



**CLEAN WATER STATE REVOLVING FUND
ANNUAL REPORT**

**FEDERAL FISCAL YEAR 2000
October 1, 1999 - September 30, 2000**

Department of Environment and Natural Resources

THE SOUTH DAKOTA CONSERVANCY DISTRICT
CLEAN WATER STATE REVOLVING FUND
ANNUAL REPORT
FEDERAL FISCAL YEAR 2000

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**THE SOUTH DAKOTA CONSERVANCY DISTRICT
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Member since 1996

STEVE LOWRIE, VICE-CHAIRMAN
Watertown
Member since 1985

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MISSION

The mission of the South Dakota Clean Water State Revolving Fund loan program is to capitalize the fund to the fullest; maintain, restore and enhance the chemical, physical and biological integrity of the state's waters for the benefit of the overall environment; protect public health; and promote the economic well-being of the citizens of the state of South Dakota.

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FEDERAL FISCAL YEAR

2000

ANNUAL REPORT

I. INTRODUCTION

The state of South Dakota herewith submits its Annual Report for Federal Fiscal Year (FFY) 2000 (October 1, 1999 through September 30, 2000). This report describes how South Dakota has met the goals and objectives of the Clean Water State Revolving Fund (SRF) Loan Program as identified in the 2000 Intended Use Plan, the actual use of funds, and the financial position of the Clean Water SRF.

The Annual Report consists of three main sections. The *Executive Summary* section provides an overview of the FFY 2000 activity. The next section addresses the *Goals and Objectives* the state of South Dakota identified in its 2000 Intended Use Plan and the steps that have been taken to meet these measures. The *Details of Activities* section provides information on the financial status of the program, the financial assistance provided during FFY 2000, and compliance with the EPA grant and operating agreement conditions. The Annual Report is followed by a brief history of the Clean Water SRF program since its inception.

The program history is followed by the *Clean Water SRF Loan Portfolio*. The loan portfolio provides information on the interest rates, loan amounts, projects, and loan terms. Exhibits I through VII provide detailed financial and environmental program information. Exhibits VIII through XII are the unaudited financial statements of the Clean Water SRF program, as prepared by the Department of Environment and Natural Resources staff. Finally, Addendum I is the *Intended Use Plan for Federal Fiscal Year 2001*. The primary purpose of the Intended Use Plan is to identify the proposed annual intended use of the amounts available to the Clean Water State Revolving Fund.

II. EXECUTIVE SUMMARY

South Dakota's Clean Water SRF Program received a federal capitalization grant of \$6,555,200 for Federal Fiscal Year 2000. These funds were matched by \$1,311,040 in state funds.

Eight communities entered into binding commitments with the conservancy district totaling \$11,824,004 in loans for the construction of wastewater treatment, sanitary sewer collection, and storm sewer projects. Of this amount \$2,156,803 was from principal repayment funds. A breakdown of the loans made during FFY 2000 are detailed in Table 1.

**TABLE 1
CLEAN WATER LOANS
FEDERAL FISCAL YEAR 2000**

Recipient	Project Description	Assistance Amount	Rate, Term
Aurora (01)	Wastewater interceptor improvements	\$410,000	5.0% for 20 yrs
Beresford (01)	West 13 th Street utility improvements	\$1,150,000	4.5% for 10 yrs
Hartford (01)	Sanitary sewer main replacement	\$504,000	5.0% for 20 yrs
Hartford (02)	Wastewater treatment facility improvements	\$690,804	5.0% for 20 yrs
Lead (04)	US Highway 85 utility improvements	\$239,200	4.5% for 10 yrs
Mobridge (03)	Northwest storm sewer improvements	\$1,355,000	4.5% for 10 yrs
Sioux Falls (14)	Wastewater facility improvements	\$5,100,000	4.5% for 10 yrs
Sturgis (04)	Treated effluent irrigation system	\$2,100,000	5.0% for 20 yrs
Whitewood (02)	Wastewater expansion project	\$275,000	5.0% for 20 yrs
TOTAL		\$11,824,004	

Loan disbursements from the program to the various recipients totaled \$9,350,601. Loan repayments to the program totaled \$6,915,836. Of this amount, \$4,640,046 was for principal, \$1,708,657 was for interest, and \$567,133 was for administrative surcharge.

The Clean Water SRF program forms are incorporated into the Department of Environment and Natural Resources' *State Water Planning Process* document. This document contains application forms and instructions for the State Water Plan and various funding programs.

The Board of Water and Natural Resources annually sets the interest rates for the federal fiscal year. In determining the rates the Board reviews: 1) the current market rates, 2) rates secured on state issued matching funds, and 3) current demand for SRF funds.

The Board reviewed rates in the fall of 1999. The Board determined that the current market rate for South Dakota communities would range between 5.04% and 5.64% for a 10 to 20 year bond issue, which is 0.3% to 0.5% higher than the previous year. The current Rural Development rate ranged from 4.50% to 5.125%. The current average rate on the Bond Buyers Index was 5.83%, which was an increase of 0.6%.

The Board reviewed the available funds and program demand. Anticipated Clean Water SRF funds available during FFY 2000 is \$24,977,425, with estimated loan demand of \$48,164,000.

The loan rates for FFY 1999 were 4.50% for a 10-year term, 4.75% for a 15-year term, and 5.00% for a 20-year term. After reviewing the required criteria, the Board retained these rates for FFY 2000. These rates include a 1.00% Administrative Surcharge Fee. During FFY 2000, the Clean Water SRF program received \$567,133 in surcharge revenues. Administrative expenses paid from the Administrative Surcharge fund in FFY 2000 totaled \$304,709 and are detailed in Table 2.

TABLE 2: Administrative Surcharge Disbursements in FFY 2000

Recipient	Date	Amount
First National Bank	12/23/99	
		\$23,869.44
State of South Dakota	12/25/99	119,700.00
State of South Dakota	02/01/00	15,400.00
State of South Dakota	02/23/00	13,900.00
Fiduciary Communications Printing Svcs.	03/09/00	1,316.00
State of South Dakota	03/24/00	20,200.00
State of South Dakota	04/20/00	10,600.00
Alzheimer and Gray	04/27/00	27,500.00
State of South Dakota	05/18/00	14,600.00
First National Bank	06/10/00	20,398.00
State of South Dakota	06/29/00	21,600.00
First National Bank	06/29/00	540.00
State of South Dakota	08/31/00	15,000.00
State of South Dakota	09/15/00	86.00
		\$304,709.44

Since the onset of the Program in 1988, 115 loans have been awarded. The projects associated with 100 loans are fully constructed or essentially complete and in operation. The following three projects initiated operations this past year: Harrisburg (01), Britton (01), and Valley Springs (01). Ninety-two loans are currently in repayment, and nine loans have been repaid in full.

III. GOALS AND OBJECTIVES

A. Short-term Goals and Objectives

In its 2000 Intended Use Plan, the state of South Dakota identified one short-term goal to be implemented and three objectives to be accomplished. The state has made significant progress toward successful completion of its short-term goal and objectives.

GOAL: To fully capitalize the fund.

As of September 30, 2000, South Dakota has made binding commitments to fully utilize its entire capitalization awards and associated state matching funds.

OBJECTIVE: Ensure the technical integrity of the Clean Water SRF projects through the review of planning, design, plans and specifications, and construction activities.

Each Clean Water SRF application is assigned to an engineer and is followed through by that engineer until project completion and initiation of operations. Plans and specifications and facilities plans are reviewed and approved by the Department of Environment and Natural Resources. Pre-construction, initial, interim, and final construction inspections are conducted to ensure each project's technical integrity.

OBJECTIVE: Ensure compliance with all pertinent federal, state, and local water pollution control laws and regulations.

The state works with all pertinent federal, state, and local agencies to ensure compliance.

OBJECTIVE: Obtain maximum capitalization of the funds for the state in the shortest time possible.

The state applied for its capitalization grants as soon as the awards were announced, and state matching funds were in place prior to receiving the grants. Loans are awarded by assessing the following criteria: (1) the availability of funds in the Clean Water SRF program; (2) the applicant's need; (3) violation of health or safety standards; and (4) the applicant's ability to repay. Loans are usually awarded within four to six weeks after receiving the application. South Dakota has not reverted any capitalization grant funds due to the eight-quarter time limit. Funds are usually awarded within one year of receiving each capitalization grant.

B. Long-term Goals and Objectives

In its 2000 Intended Use Plan, the state of South Dakota identified two long-term goals and two objectives to be accomplished.

GOAL: To fully capitalize the Clean Water SRF.

The state has received and expended each capitalization grant in the required time period and has had state match moneys available for each capitalization grant. As of September 30, 2000, South Dakota has made binding commitments to fully utilize its entire capitalization award and associated state matching funds.

GOAL: Maintain or restore and enhance the chemical, physical, and biological integrity of the state's waters for the benefit of the overall environment, the protection of public health, and the promotion of economic well-being.

The state has awarded 115 loans to 59 entities to assist with construction of wastewater, storm sewer, and nonpoint source projects.

OBJECTIVE: Maintain a permanent, self-sustaining Clean Water SRF program that will serve in perpetuity as a financing source for wastewater treatment works projects and water pollution control activities, including nonpoint source and groundwater protection projects.

By ensuring that all loans are made to financially sound and responsible borrowers, the Clean Water SRF program will serve in perpetuity for South Dakota's wastewater, storm sewer, and nonpoint source projects.

OBJECTIVE: Fulfill the requirements of pertinent federal, state, and local laws and regulations governing water pollution control activities, while providing the state and local project sponsors with maximum flexibility and decision making authority regarding such activities.

The state has tailored its Handbook of Procedures to be customer service oriented and user friendly for Clean Water State Revolving Fund Loan Program recipients. The handbook also allows for maximum program flexibility while continuing to maintain sufficient state oversight of the program's activities.

IV. DETAILS OF ACTIVITIES

A. Fund Financial Status

1. Binding Commitments

In order to provide financial assistance for Section 212 (wastewater and storm water) and nonpoint source projects, the state entered into nine binding commitments totaling \$11,824,004. Exhibit I lists the recipients of these Clean Water SRF loans. Figure 1 shows the total amount of binding commitments made by year.

**FIGURE 1
BINDING COMMITMENTS MADE BY YEAR**

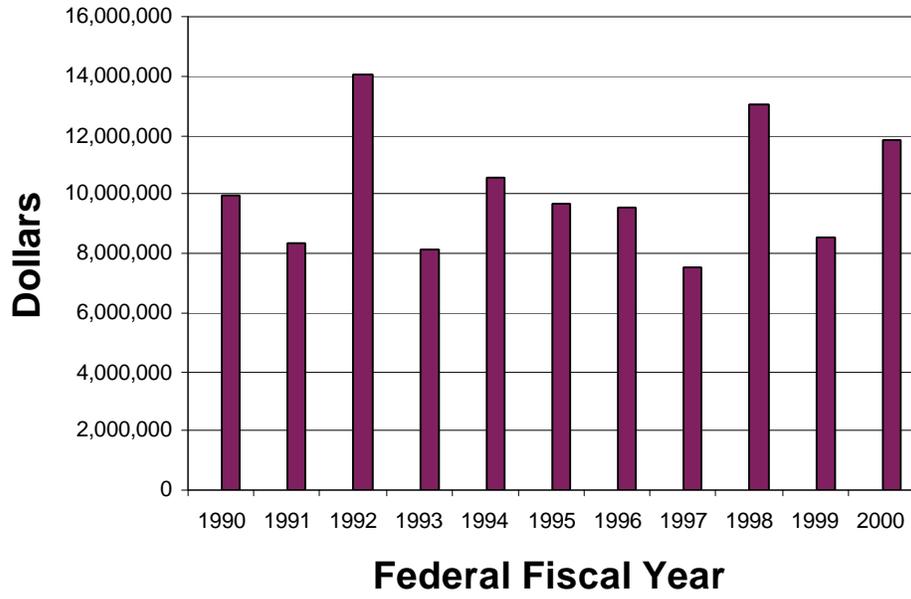
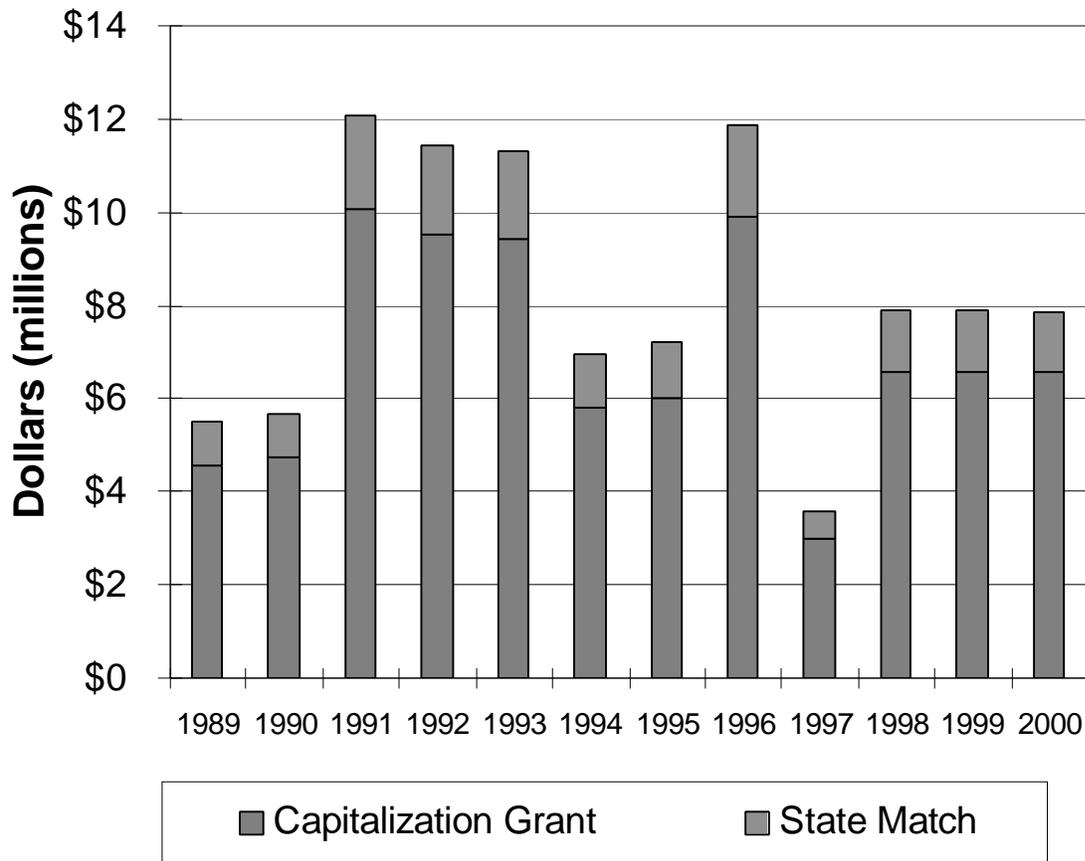


FIGURE 2
SRF CAPITALIZATION GRANTS AND STATE MATCH



2. Sources of Funds

During FFY 2000, the state was awarded a \$6,555,200 federal capitalization grant that was matched by \$1,311,040 in state funds. Exhibit III and Figure 2 show the annual allocation and source of Clean Water SRF funds.

3. Revenues and Expenses

Fund revenues consisted of interest earned on loans to communities, cash and investments, the special reserve account, and administrative expense surcharge payments received from each borrower. These earnings totaled \$4,954,726. Fund expenses included administration expenditures, interest payable on bonds, and the amortization of each bond's issuance cost. These expenses totaled \$1,266,293. Additionally, \$21,969.73 was transferred out to the DENR indirect cost pool. The Statement of Income and Retained Earnings is shown on Exhibit XI.

4. Disbursements and Guarantees

There were no loan guarantees during Federal Fiscal Year 2000.

5. Findings of the 1999 Audit

The Clean Water SRF program was audited by the South Dakota Department of Legislative Audit for state fiscal year 1999 (July 1, 1998, through June 30, 1999). The audit did not contain any written findings or recommendations.

Region VIII conducted its annual review of the South Dakota Clean Water SRF program. A final report was received in August 2000. EPA recommended that the program use the principal repayments for new project activity and also recommended the department disclose information regarding the administrative surcharge in the Intended Use Plan and the Annual Report. The department's formal response to these recommendations is to evaluate and incorporate the repayment funds into future program activities and to include administrative surcharge information in future Intended Use Plans and Annual Reports.

B. Assistance Activity

Exhibits I through VII illustrate the assistance activity of the Clean Water SRF in Federal Fiscal Year 2000.

Exhibit I shows the recipients that received Clean Water SRF loans during Federal Fiscal Year 2000. All nine loans were for Section 212 (wastewater and storm water) projects.

Exhibit II lists the assistance amount provided to each project by needs category.

Exhibit III lists the total Clean Water SRF dollars available, broken down by fiscal year, capitalization amounts, and state match amounts.

Exhibit IV lists each Clean Water SRF loan and its source of funding.

Exhibit V lists the cash draws and the projects or administrative assistance for which they were made.

Exhibit VI lists the estimated and actual cash disbursement schedule from the federal Letter of Credit (LOC) for FFY 2000. The estimated schedule was agreed upon by the state and EPA in the 2000 Annual Workplan.

Exhibit VII lists the environmental review and land purchase information for the loans made in FFY 2000.

C. Provisions of the Operating Agreement / Conditions of the Grant

The state of South Dakota agreed to 20 conditions in the Operating Agreement and Capitalization Grant Agreement. The following 18 conditions have been met and need no further description:

- Agreement to Accept Payments
- Cash Draws for Clean Water SRF Program Separate
- Prior Incurred Costs Not as State Match
- Revenues Dedicated for Repayment of Loans
- Procurement Actions - 40 CFR Part 31
- Administrative Surcharge
- State Match
- Cash Draw Schedule
- Anti-Lobbying
- Expenditure of State Matching Funds
- Deposit of State Matching Funds with Federal Moneys
- Binding Commitment Ratio
- Timely and Expeditious Use of Funds
- No Transfer of Title II Funds
- Conduct Environmental Reviews
- Eligibility of Storm Sewers
- Clean Water SRF Contains an 83.33% Federal and 16.67% State Split
- State Projects to Draw \$6.56 Million of FFY 2000 Funds in FFY 2001 and FFY 2002 as outlined in the payment schedule of the FFY 2000 Capitalization Grant application

The following two conditions are described in detail below:

1. Establishment of Minority Business Enterprise (MBE)/Women's Business Enterprise (WBE) Goals and Submittal of MBE/WBE Utilization Report.

The state and EPA have agreed on "fair share" goals of 1% MBE and 3% WBE. The actual MBE/WBE participation achieved for FFY 2000 was 1.5% MBE and 3.1% for WBE.

2. Prior to executing binding commitments on Clean Water SRF projects, the Regional Administrator must certify project compliance with Title VI of the Civil Rights Act.

The eight loan recipients all submitted project certification forms (EPA 4700-4) to DENR, who in turn submitted these forms to EPA for concurrence.

V. PROGRAM CHANGES

2000 Intended Use Plan

The Annual Report contains the 2001 Intended Use Plan as approved by the Board of Water and Natural Resources on November 8, 2000. The 2001 Intended Use Plan is included in the Annual Report as Addendum I starting on page 59.

**SOUTH DAKOTA
CLEAN WATER STATE
REVOLVING FUND LOAN
PROGRAM HISTORY**

INITIATION OF THE PROGRAM

The State Water Pollution Control Revolving Loan Fund, also known as the Clean Water State Revolving Fund Loan Program (SRF), 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 1988 South Dakota Legislature authorized the State Water Pollution Control Revolving Loan Fund program. Additionally, the legislature appropriated \$1,200,000 and directed the South Dakota Conservancy District to administer the program.

CAPITALIZATION GRANTS

Since 1988, the conservancy district has received twelve capitalization grants totaling \$82,783,100. In order to receive each of the capitalization grants, the conservancy district must have state matching funds in place equal to at least 20% of each grant. To meet this requirement, the conservancy district used the state appropriation as well as issuing revenue bonds to provide for the required \$16,556,620 in state matching funds. Exhibit 3 shows the total amount of capitalization grant and state match by year.

STATE MATCHING FUNDS

In 1989, \$5,875,000 in revenue bonds were issued with a Aaa rating from Standard & Poor's Ratings Corporation (S & P). This bond issue was insured by Capital Guaranty Insurance Company.

In 1992, the district issued \$4,180,000 in revenue bonds without insurance and received a BBB rating by S & P. However, an annual report of cash flow projections was required to be submitted, and approximately 70% of the Clean Water SRF loan portfolio was required to be rated BBB or better by the rating agency.

In 1994, \$10,220,000 in revenue bonds were issued as an advanced refunding of the two prior outstanding issues plus additional matching funds. The program raised its rating to an A. Moody's Investors Service was the rating agency for this issue. No bond insurance was obtained, no cash flow report was required, and no loan applicants had to be rated. The advance refunding provided considerable cost savings by securing a lower interest rate, decreasing the administration of the program, and deleting numerous accounts. Bond proceeds were used to purchase government securities to redeem the Series 1989 and Series 1992 bonds on their first optional call date at par. The Series 1989 bonds were called on August 1, 1996. The Series 1992 bonds will be called on August 1, 2002.

In 1995, \$7,970,000 in revenue bonds were issued with an upgraded rating of A1 by Moody's Investors Service. A portion of the Series 1995A bonds were used to provide matching funds for the 1995 and 1996 federal capitalization grants.

In 1996, the district issued \$2,770,000 in revenue bonds. The bonds received an A1 rating by Moody's Investors Service. The Series 1996A bonds were issued to provide match for part of the 1996 federal capitalization grant as well as the 1997, 1998, and 1999 capitalization grants.

The entire program was upgraded to a Aa3 rating by Moody's Investors Service in June 1998.

LEVERAGED PROGRAM BONDS

Included in the Series 1995A bond issue was \$4,500,000 in program bonds. These program bonds were leveraged to provide additional loan funds to communities. These funds were loaned to the city of Yankton in 1998 at 6% for 20 years.

PRINCIPAL REPAYMENT LOANS

The Clean Water SRF program is intended to last in perpetuity. As borrowers repay their loans, the principal repayments are then available to be loaned out to other communities. The first principal repayment loan was awarded to Watertown in November of 1995. Eventually, the state will no longer receive federal capitalization grants, and all loans will be made from the principal repayments of other borrowers.

TRUSTEE

The First National Bank in Sioux Falls has been the trustee since the onset of the program in 1989. The trustee manages and invests funds and accounts for the Clean Water SRF Program including the Series 1992 escrow, issues amortization schedules, disburses loan funds, and accepts all repayments from each of the program's 115 loans.

BOND COUNSEL

Alzheimer & Gray was hired as bond counsel for the Series 1994A, 1995A, and 1996A State Revolving Fund Revenue Bonds. Kutak Rock served as bond counsel for the Series 1989 and 1992 bond issues.

UNDERWRITER

Piper Jaffray was hired as underwriter for the Series 1994A, 1995A, and 1996A State Revolving Fund Revenue Bonds. Shearson Lehman served as underwriter for the Series 1989 and 1992 bond issues.

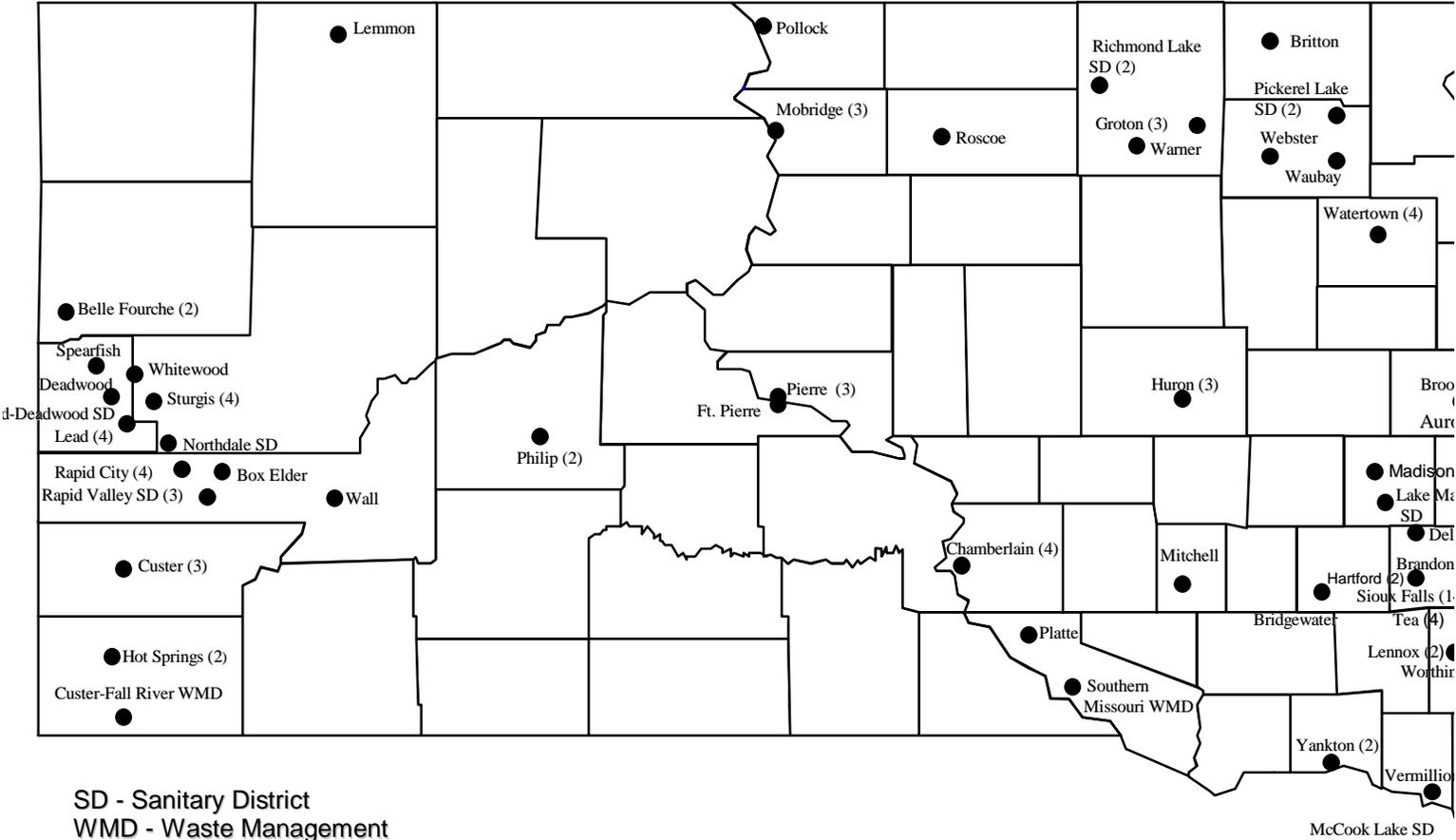
EPA REGION VIII

Region VIII of the Environmental Protection Agency oversees the South Dakota Clean Water State Revolving Fund Program. EPA assists the state in securing capitalization grants and guides the conservancy district in its administration of the program.

CLEAN WATER STATE REVOLVING FUND

LOAN PORTFOLIO

Clean Water State Revolving Fund Loans



**TABLE 3: STATE OF SOUTH DAKOTA
CLEAN WATER STATE REVOLVING FUND LOAN PROGRAM**

RECIPIENT	BINDING COMMITMENT		BINDING COMMITMEN T	ACTUAL
	DATE	RATE,TERM	AMOUNT	LOAN AMOUNT
Aurora (01)	07/27/00	5%,20	\$410,000.00	\$410,000.00
Belle Fourche (01)	08/22/90	3%,20	\$253,000.00	\$253,000.00
Belle Fourche (02)	06/22/95	4.5%,10	\$300,000.00	\$264,422.00
Beresford (01)	06/22/00	4.5%,10	\$1,150,000.00	\$1,150,000.00
Box Elder (01)	04/11/90	3%,20	\$648,600.00	\$648,600.00
Brandon (01) *	09/14/91	3%,10	\$105,000.00	\$105,000.00
Brandon (02)	03/31/93	3%,10	\$600,000.00	\$526,018.00
Bridgewater (01)	09/25/97	5.25%,20	\$120,000.00	\$90,328.00
Britton (01)	05/13/99	4.5%,10	\$509,935.00	\$509,935.00
Brookings (01)	03/14/91	4%,15	\$188,065.00	\$188,065.00
Canton (01)	05/19/92	4%,15	\$621,000.00	\$515,715.00
Chamberlain (01) *	07/08/92	3%,10	\$350,500.00	\$350,500.00
Chamberlain (02) *	01/26/93	3%,10	\$265,000.00	\$265,000.00
Chamberlain (03)	06/27/96	5.25%,20	\$2,700,000.00	\$2,700,000.00
Chamberlain (04)	03/26/98	5.25%,20	\$450,000.00	\$450,000.00
Clear Lake (01)	06/13/91	4%,15	\$370,000.00	\$79,537.00
Custer (01)	04/11/90	3%,20	\$430,000.00	\$430,000.00
Custer (02)	07/11/90	3%,20	\$182,000.00	\$182,000.00
Custer (03)	08/23/93	3%,10	\$276,000.00	\$276,000.00
Custer-Fall River WMD (01) *	06/22/95	5%,20	\$250,000.00	\$106,939.00
Deadwood (01)	04/25/94	4%,20	\$582,000.00	\$447,838.00
Dell Rapids (01)	12/09/93	3%,10	\$300,000.00	\$300,000.00
Elk Point (01)	05/27/93	4%,15	\$458,000.00	\$458,000.00
Fort Pierre (01)	05/11/94	3%,10	\$330,294.00	\$330,294.00
Garretson (01)	05/11/94	4%,15	\$510,000.00	\$300,000.00
Groton (01)	01/13/94	3%,10	\$192,000.00	\$189,524.00
Groton (02)	05/11/94	3%,10	\$106,000.00	\$74,630.00
Groton (03)	07/23/97	5.25%,20	\$635,000.00	\$470,809.00
Harrisburg (01)	06/23/99	5%,20	\$520,000.00	\$507,277.00
Hartford (01)	04/13/00	5%,20	\$504,000.00	\$504,000.00
Hartford (02)	04/13/00	5%,20	\$690,804.00	\$690,804.00
Hot Springs (01)	03/12/92	3%,10	\$196,930.00	\$196,930.00
Hot Springs (NPS/01)	01/13/94	5%,20	\$930,000.00	\$930,000.00
Huron (01)	11/09/89	3%,20	\$1,656,000.00	\$1,656,000.00
Huron (02)	06/13/91	3%,10	\$750,000.00	\$701,997.00
Huron (03)	09/19/95	5.25%,20	\$2,700,000.00	\$1,856,828.00
Lake Cochrane (01)	04/11/90	3%,20	\$80,000.00	\$80,000.00
Lake Madison (01)	03/14/91	4%,15	\$330,000.00	\$330,000.00
Lead (01)	07/11/90	3%,20	\$186,409.00	\$186,409.00
Lead (02)	07/11/91	3%,10	\$500,770.00	\$500,770.00
Lead (03)	05/19/92	3%,10	\$405,000.00	\$375,298.00
Lead (04)	07/27/00	4.5%,10	\$239,200.00	\$239,200.00
Lead-Deadwood Sanitary District (01) *	06/07/90	3%,5	\$110,000.00	\$106,855.00
Lemmon (01)	04/11/90	3%,20	\$427,100.00	\$427,100.00
Lennox (01)	06/27/96	5.25%,20	\$350,000.00	\$350,000.00
Lennox (02)	07/23/97	5.25%,20	\$600,000.00	\$583,735.00
Madison (01)	03/14/91	3%,10	\$150,000.00	\$119,416.00
McCook Lake Sanitary District (01)	08/29/91	5%,20	\$641,935.00	\$641,935.00
Mitchell (01)	04/15/97	4.5%,10	\$2,000,000.00	\$1,543,405.00
Mobridge (01)	07/11/90	3%,20	\$1,500,000.00	\$1,500,000.00

Mobridge (02)	12/11/91	4%,15	\$158,000.00	\$158,000.00
Mobridge (03)	04/13/00	4.5%,10	\$1,355,000.00	\$1,355,000.00
North Sioux City (01)	07/08/92	3%,10	\$239,650.00	\$239,650.00
North Sioux City (02)	06/22/95	5%,15	\$646,000.00	\$646,000.00
Northdale Sanitary District (01)	04/25/94	5%,20	\$315,000.00	\$256,380.00
Philip (01)	06/22/95	5%,15	\$472,000.00	\$453,885.00
Philip (02)	06/26/97	5.25%,20	\$325,000.00	\$321,127.00
Pickerel Lake Sanitary District (01)	05/09/96	5.25%,20	\$850,000.00	\$850,000.00
Pickerel Lake Sanitary District (02)	09/25/97	5.25%,20	\$670,000.00	\$670,000.00
Pierre (01)	11/08/90	4%,15	\$600,000.00	\$433,976.00
Pierre (02)	03/26/98	5.25%,20	\$4,417,000.00	\$4,417,000.00
Pierre (03)	03/25/99	5%,20	\$5,391,260.00	\$5,391,260.00
Platte (01)	03/25/99	5%,20	\$1,000,000.00	\$1,000,000.00
Pollock (01)	09/23/93	3%,15	\$170,000.00	\$151,619.49
Rapid City (01)	12/12/90	4%,15	\$2,637,000.00	\$2,479,905.00
Rapid City (02)	07/08/92	4%,15	\$1,138,200.00	\$986,685.00
Rapid City (03)	06/23/93	4%,15	\$777,500.00	\$674,577.00
Rapid City (04)	08/10/94	4%,15	\$1,214,861.39	\$1,214,861.39
Rapid Valley Sanitary District (01) *	01/11/90	3%,20	\$614,000.00	\$614,000.00
Rapid Valley Sanitary District (02)	11/10/94	4%,15	\$460,000.00	\$364,583.00
Rapid Valley Sanitary District (03)	07/29/96	5.25%,20	\$630,000.00	\$630,000.00
Richmond Lake Sanitary District (01)	06/27/96	5.25%,20	\$414,000.00	\$414,000.00
Richmond Lake Sanitary District (02)	06/25/98	5.25%,20	\$226,500.00	\$191,500.00
Roscoe (01) *	07/29/96	5.25%,20	\$358,408.00	\$358,408.00
Sioux Falls (01)	04/11/90	3%,20	\$3,316,310.00	\$2,836,962.58
Sioux Falls (02)	07/11/90	3%,10	\$454,000.00	\$453,999.19
Sioux Falls (03)	12/12/90	3%,10	\$845,000.00	\$844,999.94
Sioux Falls (04)	12/12/90	3%,10	\$1,200,000.00	\$1,199,999.89
Sioux Falls (05)	03/12/92	3%,10	\$1,955,000.00	\$1,954,999.84
Sioux Falls (06)	03/12/92	3%,10	\$700,000.00	\$699,999.92
Sioux Falls (07)	01/26/93	3%,10	\$4,500,000.00	\$4,500,000.00
Sioux Falls (08)	01/13/94	3%,10	\$1,000,000.00	\$699,003.00
Sioux Falls (09)	08/10/94	3%,10	\$1,250,000.00	\$1,250,000.00
Sioux Falls (10)	08/10/94	3%,10	\$1,500,000.00	\$1,432,941.00
Sioux Falls (11)	06/22/95	4.5%,10	\$1,250,000.00	\$1,195,346.00
Sioux Falls (12)	03/27/96	4.5%,10	\$1,300,000.00	\$1,300,000.00
Sioux Falls (13)	01/09/97	4.5%,10	\$2,500,000.00	\$2,500,000.00
Sioux Falls (14)	07/27/00	4.5%,10	\$5,100,000.00	\$5,100,000.00
Southern Missouri WMD (01)	10/06/94	5%,20	\$700,000.00	\$700,000.00
Spearfish (01)	03/12/92	4%,15	\$1,956,000.00	\$1,955,999.83
Sturgis (01)	08/23/93	5%,20	\$502,000.00	\$502,000.00
Sturgis (02)	06/23/94	5%,20	\$936,250.00	\$936,250.00
Sturgis (03)	06/27/97	5.25%,20	\$450,000.00	\$437,380.00
Sturgis (04)	04/14/00	5%,20	\$2,100,000.00	\$2,100,000.00
Tea (01)	03/31/93	4%,15	\$600,000.00	\$600,000.00
Tea (02)	05/11/94	4%,15	\$600,000.00	\$600,000.00
Tea (03)	06/27/97	5.25%,20	\$250,000.00	\$208,813.00
Tea (04)	05/14/98	5%,15	\$375,000.00	\$375,000.00
Valley Springs (01)	05/14/98	5.25%,20	\$430,000.00	\$430,000.00
Vermillion (01)	06/07/90	3%,20	\$125,000.00	\$125,000.00
Vermillion (02)	12/09/93	4%,15	\$500,000.00	\$370,471.00
Vermillion (NPS/01)	08/10/95	4.5%,10	\$480,000.00	\$356,531.00
Wall (01)	07/22/99	5%,20	\$1,146,000.00	\$1,146,000.00

Warner (01)	03/23/95	4.5%,10	\$102,000.00	\$101,152.00
Watertown (01)	10/09/91	4%,15	\$2,000,000.00	\$2,000,000.00
Watertown (02)	08/12/92	4%,15	\$4,000,000.00	\$4,000,000.00
Watertown (03)	06/22/95	5.25%,20	\$2,600,000.00	\$2,583,734.00
Watertown (04) *	11/09/95	5.25%,20	\$2,200,000.00	\$932,830.00
Waubay (01) *	02/18/92	5%,20	\$163,487.00	\$81,454.00
Webster (01)	03/27/96	4.5%,10	\$400,000.00	\$345,394.00
Whitewood (01)	02/18/92	4%,15	\$200,000.00	\$180,801.00
Whitewood (02)	07/27/00	5%,20	\$275,000.00	\$275,000.00
Worthing (01)	06/27/96	5.25%,20	\$315,725.00	\$227,645.00
Yankton (01)	12/11/97	5.25%,20	\$2,625,000.00	\$2,625,000.00
Yankton (02)	12/11/97	6.0%,20	\$4,500,000.00	\$4,500,000.00
TOTAL 115 Loans, 59 Entities			\$111,241,693.3	\$105,037,236.07

9

* Loans Repaid in Full

FIGURE 4
STATE REVOLVING FUND INTEREST
RATES BY % OF LOAN PORTFOLIO
(\$105 M)

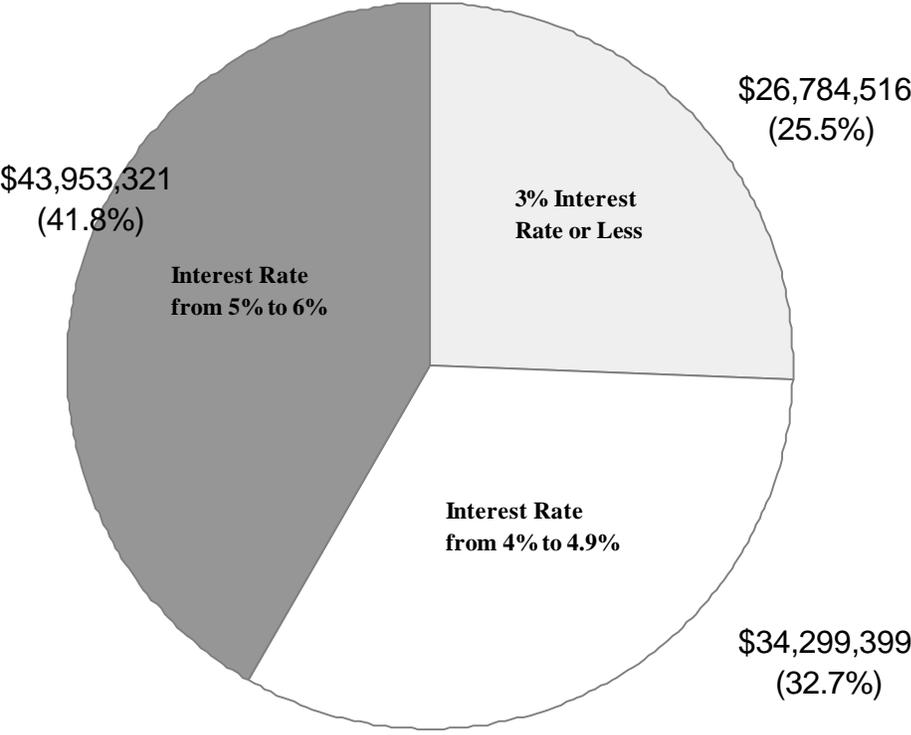
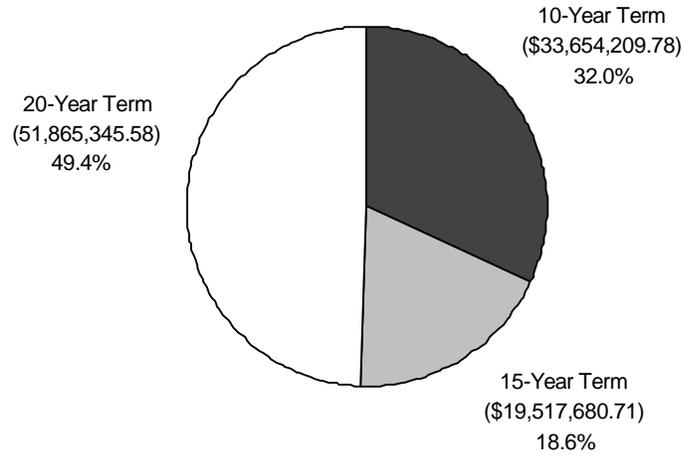


FIGURE 5
CW SRF Loan Terms by % of
Loan Portfolio (\$105 Million)



PROJECT DESCRIPTIONS

Loans approved during federal fiscal year 2000 are designated by the year 2000 written directly beside the loan recipients' names and italic lettering within the paragraph.

AURORA (2000) - *Aurora received a \$410,000 loan at 5% interest for 20 years. The project is to upgrade its wastewater interceptors.*

BELLE FOURCHE - The city of Belle Fourche has received two loans totaling \$517,422. The first loan of \$253,000 was at a rate of 3% for 20 years. It was used to construct sanitary sewer lines and manholes. The second loan of \$264,422 was used to upgrade the city's primary sanitary forcemain which had deteriorated. This loan is at 4.5% for a 10-year term.

BERESFORD (2000) - *The city of Beresford received a 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. The loan is at 4.5% interest for a 10-year term.*

BOX ELDER - Box Elder utilized a \$648,600 Clean Water SRF loan to refinance existing sewer debt incurred to expand its treatment facility. The term of the loan is for 20 years at a rate of 3%.

BRANDON - The city of Brandon used two Clean Water SRF loans totaling \$631,018. The first loan of \$105,000 was for a storm drainage project. The second loan of \$526,018 was for the construction of a forcemain to convey partially treated wastewater from the Brandon wastewater treatment facility to the Sioux Falls wastewater treatment plant. This loan also financed the associated pumping station and some minor improvements to the existing treatment facility. Both loans are for 10-year terms at an interest rate of 3%.

BRIDGEWATER - The city of Bridgewater received a loan for \$90,328 to construct storm sewer along the north and east side of the city to connect to an existing inlet basin. The 20-year loan is at 5.25%.

BRITTON - The city of Britton received a Clean Water SRF loan in the amount of \$509,935 at an interest rate of 4.5% for 10 years. The loan is for wastewater system improvements to include the installation of a lift station and forcemain and the construction of artificial wetlands .

BROOKINGS - The city of Brookings received a loan for \$188,065 at an interest rate of 4% for 15 years. The loan financed the construction of a new interceptor.

CANTON - The city of Canton received a Clean Water SRF loan for \$515,715. This loan financed sanitary and storm sewer improvements. The loan is for a 15-year term at an interest rate of 4%.

CHAMBERLAIN - Chamberlain received two loans at 3% for 10 years totaling \$615,500. The loans were used to rehabilitate sanitary sewer lines and construct storm sewer lines under two major streets in the city. Both of these loans have been repaid in full. The city received a third loan for \$2,700,000 at 5.25% for 20 years. The loan was used for a major renovation to the city's

wastewater treatment facility. The city also received a fourth loan for \$450,000 at 5.25% for 20 years. The loan was used to expand sewer service into a newly annexed area of town.

CLEAR LAKE - The city of Clear Lake used a \$79,537, 4%, 15-year loan to construct a new wastewater treatment facility. The facility consisted of the construction of two new wastewater treatment stabilization ponds and the conversion of the existing pond into an artificial wetland.

CUSTER - The city of Custer received three Clean Water SRF loans totaling \$888,000. The first loan of \$430,000 financed the construction of a forcemain 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 of \$182,000 partially financed sewer improvements which 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%. The third loan of \$276,000 partially financed the construction of an additional wastewater stabilization pond. The third loan is for a 10-year term at an interest rate of 3%.

CUSTER-FALL RIVER WASTE MANAGEMENT DISTRICT - The Custer-Fall River Solid Waste Management District used \$106,939 in Clean Water SRF funds 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). The loan is for 20 years at 5% interest.

DEADWOOD - Deadwood received a \$447,838 Clean Water SRF loan at a rate of 5% for 20 years. The loan was used 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 is 10 years at 3%.

ELK POINT - The city of Elk Point received a \$458,000 loan with a term of 4% for 15 years. The city replaced two existing lift stations with a new lift station, forcemain and interceptor lines.

FORT PIERRE - The city of Fort Pierre used a \$330,294 Clean Water SRF loan to construct a new sanitary sewer and two storm sewers. The sanitary sewer serves a residential area that was previously not connected to the city's system. The term of the loan is 3% for 10 years.

GARRETSON - The city of Garretson constructed new wastewater treatment stabilization ponds to make the existing sanitary system total retention. The city also made improvements to the existing wastewater facility using the \$300,000, 4%, 15-year loan.

GROTON - The city of Groton used two Clean Water SRF loans in the amounts of \$189,524 and \$74,630 to build new interceptor lines, force mains and lift stations. The new sanitary systems were constructed in the east and northwest sections of the city. Both loans are at 3% for 10 years. The city received a third loan for the construction of a new three cell wastewater treatment facility, lift station, and forcemain. The \$470,809 loan is for 20 years at 5.25%.

HARRISBURG - The city of Harrisburg received a Clean Water SRF loan for \$507,277 to construct total retention stabilization ponds. The loan rate is 5% for 20 years.

HARTFORD (2000) - *The city of Hartford received two loans totaling \$1,194,804. Both loans are at 5% interest for 20 years. The first loan is to replace sanitary sewer mains within the city. The second loan is to replace the current wastewater treatment facility.*

HOT SPRINGS - The city of Hot Springs received two loans totaling \$1,126,930. The first loan of \$196,930 was used to construct new sanitary sewers in an area of the city that had failing septic systems. This loan is at 3% interest and a 10-year term. The second loan of \$930,000 was for closing the existing landfill site and constructing a transfer station and municipal solid waste composting facility. This loan is at 5% for a 20-year term.

HURON - The city of Huron received three 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 a rate of 3% for 20 years. The second loan was used to construct an extension to the storm sewer system to provide drainage in the rapidly developing northwest part of the city. The second loan totaled \$701,997 at a rate of 3% for 10 years. The city of Huron used a third Clean Water SRF loan in the amount of \$1,856,828 to expand the existing stabilization pond system and increase pumping capacity. The loan is at a rate of 5.25% for a 20-year term.

LAKE COCHRANE SANITARY DISTRICT - The Lake Cochrane Sanitary District constructed a wastewater collection and treatment system at Lake Cochrane. An \$80,000 loan was made to the district to refinance a portion of the project. The loan was made for 20 years at a 3% rate.

LAKE MADISON SANITARY DISTRICT - The Lake Madison Sanitary District received a 4%, 15-year term Clean Water SRF loan for \$330,000. The loan was used to refinance a Farmers Home Administration loan, which partially funded the installation of a wastewater collection and treatment system to serve Lake Madison.

LEAD (2000) - The city of Lead received three Clean Water SRF loans that were used for the separation of combined sanitary and storm sewers along with the rehabilitation of portions of the sanitary sewer system. The first loan was for \$186,409 at a rate of 3% for 20 years. The second loan for \$500,770 and the third loan for \$375,298 are at 3% for 10 years. *The city received its fourth loan to replace and separate combined sewers beneath South Dakota Highway 85 in conjunction with a South Dakota Department of Transportation highway project. This loan is for \$239,200 at an interest rate of 4.5% for a 10-year term.*

LEAD-DEADWOOD SANITARY DISTRICT - A sludge disposal vehicle and a sewer jet were purchased by the Lead-Deadwood Sanitary District with this loan. The loan was for \$106,855 at a rate of 3% for 5 years.

LEMMON - The city of Lemmon received a \$427,100 loan at a rate of 3% 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 used a Clean Water SRF loan to construct and rehabilitate sanitary sewer interceptors. The loan is for \$350,000 at 5.25% for 20 years. The city received a second loan for \$583,735 at 5.25% for 20 years. The loan was used to add four aeration basins, two lift stations, and forcemains to the existing wastewater facility.

MADISON - The city of Madison received a Clean Water SRF loan to finance the construction of new collectors. The loan totaled \$119,416 at 3% for 10 years.

McCOOK LAKE SANITARY DISTRICT - The McCook Lake Sanitary District received a Clean Water SRF loan for \$641,935 to partially fund the upgrade and expansion of the wastewater treatment facility. The loan rate is 5% for 20 years.

MITCHELL - The city of Mitchell received a \$1,543,405 loan to partially fund the construction of a storm drain diversion project. The 10-year loan is at 4.5%.

MOBRIDGE (2000) - 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 a rate of 3% for 20 years. The second loan of \$158,000 was at a rate of 4% for 15 years. *The city received its third loan to install storm sewers in the northwest section of town. The loan is for \$1,355,000 at 4.5% interest for a term of 10 years.*

NORTH SIOUX CITY - North Sioux City received a Clean Water SRF loan in the amount of \$239,650 at a rate of 3% for 10 years. The loan was used to construct storm sewer and drainage improvements in the community. North Sioux City received its second Clean Water SRF loan to expand the storm sewer system and to provide drainage for a rapidly developing area. The \$646,000 loan is at a rate of 5% for a 15-year term.

NORTHDALE SANITARY DISTRICT - The Northdale Sanitary District used a \$256,380, 5%, 20-year loan to construct a new gravity sewer, lift station and forcemain. The new system connects the sanitary district to Rapid City's wastewater system.

PHILIP - The city of Philip financed the construction of sanitary and storm sewer improvements with a loan of \$453,885. The loan is for 15 years at an interest rate of 5%. The city received a second Clean Water SRF loan for \$321,127 to finance the construction of sanitary sewer, storm sewer, concrete curb and gutter, and replacement of forcemain. The 20-year loan is at 5.25%.

PICKEREL LAKE SANITARY DISTRICT - The Pickerel Lake Sanitary District received an \$850,000 Clean Water SRF loan to finance the phase 1 construction of a new wastewater treatment facility and a sanitary sewer collection system. This loan is for 20 years at 5.25%. The district received a second loan of \$670,000 at 5.25% for 20 years to complete phase II of the collection system construction.

PIERRE - The city of Pierre used a Clean Water SRF loan to completely finance the construction of an interceptor line near the airport and the addition of comminutors at the treatment plant. The airport interceptor re-routed wastewater, that had been going to an unpermitted lagoon near the airport, into the main sewer system. The loan also partially financed improvements to the sludge handling facilities at the treatment plant. The loan was for \$433,976 at 4% for 15 years. The city received a second loan for \$4,417,000 at 5.25% for 20 years. The loan will be used to finance the

phase I improvements to the wastewater treatment facility. In 1999, Pierre received a third loan in the amount of \$5,391,260 to improve the wastewater treatment facility (phase II). The loan is for 20 years at a rate of 5%.

PLATTE - The city of Platte received a loan to renovate its sanitary sewer system. The \$1,000,000 loan is for 20 years at a rate of 5% .

POLLOCK - Pollock received a Clean Water SRF loan to cover costs which exceeded the available EPA grant funding used to upgrade the wastewater treatment facility. The loan was for \$151,619 at a rate of 3% for 10 years.

RAPID CITY - Rapid City has received four 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 three loans totaled \$4,141,167. The fourth loan for the MRF was for \$1,214,861.39. All Rapid City loans are at a rate of 4% for 15 years.

RAPID VALLEY SANITARY DISTRICT - The Rapid Valley Sanitary District received two Clean Water SRF loans totaling \$978,583. These loans were used for the rehabilitation and extension of the existing sanitary sewer system and carried terms of 3% for 20 years and 4% for 15 years. The sanitary district received a third loan for continued rehabilitation of the sanitary sewer system. The \$630,000 loan is at a rate of 5.25% for 20 years.

RICHMOND LAKE SANITARY DISTRICT - The Richmond Lake Sanitary District received a \$414,000 Clean Water SRF loan at an interest rate of 5.25% and a term of 20 years. The loan will be 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% for 20 years to complete phase II of the collection system construction.

ROSCOE - The city of Roscoe received a Clean Water SRF loan for \$358,408 to expand their wastewater treatment facility, rehabilitate an interceptor sewer and construct a new collection sewer. The loan was for 20 years at an interest rate of 5.25%.

SIOUX FALLS (2000) - *The city of Sioux Falls has received 14 Clean Water SRF loans totaling \$25,968,251.36. Sioux Falls has used the loans on 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, infiltration/inflow correction, improvement of stormwater drainage, flow equalization basin construction, and sludge handling improvements. The first loan is at 3% for 20 years. Loans 2 through 10 are at 3% for 10 years. Loans 11 through 14 are at 4.5% for 10 years.*

SOUTHERN MISSOURI WASTE MANAGEMENT DISTRICT - The Southern Missouri Recycling and Waste Management District received a \$700,000 Clean Water SRF loan for the construction of a regional landfill near Lake Andes. The term of the loan is 20 years at 5%. The construction of the landfill has been completed and the facility is operational. In federal fiscal year 1998, Southern Missouri Waste Management District received a grant from HUD in the amount

of \$400,000. This grant was used to pay against the principal portion of Southern Missouri's Clean Water SRF loan.

SPEARFISH - The city of Spearfish used a \$1,955,999.83 Clean Water SRF loan to fund the expansion of the wastewater treatment facility. The loan rate is 4% for 15 years.

STURGIS (2000) - The city of Sturgis has received four loans totaling \$3,975,630. The first loan for \$502,000 financed the construction of three sewer interceptor lines, a sewer collection line, and a portion of the Sturgis wastewater treatment facility upgrade. The second loan for \$936,250 financed the majority of the treatment facility upgrade. The first two loans are at an interest rate of 5% for 20 years. The city of Sturgis received its third loan of \$437,380 to repair damage and replace riprap in the second and third cells of the wastewater treatment facility and to finance engineering planning studies. The third loan is at 5.25% interest for a term of 20 years. *The fourth loan for \$2,100,000 is to expand the city's treated effluent irrigation system. This loan is at 5% interest for a term of 20 years.*

TEA - The city of Tea has received four loans totaling \$1,783,813. Its first two loans were for the construction of a storm drainage system. The loans are \$600,000 each, at an interest rate of 4% for 15 years. The third loan of \$208,813 funded the construction of a sanitary sewer and lift station. The 20-year loan is at an interest rate of 5.25%. The city received a fourth loan of \$375,000 at 5% for 15 years. The fourth loan was used to reconfigure the existing lagoon system and construct a new primary cell and two secondary cells in order to provide sufficient treatment capacity.

VALLEY SPRINGS - The city of Valley Springs received a \$430,000 loan to fund the expansion and upgrade of the existing wastewater treatment facility. The 20-year loan is at 5.25% interest.

VERMILLION - Vermillion has received three loans totaling \$852,002. The first loan for \$125,000 was used to reconstruct a sanitary sewer interceptor that was in need of replacement. The second loan for \$370,471 was for construction of approximately 6,200 feet of storm sewer pipe and associated appurtenances in three separate areas of Vermillion. The third loan of \$356,531 was for the construction of a second trench at the city's landfill and to purchase a scraper. The first loan rate was 3% for 20 years, the second loan was 4% for 15 years, and the third loan was 4.5% for 10 years.

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

WARNER - The town of Warner used a \$101,152 Clean Water SRF loan at a rate of 4.5% and a term of 10 years. The project included the construction of a storm sewer collection and disposal system to improve storm drainage within the community.

WATERTOWN - The city of Watertown received two Clean Water SRF loans totaling \$6,000,000 for the upgrade and expansion of the city's wastewater treatment facility. Both loans are at a rate of 4% for 15 years. The city was awarded its third Clean Water SRF loan in the amount of \$2,583,734 to rehabilitate portions of the sanitary sewer collection system. The city used \$932,830 of its fourth loan for engineering costs associated with the final upgrade of the

wastewater treatment facility. The city repaid this loan in full after receiving a large federal grant. The third and fourth loans were at 5.25% for 20 years.

WAUBAY - The city of Waubay received a 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. This area was previously served by septic tanks. The loan was for 20 years at 5%.

WEBSTER - The city of Webster used a \$345,394 Clean Water SRF loan to reconstruct a sanitary sewer line on Main Street. The loan is for 10 years at 4.5%.

WHITEWOOD (2000) - Whitewood has received two loans totaling \$455,801. The first loan constructed a new mechanical wastewater treatment facility in conjunction with the existing stabilization pond system. The city partially funded the project with a Clean Water SRF loan of \$180,801 at 4% for 15 years. *The city's second loan was for \$275,000 at an interest rate of 5% for 20 years. The second loan is to expand the wastewater collection system.*

WORTHING - The town of Worthing received a \$227,645 Clean Water SRF loan at a 5.25% interest rate and a term of 20 years. The loan is being used to expand and upgrade the existing stabilization pond treatment facility.

YANKTON - The city of Yankton received two loans totaling \$7,125,000. Both loans will be used to upgrade and expand the existing wastewater treatment facility. The term of the first loan was 5.25% for 20 years. The second loan utilized the leveraged program bonds with a term of 6% for 20 years.

EXHIBITS I-VII

CLEAN WATER SRF

STATUS REPORTS

**EXHIBIT I
PROJECTS RECEIVING SRF ASSISTANCE
FEDERAL FISCAL YEAR 2000**

Recipient	Binding Assistance Commitment		
	Amount	Date	Rate, Term
Aurora (01)	\$410,000	07/27/00	5%, 20
Beresford (01)	\$1,150,000	06/22/00	4.5%, 10
Hartford (01)	\$504,000	04/13/00	5%, 20
Hartford (02)	\$690,804	04/13/00	5%, 20
Lead (04)	\$239,200	07/27/00	4.5%, 10
Mobridge (03)	\$1,355,000	04/13/00	4.5%, 10
Sioux Falls (14)	\$5,100,000	07/27/00	4.5%, 10
Sturgis (04)	\$2,100,000	04/13/00	5%, 20
Whitewood (02)	\$275,000	07/27/00	5%, 20
TOTAL	\$11,824,004		

**EXHIBIT II
SRF NEEDS CATEGORIES
FEDERAL FISCAL YEAR 2000**

Recipient	Project No.	I Sec. Treat.	II Adv. Treatment	III A I/I Correct.	III B Sys. Rehab.	IV A New Collect.	IV B New Inter.	VI Storm Sewers
Aurora (01)	C461081-01						\$410,000	
Beresford (01)	C461187-01				180,000		\$625,000	\$345,000
Hartford (01)	C461104-01				376,000			\$128,000
Hartford (02)	C461104-02		\$690,804					
Lead (04)	C461007-04				\$239,200			
Mobridge (03)	C461016-03							\$1,355,000
Sioux Falls (14)	C461232-14	\$1,600,000		\$700,000	\$1,000,000		\$1,800,000	0
Sturgis (04)	C461068-04		\$2,100,000					0
Whitewood (02)	C461006-02					\$275,000		
TOTAL		\$1,600,000	\$2,790,804	\$700,000	\$1,795,200	\$275,000	\$2,835,000	\$1,828,000
		0					0	0

**EXHIBIT III
ALLOCATION AND SOURCE
OF**

SRF FUNDS

Fiscal Year	Capitalization		Total
	Grant Award	State Match	
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	\$7,209,360
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
TOTAL	\$82,783,100	\$16,556,620	\$99,339,720

EXHIBIT IV
OBLIGATIONS FOR
FEDERAL FISCAL YEARS 1989-2000 CAPITALIZATION GRANTS,
DEOBLIGATIONS, PRINCIPAL REPAYMENTS, AND LEVERAGED FUNDS

1. Projects utilizing 1989 SRF funds:

Project	Loan Amount	Board Action	Balance
1989 Capitalization Grant & State Match			\$5,492,640
1. SRF Admin	\$183,088		\$5,309,552
2. Huron (01)	\$1,656,000	11/09/89	\$3,653,552
3. Rapid Valley San. Dist. (01)	\$614,000	01/11/90	\$3,039,552
4. Box Elder (01)	\$648,600	04/11/90	\$2,390,952
5. Custer (01)	\$430,000	04/11/90	\$1,960,952
6. Lemmon (01)	\$427,100	04/11/90	\$1,533,852
7. Sioux Falls (01)*	\$1,533,852	04/11/90	\$0

*Remainder of \$3,316,310 loan (\$1,782,458) is out of 90 funds

2. Projects utilizing 1990 SRF funds:

Project	Loan Amount	Board Action	Balance
1990 Capitalization Grant & State Match			\$5,685,600
1. SRF Admin	\$189,520		\$5,496,080
2. Sioux Falls (01)*	\$1,782,458	04/11/90	\$3,713,622
3. Lake Cochrane (01)	\$80,000	04/11/90	\$3,633,622
4. Lead-Deadwood San. Dist. (01)	\$110,000	06/07/90	\$3,523,622
5. Vermillion (01)	\$125,000	06/07/90	\$3,398,622
6. Custer (02)	\$182,000	07/11/90	\$3,216,622
7. Lead (01)	\$186,409	07/11/90	\$3,030,213
8. Mobridge (01)	\$1,500,000	07/11/90	\$1,530,213
9. Sioux Falls (02)	\$454,000	07/11/90	\$1,076,213
10. Belle Fourche (01)	\$253,000	08/22/90	\$823,213
11. Pierre (01)	\$600,000	11/08/90	\$223,213
12. Rapid City (01) **	\$223,213	12/12/90	\$0

* Remainder of \$3,316,310 loan (\$1,533,852) is out of 89 funds

** Remainder of \$2,637,000 loan (\$2,413,787) is out of 91 funds

3. Projects utilizing 1991 SRF funds:

Project	Loan Amount	Board Action	Balance
1991 Capitalization Grant & State Match			\$12,089,760
1. SRF Admin	\$402,992		\$11,686,768
2. Rapid City (01) *	\$2,413,787	12/12/90	\$9,272,981
3. Sioux Falls (03)	\$845,000	12/12/90	\$8,427,981
4. Sioux Falls (04)	\$1,200,000	12/12/90	\$7,227,981
5. Brandon (01)	\$105,000	03/14/91	\$7,122,981

6.	Brookings (01)	\$188,065	03/14/91	\$6,934,916
7.	Lake Madison (01)	\$330,000	03/14/91	\$6,604,916
8.	Madison (01)	\$150,000	03/14/91	\$6,454,916
9.	Clear Lake (01)	\$370,000	06/13/91	\$6,084,916
10.	Huron (02)	\$750,000	06/13/91	\$5,334,916
11.	Lead (02)	\$500,770	07/11/91	\$4,834,146
12.	McCook Lake (01)	\$641,935	08/29/91	\$4,192,211
13.	Watertown (01)	\$2,000,000	10/09/91	\$2,192,211
14.	Mobridge (02)	\$158,000	12/11/91	\$2,034,211
15.	Waubay (01)	\$163,487	02/18/92	\$1,870,724
16.	Whitewood	\$200,000	02/18/92	\$1,670,724
17.	Hot Springs (01)	\$196,930	03/12/92	\$1,473,794
18.	Sioux Falls (05) **	\$1,473,794	03/12/92	\$0

* Remainder of \$2,637,000 loan (\$223,213) is out of 90 funds

** Remainder of \$1,955,000 loan (\$481,206) is out of 92 funds

4. Projects utilizing 1992 SRF funds:

Project	Loan Amount	Board Action	Balance
1992 Capitalization Grant & State Match			\$11,441,880
1.	SRF Admin		\$11,060,484
2.	Sioux Falls (05) *	03/12/92	\$10,579,278
3.	Sioux Falls (06)	03/12/92	\$9,879,278
4.	Spearfish (01)	03/12/92	\$7,923,278
5.	Canton (01)	05/19/92	\$7,302,278
6.	Lead (03)	05/19/92	\$6,897,278
7.	Chamberlain (01)	07/08/92	\$6,546,778
8.	North Sioux City (01)	07/08/92	\$6,307,128
9.	Rapid City (02)	07/08/92	\$5,168,928
10.	Watertown (02)	08/12/92	\$1,168,928
11.	Chamberlain (02)	01/26/93	\$903,928
12.	Sioux Falls (07)**	01/26/93	\$0

* Remainder of \$1,955,000 loan (\$1,473,794) is out of 91 funds

** Remainder of \$4,500,000 loan (\$3,596,072) is out of 93 funds

5. Projects utilizing 1993 SRF funds:

Project	Loan Amount	Board Action	Balance
1993 Capitalization Grant & State Match			\$11,317,200
1.	SRF Admin		\$10,939,960
2.	Sioux Falls (07)*	01/26/93	\$7,343,888
3.	Brandon (02)	03/31/93	\$6,743,888
4.	Tea (01)	03/31/93	\$6,143,888
5.	Elk Point (01)	05/27/93	\$5,685,888
6.	Rapid City (03)	06/23/93	\$4,908,388
7.	Custer (03)	08/23/93	\$4,632,388
8.	Sturgis (01)	08/23/93	\$4,130,388
9.	Pollock (01)	09/23/93	\$3,960,388

10.	Dell Rapids (01)	\$300,000	12/09/93	\$3,660,388
11.	Vermillion (02)	\$500,000	12/09/93	\$3,160,388
12.	Groton (01)	\$192,000	01/13/94	\$2,968,388
13.	Hot Springs (NPS/01)	\$930,000	01/13/94	\$2,038,388
14.	Sioux Falls (08)	\$1,000,000	01/13/94	\$1,038,388
15.	Deadwood (01)	\$582,000	04/25/94	\$456,388
16.	Northdale SD (01)	\$315,000	04/25/94	\$141,388
17.	Ft. Pierre (01) **	\$141,388	05/11/94	\$0

* Remainder of \$4,500,000 loan (\$1,342,645) is out of 92 funds

** Remainder of \$330,294 loan (\$501,976) is out of 94 funds

6. Projects utilizing 1994 SRF funds:

Project	Loan Amount	Board Action	Balance
1994 Capitalization Grant & State Match			\$6,976,560
1.	SRF Admin		\$6,744,008
2.	Ft. Pierre (01) *	05/11/94	\$6,555,102
3.	Garretson (01)	05/11/94	\$6,045,102
4.	Groton (02)	05/11/94	\$5,939,102
5.	Tea (02)	05/11/94	\$5,339,102
6.	Sturgis (02)	06/23/94	\$4,402,852
7.	Rapid City (04)	08/10/94	\$3,187,991
8.	Sioux Falls (09)	08/10/94	\$1,937,991
9.	Sioux Falls (10)	08/10/94	\$437,991
10.	Southern Missouri WMD**	10/06/94	\$0

* Remainder of \$330,294 loan (\$141,388) is out of 93 funds

** Remainder of \$700,000 loan (\$262,009) is out of 95 funds

7. Projects utilizing 1995 SRF funds:

Project	Loan Amount	Board Action	Balance
1995 Capitalization Grant & State Match			\$7,209,360
1.	SRF Admin		\$6,969,048
2.	Southern Missouri WMD*	10/06/94	\$6,707,039
3.	Rapid Valley SD (02)	11/10/94	\$6,247,039
4.	Warner (01)	03/23/95	\$6,145,039
5.	Custer-Fall River WMD (01)	06/22/95	\$5,895,039
6.	Philip (01)	06/22/95	\$5,423,039
7.	Watertown (03)	06/22/95	\$2,823,039
8.	North Sioux City (02)	06/22/95	\$2,177,039
9.	Sioux Falls (11)	06/22/95	\$927,039
10.	Belle Fourche (02)	06/22/95	\$627,039
11.	Vermillion (NPS/01)	08/10/95	\$147,039
12.	Huron (03) **	09/19/95	\$0

* Remainder of \$700,000 loan (\$437,991) is out of 95 funds

** Remainder of \$2,700,000 loan (\$2,552,961) is out of 96 funds

8. Projects utilizing 1996 SRF funds:

Project	Loan Amount	Board Action	Balance
1996 Capitalization Grant & State Match			\$11,885,640
1. SRF Admin	\$396,188		\$11,489,452
2. Huron (03)*	\$2,552,961	09/19/95	\$8,936,491
3. Sioux Falls (12)	\$1,300,000	03/27/96	\$7,636,491
4. Webster	\$400,000	03/27/96	\$7,236,491
5. Pickerel Lake Sanitary Dist.	\$850,000	05/09/96	\$6,386,491
6. Chamberlain (03)	\$2,700,000	06/27/96	\$3,686,491
7. Lennox	\$350,000	06/27/96	\$3,336,491
8. Richmond Lake Sanitary Dist.	\$414,000	06/27/96	\$2,922,491
9. Worthing	\$315,725	06/27/96	\$2,606,766
10. Rapid Valley San. Dist. (03)	\$630,000	07/29/96	\$1,976,766
11. Roscoe	\$358,408	07/29/96	\$1,618,358
12. Sioux Falls (13)**	\$1,618,358	01/09/97	\$0

* Remainder of \$2,700,000 loan (\$147,039) is out of 95 funds

**Remainder of \$2,500,000 loan (\$881,642) is out of 97 funds

9. Current projects utilizing 1997 SRF funds:

Project	Loan Amount	Board Action	Balance
1997 Capitalization Grant & State Match			\$3,588,600
1. SRF Admin	\$119,620		\$3,468,980
2. Sioux Falls (13)*	\$881,642	01/09/97	\$2,587,338
3. Philip (02)	\$325,000	06/26/97	\$2,262,338
4. Sturgis (03)**	\$262,338	06/27/97	\$2,000,000
5. Aurora (01)	\$410,000	07/27/00	\$1,590,000
6. Lead (04)	\$239,200	07/27/00	\$1,350,800
7. Whitewood (02)	\$275,000	07/27/00	\$1,075,800
8. Sioux Falls (14)***	\$1,075,800	07/27/00	\$0

*Remainder of \$2,500,000 loan (\$1,618,358) is out of 96 funds

**Remainder of \$450,000 loan (\$187,662) is out of 98 funds

***Remainder of \$5,100,000 loan (\$4,024,200) is out of 2000 funds and repayment funds

10. Current projects utilizing 1998 SRF funds:

Project	Loan Amount	Board Action	Balance
1998 Capitalization Grant & State Match			\$7,892,760
1. SRF Admin	\$263,092		\$7,629,668
2. Sturgis (03)*	\$187,662	06/27/97	\$7,442,006
3. Tea (03)	\$250,000	06/27/97	\$7,192,006
4. Groton (03)	\$635,000	07/23/97	\$6,557,006
5. Lennox (02)	\$600,000	07/23/97	\$5,957,006
6. Bridgewater (01)	\$120,000	09/25/97	\$5,837,006
7. Pickerel Lake (02)	\$670,000	09/25/97	\$5,167,006
8. Yankton (01)	\$2,625,000	12/11/97	\$2,542,006
9. Chamberlain (04)	\$450,000	03/26/98	\$2,092,006
10. Pierre (02) **	\$2,092,006	03/26/98	\$0

*Remainder of \$450,000 loan (\$262,338) is out of 97 funds

**Remainder of \$4,417,000 loan (\$2,324,994) is out of deobligated funds

11. Projects utilizing 1999 SRF funds:

Project	Loan Amount	Board Action	Balance
1999 Capitalization Grant & State Match			\$7,893,480
1. SRF Admin	\$263,116		\$7,630,364
2. Wall (01)	\$1,146,000	07/22/99	\$6,484,364
3. Pierre (03)	\$5,391,260	03/25/99	\$1,093,104
4. Britton (01)	\$509,935	05/13/99	\$583,169
5. Harrisburg (01)	\$520,000	06/23/99	\$63,169
6. Hartford (01) *	\$63,169	04/13/00	\$0

* The remainder of \$504,000 loan (\$440,831) is out of 2000 funds

12. Projects utilizing 2000 SRF funds:

Project	Loan Amount	Board Action	Balance
2000 Capitalization Grant & State Match			\$7,866,240
1. SRF Admin	\$262,208		\$7,604,032
2. Mobridge (03)	\$1,355,000	04/13/00	\$6,249,032
3. Sturgis (04)	\$2,100,000	04/13/00	\$4,149,032
4. Hartford (01) *	\$440,831	04/13/00	\$3,708,201
5. Hartford (02)	\$690,804	04/13/00	\$3,017,397
6. Beresford (01)	\$1,150,000	06/22/00	\$1,867,397
7. Sioux Falls (14)**	\$1,867,397	07/27/00	\$0

*The remainder of \$504,000 loan (\$63,169) is out of 99 funds

**The remainder of \$5,100,000 loan (\$3,232,603) is out of 1997 funds and repayment funds

13. Projects utilizing deobligated funds:

Project	Loan Amount	Board Action	Balance
1989-2000 Deobligated Funds			\$4,480,692
1. Pierre (02) *	\$2,324,994	03/26/98	\$2,155,698
2. Tea (04)	\$375,000	05/14/98	\$1,780,698
3. Valley Springs (01)	\$430,000	05/14/98	\$1,350,698
4. Richmond Lake (02)	\$226,500	06/25/98	\$1,124,198
5. Platte (01)	\$1,000,000	03/25/99	\$124,198

*Remainder of \$4,417,000 loan (\$2,092,006) is out of 98 funds

14. Projects utilizing repayment funds:

Project	Loan Amount	Board Action	Balance
Total Repayments as of 9/30/00			\$23,670,140
1. Watertown (04)	\$932,830	11/09/95	\$22,737,310

2.	Mitchell (01)	\$1,543,405	04/15/97	\$21,193,905
3.	Sioux Falls (14)*	\$2,156,803	07/27/00	\$19,037,102

* The remainder of \$5,100,000 loan (\$2,943,197) is out of 1997 and 2000 funds

Note - Breakdowns listed above are used for planning purposes only and do not reflect the actual source of payments. As payments are processed, oldest funds are expended first.

15. Projects utilizing leveraged funds:

Project	Loan Amount	Board Action	Balance
Leveraged Funds			\$4,500,000
1. Yankton (02)	\$4,500,000	12/11/97	\$0

EXHIBIT V
CLEAN WATER STATE REVOLVING FUND DISBURSEMENTS
OCTOBER 1, 1999 TO SEPTEMBER 30, 2000

Disbursement						
Number	Date	Borrower Name	Other	State	Federal	Total Payment
00-01	01/05/99	Groton (03)	\$0.00	\$8,862.00	\$44,312.00	\$53,174.00
00-02	10/13/99	Harrisburg (01)	\$0.00	\$20,472.00	\$102,362.00	\$122,834.00
00-03	10/13/99	Platte (01)	\$0.00	\$593.00	\$2,963.00	\$3,556.00
00-04	10/19/99	Pierre (02)	\$0.00	\$23,180.00	\$115,902.00	\$139,082.00
00-05	10/19/99	Pierre (03)	\$0.00	\$38,469.00	\$192,344.00	\$230,813.00
00-06	10/19/99	Britton (01)	\$0.00	\$30,854.00	\$154,270.00	\$185,124.00
00-07	10/27/99	Groton (03)	\$0.00	\$7,567.00	\$37,838.00	\$45,405.00
00-08	11/09/99	Valley Springs (01)	\$0.00	\$13,952.00	\$69,761.00	\$83,713.00
00-09	11/09/99	Pierre (02)	\$0.00	\$44,867.00	\$224,334.00	\$269,201.00
00-10	11/09/99	Pierre (03)	\$0.00	\$72,815.00	\$364,070.00	\$436,885.00
00-11	11/17/99	Platte (01)	\$0.00	\$889.00	\$4,446.00	\$5,335.00
00-12	11/23/99	Lennox (02)	\$0.00	\$1,152.00	\$5,761.00	\$6,913.00
00-13	11/23/99	Valley Springs (01)	\$0.00	\$14,340.00	\$71,698.00	\$86,038.00
00-14	11/23/99	Yankton (01)	\$0.00	\$29,451.00	\$147,256.00	\$176,707.00
00-15	12/09/99	Sioux Falls (13)	\$0.00	\$53,086.00	\$265,429.00	\$318,515.00
00-16	12/09/99	Britton (01)	\$0.00	\$37,281.00	\$186,404.00	\$223,685.00
00-17	12/09/99	Harrisburg (01)	\$0.00	\$9,620.00	\$48,098.00	\$57,718.00
00-18	12/14/99	Platte (01)	\$0.00	\$741.00	\$3,705.00	\$4,446.00
00A-01	12/20/99	First National Bank ***	\$23,869.44	\$0.00	\$0.00	\$23,869.44
00-19	12/21/99	Harrisburg (01)	\$0.00	\$48,241.00	\$241,207.00	\$289,448.00
00-20	12/21/99	Pierre (02)	\$0.00	\$33,016.00	\$165,081.00	\$198,097.00
00-21	12/21/99	Pierre (03)	\$0.00	\$44,510.00	\$222,552.00	\$267,062.00
00A-02	12/23/99	SD*	\$119,700.00	\$0.00	\$0.00	\$119,700.00
00-22	01/11/00	Harrisburg (01)	\$0.00	\$4,068.00	\$20,343.00	\$24,411.00
00-23	01/11/00	Pierre (02)	\$0.00	\$362.00	\$1,808.00	\$2,170.00
00-24	01/11/00	Pierre (03)	\$0.00	\$236,230.00	\$1,181,149.00	\$1,417,379.00
00-25	01/11/00	Yankton (01)	\$0.00	\$93,703.00	\$468,513.00	\$562,216.00
00-26	01/18/00	Britton (01)	\$0.00	\$4,250.00	\$21,250.00	\$25,500.00
00A-03	01/28/00	SD*	\$15,400.00	\$0.00	\$0.00	\$15,400.00
00A-04	01/28/00	SD*	\$13,900.00	\$0.00	\$0.00	\$13,900.00
00A-05	02/28/00	COI**	\$0.00	\$0.00	\$196,346.00	\$196,346.00
00-27	02/28/00	Britton (01)	\$0.00	\$1,185.00	\$5,928.00	\$7,113.00
00-28	03/07/00	Platte (01)	\$0.00	\$2,767.00	\$13,832.00	\$16,599.00
00A-06	03/07/00	Fiduciary Comm Co.*	\$1,316.00	\$0.00	\$0.00	\$1,316.00
00-29	03/15/00	Pierre (03)	\$0.00	\$107,788.00	\$538,941.00	\$646,729.00
00-30	03/22/00	Sioux Falls (13)	\$0.00	\$17,389.00	\$86,947.00	\$104,336.00
00-31	03/22/00	Yankton (01)	\$0.00	\$68,609.00	\$343,044.00	\$411,653.00
00A-07	03/22/00	SD*	\$20,200.00	\$0.00	\$0.00	\$20,200.00
00-32	04/11/00	Platte (01)	\$0.00	\$1,064.00	\$5,320.00	\$6,384.00
00A-08	04/18/00	SD*	\$10,600.00	\$0.00	\$0.00	\$10,600.00
00-33	04/25/00	Pierre (03)	\$0.00	\$63,014.00	\$315,068.00	\$378,082.00
00A-09	04/26/00	Alzheimer & Gray ***	\$27,500.00	\$0.00	\$0.00	\$27,500.00

00-34	05/09/00	Platte (01)	\$0.00	\$426.00	\$2,128.00	\$2,554.00
00-35	05/16/00	Valley Springs (01)	\$0.00	\$7,769.00	\$38,843.00	\$46,612.00
00-36	05/16/00	Pierre (03)	\$0.00	\$80,836.00	\$404,181.00	\$485,017.00
00A-10	05/16/00	SD*	\$14,600.00	\$0.00	\$0.00	\$14,600.00
00A-11	06/18/00	First National Bank ***	\$20,398.00	\$0.00	\$0.00	\$20,398.00
00-37	06/13/00	Yankton (01)	\$0.00	\$84,413.00	\$422,064.00	\$506,477.00
00-38	06/20/00	Sioux Falls (13)	\$0.00	\$12,672.00	\$63,361.00	\$76,033.00
00A-12	06/20/00	COI**	\$0.00	\$0.00	\$95,094.00	\$95,094.00
00A-13	06/27/00	First National Bank ***	\$540.00	\$0.00	\$0.00	\$540.00
00A-14	06/27/00	SD*	\$21,600.00	\$0.00	\$0.00	\$21,600.00
00-39	06/27/00	Pierre (03)	\$0.00	\$39,944.00	\$199,717.00	\$239,661.00
00-40	07/25/00	Harrisburg (01)	\$0.00	\$2,144.00	\$10,722.00	\$12,866.00
00-41	07/25/00	Sturgis (03)	\$0.00	\$6,326.00	\$31,632.00	\$37,958.00
00-42	07/25/00	Wall (01)	\$0.00	\$61,130.00	\$305,648.00	\$366,778.00
00-43	08/01/00	Pierre (03)	\$0.00	\$20,989.00	\$104,944.00	\$125,933.00
00A-15	08/02/00	SD*	\$15,000.00	\$0.00	\$0.00	\$15,000.00
00-44	08/29/00	Hartford (01)	\$0.00	\$3,782.00	\$18,912.00	\$22,694.00
00-45	09/05/00	Hartford (01)	\$0.00	\$5,028.00	\$25,140.00	\$30,168.00
00-46	09/05/00	Hartford (02)	\$0.00	\$25,511.00	\$127,556.00	\$153,067.00
00A-16	09/13/00	SD*	\$86.00	\$0.00	\$0.00	\$86.00
00A-17	09/13/00	SD*	\$0.00	\$0.00	\$15,117.00	\$15,117.00
00-47	09/13/00	Pierre (03)	\$0.00	\$41,605.00	\$208,027.00	\$249,632.00
00A-18	09/26/00	SD*	\$0.00	\$0.00	\$27,100.00	\$27,100.00
00-48	09/26/00	Wall (01)	\$0.00	\$31,471.00	\$157,357.00	\$188,828.00
			\$304,709.44	\$1,558,433.00	\$8,125,825.00	\$9,988,967.44

* Clean Water SRF Administration Fees

** Cost Of Issuance Reimbursement

*** Contracts

**EXHIBIT VI
LETTER OF CREDIT
PROJECTED VS. ACTUAL DRAWS
FFY 2000**

QUARTER	PROJECTED DRAWS	ACTUAL DRAWS	DIFFERENCE
1ST	\$2,510,000	\$2,669,793	\$159,793
2ND	\$1,430,000	\$2,878,101	\$1,448,101
3RD	\$2,275,000	\$1,545,776	(\$729,224)
4TH	\$4,490,000	\$1,032,155	(\$3,457,845)
TOTAL	\$10,705,000	\$8,125,825	(\$2,579,175)

**EXHIBIT VII
ENVIRONMENTAL REVIEW AND
LAND PURCHASE INFORMATION**

Loan Recipient	Environmental Assessment Class	Environmental Assessment Publication Date	Land Purchase w/ SRF?
Aurora (01)	CatEx	07/19/00	No
Beresford (01)	FNSI	06/08/00	No
Beresford (01)	Addendum to FNSI	08/31/00	No
Hartford (01)	CatEx	04/06/00	No
Hartford (02)	FNSI	04/06/00	No
Lead (04)	CatEx	07/20/00	No
Mobridge (03)	FNSI	04/19/00	No
Sioux Falls (14)	CatEx	06/26/98	No
Sioux Falls (14)	CatEx	03/19/99	No
Sioux Falls (14)	CatEx	10/29/99	No
Sioux Falls (14)	CatEx	07/07/00	No
Sioux Falls (14)	FNSI	07/15/00	No
Sturgis (04)	FNSI	04/08/00	Yes
Whitewood (02)	CatEx	08/05/00	No

EXHIBITS VIII - XII
CLEAN WATER SRF
FINANCIAL STATEMENTS
(unaudited)

EXHIBIT VIII
LOAN PARTICIPANTS
36,799
(Unaudited)

Borrower Name	Rate/Term	Loan Amount	Other Advances	State Advances	Federal Advances	Total Advances	Repayment Amounts	Loan Balances
Aurora (01)	5.00%/20 Yrs	410,000	0	0	0	0	0	0
Belle Fourche (01)	3.00%/20 Yrs	253,000	0	38,396	214,604	253,000	80,558	172,442
Belle Fourche (02)	4.50%/10 Yrs	264,422	0	44,071	220,351	264,422	106,475	157,947
Beresford (01)	4.50%/10 Yrs	1,150,000	0	0	0	0	0	0
Box Elder (01)	3.00%/20 Yrs	648,600	0	108,100	540,500	648,600	273,417	375,183
Brandon (01)	3.00%/10 Yrs	105,000	0	103,772	1,277	105,049	105,049	0
Brandon (02)	3.00%/10 Yrs	526,018	0	125,389	400,629	526,018	266,543	259,475
Bridgewater (01)	5.25%/20 Yrs	90,328	0	15,055	75,273	90,328	4,696	85,632
Britton (01)	4.50%/10 Yrs	509,935	0	84,990	424,945	509,935	29,267	480,668
Brookings (01)	4.00%/15 Yrs	188,065	0	31,344	156,721	188,065	161,370	26,695
Canton (01)	4.00%/15 Yrs	515,715	0	0	515,715	515,715	202,884	312,831
Chamberlain (01)	3.00%/10 Yrs	350,500	0	0	350,000	350,000	350,000	0
Chamberlain (02)	3.00%/10 Yrs	265,000	0	44,167	220,833	265,000	265,000	0
Chamberlain (03)	5.25%/20 Yrs	2,700,000	0	450,002	2,249,998	2,700,000	204,578	2,495,422
Chamberlain (04)	5.25%/20 Yrs	450,000	0	75,000	375,000	450,000	16,493	433,507
Clear Lake (01)	4.00%/15 Yrs	79,537	0	18,075	61,462	79,537	47,752	31,785
Custer (01)	3.00%/20 Yrs	430,000	0	91,087	338,913	430,000	140,385	289,615
Custer (02)	3.00%/20 Yrs	182,000	0	30,333	151,667	182,000	71,120	110,880
Custer (03)	3.00%/10 Yrs	276,000	0	46,003	229,997	276,000	134,583	141,417
Custer-Fall River (NPS-01)	5.00%/20 Yrs	106,939	0	17,823	89,116	106,939	106,939	0
Deadwood (01)	4.00%/15 Yrs	447,838	0	74,640	373,198	447,838	127,047	320,791
Dell Rapids (01)	3.00%/10 Yrs	300,000	0	50,001	249,999	300,000	153,841	146,159
Elk Point (01)	4.00%/15 Yrs	458,000	0	76,335	381,665	458,000	130,324	327,676
Fort Pierre (01)	3.00%/10 Yrs	330,294	0	55,051	275,243	330,294	147,329	182,965
Garretson (01)	4.00%/15 Yrs	300,000	0	50,001	249,999	300,000	244,186	55,814
Groton (01)	3.00%/10 Yrs	189,524	0	31,589	157,935	189,524	78,324	111,200
Groton (02)	3.00%/10 Yrs	74,630	0	12,440	62,190	74,630	30,842	43,788
Groton (03)	5.25%/20 Yrs	470,809	0	78,467	392,342	470,809	17,860	452,949
Harrisburg (01)	5.00%/20 Yrs	507,277	0	84,545	422,732	507,277	13,116	494,161
Hartford (01)	5.00%/20 Yrs	504,000	0	8,810	44,052	52,862	0	52,862

Hartford (02)	5.00%/20 Yrs	153,067	0	25,511	127,556	153,067	0	153,067
Hot Springs (01)	3.00%/10 Yrs	196,930	0	32,822	164,108	196,930	99,329	97,601
Hot Springs (NPS-01)	5.00%/20 Yrs	930,000	0	155,001	774,999	930,000	150,978	779,022
Huron (01)	3.00%/20 Yrs	1,656,000	0	276,001	1,379,999	1,656,000	604,094	1,051,906
Huron (02)	3.00%/10 Yrs	701,997	0	110,501	591,496	701,997	544,332	157,665
Huron (03)	5.25%/20 Yrs	1,856,828	0	309,472	1,547,356	1,856,828	199,692	1,657,136
Lake Cochrane SD (01)	3.00%/20 Yrs	80,000	0	13,333	66,667	80,000	35,334	44,666
Lake Madison SD (01)	4.00%/15 Yrs	330,000	0	55,000	275,000	330,000	179,611	150,389
Lead (01)	3.00%/20 Yrs	186,409	0	31,068	155,341	186,409	71,042	115,367
Lead (02)	3.00%/10 Yrs	500,770	0	94,264	406,506	500,770	370,153	130,617
Lead (03)	3.00%/10 Yrs	375,298	0	21,459	353,839	375,298	234,247	141,051
Lead (04)	4.50%/10 Yrs	239,200	0	0	0	0	0	0
Lead-Deadwood SD (01)	3.00%/5 Yrs	106,855	0	17,809	89,046	106,855	106,855	0
Lemmon (01)	3.00%/20 Yrs	427,100	0	71,184	355,916	427,100	181,872	245,228
Lennox (01)	5.25%/20 Yrs	350,000	0	58,336	291,664	350,000	39,232	310,768
Lennox (02)	5.25%/20 Yrs	583,735	0	97,288	486,447	583,735	29,706	554,029
Madison (01)	3.00%/10 Yrs	119,416	0	19,904	99,512	119,416	99,151	20,265
McCook Lake SD (01)	5.00%/20 Yrs	641,935	0	45,304	596,631	641,935	146,437	495,498
Mitchell (01)	4.50%/20 Yrs	1,543,405	1,543,405	0	0	1,543,405	194,882	1,348,523
Mobridge (01)	3.00%/20 Yrs	1,500,000	0	250,000	1,250,000	1,500,000	559,711	940,289
Mobridge (02)	4.00%/15 Yrs	158,000	0	158,000	0	158,000	74,984	83,016
Mobridge (03)	4.50%/10 Yrs	1,355,000	0	0	0	0	0	0
North Sioux City (01)	3.00%/10 Yrs	239,650	0	35,828	203,822	239,650	141,542	98,108
North Sioux City (02)	5.00%/15 Yrs	646,000	0	107,667	538,333	646,000	110,832	535,168
Northdale SD (01)	5.00%/20 Yrs	256,380	0	42,731	213,649	256,380	45,849	210,531
Philip (01)	5.00%/15 Yrs	453,885	0	75,649	378,236	453,885	98,183	355,702
Philip (02)	5.25%/20 Yrs	321,127	0	53,503	267,624	321,127	17,487	303,640
Pickerel Lake SD (01)	5.25%/20 Yrs	850,000	0	141,668	708,332	850,000	203,464	646,536
Pickerel Lake SD (02)	5.25%/20 Yrs	670,000	0	111,668	558,332	670,000	165,435	504,565
Pierre (01)	4.00%/15 Yrs	433,976	0	119,669	314,307	433,976	194,300	239,676
Pierre (02)	5.25%/20 Yrs	4,417,000	0	736,167	3,680,833	4,417,000	146,826	4,270,174
Pierre (03)	5.00%/20 Yrs	5,391,260	0	894,379	4,471,881	5,366,260	0	5,366,260
Platte (01)	5.00%/20 Yrs	1,000,000	0	9,159	45,789	54,948	0	54,948

Pollock (01)	3.00%/10 Yrs	151,619	0	25,269	126,350	151,619	77,765	73,854
Rapid City (01)	4.00%/15 Yrs	2,479,905	0	314,856	2,165,049	2,479,905	960,149	1,519,756
Rapid City (02)	4.00%/15 Yrs	986,685	0	84,228	902,457	986,685	304,590	682,095
Rapid City (03)	4.00%/15 Yrs	674,577	0	139,827	534,750	674,577	189,894	484,683
Rapid City (04)	4.00%/15 Yrs	1,214,861	0	202,476	1,012,385	1,214,861	360,675	854,186
Rapid Valley SD (01)	3.00%/20 Yrs	614,000	0	37,161	576,839	614,000	614,000	0
Rapid Valley SD (02)	4.00%/15 Yrs	364,583	0	60,762	303,821	364,583	90,500	274,083
Rapid Valley SD (03)	5.25%/20 Yrs	630,000	0	105,000	525,000	630,000	40,388	589,612
Richmond Lake SD (01)	5.25%/20 Yrs	414,000	0	69,000	345,000	414,000	34,508	379,492
Richmond Lake SD (01)	5.25%/20 Yrs	226,500	0	31,916	159,584	191,500	4,156	187,344
Roscoe (01)	5.25%/20 Yrs	358,408	0	59,735	298,673	358,408	358,408	0
Sioux Falls (01)	3.00%/20 Yrs	2,836,963	0	485,790	2,351,173	2,836,963	958,280	1,878,683
Sioux Falls (02)	3.00%/10 Yrs	453,999	0	63,755	390,244	453,999	343,924	110,075
Sioux Falls (03)	3.00%/10 Yrs	845,000	0	214,026	630,974	845,000	533,843	311,157
Sioux Falls (04)	3.00%/10 Yrs	1,200,000	0	451,539	748,461	1,200,000	876,251	323,749
Sioux Falls (05)	3.00%/10 Yrs	1,955,000	0	7,485	1,947,515	1,955,000	1,128,653	826,346
Sioux Falls (06)	3.00%/10 Yrs	700,000	0	28,754	671,246	700,000	455,263	244,737
Sioux Falls (07)	3.00%/10 Yrs	4,500,000	0	717,666	3,782,334	4,500,000	2,119,182	2,380,818
Sioux Falls (08)	3.00%/10 Yrs	699,003	0	87,540	611,463	699,003	260,913	438,090
Sioux Falls (09)	3.00%/10 Yrs	1,250,000	0	208,336	1,041,664	1,250,000	490,223	759,777
Sioux Falls (10)	3.00%/10 Yrs	1,432,941	0	155,264	1,277,677	1,432,941	564,470	868,471
Sioux Falls (11)	4.50%/10 Yrs	1,195,346	0	199,225	996,121	1,195,346	376,158	819,188
Sioux Falls (12)	4.50%/10 Yrs	1,300,000	0	216,667	1,083,333	1,300,000	361,664	938,336
Sioux Falls (13)	4.50%/10 Yrs	2,500,000	0	298,255	1,491,272	1,789,527	201,221	1,588,306
Sioux Falls (14)	4.50%/10 Yrs	5,100,000	0	0	0	0	0	0
Southern Missouri (NPS-01)	5.00%/20 Yrs	700,000	0	116,667	583,333	700,000	438,376	261,624
Spearfish (01)	4.00%/15 Yrs	1,956,000	0	61,132	1,894,868	1,956,000	696,419	1,259,580
Sturgis (01)	5.00%/20 Yrs	502,000	0	83,667	418,333	502,000	72,266	429,734
Sturgis (02)	5.00%/20 Yrs	936,250	0	103,368	832,882	936,250	161,938	774,312
Sturgis (03)	5.25%/20 Yrs	437,380	0	72,896	364,484	437,380	34,697	402,683
Sturgis (04)	5.00%/20 Yrs	2,100,000	0	0	0	0	0	0
Tea (01)	4.00%/15 Yrs	600,000	0	99,999	500,001	600,000	179,785	420,215
Tea (02)	4.00%/15 Yrs	600,000	0	89,603	510,397	600,000	164,466	435,534
Tea (03)	5.25%/20 Yrs	208,813	0	34,802	174,011	208,813	20,335	188,478
Tea (04)	5.00%/20 Yrs	375,000	0	62,501	312,499	375,000	31,543	343,457
Valley Springs (01)	5.25%/20 Yrs	430,000	0	70,356	351,772	422,128	13,277	408,851
Vermillion (01)	3.00%/20 Yrs	125,000	0	97,149	27,851	125,000	38,395	86,605
Vermillion (02)	4.00%/15 Yrs	370,471	0	61,746	308,725	370,471	94,403	276,068
Vermillion (NPS-01)	4.50%/10 Yrs	356,531	0	59,422	297,109	356,531	133,519	223,012
Wall (01)	5.00%/20 Yrs	1,146,000	0	92,601	463,005	555,606	0	555,606

Warner (01)	4.50%/10 Yrs	101,152	0	16,859	84,293	101,152	38,675	62,477
Watertown (01)	4.00%/15 Yrs	2,000,000	0	792,024	1,207,976	2,000,000	819,163	1,180,837
Watertown (02)	4.00%/15 Yrs	4,000,000	0	760,786	3,239,214	4,000,000	1,412,253	2,587,747
Watertown (03)	5.25%/20 Yrs	2,583,734	0	430,622	2,153,112	2,583,734	293,455	2,290,279
Watertown (04)	5.25%/20 Yrs	932,830	932,830	0	0	932,830	932,830	0
Waubay (01)	5.00%/20 Yrs	81,454	0	81,454	0	81,454	81,454	0
Webster (01)	4.50%/10 Yrs	345,394	0	57,566	287,828	345,394	100,833	244,561
Whitewood (01)	4.00%/15 Yrs	180,801	0	26,344	154,457	180,801	71,128	109,673
Whitewood (02)	5.00%/20 Yrs	275,000	0	0	0	0	0	0
Worthing (01)	5.25%/20 Yrs	227,645	0	37,939	189,706	227,645	21,749	205,896
Yankton (01)	5.25%/20 Yrs	2,625,000	0	344,050	1,720,247	2,064,297	0	2,064,297
Yanton (02)	6.00%/20 Yrs	4,500,000	0	0	0	0	0	0
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		104,534,499	2,476,235	13,933,917	69,669,065	86,079,217	26,111,579	59,967,637

EXHIBIT IX
Projected Cash Flow Worksheet
for 10-1-00 thru 09/30/01
(Unaudited)

Borrower	Principal	Interest	Admin Surcharge	Total
Belle Fourche (01)	11,798	3,781	1,260	16,839
Belle Fourche (02)	26,707	4,995	1,664	33,366
Box Elder (01)	32,352	8,110	2,703	43,165
Brandon (02)	53,327	5,391	1,797	60,515
Bridgewater (01)	2,845	3,358	1,119	7,322
Britton (01)	42,425	16,043	5,347	63,815
Brookings (01)	15,862	623	208	16,693
Canton (01)	33,878	9,007	3,002	45,887
Chamberlain (03)	89,599	96,949	32,316	218,864
Chamberlain (04)	13,991	16,865	5,621	36,477
Clear Lake (01)	5,416	893	298	6,607
Custer (01)	20,359	6,308	2,102	28,769
Custer (02)	9,038	2,402	801	12,241
Custer (03)	28,123	2,893	965	31,981
Deadwood (01)	27,456	9,249	3,083	39,788
Dell Rapids (01)	30,798	2,973	991	34,762
Elk Point (01)	28,062	9,517	3,173	40,752
Ft. Pierre (01)	33,238	3,776	1,258	38,272
Garretson (01)	24,830	1,397	466	26,693
Groton (01)	18,883	2,344	781	22,008
Groton (02)	7,436	923	307	8,666
Groton (01)	14,928	17,617	5,872	38,417
Harrisburg (01)	16,919	18,319	4,580	39,818
Hot Springs (01)	20,167	1,989	663	22,819
Hot Springs (NPS-01)	35,506	28,609	9,536	73,651
Huron (01)	79,817	22,849	7,617	110,283
Huron (02)	77,076	3,330	1,110	81,516
Huron (03)	64,889	64,090	21,363	150,342
Lake Cochrane San Dist (01)	4,006	971	324	5,301
Lake Madison San Dist (01)	23,737	4,188	1,396	29,321
Lead (01)	9,069	2,503	834	12,406
Lead (02)	54,862	2,376	792	58,030
Lead (03)	39,800	2,765	922	43,487

Lemmon (01)	21,199	5,458	1,819	28,476
Lennox (01)	12,193	12,058	4,020	28,271
Lennox (02)	18,259	21,548	7,183	46,990
Madison (01)	13,309	418	140	13,867
McCook Lake San Dist (01)	27,056	18,120	6,041	51,217
Mitchell (01)	133,347	43,841	14,613	191,801
Mobridge (01)	72,612	20,412	6,804	99,828
Mobridge (02)	10,932	2,341	781	14,054
North Sioux City (01)	25,097	1,997	665	27,759
North Sioux City (02)	35,371	19,577	6,525	61,473
Northdale San Dist (01)	10,064	7,723	2,575	20,362
Philip (01)	25,790	12,978	4,326	43,094
Philip (02)	10,226	11,806	3,935	25,967
Pickerel Lake San Dist (01)	23,214	25,118	8,373	56,705
Pickerel Lake San Dist (02)	16,629	19,624	6,542	42,795
Pierre (01)	29,470	6,788	2,263	38,521
Pierre (02)	142,402	165,593	55,197	363,192
Pierre (03)	120,312	160,545	40,136	320,993
Platte (01)	1,226	1,636	409	3,271
Pollock (01)	15,449	1,618	539	17,606
Rapid City (01)	164,581	43,756	14,586	222,923
Rapid City (02)	62,227	19,769	6,589	88,585
Rapid City (03)	41,508	14,077	4,693	60,278
Rapid City (04)	75,476	24,784	8,261	108,521
Rapid Valley San Dist (02)	22,298	7,918	2,639	32,855
Rapid Valley San Dist (03)	21,435	22,833	7,611	51,879
Richmond Lake San Dist (01)	13,626	14,743	4,915	33,284
Richmond Lake San Dist (02)	5,801	7,292	2,430	15,523
Sioux Falls (01)	134,278	40,893	13,631	188,802
Sioux Falls (02)	49,916	1,965	655	52,536
Sioux Falls (03)	92,534	6,052	2,017	100,603
Sioux Falls (04)	131,128	5,939	1,980	139,047
Sioux Falls (05)	211,362	16,425	5,475	233,262
Sioux Falls (06)	74,792	4,739	1,580	81,111
Sioux Falls (07)	456,243	48,889	16,296	521,428
Sioux Falls (08)	68,698	9,152	3,051	80,901
Sioux Falls (09)	124,879	15,814	5,272	145,965
Sioux Falls (10)	142,745	18,077	6,025	166,847
Sioux Falls (11)	114,368	25,893	8,631	148,892
Sioux Falls (12)	123,480	29,774	9,925	163,179
Sioux Falls (13)	175,244	50,917	16,972	243,133
Southern Missouri WMD (01)	9,950	9,641	3,214	22,805

Spearfish (01)	125,104	36,387	12,128	173,619
Sturgis (01)	18,616	15,855	5,285	39,756
Sturgis (02)	36,428	28,416	9,472	74,316
Sturgis (03)	14,791	15,639	5,212	35,642
Tea (01)	36,763	12,468	4,156	53,387
Tea (02)	35,816	12,931	4,311	53,058
Tea (03)	6,827	7,388	2,462	16,677
Tea (04)	18,549	12,792	4,264	35,605
Valley Springs (01)	12,659	15,914	5,304	33,877
Vermillion (01)	5,801	1,900	633	8,334
Vermillion (02)	22,252	8,034	2,678	32,964
Vermillion (NPS-01)	34,781	7,091	2,363	44,235
Wall (01)	7,516	10,029	2,507	20,052
Warner (01)	10,246	1,980	660	12,886
Watertown (01)	132,696	33,945	11,315	177,956
Watertown (02)	261,001	74,720	24,907	360,628
Watertown (03)	91,926	88,837	29,613	210,376
Webster (01)	33,154	7,838	2,613	43,605
Whitewood (01)	11,877	3,158	1,052	16,087
Worthing (01)	7,797	8,069	2,689	18,555
Yankton (01)	44,801	60,524	20,175	125,500
	\$ 5,047,326	\$ 1,839,859	\$ 597,404	\$ 7,484,589

EXHIBIT X
CLEAN WATER STATE REVOLVING FUND
BALANCE SHEET
September 30, 2000
(Unaudited)

ASSETS:

Cash (note 2)	\$2,294,939.77
Investments (note 3)	\$39,674,308.39
Loans Receivable (Exhibit VIII)	\$59,967,637.38
Federal LOC Commitment less Cash Draws	\$10,435,295.00
Accrued Interest Receivable	\$936,585.77
Due from Other Governments	\$158,322.15
Deferred Charges	\$514,136.95
TOTAL ASSETS	\$113,981,225.41

LIABILITIES AND FUND EQUITY:

Liabilities:

Accounts Payable	\$36,156.00
Bonds Payable (note 5)	\$16,364,361.21
Wages Payable	\$3,750.24
Accrued Employee Benefits	\$769.57
Accrued Interest Payable (note 5)	\$156,682.50
Total Liabilities	\$16,561,719.52

Fund Equity:

Contributions from EPA (note 6)	\$82,783,100.00
Retained Earnings	\$13,436,405.89
Contributed Capital	\$1,200,000.00
Total Fund Equity	\$97,419,505.89

TOTAL LIABILITIES AND FUND EQUITY **\$113,981,225.41**

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

EXHIBIT XI
CLEAN WATER STATE REVOLVING FUND
STATEMENT OF INCOME AND RETAINED EARNINGS
For the Fiscal Year Ended September 30, 2000
(Unaudited)

Operating Revenues:	
Interest Income	\$1,943,639.39
Investment Income	\$2,378,403.42
Other Income	\$632,683.34
Total Operating Revenue	\$4,954,726.15
Operating Expenses:	
Administrative Expenses (note 7)	\$161,945.44
Interest Expense	\$1,068,815.00
Bond Issuance Expense	\$27,696.62
Bond Discount Expense	\$7,836.42
Total Operating Expenses	\$1,266,293.48
Operating Income (Loss)	\$3,688,432.67
Operating Transfers:	
Operating Transfer Out	(\$21,969.73)
Net Income (Loss)	\$3,666,462.94
Fund Equity, Beginning	\$9,769,942.95
RETAINED EARNINGS, ENDING	\$13,436,405.89

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

EXHIBIT XII
CLEAN WATER STATE REVOLVING FUND
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended September 30, 2000
(Unaudited)

Cash flows form operating activities:

Net Income	\$3,688,432.67
Adjustments to reconcile net income to net cash provided (used) by operating activities:	
Investment Income	(\$2,431,778.48)
Amortization of bond issuance cost	\$27,696.62
Amortization of bond discount	\$7,836.42
Assets: (Increase)/Decrease	
Loans Receivable	(\$4,710,554.83)
Accrued Interest Receivable on Loans	(\$235,210.71)
Federal LOC Commitment less Cash Draws	\$284,454.00
Deferred Bond Issuance Costs	
Due from Other Governments	(\$65,322.15)
Liabilities: Increase/(Decrease)	
Accounts Payable	\$89,844.00
Amortization of Deferred Charges	\$94,967.50
Bond Issuance	
Accrued Interest payable	(\$6,317.50)
Cost of Issuance Payable	\$0.00
Accrued Employee Benefits	\$769.57
Wages Payable	\$3,750.24
Net cash provided by operations	(\$3,251,432.65)

Cash flows from noncapital financing activities:

Operating Transfers Out	(\$21,969.73)
Unamortized Bond Issuance Costs	
Unamortized Bond Discount Costs	
Bonds Payable	(\$860,000.00)
Payment to Escrow Agent for Defeased Bonds	
Contributions from State	
Contributions from EPA	\$6,555,200.00
Net cash provided by noncapital financing activities	\$5,673,230.27

Cash Flows from Investing Activities:

Interest on Investments	\$2,378,403.42
Net (Purchase/Sale) of Investment Securities	(\$3,892,221.18)
Increase in Investments	(\$1,513,817.76)
Net Decrease in cash and cash equivalents	\$907,979.86
Cash and cash equivalents at beginning of year	\$1,566,647.91
Cash and cash equivalents at year end	\$2,474,627.77

NOTES TO THE FINANCIAL STATEMENTS

1 The financial information contained on the Loan Participants; Projected Cash Flow Worksheet; Balance Sheets; Revenues, Expenses and Changes in Retained Earnings; and Cash Flows in Exhibits VIII through XII of the Clean Water SRF Annual Report is unaudited and prepared by personnel of the Department of Environment and Natural Resources, Division of Financial and Technical Assistance. The format for these statements is generally consistent with guidelines provided by EPA personnel.

2 Cash and Cash Equivalents consists of a Goldman Sachs Financial Square Treasury Obligation Fund rated "AAAm" by Standard and Poors, which paid on average approximately 5.84% for the year ending September 30, 2000

3 Investments consist of the following Investment Agreements:
 5.40% FGIC Capital Market Services Inc. due July 31, 2012 totaling \$22,692,246
 6.85% Societe General due August 1, 2015 totaling \$9,948,130
 6.22% MBIA Inc. due August 1, 2017 totaling \$3,263,347
 6.30% FGIC Capital Market Services Inc. due July 1, 2002 totaling \$1,926,911

4 Reserve Accounts consist primarily of the following Investment Agreements:
 5.40% FGIC Capital Market Services Inc. due July 31, 2012 totaling \$891,653
 6.85% Societe General due August 1, 2015 totaling \$711,898
 6.22% MBIA Inc. due August 1, 2017 totaling \$240,125

5 Bonds outstanding plus principal and interest payments on various bond issues are due as follows:

	<u>Bonds Outstanding</u>	<u>01-Feb-01</u>	<u>01-Aug-01</u>
Series 1994 Bonds			
Principal	7,815,000		495,000
Interest		196,798	196,797
Series 1995 Bonds			

Principal	6,895,000		305,000
Interest		203,119	203,119
Series 1996 Bonds			
Principal	2,585,000		100,000
Interest		70,131	70,131
Total	\$ 17,295,000	\$ 470,048	\$ 1,370,047

6 The contribution from EPA is the full amount authorized for the periods ending as follows:

September 30, 2000

1989	4,577,200	1995	6,007,800
1990	4,738,000	1996	9,904,700
1991	10,074,800	1997	2,990,500
1992	9,534,900	1998	6,577,300
1993	9,431,000	1999	6,577,900
1994	5,813,800	2000	6,555,200

Total \$ 82,783,100

7 The annual administrative expenses of the Clean Water SRF program are as follows:

	Year Ending 09/30/2000	Cumulative Total
State of South Dakota	91,541	2,051,363
First National Bank	48,463	336,441
Alzheimer & Gray	20,625	175,125
Other	1,316	79,508
Total	\$ 161,945	\$ 2,642,437

ADDENDUM I
FEDERAL FISCAL YEAR 2001
INTENDED USE PLAN

**SOUTH DAKOTA CLEAN WATER STATE REVOLVING FUND
FY 2001 INTENDED USE PLAN**

I. INTRODUCTION

The state of South Dakota proposes to adopt the following Intended Use Plan (IUP) for federal fiscal year 2001 as required under Section 606(c) of the Clean Water Act.

The primary purpose of the IUP is to identify the proposed annual intended use of the amounts available to the Clean Water State Revolving Fund (SRF). The IUP has been reviewed by the public and reflects the results of such review.

The IUP includes the following:

1. List of projects and activities;
2. Goals and objectives;
3. Information on the activities to be supported;
4. Assurances and specific proposals; and
5. Criteria and method for distribution of funds.

II. LIST OF PROJECTS

The IUP identifies potential wastewater projects and nonpoint source management activities. The list of potential wastewater projects incorporates a priority ranking system to comply with Project Priority List requirements as per federal regulations. To be eligible for Clean Water SRF funding the project/activity must be identified and included as a potential project in the IUP. Attachment I is the list of wastewater projects that have been identified from the State Water Plan as potential borrowers of Clean Water SRF funds during federal fiscal year 2001. The state may also fund nonpoint source management projects/activities from Attachment II as they apply, subject to the Clean Water SRF rules adopted by the Board of Water and Natural Resources (BWNR). According to the administrative rules, the BWNR may set aside a portion of the 2001 Clean Water SRF allocation for nonpoint source management projects/activities.

The Clean Water SRF may be used for the following purposes:

1. Low-interest loans for secondary or more stringent treatment of any cost-effective alternatives, new interceptors and appurtenances, infiltration/inflow correction,

new collectors, sewer system rehabilitation, expansion and correction of combined sewer overflows, and construction of new storm sewers. The low-interest loans can be made for up to 100 percent of the total project cost;

2. Refinancing of existing debt obligations for municipal wastewater facilities if the debt was incurred and construction initiated after March 7, 1985; or
3. Nonpoint source implementation projects/programs.

A determination of which projects are selected from the above mentioned lists, the amount of assistance, and the financing terms and conditions will be made by the BWNR during federal fiscal year 2001.

III. GOALS AND OBJECTIVES

Long-term Goals and Objectives:

The long-term goals of the State Water Pollution Control Revolving Fund are to fully capitalize the Clean Water SRF, maintain or restore and enhance the chemical, physical and biological integrity of the state's waters for the benefit of the overall environment, protect public health, and promote economic well-being.

Objectives:

1. Maintain a permanent, self-sustaining Clean Water SRF program that will serve in perpetuity as a financing source for wastewater treatment works projects and water pollution control activities including nonpoint source and groundwater protection projects; and
2. Fulfill the requirements of pertinent federal, state, and local laws and regulations governing water pollution control activities while providing the state and local project sponsors with maximum flexibility and decision making authority regarding such activities.

Short-term Goal and Objectives:

The short-term goal of the Clean Water SRF is to fully capitalize the fund.

Objectives:

1. Ensure the technical integrity of Clean Water SRF projects through the review of planning, design plans and specifications, and construction activities;
2. Ensure compliance with all pertinent federal, state, and local water pollution control laws and regulations; and
3. Obtain maximum capitalization of the funds for the state in the shortest time possible.

IV. INFORMATION ON THE ACTIVITIES TO BE SUPPORTED

The primary type of assistance to be provided by the Clean Water SRF is loans including refinancing of existing debts, where eligible. On a more limited

basis, the state may guarantee or buy insurance for local debt obligations or leverage bond issues. The state plans on reserving four percent of the capitalization grant amount for administrative expenses.

From the Clean Water SRF these types of assistance will be provided to municipalities, sanitary districts, counties, or other units of government for publicly owned wastewater treatment facilities, storm sewers, and nonpoint source pollution control programs in conjunction with the Clean Water SRF rules adopted by the BWNR.

V. ASSURANCE AND SPECIFIC PROPOSALS

The state has assured compliance with the following sections of the law in the State/EPA Operating Agreement - XI Certification Procedures. In addition, the state has developed specific proposals on implementation of those assurances in the rules promulgated by the BWNR.

Section 602(a) - Environmental Reviews - The state certifies that it will conduct environmental reviews of each project on Attachment I receiving assistance from the Clean Water SRF. The state will follow EPA approved National Environmental Policy Act (NEPA) procedures in conjunction with such environmental reviews.

Section 602(b)(3) - Binding Commitments - The state certifies that it will enter into binding commitments equal to at least 120 percent of each quarterly grant payment within one year after receipt.

Section 602(b)(4) - Timely Expenditures of Funds - The state is committed to obligate Clean Water SRF moneys to eligible applicants as quickly and efficiently as possible to facilitate the financing of eligible projects and to initiate construction with a minimum of delay.

Section 602(b)(5) - First Use Enforceable Requirements - The staff certifies that all major and minor wastewater treatment facilities identified as part of the National Municipal Policy (NMP) universe are:

1. in compliance, or
2. have received funding through various state and federal assistance programs and constructed a facility designed to produce an effluent capable

of meeting the appropriate permit limits and achieve compliance with its discharge permit, or

3. have upgraded existing facilities or constructed new facilities through its own means to achieve compliance with its discharge permit.

Those projects identified as part of the NMP universe were given priority for Clean Water SRF assistance.

Section 602(b)(6) - Compliance with Title II Requirements - The state certifies that it will comply as applicable.

VI. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

The Clean Water SRF funds are being distributed using the following criteria:

1. the availability of funds in the Clean Water SRF program;
2. the applicant's need;
3. violation of health and safety standards; and
4. the applicant's ability to repay.

The methods and criteria used are designed to provide the maximum flexibility and assistance that is affordable to the borrower while providing for the long-term viability of the fund.

Interest rates are reviewed annually and are set to be competitive with other funding agencies and to keep pace with inflation. The rate and term of each loan is at the discretion of the project sponsor provided the proposed repayment source produces sufficient coverage. For fiscal year 2001, the SRF program will provide loans at the following interest rates: 4.50 percent for 10-year loans, 4.75 percent for 15-year loans, and 5.00 percent for 20-year loans. Included in the loan rate is an administrative surcharge of 1.00 percent. For example, a 10-year note consists of 3.50 percent interest and 1.00 percent administrative surcharge. The primary purpose of the surcharge is to provide a pool of funds to be used for administrative purposes after the state ceases to receive capitalization grants. The administrative surcharge is also available for other purposes, as determined eligible by EPA and at the discretion of the BWRN and department.

To encourage more proactive planning within small communities, the department is proposing to use administrative surcharge income for planning grants. It is intended that grants will be available for communities having a population of 1000 or less. The planning grant will reimburse 80 percent of the cost of the study, with the maximum grant amount for any project being \$6,500. The department anticipates using up to \$50,000 of administrative surcharge income in FY 2001 to initiate the program. Future allocations of administrative surcharge will depend on program demand.

The department is also exploring the option of using the administrative surcharge to match future capitalization grants.

Public Review and Comment - On May 25, 1988, a public hearing was held to review the initial Clean Water SRF rules and to receive comments. The BWNR approved the rules following the hearing. Revisions to the Clean Water SRF rules have been made periodically to reflect the needs of the program. The most recent revisions were made at a public meeting in December of 1998.

A formal public hearing was held for the South Dakota FY 2001 Clean Water Clean Water SRF IUP on November 8, 2000, and acted upon at that time. Copies of the document were mailed to interested parties prior to the public hearing and were available to the public on the department's web site.

ATTACHMENT I

LIST OF POTENTIAL WASTEWATER PROJECTS

Applicant	Loan #	Project Description	Estimated Loan Amount
Alcester	C461212-01	Treatment	\$1,200,000
Alpena	C461263-01	Treatment	\$500,000
Badger	C461309-01	Treatment	\$100,000
Bison	C461139-01	Treatment	\$180,000
Black Hawk Sanitary District	C461427-01	Interceptor	\$450,000
Canistota	C461226-01	Collectors/Interceptors	\$300,000
Castlewood	C461246-01	Collectors/Interceptors	\$250,000
Centerville	C461215-01	Treatment	\$500,000
Centerville	C461215-02	Sewer Rehabilitation	\$1,000,000
Colman	C461144-01	Treatment	\$300,000
Corsica	C461107-01	Treatment	\$100,000
Cresbard	C461132-01	Storm Sewer	\$155,000
Custer	C461021-04	Sewer Rehabilitation	\$380,000
Elk Point	C461059-02	Treatment	\$100,000
Elk Point	C461059-03	Storm Sewer	\$184,000
Elk Point	C461059-04	Collectors/Interceptors/Storm Sewers	\$560,000
Harrold	C461091-01	Treatment	\$120,000
Hecla	C461276-01	Treatment	\$100,000
Highmore	C461106-01	Treatment	\$200,000
Hill City	C461231-01	Treatment	\$800,000
Irene	C461255-01	Collectors/Interceptors	\$100,000
Lake Preston	C461011-01	Storm Sewer/Sewer Rehabilitation	\$130,000
Lennox	C461105-03	Storm Sewer/Sewer Rehabilitation	\$670,000
New Effington	C461416-01	Treatment	\$335,000
Northville	C461371-01	Treatment	\$100,000
Parkston	C461062-01	Storm Sewers	\$200,000
Rapid City	C461014-05	Treatment	\$16,000,000
Sioux Falls	C461232-15	Treatment/Interceptors/Sewer Rehab.	\$1,000,000
Summit	C461296-01	Treatment	\$100,000
Tea	C461028-05	Storm Sewer/Sewer Rehabilitation	\$185,000
Wall Lake Sanitary District	C461300-01	Treatment	\$100,000
Wessington Springs	C461210-01	Collectors/Interceptors	\$200,000
Winner	C461123-01	Treatment	\$100,000
Yankton	C461038-03	Treatment	\$6,230,000
Yankton	C461038-04	Collectors/Interceptors	\$800,000

ATTACHMENT II

LIST OF POTENTIAL CLEAN WATER SRF NONPOINT SOURCE PROGRAMS

Activities to be implemented for the control of NPS pollution in the project areas listed for consideration include:

1. Agricultural Best Management Practices such as reduced tillage, sod based crop rotation, terraces, and fertilizer/pesticide management;
2. Urban Best Management Practices such as street cleaning, retention/detention basins, and non-vegetative soil stabilization;
3. Sediment Control Structures;
4. Studies;
 - A. Groundwater impacts from agricultural activities;
 - B. Groundwater characterization from selected aquifers; and
 - C. Wellhead protection area identification;
5. Shoreline/Streambank Erosion Control;
6. Animal Waste Management Systems;
7. Shoreline Waste Management Systems;
8. Silviculture Best Management Practices such as ground cover and debris removal;
9. Mining Best Management Practices such as water diversion and block cutting;
10. Ground Water Protection;
11. Sediment Removal; and
12. Conservation Easements and Land Acquisition.

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