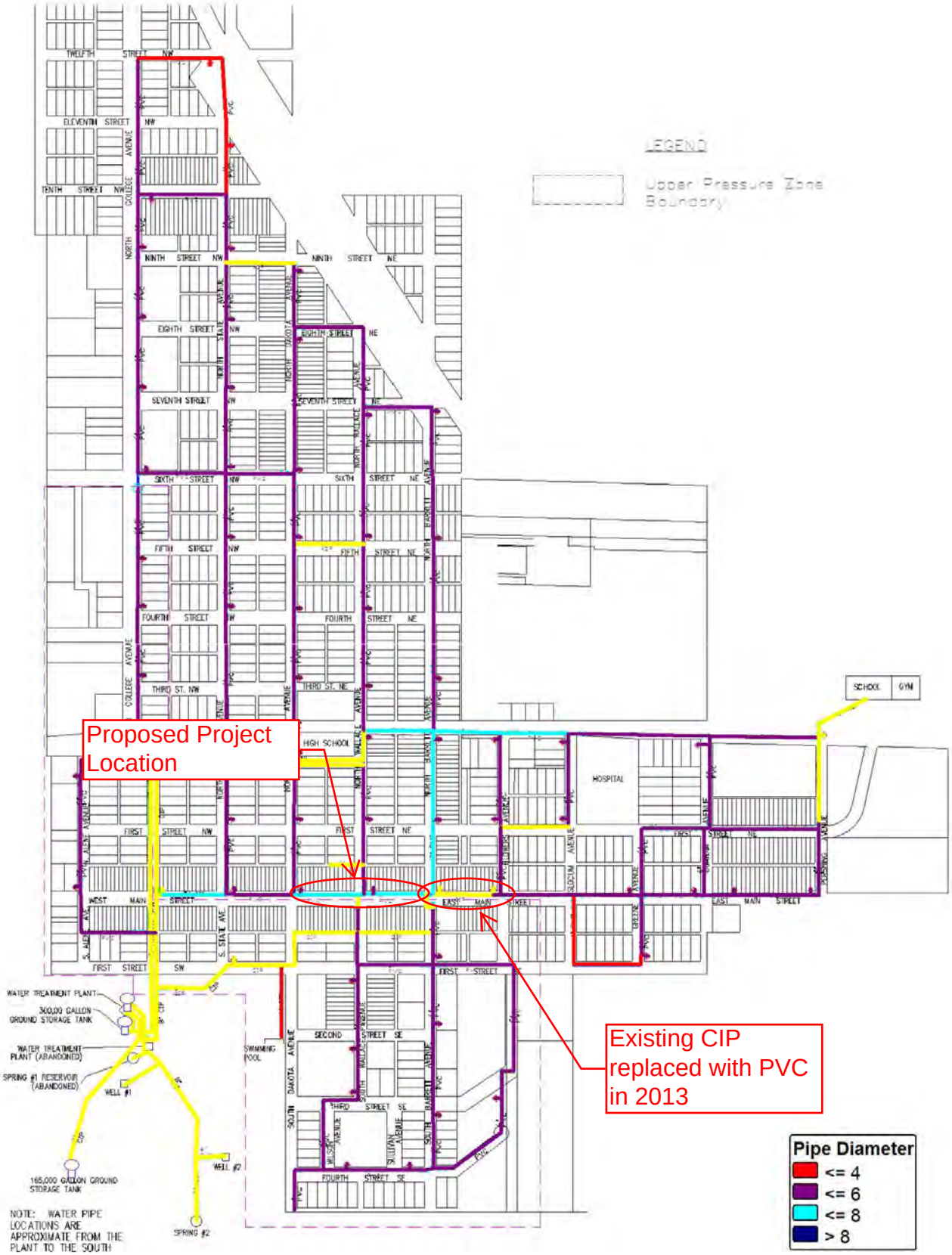

Figure 5.4.5-1: Proposed Pipe for Alternative 5

Table 5.4.5-1: Estimated Cost for Main Street Water Main Improvements

Item	Description	Quantity		Unit Price	Total Cost
1	Mobilization	1	LS	$14,000.00	$14,000.00
2	Remove and Dispose of Existing Surfacing	1,400	SY	$5.00	$7,000.00
3	8" PVC Water Main	760	LF	$40.00	$30,400.00
4	6" PVC Water Main	100	LF	$32.00	$3,200.00
5	Fire Hydrant	2	EA	$3,000.00	$6,000.00
6	Remove and Dispose of Existing Hydrant	2	EA	$500.00	$1,000.00
7	8" Gate Valve	3	EA	$2,000.00	$6,000.00
8	2" Service Saddle and Corp Stop	5	EA	$400.00	$2,000.00
9	1" Service Saddle and Corp Stop	23	EA	$300.00	$6,900.00
10	2" CU Water Service Line	200	LF	$40.00	$8,000.00
11	1" CU Water Service Line	920	LF	$35.00	$32,200.00
12	1" Curb Stop, Connect to Existing Water Service	5	EA	$500.00	$2,500.00
13	2" Curb Stop, Connect to Existing Water Service	23	EA	$400.00	$9,200.00
11	Miscellaneous Fittings and Connections	1	LS	$9,200.00	$9,200.00
12	Asphalt Surfacing	250	TN	$110.00	$27,500.00
13	Gravel Base Course	600	TN	$25.00	$15,000.00
14	Traffic Control	1	LS	$2,000.00	$2,000.00
15	Erosion and Siltation Control Measures	1	LS	$2,000.00	$2,000.00
				Subtotal	$184,100.00
				Contingencies (10%)	$18,000.00
				Construction Total	$202,100.00
				Administration & Legal	$4,000.00
				Design Engineering	$20,500.00
				Bidding and Contract Documents	$2,000.00
				Construction Engineering	$31,000.00
				Total Probable Project Cost	$259,600.00

6 SELECTION OF ALTERNATIVES

A summary of the total project costs for each of the improvement options discussed in Section 5 is presented below.

Table 6.1: Summary of Costs

Improvement Options	Cost	EUAC
Treatment Alternative 2 - Rural Water	$524,025	$172,439
Treatment Alternative 3 - Rehabilitate WTP	$1,497,600	$225,330
Treatment Alternative 4 - New WTP	$2,669,100	$224,018
Storage Alternative 2 - Rehabilitate GST's	$257,950	-
Distribution Alternative 2 - Improve System	$1,482,800	-
Distribution Alternative 3 - Leak Detection Survey	$8,000	-
Distribution Alternative 4 - Meters and Reading System	$475,020	-
Distribution Alternative 5 - Replace ACP on Main Street	$259,600	-

6.1 WATER TREATMENT

Water Treatment Alternative 2 (Rural Water) is recommended because it appears to be the most economical choice in comparison with the other treatment alternatives. The EUAC for the rural water option is approximately 23 percent lower than the next lowest option which indicates that this option would be the most economical choice for long-term operation.

6.2 WATER STORAGE

Water Storage Alternative 2 (Rehabilitate GST's) is recommended because it will improve the GST's and allow many more years of useful life.

6.3 WATER DISTRIBUTION

Distribution Alternative 2 (Improve System) is recommended to replace the old CIP and ACP that are currently being used. The extension of the upper pressure zone in the southwest part of the City will improve pressures. The valve pit is also needed to replace the current unit which is in poor condition.

Distribution Alternative 3 (Leak Detection Survey) is recommended to provide the City a thorough evaluation of the integrity of the distribution system. Distribution Alternative 4 (Meters and Meter Reading System) is also recommended to upgrade the City's meters and provide the functionality of a drive-by meter reading system. The replacement of the meters is expected to improve the accuracy of water use measurements.

Distribution Alternative 5 (Replace ACP on Main Street) is recommended to replace the old ACP prior to the street reconstruction project.

6.4 SELECTED PLAN

The Wessington Springs City Council has determined that Distribution Alternative 5 as their first priority project. The remaining selected alternatives should be placed on the City's Master Plan and budgeted for in the future.

6.5 DEMONSTRATION OF FINANCIAL CAPABILITY

As part of the cost analysis of the recommended improvements, the City's ability to pay for the projects is evaluated. The total estimated cost for the selected Distribution Alternative 5 is $259,600. For the purpose of this financial evaluation, the total cost of the improvements is assumed to be eligible for a low interest loan from the State

Revolving Fund. This, however, is subject to change due to decisions that must be made by the appropriate funding agencies.

Table 6.3 summarizes the financial data that was supplied by the City Finance Officer and is used to determine the proposed operational surplus or deficit of the water fund. The revenues generated from user fees for the 2014 Budget are listed in Table 6.3.

Because the financing supplied by various funding agencies is unknown at this time, multiple columns of budget information are shown in Table 6.4 based on varying grant percentages. The current water fee schedule is based on water usage. The schedule of water fees indicates a charge of $33 for 5,000 gallons of water use per month. The current minimum recommended rate is $25 for funding considerations. The revenue for the budget year 2015 is expected to remain approximately the same. The operation and maintenance costs for the Water Fund are based on actual costs used to create the 2014 Budget. These costs include the salaries and all costs incurred during the year.

For the purpose of this evaluation a loan based on a 20-year loan period and an interest rate of 3.00 percent is used. The budget analysis indicates that the implementation of the recommended improvements will require an increase in user fees. The increase in user fees will depend on the actual financing that is available. The proposed improvements are expected to significantly increase the annual costs of operation and maintenance. Again, these results are dependent upon the actual grant and funding that would be approved.

The short-lived asset replacement cost used in Tables 6.3 and 6.4 is the amount that the City should budget annually for equipment maintenance and replacement.

Table 6.3: Operation of the Water Fund

Impact on User Fees

Total Cost of Improvements	$259,600
Gross Revenue	$181,100
2014 O & M Cost	$193,550
Increase in O & M Cost After Project	$0
Retirement of Current Debt	$22,476
Short-Lived Asset Replacement	$7,894
Net Income	**-$42,820**
Retirement of Debt Incurred with This Project	$17,449
Amount to Be Set Aside for Debt Reserves	$1,745
Remaining Surplus After Project	**-$62,014**
Increase of Water Charge	$9.75
Number of Accounts	540
Added Revenue	$63,180
Surplus After Increase in Water Charge	**$1,165.66**
Existing Water Charge	$33.00
New Water Charge	$42.75

Table 6.4: Water Rate Analysis

Funding Percentages	0/100	10/90	20/80	40/60	50/50	60/40	80/20	100/0
grant/loan	grant/loan	grant/loan	grant/loan	grant/loan	grant/loan	grant/loan	grant/loan	grant/loan
2014 O & M Cost	$193,550	$193,550	$193,550	$193,550	$193,550	$193,550	$193,550	$193,550
Increase in O & M Cost	$0	$0	$0	$0	$0	$0	$0	$0
Grant Amount	$0	$25,960	$51,920	$103,840	$129,800	$155,760	$207,680	$259,600
Loan Amount	$259,600	$233,640	$207,680	$155,760	$129,800	$103,840	$51,920	$0
Annual Loan Payment	$17,449	$15,704	$13,959	$10,470	$8,725	$6,980	$3,490	$0
Debt Reserves	$1,745	$1,570	$1,396	$1,047	$872	$698	$349	$0
Short-Lived Asset Replacement	$7,894	$7,894	$7,894	$7,894	$7,894	$7,894	$7,894	$7,894
Current Debt Cost	$22,476	$22,476	$22,476	$22,476	$22,476	$22,476	$22,476	$22,476
Total Annual Costs	$243,114	$241,195	$239,276	$235,437	$233,517	$231,598	$227,759	$223,920
Annual Revenue	$181,100	$181,100	$181,100	$181,100	$181,100	$181,100	$181,100	$181,100
Surplus/Deficit After Project	-$62,014	-$60,095	-$58,176	-$54,337	-$52,417	-$50,498	-$46,659	-$42,820
Minimum Water Rate Increase	$9.60	$9.30	$9.00	$8.40	$8.10	$7.80	$7.25	$6.65
Current Rate for 5,000-gallon User	$33.00	$33.00	$33.00	$33.00	$33.00	$33.00	$33.00	$33.00
Proposed Rate for 5,000-gallon User	$42.60	$42.30	$42.00	$41.40	$41.10	$40.80	$40.25	$39.65

6.6 CAPITAL FINANCING PLAN

The City of Wessington Springs will make applications to state and federal resources for loan and grant assistance to complete the project during the upcoming construction season.

6.7 ENVIRONMENTAL EVALUATION

The City of Wessington Springs has requested comments from concerned federal agencies. The correspondence related to these inquiries will be placed in Appendix A upon receipt.

6.8 VIEWS OF THE PUBLIC AND CONCERNED INTEREST GROUPS

The City of Wessington Springs has scheduled a December 29, 2014, public hearing on the proposed project. Information related to the hearing will be submitted after it is conducted.

6.9 DESIGN OF SELECTED PLAN

The design of the improvements to the water system will provide enhanced flexibility in operation and will be designed in accordance with the SD DENR design criteria and the accepted principles and standards for the design of the water distribution system.

6.10 ENVIRONMENTAL IMPACTS OF SELECTED PLAN

Environmental information gathered thus far does not indicate that any state or federal agencies will have environmental concerns related to the project or its proposed construction.

6.11 ARRANGEMENT FOR IMPLEMENTATION

This report provides information to describe the proposed project and to support the decision to proceed with the improvements as quickly as possible. Final design will be completed by the City's consultant and approved by the DENR, as it is definitely a "work of significance." Cost estimates have been prepared and are referenced elsewhere in this document. The project will be bid in accordance with state statutes that govern municipal corporations and will be constructed by the lowest responsible bidder.

The anticipated schedule for the progression of the project is as follows:

Task	Date
Final Funding Package Complete	March, 2015
Begin Design	March, 2015
Plans & Specifications Submitted to DENR	November, 2015
Plans & Specifications Approved by DENR	December, 2015
Advertisement for Bids	January, 2016
Open Bids	January, 2016
Award Bids	February, 2016
Begin Construction	April, 2016
Construction Complete	September, 2016
Project Close-out	October, 2016

6.12 LAND ACQUISITION

Land acquisition will not be required for the proposed project.

6.13 INTERAGENCY AGREEMENTS

No operating agreements with other agencies are needed as the City of Wessington Springs owns, operates and maintains its municipal water system. Loan documents will have to be executed with the appropriate lender but as Wessington Springs is a municipal corporation, it has the legal authority to enter into such agreements. Wessington Springs's attorney will advise the Council on any legal matters related to this issue.