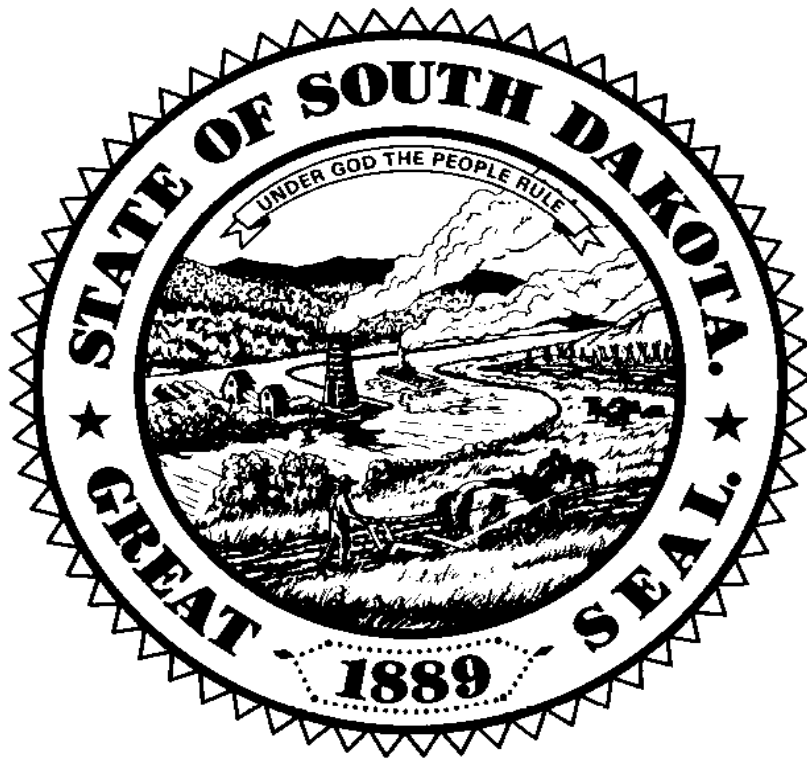


**THE SOUTH DAKOTA CONSERVANCY DISTRICT  
REPORT TO THE  
LEGISLATIVE BOND REVIEW COMMITTEE**

**STATE FISCAL YEAR 2011  
July 1, 2010 – June 30, 2011**



**Department of Environment and Natural Resources  
Division of Financial and Technical Assistance**

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**THE SOUTH DAKOTA CONSERVANCY DISTRICT**

**REPORT TO THE**

**LEGISLATIVE BOND REVIEW COMMITTEE**

**STATE FISCAL YEAR 2011**

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**Department of Environment and Natural Resources**  
**Division of Financial and Technical Assistance**  
**523 East Capitol Avenue**  
**Pierre, South Dakota 57501-3181**  
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**THE SOUTH DAKOTA CONSERVANCY DISTRICT  
BOARD MEMBERS**

**BRAD JOHNSON, CHAIRMAN**

Watertown  
Member since 2003

**GENE JONES, JR., VICE-CHAIRMAN**

Sioux Falls  
Member since 2002

**DON ROUNDS, SECRETARY**

Pierre  
Member since 2003

**TODD BERNHARD**

Fort Pierre  
Member since 2010

**PAUL GNIRK**

New Underwood  
Member since 2009

**PAUL GOLDHAMMER**

Wall  
Member since 2010

**JACKIE LANNING**

Brookings  
Member since 2011

**DALE KENNEDY**

Beresford  
Member 1985 - 2010

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**THE SOUTH DAKOTA CONSERVANCY DISTRICT  
LEGISLATIVE OVERSIGHT COMMITTEE**

SENATOR TOM HANSEN  
Huron

SENATOR JIM HUNSTAD  
Bath

REPRESENTATIVE FRANK KLOUCEK  
Scotland

REPRESENTATIVE BETTY OLSON  
Prairie City

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# TABLE OF CONTENTS

<b><u>Section</u></b>	<b><u>Page</u></b>
<b>Executive Summary</b>	
Program Overview	1
Bonding Authority Overview	1
Tax Increase Prevention and Reconciliation Act (TIPRA)	2
2008 Bond Issue	2
2009 and 2010 Bond Anticipation Note Issues	2
2010 Bond Issue	3
Additional Subsidy	4
Bond History	4
SRF Program Interest Rates	5
Oversight	6
Fiscal Year 2011 Program Activity	6
Clean Water State Revolving Fund	6
Drinking Water State Revolving Fund	8
<b>Financial Statements</b>	
Clean Water State Revolving Fund Statements	11
Drinking Water State Revolving Fund Statements	
<b>Clean Water State Revolving Fund Program Information</b>	
Clean Water State Revolving Fund Program Introduction	
Portfolio	
Project Descriptions	
<b>Drinking Water State Revolving Fund Program Information</b>	
Drinking Water State Revolving Fund Program Introduction	
Portfolio	
Project Descriptions	
<b>Bond Issue Summaries</b>	
<b>Statutes</b>	

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**STATE FISCAL YEAR**

**2011**

**EXECUTIVE SUMMARY**

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## **PROGRAM OVERVIEW**

The Clean Water State Revolving Fund (SRF) program was created by the 1987 amendments to the federal Clean Water Act to provide low interest loans to communities and other political subdivisions for wastewater, storm sewer and nonpoint source projects (solid waste facilities/water quality). South Dakota's first Clean Water loan was made in November 1989.

The Drinking Water State Revolving Fund (SRF) program was federally authorized by the Safe Drinking Water Act Amendments of 1996 to provide low interest loans to public water systems for drinking water projects. Political subdivisions (cities and special purpose districts) and nonprofit corporations (rural water systems) are eligible to apply for South Dakota Drinking Water SRF loans. The first Drinking Water loan was awarded in January 1998.

Funds are provided for the programs by means of capitalization grants awarded annually through the United States Environmental Protection Agency. For every \$5 the federal government provides to each program through annual capitalization grants, the state must match it with \$1. Through SFY 2010, the federal capitalization grants total \$261.6 million. The FFY 2011 capitalization grants were awarded after June 30, 2011.

The South Dakota Board of Water and Natural Resources was authorized by SDCL § 46A-1-60.1 through § 46A-1-60.3 to administer a water pollution control revolving fund program and drinking water revolving fund program and to promulgate rules pursuant to chapter 1-26, to implement the provisions of this section consistent with the requirements of federal law. The board serves as the board for the South Dakota Conservancy District.

The two key federal program requirements are that loan rates are set below market rate and that all loan payments and program income revolve in the programs to provide low-interest financing for water and wastewater infrastructure in perpetuity.

As of June 30, 2011, the programs have provided 485 loans totaling \$788.3 million.

## **BONDING AUTHORITY OVERVIEW**

The authority for the South Dakota Conservancy District to issue bonds is established in SDCL § 46A-1-31.

Since the programs' inception, the state match requirement amounts to more than \$52.3 million. The South Dakota Conservancy District has issued revenue bonds to provide a large portion of the state match, as well as reserves required for earlier issues. An initial state appropriation was made for each program. Administrative surcharge fees paid by borrowers were used to match the 2002 and 2003 Clean Water SRF capitalization grants and a portion of the 2010 Drinking Water SRF capitalization grant. Due to the availability of administrative surcharge funds in the Drinking Water program, it is anticipated that these funds will be used to provide state match for the short term.

The Conservancy District has the ability to issue revenue bonds and notes above the amount required for state match to leverage additional funds for the programs. Leveraged bonds for the Clean Water SRF program were issued in 1995, 2005, and 2008 and in 2004, 2005, and 2008 for the Drinking Water SRF program. The total amount of the leveraged bonds is \$107.8 million. In August 2009, the Conservancy District issued \$55 million in leveraged bond anticipation notes.

**TAX INCREASE PREVENTION AND RECONCILIATION ACT (TIPRA)**

Passage of the federal Tax Increase Prevention and Reconciliation Act (TIPRA) of 2005 placed additional requirements on pooled financing bonds. Of particular concern to the South Dakota SRF programs was the Strengthened Reasonable Expectation Requirement. This mandated that 30 percent of net bond or note proceeds must be spent within one year and 95 percent of net proceeds must be spent within three years of the date of issue. If these objectives are not met, bonds or notes must be redeemed in an amount necessary to meet the spend-down requirement. To avoid extraordinary call provisions on fixed rate bonds, the South Dakota Conservancy District opted to issue variable rate bonds in 2008 and Bond Anticipation Notes (BANs) in 2009.

**2008 BOND ISSUE**

The South Dakota Conservancy District closed its \$40,000,000 Series 2008 bond issue for the State Revolving Fund programs in March 2008. This was a multi-modal variable rate issue, which was a first for the District. The bonds were originally set with a semi-annual rate mode which can be changed at the discretion of the Conservancy District. The district has chosen to continue with the semi-annual rate mode, and the effective rates are summarized below.

Initial rate.....	2.35%
Rate set August 1, 2008.....	1.90%
Rate set February 1, 2009.....	1.00%
Rate set August 1, 2009.....	0.70%
Rate set February 1, 2010.....	0.34%
Rate set August 1, 2010.....	0.40%

More than \$18 million or 45 percent of bond proceeds from the 2008 issue were expended by March 1, 2009, which significantly exceeded the 30 percent one-year TIPRA requirement. As of June 30, 2011, disbursements from the 2008 bond issue totaled \$38,667,823 or 97.5 percent, which exceeds the 95 percent TIPRA requirement.

**2009 AND 2010 BOND ANTICIPATION NOTE ISSUES**

Bond Anticipation Notes (BANs) are a short-term financing designed to provide interim financing until long-term bonds are issued. Issuers utilize BANs for a variety of reasons, including uncertainty as to the total amount of proceeds needed for construction or loans and a desire to match long-term debt service to finalized revenues associated with the financed project. BANs may provide savings when compared to other short-term financing options, such as bank



loans. The South Dakota Conservancy District first issued BANs in August 2009 to address the demand created on the SRF programs by the American Recovery and Reinvestment Act (ARRA) of 2009. The issuance of the 2009 BANs was a first for the District.

The par value of the 2009 BANs was \$55,000,000. The notes were sold through a competitive bid process. The winning bidder was Piper Jaffray & Company. The winning bid included a premium and provided leveraged funds of \$37,455,570 for the Clean Water SRF program and \$18,221,624 for the Drinking Water SRF program. The average coupon interest rate was 2.00 percent, and the True Interest Cost was 0.584 percent. The 2009 BANs matured on September 10, 2010.

The 2010 Bond Anticipation Notes were issued in August 2010 to pay the redemption price of the District's \$55,000,000 Series 2009 Bond Anticipation Notes which were due on September 10, 2010. The par value of the 2010 BANs was \$54,330,000. The notes were purchased by J. P. Morgan Securities LLC through a competitive bid process. The winning bid included a premium and provided state match funds of \$3,543,094 and leveraged funds of \$33,912,476 for the Clean Water SRF program and leveraged funds of \$18,221,624 for the Drinking Water SRF program. The average coupon interest rate was 1.75 percent, and the True Interest Cost was 0.35 percent. The BANs were scheduled to mature on September 30, 2011.

The 2009 and 2010 BANs were rated SP-1+ by Standard & Poor and MIG 1 by Moody's. Standard & Poor's AAA and Moody's Aaa ratings on the program bonds were affirmed. These short-term and long-term ratings are the highest ratings assigned by each rating agency. These ratings were based on the programs' strength and do not involve bond insurance.

More than \$25.9 million or 51 percent of bond proceeds from the 2009 issue were expended by August 26, 2010, which significantly exceeded the 30 percent one-year TIPRA requirement. As of June 30, 2011, disbursements from the 2010 BANs totaled \$52,974,569, or 95.1 percent of net proceeds of the 2009 BANs, which exceeds the 95 percent TIPRA requirement.

The financial team for the 2009 and 2010 issues included The First National Bank in Sioux Falls as trustee, Perkins Coie LLP as bond counsel, and Public Financial Management as financial advisor. The trustee, bond counsel, and financial advisor provide professional financial services to the board and department on an on-going basis.

## **2010 BOND ISSUE**

The South Dakota Conservancy District issued \$92,380,000 of Series 2010 Bonds in December 2010 to refund prior SRF debt incurred by the District. The refunding involved the \$54,330,000 of Series 2010 Bond Anticipation Notes and \$42,260,000 of Bonds previously issued by the District in 1998 and 2008. The Series 2010 bonds consisted of \$38,695,000 of Taxable Revenue Bonds (Series A) and \$53,685,000 of Tax-exempt Revenue Bonds (Series B). The taxable bonds were Build America Bonds (BABs), which are taxable municipal bonds that carry special tax credits and federal subsidies for either the bond issuer or the bondholder and were created under the American Recovery and Reinvestment Act of 2009. The District has opted to receive the direct subsidy for its BABs. This was the first taxable bond issued by the

Conservancy District. The BABs series had an all-in true interest cost of 3.41 percent, and the tax-exempt series had an all-in true interest cost of 3.61 percent. The entire 2010 series was not issued as BABs due to limitations on the ability to refund series issued prior to February 28, 2009 and the greater economic benefit associated with issuing traditional tax-exempt bonds in the earlier maturities. A net present value saving of \$376,537 was realized on the refunding of the Series 1998 issue. The 2008 and 2010 issues were short-term or variable rate debt that was fixed out to take advantage of historically low interest rates.

Along with the Conservancy District, the financing team consisted of The First National Bank in Sioux Falls, acting as trustee; Perkins Coie, acting as bond counsel; Public Financial Management, Inc., the District's financial advisor; the Attorney General's Office serving as issuer's counsel; and J.P Morgan, acting as lead underwriter, with Piper Jaffray & Co. and Wells Fargo Securities, serving as co-senior and co-manager, respectively.

### **ADDITIONAL SUBSIDY**

The American Recovery and Reinvestment Act (ARRA) of 2009 required a portion of the ARRA funds to be awarded as "additional subsidy" to borrowers. This could be in the form of grants, negative interest rate loans, or principal forgiveness on loans. It was decided that the South Dakota SRF programs would provide additional subsidy in the form of principal forgiveness on loans.

The 2010 and 2011 capitalization grants also required that a portion of the grants be awarded as additional subsidy. Since 2009, borrowers from the Clean Water SRF program have received \$23,073,862 in principal forgiveness, and Drinking Water SRF borrowers have received \$28,829,134 in principal forgiveness. The Clean Water and Drinking Water projects awarded principal forgiveness can be found in Tables 6 and 9 on pages X and Y, respectively.

### **BOND HISTORY**

The South Dakota Conservancy District has issued 14 bond or note series since 1989. The Conservancy District issues bonds for state match as needed, which was initially every three years. Additionally, bonds have been issued to refund prior issues and to provide leveraged funds. Recent demands on the programs have necessitated the Conservancy District to become more active in issuing long-term bonds, variable rate bonds, and bond anticipation notes. Table 1 itemizes the uses of the various series of bonds and notes. Summaries of previous bond and note issues are provided beginning on page 75.

**Table 1  
State Revolving Fund Program Bond and Note Issues**

Series	Par Amount	Clean Water SRF			Drinking Water SRF		
		Match	Refund	Leveraged	Match	Refund	Leveraged
1989	\$5,875,000	\$5,875,000					
1992	\$4,180,000	\$4,180,000					
1994	\$10,220,000	\$631,195	\$9,299,195				
1995	\$7,970,000	\$3,462,460		\$4,507,540			
1996	\$2,770,000	\$2,770,000					
1998	\$6,450,000				\$6,450,000		
2001	\$4,405,000	\$4,405,000					
2001	\$5,270,000				\$5,270,000		
2004	\$38,460,000		\$11,450,913		\$5,001,620		\$22,503,662
2005	\$50,000,000	\$1,558,349		\$41,000,000	\$1,670,500		\$7,000,414
2008	\$40,000,000	\$1,964,580		\$19,826,250	\$4,887,600		\$13,000,000
2009	\$55,000,000			\$37,455,570			\$18,221,624
2010	\$54,330,000	\$3,543,094		\$33,912,476			\$18,221,624
2010A	\$38,695,000		\$26,315,168			\$12,801,699	
2010B	\$53,685,000		\$32,097,173			\$26,447,224	

### SRF PROGRAM INTEREST RATES

Interest rates are reviewed periodically to ensure that they are below market rate and are competitive with other funding sources such as the federal Rural Development program. The SFY 2011 interest rates for each program are summarized in the respective sections below.

#### Clean Water SRF Program

In February 2009, the board set rates at 2.25 percent for loans with a term of 10 years or less, 3 percent for loans with a term greater than 10 years up to 20 years, and 3.25 percent with a term up to 30 years. The term of each loan is at the discretion of the borrower provided that the proposed repayment source produces the required debt service coverage and does not exceed the useful life of the facilities being financed.

In addition to the base rates, the board has established a Clean Water SRF incentive rate for nonpoint source (NPS) projects. In February 2009, the board set the nonpoint source incentive rates at 1.25 percent for loans with a term of 10 years or less, 2.00 percent for loans with a term greater than 10 years up to 20 years, and 2.25 percent with a term up to 30 years.

#### Drinking Water SRF Program

In February 2009, the board set rates at 2.25 percent for loans with a term of 10 years or less and 3 percent for loans with a term greater than 10 years up to 20 years. The term of each loan is at the discretion of the borrower provided that the proposed repayment source produces the required debt service coverage and does not exceed the useful life of the facilities being financed.

Communities that meet the disadvantaged community criteria may receive a Drinking Water SRF loan at an interest rate below that for other recipients. Additionally, the maximum allowable repayment period for disadvantaged communities can be extended to 30 years. Since February 2009, disadvantaged communities qualify for 3 percent loans for 30 years if their median household income (MHI) is 80 percent to 100 percent of the statewide MHI. Municipalities, other community water systems, and sanitary districts must have an MHI below 80 percent of the statewide MHI to be eligible for an interest rate of 2.25 percent, and an MHI less than 60 percent of the statewide MHI to be eligible for a loan at zero percent interest. Residential water bills must be at least \$25 for 5,000 gallons usage for municipalities and sanitary districts and \$55 for 7,000 gallons usage for other community water systems to qualify for disadvantaged rates.

## **OVERSIGHT**

Region VIII of the Environmental Protection Agency oversees the State Revolving Fund Loan Programs. EPA assists the state in securing capitalization grants and guides the conservancy district in its administration of the program.

The Department of Legislative Audit conducts annual financial audits of the Clean Water and Drinking Water SRF programs, and EPA conducts a program audit. Our most recent audits did not note any substantive program or financial deficiencies.

## **FISCAL YEAR 2011 PROGRAM ACTIVITY**

### **Clean Water State Revolving Fund**

Due to high demand on the Clean Water SRF program, \$10,000,000 of loan repayment funds were transferred from the Drinking Water SRF program into the Clean Water SRF program. The application for the 2011 Clean Water program Federal capitalization grant has been submitted to EPA but was not awarded within the reporting period. The 2011 capitalization grant will be in the amount of \$7,222,000. This will be matched with \$1,444,400 of bond proceeds. Capitalization grants and state match are supplemented by accumulated loan repayments, interest earnings, and leveraged bonds.

In SFY 2011, disbursements totaling \$45,517,675 were made to borrowers. Disbursements consisted of \$14.96 million in federal funds, \$1.95 million in state match funds, \$22.07 million in leveraged bonds, and \$6.54 million in principal repayments and interest earnings.

One hundred thirty-four loans are in repayment, and \$38,983,589 in repayments were received during the year. Ninety-eight loans have been repaid in full, which includes those with 100 percent principal forgiveness. Eight loans drew no funds, and the full loan amounts were deobligated. There have been no defaults.

In SFY 2011, the Board of Water and Natural Resources awarded 31 loans totaling \$63,209,545. Table 2 below provides a synopsis of the loans that were awarded.

**Table 2  
Clean Water Loans  
State Fiscal Year 2011**

Recipient	Project Description	Total SRF Assistance	Principal Forgiveness	Rate	Term (Years)
Belle Fourche Irrigation District	Irrigation System Conversion	\$200,000	\$200,000	0%	-
Bison	Storm Water Management System	\$504,050		3.00%	20 yrs.
Bridgewater (03)	Main Street Sanitary Sewer Improvements	\$261,000		3.25%	30 yrs.
Brookings (04)	Pheasants Nest Storm Water Detention Pond	\$483,538		3.00%	20 yrs.
Canova	Wastewater Lagoon Expansion	\$262,500	\$170,000	3.25%	30 yrs.
Colton (02)	5 <sup>th</sup> Street Utilities Improvement	\$189,200		3.00%	20 yrs.
Dell Rapids (05)	15 <sup>th</sup> Street Utilities Improvements	\$1,185,200	635,995	3.00%	20 yrs.
Groton (09)	Lift Station and Forcemain Improvements	\$485,000		2.25%	10 yrs.
Harrisburg (04)	Columbia Basin Sanitary/Storm Sewer Project	\$1,435,340		2.25%	10 yrs.
Harrisburg (05)	Columbia Basin Sanitary/Storm Sewer Project	\$1,783,760		3.00%	20 yrs.
Hermosa	North Sewer Collection Line	\$303,604		3.25%	30 yrs.
Herreid	Wastewater System Improvements	\$694,300		3.25%	30 yrs.
Hot Springs (02)	Utilities Upgrades	\$1,453,000		3.00%	20 yrs.
Interior	Wastewater System Improvements	\$250,000		3.25%	30 yrs.
Java	Wastewater System Improvements	\$438,325	\$103,325	3.25%	30 yrs.
Lake Poinsett S. D. (03)	Sanitary Sewer Expansion	\$3,075,000	\$1,603,000	3.25%	30 yrs.
Lead (07)	Sanitary/Storm Sewer Separation	\$200,000	\$50,000	3.00%	20 yrs.
McLaughlin	Wastewater System Improvements	\$1,145,675	\$150,000	3.25%	30 yrs.
Menno	Highway 18 Utilities Improvements	\$240,000		3.00%	20 yrs.
Mount Vernon	Wastewater Treatment/Collection Improvement	\$2,300,000	\$1,050,000	3.25%	30 yrs.
Northville	Wastewater Treatment Facility Improvements	\$238,300		3.25%	30 yrs.
Plankinton	Utilities Improvements	\$1,005,744	\$150,000	3.25%	30 yrs.
Richmond Lake S.D. (03)	Wastewater Treatment/Collection Improvement	\$193,600		3.00%	20 yrs.
Richmond Lake S.D. (04)	Wastewater Treatment/Collection Improvement	\$339,800		3.25%	30 yrs.
Scotland (02)	Washington St. Sanitary/Storm Improvements	\$945,930		3.25%	30 yrs.
Selby	Wastewater System Improvements	\$700,000	\$700,000	0%	-
Sioux Falls (32)	Central Main Replacement and Big Sioux Watershed Improvements	\$24,589,400		2.25%	10 yrs.
Sioux Falls (33)	Sioux River interceptor and Big Sioux Watershed Improvements	\$14,711,614		2.25%	10 yrs.
Viborg	Collection System Improvements	\$883,000		3.25%	30 yrs.
Warner (02)	WWTF Expansion & Lift Station Rehab	\$1,826,760	\$1,058,760	3.25%	30 yrs.
Yale	Wastewater Treatment/Collection Improvement	\$885,110	\$606,110	3.25%	30 yrs.
<b>TOTAL</b>		<b>\$63,209,545</b>	<b>\$6,477,190</b>		

Additional information regarding the historical activity of the Clean Water SRF Program is provided on pages 29-52.

## Drinking Water State Revolving Fund

Due to high demand on the Clean Water SRF program, \$10,000,000 of loan repayment funds were transferred from the Drinking Water SRF program into the Clean Water SRF program. The application for the 2011 Drinking Water SRF program federal capitalization grant has been submitted to EPA but was not awarded within the report period. The 2011 capitalization grant will be in the amount of \$9,268,000 in 2011. These funds will be matched by \$1,853,600 of administrative surcharge funds. Capitalization grants and state match are supplemented by accumulated loan repayments, interest earnings, and leveraged bonds.

In SFY 2011, disbursements totaling \$44,460,847 were made to borrowers. Disbursements consisted of \$26.25 million in federal funds, \$4.20 million in state match funds, \$12.26 million in leveraged bonds, and \$1.75 million in principal repayments and interest earnings.

One hundred sixteen loans are in repayment, and \$24,094,908 in repayments were received during the year. Thirty-six loans have been repaid in full, which includes those with 100 percent principal forgiveness. Ten loans drew no funds, and the full loan amounts were deobligated. There have been no defaults.

In SFY 2011, the board awarded 28 loans totaling \$39,100,494. Table 3 below provides a synopsis of the loans that were awarded.

**Table 3  
Drinking Water Loans  
State Fiscal Year 2011**

Recipient	Project Description	Total SRF Assistance	Principal Forgiveness	Rate	Term (Years)
Box Elder	New Well and Reservoir	\$3,562,950	\$356,295	3.00%	20 yrs.
Butte-Meade San. Dist.	Water Meter Replacement	\$396,700	\$85,000	2.25%	10 yrs.
Colton (02)	5 <sup>th</sup> Street Utilities Improvement	\$191,100	\$91,100	3.00%	30 yrs.
Dell Rapids (03)	15 <sup>th</sup> Street Utilities Improvements	\$531,835		3.00%	20 yrs.
Delmont (02)	Water Meter Replacement	\$90,000	\$90,000	0%	-
Doland	Line Replacement and New Water Tank	\$1,762,200	\$1,375,000	3.00%	30 yrs.
Faulkton (02)	Highway 212 Water Line Replacement	\$511,725	\$395,905	3.00%	30 yrs.
Gayville	Water Distribution Improvements	\$900,000	\$480,000	3.00%	30 yrs.
Gregory (02)	Distribution System & Pump House Improv.	\$685,080	\$185,080	2.25%	30 yrs.
Groton (04) *	Water Main, Tower, Booster Pump Improv.	\$703,000	\$150,000	3.00%	20 yrs.
Hot Springs	Utilities Upgrades	\$1,636,000		3.00%	20 yrs.
Hoven	Meter & Line Replacement/New Water Tank	\$750,000	\$750,000	0%	-
Huron (03)	Water Tower Replacement	\$1,098,900		3.00%	30 yrs.
McLaughlin (02)	Line Replacement and New Water Tank	\$4,151,050	\$3,180,050	2.25%	30 yrs.
Mid-Dakota RWS (03)	Service to Crow Creek & Internal Expansion	\$2,979,054	\$450,000	3.00%	30 yrs.
Montrose	Distribution Improvements	\$893,000	\$593,000	3.00%	30 yrs.
Oacoma (02)	New Water Storage Tank	\$1,351,300		2.25%	10 yrs.
Piedmont	Water Supply and Distribution	\$1,404,000	\$804,000	3.00%	20 yrs.

Pierpont	Ground Storage and Booster Station	\$551,200	\$413,400	3.00%	30 yrs.
Plankinton	Utilities Improvements	\$1,765,000	\$1,009,000	3.00%	30 yrs.
Sioux Falls (11)	Water Main and Valve Replacement	\$4,000,000		2.25%	10 yrs.
South Lincoln RWS (02)	Individual Service to Fairview	\$476,500	\$244,500	3.00%	30 yrs.
Sturgis (03)	Water System Improvements	\$3,460,000		2.00%	3 yrs.
TM Rural Water Dist.	Southeast Service Area Improvements	\$1,084,750		3.00%	30 yrs.
TM Rural Water Dist. (02)	Southeast Service Area Improvements	\$1,398,750	\$1,398,750	0%	-
Vermillion (04)	New Water Tower	\$1,532,000	\$153,200	2.25%	30 yrs.
Viborg (02)	Highway 19 Water Main Replacement	\$847,000	\$730,000	3.00%	30 yrs.
Webster (02)	Water Meter Replacement	\$387,400	\$150,000	2.25%	10 yrs.
<b>TOTAL</b>		<b>\$39,100,494</b>	<b>\$13,084,280</b>		

\* This loan was de-obligated in its entirety on January 6, 2011 at the request of the city.

Additional information regarding the historical activity of the Drinking Water SRF Program is provided on pages 53-74.

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**STATE REVOLVING FUND**  
**FINANCIAL STATEMENTS**  
**(Unaudited)**

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**SOUTH DAKOTA BOARD OF WATER  
AND NATURAL RESOURCES  
CLEAN WATER STATE REVOLVING FUND  
STATEMENT OF NET ASSETS  
June 30, 2011**

**Assets**

Current Assets:

	\$
Cash and Cash Equivalents	27,253,947.34
Restricted Cash and Cash Equivalents	335,026.06
Due From Federal Governments	112,865.56
Due from Other Governments	265,053.90
Deferred Charges	48,143.87
Accrued Interest Receivable	2,379,117.71
Loans Receivable	22,969,684.30
<b>Total Current Assets</b>	<u>53,363,838.74</u>

Noncurrent Assets:

Investments	79,849,645.87
Restricted Investments	374,421.62
Deferred Charges	636,595.87
Loans Receivable	166,938,327.02
<b>Total Noncurrent Assets:</b>	<u>247,798,990.38</u>

**Total Assets**

301,162,829.12

**Liabilities**

Current Liabilities:

Accounts Payable	201,211.32
Cost of Issuance Payable	21,326.98
Accrued Liabilities	15,497.84
Compensated Absences Payable	33,007.30
Accrued Interest Payable	2,185,927.27
Notes Payable	0.00
Bonds Payable - net of unamortized premium, discount, and deferred amount of refunding	4,341,832.83
<b>Total Current Liabilities</b>	<u>6,798,803.54</u>

Noncurrent Liabilities:

Compensated Absences Payable	29,400.15
Bonds Payable - net of unamortized premium, discount, and deferred amount of refunding	97,741,571.72
<b>Total Noncurrent Liabilities:</b>	<u>97,770,971.87</u>

**Total Liabilities**

104,569,775.41

**Net Assets**

Restricted For Debt Service	709,447.68
Unrestricted	195,883,606.03

**Total Net Assets**

\$ 196,593,053.71

The notes to the financial statements are an integral part of this statement.

**SOUTH DAKOTA BOARD OF WATER  
AND NATURAL RESOURCES  
CLEAN WATER STATE REVOLVING FUND  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
For the Fiscal Year Ended June 30, 2011**

<b>Operating Revenues:</b>		
Loan Interest Income		\$ 4,152,911.86
Federal Capitalization Grants		15,274,974.29
Other Income		1,320,246.72
Bond Premium		541,305.50
Total Operating Revenue		<u>21,289,438.37</u>
<b>Operating Expenses:</b>		
Administrative Expenses		
Personal Services	181,438.19	
Employee Benefits	56,960.50	
Travel	11,629.47	
Contractual	368,627.19	
Supplies	872.25	
Grants	645,613.67	
Other	<u>1,223.43</u>	
Total Administrative Expenses		1,266,364.70
Grant Expense		5,300,714.00
Interest Expense		4,206,436.66
Servicer Expense		32,125.09
Arbitrage Rebate		196,372.21
Bond Issuance Expense		<u>106,965.83</u>
Total Operating Expenses		<u>11,108,978.49</u>
Operating Income (Loss)		10,180,459.88
<b>Nonoperating Revenues (Expenses):</b>		
Investment Income		<u>3,258,673.12</u>
Income (Loss) Before Transfers		13,439,133.00
<b>Transfers:</b>		
Transfer In		10,000,000.00
Transfer Out		<u>(30,194.90)</u>
Change in Net Assets		23,408,938.10
Net Assets at Beginning of Year		<u>173,184,115.61</u>
<b>Net Assets at End of Year</b>		<u><u>\$ 196,593,053.71</u></u>

The notes to the financial statements are an integral part of this statement.

**SOUTH DAKOTA BOARD OF WATER  
AND NATURAL RESOURCES  
CLEAN WATER STATE REVOLVING FUND  
STATEMENT OF CASH FLOWS  
For the Fiscal Year Ended June 30, 2011**

<b>Cash Flows from Operating Activities:</b>		
Receipts for Loan Repayments	\$ 39,049,184.46	
Receipts for Interest Income on Loans	3,959,433.44	
Receipts for Surcharge Interest on Loans	1,280,685.45	
Receipts for Administering Program	15,256,677.00	
BAN's Premium Revenue	541,305.50	
Payments to Loan Recipients	(45,517,675.00)	
Servicing Payments	(32,125.09)	
Payments for Employee Services	(223,288.05)	
Payments for Contractual Services	(264,369.55)	
Payment for Grants	(6,008,451.04)	
Other Payments	(13,725.15)	
Arbitrage Rebate Payment	(196,372.21)	
BAN's Issuance Costs Paid	(67,985.50)	
Net Cash Provided (Used) by Operating Activities		7,763,294.26
<b>Cash Flows from Noncapital Financing Activities:</b>		
Bond Issuance Costs Paid	(348,252.19)	
BAN Receipts	36,550,000.00	
BAN Payments	(73,550,000.00)	
Bond Payments	(21,205,000.00)	
Bond Receipts	58,021,345.65	
Transfers In	10,000,000.00	
Transfers Out	(30,194.90)	
Principal Payments on Bonds	(3,665,000.00)	
Interest Payments on Bonds and Notes	(3,123,104.51)	
Net Cash Provided (Used) by Noncapital Financing Activities		2,649,794.05
<b>Cash Flows from Investing Activities:</b>		
Interest on Investments	2,951,289.13	
Proceeds from Sale of Investment Securities	32,502,129.22	
Purchase of Investment Securities	(55,678,171.47)	
Net Cash Provided (Used) by Investing Activities		(20,224,753.12)
Net Increase (Decrease) in Cash and Cash Equivalents		(9,811,664.81)
Cash and Cash Equivalents at Beginning of Year		37,400,638.21
Cash and Cash Equivalents at End of Year		\$ 27,588,973.40
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>		
Operating Income (Loss)		\$ 10,180,459.88
<b>Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operating Activities:</b>		
Interest Expense	4,206,436.66	
Amortization of Bond Issuance Cost	38,980.33	
<b>Assets: (Increase)/Decrease</b>		
Loans Receivable	(6,468,490.54)	
Accrued Interest Receivable on Loans	(193,478.42)	
Due from Other Governments	(39,561.27)	
Due from Federal Governments	(18,297.29)	
<b>Liabilities: Increase/(Decrease)</b>		
Accounts Payable	42,134.27	
Accrued Employee Benefits	11,643.00	
Accrued Liabilities	3,467.64	
Total Adjustments		(2,417,165.62)
Net Cash Provided by Operations		\$ 7,763,294.26

The notes to the financial statements are an integral part of this statement.

**SOUTH DAKOTA BOARD OF WATER  
AND NATURAL RESOURCES  
CLEAN WATER STATE REVOLVING FUND  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2011**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Authorizing Legislation

The 1988 South Dakota Legislature authorized the State Water Pollution Control Revolving Loan Fund Program, also known as the Clean Water State Revolving Fund (CWSRF) Loan Program. Additionally, the legislature appropriated \$1,200,000 and directed the South Dakota Conservancy District to administer the program. The Department of Environment and Natural Resources performs all of the functions of the South Dakota Conservancy District, except for quasi-legislative, quasi-judicial, advisory, and special budgetary functions, which are performed by the Board of Water and Natural Resources acting in its capacity as the Conservancy District. The CWSRF is a low interest loan program to finance the construction of wastewater facilities, storm sewers and non-point source pollution control projects. The program was created by the 1987 Clean Water Act amendments. Funds are provided to the states in the form of capitalization grants awarded annually through the United States Environmental Protection Agency. The federal capitalization grants are matched by state funds at a ratio of 5:1. The Clean Water State Revolving Fund is a part of the State of South Dakota and, as such, the accompanying financial statements are included in the Comprehensive Annual Financial Report of the State of South Dakota.

B. Fund Accounting

The CWSRF is accounted for as an enterprise fund. An enterprise fund is a proprietary fund type used to report an activity for which a fee is charged to external users for goods or services.

C. Basis of Accounting

The CWSRF follows the accrual basis of accounting. This method of accounting recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows. The CWSRF follows all Governmental Accounting Standards Board (GASB) pronouncements and those Financial Accounting Standards Boards Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins that were issued on or before November 30, 1989, except those that conflict with a GASB pronouncement.

D. Cash and Cash Equivalents

For purposes of the accompanying statement of net assets and statement of cash flows all highly liquid investments with original maturities of 90 days or less are considered to cash equivalents.

E. Investments

Investments are reported at fair value. Unrealized gains and losses due to fluctuations in market value are included in investment income.

#### F. Deferred Charges

Issuance costs, discounts, premiums, and deferred amount of refunding on bonds are amortized using the straight line method over the life of the bonds to which they relate.

#### G. Reserves

The bond indentures provide that certain reserve accounts be established. The reserves as of June 30, 2011, consist of the following Investment Agreements and are reported as restricted net assets in the financial statements:

- 6.22% MBIA Inc. due August 1, 2017 totaling \$95,771
- 5.07% AIG due August 1, 2025 totaling \$278,651

In addition, \$335,026.06 is invested in a Money Market Fund described in note 2 below.

#### H. Restricted Resources

When both restricted and unrestricted resources are available for use, it is the CWSRF's policy to use restricted resources first, and then unrestricted resources as they are needed.

#### I. Revenue and Expense Recognition

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering items in connection with an enterprise fund's principal ongoing operations. The CWSRF records all revenues derived from interest on loans, and federal capitalization grants as operating revenues since these revenues are generated from the CWSRF's daily operations needed to carry out its purpose. Operating expenses include interest expense on bonds, grants and subsidies, and contractual service expenses related to the administration of the CWSRF program.

#### J. Federal Capitalization Grant

Federal capitalization grants reported as operating income in the statement of revenues, expenses, and changes in fund net assets is a federally funded loan program. Information about the program is as follows:

CFDA Number:	66.458
Federal Agency	Environmental Protection Agency
Program:	Clean Water State Revolving Fund
State Agency:	Environment & Natural Resources
Expenditures:	\$190,208,683
Outstanding Loans:	\$189,908,011
Current Year	
Administrative Expense:	\$300,672
Loan Disbursement:	\$45,517,675

## 2. CASH AND INVESTMENTS

Cash and Cash Equivalents consisted of a Goldman Sachs Financial Square Treasury Obligation Fund (money market fund) and the South Dakota Cash Flow Fund. The Goldman Sachs Fund was rated "AAAm" by Standard and Poor's Rating Group. The fund paid .01% for the period 7/01/2010 – 6/30/2011. The South Dakota Conservancy District Investment Policy adopted pursuant to the Master Trust Indenture authorizes the investment of up to 20 percent of funds in the South Dakota Cash Flow Fund which is an unrated fund. The fund paid 3.37% for state fiscal year 2011. Funds were invested for the period 1/5/2011 to 6/30/2011.

*Custodial Credit Risk:* Custodial credit risk is the risk that in the event of a bank failure, the Clean Water State Revolving Fund's investments may not be returned. At June 30, 2011, \$80,224,067 of guaranteed investment contracts were uninsured and unregistered, with the securities held by its trust department, but not in the CWSRF's name.

*Interest Rate Risk:* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The maturities of the investments are listed below.

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Guaranteed Investment Contract	7/31/2012	2,460,244
Guaranteed Investment Contract	8/01/2015	6,611,439
Guaranteed Investment Contract	8/01/2017	9,456,372
Guaranteed Investment Contract	8/01/2025	17,648,725
Guaranteed Investment Contract	8/01/2026	<u>44,047,287</u>
		<u>\$80,224,068</u>

*Credit Risk:* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the CWSRF. The South Dakota State Revolving Fund Master Trust Indenture requires any investment agreement to be with a guarantor whose long-term rating category is no lower than the two highest long-term rating categories. The investment is rated by Moody's Investors Service.

<u>Moody's Rating</u>	<u>Fair Value</u>
Aa2	2,460,244
Aa3	6,611,439
B3*	9,456,372
Baa1*	<u>61,696,012</u>
Total	<u>\$80,224,067</u>

\* These guarantor's ratings are below the acceptable rating category (i.e., below Moody's Aa3). These investments have been fully collateralized with government securities in accordance with the provisions of Guaranteed Investment Contracts. These fully collateralized investments have a fair value that equates to contract value.

## 3. LOANS RECEIVABLE

Loans receivable consist of loans made to local governments through a loan agreement. In order for a local government to receive a loan, evidence must be shown that the principal and interest of the loan will be repaid. Therefore, each local government must show the ability to impose utility rates, levy special assessments or collect sales taxes that will generate enough revenue to equal at least 110% of the annual principal and interest on the loan. Loans made from the CWSRF may be made at or below market interest rates and shall be fully amortized within twenty years of the date which is not more than one year following completion of the project financed. Interest rates are reduced for those loans shorter than twenty years.

#### 4. LONG-TERM DEBT

##### Revenue Bonds

The bond issues outstanding as of June 30, 2011 are as follows:

<u>Issue</u>	<u>Interest Rate</u>	<u>Maturity Through</u>	<u>Principal Balance</u>
Series 1996A			
Term Bonds	5.625%	2017	\$ 100,000
Series 2001			
Serial Bonds	4%-5%	2014	835,000
Term Bonds	5%	2022	2,250,000
Series 2004			
Serial Bonds	2.5%-5.25%	2017	4,810,000
Series 2005			
Serial State Match	3.25%-5%	2026	1,265,000
Serial Leveraged	3.25%-5%	2026	34,405,000
Series 2010AB			
Build America Bonds (BABs)			
State Match	4.084%-5.646%	2031	2,430,000
Leveraged	4.084%-5.646%	2031	23,600,000
Tax Exempt Bonds			
State Match	4.084%-5.646%	2030	2,710,000
Leveraged	4.084%-5.646%	2030	26,965,000
Total			99,370,000
Less: Unamortized Deferred Amount of Refunding			(519,379)
Less: Unamortized Bond Discount			(17,233)
Add: Unamortized Bond Premium			3,250,016
Total Net of Amortization			<u>\$102,083,404</u>

Future bond payments and future interest payments remaining as of June 30, 2011 are as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
<u>June 30,</u>			
2012	4,320,000	4,840,350	9,160,350
2013	5,400,000	4,410,085	9,810,085
2014	4,915,000	4,188,491	9,103,491
2015	5,130,000	3,966,260	9,096,260
2016	5,350,000	3,732,191	9,082,191
2017-2021	25,055,000	15,161,995	40,216,995
2022-2026	30,845,000	8,742,836	39,587,836
2027-2031	<u>18,355,000</u>	<u>2,031,630</u>	<u>20,386,630</u>
TOTAL	<u>\$99,370,000</u>	<u>\$ 47,073,838</u>	<u>\$146,443,838</u>

Changes in long-term liabilities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Revenue Bonds	\$69,045,759	\$58,027,416	\$24,989,771	\$102,083,404	\$4,341,833
Compensated Absences	<u>50,764</u>	<u>19,144</u>	<u>7,501</u>	<u>62,407</u>	<u>33,007</u>
Long-Term Liabilities	<u>\$69,096,523</u>	<u>\$58,046,560</u>	<u>\$24,997,272</u>	<u>\$102,145,811</u>	<u>\$4,374,840</u>

**5. COMMITMENTS**

As of June 30, 2011, the CWSRF had loan commitments with political subdivisions worth \$66,777,248.

**6. RETIREMENT PLAN**

The Department of Environment and Natural Resources participates in the South Dakota Retirement System (SDRS) a cost-sharing, multiple employer defined benefit pension plan established to provide retirement, disability, and survivor benefits for employees of the State and its political subdivisions. Authority for establishing, administering and amending plan provisions is found in SDCL 3-12. The SDRS issues a publicly available financial report that includes financial statements, footnote disclosures, 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.

Employees are required by state statute to contribute 6 percent of their salary to the plan. State statute also requires the employer to contribute an amount equal to the employee's contribution. The right to receive retirement benefits vests after three years of credited service. The CWSRF contributions to the SDRS for the fiscal years ended June 30, 2011, 2010, and 2009 were \$12,422.19, \$13,258.20, and \$11,683.34, respectively, equal to the required contributions each year.

**7. ANNUAL AND SICK LEAVE ACCRUAL**

All employees earn annual leave. Upon termination, employees are eligible to receive compensation for their accrued annual leave balances. At June 30, 2011, a liability existed for accumulated annual leave calculated at the employee's June 30, 2011 pay rate in the amount of \$27,728.26. Employees who have been continuously employed by the State of South Dakota for at least seven years prior to the date of their retirement, voluntary resignation or death will receive payment for one-fourth of their accumulated sick leave balance. This payment is not to exceed the sum of twelve weeks of employee's annual compensation. At June 30, 2011, a liability existed for accumulated sick leave, calculated at each employee's June 30, 2011 pay rate in the amount of \$34,679.19. The total leave liability of \$62,407.46 at June 30, 2011 is shown as a liability on the balance sheet.

**8. RISK MANAGEMENT**



The Department of Environment and Natural Resources 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. The Department is uninsured for property loss. The Department participates in the various programs administered by the State of South Dakota. These risk management programs are funded through assessments charged to participating entities. The risk management programs include; 1) coverage for risks associated with automobile liability and general tort liability (including public officials' errors and omissions liability, medical malpractice liability, law enforcement liability, and products liability) through the State's Public Entity Pool for Liability Fund, 2) coverage of employee medical claims through the State's health insurance program, 3) coverage for unemployment benefits through the State's Workers' Compensation Fund, and, 4) coverage for workers' compensation benefits through the State's Workers' Compensation Fund. Financial information relative to the self-insurance funds administered by the State is presented in the State of South Dakota Comprehensive Annual Financial Report.

## **9. BONDING ACTIVITY IN SFY 2011**

The \$36,550,000 in proceeds of the Series 2010 Bond Anticipation Notes (BANs), together with other available funds, were used to pay the redemption price of the District's \$37,000,000 Series 2009 BANs which was due on September 10, 2010. The \$55,705,000 in proceeds of the Series 2010 Bonds, together with other available funds, will be used by the District to refund the \$36,550,000 BANs Series 2010 in September 2012 and to refund the \$21,205,000 principal amount of Bonds issued by the District in 2008. Additionally, a portion of the 2010 BANs and Bonds were used to pay costs of issuance.

**SOUTH DAKOTA BOARD OF WATER  
AND NATURAL RESOURCES  
DRINKING WATER STATE REVOLVING FUND  
STATEMENT OF NET ASSETS  
June 30, 2011**

**Assets**

Current Assets:

Cash and Cash Equivalents	\$ 25,434,361.61
Restricted Cash and Cash Equivalents	10,647.56
Due from Federal Government	287,056.73
Due from Other Governments	219,861.69
Deferred Charges	37,013.57
Accrued Interest Receivable	1,706,087.21
Loans Receivable	13,075,530.44
<b>Total Current Assets</b>	<u>40,770,558.81</u>

Noncurrent Assets:

Investments	38,070,440.16
Restricted Investments	419,250.00
Deferred Charges	510,176.82
Loans Receivable	139,095,942.65
<b>Total Noncurrent Assets:</b>	<u>178,095,809.63</u>

**Total Assets**

218,866,368.44

**Liabilities**

Current Liabilities:

Accounts Payable	239,879.25
Cost of Issuance Payable	13,870.52
Accrued Liabilities	11,709.60
Compensated Absences Payable	22,255.61
Accrued Interest Payable	1,545,309.59
Notes Payable	0.00
Bonds Payable - net of unamortized premium and discount	2,965,454.12
<b>Total Current Liabilities</b>	<u>4,798,478.69</u>

Noncurrent Liabilities:

Compensated Absences Payable	19,823.44
Bonds Payable - net of unamortized premium and discount	69,166,164.92
<b>Total Noncurrent Liabilities</b>	<u>69,185,988.36</u>

**Total Liabilities**

73,984,467.05

**Net Assets**

Restricted For Debt Service	429,897.56
Unrestricted	144,452,003.83

**Total Net Assets**

\$ 144,881,901.39

The notes to the financial statements are an integral part of this statement.

**SOUTH DAKOTA BOARD OF WATER  
AND NATURAL RESOURCES  
DRINKING WATER STATE REVOLVING FUND  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
For the Fiscal Year Ended June 30, 2011**

<b>Operating Revenues:</b>		
Loan Interest Income		\$ 3,509,799.74
Federal Capitalization Grants		27,045,607.63
Other Income		1,034,033.81
Bond Premium		263,321.80
Total Operating Revenue		<u>31,852,762.98</u>
 <b>Operating Expenses:</b>		
Administrative Expenses		
Personal Services	161,205.06	
Employee Benefits	33,789.91	
Travel	9,268.42	
Contractual	718,269.39	
Supplies	903.98	
Grants	38,000.00	
Other	<u>1,697.63</u>	
Total Administrative Expenses		963,134.39
Grant Expense		7,998,481.00
Interest Expense		2,911,456.91
Servicer Expense		26,394.25
Bond Issuance Expense		63,246.87
Total Operating Expenses		<u>11,962,713.42</u>
Operating Income (Loss)		19,890,049.56
 <b>Nonoperating Revenue (Expenses):</b>		
Investment Income		<u>1,987,079.45</u>
Income (Loss) Before Transfers		21,877,129.01
 <b>Transfers:</b>		
Transfer In		
Transfer Out		<u>(10,027,174.32)</u>
Change in Net Assets		11,849,954.69
Net Assets at Beginning of Year		<u>133,031,946.70</u>
<b>Net Assets at End of Year</b>		<u><u>\$ 144,881,901.39</u></u>

The notes to the financial statements are an integral part of this statement.

**SOUTH DAKOTA BOARD OF WATER  
AND NATURAL RESOURCES  
DRINKING WATER STATE REVOLVING FUND  
STATEMENT OF CASH FLOWS  
For the Fiscal Year Ended June 30, 2011**

**Cash Flows from Operating Activities:**

Receipts for Loan Repayments	\$ 27,828,527.03	
Receipts for Interest Income on Loans	3,283,381.43	
Receipts for Surcharge Interest on Loans	981,481.02	
Receipts for Administering Program	27,064,029.00	
Receipts for BAN's Premium	263,321.80	
Payments to Loan Recipients	(44,460,847.00)	
Servicing Payments	(26,394.25)	
Ban's Issuance Costs Paid	(32,257.80)	
Payments for Employee Services	(200,996.28)	
Payments for Contractual Services	(650,072.70)	
Payment for Grants	(8,042,481.00)	
Other Payments	(13,191.76)	
Net Cash Provided (Used) by Operating Activities	5,994,499.49	5,994,499.49

**Cash Flows from Noncapital Financing Activities:**

Bond Issue Cost Paid	(229,106.43)	
BAN Receipts	17,780,000.00	
Ban Payments	(35,780,000.00)	
Bond Payments	(21,055,000.00)	
Bond Receipts	38,506,617.35	
Transfers Out	(10,027,174.32)	
Principal Payments on Bonds	(2,495,000.00)	
Interest Payments on Bonds and Notes	(2,364,476.01)	
Net Cash Provided (Used) by Noncapital Financing Activities	(15,664,139.41)	(15,664,139.41)

**Cash Flows from Investing Activities:**

Interest on Investments	1,806,465.62	
Proceeds from Sale of Investment Securities	30,657,481.01	
Purchase of Investment Securities	(33,623,946.06)	
Net Cash Provided (Used) by Investing Activities	(1,159,999.43)	(1,159,999.43)

Net Increase (Decrease) in Cash and Cash Equivalents (10,829,639.35)

Cash and Cash Equivalents at Beginning of Year 36,274,648.52

Cash and Cash Equivalents at End of Year \$ 25,445,009.17

**Reconciliation of Operating Income to Net**

**Cash Provided (Used) by Operating Activities**  
Operating Income (Loss) \$ 19,890,049.56

**Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operating Activities:**

Interest Expense	2,911,456.91	
Amortization of Bond Issuance Cost	30,989.07	
<b>Assets: (Increase)/Decrease</b>		
Loans Receivable	(16,632,319.97)	
Accrued Interest Receivable on Loans	(226,418.31)	
Due from Federal Government	18,421.37	
Due from Other Governments	(52,552.79)	
<b>Liabilities: Increase/(Decrease)</b>		
Accounts Payable	60,874.96	
Accrued Employee Benefits	(6,531.13)	
Accrued Liabilities	529.82	
Total Adjustments	(13,895,550.07)	(13,895,550.07)
Net Cash Provided by Operations	\$ 5,994,499.49	\$ 5,994,499.49

The notes to the financial statements are an integral part of this statement.

**SOUTH DAKOTA BOARD OF WATER  
AND NATURAL RESOURCES  
DRINKING WATER STATE REVOLVING FUND  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2011**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Authorizing Legislation

The Drinking Water State Revolving Fund (DWSRF) Loan Program was federally authorized by the Safe Drinking Water Act Amendments of 1996. The state authorized the loan program in 1994 in anticipation of federal action. The Environmental Protection Agency (EPA) developed final guidance for the Drinking Water State Revolving Fund on February 28, 1997. The Board of Water and Natural Resources, acting in its capacity as the South Dakota Conservancy District, conducted a public hearing on April 15, 1997 to adopt formal administrative rules for the program. The Department of Environment and Natural Resources performs all of the functions of the South Dakota Conservancy District, except for quasi-legislative, quasi-judicial, advisory, and special budgetary functions, which are performed by the Board acting in its capacity as the Conservancy District. The DWSRF is a low interest loan program to finance drinking water projects. Funds are provided to the states in the form of capitalization grants awarded annually through the United States Environmental Protection Agency. The federal capitalization grants are matched by state funds at a ratio of 5:1. The Drinking Water State Revolving Fund is a part of the State of South Dakota and, as such, the accompanying financial statements are included in the Comprehensive Annual Financial Report of the State of South Dakota.

B. Fund Accounting

The DWSRF is accounted for as an enterprise fund. An enterprise fund is a proprietary fund type used to report an activity for which a fee is charged to external users for goods or services.

C. Basis of Accounting

The DWSRF follows the accrual basis of accounting. This method of accounting recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows. The DWSRF follows all Governmental Accounting Standards Board (GASB) pronouncements and those Financial Accounting Standards Boards Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins that were issued on or before November 30, 1989, except those that conflict with a GASB pronouncement.

D. Cash and Cash Equivalents

For purposes of the accompanying statement of net assets and statement of cash flows all highly liquid investments with original maturities of 90 days or less are considered to cash equivalents.

E. Investments

Investments are reported at fair value. Unrealized gains and losses due to fluctuations in market value are included in investment income.

F. Deferred Charges

Issuance costs, discounts, and premiums on bonds are amortized using the straight line method over the life of the bonds to which they relate.

G. Reserves

The bond indentures provide that certain reserve accounts be established. The reserves as of June 30, 2011 consist of an Investment Agreement at 5.07% with AIG Matched Funding Corp due August 1, 2025 totaling \$419,250. The reserves are reported as restricted assets in the financial statements.

In addition, \$10,647.56 is invested in a Money Market Fund described in note 2 below.

H. Restricted Resources

When both restricted and unrestricted resources are available for use, it is the DWSRF's policy to use restricted resources first, and then unrestricted resources as they are needed.

I. Revenue and Expense Recognition

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering items in connection with an enterprise fund's principal ongoing operations. The DWSRF records all revenues derived from interest on loans, and federal capitalization grants as operating revenues since these revenues are generated from the DWSRF's daily operations needed to carry out its purpose. Operating expenses include interest expense on bonds, grants and subsidies, and contractual service expenses related to the administration of the DWSRF program.

J. Federal Capitalization Grant

Federal capitalization grants reported as operating income in the statement of revenues, expenses, and changes in fund net assets is a federally funded loan program. Information about the program is as follows:

CFDA Number:	66.468
Federal Agency:	Environmental Protection Agency
Program:	Drinking Water State Revolving Fund
State Agency:	Environment & Natural Resources
Expenditures:	\$152,943,038
Outstanding Loans:	\$152,171,473
Current Year	
Administrative Expense:	\$771,565
Loan Disbursement:	\$44,460,847

**2. CASH AND INVESTMENTS**

Cash and Cash Equivalents consisted of a Goldman Sachs Financial Square Treasury Obligation Fund (money market fund) and the South Dakota Cash Flow Fund. The Goldman Sachs Fund was rated "AAAm" by Standard and Poor's Rating Group. The fund paid .01% for the period 7/01/2010 – 6/30/2011. The South Dakota Conservancy District Investment Policy adopted pursuant to the Master Trust Indenture authorizes the investment of up to 20 percent of funds in the South Dakota Cash Flow Fund which is an unrated fund. The fund paid 3.37% for state fiscal year 2011. Funds were invested for the period 1/5/2011 to 6/30/2011.

*Custodial Credit Risk:* Custodial credit risk is the risk that in the event of a bank failure, the Drinking Water State Revolving Fund's investments may not be returned. At June 30, 2011, \$38,489,690 of guaranteed investment contracts were uninsured and unregistered, with the securities held by its trust department, but not in the DWSRF's name.

*Interest Rate Risk:* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The maturities of the investments are listed below.

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Guaranteed Investment Contract	8/01/2025	\$ 30,690,568
Guaranteed Investment Contract	8/01/2026	\$ <u>7,799,122</u>
		\$ <u>38,489,690</u>

*Credit Risk:* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the DWSRF. The South Dakota State Revolving Fund Master Trust Indenture requires any investment agreement to be with a guarantor whose long-term rating category is no lower than the two highest long-term rating categories. The investment is rated by Moody's Investors Service.

<u>Moody's Rating</u>	<u>Fair Value</u>
Baa1	\$ <u>38,489,690</u>

This guarantor's rating is below the acceptable rating category (i.e., below Moody's Aa3). This investment has been fully collateralized with government securities in accordance with the provisions of Guaranteed Investment Contracts. These fully collateralized investments have a fair value that equates to contract value.

### 3. LOANS RECEIVABLE

Loans receivable consists of loans made to local governments through a loan agreement. In order for a local government to receive a loan, evidence must be shown that the principal and interest of the loan will be repaid. Loans made from the DWSRF may be made at or below market interest rates and shall be fully amortized within twenty years, unless the loan is to a Disadvantaged Community, in which case the loan must be amortized within 30 years. Interest rates are reduced for those loans with shorter amortization periods.

### 4. LONG-TERM DEBT

#### Revenue Bonds

The bond issues outstanding as of June 30, 2011 are as follows:

<u>Issue</u>	<u>Interest Rate</u>	<u>Maturity Through</u>	<u>Principal Balance</u>
Series 2001			
Serial Bonds	4% - 5%	2014	1,005,000
Term Bonds	5.0%	2022	2,700,000
Series 2004			
Leveraged Serial Bonds	3.0%-5.25%	2025	18,225,000
St. Match Serial Bonds	3.0%-5.25%	2025	4,050,000

Series 2005			
Leveraged Serial Bonds	3.25%-5.0%	2026	5,860,000
St. Match Serial Bonds	3.25%-5.0%	2026	1,405,000
Series 2010AB			
Build America Bonds (BABs)			
Leveraged Term Bonds	4.084%-5.646%	2031	12,665,000
Tax Exempt Bonds			
Leveraged Term Bonds	2.000%-5.125%	2030	16,640,000
St Match Term Bonds	2.000%-5.125%	2030	7,370,000
Total			69,920,000
Less: Unamortized Deferred Amount of Refunding			(232,392)
Less: Unamortized Original Issue Discount			(18,223)
Add: Unamortized Premium			<u>2,462,234</u>
Total Net of Amortization			<u>\$ 72,131,619</u>

Future bond payments and future interest payments remaining as of June 30, 2011 are as follows:

Year Ended June 30,	Principal	Interest	Total Principal and Interest
2012	2,845,000	3,447,871	6,292,871
2013	3,440,000	3,169,438	6,609,438
2014	3,590,000	3,014,538	6,604,538
2015	3,740,000	2,849,945	6,589,945
2016	3,895,000	2,673,678	6,568,678
2017-2021	20,995,000	10,447,325	31,442,325
2022-2026	20,990,000	5,413,224	26,403,224
2027-2031	<u>10,425,000</u>	<u>1,215,942</u>	<u>11,640,942</u>
TOTAL	<u>\$69,920,000</u>	<u>\$ 32,231,961</u>	<u>\$102,151,961</u>

Changes in long-term liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds	\$57,464,651	\$38,561,161	\$23,894,193	\$72,131,619	\$ 2,965,454
Compensated Absences	<u>48,610</u>	<u>12,921</u>	<u>19,452</u>	<u>42,079</u>	<u>22,256</u>
Long-Term Liabilities	<u>\$57,513,261</u>	<u>\$38,574,082</u>	<u>\$23,913,645</u>	<u>\$72,173,698</u>	<u>\$ 2,987,710</u>



## **5. COMMITMENTS**

As of June 30, 2011, the DWSRF had loan commitments with political subdivisions worth \$31,160,467.

## **6. RETIREMENT PLAN**

The Department of Environment and Natural Resources participates in the South Dakota Retirement System (SDRS), a cost-sharing, multiple-employer defined benefit pension plan established to provide retirement, disability, and survivor benefits for employees of the State and its political subdivisions. Authority for establishing, administering and amending plan provisions is found in SDCL 3-12. The SDRS issues a publicly available financial report that includes financial statements, footnote disclosures, 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.

Employees are required by state statute to contribute 6 percent of their salary to the plan. State statute also requires the employer to contribute an amount equal to the employee's contribution. The right to receive retirement benefits vests after three years of credited service. The DWSRF contributions to the SDRS for the fiscal years ended June 30, 2011, 2010, and 2009, were \$11,170.96, \$11,979.46, and \$10,322.14, respectively, equal to the required contributions each year.

## **7. ANNUAL AND SICK LEAVE ACCRUAL**

All employees earn annual leave. Upon termination, employees are eligible to receive compensation for their accrued annual leave balances. At June 30, 2011, a liability existed for accumulated annual leave calculated at the employee's June 30, 2011 pay rate in the amount of \$18,995. Employees who have been continuously employed by the State of South Dakota for at least seven years prior to the date of their retirement, voluntary resignation or death will receive payment for one-fourth of their accumulated sick leave balance. This payment is not to exceed the sum of twelve weeks of employee's annual compensation. At June 30, 2011, a liability existed for accumulated sick leave, calculated at each employee's June 30, 2011, pay rate in the amount of \$23,084. The total leave liability of \$42,079 at June 30, 2011 is shown as a liability on the balance sheet.

## **8. PUBLIC ENTITY POOL FOR LIABILITY**

The Department of Environment and Natural Resources 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. The Department is uninsured for property loss. The Department participates in the various programs administered by the State of South Dakota. These risk management programs are funded through assessments charged to participating entities. The risk management programs include; 1) coverage for risks associated with automobile liability and general tort liability (including public officials' errors and omissions liability, medical malpractice liability, law enforcement liability, and products liability) through the State's Public Entity Pool for Liability Fund, 2) coverage of employee medical claims through the State's health insurance program, 3) coverage for unemployment benefits through the State's Workers' Compensation Fund, and, 4) coverage for workers' compensation benefits through the State's Workers' Compensation Fund. Financial information relative to the self-insurance funds administered by the State is presented in the State of South Dakota Comprehensive Annual Financial Report.

**9. BONDING ACTIVITY IN SFY 2011**

The \$17,780,000 in proceeds of the Series 2010 Bond Anticipation Notes (BANs), together with other available funds, were used to pay the redemption price of the District's \$18,000,000 Series 2009 BANs which was due on September 10, 2010. The \$36,675,000 in proceeds of the Series 2010 Bonds, together with other available funds, will be used by the District to refund the \$17,780,000 BANs Series 2010 in September 2012 and to refund the \$21,055,000 principal amount of Bonds issued by the District in 1998 and 2008. Additionally, a portion of the 2010 BANs and Bonds were used to pay costs of issuance.

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**SOUTH DAKOTA**  
**CLEAN WATER STATE REVOLVING FUND**  
**PROGRAM INFORMATION**

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## CLEAN WATER SRF INTRODUCTION

The Clean Water SRF program was created by the 1987 Clean Water Act amendments, and in 1988 the South Dakota legislature authorized the State Water Pollution Control Revolving Loan Fund program. The legislature also appropriated \$1,200,000 and directed the South Dakota Board of Water and Natural Resources to administer the program.

Since 1989, South Dakota's Clean Water SRF program has received federal capitalization grants totaling \$153,455,700. In federal fiscal years 2002 and 2003, because of the demand on the drinking water program, the Clean Water SRF Capitalization Grants and state match were transferred to the Drinking Water SRF program. These grants amounted to \$12,978,600, with a corresponding state match of \$2,595,720. Table 4 shows capitalization grants, state match, and leveraged funds for the Clean Water SRF program.

Through June 30, 2011, principal repayments from borrowers totaled \$148,558,843. Of this amount \$123,469,307 has been re-loaned. Principal repayments are also used for debt service on leveraged bonds. Interest payments from borrowers totaled \$42,633,281. These funds, coupled with investment earnings, have provided \$48,531,928 in loans. Interest payments are also used for debt service on State Match bonds.

As of June 30, 2011, the Board has made 288 Clean Water loans totaling \$462,453,404. The Clean Water SRF loan portfolio begins on page 31 with a map showing the location of the borrowers. Table 5 on pages 32-38 provides the loan amount, date, and terms. Table 6 on page 39 shows the principal forgiveness awarded through the American Reinvestment and Recovery Act of 2009. More detailed project description narratives are provided by recipient on pages 40-52.

**Table 4**  
**Clean Water SRF Program - Source of Funds**

Federal Fiscal Year	Federal Capitalization Grant Award	State Match	Leveraged Funds	Total
1989	\$4,577,200	\$915,440		\$5,492,640
1990	\$4,738,000	\$947,600		\$5,685,600
1991	\$10,074,800	\$2,014,960		\$12,089,760
1992	\$9,534,900	\$1,906,980		\$11,441,880
1993	\$9,431,000	\$1,886,200		\$11,317,200
1994	\$5,813,800	\$1,162,760		\$6,976,560
1995	\$6,007,800	\$1,201,560	\$4,507,540	\$11,716,900
1996	\$9,904,700	\$1,980,940		\$11,885,640
1997	\$2,990,500	\$598,100		\$3,588,600
1998	\$6,577,300	\$1,315,460		\$7,892,760
1999	\$6,577,900	\$1,315,580		\$7,893,480
2000	\$6,555,200	\$1,311,040		\$7,866,240
2001	\$6,496,100	\$1,299,220		\$7,795,320
2002 *	\$0	\$0		\$0
2003 *	\$0	\$0		\$0
2004	\$6,471,800	\$1,294,360		\$7,766,160

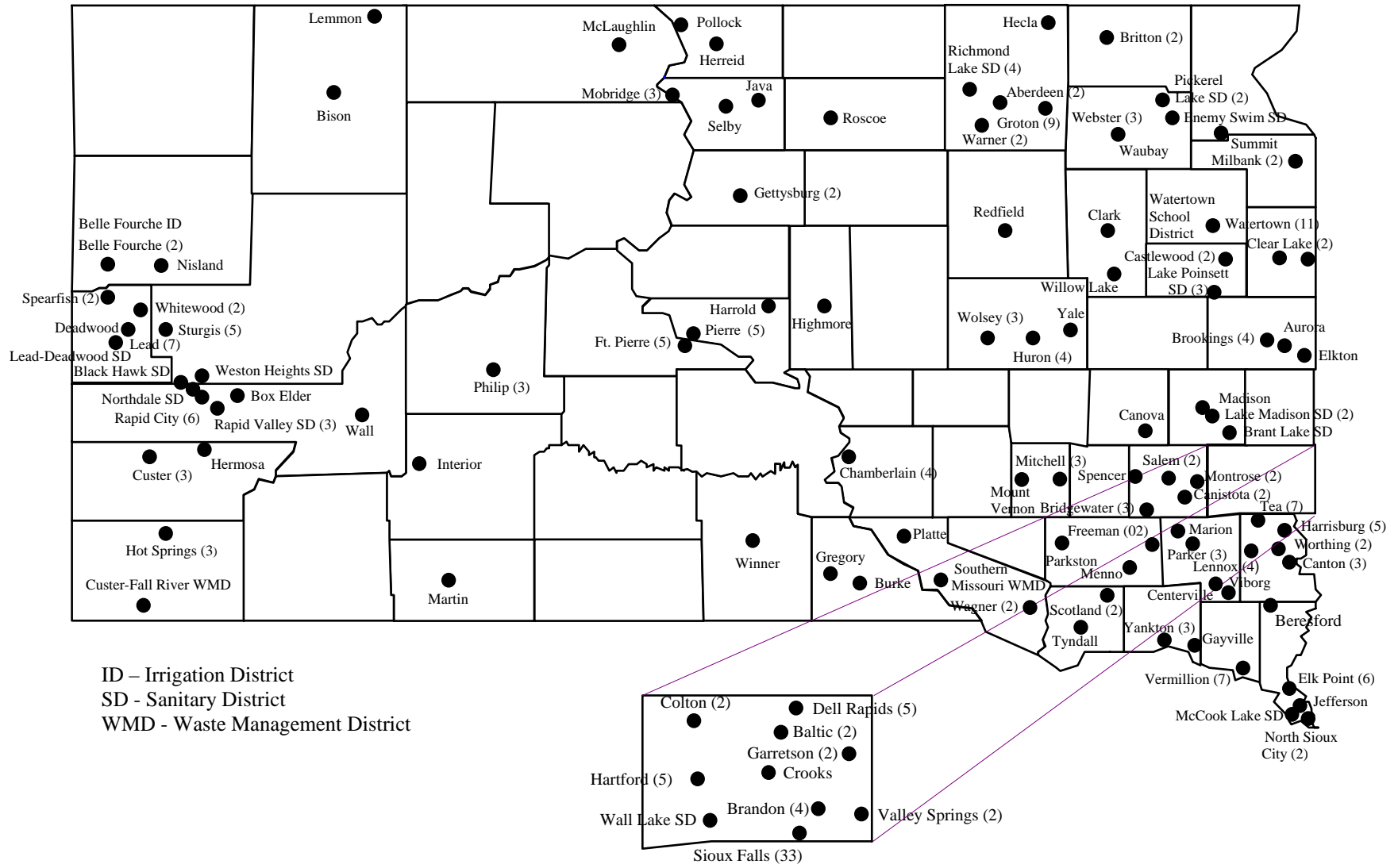
2005	\$5,243,500	\$1,048,700		\$6,292,200
2006	\$4,242,300	\$848,460	\$41,000,000	\$46,090,760
2007	\$5,207,200	\$1,041,440		\$6,248,640
2008	\$3,274,300	\$654,860	\$19,826,250	\$23,755,410
2009	\$3,274,300	\$654,860	\$37,455,570	\$41,384,730
2009 - ARRA	\$19,239,100	\$0		\$19,239,100
2010	\$10,002,000	\$2,000,400		\$12,002,400
2011 **	\$7,222,000	\$1,444,400		\$8,666,400
<b>TOTAL</b>	<b>\$153,455,700</b>	<b>\$26,843,320</b>	<b>\$102,789,360</b>	<b>\$283,088,380</b>

\* The 2002 and 2003 capitalization grants and state match were transferred to the Drinking Water SRF program. Administrative surcharge funds were used as state match.

\*\* The capitalization grant was not received within the reporting period; amounts shown reflect amounts on the capitalization grant application.

Fiscal Year	Capitalization		Total
	Grant Award	State Match	Transferred
2002	\$6,510,800	\$1,302,160	\$7,812,960
2003	\$6,467,800	\$1,293,560	\$7,761,360
<b>TOTAL</b>	<b>\$12,978,600</b>	<b>\$2,595,720</b>	<b>\$15,574,320</b>

**FIGURE 1**  
**Clean Water State Revolving Fund Loans**



**Table 5**  
**Clean Water SRF Loans**  
**Since Inception of Program through June 30, 2011**

<b>Sponsor</b>	<b>Binding Commitment Date</b>	<b>Rate</b>	<b>Term (years)</b>	<b>Original Binding Commitment Amount</b>	<b>Final Loan Amount</b>
Aberdeen (01)	01/06/2005	2.25%	20	\$12,062,600	\$12,062,600
Aberdeen (01NPS)	01/06/2005	2.25%	20	\$1,156,259	\$1,156,259
Aberdeen (02)	06/28/2007	3.25%	20	\$6,000,000	\$6,000,000
Aurora (01)	07/27/2000	5.00%	20	\$410,000	\$309,759
Aurora (02) - ARRA	07/23/2009	3.25%	30	\$660,000	\$660,000
Baltic (01)	06/27/2002	3.50%	20	\$465,000	\$405,646
Baltic (02) - ARRA	06/25/2009	3.00%	20	\$433,000	\$276,164
Belle Fourche (01)	08/22/1990	3.00%	20	\$253,000	\$253,000
Belle Fourche (02) <sup>1</sup>	06/22/1995	4.50% <sup>1</sup>	10	\$300,000	\$264,422
Belle Fourche Irrigation District (01)	06/24/2011	0%	-	\$200,000	\$200,000
Beresford (01) <sup>1</sup>	06/22/2000	4.50%	10	\$1,150,000	\$1,115,852
Bison (01)	06/24/2011	3.00%	20	\$504,050	\$504,050
Black Hawk Sanitary District (01)	06/26/2003	3.50%	20	\$589,600	\$477,823
Box Elder (01) <sup>1</sup>	04/11/1990	3.00%	20	\$648,600	\$648,600
Brandon (01) <sup>1</sup>	03/14/1991	3.00%	10	\$105,000	\$105,000
Brandon (02) <sup>1</sup>	03/31/1993	3.00%	10	\$600,000	\$526,018
Brandon (03) - ARRA <sup>2</sup>	06/25/2009	2.25%	10	\$687,000	\$0
Brandon (04) - ARRA	06/25/2009	2.25%	10	\$383,250	\$383,250
Brant Lake Sanitary District (01)	06/24/2010	3.25%	30	\$1,700,000	\$1,700,000
Bridgewater (01)	09/25/1997	5.25%	20	\$120,000	\$90,328
Bridgewater (02)	06/23/2005	3.25%	20	\$321,600	\$321,600
Bridgewater (03)	06/24/2011	3.25%	30	\$261,000	\$261,000
Britton (01) <sup>1</sup>	05/13/1999	4.50%	10	\$509,935	\$509,935
Britton (02)	09/26/2002	3.50%	20	\$322,500	\$291,854
Brookings (01) <sup>1</sup>	03/14/1991	4.00%	15	\$188,065	\$188,065
Brookings (02) - ARRA	03/27/2009	3.00%	20	\$1,190,000	\$1,190,000
Brookings (03)	06/24/2010	3.00%	20	\$665,000	\$665,000
Brookings (04)	06/24/2011	3.00%	20	\$483,538	\$483,538
Burke (01)	01/05/2006	3.25%	20	\$155,000	\$155,000
Canistota (01) - ARRA	03/27/2009	3.25%	30	\$616,840	\$616,840
Canistota (02)	12/16/2009	3.25%	30	\$188,669	\$188,669
Canova (01)	01/07/2011	3.25%	30	\$262,500	\$262,500
Canton (01) <sup>1</sup>	05/19/1992	4.00%	15	\$621,000	\$515,715
Canton (02)	01/10/2003	3.50%	20	\$600,000	\$600,000
Canton (03) - ARRA	03/27/2009	3.00%	20	\$2,462,000	\$2,462,000
Castlewood (01)	01/31/2002	3.50%	20	\$250,000	\$215,859

<b>Sponsor</b>	<b>Binding Commitment Date</b>	<b>Rate</b>	<b>Term (years)</b>	<b>Original Binding Commitment Amount</b>	<b>Final Loan Amount</b>
Castlewood (02)	06/22/2006	3.25%	20	\$160,000	\$160,000
Centerville (01)	06/27/2002	3.50%	20	\$500,000	\$500,000
Chamberlain (01) <sup>1</sup>	07/08/1992	3.00%	10	\$350,500	\$350,500
Chamberlain (02) <sup>1</sup>	01/26/1993	3.00%	10	\$265,000	\$265,000
Chamberlain (03) <sup>1</sup>	06/27/1996	5.25%	20	\$2,700,000	\$2,700,000
Chamberlain (04) <sup>1</sup>	03/26/1998	5.25%	20	\$450,000	\$450,000
Clark (01)	01/10/2003	3.50%	20	\$400,000	\$400,000
Clear Lake (01) <sup>1</sup>	06/13/1991	4.00%	15	\$370,000	\$79,537
Clear Lake (02)	06/25/2004	3.25%	20	\$910,000	\$687,227
Colton (01)	09/22/2005	3.25%	20	\$204,500	\$178,332
Colton (02)	03/25/2011	3.00%	20	\$189,200	\$189,200
Crooks (01)	03/27/2008	3.25%	20	\$697,000	\$421,975
Custer (01) <sup>1</sup>	04/11/1990	3.00%	20	\$430,000	\$430,000
Custer (02) <sup>1</sup>	07/11/1990	3.00%	20	\$182,000	\$182,000
Custer (03) <sup>1</sup>	08/23/1993	3.00%	10	\$276,000	\$276,000
Custer-Fall River WMD (NPS-01) <sup>1</sup>	06/22/1995	5.00%	20	\$250,000	\$106,939
Deadwood (01) <sup>1</sup>	04/25/1994	4.00%	15	\$582,000	\$447,838
Dell Rapids (01) <sup>1</sup>	12/09/1993	3.00%	10	\$300,000	\$300,000
Dell Rapids (02)	01/05/2006	3.25%	20	\$731,737	\$561,737
Dell Rapids (03)	09/27/2007	3.25%	20	\$1,062,000	\$1,062,000
Dell Rapids (04)	09/25/2008	3.25%	20	\$950,000	\$950,000
Dell Rapids (05)	09/24/2010	3.00%	20	\$1,185,995	\$1,185,995
Elk Point (01) <sup>1</sup>	05/27/1993	4.00%	15	\$458,000	\$458,000
Elk Point (02)	01/31/2002	3.50%	20	\$450,000	\$450,000
Elk Point (03)	06/26/2003	3.50%	20	\$345,000	\$345,000
Elk Point (04)	06/22/2006	3.25%	20	\$100,000	\$100,000
Elk Point (05)	06/26/2008	3.25%	20	\$150,000	\$150,000
Elk Point (06) - ARRA	07/23/2009	3.00%	20	\$931,700	\$931,700
Elkton (01) - ARRA	03/27/2009	3.00%	20	\$510,000	\$510,000
Enemy Swim Sanitary District (01) - ARRA <sup>2</sup>	03/27/2009	0%	-	\$300,000	\$0
Fort Pierre (01) <sup>1</sup>	05/11/1994	3.00%	10	\$330,294	\$330,294
Fort Pierre (02)	01/31/2002	3.50%	15	\$462,500	\$462,500
Fort Pierre (03)	01/09/2004	3.50%	20	\$450,000	\$443,223
Fort Pierre (04) <sup>2</sup>	03/30/2007	3.25%	20	\$374,620	\$0
Fort Pierre (05)	02/11/2009	3.00%	20	\$900,000	\$900,000
Freeman (01)	01/06/2005	2.50%	10	\$300,000	\$300,000
Freeman (02)	06/26/2008	3.25%	20	\$800,000	\$800,000
Garretson (01) <sup>1</sup>	05/11/1994	4.00%	15	\$510,000	\$300,000
Garretson (02)	03/27/2008	3.25%	20	\$507,445	\$503,239
Gayville (01)	06/25/2004	3.25%	20	\$275,000	\$262,972



<b>Sponsor</b>	<b>Binding Commitment Date</b>	<b>Rate</b>	<b>Term (years)</b>	<b>Original Binding Commitment Amount</b>	<b>Final Loan Amount</b>
Gettysburg (01)	06/25/2009	3.25%	30	\$624,000	\$537,758
Gregory (01)	08/26/2009	3.00%	20	\$357,000	\$241,574
Groton (01) <sup>1</sup>	01/13/1994	3.00%	10	\$192,000	\$189,524
Groton (02) <sup>1</sup>	05/11/1994	3.00%	10	\$106,000	\$74,630
Groton (03)	07/23/1997	5.25%	20	\$635,000	\$470,809
Groton (04)	03/28/2003	3.50%	20	\$163,775	\$126,648
Groton (05)	03/28/2003	3.50%	20	\$440,000	\$440,000
Groton (06)	01/03/2008	3.25%	20	\$150,000	\$56,368
Groton (07) - ARRA	06/25/2009	3.00%	20	\$907,700	\$707,200
Groton (08)	06/24/2010	2.25%	10	\$322,000	\$322,000
Groton (09)	06/24/2011	2.25%	10	\$485,000	\$485,000
Harrisburg (01) <sup>1</sup>	06/23/1999	5.00%	20	\$520,000	\$507,277
Harrisburg (02) - ARRA	06/25/2009	0%	-	\$3,941,200	\$3,941,200
Harrisburg (03)	06/25/2009	3.25%	30	\$5,911,800	\$2,555,790
Harrisburg (04)	03/25/2011	2.25%	10	\$1,435,340	\$1,435,340
Harrisburg (05)	03/25/2011	3.00%	20	\$1,783,760	\$1,783,760
Harold (01)	06/26/2008	3.25%	20	\$170,000	\$162,372
Hartford (01)	04/13/2000	5.00%	20	\$504,000	\$504,000
Hartford (02)	04/13/2000	5.00%	20	\$690,804	\$690,804
Hartford (03)	04/12/2002	3.50%	20	\$300,000	\$300,000
Hartford (04)	01/10/2003	3.50%	20	\$550,035	\$550,035
Hartford (05)	06/28/2007	3.25%	20	\$583,000	\$523,629
Hecla (01)	07/06/2009	3.00%	20	\$143,390	\$143,390
Hermosa (01)	03/25/2011	3.25%	30	\$303,604	\$303,604
Herreid (01)	03/25/2011	3.25%	30	\$694,300	\$694,300
Highmore (01)	04/12/2002	3.50%	20	\$262,300	\$262,300
Hot Springs (01) <sup>1</sup>	03/12/1992	3.00%	10	\$196,930	\$196,930
Hot Springs (02)	09/24/2011	3.00%	20	\$1,453,000	\$1,453,000
Hot Springs (NPS-01)	01/13/1994	5.00%	20	\$930,000	\$930,000
Huron (01) <sup>1</sup>	11/09/1989	3.00%	20	\$1,656,000	\$1,656,000
Huron (02) <sup>1</sup>	06/13/1991	3.00%	10	\$750,000	\$701,997
Huron (03)	09/19/1995	5.25%	20	\$2,700,000	\$1,856,828
Huron (04) <sup>2</sup>	01/06/2005	3.25%	20	\$1,500,000	\$0
Interior (01)	06/24/2011	3.25%	30	\$250,000	\$250,000
Java (01)	06/24/2011	3.25%	30	\$438,325	\$438,325
Jefferson (01)	03/28/2003	3.50%	20	\$320,000	\$166,084
Lake Cochrane San Dist (01) <sup>1</sup>	04/11/1990	3.00%	20	\$80,000	\$80,000
Lake Cochrane San Dist (02)	01/08/2004	3.50%	20	\$160,000	\$156,111
Lake Madison San Dist (01) <sup>1</sup>	03/14/1991	4.00%	15	\$330,000	\$330,000
Lake Madison San Dist (02)	09/25/2003	3.50%	20	\$875,000	\$613,419

<b>Sponsor</b>	<b>Binding Commitment Date</b>	<b>Rate</b>	<b>Term (years)</b>	<b>Original Binding Commitment Amount</b>	<b>Final Loan Amount</b>
Lake Poinsett San Dist (01) <sup>2</sup>	01/06/2005	3.25%	20	\$590,000	\$0
Lake Poinsett San Dist (02)	06/28/2007	3.50%	30	\$1,094,700	\$1,094,700
Lake Poinsett San Dist (03)	09/24/2011	3.25%	30	\$3,075,000	\$3,075,000
Lead (01) <sup>1</sup>	07/11/1990	3.00%	20	\$186,409	\$186,409
Lead (02) <sup>1</sup>	07/11/1991	3.00%	10	\$500,770	\$500,770
Lead (03) <sup>1</sup>	05/19/1992	3.00%	10	\$405,000	\$375,298
Lead (04)	07/27/2000	4.50%	10	\$239,200	\$239,200
Lead (05)	01/06/2005	3.25%	20	\$333,700	\$220,029
Lead (06)	06/28/2007	3.25%	20	\$240,000	\$240,000
Lead (07)	09/24/2011	3.00%	20	\$200,000	\$200,000
Lead-Deadwood San Dist (01) <sup>1</sup>	06/07/1990	3.00%	5	\$110,000	\$106,855
Lemmon (01) <sup>1</sup>	04/11/1990	3.00%	20	\$427,100	\$427,100
Lennox (01)	06/27/1996	5.25%	20	\$350,000	\$350,000
Lennox (02)	07/23/1997	5.25%	20	\$600,000	\$583,735
Lennox (03) - ARRA	06/25/2009	0%	-	\$1,565,760	\$1,565,760
Lennox (04) - ARRA	06/25/2009	3.25%	30	\$1,942,273	\$1,942,273
Madison (01) <sup>1</sup>	03/14/1991	3.00%	10	\$150,000	\$119,416
Madison (02)	09/27/2007	3.25%	20	\$5,343,256	\$4,986,796
Marion (01)	09/25/2008	3.50%	30	\$1,710,000	\$1,710,000
Martin (01)	03/27/2008	3.25%	20	\$237,250	\$237,250
McCook Lake San Dist (01)	08/29/1991	5.00%	20	\$641,935	\$641,935
McLaughlin (01)	06/24/2011	3.25%	30	\$1,145,675	\$1,145,675
Menno (01)	09/24/2011	3.00%	20	\$240,000	\$240,000
Milbank (01) - ARRA	06/25/2009	3.00%	20	\$3,515,000	\$3,515,000
Milbank (02)	06/25/2009	3.25%	30	\$1,000,000	\$1,000,000
Mitchell (01) <sup>1</sup>	04/15/1997	4.50%	10	\$2,000,000	\$1,543,405
Mitchell (02)	09/25/2003	3.50%	20	\$1,320,000	\$1,320,000
Mitchell (03)	02/11/2009	2.00%	20	\$1,534,224	\$1,534,224
Mitchell (03NPS)	02/11/2009	2.00%	20	\$148,523	\$148,523
Mobridge (01)	07/11/1990	3.00%	20	\$1,500,000	\$1,500,000
Mobridge (02) <sup>1</sup>	12/11/1991	4.00%	15	\$158,000	\$158,000
Mobridge (03)	04/13/2000	4.50%	10	\$1,355,000	\$1,350,000
Montrose (01)	09/22/2005	2.50%	10	\$142,621	\$34,988
Montrose (02) - ARRA	03/27/2009	3.25%	30	\$804,000	\$804,000
Mount Vernon (01)	09/24/2011	3.25%	30	\$2,300,000	\$2,300,000
Nisland (01)	01/06/2005	3.25%	20	\$204,000	\$204,000
North Sioux City (01) <sup>1</sup>	07/08/1992	3.00%	10	\$239,650	\$239,650
North Sioux City (02)	06/22/1995	5.00%	15	\$646,000	\$646,000
Northdale San Dist (01) <sup>1</sup>	04/25/1994	5.00%	20	\$315,000	\$256,380
Northville (01)	03/25/2011	3.25%	30	\$238,300	\$238,300

<b>Sponsor</b>	<b>Binding Commitment Date</b>	<b>Rate</b>	<b>Term (years)</b>	<b>Original Binding Commitment Amount</b>	<b>Final Loan Amount</b>
Parker (01)	09/23/2004	3.25%	20	\$824,000	\$430,000
Parker (02)	06/22/2006	3.25%	20	\$620,000	\$480,501
Parker (03) - ARRA	03/27/2009	3.25%	30	\$700,900	\$694,329
Parkston (01)	06/26/2008	3.25%	20	\$650,000	\$635,690
Philip (01) <sup>1</sup>	06/22/1995	5.00%	15	\$472,000	\$453,885
Philip (02)	06/26/1997	5.25%	20	\$325,000	\$321,127
Philip (03)	09/22/2005	3.25%	15	\$347,040	\$316,423
Pickerel Lake San Dist (01)	05/09/1996	5.25%	15	\$850,000	\$850,000
Pickerel Lake San Dist (02) <sup>1</sup>	09/25/1997	5.25%	20	\$670,000	\$670,000
Pierre (01) <sup>1</sup>	11/08/1990	4.00%	15	\$600,000	\$433,976
Pierre (02) <sup>1</sup>	03/26/1998	5.25%	20	\$4,417,000	\$4,417,000
Pierre (03) <sup>1</sup>	03/25/1999	5.00%	20	\$5,391,260	\$5,391,260
Pierre (04)	03/28/2003	3.50%	20	\$1,378,404	\$1,199,832
Pierre (05)	09/25/2008	3.25%	20	\$976,953	\$976,953
Plankinton (01)	06/24/2011	3.25%	30	\$1,005,744	\$1,005,744
Platte (01) <sup>1</sup>	03/25/1999	5.00%	20	\$1,000,000	\$975,865
Pollock (01) <sup>1</sup>	09/23/1993	3.00%	10	\$170,000	\$151,619
Rapid City (01) <sup>1</sup>	12/12/1990	4.00%	15	\$2,637,000	\$2,479,905
Rapid City (02) <sup>1</sup>	07/08/1992	4.00%	15	\$1,138,200	\$986,685
Rapid City (03) <sup>1</sup>	06/23/1993	4.00%	15	\$777,500	\$674,577
Rapid City (04) <sup>1</sup>	08/10/1994	4.00%	15	\$1,214,861	\$1,214,861
Rapid City (05) <sup>1</sup>	01/11/2001	4.50%	20	\$14,000,000	\$14,000,000
Rapid City (06)	09/23/2009	3.00%	20	\$5,000,000	\$5,000,000
Rapid Valley San Dist (01) <sup>1</sup>	01/11/1990	3.00%	20	\$614,000	\$614,000
Rapid Valley San Dist (02) <sup>1</sup>	11/10/1994	4.00%	15	\$460,000	\$364,583
Rapid Valley San Dist (03)	07/29/1996	5.25%	20	\$630,000	\$630,000
Redfield (01) <sup>2</sup>	06/23/2005	3.25%	20	\$333,788	\$0
Richmond Lake San Dist (01) <sup>1</sup>	06/27/1996	5.25%	20	\$414,000	\$414,000
Richmond Lake San Dist (02) <sup>1</sup>	06/25/1998	5.25%	20	\$226,500	\$191,500
Richmond Lake San Dist (03)	03/25/2011	3.00%	20	\$193,600	\$193,600
Richmond Lake San Dist (04)	03/25/2011	3.25%	30	\$339,800	\$339,800
Roscoe (01) <sup>1</sup>	07/29/1996	5.25%	20	\$358,408	\$358,408
Salem (01)	03/28/2003	3.50%	20	\$592,307	\$518,035
Salem (02)	06/23/2005	3.25%	20	\$387,960	\$387,960
Scotland (01)	03/28/2003	3.50%	20	\$250,000	\$250,000
Scotland (02)	06/24/2011	3.25%	30	\$945,930	\$945,930
Selby (01)	09/24/2010	0%	-	\$700,000	\$700,000
Sioux Falls (01)	04/11/1990	3.00%	20	\$3,316,310	\$2,836,963
Sioux Falls (02) <sup>1</sup>	07/11/1990	3.00%	10	\$453,999	\$453,999
Sioux Falls (03) <sup>1</sup>	12/12/1990	3.00%	10	\$845,000	\$845,000

<b>Sponsor</b>	<b>Binding Commitment Date</b>	<b>Rate</b>	<b>Term (years)</b>	<b>Original Binding Commitment Amount</b>	<b>Final Loan Amount</b>
Sioux Falls (04) <sup>1</sup>	12/12/1990	3.00%	10	\$1,200,000	\$1,200,000
Sioux Falls (05) <sup>1</sup>	03/12/1992	3.00%	10	\$1,955,000	\$1,955,000
Sioux Falls (06) <sup>1</sup>	03/12/1992	3.00%	10	\$700,000	\$700,000
Sioux Falls (07) <sup>1</sup>	01/26/1993	3.00%	10	\$4,500,000	\$4,500,000
Sioux Falls (08) <sup>1</sup>	01/13/1994	3.00%	10	\$1,000,000	\$699,003
Sioux Falls (09) <sup>1</sup>	08/10/1994	3.00%	10	\$1,250,000	\$1,250,000
Sioux Falls (10) <sup>1</sup>	08/10/1994	3.00%	10	\$1,500,000	\$1,432,941
Sioux Falls (11) <sup>1</sup>	06/22/1995	4.50%	10	\$1,250,000	\$1,195,346
Sioux Falls (12) <sup>1</sup>	03/27/1996	4.50%	10	\$1,300,000	\$1,300,000
Sioux Falls (13) <sup>1</sup>	01/09/1997	4.50%	10	\$2,500,000	\$2,083,137
Sioux Falls (14)	07/27/2000	4.50%	10	\$5,100,000	\$4,888,537
Sioux Falls (15)	04/12/2002	3.50%	10	\$1,724,000	\$1,467,706
Sioux Falls (16)	01/10/2003	3.50%	10	\$2,479,500	\$2,479,500
Sioux Falls (17)	06/26/2003	3.50%	10	\$932,000	\$561,320
Sioux Falls (18)	07/16/2004	2.50%	10	\$3,951,000	\$3,730,114
Sioux Falls (19)	07/16/2004	2.50%	10	\$801,000	\$415,785
Sioux Falls (20A)	01/06/2005	1.50%	10	\$16,000,000	\$16,000,000
Sioux Falls (20B)	10/19/2005	1.50%	10	\$8,700,000	\$8,700,000
Sioux Falls (20NPS)	01/06/2005	1.50%	10	\$1,249,349	\$1,249,349
Sioux Falls (21A)	03/31/2005	2.25%	20	\$12,500,000	\$12,500,000
Sioux Falls (21B)	10/19/2005	2.25%	20	\$21,608,000	\$20,108,000
Sioux Falls (21NPS)	03/31/2005	2.25%	20	\$3,269,418	\$3,125,636
Sioux Falls (22)	02/07/2006	2.50%	10	\$10,550,000	\$10,550,000
Sioux Falls (23)	03/31/2006	2.50%	10	\$10,323,000	\$10,309,144
Sioux Falls (24)	03/30/2007	2.50%	7	\$500,000	\$500,000
Sioux Falls (25)	01/03/2008	2.50%	10	\$5,657,000	\$5,657,000
Sioux Falls (26)	03/27/2008	2.50%	10	\$3,744,000	\$3,744,000
Sioux Falls (27)	03/27/2008	2.50%	10	\$2,621,000	\$2,621,000
Sioux Falls (28) - ARRA	03/27/2009	2.25%	10	\$1,803,000	\$1,803,000
Sioux Falls (29) - ARRA	03/27/2009	2.25%	10	\$2,540,000	\$2,540,000
Sioux Falls (30) - ARRA	07/23/2009	2.25%	10	\$8,462,000	\$8,462,000
Sioux Falls (31) - ARRA	05/27/2009	2.25%	10	\$1,970,000	\$1,970,000
Sioux Falls (32B)	01/07/2011	1.25%	10	\$23,400,000	\$23,400,000
Sioux Falls (32NPS)	01/07/2011	1.25%	10	\$1,189,400	\$1,189,400
Sioux Falls (33B)	06/24/2011	1.25%	10	\$14,000,000	\$14,000,000
Sioux Falls (33NPS)	06/24/2011	1.25%	10	\$711,614	\$711,614
Southern Missouri RWMD (NPS-01)	10/06/1994	5.00%	20	\$700,000	\$700,000
Spearfish (01) <sup>1</sup>	03/12/1992	4.00%	15	\$1,956,000	\$1,956,000
Spearfish (02)	01/03/2008	3.25%	20	\$5,900,000	\$5,658,584
Spencer (01)	06/24/2010	3.25%	30	\$230,156	\$230,156

<b>Sponsor</b>	<b>Binding Commitment Date</b>	<b>Rate</b>	<b>Term (years)</b>	<b>Original Binding Commitment Amount</b>	<b>Final Loan Amount</b>
Sturgis (01) <sup>1</sup>	08/23/1993	5.00%	20	\$502,000	\$502,000
Sturgis (02) <sup>1</sup>	06/23/1994	5.00%	20	\$936,250	\$936,250
Sturgis (03) <sup>1</sup>	06/27/1997	5.25%	20	\$450,000	\$437,380
Sturgis (04) <sup>1</sup>	04/14/2000	5.00%	20	\$2,100,000	\$2,100,000
Sturgis (05) - ARRA	08/26/2009	3.00%	20	\$516,900	\$218,283
Summit (01) - ARRA <sup>1</sup>	03/27/2009	0%	-	\$100,000	\$100,000
Tea (01) <sup>1</sup>	03/31/1993	4.00%	15	\$600,000	\$600,000
Tea (02) <sup>1</sup>	05/11/1994	4.00%	15	\$600,000	\$600,000
Tea (03)	06/27/1997	5.25%	20	\$250,000	\$208,813
Tea (04)	05/14/1998	5.00%	15	\$375,000	\$375,000
Tea (05)	06/26/2003	3.50%	20	\$495,490	\$495,490
Tea (06)	06/28/2007	3.25%	20	\$858,000	\$787,174
Tea (07)	06/25/2009	3.00%	20	\$875,000	\$845,000
Tyndall (01)	03/31/2006	3.25%	20	\$795,000	\$795,000
Valley Springs (01)	05/14/1998	5.25%	20	\$430,000	\$422,128
Valley Springs (02)	09/23/2004	3.25%	20	\$350,000	\$350,000
Vermillion (01)	06/07/1990	3.00%	20	\$125,000	\$125,000
Vermillion (02) <sup>1</sup>	12/09/1993	4.00%	15	\$500,000	\$370,471
Vermillion (03)	03/28/2003	3.50%	20	\$456,000	\$273,965
Vermillion (04)	07/16/2004	3.25%	20	\$3,548,351	\$3,333,994
Vermillion (05)	06/26/2008	3.25%	20	\$4,851,000	\$4,851,000
Vermillion (06) - ARRA	06/25/2009	3.00%	20	\$499,000	\$499,000
Vermillion (NPS-01) <sup>1</sup>	08/10/1995	4.50%	10	\$480,000	\$356,531
Viborg (01)	06/24/2011	3.25%	30	\$883,000	\$883,000
Wagner (01)	06/28/2007	3.25%	20	\$150,000	\$138,329
Wagner (02) <sup>2</sup>	07/23/2009	3.25%	30	\$500,000	\$0
Wall (01) <sup>1</sup>	07/22/1999	5.00%	20	\$1,146,000	\$788,600
Wall Lake San Dist (01)	12/13/2001	3.50%	20	\$200,000	\$175,126
Warner (01) <sup>1</sup>	03/23/1995	4.50%	10	\$102,000	\$101,152
Warner (02)	06/24/2011	3.25%	30	\$1,826,760	\$1,826,760
Watertown (01) <sup>1</sup>	10/09/1991	4.00%	15	\$2,000,000	\$2,000,000
Watertown (02) <sup>1</sup>	08/12/1992	4.00%	15	\$4,000,000	\$4,000,000
Watertown (03)	06/22/1995	5.25%	20	\$2,600,000	\$2,583,734
Watertown (04) <sup>1</sup>	11/09/1995	5.25%	20	\$2,200,000	\$932,830
Watertown (05)	03/28/2003	3.50%	20	\$2,055,000	\$2,055,000
Watertown (06)	03/31/2006	2.25%	20	\$1,189,145	\$1,151,694
Watertown (06NPS)	03/31/2006	2.25%	20	\$113,985	\$113,985
Watertown (07)	01/05/2007	2.25%	20	\$847,170	\$808,7360
Watertown (07NPS)	01/05/2007	2.25%	20	\$81,205	\$81,205
Watertown (08)	01/05/2007	2.25%	20	\$612,877	\$525,041

<b>Sponsor</b>	<b>Binding Commitment Date</b>	<b>Rate</b>	<b>Term (years)</b>	<b>Original Binding Commitment Amount</b>	<b>Final Loan Amount</b>
Watertown (08NPS)	01/05/2007	2.25%	20	\$58,747	\$58,747
Watertown (09) - ARRA	07/23/2009	3.00%	20	\$16,446,000	\$16,446,000
Watertown (10) - ARRA	07/23/2009	3.00%	20	\$3,330,000	\$3,330,000
Watertown (11)	07/23/2009	3.00%	20	\$815,000	\$815,000
Watertown School District (01) - ARRA	07/23/2009	0%	-	\$503,635	\$424,843
Waubay (01) <sup>1</sup>	02/18/1992	5.00%	20	\$163,487	\$81,454
Webster (01) <sup>1</sup>	03/27/1996	4.50%	10	\$400,000	\$345,394
Webster (02)	04/12/2002	3.50%	20	\$811,000	\$811,000
Webster (03) – ARRA <sup>1</sup>	03/27/2009	0%	-	\$500,000	\$500,000
Weston Heights Sanitary District (01)	03/31/2006	3.25%	20	\$638,300	\$600,412
Whitewood (01) <sup>1</sup>	02/18/1992	4.00%	15	\$200,000	\$180,801
Whitewood (02)	07/27/2000	5.00%	20	\$275,000	\$189,032
Willow Lake (01)	01/08/2004	3.50%	20	\$100,000	\$100,000
Winner (01)	06/22/2006	3.25%	20	\$925,000	\$925,000
Wolsey (01)	09/27/2007	3.25%	20	\$162,300	\$162,300
Wolsey (02) <sup>2</sup>	03/27/2009	3.00%	20	\$614,400	\$0
Wolsey (03)	03/25/2010	3.00%	20	\$901,560	\$901,560
Worthing (01)	06/27/1996	5.25%	20	\$315,725	\$227,645
Worthing (02)	09/27/2007	3.50%	20	\$580,000	\$580,000
Yale (01)	06/24/2011	3.25%	30	\$885,110	\$885,110
Yankton (01) <sup>1</sup>	12/10/1997	5.25%	20	\$2,625,000	\$2,625,000
Yankton (02) <sup>1</sup>	12/10/1997	6.00%	20	\$4,500,000	\$4,500,000
Yankton (03)	10/12/2001	3.50%	20	\$6,130,000	\$6,020,406
<b>TOTAL</b>				<b>\$462,453,404</b>	<b>\$439,092,409</b>

<sup>1</sup> Loans paid in full

<sup>2</sup> Deobligated in full

**Table 6  
Principal Forgiveness Awards to Clean Water SRF Borrowers**

<b>Sponsor</b>	<b>Total Assistance Amount</b>	<b>Principal Forgiveness Awarded</b>	<b>Loan Awarded</b>
Aurora (02)	\$660,000	\$300,000	\$360,000
Baltic (02)	276,164	127,588	148,576
Belle Fourche Irrigation District (01)	\$200,000	\$200,000	\$0
Brandon (04)	\$383,250	\$38,325	\$344,925
Brookings (02)	\$1,190,000	\$119,000	\$1,071,000
Brookings (03)	\$665,000	\$66,500	\$598,500
Canistota (01)	\$616,840	\$420,190	\$196,650
Canova (01)	\$262,500	\$170,000	\$92,500
Canton (03)	\$2,462,000	\$840,500	\$1,621,500
Dell Rapids (05)	\$1,185,995	\$635,995	\$550,000
Elkton (01)	\$510,000	\$130,000	\$380,000
Elk Point (06)	\$931,700	\$93,170	\$838,530
Groton (07)	\$707,200	\$299,500	\$407,700
Groton (08)	\$322,000	\$80,500	\$241,500
Harrisburg (02)	\$3,941,200	\$3,941,200	\$0
Hecla (01)	\$143,390	\$14,339	\$129,051
Java (01)	\$438,325	\$103,325	\$335,000
Lake Poinsett Sanitary District (03)	\$3,075,000	\$1,603,000	\$1,472,000
Lead (07)	\$200,000	\$50,000	\$150,000
Lennox (03)	\$1,565,760	\$1,565,760	\$0
Lennox (04)	\$1,942,273	\$123,024	\$1,819,249
McLaughlin (01)	\$1,145,675	\$150,000	\$995,675
Milbank (01)	\$3,515,000	\$2,257,500	\$1,257,500
Montrose (02)	\$804,000	\$160,400	\$643,600
Mount Vernon (01)	\$2,300,000	\$1,050,000	\$1,250,000
Parker (03)	\$694,329	\$471,450	\$222,879
Plankinton (01)	\$1,005,744	\$150,000	\$855,744
Selby (01)	\$700,000	\$700,000	\$0
Sioux Falls (28)	\$1,803,000	\$180,300	\$1,622,700
Sioux Falls (29)	\$2,540,000	\$254,000	\$2,286,000
Sioux Falls (30)	\$8,462,000	\$846,200	\$7,615,800
Sioux Falls (31)	\$1,970,000	\$197,000	\$1,773,000
Spencer (01)	\$230,156	\$100,000	\$130,156
Sturgis (05)	\$516,900	\$218,283	\$298,617
Summit (01)	\$100,000	\$100,000	\$0
Vermillion (06)	\$499,000	\$249,500	\$249,500
Warner (02)	\$1,826,760	\$1,058,760	\$768,000

Watertown (09)	\$16,446,000	\$1,644,600	\$14,801,400
Watertown (10)	\$3,330,000	333,000	\$2,997,000
Watertown (11)	\$815,000	\$500,000	\$315,000
Watertown School District(01)	\$424,843	\$424,843	\$0
Webster (03)	\$500,000	\$500,000	\$0
Yale (01)	\$885,110	\$606,110	\$279,000
<b>TOTAL</b>	<b>\$72,192,114</b>	<b>\$23,073,862</b>	<b>\$49,118,252</b>



## CLEAN WATER SRF PROJECT DESCRIPTIONS

**ABERDEEN** – Aberdeen received its first loan for wastewater treatment plant improvements and upgrades and nonpoint source best management practices. The loan was for \$13,218,859 at 2.25 percent for 20 years. The second loan, in the amount of \$6,000,000 at 3.25 percent for 20 years, funded the second phase of the wastewater treatment plant improvement project.

**AURORA** – Aurora received a \$410,000 loan at 5 percent interest for 20 years. The project upgraded the city's wastewater collection system. The city's second loan was for \$660,000, at 3.25 percent for 30 years, and included \$300,000 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. This loan was to upgrade the city's single cell wastewater treatment lagoon to an artificial wetland treatment system.

**BALTIC** – Baltic received a \$465,000 loan at 3.5 percent for 20 years to fund sewer main and lift station replacement. Baltic's second loan was for \$433,000 to install rip rap at the wastewater treatment lagoon cells. This loan was at 3 percent for 20 years and included \$200,000 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**BELLE FOURCHE** – The city of Belle Fourche received two loans totaling \$517,422. The first loan, at 3 percent for 20 years, was used to construct sanitary sewer lines and manholes. The second loan, at 4.5 percent for 10 years, was used to upgrade the city's primary sanitary force main.

**BELLE FOURCHE IRRIGATION DISTRICT** – The Belle Fourche Irrigation District received a \$200,000 loan with 100 percent principal forgiveness. The loan was to partially fund irrigators' conversion from flood irrigation to more efficient sprinkler systems.

**BERESFORD** – The city of Beresford received a 4.5 percent, 10-year loan in the amount of \$1,150,000 to improve sanitary sewer and storm sewer lines in conjunction with a South Dakota Department of Transportation street reconstruction project.

**BISON** – Bison received its first State Revolving Fund loan to install a storm water collection system and a construct a bio-retention pond to manage storm water flows. The loan was in the amount of \$504,050 at 3 percent for 20 years.

**BLACK HAWK SANITARY DISTRICT** – Black Hawk Sanitary District's Clean Water SRF loan in the amount of \$589,600 loan at 3.5 percent for 20 years was used for a wastewater improvement project. The district's wastewater runs through the Northdale Sanitary District to be treated by the city of Rapid City.

**BOX ELDER** – Box Elder utilized a \$648,600 Clean Water SRF loan at 3 percent for 20 years to refinance existing sewer debt incurred to expand its treatment facility.

**BRANDON** – The city of Brandon received two Clean Water SRF loans totaling \$631,018 for a storm drainage project and for the construction of a force main to convey partially treated wastewater from Brandon to the Sioux Falls wastewater treatment plant as well as the associated pumping station and improvements to the existing treatment facility. Both loans were for 10 years at 3 percent interest. Brandon's third loan, for \$687,000 at 2.25 percent for 10 years, was to reroute the force main leading to the wastewater treatment facility. Brandon's fourth loan, for \$383,250 at 2.25 percent for 10 years, was to construct a storm water detention pond on the east side of the city. The third and fourth loans received 10 percent principal forgiveness (\$68,700 and \$38,325, respectively) through the American Recovery and Reinvestment Act of 2009. The third loan was rescinded at the city's request due to uncertainties

concerning the route of the force main and the time limitations imposed by the American Recovery and Reinvestment Act.

**BRANT LAKE SANITARY DISTRICT** - The Brant Lake Sanitary District received a \$1,700,000 loan to construct a wastewater collection system to serve the residents of Brant Lake and convey wastewater to the Chester Sanitary District's wastewater treatment facility. The loan was at 3.25 percent for 30 years.

**BRIDGEWATER** – The city of Bridgewater constructed storm sewer along the north and east sides of the city to connect to an existing inlet basin with its first loan, a 20 year, 5.25 percent loan for \$90,328. The city's second loan, for \$321,600 at 3.25 percent for 20 years funded improvements to the sanitary sewer system. Bridgewater's third loan was in the amount of \$261,000 at 3.25 percent for 30 years and was used to replace or reline several blocks of sewer main and repair or replace several manholes along Main Street.

**BRITTON** – The city of Britton received two Clean Water SRF loans for a total amount of \$832,435. The first loan, at 4.5 percent for 10 years, funded wastewater system improvements, including the installation of a lift station and force main and the construction of artificial wetlands. The city's second loan in the amount of \$322,500 at 3.5 percent for 20 years funded sewer main replacement and extensions along Highway 10.

**BROOKINGS** – The city of Brookings received a loan for \$188,065 at 4 percent for 15 years to finance the construction of a new interceptor. The city of Brookings received its second loan to extend sanitary and storm sewer service to the South Dakota State University Innovation Campus. The loan was for \$1,190,000 at 3.0 percent for 20 years and included \$119,000 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. The city's third loan financed the construction of a storm water detention pond with a rain garden component. The loan was for \$665,000 at 3 percent for 20 years and included \$66,500 of principal forgiveness. The city's fourth loan also financed the construction of a storm water detention pond with a rain garden component. The loan was for \$483,538 at 3 percent for 20 years.

**BURKE** – The city of Burke received a \$155,000 loan at 3.25 percent for 20 years to fund the wastewater portion of the Franklin Street Utilities Replacement project.

**CANISTOTA** - The city of Canistota received a \$616,840 loan at 3.25 percent for 30 years to replace sewer line on Ash Street. The loan included \$420,190 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. Due to higher than expected costs on the Ash Street project, the city was awarded a second loan of \$188,669 to complete the project. This loan was also at 3.25 percent for 30 years.

**CANOVA** - The town of Canova received a \$262,500 loan at 3.25 percent for 30 years to add a 3.0-acre artificial wetland to the treatment system to provide additional capacity needed for the system to operate as a total retention facility. The loan included \$170,000 of principal forgiveness.

**CANTON** – The city of Canton received its first Clean Water SRF loan at 4 percent for 15 years in the amount of \$515,715 to finance sanitary and storm sewer improvements. The city's second loan, for \$600,000, was at 3.5 percent for 20 years for utility improvements in conjunction with South Dakota Department of Transportation reconstruction of US Highway 18. Canton's third loan was for \$2,462,000 to upgrade the treatment capabilities of the city's wastewater treatment facility by constructing aerated lagoons and adding disinfection facilities. This loan was at 3.0 percent for 20 years and included \$840,500 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**CASTLEWOOD** – The city of Castlewood received a \$250,000 loan at 3.5 percent for 20 years to fund sanitary sewer collection improvements. The city’s second loan funded the restoration of the wastewater treatment lagoons. This project was funded at \$160,000 at 3.5 percent for 20 years.

**CENTERVILLE** – Centerville received a loan for \$500,000 at 3.5 percent for 20 years to fund the construction of a new wastewater treatment facility and new force main and lift station to transfer the wastewater to the new facility.

**CHAMBERLAIN** – Chamberlain received two loans at 3 percent for 10 years totaling \$615,500 to rehabilitate sanitary sewer lines and construct storm sewer lines under two major streets in the city. The city’s third and fourth loans, at 5.25 percent for 20 years, totaled \$3,150,000 for renovations to the city’s wastewater treatment facility and expansion of sewer service into a newly annexed area of town.

**CLARK** – Clark rehabilitated portions of its wastewater collection and treatment system with a \$400,000 loan at 3.5 percent for 20 years.

**CLEAR LAKE** – The city of Clear Lake used a \$79,537, 4 percent, 15-year loan to construct two new wastewater treatment stabilization ponds and convert the existing pond into an artificial wetland. The city’s second loan, in the amount of \$910,000 at 3.25 percent for 20 years, funded wastewater collection improvements.

**COLTON** – The city’s first loan, \$204,500 at 3.25 percent for 20 years, funded wastewater treatment system improvements. Colton’s second loan for \$189,200, at 3.25 percent for 30 years, funded sanitary sewer improvements along 5th Street.

**CROOKS** – Crooks received its first Clean Water SRF loan, in the amount of \$697,000 at 3.25 percent for 20 years, to expand its wastewater treatment facility by adding approximately 32 acres of new lagoons.

**CUSTER** – The city of Custer received three Clean Water SRF loans totaling \$888,000. The first loan financed the construction of a force main to convey treated effluent from the wastewater treatment facility to the municipal golf course, a storage reservoir at the golf course to store the effluent, and irrigation facilities at the golf course to utilize the effluent. The second loan financed sewer improvements that included collection lines and an interceptor line extension on the west edge of the city limits. The first and second loans were for 20 years at an interest rate of 3 percent. The third loan, for \$276,000 at 3 percent interest for 10 years, financed the construction of an additional wastewater stabilization pond.

**CUSTER-FALL RIVER WASTE MANAGEMENT DISTRICT** – The Custer-Fall River Waste Management District used a \$106,939 loan at 5 percent interest for 20 years for the construction of a landfill to serve residents of Custer and Fall River counties. The landfill also serves the Hot Springs Material Recovery Facility (MRF).

**DEADWOOD** – Deadwood received a \$447,838 Clean Water SRF loan at 4 percent interest for 15 years to slip line approximately 2,700 feet of 24-inch diameter sewer interceptor line.

**DELL RAPIDS** – The city of Dell Rapids constructed sanitary and storm sewers with a \$300,000 loan. The new lines replaced existing undersized sewers in conjunction with a street rehabilitation project. The term of the loan was 10 years at 3 percent. The city’s second loan, for \$731,737 at 3.25 percent for 20 years, funded the wastewater portion of the 4<sup>th</sup> Street Utility Improvements project. The city’s third loan, \$1,062,000 at 3.25 percent for 20 years, was for improvements to storm water drainage in the 12<sup>th</sup> Street and Clark Avenue area. Dell Rapid’s fourth loan was for \$950,000 at 3.25 percent for 20 years to construct a new lift station, force main, and gravity sewer. The fifth loan awarded to the city installed

sanitary and storm sewer along 15<sup>th</sup> Street. The loan was for \$1,185,200 at 3 percent for 20 years and included \$635,995 of principal forgiveness.

**ELK POINT** – The city of Elk Point has received six loans for various wastewater and storm water projects. Its first loan, \$458,000 at 4 percent for 15 years, financed the replacement of two existing lift stations with a new lift station, force main and interceptor lines. The city's second loan for \$450,000 at 3.5 percent for 20 years funded new storm sewer and replaced sanitary sewer in conjunction with the Pearl Street Utility Improvement project. Its third loan, in the amount of \$345,000 at 3.5 percent for 20 years, financed renovation of the city's lagoon system. Elk Point's fourth loan, \$100,000 at 3.25 percent for 20 years, funded the wastewater portion of the utility systems' improvements. The fifth SRF loan awarded to Elk Point funded sanitary and storm sewer rehabilitation on Clay and Washington Streets. This loan was \$150,000 at 3.25 percent for 20 years. The city's sixth loan was used to replace the sewer main on Main Street in conjunction with a highway reconstruction project. The loan amount was \$931,700 at 3 percent for 20 years and included \$93,170 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**ELKTON** - The city of Elkton was awarded a loan for \$510,000 to upgrade its wastewater treatment facility. The loan was at 3.25 percent for 30 years and included \$130,000 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**ENEMY SWIM SANITATION DISTRICT** - The Enemy Swim Sanitation District received a \$300,000 loan with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009. The loan was to construct a centralized wastewater collection system at Enemy Swim Lake. The loan was rescinded at the district's request due to the inability to meet the time limitations imposed by the American Recovery and Reinvestment Act.

**FORT PIERRE** – Fort Pierre's first loan, \$330,294 at 3 percent for 10 years, was used to construct two storm sewers and a new sanitary sewer that serves a residential area previously not connected to the city's system. Fort Pierre received its second loan in the amount of \$462,500 at 3.5 percent for 15 years to finance a sanitary sewer lift station and manhole rehabilitation. The city's third loan, in the amount of \$450,000 at 3.5 percent for 20 years, funded additional wastewater lagoons. The city's fourth loan, in the amount of \$374,620 at 3.25 percent for 20 years, funded a nonpoint source project to make improvements to drainage ditches and prevent sediment from entering the Missouri River. Due to higher than anticipated construction costs, this loan was rescinded at the city's request, and a new loan in the amount \$900,000 at 3.25 percent for 20 years was awarded.

**FREEMAN** – The city of Freeman's first loan, in the amount of \$300,000 at 2.5 percent for 10 years, funded wastewater collection system improvements.

**GARRETSON** – The city of Garretson constructed new wastewater treatment stabilization ponds to make the existing sanitary system total retention and made improvements to the existing wastewater facility using the \$300,000, 4 percent, 15-year loan. The Split Rock Creek lift station and sewer extension project was funded with the city's second loan for \$503,239 at 3.25 percent for 20 years.

**GAYVILLE** – Gayville received its first Clean Water SRF loan in the amount of \$275,000 at 3.25 percent for 20 years to fund a wastewater lagoon upgrade.

**GETTYSBURG** - The city of Gettysburg received a \$624,000 loan at 3.25 percent for 30 years to re-line several blocks of sewer main using cured-in-place pipe. The loan award included \$82,400 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. The principal forgiveness component of the loan was forfeited due to failure to meet the milestone date for submitting bid proposals.

**GREGORY** – Gregory received a \$327,000 loan at 3 percent for 20 years to replace or re-line the outfall line to the wastewater treatment facility and replace 500 feet of sanitary sewer pipe within the city.

**GROTON** – The city of Groton has received nine Clean Water SRF loans to finance various projects. Its first two loans, in the total amount of \$264,154, financed new interceptor lines, force mains and lift stations in the east and northwest sections of the city. Both loans were at 3 percent for 10 years. The city's third loan, \$470,809 at 5.25 percent for 20 years, funded construction of a new three-cell wastewater treatment facility, lift station, and force main. The city received its fourth and fifth Clean Water SRF loans in 2003, both at 3.5 percent for 20 years. The fourth loan, for \$163,775, funded expansion of the sewer system to the northeast part of the city. The fifth loan, \$440,000, funded replacement of sewer lines on Main Street and reconstruction of the road. Groton's sixth loan - \$150,000, 3.25 percent, 20 years - was awarded for emergency replacement of approximately 3 blocks of sewer main damaged by heavy rainfall and flooding. The seventh loan replaced 4,700 feet of 8-inch sanitary sewer lines and 2,700 feet of 4-inch sewer services and upgraded a lift station. This loan was for \$907,700 at 3.0 percent for 20 years and included \$500,000 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. The city's eighth loan was to replace a collapsed sanitary sewer line that crossed under an operating railroad. The loan was awarded for \$322,000 at 2.25 percent for 10 years and included \$80,500 of principal forgiveness. The ninth loan also replaced a failing sanitary sewer line and relocated a lift station. The loan amount was \$485,000 at 2.25 percent for 10 years.

**HARRISBURG** – The city of Harrisburg received a Clean Water SRF loan for \$507,277 at 5 percent for 20 years to construct total retention stabilization ponds. Harrisburg's second and third loans were for a project to convey wastewater from Harrisburg to the city of Sioux Falls for treatment. A loan of \$3,941,200 with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009 was used to construct a lift station at the city's existing wastewater treatment facility property. A loan of \$5,911,800 at 3.25 percent for 30 years was used to construct a force main from the lift station to the city of Sioux Falls' collection system. The city's fourth and fifth loans were used to install sanitary and storm sewer in the Columbia Drainage Basin area. The loan for the storm sewer portion was for \$1,783,760 at 3 percent for 20 years, and the loan for the sanitary sewer portion was for \$1,435,340 at 2.25 percent for 10 years.

**HARROLD** - The city of Harrold was awarded a loan in the amount of \$170,000 at 3.25 percent for 20 years to replace the entire storm water drainage system on Wyman Avenue from Highway 14 to the south side of town.

**HARTFORD** – The city of Hartford has received five loans totaling \$2,627,839. With the first two loans, for \$1,194,804 at 5 percent interest for 20 years, the city replaced sanitary sewer mains within the city and replaced the wastewater treatment facility. Hartford's third loan, for \$300,000 at 3.5 percent for 20 years, completed the funding for the wastewater treatment facility project. Hartford's fourth loan, in the amount of \$550,035 at 3.5 percent for 20 years, funded further wastewater collection and storm sewer improvements. The city's fifth loan, in the amount of \$583,000 at 3.25 percent for 20 years, also funded further wastewater collection and storm sewer improvements.

**HECLA** - The town of Hecla was awarded a loan to replace sanitary sewer lines, sewer services, and appurtenances. This loan was for \$143,390 at 3.0 percent for 20 years and included \$14,339 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**HERMOSA** – The town of Hermosa received its first SRF loan to extend sewer lines to an area along Highway 79 without sewer service. The loan was for \$303,604 at 3.25 percent for 30 years.

**HERRIED** - Herried received its first SRF loan in the amount of \$694,300 at 3.25 percent for 30 years to replace wastewater lines, lift station pumps and structures at the lagoon.

**HIGHMORE** – The city of Highmore’s first loan was in the amount of \$262,300 at 3.5 percent for 20 years to fund an upgrade to its wastewater treatment facility. The upgrade included reshaping dikes, installing riprap, relocating the inlet structure, and replacing inter-pond piping.

**HOT SPRINGS** – The city of Hot Springs received two loans totaling \$1,126,930. The first loan of \$196,930, at 3 percent interest for 10 years, was used to construct new sanitary sewers in an area of the city with failing septic systems. The second loan of \$930,000, at 5 percent for 20 years, was used to close the existing landfill site and construct a transfer station and municipal solid waste composting facility. The city’s third loan was for \$1,453,000 at 3 percent for 20 years and was used to replace sanitary sewer lines throughout the city.

**HURON** – The city of Huron has received four Clean Water SRF loans. The first loan was used to partially fund improvements at the mechanical wastewater treatment facility and artificial wetlands treatment site. This loan totaled \$1,656,000 at 3 percent for 20 years. The second loan, for \$701,007 at 3 percent for 10 years, was used to construct an extension to the storm sewer system to provide drainage in a developing area of the city. Huron utilized a third Clean Water SRF loan in the amount of \$1,856,828 at 5.25 percent for 20 years to expand the existing stabilization pond system and increase pumping capacity. The city funded upgrades to its wastewater treatment facility with a fourth loan for \$1,500,000 at 3.25 percent for 20 years.

**INTERIOR** – Interior’s first Clean Water SRF loan was used to replace its undersized wastewater treatment facility with a new three-cell treatment pond facility and replace the line leading to treatment facility. The loan amount was \$250,000 at 3.25 percent for 30 years.

**JAVA** - The town of Java used its first Clean Water SRF loan to clean and televise the sanitary sewer collection system, riprap the dikes at the wastewater treatment facility, and rehabilitate the north lift station. The loan was for \$438,325 at 3.25 percent for 30 years and includes \$103,325 of principal forgiveness.

**JEFFERSON** – Jefferson received its first Clean Water SRF loan of \$320,000 at 3.5 percent for 20 years to fund wastewater treatment facilities improvements. The city constructed two lagoon cells, enabling the existing cell to become a wetland.

**LAKE COCHRANE SANITARY DISTRICT** – The Lake Cochrane Sanitary District constructed a wastewater collection and treatment system at Lake Cochrane. An \$80,000 loan at 3 percent for 20 years was made to the district to refinance a portion of the project. Its second loan, in the amount of \$160,000 at 3.5 percent for 20 years, upgraded the wastewater collection system.

**LAKE MADISON SANITARY DISTRICT** – The Lake Madison Sanitary District received a 4 percent, 15-year Clean Water SRF loan for \$330,000 to refinance a Farmers Home Administration loan, which partially funded the installation of a wastewater collection and treatment system to serve Lake Madison. The district’s second loan, in the amount of \$875,000 at 3.5 percent for 20 years, funded two new wastewater treatment ponds.

**LAKE POINSETT SANITARY DISTRICT** – Lake Poinsett Sanitary District received a loan in the amount of \$590,000 at 3.25 percent for 20 years to fund expansion of the sanitary system at Lake Poinsett. Due to the need to re-site the proposed wastewater treatment lagoons, the project was delayed. As a result the project cost increased significantly, and the loan was deobligated at the sanitary district’s request. A second loan in the amount of \$1,094,700 at 3.50 percent for 30 years was received to fund the

expansion project. The sanitary district was awarded its third loan to expand sewer service to an additional 90 users which involves installing a combination of gravity sewers, lift stations, and forcemains and constructing a new 3-acre total retention treatment pond adjacent to an existing pond. The loan was for \$3,075,000 at 3.25 percent for 30 years and included \$1,603,000 of principal forgiveness.

**LEAD** – The city of Lead received seven Clean Water SRF loans amounting to \$1,961,706 to separate combined sanitary and storm sewers along with the rehabilitation of portions of the sanitary sewer system. The first loan was at 3 percent interest for 20 years, the second and third loans were at 3 percent for 10 years, and the fourth loan was at 4.5 percent interest for 10 years. Lead’s fifth and sixth loans were at 3.25 percent interest for 20 years. The city’s seventh loan continued the sewer separation and rehabilitation project on Lower May, South Main, and West Addie Streets. The loan amount was \$200,000 at 3 percent for 20 years and included \$50,000 of principal forgiveness.

**LEAD-DEADWOOD SANITARY DISTRICT** – A sludge disposal vehicle and a sewer jet were purchased by the Lead-Deadwood Sanitary District with a loan for \$106,855 at 3 percent for 5 years.

**LEMMON** – The city of Lemmon received a \$427,100 loan at 3 percent interest for 20 years to refinance a general obligation sewer bond issued in 1985. The bonds were issued to correct an infiltration/inflow problem.

**LENNOX** – The city of Lennox received a \$350,000 Clean Water SRF loan at 5.25 percent interest for 20 years to construct and rehabilitate sanitary sewer interceptors. The city received a second loan for \$583,735 at 5.25 percent for 20 years to add four aeration basins, two lift stations, and force mains to the existing wastewater facility. Lennox’s third and fourth loans were to replace the existing treatment facility with a sequencing batch reactor (SBR) mechanical aeration system and make improvements to a lift station. A loan of \$1,565,760 with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009 was for those components of the project with a design life of 20 years. A loan of \$1,942,273 at 3.25 percent for 30 years was used to construct those components of the project with a design life of at least 30 years. This loan included \$123,024 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**MADISON** – The city of Madison received a \$119,416 Clean Water SRF loan at 3 percent interest for 10 years to finance the construction of new collectors. The city’s second loan for \$5,343,256 at 3.25 percent for 20 years made widespread renovations to the existing wastewater treatment facility.

**MARION** - The city of Marion received a \$1,710,000 loan at 3.25 percent for 20 years to replace lines within the wastewater collection system.

**MARTIN** - Martin was awarded its first Clean Water SRF loan in the amount of \$237,250 at 3.25 percent for 20 years to fund the rehabilitation of the city’s north stabilization ponds.

**McCOOK LAKE SANITARY DISTRICT** – McCook Lake Sanitary District received a Clean Water SRF loan for \$641,935 at 5 percent for 20 years to partially fund the upgrade and expansion of the wastewater treatment facility.

**McLAUGHLIN** – McLaughlin received its first Clean Water SRF loan to replace or repair of much of the collection system and for the repair of riprap at the treatment facility. The loan was for \$1,145,675 at 3.25 percent for 30 years and included \$150,000 of principal forgiveness.

**MENNO** – The city of Menno was awarded a \$240,000 Clean Water SRF loan at 3 percent for 20 years to replace collection lines in conjunction with the reconstruction of US Highway 18.

**MILBANK** - The city of Milbank received two Clean Water SRF loans to complete phase II improvements to its wastewater treatment facility. A loan for \$3,515,000 with \$2,257,500 of principal forgiveness through the American Recovery and Reinvestment Act of 2009 was used for improvements to the primary clarifier, intermediate pumping facilities, final clarifiers and other appurtenances necessary to complete the project. The loan carries an interest rate of 3.0 percent for 20 years. A loan for \$1,000,000 at 3.25 percent for 30 years was used to reclaim abandoned sludge storage ponds.

**MITCHELL** – The city of Mitchell received its first loan for \$1,543,405 at 4.5 percent for 10 years to partially fund the construction of a storm drain diversion project. Mitchell’s second loan, of \$1,320,000 at 3.5 percent for 20 years, funded the water quality components of a regional landfill that serves Mitchell as well as several surrounding counties and their communities. The city’s third SRF loan funded the replacement of the Foster Street lift station and associated force main and provided funding for shoreline stabilization and restoration on Lake Mitchell. The loan was in the amount of \$1,682,747 with an interest rate of 2.0 percent for 20 years.

**MOBRIDGE** – The city of Mobridge received two Clean Water SRF loans to partially fund the upgrade and expansion of the wastewater treatment facility. The first loan totaled \$1,500,000 at 3 percent for 20 years, while the second loan of \$158,000 was at a rate of 4 percent for 15 years. The city received its third loan in the amount of \$1,355,000 at 4.5 percent interest for 10 years to install storm sewers in the northwest section of town.

**MONTROSE** – Montrose’s first loan in the amount of \$142,621 at 2.5 percent for 10 years was to fund wastewater collection and treatment improvements. Due to changes in the project scope, this loan was not sufficient to fund the needed improvements. The city received a second SRF loan for \$804,000 at 3.25 percent for 30 years to upgrade the wastewater treatment facility. This loan included \$160,400 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**MOUNT VERNON** - The city of Mount Vernon replaced or relined all existing clay sanitary sewer lines and rehabilitating or replacing manholes along these lines. The city also upgraded the existing wastewater treatment facility by constructing two new treatment ponds near the existing pond and converting the existing pond into an artificial wetland. The project was funded with a \$2,300,000 loan at 3.25 percent for 30 years that included \$1,050,000 of principal forgiveness.

**NISLAND** – Nisland received its first loan in the amount of \$204,000 at 3.25 percent for 20 years to upgrade its wastewater treatment system to a three-cell stabilization pond system.

**NORTH SIOUX CITY** – North Sioux City received a Clean Water SRF loan in the amount of \$239,650 at a rate of 3 percent for 10 years to construct storm sewer and drainage improvements in the community. The city received its second Clean Water SRF loan, \$646,000 at 5 percent interest for 15 years, to expand the storm sewer system in a rapidly developing area.

**NORTHDALE SANITARY DISTRICT** – The Northdale Sanitary District used a \$256,380, 5 percent, 20-year loan to construct a new gravity sewer, lift station and force main. The new system connected the sanitary district to Rapid City’s wastewater system.

**NORTHVILLE** – Northville was awarded its first SRF loan for the construction of a lift station and force main so the existing total retention wastewater treatment facility can discharge treated effluent. The loan is for \$238,300 at 3.25 percent for 30 years.

**PARKER** – Parker’s first loan of \$824,000 at 3.25 percent for 20 years funded improvements to the city’s wastewater collection system. The city’s second loan, \$620,000 at 3.25 percent for 20 years,



funded the second phase of the improvements to the wastewater collection system. Parker was awarded a third loan in the amount of \$700,900 to continue replacing its wastewater collection system. This loan is at 3.25 percent for 30 years and included \$475,450 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**PARKSTON** – The city of Parkston received its first Clean Water SRF loan to address deficiencies within the wastewater collection system. The loan was for \$650,000 with a 3.25 percent interest rate and a 20-year term.

**PHILIP** – Philip financed the construction of sanitary and storm sewer improvements with its first loan for \$453,885 at 5 percent interest for 15 years. The city received a second, \$321,127 Clean Water SRF loan for a term of 20 years at 5.25 percent to finance the construction of sanitary sewer, storm sewer, concrete curb and gutter, and replacement of force main. Philip's third SRF loan, in the amount of \$347,040 at 3.25 percent for 15 years, funded wastewater and storm sewer utility improvements in the downtown area of the city.

**PICKEREL LAKE SANITARY DISTRICT** – The Pickerel Lake Sanitary District received an \$850,000 Clean Water SRF loan, at 5 percent for 15 years, to finance the phase I construction of a new wastewater treatment facility and a sanitary sewer collection system. The district received a second loan of \$670,000 at 5.25 percent for 20 years to complete phase II of the collection system construction.

**PIERRE** – The city of Pierre has received five Clean Water SRF loans for various projects. Its first loan, in the amount of \$433,976 at 4 percent for 15 years, financed the construction of an interceptor line near the airport and the addition of comminutors at the treatment plant as well as improvements to the sludge handling facilities at the treatment plant. The city's second loan, for \$4,417,000 at 5.25 percent for 20 years, financed phase I improvements to the wastewater treatment facility. Pierre received a third loan in the amount of \$5,391,260 at 5 percent for 20 years to improve the wastewater treatment facility (phase II). Its fourth loan, \$1,378,404 at 3.5 percent for 20 years, funded the water quality components of a new regional landfill. Pierre's fifth loan was for \$976,953 at 3.25 percent for 20 years for the stabilization of slide areas and drainage improvements at an old, pre-Subtitle D landfill.

**PLANKINTON** – Plankinton received its first Clean Water SRF loan to replace the main interceptor leading to the wastewater treatment facility, replace or reline approximately 8,000 feet of sanitary sewer lines, and replace 40 manholes. The loan was for \$1,005,744 at 3.25 percent for 30 years and included \$150,000 of principal forgiveness.

**PLATTE** – The city of Platte received a \$1,000,000 loan at 5 percent for 20 years to renovate its sanitary sewer system.

**POLLOCK** – Pollock received a \$151,619 Clean Water SRF loan at 3 percent for 10 years to cover costs that exceeded the available EPA grant funding used to upgrade the wastewater treatment facility.

**RAPID CITY** – Rapid City has received five Clean Water SRF loans which have been used for construction activities at the wastewater treatment facility, rehabilitation and extension of the sanitary sewer system, construction of stormwater facilities and mitigation of approximately four acres of wetlands at the city's Material Recovery Facility (MRF). The first four loans totaled \$5,536,028, all at a rate of 4 percent for 15 years. The fifth loan, at a rate of 4.5 percent for 20 years for \$14,000,000, was used to upgrade the wastewater treatment plant as well as to construct a facility to co-compost wastewater treatment plant biosolids with municipal solid wastes. Rapid City's sixth loan was used for replacing or upgrading various components within the water reclamation facility. The loan amount was \$5,000,000 and was at 3 percent for 20 years.

**RAPID VALLEY SANITARY DISTRICT** – The Rapid Valley Sanitary District has received three Clean Water SRF loans totaling \$1,600,583. The first two loans, totaling \$978,583, were used for rehabilitation and extension of the existing sanitary sewer system and carried terms of 3 percent for 20 years and 4 percent for 15 years. The sanitary district continued to rehabilitate the sanitary sewer system with a third loan of \$630,000 at 5.25 percent for 20 years.

**REDFIELD** – Redfield’s first loan, \$333,788 at 3.25 percent for 20 years, funded wastewater and storm water utility improvements on South Main Street and Sixth Avenue.

**RICHMOND LAKE SANITARY DISTRICT** – The Richmond Lake Sanitary District received a \$414,000 Clean Water SRF loan at an interest rate of 5.25 percent for 20 years, which was used to partially finance the construction of a new sanitary sewer system and stabilization pond system for residences around Richmond Lake. The district received a second loan of \$191,500 at 5.25 percent for 20 years to complete phase II of the collection system construction. The district’s third and fourth loans were awarded for the rehabilitation of lift stations and the wastewater treatment facility. The loans were for \$193,600 at 3 percent for 20 years and \$339,800 at 3.25 percent for 30 years.

**ROSCOE** – The city of Roscoe received a Clean Water SRF loan for \$358,408 at 5.25 percent for 20 years to expand its wastewater treatment facility, rehabilitate an interceptor sewer and construct a new collection sewer.

**SALEM** – Salem’s first Clean Water SRF loan, in the amount of \$592,307 at 3.5 percent for 20 years, funded wastewater collection improvements in conjunction with a South Dakota DOT project. The city’s second loan, \$387,960 at 3.25 percent for 20 years, funded wastewater and storm water utility improvements.

**SCOTLAND** – Scotland first Clean Water SRF loan funded the wastewater component of its Main Street reconstruction project with a \$250,000 loan at 3.5 percent for 20 years. The city’s second loan was used to expand the storm sewer system, replace the sanitary sewer along Washington Street and extend the sanitary sewer to an area without sewer service. The loan was for \$945,930 at 3.25 percent for 30 years.

**SIoux FALLS** – The city of Sioux Falls has received 33 Clean Water SRF loans for a variety of projects. These projects include the construction of new interceptor lines and lift stations, rehabilitation of the sanitary sewers and lift stations, purchase of sludge handling equipment and improvements, infiltration/inflow correction, improvement of storm water drainage, flow equalization basin construction, and other wastewater system improvements. The first loan was at 3 percent for 20 years. Loans 2 through 10 were at 3 percent for 10 years, loans 11 through 14 were at 4.5 percent for 10 years, and the 15<sup>th</sup> loan was at 3.5 percent for 10 years. The City’s 16<sup>th</sup> and 17<sup>th</sup> loans, for \$2,479,500 and \$932,000, were both at 3.5 percent for ten years, funded wastewater facilities improvements and identified and implemented best management practices within the city. Loans 18 (for \$3,951,000) and 19 (for \$801,000) were at 2.5 percent for ten years and funded improvements to the wastewater system and retrofitted storm water detention ponds, respectively. The city’s 20<sup>th</sup> loan, in the amount of \$25,949,349 at 1.5 percent for 10 years, funded storm sewer improvements and nonpoint source best management practices, and the 21<sup>st</sup> loan provided for construction of the East Side Sanitary Sewer System and nonpoint source best management practices. This loan was for \$37,377,418 at 2.25 percent for 20 years. Both 2005 loans were structured with a portion of the funding in a Series B bond that was approved contingent upon sufficient Clean Water SRF funding being available in FFY 2006 to fund the balance. The Series B amounts were \$8,700,000 and \$21,608,000 for the Storm Drainage (20) and East Side Sanitary Sewer (21) projects, respectively. The city’s 22<sup>nd</sup> loan, \$10,550,000 at 2.5 percent for 10 years, also funded the Storm Drainage project, and its 23<sup>rd</sup> loan, for \$10,323,000 at 2.5 percent for 10 years, was approved for the Basin 13 Trunk sewer and other utility system improvements. The city’s 24<sup>th</sup> loan, \$500,000 at 2.5 percent for 7 years, was used to close side slopes of the unlined active area and construct an alternative

cap on the active area side slopes at the city-owned regional landfill. In 2008, Sioux Falls received three additional Clean Water SRF loans. The city's 25<sup>th</sup>, 26<sup>th</sup>, and 27<sup>th</sup> loans were for \$5,657,000, \$3,744,000 and \$2,621,000, respectively, and each was at 2.5 percent for 10 years. The loans were awarded for sanitary trunk and collection system sewer construction within the Basin 13 area, along with two odor control structures (loan 25); replacement of a portion of the Central Main Interceptor (loan 26); and reconstructing storm sewer and retrofitting eight existing detention ponds (loan 27). Sioux Falls' 28<sup>th</sup> loan in the amount of \$1,803,000 funded the addition of a third engine/generator in the Energy Recovery Unit at the Water Reclamation Facility. The city's 29<sup>th</sup> loan involved the lining of sanitary sewer lines at numerous locations in the city and the construction of the Basin 13 Sanitary Trunk Sewer Section 2, Phase 1 project and was in the amount of \$2,540,000. The city's 30<sup>th</sup> loan of \$1,970,000 was to expand the gas collection capabilities at the regional landfill. The 31<sup>st</sup> loan was for the continuation of the Central Main Interceptor project. Loans 28, 29, 30, and 31 each had an interest rate of 2.25 percent, a 10-year term and included 10 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009. The city's 32<sup>nd</sup> loan in the amount of \$24,589,400 was also for the continuation of the Central Main Interceptor project and other sewer line rehabilitation work. The city's 33<sup>rd</sup> loan of \$14,711,614 was used to replace 42- and 36-inch sewer lines with 54-inch sanitary sewer lines in the southeast part of the city. Loans 32 and 33 had a 1.25 percent interest rate and a term of 10 years, and each loan also included a nonpoint component to conduct water quality studies and continue with bank stabilization activities along Skunk Creek and the Big Sioux River.

**SOUTHERN MISSOURI WASTE MANAGEMENT DISTRICT** – The Southern Missouri Waste Management District received a \$700,000 Clean Water SRF loan at 5 percent for 20 years for the construction of a regional landfill near Lake Andes. In federal fiscal year 1998, Southern Missouri Waste Management District received a grant from HUD in the amount of \$400,000 to pay against the principal portion of Southern Missouri's Clean Water SRF loan.

**SPEARFISH** – The city of Spearfish used a \$1,956,000 Clean Water SRF loan for 15 years at 4 percent to fund the expansion of the wastewater treatment facility. The city's second loan increased capacity of the wastewater treatment facility and provided additional treatment components to meet the discharge permit limit for residual chlorine. The loan was for \$5,900,000 with an interest rate of 3.25 percent and a term of 20 years.

**SPENCER** - The town of Spencer was awarded a loan to replace sanitary sewer lines throughout the town. This loan was for \$230,156 at 3.25 percent for 30 years and included \$100,000 of principal forgiveness.

**STURGIS** – The city of Sturgis has received four loans totaling \$3,975,630. The first two loans, totaling \$1,438,250 at 5 percent for 20 years, financed the construction of three sewer interceptor lines, a sewer collection line, and wastewater treatment facility upgrades. The city's third loan, \$437,380 at 5.25 percent for 20 years, financed the repair of damage to and replacement of riprap in the second and third cells of the wastewater treatment facility as well as engineering planning studies. The city's fourth loan for \$2,100,000, at 5 percent interest for 20 years, expanded the city's treated effluent irrigation system. Sturgis was awarded its fifth loan to install sanitary sewer service to the 90 homes of the Murray Addition and connecting them to city sanitary sewer service. The \$516,900 loan was at 3.0 percent for 20 years and included \$218,283 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**SUMMIT** - The city of Summit received a \$100,000 loan with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009. The loan was to upgrade the city's wastewater treatment system.

**TEA** – The city of Tea has received seven loans for a variety of projects. Its first two loans of \$600,000 each at 4 percent for 15 years funded the construction of a storm drainage system. The third loan of \$208,813, at 5.25 percent for 20 years, funded the construction of a sanitary sewer and lift station. The city received a fourth loan of \$375,000 at 5 percent for 15 years to reconfigure the existing lagoon system and construct a new primary cell and two secondary cells. Tea’s fifth loan of \$495,490 at 3.5 percent for 20 years expanded the city’s wastewater treatment capability by adding an aerated lagoon. The sixth loan funded the construction of a new lift station at the wastewater treatment facility and installation of about 1,200 feet of sanitary sewer trunk line, force main and appurtenances. This loan was for \$858,000 at 3.25 percent for 20 years. The city’s seventh loan for \$875,000 involved the construction of a 24-inch sanitary sewer trunk line along Highway 111 to serve the northern part of the city. This loan was at 3.0 percent for 20 years and included \$87,500 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. The principal forgiveness component of the loan was forfeited due to failure to meet the milestone date for submitting plans and specifications, and the loan amount was reduced to \$845,000.

**TYNDALL** – The city of Tyndall’s first loan, in the amount of \$795,000 at 3.25 percent for 20 years, funded the South Main Street and 14<sup>th</sup> Avenue Sanitary Sewer Project.

**VALLEY SPRINGS** – The city of Valley Springs received a \$430,000 loan for 20 years at 5.25 percent interest to fund the expansion and upgrade of the existing wastewater treatment facility. The city’s second loan, in the amount of \$350,000 at 3.25 percent for 20 years, funded sanitary sewer replacement.

**VERMILLION** – Vermillion’s first loan, \$125,000 at 3 percent for 20 years, was used to reconstruct a sanitary sewer interceptor. The second loan, \$500,000 at 4 percent for 15 years, funded the construction of approximately 6,200 feet of storm sewer pipe and associated appurtenances in three areas of the city. The third loan, a nonpoint source loan of \$480,000 at 4.5 percent for 10 years, financed the construction of a second trench at the city’s landfill and to purchase a scraper. The city’s fourth SRF loan, \$456,000 at 3.5 percent for 20 years, funded wastewater collection facilities in the northwest area of the city. Vermillion’s fifth and sixth loans, in the amount of \$3,548,351 and \$4,851,000, respectively, financed two phases of wastewater treatment plant improvements to update mechanical process equipment, controls and instrumentation, to replace the main lift station, and to construct an additional force main between the new lift station and the treatment facility. Both are 20-year loans with an interest rate of 3.25 percent. The city’s seventh loan for \$499,000 involved lining approximately 11,600 feet of sanitary sewer lines in various locations throughout the city using cured-in-place pipe. This loan was at 3.0 percent for 20 years and included \$249,500 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**VIBORG** – Viborg received its first Clean Water SRF loan for \$238,300 at 3.25 percent for 30 years to replace a portion of its sewer lines in conjunction with a road reconstruction project.

**WAGNER** –Wagner received its first SRF loan, in an amount of \$150,000 at 3.25 percent for 20 years, to replace wastewater utilities along North Park St. and North Street and extend sanitary sewer to unsewered residences at Lake Wagner. Wagner was awarded its second loan to replace sewer line on South Park Street. The \$500,000 loan was at 3.25 percent for 30 years and included \$50,000 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. The loan was rescinded at the city’s request.

**WALL** – The city of Wall received a Clean Water SRF loan in the amount of \$1,146,000 at 5 percent for 20 years for its municipal wastewater improvement project. The project consisted of the construction of a seven- mile transfer line to new total retention ponds.

**WALL LAKE SANITARY DISTRICT** – The district received its first Clean Water SRF loan for \$200,000 at 3.5 percent for 20 years to fund an extension of sewer main to residents without service. This included the installation of lift stations and small diameter force main.

**WARNER** – The town of Warner used a \$101,152 Clean Water SRF loan at 4.5 percent for 10 years to construct a storm sewer collection and disposal system to improve storm drainage within the community. Warner’s second loan was used to replace lift station pumps and expand the existing wastewater treatment pond system by adding an additional cell. This loan was for \$1,826,760 at 3.25 percent for 30 years and included \$1,058,760 of principal forgiveness.

**WATERTOWN** – The city of Watertown has received eleven Clean Water SRF loans for various projects. The first two loans, both at 4 percent for 15 years, financed the upgrade and expansion of the city’s wastewater treatment facility. The third and fourth loans, payable at 5.25 percent interest for 20 years, were used to rehabilitate portions of the sanitary sewer collection system and for engineering costs associated with the final upgrade of the wastewater treatment facility. The city’s fifth loan, \$2,055,000 at 3.5 percent for 20 years, funded replacement or rehabilitation of sanitary sewers throughout the city and lift stations serving the Lake Kampeska area. Watertown’s sixth loan of \$1,303,130 funded a storm water project in the southwest portion of the city and a nonpoint source portion for Best Management Practices (BMP) on the Big Sioux River, thus qualifying the city for a loan at 2.25 percent for 20 years. The city received its seventh and eighth loans for a project to install sanitary and storm sewer on First Avenue North and continuation of the BMP project on the Big Sioux River. Loan seven was for \$928,375 at 2.25 percent for 20 years, of which \$847,170 was for the sanitary sewer portion of the First Avenue North project and \$81,205 for the BMP project. Loan eight was for \$671,624 at 2.25 percent for 20 years, of which \$612,877 is for the storm sewer portion of the First Avenue North project and \$58,747 for the BMP project. Watertown’s ninth loan was in the amount of \$16,446,000 and was used to construct a new head works facility, rehabilitate a lift station, and extend, replace and re-line sanitary sewer. The city’s tenth loan for \$3,330,000 funded several storm sewer projects throughout the city. Loans 9 and 10 each had an interest rate of 3 percent, a 20-year term and included 10 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009. An eleventh loan in the amount of \$815,000 was awarded for the construction of a parking lot utilizing pervious pavement for storm water management. This loan was at 3 percent for 20 years and included \$500,000 of percent principal forgiveness.

**WATERTOWN SCHOOL DISTRICT** – The Watertown School District was awarded a loan in the amount of \$503,635 with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009. The loan was to construct a parking lot utilizing pervious pavement and other green infrastructure features for storm water management. The loan was reduced to \$424,843 due to insufficient costs being under contract by February 17, 2010.

**WAUBAY** – The city of Waubay received a 20 year, 5 percent Clean Water SRF loan in the amount of \$81,454 to construct a wastewater collection system within the city limits on the south shore of Blue Dog Lake, an area previously served by septic tanks.

**WEBSTER** – The city of Webster used a 10 year, 4.5 percent Clean Water SRF loan for \$345,394 to reconstruct a sanitary sewer line on Main Street. The city received a second loan in the amount of \$811,000 at 3.5 percent for 20 years to fund the replacement of about 7,400 feet of sewer main, 136 service connections, and approximately 3,400 feet of storm sewer lines. The city’s third loan was in the amount of \$500,000 loan with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009. The loan was to upgrade the city’s discharging wastewater treatment facility to a total retention artificial wetland system.

**WESTON HEIGHTS SANITARY DISTRICT** – Weston Heights secured a loan for \$638,300 at 3.25 percent for 20 years to improve its wastewater treatment system.

**WHITEWOOD** – Whitewood has received two loans totaling \$455,801. The first loan was at 4 percent interest for 15 years while the second was at 5 percent for 20 years. Whitewood constructed a new mechanical wastewater treatment facility in conjunction with the existing stabilization pond system and expanded the wastewater collection system.

**WILLOW LAKE** – Willow Lake’s first loan, in the amount of \$100,000 at 3.5 percent for 20 years, funded improvements to the wastewater collection system.

**WINNER** – The city of Winner’s first loan, in the amount of \$925,000 at 3.25 percent for 20 years, funded improvement to the wastewater collection system.

**WOLSEY** – The city of Wolsey was awarded its first Clean Water SRF loan - \$162,300 at 3.25 percent for 20 years - to replace sanitary sewer mains under US Highway 14/281 in conjunction with a South Dakota Department of Transportation project. The city’s second loan for \$614,400 involves installing approximately 3,000 feet of storm sewer to separate combined sewer on Maple Avenue and install a lift station and sanitary sewer to provide sanitary sewer service to a new development in the south part of town. This loan was at 3.0 percent for 20 years and included \$61,440 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. Due to an increase in project costs and the inability to meet the time limitations imposed by the American Recovery and Reinvestment Act, this loan was rescinded. A third loan in the amount of \$901,560 at 3.0 for 20 years was awarded to Wolsey for the project.

**WORTHING** – The town of Worthing received a \$227,645 Clean Water SRF loan at 5.25 percent interest for 20 years that was used to expand and upgrade the existing stabilization pond treatment facility. Worthing’s second loan was to install a new sewer line along Cedar Street and to replace the lift station at the wastewater treatment facility and a sewer trunk line along Third Street. The loan was for \$580,000 at 3.25 percent for 20 years.

**YALE** – The town of Yale received a Clean Water SRF loan to rehabilitate the collection system and add an additional cell to the wastewater treatment facility. The loan was for \$885,100 at 3.25 percent for 30 years and included \$606,110 of principal forgiveness

**YANKTON** – The city of Yankton received three loans totaling \$13,255,000. All three loans were used to upgrade and expand the existing wastewater treatment facility. The term of the first loan was 5.25 percent for 20 years. The second loan utilized leveraged program bonds with a term of 6 percent for 20 years. Yankton’s third loan, in the amount of \$6,130,000 at 3.5 percent for 20 years, funded the third phase of the project.

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**SOUTH DAKOTA**  
**DRINKING WATER STATE REVOLVING FUND**  
**PROGRAM INFORMATION**

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## DRINKING WATER SRF INTRODUCTION

The Drinking Water SRF program was federally authorized by the Safe Drinking Water Act Amendments of 1996, while the state authorized the loan program in 1994 in anticipation of federal action. EPA provided the final guidance for the Drinking Water SRF program on February 28, 1997. The South Dakota Conservancy District, acting in its capacity as the Board of Water and Natural Resources, conducted a public hearing on April 15, 1997, to adopt formal administrative rules for the program.

Since 1997, South Dakota's Drinking Water SRF Program has received federal capitalization grants totaling \$163,555,100. Because of the demand on the Drinking Water SRF program, the 2002 and 2003 Clean Water SRF Capitalization Grants and state match were transferred to the Drinking Water SRF program. These grants amounted to \$12,978,600, with the corresponding state match of \$2,595,720 provided by administrative surcharge funds and not bond proceeds. Table 7 shows capitalization grants, state match and leveraged funds for the Drinking Water SRF program.

**Table 7**  
**Drinking Water SRF Program - Source of Funds**

Federal Fiscal Year	Federal Capitalization Grant Award	State Match	Leveraged Funds	Total
1997	\$12,558,800	\$2,511,760		\$15,070,560
1998	\$7,121,300	\$1,424,260		\$8,545,560
1999	\$7,463,800	\$1,492,760		\$8,956,560
2000	\$7,757,000	\$1,551,400		\$9,308,400
2001	\$7,789,100	\$1,557,820		\$9,346,920
2002	\$14,563,300	\$2,912,660		\$17,475,960
2003	\$14,471,900	\$2,894,380		\$17,366,280
2004	\$8,303,100	\$1,660,620	\$22,503,662	\$32,467,382
2005	\$8,285,500	\$1,657,100		\$9,942,600
2006	\$8,229,300	\$1,645,860	\$7,000,414	\$16,875,574
2007	\$8,229,000	\$1,645,800		\$9,874,800
2008	\$8,146,000	\$1,629,200	\$13,000,000	\$22,775,200
2009	\$8,146,000	\$1,629,200	\$18,221,624	\$27,996,824
2009 - ARRA	\$19,500,000	\$0		\$19,500,000
2010	\$13,573,000	\$2,714,600		\$16,287,600
2011 *	\$9,418,000	\$1,883,600		\$11,301,600
<b>TOTAL</b>	<b>\$163,555,100</b>	<b>\$28,811,020</b>	<b>\$60,725,700</b>	<b>\$253,091,820</b>

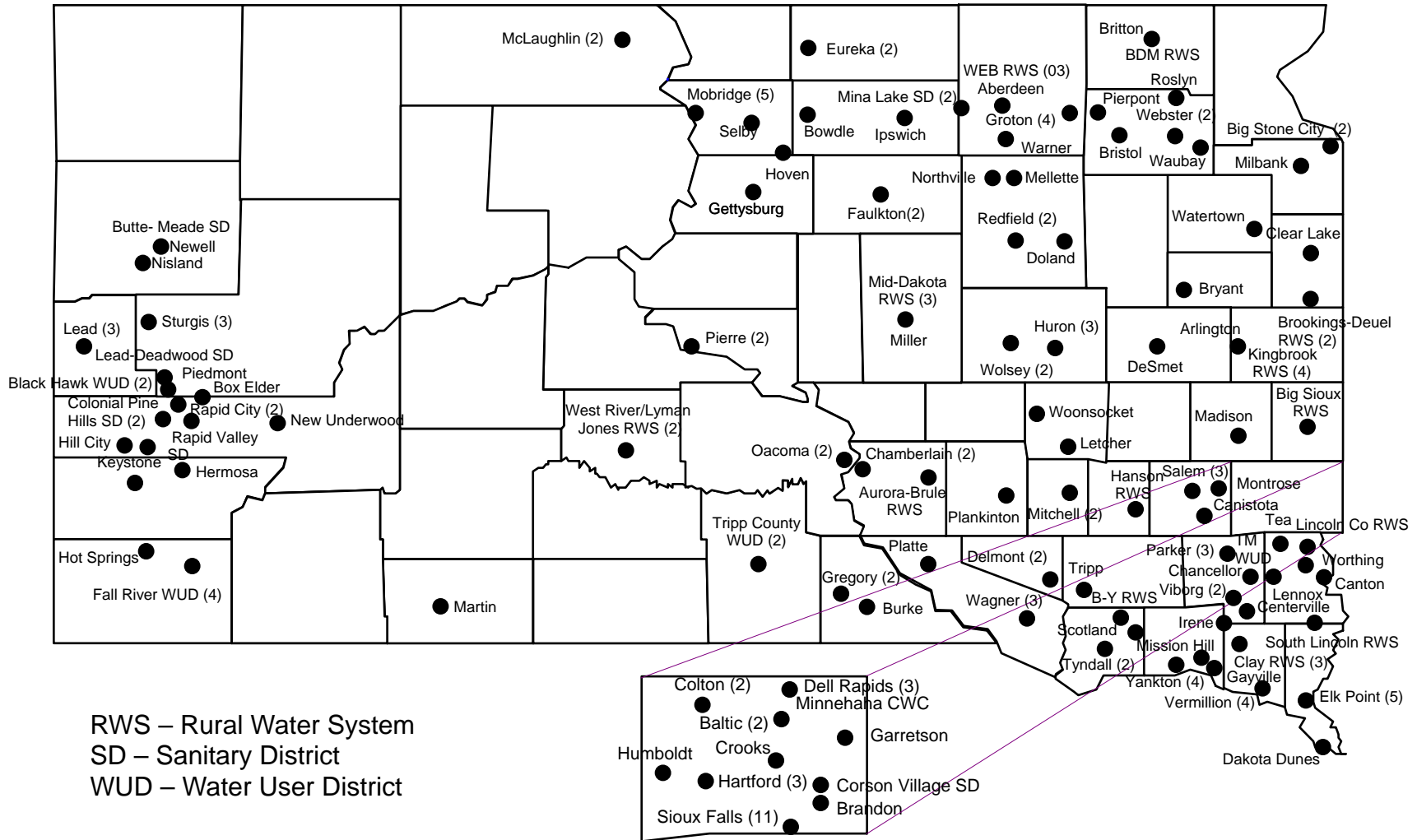
\* The capitalization grant was not received within the reporting period; amounts shown reflect amounts on the capitalization grant application.



Through June 30, 2011, principal repayments from borrowers totaled \$70,262,607. Of this amount \$39,195,743 has been re-loaned. Principal repayments are also used for debt service on leveraged bonds. Interest payments from borrowers totaled \$21,474,929, of which \$10,704,013 has been re-loaned. Interest payments are also used for debt service on State Match bonds.

As of June 30, 2011, the Board has made 198 Drinking Water loans totaling \$325,886,208. The Drinking Water SRF loan portfolio begins on page 55 with a map showing the location of the borrowers. Table 8 on pages 55-61 provides the loan amount, date, and terms. Table 9 on page 62 shows the principal forgiveness awarded through the American Reinvestment and Recovery Act of 2009. More detailed project description narratives are provided by recipient on pages 63-73.

**FIGURE 2**  
**Drinking Water State Revolving Fund Loans**



**Table 8**  
**Drinking Water SRF Loans**  
**Since Inception of Program through June 30, 2010**

<b>Sponsor</b>	<b>Binding Commitment Date</b>	<b>Rate</b>	<b>Term (years)</b>	<b>Original Binding Commitment Amount</b>	<b>Final Loan Amount</b>
Aberdeen (DW-01A)	03/28/2003	3.50%	20	\$9,460,000	\$9,460,000
Aberdeen (DW-01B)	01/08/2004	3.50%	20	\$7,300,000	\$7,024,258
Aberdeen (DW-02)	07/23/2009	2.25%	10	\$1,750,000	\$1,750,000
Arlington (DW-01) - ARRA <sup>1</sup>	06/25/2009	0%	-	\$100,000	\$100,000
Aurora-Brule RWS (DW-01) - ARRA <sup>1</sup>	03/27/2009	0%	-	\$500,000	\$500,000
Baltic (DW-01)	06/27/2002	3.50%	20	\$250,000	\$250,000
Baltic (DW-02) - ARRA	06/25/2009	2.25%	10	\$165,000	\$163,345
BDM RWS (DW-01)	04/12/2002	3.50%	20	\$536,000	\$280,251
Big Sioux CWS (DW-01) <sup>2</sup>	03/31/2006	3.25%	20	\$831,000	\$0
Big Stone City (DW-01)	07/22/1998	5.25%	20	\$600,000	\$570,000
Big Stone City (DW-02)	06/26/2003	3.50%	20	\$240,000	\$139,873
Black Hawk WUD (DW-01)	03/26/1998	5.25%	20	\$500,000	\$500,000
Black Hawk WUD (DW-02)	01/03/2008	3.25%	20	\$1,142,000	\$1,066,674
Bon Homme - Yankton WUD - ARRA <sup>2</sup>	06/25/2009	0%	-	\$300,000	\$0
Bowdle (DW-01) - ARRA <sup>1</sup>	06/25/2009	0%	-	\$150,000	\$150,000
Box Elder (DW-01)	03/25/2011	3.00%	20	\$3,562,950	\$3,562,950
Brandon (DW-01)	11/13/1998	4.75%	15	\$1,950,000	\$1,877,375
Bristol (DW-01) <sup>2</sup>	04/25/2001	4.50%	20	\$139,000	\$0
Britton (DW-01)	04/25/2001	4.50%	20	\$320,000	\$320,000
Brookings-Deuel Rural Water System (DW-01)	01/06/2005	3.25%	30	\$1,200,000	\$1,002,464
Brookings-Deuel Rural Water System (DW-02)	06/23/2005	3.25%	30	\$1,750,000	\$1,750,000
Bryant (DW-01)	01/13/2000	3.00%	30	\$142,000	\$142,000
Burke (DW-01)	01/05/2006	2.50%	30	\$115,600	\$115,600
Butte-Meade Sanitary Water District	06/24/2011	2.25%	10	\$396,700	\$396,700
Canistota (DW-01) - ARRA	03/27/2009	3.00%	30	\$426,460	\$426,460
Canton (DW-01)	01/10/2003	3.50%	20	\$500,000	\$500,000
Centerville (DW-01)	03/25/2004	3.25%	30	\$870,000	\$870,000
Chamberlain (DW-01)	03/27/2008	3.25%	20	\$276,500	\$276,500
Chamberlain (DW-02)	09/26/2009	3.00%	20	\$1,000,000	\$1,000,000
Chancellor (DW-01)	09/22/2005	3.25%	30	\$230,000	\$205,948
Clay RWS (DW-01)	06/23/2005	3.25%	30	\$4,331,000	\$4,331,000
Clay RWS (DW-02) - ARRA	06/25/2009	3.00%	20	\$846,300	\$844,968
Clay RWS (DW-03)	06/24/2010	3.00%	30	\$2,208,000	\$2,208,000
Clear Lake (DW-01)	12/10/1998	3.00%	30	\$565,000	\$540,637
Colonial Pine Hills Sanitary District (DW-01)	01/31/2002	3.50%	20	\$659,000	\$636,108

<b>Sponsor</b>	<b>Binding Commitment Date</b>	<b>Rate</b>	<b>Term (years)</b>	<b>Original Binding Commitment Amount</b>	<b>Final Loan Amount</b>
Colonial Pine Hills Sanitary District (DW-02) - ARRA	07/23/2009	3.00%	20	\$1,003,608	\$1,003,608
Colton (DW-01)	06/27/2002	3.50%	30	\$681,720	\$632,455
Colton (DW-02)	03/25/2011	3.00%	20	\$191,100	\$191,100
Corson Village Sanitary District (DW-01) - ARRA	07/23/2009	3.00%	20	\$601,735	\$581,364
Crooks (DW-01)	06/25/2004	3.25%	20	\$302,900	\$133,510
Custer (DW-01)	01/10/2003	3.50%	20	\$800,000	\$800,000
Dakota Dunes CID (DW-01)	06/27/2002	3.50%	20	\$908,000	\$376,962
Dell Rapids (DW-01)	03/28/2003	3.50%	20	\$621,000	\$621,000
Dell Rapids (DW-02)	01/05/2006	3.25%	20	\$162,263	\$162,263
Dell Rapids (DW-03)	09/24/2011	3.00%	20	\$531,835	\$531,835
Delmont (DW-01)	06/26/2008	2.50%	30	\$185,000	\$158,461
Delmont (DW-02)	09/24/2011	2.25%	10	\$90,000	\$90,000
DeSmet (DW-01) - ARRA	08/26/2009	2.25%	30	\$258,000	\$258,000
Doland (DW-01)	06/24/2011	3.00%	30	\$1,762,200	\$1,762,200
Elk Point (DW-01)	01/31/2002	3.50%	20	\$220,000	\$220,000
Elk Point (DW-02)	06/25/2004	3.25%	20	\$570,000	\$570,000
Elk Point (DW-03)	06/22/2006	3.25%	20	\$218,000	\$114,441
Elk Point (DW-04)	06/26/2008	3.25%	20	\$564,000	\$539,449
Elk Point (DW-05) - ARRA	07/23/2009	3.00%	20	\$1,179,500	\$1,179,500
Eureka (DW-01)	09/28/2006	0.00%	10	\$135,000	\$133,681
Eureka (DW-02) - ARRA <sup>1</sup>	06/25/2009	0%	-	\$200,000	\$200,000
Fall River Water Users District (DW-01)	12/09/1999	3.00%	30	\$759,000	\$759,000
Fall River Water Users District (DW-02)	11/09/2001	2.50%	30	\$400,000	\$260,958
Fall River Water Users District (DW-03) - ARRA <sup>1</sup>	03/27/2009	0%	-	\$612,000	\$612,000
Fall River Water Users District (DW-04) - ARRA <sup>1</sup>	06/25/2009	0%	-	\$750,000	\$750,000
Faulton (DW-01) - ARRA <sup>1</sup>	03/27/2009	0%	-	\$500,000	\$500,000
Faulton (DW-02)	01/07/2011	3.00%	30	\$511,725	\$511.725
Garretson (DW-01)	06/27/2002	3.50%	30	\$1,261,060	\$1,102,147
Gayville (DW-01)	11/30/2010	3.00%	30	\$900,000	\$900,000
Gettysburg (DW-01) <sup>1</sup>	06/14/2001	4.50%	20	\$565,000	\$565,000
Gregory (DW-01)	04/12/2002	2.50%	30	\$380,000	\$347,580
Gregory (DW-02)	01/07/2011	2.25%	30	\$685,080	\$685,080
Groton (DW-01)	03/28/2003	3.50%	20	\$440,000	\$440,000
Groton (DW-02)	06/25/2004	3.25%	20	\$365,900	\$308,945
Groton (DW-03) - ARRA	06/25/2009	0%	-	\$272,000	\$272,000
Groton (DW-04) <sup>2</sup>	09/24/2010	2.25%	10	\$703,000	\$0
Hanson Rural Water System (DW-01)- ARRA	08/26/2009	3.00%	20	\$840,000	\$840,000
Harrisburg (DW-01)	10/12/2000	5.00%	20	\$525,000	\$525,000
Harrisburg (DW-02)	03/30/2007	3.25%	20	\$1,714,327	\$1,291,925
Harrisburg (DW-03)	09/25/2008	3.25%	20	\$2,090,000	\$1,753,441

<b>Sponsor</b>	<b>Binding Commitment Date</b>	<b>Rate</b>	<b>Term (years)</b>	<b>Original Binding Commitment Amount</b>	<b>Final Loan Amount</b>
Hartford (DW-01) <sup>1</sup>	04/13/2000	5.00%	20	\$185,000	\$185,000
Hartford (DW-02)	01/10/2003	3.50%	20	\$800,957	\$800,957
Hartford (DW-03)	01/06/2005	3.25%	20	\$1,123,556	\$1,123,556
Hermosa (DW-01)	12/10/1998	5.00%	20	\$300,000	\$300,000
Hill City (DW-01)- ARRA	08/26/2009	3.00%	30	\$402,200	\$336,903
Hot Springs (DW-01)	09/24/2010	3.00%	20	\$1,636,000	\$1,636,000
Hoven (DW-01)	09/24/2010	0%	-	\$750,000	\$750,000
Humboldt (DW-01)	06/22/2006	3.25%	20	\$520,000	\$481,773
Huron (DW-01)	06/27/2002	3.50%	20	\$4,000,000	\$4,000,000
Huron (DW-02) - ARRA	08/26/2009	3.00%	30	\$619,684	\$478,407
Huron (DW-03)	09/24/2010	3.00%	30	\$1,098,900	\$1,098,900
Ipswich (DW-01) - ARRA	06/25/2009	3.00%	30	\$1,245,000	\$1,245,000
Irene (DW-01) <sup>1</sup>	06/22/2000	5.00%	20	\$145,000	\$127,126
Keystone (DW-01)	03/25/2004	3.25%	20	\$762,000	\$630,212
Kingbrook RWS (DW-01)	04/13/2000	0.00%	30	\$475,000	\$474,204
Kingbrook RWS (DW-02)	01/06/2005	3.25%	30	\$2,115,000	\$2,115,000
Kingbrook RWS (DW-03)	03/30/2005	3.25%	20	\$3,324,000	\$3,136,677
Kingbrook RWS (DW-04)	06/22/2006	3.25%	20	\$2,350,000	\$2,315,622
Lead (DW-01)	07/27/2000	4.50%	10	\$192,800	\$192,800
Lead (DW-02)	01/06/2005	3.25%	30	\$205,800	\$192,549
Lead (DW-03) -ARRA	08/26/2009	3.00%	20	\$1,020,000	\$1,020,000
Lead-Deadwood San Dist (DW-01) <sup>1</sup>	06/24/1998	5.25%	20	\$2,700,000	\$2,683,957
Lennox (DW-01)	07/16/2004	3.25%	30	\$2,000,000	\$2,000,000
Letcher (DW-01)	08/26/2009	2.25%	30	\$200,000	\$200,000
Lincoln County Rural Water (DW-01)	01/31/2002	3.50%	20	\$1,200,000	\$1,079,170
Madison (DW-01) <sup>1</sup>	05/14/1998	5.00%	15	\$2,372,000	\$2,372,000
Martin (DW-01)	09/25/2003	2.50%	30	\$920,000	\$917,901
McLaughlin (DW-01)	06/25/2004	2.50%	30	\$350,000	\$350,000
McLaughlin (DW-02)	06/24/2011	2.25%	30	\$4,151,050	\$4,151,050
Mellette (DW-01) - ARRA	08/27/2009	3.00%	30	\$271,780	\$271,780
Mid-Dakota RWS (DW-01) <sup>1</sup>	03/27/2009	2.00%	3	\$12,000,000	\$9,455,108
Mid-Dakota RWS (DW-02) - ARRA <sup>1</sup>	03/27/2009	0%	-	\$1,000,000	\$1,000,000
Mid-Dakota RWS (DW-03)	06/24/2011	3.00%	30	\$2,979,054	\$2,979,054
Milbank (DW-01)	09/22/2005	2.50%	30	\$4,741,000	\$4,460,294
Miller (DW-01)	01/03/2008	2.50%	10	\$255,200	\$225,389
Mina Lake San Dist (DW-01)	11/13/1998	5.00%	20	\$255,200	\$255,200
Mina Lake San Dist (DW-02) - ARRA	06/25/2009	3.00%	20	\$567,390	\$567,390
Minnehaha CWC (DW-01)	06/27/2002	3.50%	20	\$6,500,000	\$6,022,816
Mission Hill (DW-01) <sup>2</sup>	06/26/2008	3.25%	20	\$250,000	\$0
Mitchell (DW-01)	10/12/2000	4.50%	20	\$6,000,000	\$2,850,115

<b>Sponsor</b>	<b>Binding Commitment Date</b>	<b>Rate</b>	<b>Term (years)</b>	<b>Original Binding Commitment Amount</b>	<b>Final Loan Amount</b>
Mitchell (DW-02) - ARRA	08/26/2009	3.00%	20	\$2,360,000	\$2,360,00
Mobridge (DW-01) <sup>1</sup>	03/26/1998	5.25%	20	\$965,000	\$965,000
Mobridge (DW-02) <sup>1</sup>	07/22/1998	5.25%	20	\$355,000	\$352,207
Mobridge (DW-03)	09/28/2006	2.50%	30	\$213,500	\$213,500
Mobridge (DW-04)	06/28/2007	2.50%	30	\$90,000	\$62,442
Mobridge (DW-05) - ARRA <sup>1</sup>	06/25/2009	0%	-	\$500,000	\$500,000
Montrose (DW-01)	03/25/2011	3.00%	30	\$893,000	\$893,000
New Underwood (DW-01)- ARRA	06/25/2009	3.00%	20	\$175,500	\$169,299
Newell (DW-01)- ARRA	08/26/2009	2.25%	30	\$829,500	\$829,500
Nisland (DW-01)	12/13/2001	0.00%	30	\$350,000	\$350,000
Northville (DW-01)- ARRA	07/23/2009	3.00%	20	\$203,460	\$203,460
Oacoma (DW-01) - ARRA <sup>2</sup>	03/27/2009	3.00%	20	\$1,414,800	\$0
Oacoma (DW-02)	08/10/2010	2.25%	10	\$1,351,300	\$1,351,300
Parker (DW-01)	09/23/2004	3.25%	20	\$730,000	\$730,000
Parker (DW-02)	06/22/2006	3.25%	20	\$300,000	\$209,541
Parker (DW-03) - ARRA	03/27/2009	3.00%	20	\$554,200	\$554,200
Piedmont (DW-01)	03/25/2011	3.00%	20	\$1,404,000	\$1,404,000
Pierpont (DW-01)	06/24/2011	3.00%	30	\$551,200	\$551,200
Pierre (DW-01)	01/31/2002	3.50%	15	\$1,094,200	\$988,188
Pierre (DW-02)	09/25/2003	3.50%	15	\$1,832,900	\$1,832,900
Plankinton (DW-01)	06/24/2011	3.00%	30	\$1,765,000	\$1,765,000
Platte (DW-01)	06/25/2004	2.50%	10	\$400,000	\$293,134
Rapid City (DW-01) <sup>1</sup>	11/14/2003	3.50%	20	\$3,500,000	\$3,500,000
Rapid City (DW-02)	07/23/2009	3.00%	20	\$6,000,000	\$6,000,000
Rapid Valley San. Dist. (DW-01) - ARRA <sup>1</sup>	06/25/2009	0%	-	\$682,000	\$682,000
Redfield (DW-01)	04/25/2001	4.50%	20	\$85,000	\$85,000
Redfield (DW-02)	06/23/2005	2.50%	30	\$342,755	\$228,823
Roslyn (DW-01) - ARRA <sup>1</sup>	06/25/2009	0%	-	\$500,000	\$500,000
Salem (DW-01)	03/28/2003	3.50%	10	\$126,921	\$118,540
Salem (DW-02)	06/23/2005	3.25%	20	\$348,540	\$328,966
Salem (DW-03)	06/28/2007	3.25%	30	\$1,345,000	\$1,345,000
Scotland (DW-01)	03/28/2003	2.50%	30	\$340,000	\$235,172
Selby (DW-01) - ARRA	06/25/2009	0%	-	\$100,000	\$100,000
Sioux Falls (DW-01) <sup>1</sup>	07/22/1998	4.50%	10	\$7,022,000	\$6,496,745
Sioux Falls (DW-02)	01/11/2001	4.50%	10	\$2,750,000	\$2,348,168
Sioux Falls (DW-03)	04/12/2002	3.50%	10	\$7,930,000	\$7,930,000
Sioux Falls (DW-04)	01/10/2003	3.50%	10	\$5,279,000	\$279,599
Sioux Falls (DW-05)	07/16/2004	2.50%	10	\$12,749,000	\$10,828,766
Sioux Falls (DW-06)	01/03/2008	2.50%	10	\$17,848,000	\$12,848,000
Sioux Falls (DW-07)	01/03/2008	2.50%	10	\$2,200,000	\$2,200,000

<b>Sponsor</b>	<b>Binding Commitment Date</b>	<b>Rate</b>	<b>Term (years)</b>	<b>Original Binding Commitment Amount</b>	<b>Final Loan Amount</b>
Sioux Falls (DW-08)	01/03/2008	2.50%	10	\$2,705,600	\$2,088,605
Sioux Falls (DW-09) - ARRA	03/27/2009	2.25%	10	\$3,578,750	\$3,578,750
Sioux Falls (DW-10) - ARRA	03/27/2009	2.25%	10	\$7,606,900	\$7,606,900
Sioux Falls (DW-11)	01/07/2011	2.25%	10	\$4,000,000	\$4,000,000
South Lincoln RWS (DW-01)	01/10/2003	3.50%	20	\$2,000,000	\$2,000,000
South Lincoln RWS (DW-02)	01/07/2011	3.00%	30	\$476,500	\$476,500
Sturgis (DW-01) <sup>1</sup>	01/08/1998	5.00%	15	\$700,000	\$478,377
Sturgis (DW-02) - ARRA	08/26/2009	2.25%	10	\$863,000	\$608,417
Tea (DW-01)	03/30/2007	3.25%	20	\$2,263,723	\$2,263,723
TM Rural Water District (DW-01)	06/24/2011	3.00%	30	\$1,084,750	\$1,084,750
TM Rural Water District (DW-02)	06/24/2011	0%	-	\$1,398,750	\$1,398,750
Tripp (DW-01)	07/26/2001	2.50%	30	\$291,000	\$225,656
Tripp County WUD (DW-01)	11/14/2002	2.50%	30	\$3,500,000	\$3,500,000
Tripp County WUD (DW-02)	11/14/2002	0.00%	30	\$148,000	\$131,469
Tyndall (DW-01) <sup>1</sup>	07/27/2000	2.50%	10	\$300,000	\$300,000
Tyndall (DW-02)	11/09/2001	2.50%	30	\$861,000	\$861,000
Vermillion (DW-01)	05/13/1999	5.00%	20	\$942,000	\$795,338
Vermillion (DW-02)	06/27/2002	3.50%	20	\$1,510,000	\$1,507,552
Vermillion (DW-03)	09/22/2005	2.50%	20	\$3,772,500	\$3,693,216
Vermillion (DW-04)	3/25/2011	2.25%	30	\$1,532,000	\$1,532,000
Viborg (DW-01)	03/27/2008	3.25%	20	\$249,775	\$104,491
Viborg (DW-02)	11/30/2010	3.00%	30	\$847,000	\$847,000
Wagner (DW-01)	06/22/2006	0.00%	30	\$750,000	\$750,000
Wagner (DW-02)	06/28/2007	0.00%	30	\$175,000	\$175,000
Wagner (DW-03) - ARRA <sup>2</sup>	07/23/2009	0.00%	30	\$275,000	\$0
Warner (DW-01) - ARRA <sup>1</sup>	03/27/2009	0%	-	\$400,000	\$400,000
Watertown (DW-01)	03/27/2008	3.25%	20	\$23,760,000	\$23,760,000
Waubay (DW-01)	03/31/2006	2.50%	30	\$750,000	\$750,000
WEB WDA (DW-01) <sup>3</sup>	03/26/1998	5.25%	20	\$1,110,000	\$0
WEB WDA (DW-02) <sup>3</sup>	10/11/2001	2.50%	30	\$137,450	\$0
WEB WDA (DW-03) <sup>3</sup>	03/31/2006	3.25%	20	\$3,950,000	\$0
Webster (DW-01)	04/12/2002	3.50%	20	\$330,000	\$318,828
Webster (DW-02)	9/24/2010	2.25%	10	\$387,400	\$387,400
West River/Lyman Jones RWS (DW-01) <sup>1</sup>	10/12/2001	2.50%	30	\$340,000	\$340,000
West River/Lyman Jones RWS (DW-02) <sup>1</sup>	03/30/2005	3.25%	30	\$8,000,000	\$7,943,023
Wolsey (DW-01)	06/23/2005	3.25%	20	\$263,000	\$227,950
Wolsey (DW-02)	09/27/2007	3.25%	20	\$162,300	\$162,300
Woonsocket (DW-01) - ARRA	08/27/2009	3.00%	30	\$720,000	\$720,000
Worthing (DW-01)	06/26/2003	3.50%	20	\$288,000	\$288,000
Yankton (DW-01)	11/09/2001	3.50%	20	\$3,460,000	\$3,460,000

<b>Sponsor</b>	<b>Binding Commitment Date</b>	<b>Rate</b>	<b>Term (years)</b>	<b>Original Binding Commitment Amount</b>	<b>Final Loan Amount</b>
Yankton (DW-02)	06/28/2007	3.25%	20	\$1,100,000	\$896,975
Yankton (DW-03) - ARRA	03/27/2009	3.00%	20	\$3,000,000	\$3,000,000
Yankton (DW-04) - ARRA	03/27/2009	3.00%	20	\$2,200,000	\$2,200,000
<b>TOTAL</b>				<b>\$325,886,208</b>	<b>\$291,051,495</b>

<sup>1</sup> Loans paid in full

<sup>2</sup> Deobligated in full

<sup>3</sup> Rescinded by BWNR

**Table 9  
Principal Forgiveness Awards to Drinking Water SRF Borrowers**

<b>Sponsor</b>	<b>Total Assistance Amount</b>	<b>Principal Forgiveness Awarded</b>	<b>Loan Awarded</b>
Aberdeen (DW 02)	\$1,750,000	\$175,000	\$1,575,000
Arlington (DW 01)	\$100,000	\$100,000	\$0
Aurora-Brule RWS (DW 01)	\$500,000	\$500,000	\$0
Baltic (DW 02)	\$163,446	\$16,345	\$147,101
Bowdle (DW 01)	\$150,000	\$150,000	\$0
Box Elder (DW 01)	\$3,562,950	\$356,295	\$3,206,655
Butte-Meade Sanitary Water District (DW 01)	\$396,700	\$85,000	\$311,700
Canistota (DW 01)	\$426,460	\$313,960	\$112,500
Chamberlain (DW 02)	\$1,000,000	\$300,000	\$700,000
Clay RWS (DW 02)	\$844,968	\$698,789	\$146,179
Clay RWS (DW 03)	\$2,208,000	\$500,000	\$1,708,000
Colonial Pine Hills San. Dist. (DW 02)	\$1,003,608	\$250,000	\$753,608
Colton (DW 02)	\$191,100	\$91,100	\$100,000
Corson Village San. Dist. (DW 01)	\$581,364	\$523,227	\$58,137
Delmont (DW 02)	\$90,000	\$90,000	\$0
DeSmet (DW 01)	\$258,000	\$25,800	\$232,200
Doland (DW 01)	\$1,762,200	\$1,375,000	\$387,200
Elk Point (DW 05)	\$1,179,500	\$660,520	\$518,980
Eureka (DW 02)	\$200,000	\$200,000	\$0
Fall River WUD (DW 03)	\$612,000	\$612,000	\$0
Fall River WUD (DW 04)	\$750,000	\$750,000	\$0
Faulkton (DW 01)	\$500,000	\$500,000	\$0
Faulkton (DW 02)	\$511,725	\$395,905	\$115,820



<b>Sponsor</b>	<b>Total Assistance Amount</b>	<b>Principal Forgiveness Awarded</b>	<b>Loan Awarded</b>
Gayville (DW 01)	\$900,000	\$480,000	\$420,000
Gregory (DW 01)	\$685,080	\$185,080	\$500,000
Groton (DW 03)	\$241,083	\$241,083	\$0
Hanson RWS (DW 01)	\$840,000	\$588,000	\$252,000
Hill City (DW 01)	\$336,903	\$202,141	\$134,762
Hoven (DW 01)	\$750,000	\$750,000	\$0
Huron (DW 02)	\$478,407	\$94,724	\$383,683
Ipswich (DW 01)	\$1,245,000	\$933,750	\$311,250
Lead (DW 03)	\$1,020,000	\$387,600	\$632,400
McLaughlin (DW 02)	\$4,151,050	\$3,180,050	\$971,000
Mellette (DW 01)	\$271,780	\$244,602	\$27,178
Mid-Dakota RWS (DW 02)	\$1,000,000	\$1,000,000	\$0
Mid-Dakota RWS (DW 03)	\$2,979,054	\$450,000	\$2,529,054
Mina Lake San. Dist. (DW 02)	\$567,390	\$283,695	\$283,695
Mitchell (DW 02)	\$2,360,000	\$354,000	\$2,006,000
Mobridge (DW 05)	\$500,000	\$500,000	\$0
Montrose (DW 01)	\$893,000	\$593,000	\$300,000
New Underwood (DW 01)	\$169,299	\$67,719	\$101,580
Newell (DW 01)	\$829,500	\$322,750	\$506,750
Northville (DW 01)	\$203,460	\$162,768	\$40,692
Parker (DW 03)	\$554,200	\$452,100	\$102,100
Piedmont (DW 01)	\$1,404,000	\$804,000	\$600,000
Pierpont (DW 01)	\$551,200	\$413,400	\$137,800
Plankinton (DW 01)	\$1,765,000	1,009,000	\$756,000
Rapid Valley San. Dist. (DW 01)	\$682,000	\$682,000	\$0
Roslyn (DW 01)	\$500,000	\$500,000	\$0
Selby (DW 01)	\$100,000	\$100,000	\$0
Sioux Falls (DW 09)	\$3,578,750	\$357,875	\$3,220,875
Sioux Falls (DW 10)	\$7,606,900	\$760,690	\$6,846,210
South Lincoln RWS (DW 02)	\$476,500	\$244,500	\$232,000
Sturgis (DW 02)	\$608,417	\$60,841	\$547,576
TM Rural Water District	\$1,398,750	\$1,398,750	\$0
Vermillion (DW 04)	\$1,532,000	\$153,200	\$1,378,800
Viborg (DW 02)	\$847,000	\$730,000	\$117,000
Warner (DW 01)	\$400,000	\$400,000	\$0
Webster (DW 02)	\$387,400	\$150,000	\$237,400
Woonsocket (DW 01)	\$720,000	\$416,500	\$303,500
Yankton (DW 03)	\$3,000,000	\$136,375	\$2,863,625
Yankton (DW 04)	\$2,200,000	\$220,000	\$1,980,000
<b>TOTAL</b>	<b>\$64,941,698</b>	<b>\$27,887,789</b>	<b>\$37,073,909</b>

## **DRINKING WATER SRF PROJECT DESCRIPTIONS**

**ABERDEEN** – The city of Aberdeen received an \$8,460,000 loan at 3.5 percent for 20 years. This loan was the first installment of the city’s \$14,460,000 project to improve the water treatment plant. Total project costs increased to \$18,700,000, and the city received the second installment of its loan in 2004 in the amount of \$8,300,000. Aberdeen received a \$1,750,000 loan with \$175,000 of principal forgiveness through the American Recovery and Reinvestment Act of 2009 to replace water meters throughout the city. The loan was awarded at 2.25 percent for ten years.

**ARLINGTON** - The city of Arlington received a \$100,000 loan with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009. The loan was to replace water lines on Birch and 1<sup>st</sup> Streets.

**AURORA-BRULE RURAL WATER SYSTEM** - The Aurora-Brule Rural Water System received a \$500,000 loan with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009. The loan was to construct a new raw water intake and associated piping.

**BALTIC** – The city of Baltic received a \$250,000 loan for replacement of existing cast iron pipe with PVC water mains. The loan was at 3.5 percent for 20 years. Baltic’s second loan was for \$165,000 to replace water meters. This loan was at 2.25 percent for 10 years and included \$16,500 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**BDM RURAL WATER SYSTEM** – The system received a loan in the amount of \$536,000 for expansion of the system to the city of Britton, SD. The loan was at 3.5 percent for 20 years.

**BIG SIOUX COMMUNITY WATER SYSTEM** – Big Sioux received a loan in the amount of \$831,000 for clearwell and water storage improvements. The loan was at 3.25 percent for 20 years.

**BIG STONE CITY** – The city of Big Stone City utilized a \$600,000 loan to construct a 100,000-gallon elevated water storage tank. The project also included the installation of a water main to connect the tank to the existing distribution system, and the refinancing of debt incurred to connect to the Ortonville, Minnesota regional water treatment plant. The 20-year loan is at 5.25 percent. The city received its second loan in the amount of \$240,000 at 3.5 percent for 20 years to fund improvements to the water distribution system.

**BLACK HAWK WATER USER DISTRICT** – The Black Hawk Water User District received a loan for \$500,000. This loan financed a new well, pump house construction, installation of chlorination and fluoridation equipment, a 48,000-gallon water storage reservoir, and approximately 7,000 feet of new water lines. This loan is at 5.25 percent for 20 years. The second loan, in the amount of \$1,142,000 loan at 3.25 percent for 20 years, financed an 815,000-gallon, ground storage reservoir and a transmission line to improve service to Summerset

**BON HOMME-YANKTON WATER USER DISTRICT** - The Bon Homme-Yankton Water User District received a \$300,000 loan with 100 percent principal forgiveness through the American Recovery and Reinvestment Act (ARRA) of 2009. The loan was to construct a new raw water intake; however, due to inability of the project to meet ARRA deadlines, the loan was deobligated in full at the district’s request.

**BOWDLE** - The city of Bowdle received a \$150,000 loan with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009. The loan was to replace water lines in various locations throughout the city.

**BOX ELDER** – The city of Box Elder’s First Drinking Water SRF loan was to develop a new well and construct a water reservoir and pipe lines to connect to the existing water distribution system. The \$3,562,950 loan was at 3 percent of 20 years and included \$356,295 in principal forgiveness.

**BRANDON** – Brandon received a loan for \$1,950,000 at 4.75 percent for 15 years. This project consisted of constructing a new water treatment plant and upgrading the current distribution system.

**BRISTOL** – The town of Bristol received a loan in the amount of \$139,000 at 4.5 percent interest for 20 years. The project involved construction of a new elevated storage tank as well as replacement of an underground storage tank. This allowed the town to discontinue renting railroad land where a low level tank was located and eliminated its existing pumping station that pressurizes the distribution system. The loan was deobligated at the town’s request.

**BRITTON** – The city of Britton received a loan in the amount of \$320,000 to replace and make improvements to approximately 30 blocks of water main throughout the city. The project involved replacing 50-year old cast iron pipes, much of which completely deteriorated due to rust and scale build-up. The loan was at 4.5 percent interest for 20 years.

**BROOKINGS-DEUEL RURAL WATER SYSTEM** – Brookings-Deuel RWS received two Drinking Water SRF loans in FFY 2005. The first loan, in the amount of \$1,200,000 at 3.25 percent for 30 years, increases the treatment capacity of the Bruce water treatment plant. The second loan, in the amount of \$1,750,000 at 3.25 percent for 30 years, made improvements to the distribution system and extended water to the community of Astoria.

**BRYANT** – The city of Bryant received a \$142,000 loan to help replace lead service lines and asbestos cement water mains throughout the city. The loan was at 3 percent interest for a term of 30 years.

**BUTTE-MEADE SANITARY WATER DISTRICT** – The Butte Meade Sanitary Water District received a \$396,700 Drinking Water SRF loan at 2.25 percent for 10 years to install new water meters and an automatic read system. The loan included \$85,000 of principal forgiveness.

**BURKE** – Burke’s first loan, in the amount of \$115,600 at the disadvantaged rate of 2.5 percent for 30 years, funded the drinking water portion of the Franklin Street Utilities Replacement project.

**CANISTOTA** - The city of Canistota received a \$426,460 loan at 3.0 percent for 30 years to replace the water line on Ash Street. The loan included \$313,960 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**CANTON** - Canton utilized its first loan in the amount of \$500,000 at 3.5 percent for 20 years to fund utility improvements in conjunction with South Dakota DOT reconstruction of US 18.

**CENTERVILLE** – Centerville received its first drinking water SRF loan in the amount of \$870,000 to construct water distribution system improvements. The loan was at 3.25 percent for 30 years.

**CHAMBERLAIN** – The city of Chamberlain obtained its first Drinking Water SRF loan in the amount of \$276,500 at 3.25 percent for 20 years to upgrade chemical feed and control systems and to make renovations to its water treatment plant. Chamberlain’s second loan was for \$1,000,000 and was used to replace water mains and appurtenances at nine locations within the city. This loan was at 3.0 percent for 20 years and included \$300,000 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**CHANCELLOR** – Chancellor’s first drinking water SRF loan for \$230,000 at 3.25 percent for 30 years provided water distribution system improvements.

**CLAY RURAL WATER SYSTEM** – Clay RWS’s first drinking water SRF loan expanded the system to southern Union County. The loan was for \$4,331,000 at 3.25 percent for 30 years. The system’s second loan was for \$846,300 to construct of two new wells, replace the Garfield Booster Station with an above ground pumping station, replace variable frequency drives on pumps, and miscellaneous improvements to the SCADA system. This loan was at 3.0 percent for 20 years and included \$700,000 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. Clay Rural Water was awarded its third loan in the amount of \$2,208,000 at 3 percent for 30 years and included \$500,000 of principal forgiveness. The loan funded the construction of several loops in the distribution system, improvements to the Spink Reservoir, an upgrade to the interconnection with the city of Beresford, installation of a new booster station, and added about 80 new users.

**CLEAR LAKE** – Clear Lake received a loan in the amount of \$565,000. This loan qualified for the disadvantaged rate and term of 3 percent for 30 years. This project consisted of constructing a new 300,000-gallon water tower and installation of a 2,700 LF of 10-inch water main that connected the tower with the water distribution system.

**COLONIAL PINE HILLS SANITARY DISTRICT** – Colonial Pine Hills improved its water distribution system with a \$659,000 loan at 3.5 percent for 20 years. The district’s second loan in the amount of \$1,003,608 was used to construct a new well, well-house, and distribution line to replace a well that experienced high radionuclide levels. This loan was at 3.0 percent for 20 years and included \$250,000 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**COLTON** – The city of Colton used a loan in the amount of \$681,720 at 3.5 percent for 30 years to connect to the Minnehaha Community Water Corporation. The loan was used for an elevated storage tank, water lines, wells, and new water treatment plant. The city received its second loan to replace water lines as part of a utility replacement project on 5<sup>th</sup> Street. The loan was for \$191,100 at 3 percent for 20 years and included \$91,100 of principal forgiveness.

**CORSON VILLAGE SANITARY DISTRICT** – Corson Village received its first Drinking Water SRF loan to replace the water distribution system and connect to the city of Brandon. The \$601,735 loan (3 percent for 20 years) included \$541,562 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**CROOKS** – Crooks constructed a second connection to Minnehaha Community Water Corporation’s distribution system and replaced high service pumps to improve capacity. The loan, in the amount of \$302,900, was at 3.25 percent for 20 years.

**CUSTER** - Custer received an \$800,000 loan at 3.5 percent for 20 years to replace transmission and distribution water lines within the business district in conjunction with a South Dakota DOT project.

**DAKOTA DUNES COMMUNITY IMPROVEMENT DISTRICT** – Dakota Dunes connected its water supply with the city of Sioux City, Iowa, with its \$908,000 loan at 3.5 percent for 20 years. This project included construction of a line beneath the Big Sioux River connecting the city of Sioux City’s distribution system with Dakota Dunes and the cost to upsize water mains in Sioux City to provide the additional capacity necessary to serve Dakota Dunes.

**DELL RAPIDS** - Dell Rapids constructed various distribution system improvements with its first \$621,000 loan at 3.5 percent for 20 years. The city’s second loan, in the amount of \$162,263 at 3.25 percent for 20 years, financed the drinking water portion of the 4<sup>th</sup> Street Utility Improvements project. A

third loan in the amount of \$531,835 at 3 percent for 20 years was awarded to install water lines on 15<sup>th</sup> Street.

**DELMONT** - Delmont received its first Drinking Water SRF loan to loop lines within the distribution system to improve water quality. The \$185,000 loan had a 2.5 percent interest rate with a 30-year term. The community's second loan, \$90,000 with 100% as principal forgiveness, was to install new water meters and an automatic read system.

**DESMET** - DeSmet used its first SRF loan to replace cast iron water mains with PVC water mains on 3rd Street from Highway 25 to Prairie Avenue. The \$258,000 loan, at 2.25 percent for 30 years, included \$25,800 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**DOLAND** - Doland was awarded its first Drinking Water SRF loan to replace cast iron water lines throughout the town construct a new elevated storage tank. The loan amount was \$1,762,200 at 3 percent for 30 years and included \$1,375,000 of principal forgiveness.

**ELK POINT** - Elk Point received its first loan in the amount of \$220,000 for water main replacement in conjunction with its Pearl Street Utility Improvement project at 3.5 percent for 20 years. Its second loan, in the amount of \$570,000 at 3.25 percent for 20 years, funded an upgrade to the city's water treatment plant. The city received its third loan in the amount of \$218,000 at 3.25 percent for 20 years, to fund the drinking water portion of the utility systems improvements. The fourth SRF loan awarded to Elk Point funded water line replacement on Clay and Washington Streets. This loan was for \$564,000 at 3.25 percent for 20 years. The city's fifth loan was to replace the water main on Main Street in conjunction with a highway reconstruction project. The loan amount was \$1,179,500 at 3 percent for 20 years and included \$660,520 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**EUREKA** - Eureka utilized a \$135,000 loan at zero percent interest for ten years to replace water meters and implement a computer-generated water meter reading system. The city's second loan was in the amount of \$200,000 loan with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009. The loan was to replace old water mains throughout the city and loop additional lines, as well as the installation of a SCADA system and variable frequency drives on the pump house pump.

**FALL RIVER WATER USERS DISTRICT** - The Fall River Water Users District received a \$759,000 loan at 3 percent interest for 30 years. This loan will help finance the construction of the Fall River Rural Water System to include supply, storage, and distribution. Fall River's second Drinking Water SRF loan in the amount of \$400,000 at 2.5 percent for 30 years was used for initial construction of the rural water system in Fall River County. Fall River's third and fourth loans were for \$612,000 and \$750,000, respectively, each with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009. The third loan was to construct additional lines to serve additional users including the town of Buffalo Gap and to construct a well house and associated lines to connect the well to the system. The fourth loan upgraded main distribution lines throughout the system to supply larger volume of water to meet demand.

**FAULKTON** - The city of Faulkton received a \$500,000 loan with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009. The loan was to replace water lines in various locations throughout the city, loop all dead-end lines 4 inches and larger, replace all water meters, and purchase a standby generator. The city's second loan involved construction of water line along US Highway 212. The loan was for \$511,725 at 3 percent for 30 years and included \$395,905 of principal forgiveness.

**GARRETSON** – The city of Garretson connected to the Minnehaha CWC with its \$1,261,060 loan at 3.5 percent for 30 years. The loan was used to construct water lines, wells, and a new water treatment plant.

**GAYVILLE** – Gayville was awarded its first Drinking Water SRF loan in the amount of \$900,000 with \$480,000 of principal forgiveness. The rate and term of the loan were 3 percent for 30 years, and the loan was used to replace the cast iron water lines within the community.

**GETTYSBURG** – The city of Gettysburg received a \$565,000 loan at 4.5 percent interest for 20 years to replace and relocate water lines within the city.

**GREGORY** – The city of Gregory received \$380,000 for the construction of a new steel reservoir and a new booster station. The terms of the loan were 2.5 percent for 30 years.

**GROTON** - Groton's first loan in the amount of \$440,000 at 3.5 percent for 20 years funded replacement of water main in conjunction with its Main Street Utility Project. Its second loan, in the amount of \$365,900 at 3.25 percent for 20 years, funded additional waterline replacement. The city's third loan was in the amount of \$272,000 with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009. The loan was to replace water meters. Groton's fourth loan in the amount of \$703,000, with \$150,000 principal forgiveness was to replace the city's elevated water storage tank, water pumps and approximately five blocks of water mains. The city chose to deobligate the loan in its entirety.

**HANSON RURAL WATER SYSTEM** – The Hanson Rural Water System was awarded its first Drinking Water SRF loan in the amount of \$840,000 at 3 percent for 20 years and included \$588,000 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. The rural water system replaced an elevated water storage tank located in Ethan with a new 200,000-gallon water storage tank to be used by Ethan residents and surrounding residents on the Hanson system.

**HARRISBURG** – The city of Harrisburg received its first loan in the amount of \$525,000 at 5 percent interest for 20 years to abandon its existing wells and water treatment plant, construct a connection to the Lincoln County RWS, construct an elevated water storage tank, and loop a line to ensure uninterrupted water service. The city's second loan - \$1,714,327 at 3.25 percent for 20 years - funded an emergency connection to the Lewis and Clark Rural Water System. Harrisburg's third loan was for \$2,090,000 at 3.25 for 20 years to construct a 750,000-gallon water tower, demolish the existing standpipe and an abandoned 30,000-gallon water tower, and install miscellaneous piping.

**HARTFORD** – Hartford received a \$185,000 loan at 5 percent interest for 20 years. This project replaced water distribution lines throughout the city. With its second loan in the amount of \$800,957 at 3.5 percent for 20 years, Hartford replaced aging cast iron water mains. Hartford's third loan, in the amount of \$1,123,556 at 3.25 percent for 20 years, funded improvements to the water supply by providing a second connection to the Minnehaha Community Water Corporation.

**HERMOSA** – Hermosa received a loan for \$300,000. This loan was at 5 percent for 20 years. This project will replace water distribution lines.

**HILL CITY** – The city of Hill City received its first Drinking Water SRF loan in the amount of \$402,200 at 3 percent for 30 years and included \$241,320 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. The project involved looping dead-end lines and replacing a water line that froze due to insufficient cover.

**HOT SPRINGS** – Hot Springs' first Drinking Water SRF loan was for \$1,636,000 at 3 percent for 20 years to replace water lines in various areas of the city.

**HOVEN** – The town of Hoven received a \$750,000 loan with 100 percent principal forgiveness to replace all water meters with new remote read meters, replace all cast iron pipes within the distribution system, construct a 180,000-gallon ground water storage tank, and rehabilitate an existing tank.

**HUMBOLDT** – The city of Humboldt’s first loan, in the amount of \$412,300 at 3.25 percent for 20 years, funded water supply and distribution system improvements.

**HURON** – Huron received a loan in the amount of \$4,000,000 at 3.5 percent for 20 years to fund the construction of a new water treatment facility, water tower improvements, and water meter replacement. The city’s second loan was used to replace approximately 14,500 feet of 6 inch and 12 inch water main. The loan was for \$619,684 at 3.0 percent for 20 years and includes \$122,500 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. A third loan, for \$1,098,900 at 3 percent for 30 years, was awarded for the construction of an elevated water storage reservoir.

**IPSWICH** - The city of Ipswich received a \$1,245,000 loan to replace an elevated water tower and two underground water tanks with a new 150,000-gallon elevated water storage tank, replace water meters and install a radio read system, and purchase a standby generator and variable frequency drives for the city pumps. The loan was at 3.0 percent for 30 years and included \$933,750 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**IRENE** – The city of Irene received a 5 percent interest loan for 20 years in the amount of \$145,000. The project replaced water main along SD Highway 46.

**KEYSTONE** – Keystone used its first loan, in the amount of \$762,000 at 3.25 percent for 20 years, was used to build a 187,000 gallon reservoir, to close the loop on one-third of the town’s system, and to install a pumping station.

**KINGBROOK RWS** – The Kingbrook Rural Water System received a loan in the amount of \$475,000. This loan was at 0 percent interest for 30 years. The project hooked up the city of Carthage and upgraded its distribution system and storage tank. Kingbrook RWS took over the system and provided individual service. Kingbrook’s second loan, in the amount of \$2,115,000 at 3.25 percent for 30 years, provided additional capacity within the system and provided service to Ramona and the Badger area. The third loan of \$3,324,000 at 3.25 percent for 20 years expanded the distribution system to allow 250 additional connections to the system. Kingbrook’s fourth loan, \$2,350,000 at 3.25 percent for 20 years, continued with the improvements to the system’s distribution system.

**LEAD** – Lead received a \$192,800 loan at 4.5 percent interest for 10 years. This loan helped replace water lines beneath a portion of US Highway 85 in conjunction with the South Dakota Department of Transportation roadway reconstruction project. Lead’s second drinking water SRF loan, in the amount of \$205,800 at 3.25 percent for 30 years, completed water main improvements associated with the Highway 85 project. The city’s third SRF loan replaced water mains on Lower May, South Main, and West Addie Streets in conjunction with a project to separate combined sanitary and storm sewer mains. The \$1,020,000 loan, at 3 percent for 20 years, included \$387,600 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**LEAD-DEADWOOD SANITARY DISTRICT** – The Lead-Deadwood Sanitary District received a \$2,683,957, 5.25 percent, 20-year loan to refinance its Series 1994 General Obligation Bond issue. The Series 1994 bonds were originally issued to finance the construction of a new water treatment plant in Lead.

**LENNOX** – Lennox’s first loan, in the amount of \$2,000,000 at 3.25 percent for 30 years, funded two wells, an elevated water storage reservoir, water main replacement and new lines.

**LETCHER** – Letcher received its first SRF loan to assist in financing the replacement of the town’s water distribution system. The loan amount was \$200,000 at 2.25 percent for 30 years.

**LINCOLN COUNTY RURAL WATER SYSTEM** – The RWS received a loan in the amount of \$1,200,000 at 3.5 percent for 20 years to fund storage improvements.

**MADISON** – Madison received a loan for \$2,372,000 to refinance its Series 1995 Bonds. The Series 1995 Bonds were originally issued to finance the rehabilitation of the water treatment facility and the construction of three new wells. This loan was at 5 percent for 15 years.

**MARTIN** - Martin corrected undersized water lines and water supply issues with a \$920,000 loan at 2.5 percent for 30 years.

**McLAUGHLIN** – Improvements to McLaughlin’s water distribution system in conjunction with an SDDOT project were funded with a \$350,000 loan at 2.5 percent for 30 years. The city’s second loan was used to replace water lines throughout the city and construct a new storage tank. The loan is for \$4,151,050 at 2.25 percent of 30 years and included \$3,180,050 of principal forgiveness.

**MELLETTE** - The town of Mellette received a loan for \$271,780 to replace nine blocks of water main and install gate valves and fire hydrants. The loan was at 3 percent for 30 years and included \$244,602 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**MID-DAKOTA RURAL WATER SYSTEM** - The Mid-Dakota Rural Water System received its first two loans for projects to increase the production capacity of the water treatment plant and to construct an underground pumping station and a two million-gallon elevated water reservoir. The first loan for \$12,000,000 at 2.00 percent for 3 years provided interim financing for those projects. The second loan was in the amount of \$1,000,000 with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009 and partially funded the pumping station and elevated water reservoir. A third loan in the amount of \$2,979,054 was awarded to extend service to new users within the Mid-Dakota service area to include users on the Crow Creek Reservation. The rate and term of the loan are 3 percent for 30 years, and the loan included \$450,000 of principal forgiveness.

**MILBANK** – Milbank secured a \$4,741,000 loan at 2.5 percent for 30 years to replace raw water transmission lines.

**MILLER** - The city of Miller was awarded a loan in the amount of \$255,200 at 2.5 percent for 10 years to replace water meters throughout the city.

**MINA LAKE SANITARY DISTRICT** – Mina Lake Sanitary District received a loan for \$255,200 at an interest rate of 5 percent for 20 years. This loan was for the construction of a 150,000-gallon water tower. The district’s second loan was for \$567,390 to replace undersized water mains, construct approximately 11,400 feet of new water main to improve pressure, and upgrade existing water meters. This loan was at 3.0 percent for 20 years and included \$283,695 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**MINNEHAHA COMMUNITY WATER CORPORATION** – Minnehaha Community Water Corporation received a loan in the amount of \$6,500,000 at 3.5 percent for 20 years to expand its rural water system to the communities of Colton and Garretson. The loan was used for water lines, an elevated water storage tank, wells, and a new water treatment plant.



**MISSION HILL** - The first SRF loan awarded to Mission Hill will be used to construct a new water tower and install new water lines to loop dead-end lines. The loan was in the amount of \$250,000 at 3.25 percent for 20 years. The loan was deobligated in full at the request of the city.

**MITCHELL** – The city of Mitchell received a \$6,000,000 loan at 4.5 percent interest for 20 years to connect to the B-Y Rural Water System by constructing a water pipeline from Lesterville west and north to Mitchell. The project involved 61 miles of pipe, two pumping stations, a water storage reservoir, a meter station and appurtenances. The city’s second Drinking Water SRF loan was used to construct a 1,000,000-gallon elevated water storage tank to replace a water tower built in 1928. The \$2,360,000 loan, at 3 percent for 20 years, included \$354,000 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**MOBRIDGE** – The city of Mobridge received two loans in the amounts of \$965,000 and \$355,000 to finance water treatment plant upgrades. Both loans were at 5.25 percent for 20 years. The city undertook a water line extension project along Lake Front Drive to provide water to new users and to loop the system. The project was funded with two loans in the amounts of \$213,500 and \$90,000 both at 2.50 percent for 30 years. The city’s fifth loan was in the amount of \$500,000 loan with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009. The loan was to make improvements to the raw water intake.

**MONTROSE** – Montrose received its first Drinking Water SRF loan to replace all 4-inch water mains within the distribution system and various hydrants and gate valves. The loan amount was \$893,000 (3 percent for 30 years) and included \$593,000 of principal forgiveness.

**NEW UNDERWOOD** - The city of New Underwood was awarded a \$175,500 loan to partially fund the construction of a water treatment facility to address radium and gross alpha contamination at its water source. The loan was at 3.0 percent for 20 years and included \$70,200 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**NEWELL** - The city of Newell received a loan for \$829,000 to drill a new well, construct a new well house, controls, and chlorination equipment; replace old water main, and replace a water tower. The loan was at 2.25 percent for 30 years and included \$322,750 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**NISLAND** – Nisland received a \$350,000 loan at zero percent interest for 30 years to fund the reconstruction of its water distribution system.

**NORTHVILLE** – Northville received \$203,460 loan to replace water meters throughout the town, replace and loop water lines, and make improvements to a service pump. The loan was at 3.0 percent for 20 years and included \$162,768 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**OACOMA** - Oacoma received a \$1,414,800 Drinking water SRF loan to construct a new water reservoir and associated piping. The loan was at 3.0 percent for 20 years and included \$321,480 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. The loan was deobligated due to a change in project scope which prevented the city from meeting ARRA deadlines. The city was awarded a second loan for \$1,351,300 at 2.25 percent for 10 years to proceed with the revised water storage project.

**PARKER** – Parker’s first loan, in the amount of \$730,000 at 3.25 percent for 20 years, was used to replace cast iron water mains in various locations in the city. The city’s second loan, in the amount of \$300,000 at 3.25 percent for 20 years, funded the second phase of the water line replacement project.

Parker was awarded a third loan in the amount of \$554,200 to continue replacing its water distribution system. This loan was at 3.0 percent for 20 years and included \$452,100 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**PIEDMONT** – Piedmont extended its distribution system to residences within the town utilizing individual wells as a water source. The town’s first loan was for \$1,404,000 at 3 percent for 20 years and included \$804,000 of principal forgiveness.

**PIERPONT** – Pierpont received a loan in the amount of \$551,200 at 3 percent for 30 years to replace the existing high service pump and pressure tank. The loan included \$413,400 in principal forgiveness.

**PIERRE** – The city of Pierre used a \$1,094,200 loan at 3.5 percent for 15 years to fund a well field expansion. The loan funded construction of new wells, well houses, and water distribution lines. Pierre’s second drinking water loan, \$1,832,900 at 3.5 percent for 15 years, funded construction of a new storage tank to create a third pressure zone within the city.

**PLANKINTON** – The city of Plankinton used its first Drinking Water SRF loan to construct a new storage tower, replace portions of the distribution system, and loop dead-end lines. The loan was for \$1,765,000 at 3 percent for 30 years and included \$1,009,000 of principal forgiveness.

**PLATTE** – Platte replaced cast iron water mains with its first drinking water loan of \$400,000 at 2.5 percent for 10 years.

**RAPID CITY** – Rapid City’s first drinking water loan was for \$3,500,000 at 3.5 percent for 20 years. This loan financed a new water tank and transmission main in the southwest edge of the city. Rapid City was awarded its second loan for engineering services and the purchase of membranes at the Jackson Springs Water Treatment Plant. The loan amount was \$6,000,000 at 3 percent for 20 years.

**RAPID VALLEY SANITARY DISTRICT** – The Rapid Valley Sanitary District received a \$682,000 loan with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009. The loan was to install a third microfiltration skid to increase plant production from 2 to 3 MGD, allowing the district to serve two small existing sanitary districts east of Rapid City.

**REDFIELD** – The City of Redfield received a loan in the amount of \$85,000 at an interest rate of 4.5 percent for 20 years. The loan financed the replacement of water lines located under US Hwy 212 and 281. The project involves construction of approximately 4,900 feet of pipe, services lines, and appurtenances and will replace brittle asbestos cement or cast iron pipes that are fifty to eighty years old. Redfield received a second loan, in the amount of \$342,755 at 2.5 percent for 30 years, to fund water line replacement on South Main Street and Sixth Avenue.

**ROSLYN** - The city of Roslyn received a \$500,000 loan with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009. The loan was to replace water mains throughout the city and construct a new 50,000-gallon water storage tank.

**SALEM** -- Salem received a loan of \$126,921 at 3.5 percent for 10 years to fund water distribution improvements in the city. Salem’s second loan, in the amount of \$348,540 at 3.25 percent for 20 years, funded water distribution system improvements in 2005. The city’s third loan, in the amount of \$1,345,000 at 3.25 percent for 30 years, was for a microfiltration pretreatment system with a nanofiltration softening system in a new water treatment facility and the installation of a new well.

**SCOTLAND** —Scotland replaced water mains in conjunction with reconstruction of Main Street with its \$340,000 loan at 2.5 percent for 30 years.

**SELBY** - The city of Selby received a \$100,000 loan with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009. The loan partially funded the second phase of the city's water main replacement project.

**SIOUX FALLS** – The city of Sioux Falls received a loan in the amount of \$7,022,000 at an interest rate of 4.5 percent for 10 years to finance central pressure zone improvements. The city's second loan allowed the city to continue with drinking water facility improvements with a loan for \$2,750,000 at 4.5 percent interest for 10 years. Its third loan, at 3.5 percent for ten years, was in the amount of \$7,930,000 for drinking water facilities improvements and water distribution line replacement. The city's fourth drinking water loan, \$5,279,000 at 3.5 percent for 10 years, funded the replacement of aging equipment and water main and the improvement of operational efficiency, maintenance space, and pressure zones. Sioux Falls' fifth drinking water loan is in the amount of \$12,749,000 at 2.5 percent for 10 years. This loan financed improvements to the water treatment plant, improvements to the West Pump Station, replacement of water mains, and upgrade of elevated finish tanks and collector wells. In 2008, Sioux Falls received three additional Drinking Water SRF loans, each at 2.5 percent for 10 years. The city's sixth loan, for \$17,848,000, was for the construction of a new backwash basin and additional filters to improve operational efficiencies in the treatment plant. The seventh loan was to upgrade a vertical well to a horizontal collector well to increase production capacity and is for \$2,200,000. The eighth loan, in the amount of \$2,705,600, replaced water mains in two areas and valves at several locations. Sioux Falls' ninth loan in the amount of \$3,578,750 replaced three vertical water supply wells with a new horizontal collector well and rehabilitated an existing horizontal well. The city's tenth loan in the amount of \$7,606,900 involved water main and valve replacement at various locations and the upgrade of a pumping station. Loans 9 and 10 each had an interest rate of 2.25 percent, a 10-year term and included 10 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009. The eleventh loan award to Sioux Falls was for \$4,000,000 at 2.5 percent for 10 years to replace water mains and valves in various locations.

**SOUTH LINCOLN RWS** — A \$2,000,000 loan at 3.5 percent for 20 years funded South Lincoln RWS's pipeline, well and pumping improvements. In addition, new facilities were constructed to provide connection of South Lincoln's system to the Lewis and Clark Regional Water System. The South Lincoln system was awarded its second loan to provide individual service to the residents of Fairview by extending a water line to the town and replace the town's distribution system. The loan was for \$476,500 at 3 percent for 30 years and included \$244,500 of principal forgiveness.

**STURGIS** – Sturgis received a loan for \$700,000 at 5 percent interest for 15 years. This loan financed the replacement of approximately 7,800 feet of water main in conjunction with a South Dakota Department of Transportation roadway reconstruction project. The second loan awarded to Sturgis was to upgrade the water distribution system serving the Murray Addition. The \$863,000 loan is at 2.25 percent for 10 years and included \$86,300 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**TEA** - Tea received a loan in the amount of \$1,714,327 at 3.25 percent for 20 years for an emergency connection to the Lewis and Clark Regional Water System.

**TM RURAL WATER DISTRICT** – The TM Rural Water District receive two loans to provide service to new users within its southeast service area and improve service to Viborg and Hurley by providing storage for these communities. The loans were for \$1,084,750 at 3 percent for 30 years and \$1,398,750 with 100 percent as principal forgiveness.

**TRIPP** – The city of Tripp received a loan for \$291,000 at 2.5 percent interest for 30 years to complete the city's on-going water main rehabilitation project. The project involves approximately 8,100 feet of

pipe, service connections, valves, fire hydrants and appurtenances to replace 70 year old cast iron water mains.

**TRIPP COUNTY WATER USERS DISTRICT** — Tripp County Water Users District was awarded two loans in 2003. The first loan, \$3,500,000 at 2.5 percent for 30 years, funded expansion of the TCWUD into Gregory County and absorbed the East Gregory Rural Water System. The second loan, \$148,000 at zero percent interest for 30 years, allowed the District to assume the water distribution system at Wood.

**TYNDALL** – Tyndall received a loan for \$300,000 at 2.5 percent interest for 10 years. This loan financed the installation of approximately 2,800 feet of water main to enhance the overall efficiency of the distribution system by looping areas of the community that are currently dead ends. Tyndall received a second loan in the amount of \$861,000 to fund connection to the B-Y Rural Water System. This loan was at 2.5 percent interest for 30 years.

**VERMILLION** – Vermillion received a loan for \$942,000 at 5 percent interest for 20 years. This loan was used to construct lime sludge disposal lagoons. Vermillion's second loan, \$1,510,000 at 3.5 percent interest for 20 years, funded water treatment plant improvements. Vermillion's third drinking water SRF loan, in the amount of \$3,772,500 at 2.5 percent for 20 years, funded phase 3 improvements to the water treatment plant. The city's received its fourth loan to replace a water tower. The loan was for \$1,532,000 at 2.25 percent for 30 years and included \$153,200 of principal forgiveness.

**VIBORG** - The city of Viborg's first SRF loan was to replace water distribution lines and loop lines at various locations in the city. The loan amount was \$249,775 with an interest rate of 3.25 percent and a term of 20 years. Viborg funded water main improvements in conjunction with a Highway 19 reconstruction project with its second loan. The \$847,000 loan had a 3 percent interest rate, a 30-year term, and included \$730,000 of principal forgiveness.

**WAGNER** – Wagner received its first drinking water loan in the amount of \$750,000 at the disadvantaged rate of zero percent interest for 30 years to make improvements to its water tower and replace water lines. The city's second loan, in the amount of \$175,000 at the disadvantaged rate of zero percent interest for 30 years, replaced water utilities along North Park Street and North Street. Wagner was awarded its third loan to replace water line on South Park Street. The \$275,000 loan was at 0 percent for 30 years and included \$55,000 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. The loan was rescinded at the city's request.

**WARNER** - The city of Warner received a \$400,000 loan with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009. The loan partially funded improvements to the city's water storage capabilities.

**WATERTOWN** - Watertown's first Drinking Water SRF loan was used to develop a new well field and expand the city water treatment plant in order to discontinue using the Lake Kampeska water source and treatment facility and replace a standpipe with a new 2-million gallon standpipe. The loan was for \$23,760,000 at 3.25 percent interest and a 20-year term.

**WAUBAY** – The city of Waubay's first loan, in the amount of \$750,000 at the disadvantaged rate of 2.5 percent for 30 years, funded phase 1 of the city's drinking water distribution system improvements.

**WEB** – WEB Water Development Association, Inc. received a loan for \$1,110,000 at 5 percent interest for 15 years. The project would have allowed WEB to extend service to approximately 200 additional rural homes and farms and provide additional water service to four existing bulk users. The Board of Water and Natural Resources rescinded this loan on May 13, 1999. WEB applied for and received a

\$137,450 loan at 2.5 percent interest for 30 years to improve water service in the community of Glenham by replacing the town's water distribution system. This loan was rescinded on June 27, 2003. WEB was awarded its third drinking water SRF loan in the amount of \$3,950,000 at 3.25 percent for 20 years to increase the capacity of its water treatment plant. The award was contingent upon a specific loan closing date, which was not met, and the application was withdrawn at WEB's request.

**WEBSTER** – The city of Webster received a \$330,000 loan at 3.5 percent interest for 20 years to fund replacement of cast iron water mains with PVC pipe and replacement of water services and fire hydrants. Webster second loan was for \$387,400 at 2.25 percent for 10 years to install new water meters and an automatic read system. The loan included \$150,000 of principal forgiveness.

**WEST RIVER/LYMAN-JONES RURAL WATER SYSTEM** – WR/LJ received a loan in the amount of \$340,000 at 2.5 percent for 30 years to fund water main replacement in the town of Reliance. WR/LJ's second loan, in the amount of \$8,000,000 at 3.25 percent for 30 years, funded phase 1 of the construction of the north loop pipeline to provide service to Stanley and Haakon counties.

**WOLSEY** – Wolsey's first drinking water SRF loan, \$263,000 at 3.25 percent for 20 years, funded a waterline replacement project. The city's second loan, in the amount of \$162,300 at 3.25 percent for 20 years, funded water line replacement in conjunction with the SDDOT's reconstruction of Highway 14/281.

**WOONSOCKET** — Woonsocket was awarded its first SRF loan in the amount of \$720,000 to replace and loop of water lines primarily along Highway 34. The loan had an interest rate of 3.0 percent, a 30-year term and included \$416,500 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**WORTHING** — Worthing received its first loan in the amount of \$288,000 at 3.5 percent for 20 years for improvements to the city's water distribution system.

**YANKTON** – Yankton utilized a \$3,460,000 loan for line replacement and water treatment plant improvements to include a new disinfection system. The loan was at 3.5 percent for 20 years. The city secured a second loan in the amount of \$1,100,000 at 3.25 percent for 20 years to install a high pressure area pump station and transmission lines. Yankton's third loan in the amount of \$3,000,000 funded 12 water main replacement projects and two water tower rehabilitation projects. The city received its fourth loan in the amount of \$2,200,000 to drill two wells on the Nebraska side of the Missouri River and construct a raw water transmission line from the wells to the existing water treatment plant on the South Dakota shore. These loans had an interest rate of 3.0 percent, a 20-year term and included 10 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009.

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## **BOND ISSUE SUMMARIES**

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## **South Dakota Conservancy District**

### **\$92,380,000 State Revolving Fund Program Bonds Series 2010A and 2010B**

#### Bond Issue

- Series A - Taxable revenue bonds (Build America Bonds)
  - Par Amount of Serial Bonds - \$26,645,000
  - Par Amount of Term Bonds - \$12,050,000
  - True Interest Cost 3.394%
- Series B - Tax-exempt, revenue bonds
  - Par Amount \$53,685,000
  - Net Premium \$4,147,963
  - True Interest Cost 3.588%
- Provide \$54,330,000 to refund Series 2010 Bond Anticipation Notes
- Provide \$42,260,000 to refund Series 1998A and 2008 bond issues
- Aaa rating by Moody's Investors Services, Inc.
- AAA rating by Standard & Poor's
- Bonds priced and sold on December 14, 2010
- Bond closing on December 28, 2010

#### Financial Team

- Perkins Coie, LLP - Bond Counsel
- The First National Bank in Sioux Falls - Trustee
- Public Financial Management, Inc. - Financial Advisor
- J.P. Morgan. - Lead Underwriter
- Piper Jaffray & Company – Co-senior Underwriter
- Wells Fargo Securities – Co-manager
- Faegre & Benson, LLP - Counsel to Underwriters

## **South Dakota Conservancy District**

### **\$54,330,000 State Revolving Fund Program Bond Anticipation Notes Series 2010**

#### Bond Anticipation Note Issue

- Tax-exempt, Bond Anticipation Notes
- Competitive Sale
- Par Amount \$54,330,000
- Proceeds used to pay the redemption price of the District's \$55,000,000 Series 2009 Bond Anticipation Notes
- MIG-1 rating by Moody's Investors Services, Inc.
- SP-1+ rating by Standard & Poor's
- Notes priced and sold on August 30, 2010
- Notes closing on September 8, 2010
- True Interest Cost - 0.35%
- Average Coupon Rate – 1.75%
- Maturity Date - September 30, 2011

#### Financial Team

- Perkins Coie, LLP - Bond Counsel
- The First National Bank in Sioux Falls - Trustee
- Public Financial Management, Inc. - Financial Advisor

#### Winning Bidder

- J.P. Morgan Securities LLC



## **South Dakota Conservancy District**

### **\$55,000,000 State Revolving Fund Program Bond Anticipation Notes Series 2009**

#### Bond Anticipation Note Issue

- Tax-exempt, Bond Anticipation Notes
- Competitive Sale
- Par Amount \$55,000,000
- Provide \$37.5 million in leveraged proceeds for Clean Water SRF program
- Provide \$18.2 million in leveraged proceeds for Drinking Water SRF program
- MIG-1 rating by Moody's Investors Services, Inc.
- SP-1+ rating by Standard & Poor's
- Notes priced and sold on August 12, 2009
- Notes closing on August 25, 2009
- True Interest Cost - 0.584%
- Average Coupon Rate - 2.00%
- Maturity Date - September 10, 2010

#### Financial Team

- Perkins Coie, LLP - Bond Counsel
- The First National Bank in Sioux Falls - Trustee
- Public Financial Management, Inc. - Financial Advisor

#### Winning Bidder

- Piper Jaffray & Company

## South Dakota Conservancy District

### \$40,000,000 State Revolving Fund Program Bonds Series 2008

#### Bond Issue

- Tax-exempt, multi-modal variable rate, revenue issue
- Par Amount \$40,000,000
- Provide \$1.96 million to match federal Clean Water SRF capitalization grants for FFY 2008 - 2010
- Provide \$4.89 million to match federal Drinking Water SRF capitalization grants for FFY 2008 - 2010
- Provide \$19.8 million in leveraged proceeds for Clean Water SRF program
- Provide \$13.0 million in leveraged proceeds for Drinking Water SRF program
- Aaa/VMIG 1 rating by Moody's Investors Services, Inc.
- AAA/A-1+ rating by Standard & Poor's
- Bonds priced and sold on March 4, 2008
- Bond closing on March 6, 2008
- Semi-annual rate mode required until August 1, 2008
- Initial interest rate - 2.35% in effect until August 1, 2008
  - Rate Reset on August 1, 2008 - 1.90% in effect until February 1, 2009
  - Rate Reset on February 1, 2009 - 1.00% in effect until August 1, 2009
  - Rate Reset on August 1, 2009 - 0.70% in effect until February 1, 2010
  - Rate Reset on February 1, 2010 - 0.34% in effect until August 1, 2010
  - Rate Reset on August 1, 2010 - 0.40%

#### Financial Team

- Perkins Coie, LLP - Bond Counsel
- The First National Bank in Sioux Falls - Trustee
- Public Financial Management, Inc. - Financial Advisor
- Wachovia Bank, National Association - Senior Managing Underwriter & Remarketing Agent
- Faegre & Benson, LLP - Counsel to Underwriter
- U.S. Bank National Association - Liquidity Provider
- Briggs and Morgan, P.A. - Liquidity Provider's Counsel

## **South Dakota Conservancy District**

### **\$50,000,000 State Revolving Fund Program Bonds Series 2005**

#### Bond Issue

- Tax-exempt, revenue issue
- Par Amount \$50,000,000
- Net Premium \$1,565,648.15
- Provide \$1.56 million to match federal Clean Water SRF capitalization grants for FFY 2006 - 2007
- Provide \$1.67 million to match federal Drinking Water SRF capitalization grants for FFY 2007
- Provide \$41.0 million in leveraged proceeds for Clean Water SRF program
- Provide \$7.0 million in leveraged proceeds for Drinking Water SRF program
- Aaa rating by Moody's Investors Services, Inc.
- AAA rating by Standard & Poor's
- Bonds priced on October 5, 2005
- Bonds sold on October 6, 2005
- Bond closing on October 19, 2005
- True Interest Cost - 4.36%
- Average Coupon Rate - 4.68%

#### Financial Team

- Perkins Coie, LLP - Bond Counsel
- The First National Bank in Sioux Falls - Trustee
- Public Financial Management, Inc. - Financial Advisor
- UBS Financial Services, Inc. - Senior Managing Underwriter
- Faegre & Benson, LLP - Counsel to Underwriter

## **South Dakota Conservancy District**

**\$38,460,000**  
**State Revolving Fund Program Bonds**  
**Series 2004**

### Bond Issue

- Tax-exempt, revenue issue
- Par Amount \$38,460,000
- Net Premium \$903,538.80
- Provide \$5.0 million to match federal Drinking Water SRF capitalization grants for FFYs 2004 - 2006
- Provide \$22.5 million in leveraged proceeds for Drinking Water SRF program
- Provide \$11.5 million to refund prior year Clean Water SRF bonds
- Refunding resulted in Net Present Value savings of \$986,412.65
- Aaa rating by Moody's Investors Services, Inc.
- AAA rating by Standard & Poor's
- Bonds priced on June 28-29, 2004
- Bonds sold on June 30, 2004
- Bond closing on July 13, 2004
- True Interest Cost - 4.48%
- Average Coupon Rate - 4.76%

### Financial Team

- Perkins Coie, LLP - Bond Counsel
- The First National Bank in Sioux Falls - Trustee
- Public Financial Management, Inc. - Financial Advisor
- UBS Financial Services, Inc. - Senior Managing Underwriter
- Dougherty & Company, LLC. - Co-Manager
- Northland Securities, Inc. - Co-Manager
- Faegre & Benson, LLP - Counsel to Underwriter

## **South Dakota Conservancy District**

### **\$5,270,000 Drinking Water State Revolving Fund Program Bonds Series 2001**

#### Bond Issue

- Tax-exempt, revenue issue
- Par Amount \$5,270,000
- Provide match for federal Drinking Water SRF capitalization grants for FFYs 2001 - 2003
- Aaa rating by Moody's Investors Services, Inc.
- Insured by Ambac Assurance Corporation
- Underlying Rating Aa1
- Bond closing on October 3, 2001
- Average Coupon Rate - 4.87%

#### Financial Team

- Altheimer & Gray - Bond Counsel
- The First National Bank in Sioux Falls - Trustee
- Dougherty & Company, LLC.- Senior Managing Underwriter
- Faegre & Benson, LLP - Counsel to Underwriter

## **South Dakota Conservancy District**

\$4,405,000  
Clean Water State Revolving Fund Program Bonds  
Series 2001

### Bond Issue

- Tax-exempt, revenue issue
- Par Amount \$4,405,000
- Provide match for federal Clean Water SRF capitalization grants for FFYs 2001 - 2003
- Aaa rating by Moody's Investors Services, Inc.
- Insured by Ambac Assurance Corporation
- Underlying Rating Aa1
- Bond closing on October 3, 2001
- Average Coupon Rate - 4.85%

### Financial Team

- Altheimer & Gray - Bond Counsel
- The First National Bank in Sioux Falls - Trustee
- Dougherty & Company, LLC.- Senior Managing Underwriter
- Faegre & Benson, LLP - Counsel to Underwriter

## **South Dakota Conservancy District**

\$6,450,000  
Drinking Water State Revolving Fund Program Bonds  
Series 1998A

### Bond Issue

- Tax-exempt, revenue issue
- Par Amount \$6,450,000
- Provide match for federal Drinking Water SRF capitalization grants for FFYs 1998 - 2000
- Aaa rating by Moody's Investors Services, Inc.
- Insured by Ambac Assurance Corporation
- Underlying Rating Aa3
- Bond closing on June 30, 1998
- Average Coupon Rate - 4.85%

### Financial Team

- Altheimer & Gray - Bond Counsel
- The First National Bank in Sioux Falls - Trustee
- Piper Jaffray, Inc - Senior Managing Underwriter
- Faegre & Benson, LLP - Counsel to Underwriter

## **South Dakota Conservancy District**

**\$2,770,000**  
**Clean Water State Revolving Fund Program Bonds**  
**Series 1996A**

### Bond Issue

- Tax-exempt, revenue issue
- Par Amount \$2,770,000
- Provide match for federal Clean Water SRF capitalization grants for FFYs 1996 - 1998
- A1 rating by Moody's Investors Services, Inc.
- Bond closing on December 17, 1996
- True Interest Cost 5.86%
- Average Coupon Rate 5.51%

### Financial Team

- Altheimer & Gray - Bond Counsel
- The First National Bank in Sioux Falls - Trustee
- Piper Jaffray, Inc - Senior Managing Underwriter
- Faegre & Benson, LLP - Counsel to Underwriter



## **South Dakota Conservancy District**

\$7,970,000

Clean Water State Revolving Fund Program Bonds  
Series 1995A

### Bond Issue

- Tax-exempt, revenue issue
- Par Amount \$7,970,000
- Provide \$2.5 million to match federal Clean Water SRF capitalization grants for FFY 1995 and 1996
- Provide \$4.5 million in leveraged proceeds for Clean Water SRF program
- A1 rating by Moody's Investors Services, Inc.
- Bond closing on April 4, 1995
- Average Coupon Rate 5.94%

### Financial Team

- Altheimer & Gray - Bond Counsel
- The First National Bank in Sioux Falls - Trustee
- Piper Jaffray, Inc - Senior Managing Underwriter
- Faegre & Benson, LLP - Counsel to Underwriter

## **South Dakota Conservancy District**

**\$10,220,000**  
**State Revolving Fund Program Bonds**  
**Series 1994A**

### Bond Issue

- Tax-exempt, revenue issue
- Par Amount \$10,220,000
- Provide \$631,195 to match federal Clean Water SRF capitalization grants
- Provide \$9.3 million to refund Series 1989 and 1992 Bonds
- Refunding resulted in Net Present Value savings of \$
- A rating by Moody's Investors Services, Inc.
- Bond closing on February 17, 1994
- Average Coupon Rate 5.01%

### Financial Team

- Altheimer & Gray - Bond Counsel
- The First National Bank in Sioux Falls - Trustee
- Piper Jaffray, Inc - Senior Managing Underwriter
- Faegre & Benson, LLP - Counsel to Underwriter

## **South Dakota Conservancy District**

**\$4,180,000**  
**State Revolving Fund Program Bonds**  
**Series 1992**

### Bond Issue

- Tax-exempt, revenue issue
- Par Amount \$4,180,000
- Provide match for federal Clean Water SRF capitalization grants for FFYs 1992 - 1994
- BBB rating by Standard & Poor's
- Bond closing on September 24, 1992
- Average Coupon Rate 6.83%

### Financial Team

- Kutak Rock, LLP - Bond Counsel
- The First National Bank in Sioux Falls - Trustee
- Lehman Brothers. - Senior Managing Underwriter

## **South Dakota Conservancy District**

**\$5,785,000**  
**State Revolving Fund Program Bonds**  
**Series 1989**

### Bond Issue

- Tax-exempt, revenue issue
- Par Amount \$5,785,000
- Provide match for federal Clean Water SRF capitalization grants for FFYs 1989 - 1991
- AAA rating by Standard & Poor's
- Insured by Capital Guaranty Insurance Company
- Bond closing on August 10, 1989
- Average Coupon Rate 7.12%

### Financial Team

- Kutak Rock & Campbell, LLP - Bond Counsel
- The First National Bank in Sioux Falls - Trustee
- Shearson Lehman Hutton Inc. - Senior Managing Underwriter

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## **STATUTES**

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## **State Revolving Fund Administration**

### **SOUTH DAKOTA CONSERVANCY DISTRICT BOARD OF WATER AND NATURAL RESOURCES**

**1-40-5. Water and Natural Resources Board created -- Functions -- Appointment and terms of members.** The Board of Natural Resource Development is abolished. There is created a Board of Water and Natural Resources. The board shall perform all functions exercised by the former Board of Natural Resource Development. The Board of Water and Natural Resources shall consist of seven members not all of the same political party and appointed by the Governor for four-year terms. The terms of members of the Board of Water and Natural Resources who are first appointed after the effective date of this order shall be: one appointed for a term of one year; two appointed for a term of two years; two for a term of three years; and two for a term of four years, and such initial terms shall be designated by the Governor. Any member appointed to fill a vacancy arising from other than the natural expiration of a term shall serve for only the unexpired portion of the term.

**1-40-9. Performance of administrative functions of conservancy district board.** Except as provided in § 1-40-10, the Department of Environment and Natural Resources shall, under the direction and control of the secretary of environment and natural resources, perform all the functions of the former board of directors of the South Dakota conservancy district, created by chapter 46A-2.

**1-40-10. Performance of nonadministrative functions of conservancy district board.** The Board of Water and Natural Resources created by this chapter shall perform all quasi-legislative, quasi-judicial, advisory, and special budgetary functions (as defined in § 1-32-1) of the former board of directors of the South Dakota conservancy district, created by chapter 46A-2.

**46A-2-1. Creation of South Dakota conservancy district -- Boundaries -- Powers.** There is hereby created within the State of South Dakota, a conservancy district, to be known as the "South Dakota conservancy district." The boundaries of the district shall coincide in all particulars with the boundaries of the state of South Dakota. Such district is a governmental agency, body politic and corporate with authority to exercise the powers specified in this chapter.

**46A-2-5. Board of directors abolished -- Performance of functions.** The board of directors of the South Dakota conservancy district is abolished, and all its functions shall be administered by the department and board of water and natural resources, as provided by §§ 1-40-9 and 1-40-10.

**46A-2-11. Board of Water and Natural Resources -- Authority to sue and be sued.** The Board of Water and Natural Resources shall have the power to sue and be sued in the name of the district.

## State Revolving Fund Administration

### SRF SUBFUNDS SRF LOAN PROGRAMS

**46A-1-31. Discretionary bond issuance to finance water resources projects or developments-- Maximum amount--Issuance of bonds for purchase or financing of loans by FmHA--Issuance of bonds for revolving fund programs under federal Clean Water Act or federal Safe Drinking Water Act.** In addition to the aggregate indebtedness authorized by the Legislature and Board of Water and Natural Resources pursuant to §§ 46A-1-29 and 46A-1-30, the district may issue bonds in an amount not to exceed in aggregate eight million dollars at any time for the purpose of financing projects as defined in subdivision 46A-2-4(5) which are components of the statewide water plan subject to the provisions of §§ 46A-1-49 to 46A-1-52, inclusive. In addition to the aggregate indebtedness authorized by the Legislature and Board of Water and Natural Resources pursuant to §§ 46A-1-29 and 46A-1-30, the district may issue bonds in any amount at any time for the purpose of purchasing or otherwise financing or providing for the purchase or payment of loans made by the United States Farmers' Home Administration to any person or public entity, whether or not the person or public entity or the project financed with the loan are located in South Dakota or formed under or recognized by South Dakota law, as community facilities loans or water and waste disposal loans, which purchasing, financing, or payment activities are hereby determined to be components of the state water plan and are authorized without regard to § 46A-2-20. The district may enter into financing agreements with the persons or public entities to secure and provide for the payment of the bonds, without regard to § 46A-2-20 or §§ 46A-1-63.1 to 46A-1-69, inclusive. The district may make payments or deposits for the purchase or payment of the loans from funds obtained from the persons or public entities, whether or not bonds have been issued. The purchase or payment of loans for persons or public entities or projects located outside of the State of South Dakota is hereby authorized and declared to be a public purpose whenever, at the discretion and in the determination of the district, the purchase or payment is expected to result in economies of scale, fees, interest savings, financing, or other benefits to the district, South Dakota persons or public entities or the State of South Dakota. The district, in the proceedings for the issuance of the bonds, shall establish the manner in which the trustee shall manage and disperse any savings for the benefit of the persons and public entities whose community facilities loans and water and waste disposal loans have been purchased or prepaid by the district. In addition to the aggregate indebtedness authorized by the Legislature and the Board of Water and Natural Resources pursuant to §§ 46A-1-29 and 46A-1-30, the district may also issue bonds in any amount at any time for the purpose of funding all or part of the revolving funds required for either the state water pollution control revolving fund program or the state drinking water revolving fund program or both under either the federal Clean Water Act or federal Safe Drinking Water Act or both. The bonds issued for these revolving fund programs shall be used to purchase or otherwise finance or provide for the purchase or payment of bonds or other obligations, including the refinancing of obligations previously issued or for projects previously completed, which purchasing, financing, or payment activities are hereby determined to be components of the state water facilities plan and are authorized without regard to § 46A-2-20. The district may enter into financing agreements with such persons or public entities to secure and provide for the payment of such bonds, without regard to § 46A-2-20 or §§ 46A-1-63.1 to 46A-1-69, inclusive. The district may pledge or assign to or hold in trust for the benefit of the holder or holders of the bonds those moneys appropriated by the Legislature for the purpose of funding state contributions to the state water pollution control revolving fund program and the state drinking water revolving fund program, which moneys may be held and invested pursuant to a trust agreement for the payment of the principal of, premium, if any, and interest on, the bonds.

**46A-1-32. Terms of bonds.** The bonds may be issued and sold in one or more series, may be in such amounts and at such prices, may bear such date or dates, may be in such denomination or denominations, may mature at such time or times not exceeding fifty years from the respective dates thereof, may mature in such amount or amounts, may bear interest at such times and at such fixed or variable rate or rates as shall be determined by the district and without regard to any interest rate limitation appearing in any other law, may be in such form, either coupon or registered as to principal only or as to both principal and interest, may carry such registration privileges (including the conversion of a fully registered bond to a coupon bond or bonds and the conversion of a coupon bond to a fully registered bond), may be executed in such manner, may be made payable in such medium of payment, at such place or places within or without the state, may be callable or subject to purchase and retirement or tender and remarketing as determined by the district in any indenture, resolution, or other instrument. The district may take any action it deems appropriate for the purpose of implementing this section, including establishing parameters referencing current market conditions or published indices in connection with establishing interest rates, imposing maximum interest rate limitations, or establishing other parameters it deems appropriate, and may delegate the administration of specific functions within the established parameters. The district may enter into arrangements to provide additional security and liquidity for bonds, and to limit, reduce, or manage interest rate exposure with respect to bonds issued or to be issued

**§ 46A-1-60.1. Water pollution control revolving fund program and state drinking water revolving fund program established - Program subfunds created - Deposits into subfunds and use thereof.** The state water pollution control revolving fund program and the state drinking water revolving fund program are hereby established. Program subfunds shall be created within the water and environment fund established pursuant to § 46A-1-60. The required subfunds shall be maintained separately, and all federal, state, and other funds for use in the program shall be deposited into the respective subfund, including all federal grants for capitalization of either a state water pollution control revolving fund or a state drinking water revolving fund or both, all repayments of assistance awarded from the subfund, interest on investments made on money in the subfund, proceeds of discretionary bond issues allowed by § 46A-1-31, and principal and interest on loans made from the fund. Money in the subfund may be used only for purposes authorized under federal law. The subfund may be pledged or assigned by the district to or in trust for the holder or holders of the bonds of the district and may be transferred to and held by a trustee or trustees pursuant to § 46A-1-39.

The board shall promulgate rules pursuant to chapter 1-26, to implement the provisions of this section consistent with the requirements of federal law in order for an approved state water pollution control revolving fund or a state drinking water revolving fund to become eligible for grant funds from the United States Environmental Protection Agency.

**§ 46A-1-60.2. Disbursements from and administration of water pollution control revolving fund program and state drinking water revolving fund program - Sections 46A-1-61 to 46A-1-69 inapplicable.** Funds from the state water pollution control revolving fund program and the state drinking water revolving fund program shall be disbursed and administered according to rules promulgated by the Board of Water and Natural Resources pursuant to chapter 1-26, § 46A-1-65 and the provisions of §§ 46A-1-60 to 46A-1-60.3, inclusive. Sections 46A-1-61 to 46A-1-69, inclusive, do not apply to the subfund of the water and environment fund or loans therefrom pursuant to the state water pollution control revolving fund program and the drinking water revolving fund program described in §§ 46A-1-60 to 46A-1-60.3, inclusive.

The board shall promulgate rules pursuant to chapter 1-26, to implement the provisions of this section consistent with the requirements of federal law in order for an approved state water pollution control revolving fund or a state drinking water revolving fund to become eligible for grant funds from the United States Environmental Protection Agency.



**§ 46A-1-60.3. Rules for selection of projects to receive funds from water pollution control revolving fund program and state drinking water revolving fund program and administration of same.** The Board of Water and Natural Resources may, by rules promulgated pursuant to chapter 1-26, establish criteria and procedures for the selection of projects to receive funds from the state water pollution control revolving fund program and the state drinking water revolving fund program and for the administration of the programs.

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