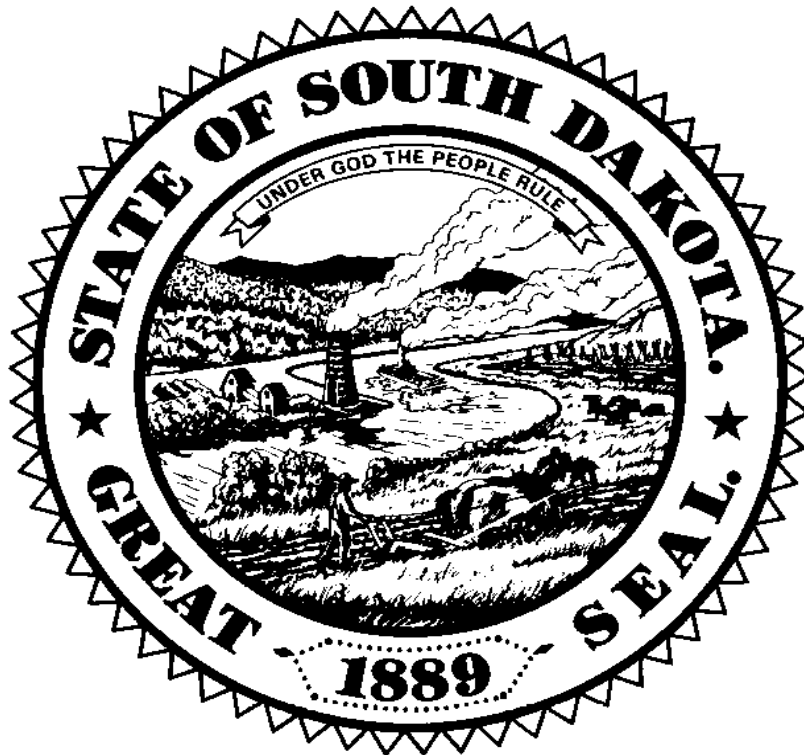


**THE SOUTH DAKOTA CONSERVANCY DISTRICT
CLEAN WATER STATE REVOLVING FUND
ANNUAL REPORT**

**FEDERAL FISCAL YEAR 2004
October 1, 2003 - September 30, 2004**



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

GREGG GREENFIELD, CHAIRMAN
Sioux Falls
Member since 1996

DON BOLLWEG, VICE-CHAIRMAN
Harrold
Member since 1994

DALE KENNEDY, SECRETARY
Beresford
Member since 1985

BRADLEY JOHNSON
Watertown
Member since 2003

GENE JONES, JR
Sioux Falls
Member since 2002

JOHN LOUCKS
Rapid City
Member since 1989

DON ROUNDS
Pierre
Member since 2003

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

2004

ANNUAL REPORT

INTRODUCTION

The state of South Dakota herewith submits its Annual Report for Federal Fiscal Year (FFY) 2004 (October 1, 2003 through September 30, 2004). 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 2004 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 2004 activity. The next section addresses the *Goals and Objectives* the state of South Dakota identified in its 2004 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 2004, 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. Finally, Addendum I is the *Intended Use Plan for Federal Fiscal Year 2005*. 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.

EXECUTIVE SUMMARY

South Dakota's Clean Water SRF Program received a federal capitalization grant of \$6,471,800 for Federal Fiscal Year 2004. These funds were matched by \$1,294,360 in bond proceeds.

CLEAN WATER SRF LOANS

The Conservancy District approved 10 loans with 9 communities totaling \$11,369,351. A summary of loans approved in FFY 2004 together with project descriptions is provided in Table 1.

**Table 1
Clean Water Loans
Federal Fiscal Year 2004**

Recipient	Project Description	Assistance Amount	Rate/Term %/Years
Clear Lake (02)	Wastewater Collection Improvements	\$910,000	3.25%/20
Fort Pierre (03)	New Wastewater Lagoon	\$450,000	3.5%/20
Gayville (01)	Wastewater Lagoon	\$275,000	3.25%/20
Lake Cochrane San Dist (02)	Wastewater Collection System Upgrade	\$160,000	3.5%/20
Parker (01)	Wastewater System Improvements	\$824,000	3.25%/20
Sioux Falls (18)	Wastewater System Improvements	\$3,951,000	2.5%/10
Sioux Falls (19)	Stormwater Detention Ponds Retrofit	\$801,000	2.5%/10
Valley Springs (02)	Sanitary Sewer Replacement	\$350,000	3.25%/20
Vermillion (04)	Wastewater Treatment Plant Improvements	\$3,548,351	3.25%/20
Willow Lake (01)	Wastewater System Improvements	\$100,000	3.5%/20
TOTAL		\$11,369,351	

Loan disbursements from the program to the current and prior year recipients totaled \$12,333,668. Ninety-six loans are currently in repayment, and FFY 2004 repayments totaled \$10,582,864. Of this amount, \$7,150,807 was for principal, \$2,670,151 was for interest, and \$761,906 was for administrative surcharge. Included in these repayments were eight loans that completed payments during the fiscal year, bringing the number of loans that have been paid in full to 35.

Since the program was initiated in 1988, 156 loans have been awarded. The projects associated with 136 loans are fully constructed or essentially complete and in operation. The following fifteen projects initiated operations this past year:

Baltic (01)	Canton (02)
Centerville (01)	Clark (01)
Groton (04)	Jefferson (01)
Pierre (04)	Rapid City (05)
Salem (01)	Scotland (01)
Sioux Falls (15)	Sioux Falls (17)

Tea (05)
Yankton (03)

Webster (02)

The Clean Water SRF program forms are provided in 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. All forms are also available at http://www.state.sd.us/denr/denr_form_program.htm.

INTEREST RATES

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) current market rates, (2) rates secured on state issued matching funds, and (3) current demand for SRF funds.

The board reviewed interest rates in September 2003 and retained the FFY 2003 interest rates at 3.5 percent for loans up to 20 years, which is 2.5 percent interest plus 1.0 percent administrative surcharge fee. The board also set a rate of 2.5 percent for up to 3 years for interim financing of eligible projects..

In March 2004, the board adjusted the base rates to 2.5 percent for loans up to 10 years and 3.25 percent for loans up to 20 years. The 3.25 percent rate includes 2.5 percent interest plus 0.75 percent administrative surcharge fee. The 2.5 percent rate includes 2.0 percent interest plus 0.5 percent administrative surcharge. The interim financing rate was adjusted to 2.0 percent.

The board also established a nonpoint source incentive rate for nonpoint source projects at 1.5 percent for loans with a term of 10 years or less and 2.25 percent for loans with a term greater than 10 years. Projects for traditional wastewater or stormwater projects that include a nonpoint component may receive the nonpoint source rate. The 2.25 percent interest rate includes 1.5 percent interest plus 0.75 percent administrative surcharge. The 1.5 percent rate includes 1.0 percent interest plus 0.50 percent administrative surcharge.

FINANCIAL ADVISOR

In September 2003, Public Financial Management (PFM) was retained to perform financial analyses of the SRF programs. PFM designed a comprehensive program cash flow model that assessed financial impacts of transfers between the Clean Water and Drinking Water programs, maintenance of SRF funds in perpetuity, short- and long-term effects of refunding some or all of the District's outstanding debt, financial impacts of leveraging the Drinking Water SRF program, and financial impacts of various methods by which required state matching funds may be provided.

BOND ISSUE

The South Dakota Conservancy District issued Series 2004 bonds for the State Revolving Fund (SRF) programs in July 2004. The purpose of the bond issue was to provide State match for the Drinking Water SRF program for 2004 through 2006, provide additional leveraged bonds

for the Drinking Water SRF program to satisfy the high loan demand, and refund prior series of Clean Water SRF bonds. The 2004 bond issue was rated AAA by Standard and Poor's and Aaa by Moody's. These are the highest ratings assigned by each agency. The bonds were marketed on June 28 and 29, 2004, and the final value of the bond was \$38,460,000. The True Interest Cost was 4.48 percent and the Net Interest Cost was 4.60 percent.

The refunding of the 1994, 1995, and 1996 series of Clean Water bonds resulted in a net present value savings of \$986,412. This savings was higher than anticipated and was a secondary benefit of the refunding. The refunding was done primarily to adopt a new Master Trust Indenture under which both SRF programs operate rather than each program having a separate indenture. The new Master Trust Indenture allows the district to more readily transfer funds between programs, and the earnings from one program can pay debts on the other program, if needed (cross-collateralization).

In conjunction with the bond issue, a Guaranteed Investment Contract (GIC) was awarded to AIG Matched Funding Corp. The GIC earns 5.07 percent, and up to \$60 million of bond proceeds and repayments from the 2001 and 2004 bond issues can be invested under this agreement. A GIC agreement was not executed for the 2001 issue because of extremely low interest rates due to the depressed financial markets following the September 11th event. The 2001 bond issue was originally scheduled to be sold on September 11, 2001.

The Clean Water portion of the bond issue amounted to \$11,390,000.

ADMINISTRATIVE SURCHARGE

The FFY 2004 Intended Use Plan allocated \$75,000 in administrative surcharge fees to the Small Community Planning Grant program. This program encourages proactive planning with small communities. Grants are available to communities of 2,500 or fewer people to assist in preparing an engineering study. Participating systems are reimbursed 80 percent of the cost of the study, up to a maximum of \$6,400, if an infiltration/inflow analysis is part of the study. Studies that do not include infiltration/inflow analyses are eligible for a maximum of \$4,000. Grants totaling \$76,664 were obligated to fourteen communities, and the awards are detailed in Table 2.

Table 2
Small Community Planning Grants
Awarded FFY 2004

Recipient	Study Description	Grant Amount
Delmont	WW System Improvements	\$6,400
Edelweiss Mtn Improvement Assn	WW System Improvements	4,000
Ethan	WW Coll. Sys./RateMaker Analysis	7,200
Geddes	WW System Improvements	6,400
Harrisburg	WW System Improvements	4,000
Jefferson	WW Collection System Improvements	6,400
Lesterville	WW Coll. Sys. Improvements	6,400
Longview San Dist	WW Collection System Improvements	4,000
Marion	Storm Sewer Improvements	4,000
Montrose	WW Collection & Treatment Upgrades	4,000
Rosholt	WW Systems Improvements/RateMaker Analysis	7,200
St. Onge Sewer & Water Co.	WW Collection and Treatment Improvements	3,864
Tea	WW System Improvements	6,400
Woonsocket	WW Treatment Facility Improvements	6,400
TOTAL		\$76,664

In fiscal year 2003, the state initiated a planning grant program to facilitate compliance with environmental permit regulations by livestock auction barns within or near communities. Planning grants are available to communities with existing livestock auction barns located within the city limits or within three miles of an incorporated community. The planning studies will evaluate such items as clean water diversions, manure handling, and wastewater treatment options to include connection to the community's sanitary sewer system. The auction barn planning grant will reimburse 60 percent of the cost of the engineering study, with the maximum grant amount for any project being \$4,200. The Conservancy District allocated \$150,000 of administrative surcharge income for this program. No future allocations of administrative surcharge for auction barn planning purposes are anticipated. The grant awards are detailed in Table 3.

Table 3
Auction Barn Planning Grants
Awarded FFY 2004

Recipient	Study Description	Grant Amount
Fort Pierre	Auction Barn Engineering Study	\$3,000
Martin	Auction Barn Planning Grant	4,200
Miller	Auction Barn Planning Grant	2,940
Redfield	Redfield Livestock Auction Wastewater	4,200
TOTAL		\$14,340

The Conservancy District entered into a joint powers agreement with the South Dakota Department of Agriculture to initiate a program to assist in the design of manure management systems for concentrated animal feeding operations (CAFOs). The Conservancy District allocated \$580,000 of administrative surcharge fees for this program. DENR and Department of Agriculture will provide assistance to operators of existing CAFOs for the development of manure management system engineering plans and designs with accompanying nutrient management plans. Assistance is limited to 60 percent of the cost of design up to a maximum \$12,000. Reimbursements totaling \$41,219 were made in FFY 2004.

GOALS AND OBJECTIVES

SHORT-TERM GOALS AND OBJECTIVES

In its 2004 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, 2004, South Dakota has made binding commitments to fully utilize all of its 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 grant during FFY 2004, and state matching funds were in place prior to receiving the grant. 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. 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.

LONG-TERM GOALS AND OBJECTIVES

In its 2004 Intended Use Plan, the state of South Dakota identified three 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, 2004, South Dakota has made binding commitments to fully utilize all of its capitalization awards 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 156 loans to 72 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 nonpoint source pollution control 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.

DETAILS OF ACTIVITIES

FUND FINANCIAL STATUS

Binding Commitments: In order to provide financial assistance for Section 212 (wastewater and storm water) and nonpoint source projects, the state entered into ten binding commitments totaling \$11,369,351. Exhibit I lists the recipients of these Clean Water SRF loans, and Exhibit II details the needs categories for those projects. Figure 1 shows the total amount of binding commitments made by year.

Sources of Funds: During FFY 2004, the state was awarded a \$6,471,800 federal capitalization grant that was matched by \$1,294,360 in bond proceeds. Exhibit III and Figure 2 show the annual capitalization grant allocation, the required state match, and leveraged funds.

Revenues and Expenses: Fund revenues consisted of interest earned on loans to communities, investment income, and administrative expense surcharge payments received from each borrower. These earnings totaled \$6,430,979.72. Fund expenses included administrative expenditures, interest payable on bonds, the amortization of each bond's issuance cost, and a refund of prior year revenue. These expenses totaled \$1,047,963.20. Additionally, \$27,377.99 was transferred out to the DENR indirect cost pool. The Statement of Income and Retained Earnings is shown on Exhibit XI.

Disbursements and Guarantees: There were no loan guarantees during Federal Fiscal Year 2004.

Findings of the Annual Audit and EPA Oversight Review: The Clean Water SRF program was audited by the South Dakota Department of Legislative Audit for state fiscal year 2003 (July 1, 2002, through June 30, 2003). The audit did not contain any written findings or recommendations.

Region VIII conducted its annual oversight review of the South Dakota Clean Water SRF program. A draft report was received in September 2004, and the following observation was made:

1. The FY05 Intended Use Plan should include a “sources and uses” table similar to the drinking water IUP format. This is a minor recommendation.

This recommendation is addressed in the 2005 Intended Use Plan.

ASSISTANCE ACTIVITY

Exhibits I through VII illustrate the assistance activity of the Clean Water SRF in Federal Fiscal Year 2004.

- Exhibit I The recipients that received Clean Water SRF loans during Federal Fiscal Year 2004. Ten loans were obligated for Section 212 (wastewater and storm water) projects.
- Exhibit II The assistance amount provided to each project by needs category.
- Exhibit III The total Clean Water SRF dollars available, broken down by fiscal year, capitalization amounts, and state match amounts.
- Exhibit IV Each Clean Water SRF loan and its source of funding.
- Exhibit V The cash draws and the projects or administrative assistance for which they were made.
- Exhibit VI The estimated and actual cash disbursement schedule from the federal Letter of Credit (LOC) for FFY 2004. The estimated schedule was agreed upon by the state and EPA in the 2004 Annual Work Plan.
- Exhibit VII The environmental review and land purchase information for the loans made in FFY 2004.

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 19 conditions have been met and need no further description:

1. Agreement to accept payments
2. Cash draws for clean water SRF program separate
3. Prior incurred costs not as state match
4. Revenues dedicated for repayment of loans
5. Procurement actions - 40 CFR Part 31
6. Administrative surcharge
7. State match
8. Cash draw schedule
9. Anti-lobbying
10. Expenditure of state matching funds
11. Deposit of state matching funds with federal moneys
12. Binding commitment ratio
13. Timely and expeditious use of funds
14. No transfer of Title II funds
15. Conduct environmental reviews
16. Eligibility of storm sewers

17. Clean Water SRF contains an 83.33 percent federal and 16.67 percent state split
18. State transferred its FFY 2002 and 2003 capitalization grants to the Drinking Water SRF program and will transfer a portion of its FFY 2004 capitalization grant to that program as well, to the maximum extent allowed.
19. 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. All loan recipients submitted project certification forms (EPA 4700-4) to DENR, which in turn submitted these forms to EPA for concurrence.

The following condition is described in detail below:

- 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 percent MBE and 3 percent WBE. The actual MBE/WBE participation achieved for FFY 2004 was 1.02 percent MBE and 9.85 percent for WBE.

PROGRAM CHANGES

2005 INTENDED USE PLAN

The Annual Report contains the 2005 Intended Use Plan as approved by the Board of Water and Natural Resources on November 5, 2004. The 2005 Intended Use Plan is included in the Annual Report as Addendum I starting on page A1.

FIGURE 1
Binding Commitments Made by Year

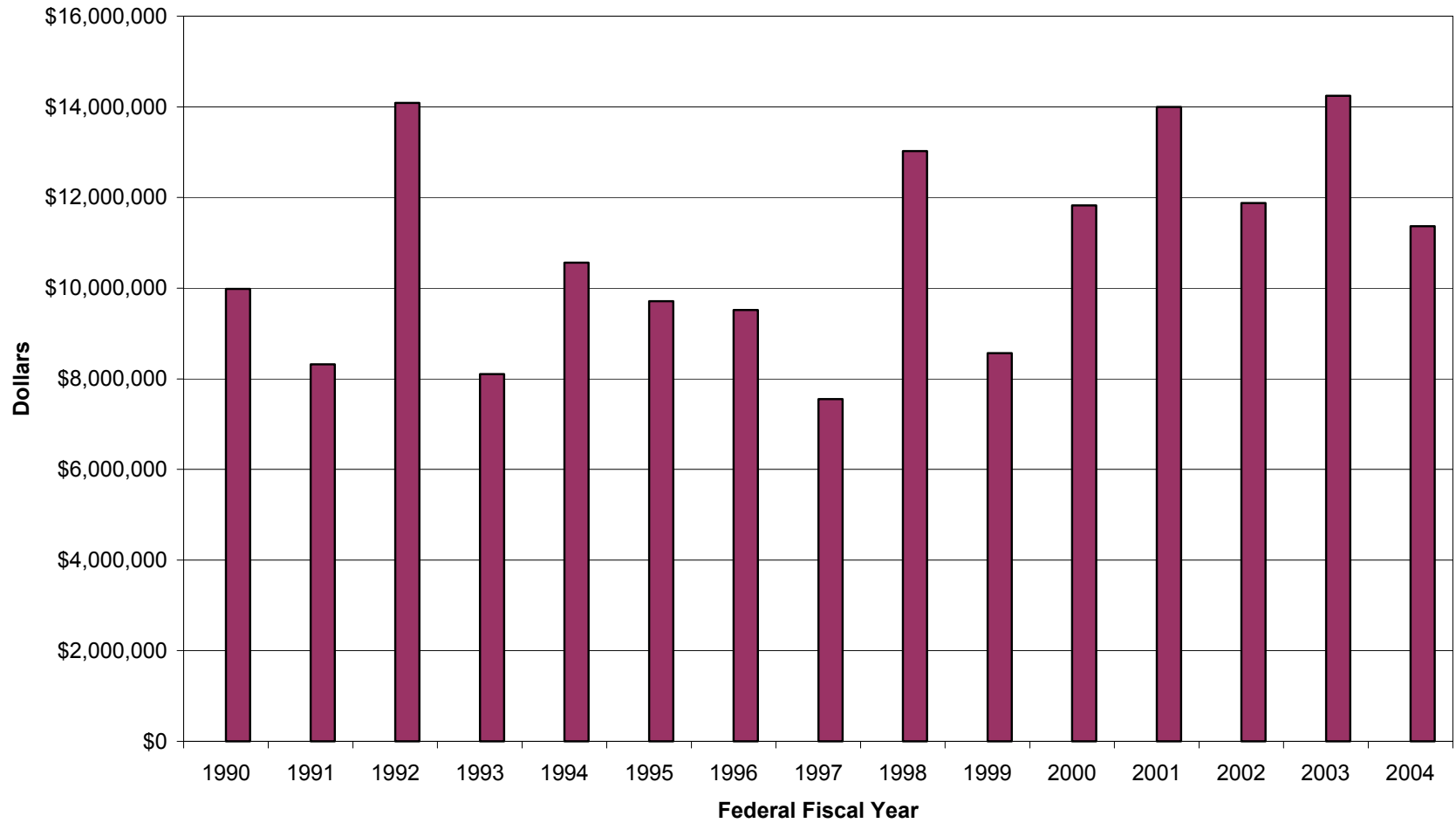
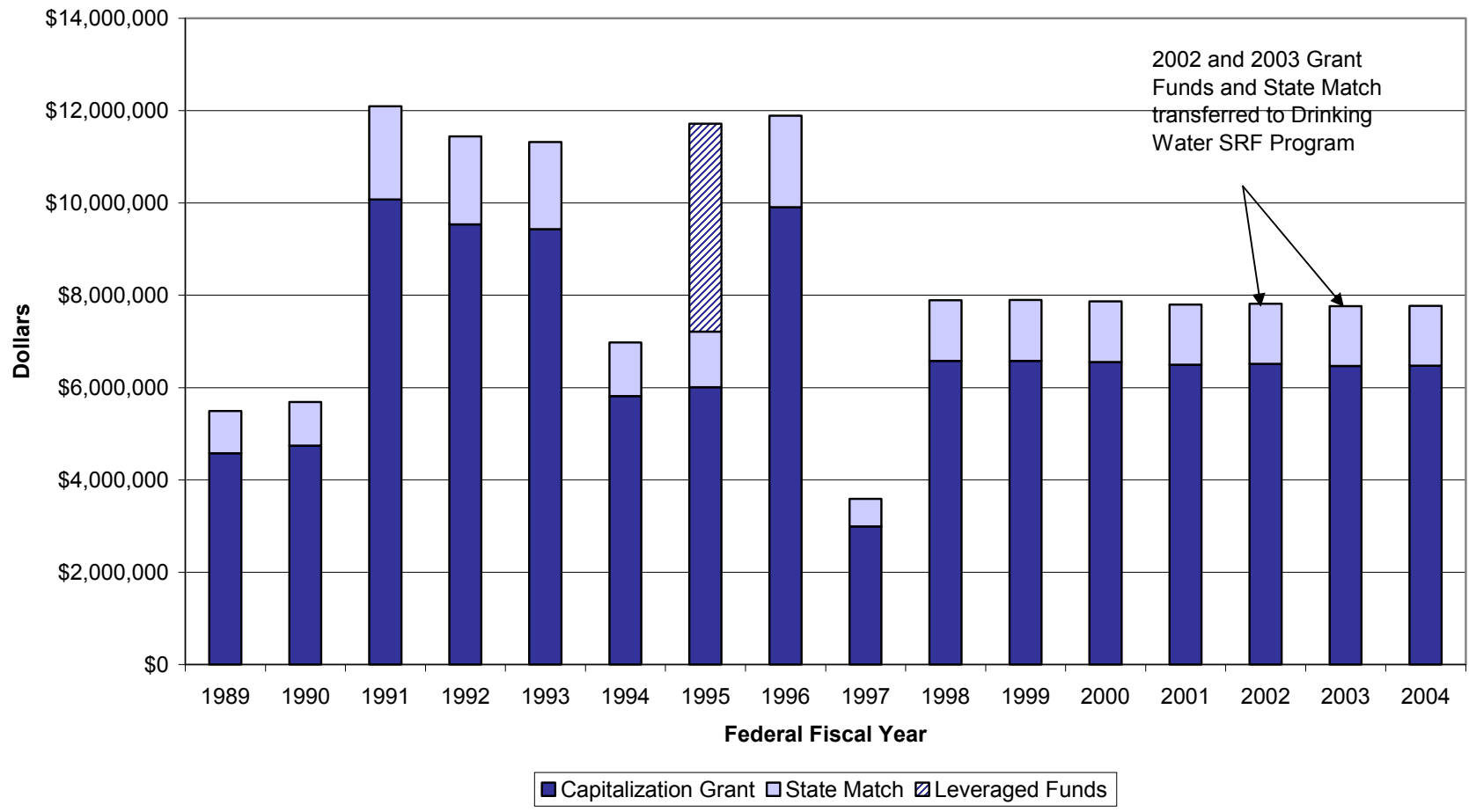


FIGURE 2
Source of State Revolving Funds by Year



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 nonpoint 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 sixteen capitalization grants totaling \$108,729,600. In order to receive each of the capitalization grants, the conservancy district must have state matching funds in place equal to at least 20 percent of each grant. To meet this requirement, the conservancy district used the state appropriation as well as revenue bonds and administrative expense surcharge funds to provide for the required \$21,745,920 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 percent 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, and Moody's Investors Service, the rating agency for this issue, raised the State's rating to A. 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 were called on August 1, 2002.

In 1995, \$7,970,000 in revenue bonds were issued with an upgraded rating of A1 by Moody's. 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. The Series 1996A bonds were issued to provide match for part of the 1996 federal capitalization grant as well as the 1997, 1998, 1999, and 2000 capitalization grants.

The entire program was upgraded to a Aa3 rating by Moody's in June 1998 and to Aa1 in August 2001.

In October 2001, \$4,405,000 in revenue bonds were issued. These funds were intended to provide the required state match for FFY 2001, 2002, and 2003 capitalization grants. The transfer of the 2002 and 2003 capitalization grants precluded the use of the bond proceeds to be used as match. The 2001 series will be used to match the FFY 2004, 2005, and 2006 capitalization grants.

In July 2004, \$11,390,000 in revenue bonds were issued to refund the 1994, 1995 and part of the 1996 bond issue. This resulted in a net present value savings of \$986,412. The 2004 bond issue was rated AAA by Standard and Poor's and Aaa by Moody's.

LEVERAGED PROGRAM BONDS

Included in the Series 1995A bond issue were \$4,507,540 in program bonds. These program bonds were leveraged to provide additional loan funds to communities.

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 1995. Eventually, the state will no longer receive federal capitalization grants, and all loans will be made from the principal repayments of other borrowers. Exhibit IV details the projects receiving principal repayment loan funds.

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 escrow accounts, issues amortization schedules, disburses loan funds, and accepts all repayments from each of the program's loans.

BOND COUNSEL

Kutak Rock served as bond counsel for the Series 1989 and 1992 bond issues. Altheimer & Gray served as bond counsel for the Series 1994A, 1995A, 1996A, and 2001 State Revolving Fund Revenue Bonds. In July 2003, Altheimer & Gray law firm dissolved, and Perkins Coie LLP was retained to serve as bond counsel for the 2004 Bond Issue.

UNDERWRITER

Shearson Lehman served as underwriter for the Series 1989 and 1992 State Revolving Fund Revenue Bond issues, and Piper Jaffray served as underwriter for the Series 1994A, 1995A, and 1996A State bond issues. Dougherty and Company was selected as underwriter for the Series 2001 bonds. UBS Financial Services served as underwriter for the Series 2004 State Revolving Fund Program Bonds.

FINANCIAL ADVISOR

In September 2003, Public Financial Management (PFM) was retained to perform financial analyses of the SRF programs. PFM designed a comprehensive program cash flow model that assessed financial impacts of transfers between the Clean Water and Drinking Water programs, maintenance of SRF funds in perpetuity, short- and long-term effects of refunding some or all of the District's outstanding debt; financial impacts of leveraging the Drinking Water SRF program, and financial impacts of various methods by which required state matching funds may be provided.

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**

Figure 3 Clean Water State Revolving Fund Loans

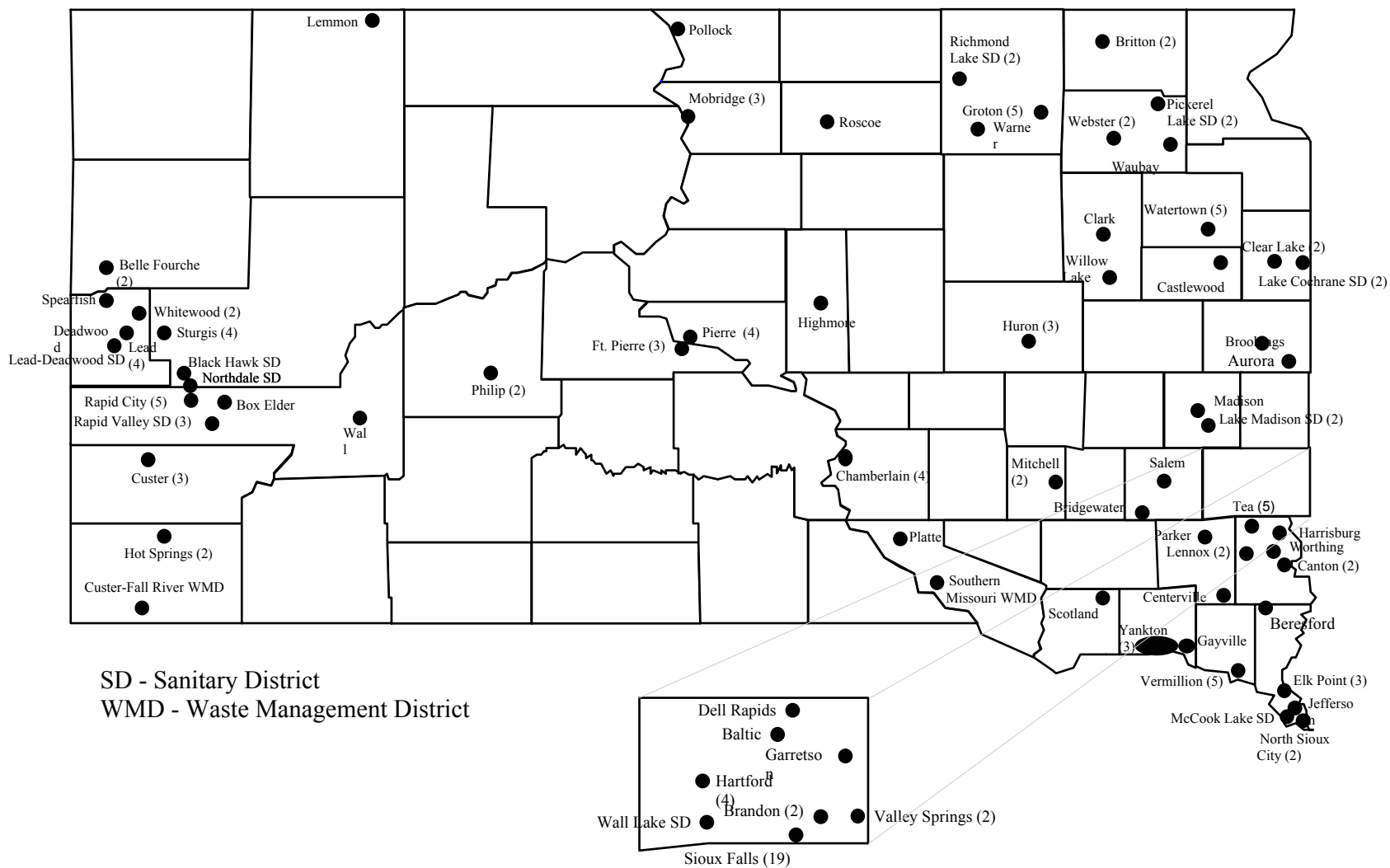


Table 4
State of South Dakota
Clean Water State Revolving Fund Loan Program

Sponsor	Binding Commitment Date	Rate, Term	Original Binding Commitment Amount	Actual Binding Commitment Amount
Aurora (01)	07/27/2000	5.00%, 20 yr	\$410,000	\$410,000
Baltic (01)	06/27/2002	3.50%, 20 yr	\$465,000	\$405,646
Belle Fourche (01)	08/22/1990	3.00%, 20 yr	\$253,000	\$253,000
Belle Fourche (02)	06/22/1995	4.50%, 10 yr	\$300,000	\$264,422
Beresford (01)	06/22/2000	4.50%, 10 yr	\$1,150,000	\$1,115,852
Black Hawk Sanitary District (01)	06/26/2003	3.50%, 20 yr	\$589,600	\$589,600
Box Elder (01)	04/11/1990	3.00%, 20 yr	\$648,600	\$648,600
Brandon (01) *	03/14/1991	3.00%, 10 yr	\$105,000	\$105,000
Brandon (02)	03/31/1993	3.00%, 10 yr	\$600,000	\$526,018
Bridgewater (01)	09/25/1997	5.25%, 20 yr	\$120,000	\$90,328
Britton (01)	05/13/1999	4.50%, 10 yr	\$509,935	\$509,935
Britton (02)	09/26/2002	3.50%, 20 yr	\$322,500	\$322,500
Brookings (01) *	03/14/1991	4.00%, 15 yr	\$188,065	\$188,065
Canton (01)	05/19/1992	4.00%, 15 yr	\$621,000	\$515,715
Canton (02)	01/10/2003	3.50%, 20 yr	\$600,000	\$600,000
Castlewood (01)	01/31/2002	3.50%, 20 yr	\$250,000	\$215,859
Centerville (01)	06/27/2002	3.50%, 20 yr	\$500,000	\$500,000
Chamberlain (01) *	07/08/1992	3.00%, 10 yr	\$350,500	\$350,500
Chamberlain (02) *	01/26/1993	3.00%, 10 yr	\$265,000	\$265,000
Chamberlain (03) *	06/27/1996	5.25%, 20 yr	\$2,700,000	\$2,700,000
Chamberlain (04) *	03/26/1998	5.25%, 20 yr	\$450,000	\$450,000
Clark (01)	01/10/2003	3.50%, 20 yr	\$400,000	\$400,000
Clear Lake (01) *	06/13/1991	4.00%, 15 yr	\$370,000	\$79,537
Clear Lake (02)	06/25/2004	3.25%, 20 yr	\$910,000	\$910,000
Custer (01)	04/11/1990	3.00%, 20 yr	\$430,000	\$430,000
Custer (02) *	07/11/1990	3.00%, 20 yr	\$182,000	\$182,000
Custer (03) *	08/23/1993	3.00%, 10 yr	\$276,000	\$276,000
Custer-Fall River WMD (NPS-01) *	06/22/1995	5.00%, 20 yr	\$250,000	\$106,939
Deadwood (01)	04/25/1994	4.00%, 15 yr	\$582,000	\$447,838
Dell Rapids (01)	12/09/1993	3.00%, 10 yr	\$300,000	\$300,000
Elk Point (01)	05/27/1993	4.00%, 15 yr	\$458,000	\$458,000
Elk Point (02)	01/31/2002	3.50%, 20 yr	\$450,000	\$450,000
Elk Point (03)	06/26/2003	3.50%, 20 yr	\$345,000	\$345,000
Fort Pierre (01)	05/11/1994	3.00%, 10 yr	\$330,294	\$330,294
Fort Pierre (02)	01/31/2002	3.50%, 15 yr	\$462,500	\$462,500
Fort Pierre (03)	01/09/2004	3.50%, 20 yr	\$450,000	\$450,000
Garretson (01) *	05/11/1994	4.00%, 15 yr	\$510,000	\$300,000
Gayville (01)	06/25/2004	3.25%, 20 yr	\$275,000	\$275,000
Groton (01)	01/13/1994	3.00%, 10 yr	\$192,000	\$189,524
Groton (02)	05/11/1994	3.00%, 10 yr	\$106,000	\$74,630
Groton (03)	07/23/1997	5.25%, 20 yr	\$635,000	\$470,809
Groton (04)	03/28/2003	3.50%, 20 yr	\$163,775	\$126,648
Groton (05)	03/28/2003	3.50%, 20 yr	\$440,000	\$440,000
Harrisburg (01)	06/23/1999	5.00%, 20 yr	\$520,000	\$507,277

Hartford (01)	04/13/2000	5.00%, 20 yr	\$504,000	\$504,000
Hartford (02)	04/13/2000	5.00%, 20 yr	\$690,804	\$690,804
Hartford (03)	04/12/2002	3.50%, 20 yr	\$300,000	\$300,000
Hartford (04)	01/10/2003	3.50%, 20 yr	\$550,035	\$550,035
Highmore (01)	04/12/2002	3.50%, 20 yr	\$262,300	\$262,300
Hot Springs (01)	03/12/1992	3.00%, 10 yr	\$196,930	\$196,930
Hot Springs (NPS-01)	01/13/1994	5.00%, 20 yr	\$930,000	\$930,000
Huron (01)	11/09/1989	3.00%, 20 yr	\$1,656,000	\$1,656,000
Huron (02) *	06/13/1991	3.00%, 10 yr	\$750,000	\$701,997
Huron (03)	09/19/1995	5.25%, 20 yr	\$2,700,000	\$1,856,828
Jefferson (01)	03/28/2003	3.50%, 20 yr	\$320,000	\$320,000
Lake Cochrane San Dist (01)	04/11/1990	3.00%, 20 yr	\$80,000	\$80,000
Lake Cochrane San Dist (02)	01/08/2004	3.50%, 20 yr	\$160,000	\$160,000
Lake Madison San Dist (01) *	03/14/1991	4.00%, 15 yr	\$330,000	\$330,000
Lake Madison San Dist (02)	09/25/2003	3.50%, 20 yr	\$875,000	\$875,000
Lead (01)	07/11/1990	3.00%, 20 yr	\$186,409	\$186,409
Lead (02) *	07/11/1991	3.00%, 10 yr	\$500,770	\$500,770
Lead (03) *	05/19/1992	3.00%, 10 yr	\$405,000	\$375,298
Lead (04)	07/27/2000	4.50%, 10 yr	\$239,200	\$239,200
Lead-Deadwood San Dist (01) *	06/07/1990	3.00%, 5 yr	\$110,000	\$106,855
Lemmon (01)	04/11/1990	3.00%, 20 yr	\$427,100	\$427,100
Lennox (01)	06/27/1996	5.25%, 20 yr	\$350,000	\$350,000
Lennox (02)	07/23/1997	5.25%, 20 yr	\$600,000	\$583,735
Madison (01) *	03/14/1991	3.00%, 10 yr	\$150,000	\$119,416
McCook Lake San Dist (01)	08/29/1991	5.00%, 20 yr	\$641,935	\$641,935
Mitchell (01)	04/15/1997	4.50%, 10 yr	\$2,000,000	\$1,543,405
Mitchell (02)	09/25/2003	3.50%, 20 yr	\$1,320,000	\$1,320,000
Mobridge (01)	07/11/1990	3.00%, 20 yr	\$1,500,000	\$1,500,000
Mobridge (02)	12/11/1991	4.00%, 15 yr	\$158,000	\$158,000
Mobridge (03)	04/13/2000	4.50%, 10 yr	\$1,355,000	\$1,350,000
North Sioux City (01) *	07/08/1992	3.00%, 10 yr	\$239,650	\$239,650
North Sioux City (02)	06/22/1995	5.00%, 15 yr	\$646,000	\$646,000
Northdale San Dist (01) *	04/25/1994	5.00%, 20 yr	\$315,000	\$256,380
Parker (01)	09/23/2004	3.25%, 20 yr	\$824,000	\$824,000
Philip (01)	06/22/1995	5.00%, 15 yr	\$472,000	\$453,885
Philip (02)	06/26/1997	5.25%, 20 yr	\$325,000	\$321,127
Pickereel Lake San Dist (01)	05/09/1996	5.25%, 15 yr	\$850,000	\$850,000
Pickereel Lake San Dist (02)	09/25/1997	5.25%, 20 yr	\$670,000	\$670,000
Pierre (01) *	11/08/1990	4.00%, 15 yr	\$600,000	\$433,976
Pierre (02)	03/26/1998	5.25%, 20 yr	\$4,417,000	\$4,417,000
Pierre (03)	03/25/1999	5.00%, 20 yr	\$5,391,260	\$5,391,260
Pierre (04)	03/28/2003	3.50%, 20 yr	\$1,378,404	\$1,378,404
Platte (01)	03/25/1999	5.00%, 20 yr	\$1,000,000	\$1,000,000
Pollock (01) *	09/23/1993	3.00%, 10 yr	\$170,000	\$151,619
Rapid City (01)	12/12/1990	4.00%, 15 yr	\$2,637,000	\$2,479,905
Rapid City (02)	07/08/1992	4.00%, 15 yr	\$1,138,200	\$986,685
Rapid City (03)	06/23/1993	4.00%, 15 yr	\$777,500	\$674,577
Rapid City (04)	08/10/1994	4.00%, 15 yr	\$1,214,861	\$1,214,861
Rapid City (05)	01/11/2001	4.50%, 20 yr	\$14,000,000	\$14,000,000
Rapid Valley San Dist (01) *	01/11/1990	3.00%, 20 yr	\$614,000	\$614,000
Rapid Valley San Dist (02)	11/10/1994	4.00%, 15 yr	\$460,000	\$364,583
Rapid Valley San Dist (03)	07/29/1996	5.25%, 20 yr	\$630,000	\$630,000
Richmond Lake San Dist (01)	06/27/1996	5.25%, 20 yr	\$414,000	\$414,000
Richmond Lake San Dist (02) *	06/25/1998	5.25%, 20 yr	\$226,500	\$191,500

Roscoe (01) *	07/29/1996	5.25%, 20 yr	\$358,408	\$358,408
Salem (01)	03/28/2003	3.50%, 20 yr	\$592,307	\$518,035
Scotland (01)	03/28/2003	3.50%, 20 yr	\$250,000	\$250,000
Sioux Falls (01)	04/11/1990	3.00%, 20 yr	\$3,316,310	\$2,836,963
Sioux Falls (02) *	07/11/1990	3.00%, 10 yr	\$454,000	\$454,000
Sioux Falls (03) *	12/12/1990	3.00%, 10 yr	\$845,000	\$845,000
Sioux Falls (04) *	12/12/1990	3.00%, 10 yr	\$1,200,000	\$1,200,000
Sioux Falls (05) *	03/12/1992	3.00%, 10 yr	\$1,955,000	\$1,955,000
Sioux Falls (06) *	03/12/1992	3.00%, 10 yr	\$700,000	\$700,000
Sioux Falls (07)	01/26/1993	3.00%, 10 yr	\$4,500,000	\$4,500,000
Sioux Falls (08)	01/13/1994	3.00%, 10 yr	\$1,000,000	\$699,003
Sioux Falls (09)	08/10/1994	3.00%, 10 yr	\$1,250,000	\$1,250,000
Sioux Falls (10)	08/10/1994	3.00%, 10 yr	\$1,500,000	\$1,432,941
Sioux Falls (11)	06/22/1995	4.50%, 10 yr	\$1,250,000	\$1,195,346
Sioux Falls (12)	03/27/1996	4.50%, 10 yr	\$1,300,000	\$1,300,000
Sioux Falls (13)	01/09/1997	4.50%, 10 yr	\$2,500,000	\$2,083,137
Sioux Falls (14)	07/27/2000	4.50%, 10 yr	\$5,100,000	\$4,888,537
Sioux Falls (15)	04/12/2002	3.50%, 10 yr	\$1,724,000	\$1,724,000
Sioux Falls (16)	01/10/2003	3.50%, 10 yr	\$2,479,500	\$2,479,500
Sioux Falls (17)	06/26/2003	3.50%, 10 yr	\$932,000	\$932,000
Sioux Falls (18)	07/16/2004	2.50%, 10 yr	\$3,951,000	\$3,951,000
Sioux Falls (19)	07/16/2004	2.50%, 10 yr	\$801,000	\$801,000
Southern Missouri (NPS-01)	10/06/1994	5.00%, 20 yr	\$700,000	\$700,000
Spearfish (01)	03/12/1992	4.00%, 15 yr	\$1,956,000	\$1,956,000
Sturgis (01) *	08/23/1993	5.00%, 20 yr	\$502,000	\$502,000
Sturgis (02) *	06/23/1994	5.00%, 20 yr	\$936,250	\$936,250
Sturgis (03) *	06/27/1997	5.25%, 20 yr	\$450,000	\$437,380
Sturgis (04) *	04/14/2000	5.00%, 20 yr	\$2,100,000	\$2,100,000
Tea (01)	03/31/1993	4.00%, 15 yr	\$600,000	\$600,000
Tea (02)	05/11/1994	4.00%, 15 yr	\$600,000	\$600,000
Tea (03)	06/27/1997	5.25%, 20 yr	\$250,000	\$208,813
Tea (04)	05/14/1998	5.00%, 15 yr	\$375,000	\$375,000
Tea (05)	06/26/2003	3.50%, 20 yr	\$495,490	\$495,490
Valley Springs (01)	05/14/1998	5.25%, 20 yr	\$430,000	\$422,128
Valley Springs (02)	09/23/2004	3.25%, 20 yr	\$350,000	\$350,000
Vermillion (01)	06/07/1990	3.00%, 20 yr	\$125,000	\$125,000
Vermillion (02)	12/09/1993	4.00%, 15 yr	\$500,000	\$370,471
Vermillion (03)	03/28/2003	3.50%, 20 yr	\$456,000	\$273,965
Vermillion (04)	07/16/2004	3.25%, 20 yr	\$3,548,351	\$3,548,351
Vermillion (NPS-01)	08/10/1995	4.50%, 10 yr	\$480,000	\$356,531
Wall (01)	07/22/1999	5.00%, 20 yr	\$1,146,000	\$788,600
Wall Lake San Dist (01)	12/13/2001	3.50%, 20 yr	\$200,000	\$175,126
Warner (01) *	03/23/1995	4.50%, 10 yr	\$102,000	\$101,152
Watertown (01)	10/09/1991	4.00%, 15 yr	\$2,000,000	\$2,000,000
Watertown (02)	08/12/1992	4.00%, 15 yr	\$4,000,000	\$4,000,000
Watertown (03)	06/22/1995	5.25%, 20 yr	\$2,600,000	\$2,583,734
Watertown (04) *	11/09/1995	5.25%, 20 yr	\$2,200,000	\$932,830
Watertown (05)	03/28/2003	3.50%, 20 yr	\$2,055,000	\$2,055,000
Waubay (01) *	02/18/1992	5.00%, 20 yr	\$163,487	\$81,454
Webster (01)	03/27/1996	4.50%, 10 yr	\$400,000	\$345,394
Webster (02)	04/12/2002	3.50%, 20 yr	\$811,000	\$811,000
Whitewood (01)	02/18/1992	4.00%, 15 yr	\$200,000	\$180,801
Whitewood (02)	07/27/2000	5.00%, 20 yr	\$275,000	\$189,032

Willow Lake (01)	01/08/2004	3.50%, 20 yr	\$100,000	\$100,000
Worthing (01)	06/27/1996	5.25%, 20 yr	\$315,725	\$227,645
Yankton (01)	12/10/1997	5.25%, 20 yr	\$2,625,000	\$2,625,000
Yankton (02)	12/10/1997	6.00%, 20 yr	\$4,500,000	\$4,500,000
Yankton (03)	10/12/2001	3.50%, 20 yr	\$6,130,000	\$6,130,000
TOTAL 156 Loans to 72 Entities			\$162,730,455	\$154,995,482

* Loans paid in full

FIGURE 4
State Revolving Fund Interest Rates
by Percent of Loan Portfolio
(\$155 Million)

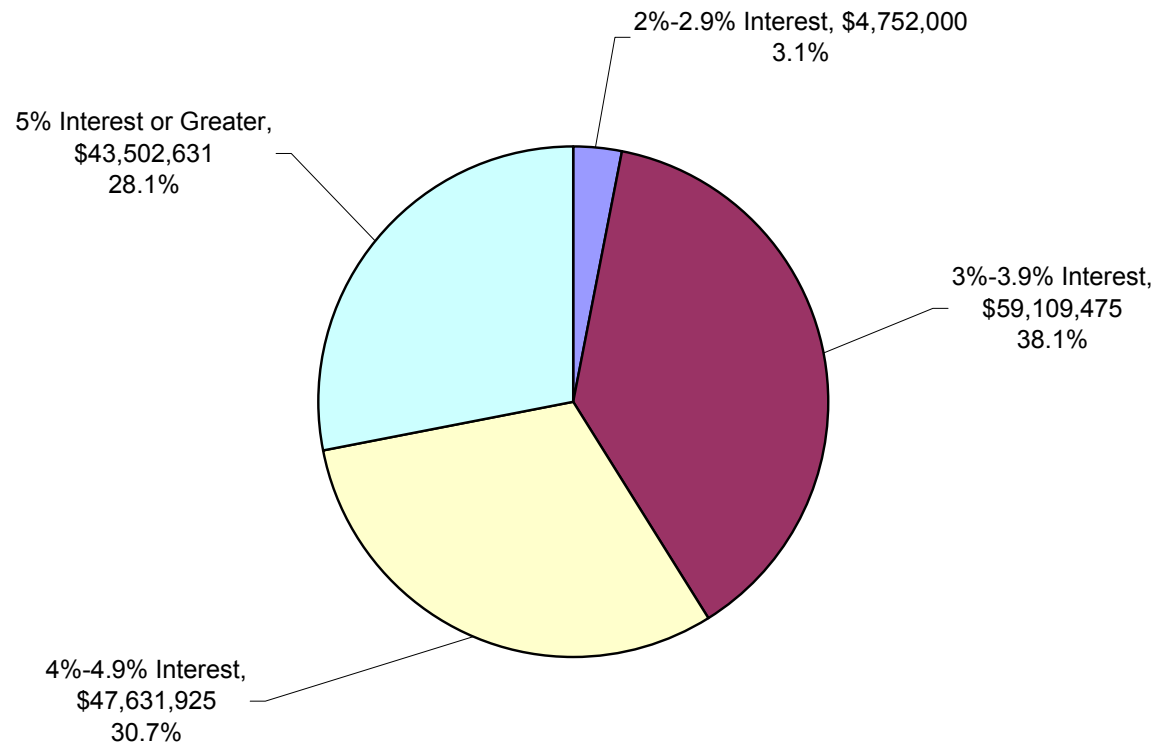
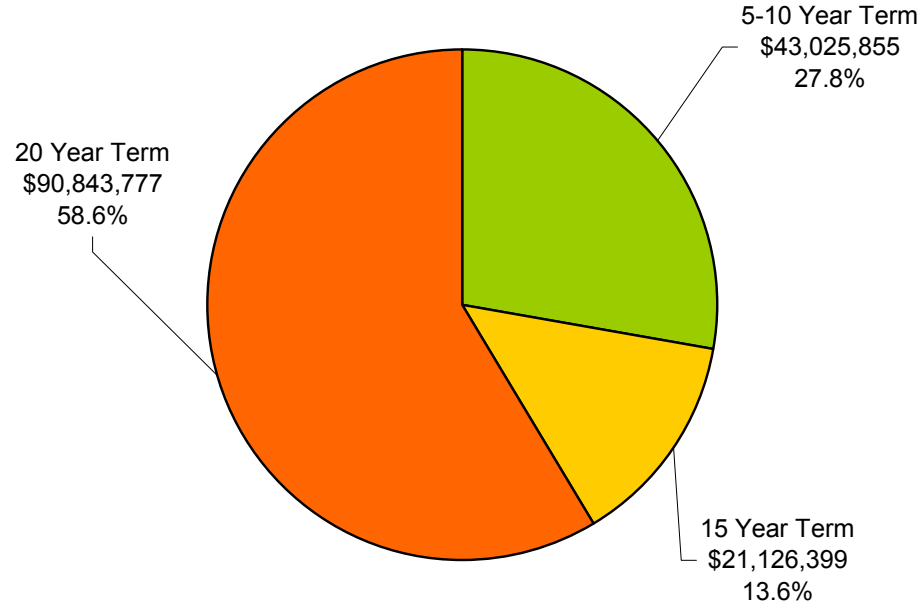


FIGURE 5
CW SRF Loan Terms
by Percentage of Loan Portfolio
(\$155 Million)



PROJECT DESCRIPTIONS

Loans approved during federal fiscal year 2004 are specially designated directly beside the loan recipients' names and italic lettering within the paragraph.

AURORA – Aurora received a \$410,000 loan at 5 percent interest for 20 years. The project upgraded the city's wastewater interceptors.

BALTIC – Baltic received a \$465,000 loan at 3.5 percent for 20 years to fund sewer main and lift station replacement.

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

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

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

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

BRANDON – The city of Brandon received two Clean Water SRF loans totaling \$631,018 for a storm drainage project and for the construction of a force main to convey partially treated wastewater from Brandon to the Sioux Falls wastewater treatment plant as well as the associated pumping station and improvements to the existing treatment facility. Both loans were for 10 years at 3 percent interest.

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

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

BROOKINGS – The city of Brookings received a loan for \$188,065 at 4 percent for 15 years to finance the construction of a new interceptor.

CANTON – The city of Canton received its first Clean Water SRF loan at 4 percent for 15 years in the amount of \$515,715 to finance sanitary and storm sewer improvements. The city’s second loan, for \$600,000, was at 3.5 percent for 20 years for utility improvements in conjunction with South Dakota Department of Transportation reconstruction of US 18.

CASTLEWOOD – The city of Castlewood received a \$250,000 loan at 3.5 percent for 20 years to fund sanitary sewer collection improvements.

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

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

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

CLEAR LAKE (2004)– The city of Clear Lake used a \$79,537, 4 percent, 15-year loan to construct two new wastewater treatment stabilization ponds and convert the existing pond into an artificial wetland. *The city’s second loan, in the amount of \$910,000 at 3.25 percent for 20 years, funded wastewater collection improvements.*

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

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

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

DELL RAPIDS – The city of Dell Rapids constructed sanitary and storm sewers with a \$300,000 loan. The new lines replaced existing undersized sewers in conjunction with a street rehabilitation project. The term of the loan was 10 years at 3 percent.

ELK POINT – The city of Elk Point has received three loans totaling \$1,253,000. Its first loan, \$458,000 at 4 percent for 15 years, financed the replacement of two existing lift stations with a new lift station, force main and interceptor lines. The city's second loan for \$450,000 at 3.5 percent for 20 years funded new storm sewer and replace sanitary sewer in conjunction with the Pearl Street Utility Improvement project. Its third loan, in the amount of \$345,000 at 3.5 percent for 20 years, financed renovation of the city's lagoon system on the southwest side of the city.

FORT PIERRE (2004) – Fort Pierre's first loan, \$330,294 at 3 percent for 10 years, was used to construct two storm sewers and a new sanitary sewer that serves a residential area previously not connected to the city's system. Fort Pierre received its second loan in the amount of \$462,500 at 3.5 percent for 15 years to finance a sanitary sewer lift station and manhole rehabilitation. *The city's third loan, in the amount of \$450,000 at 3.5 percent for 20 years, funded additional wastewater lagoons.*

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

GAYVILLE (2004) – *Gayville received its first Clean Water SRF loan in the amount of \$275,000 at 3.25 percent for 20 years to fund a wastewater lagoon upgrade.*

GROTON – The city of Groton has received five Clean Water SRF loans totaling \$1,338,738 to finance various projects. Its first two loans, in the total amount of \$264,154, financed new interceptor lines, force mains and lift stations in the east and northwest sections of the city. Both loans were at 3 percent for 10 years. The city's third loan, \$470,809 at 5.25 percent for 20 years, funded construction of a new three-cell wastewater treatment facility, lift station, and force main. The city received its fourth and fifth Clean Water SRF loans in 2003, both at 3.5 percent for 20 years. The fourth loans, for \$163,775, funded expansion of the sewer system to the northeast part of the city. The fifth loan, \$440,000, funded replacement of sewer lines on Main Street and reconstruction of the road.

HARRISBURG – The city of Harrisburg received a Clean Water SRF loan for \$507,277 at 5 percent for 20 years to construct total retention stabilization ponds.

HARTFORD – The city of Hartford has received four loans totaling \$2,044,839. With the first two loans, for \$1,194,804 at 5 percent interest for 20 years, the city replaced sanitary sewer mains within the city and replaced the wastewater treatment facility. Hartford's third loan, for \$300,000 at 3.5 percent for 20 years, completed the funding for the wastewater treatment facility project. Hartford's fourth loan, in the amount of \$550,035 at 3.5 percent for 20 years, funded further wastewater collection and storm sewer improvements.

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

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

HURON – The city of Huron has 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 3 percent for 20 years. The second loan, for \$701,007 at 3 percent for 10 years, was used to construct an extension to the storm sewer system to provide drainage in a developing area of the city. The city Huron utilized a third Clean Water SRF loan in the amount of \$1,856,828 at 5.25 percent for 20 years to expand the existing stabilization pond system and increase pumping capacity.

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

LAKE COCHRANE SANITARY DISTRICT (2004) – The Lake Cochrane Sanitary District constructed a wastewater collection and treatment system at Lake Cochrane. An \$80,000 loan at 3 percent for 20 years was made to the district to refinance a portion of the project. *Its second loan, in the amount of \$160,000 at 3.5 percent for 20 years, upgraded the wastewater collection system.*

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

LEAD – The city of Lead received four Clean Water SRF loans amounting to \$1,301,677 to separate combined sanitary and storm sewers along with the rehabilitation of portions of the sanitary sewer system and to replace and separate combined sewers beneath South Dakota Highway 85 in conjunction with a South Dakota Department of Transportation highway project. The first loan was 3 percent interest for 20 years, the second and third loans were at 3 percent for 10 years, and the fourth loan was at 4.5 percent interest for 10 years,

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

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

LENNOX – The city of Lennox used a \$350,000 Clean Water SRF loan at 5.25 percent interest for 20 years to construct and rehabilitate sanitary sewer interceptors. The city received a second loan for \$583,735 at 5.25 percent for 20 years to add four aeration basins, two lift stations, and force mains to the existing wastewater facility.

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

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

MITCHELL – The city of Mitchell received its first \$1,543,405 loan at 4.5 percent for 10 years to partially fund the construction of a storm drain diversion project. Mitchell's second loan, of \$1,320,000 at 3.5 percent for 20 years, funded the water quality components of a regional landfill that serves Mitchell as well as several surrounding counties and their communities.

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

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

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

PARKER (2004) – *Parker's first loan of \$824,000 at 3.25 percent for 20 years funded improvements to the city's wastewater collection system.*

PHILIP – Philip financed the construction of sanitary and storm sewer improvements with a loan of \$453,885 at 5 percent interest for 15 years. The city received a second, \$321,127 Clean Water SRF loan for a term of 20 years at 5.25 percent to finance the construction of sanitary sewer, storm sewer, concrete curb and gutter, and replacement of force main.

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

PIERRE – The city of Pierre has received four Clean Water SRF loans totaling \$11,620,640. Its first loan, in the amount of \$433,976 at 4 percent for 15 years, financed the construction of an interceptor line near the airport and the addition of comminutors at the treatment plant as well as improvements to the sludge handling facilities at the treatment plant. The city's second loan, for \$4,417,000 at 5.25 percent for 20 years, financed phase I improvements to the wastewater treatment facility. Pierre received a third loan in the amount of \$5,391,260 at 5 percent for 20 years to improve the wastewater treatment facility (phase II). Its fourth loan, \$1,378,404 at 3.5 percent for 20 years, funded the water quality components of a new regional landfill.

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

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

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

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

RICHMOND LAKE SANITARY DISTRICT – The Richmond Lake Sanitary District received a \$414,000 Clean Water SRF loan at an interest rate of 5.25 percent for 20 years, which was used to partially finance the construction of a new sanitary sewer system and stabilization pond system for residences around Richmond Lake. The district received a second loan of \$191,500 at 5.25 percent for 20 years to complete phase II of the collection system construction.

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

SALEM – Salem’s first Clean Water SRF loan, in the amount of \$592,307 at 3.5 percent for 20 years, funded wastewater collection improvements in conjunction with a South Dakota DOT project.

SCOTLAND – Scotland funded the wastewater component of its Main Street reconstruction project with a \$250,000 loan at 3.5 percent for 20 years.

SIOUX FALLS – The city of Sioux Falls has received 19 Clean Water SRF loans totaling \$36,757,810 for a variety of projects. These projects include the construction of new interceptor lines and lift stations, rehabilitation of the sanitary sewers and lift stations, purchase of sludge handling equipment and improvements, infiltration/inflow correction, improvement of storm water drainage, flow equalization basin construction, and other wastewater system improvements. The first loan was at 3 percent for 20 years. Loans 2 through 10 were at 3 percent for 10 years, loans 11 through 14 were at 4.5 percent for 10 years, and the fifteenth loan was at 3.5 percent for 10 years. The City’s sixteenth and seventeenth loans, for \$2,479,500 and \$932,000, are both at 3.5 percent for ten years, funded wastewater facilities improvements and identified and implemented best management practices within the city. *Loans eighteen (for \$3,951,000) and nineteen (for \$801,000) were at 2.5 percent for ten years and funded improvements to the wastewater system and retrofitted stormwater detention ponds, respectively.*

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

SPEARFISH – The city of Spearfish used a \$1,956,000 Clean Water SRF loan for 15 years at 4 percent to fund the expansion of the wastewater treatment facility.

STURGIS – The city of Sturgis has received four loans totaling \$3,975,630. The first two loans, totaling \$1,438,250 at 5 percent for 20 years, financed the construction of three sewer interceptor lines, a sewer collection line, and wastewater treatment facility upgrades. The city’s third loan, \$437,380 at 5.25 percent for 20 years, financed the repair of damage to and replacement of riprap in the second and third cells of the wastewater treatment facility as well as engineering planning studies. The city’s fourth loan for \$2,100,000, at 5 percent interest for 20 years, expanded the city’s treated effluent irrigation system.

TEA – The city of Tea has received five loans totaling \$1,941,803. Its first two loans of \$600,000 each at 4 percent for 15 years funded the construction of a storm drainage system. The third loan of \$208,813, at 5.25 percent for 20 years, funded the construction of a sanitary sewer and lift station. The city received a fourth loan of \$375,000 at 5 percent for 15 years to reconfigure the existing lagoon system and construct a new primary cell and two secondary cells. Tea’s fifth loan of \$495,490 at 3.5 percent for 20 years expanded the city’s wastewater treatment capability by adding an aerated lagoon.

VALLEY SPRINGS (2004) – The city of Valley Springs received a \$430,000 loan for 20 years at 5.25 percent interest to fund the expansion and upgrade of the existing wastewater treatment facility. *The city's second loan, in the amount of \$350,000 at 3.25 percent for 20 years, funded sanitary sewer replacement.*

VERMILLION (2004) – Vermillion's first loan, \$125,000 at 3 percent for 20 years, was used to reconstruct a sanitary sewer interceptor. The second loan, \$500,000 at 4 percent for 15 years, funded the construction of approximately 6,200 feet of storm sewer pipe and associated appurtenances in three areas of the city. The third loan, a nonpoint source loan of \$480,000 at 4.5 percent for 10 years, financed the construction of a second trench at the city's landfill and to purchase a scraper. The city's fourth SRF loan, \$456,000 at 3.5 percent for 20 years, funded wastewater collection facilities in the northwest area of the city. *Vermillion's fifth loan, in the amount of \$3,548,351 at 3.25 percent for 20 years, financed two phases of wastewater treatment plant improvements.*

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

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

WARNER – The town of Warner used a \$101,152 Clean Water SRF loan at 4.5 percent for 10 years to construct a storm sewer collection and disposal system to improve storm drainage within the community.

WATERTOWN – The city of Watertown has received five Clean Water SRF loans totaling \$11,571,564 for various projects. The first two loans, both at 4 percent for 15 years, financed the upgrade and expansion of the city's wastewater treatment facility. The third and fourth loans, payable at 5.25 percent interest for 20 years, were used to rehabilitate portions of the sanitary sewer collection system and for engineering costs associated with the final upgrade of the wastewater treatment facility. The city's fifth loan, \$2,055,000 at 3.5 percent for 20 years, funded replacement or rehabilitation of sanitary sewers throughout the city and lift stations serving the Lake Kampeska area.

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

WEBSTER – The city of Webster used a 10 year, 4.5 percent Clean Water SRF loan for \$345,394 to reconstruct a sanitary sewer line on Main Street. The city received a second loan in the amount of \$811,000 at 3.5 percent for 20 years to fund the replacement of about 7,400 feet of sewer main, 136 service connections, and approximately 3,400 feet of storm sewer lines.

WHITEWOOD – Whitewood has received two loans totaling \$455,801. The first loan was at 4 percent interest for 15 years while the second was at 5 percent for 20 years. Whitewood

constructed a new mechanical wastewater treatment facility in conjunction with the existing stabilization pond system and expanded the wastewater collection system.

WILLOW LAKE (2004) – *Willow Lake's first loan, in the amount of \$100,000 at 3.5 percent for 20 years, funded improvements to the wastewater collection system.*

WORTHING – The town of Worthing received a \$227,645 Clean Water SRF loan at 5.25 percent interest for 20 years that was used to expand and upgrade the existing stabilization pond treatment facility.

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

EXHIBITS I-VII
CLEAN WATER SRF
STATUS REPORTS

EXHIBIT I
PROJECTS RECEIVING SRF ASSISTANCE
FEDERAL FISCAL YEAR 2004

<u>Recipient</u>	<u>Assistance Amount</u>	<u>Binding Commitment Date</u>	<u>Rate/Term</u>
Clear Lake (02)	\$910,000	25-Jun-04	3.25%/20
Fort Pierre (03)	\$450,000	9-Jan-04	3.5%/20
Gayville (01)	\$275,000	25-Jun-04	3.25%/20
Lake Cochrane San Dist (02)	\$160,000	8-Jan-04	3.5%/20
Parker (01)	\$824,000	23-Sep-04	3.25%/20
Sioux Falls (18)	\$3,951,000	16-Jul-04	2.5%/10
Sioux Falls (19)	\$801,000	16-Jul-04	2.5%/10
Valley Springs (02)	\$350,000	23-Sep-04	3.25%/20
Vermillion (04)	\$3,548,351	16-Jul-04	3.25%/20
Willow Lake (01)	\$100,000	8-Jan-04	3.5%/20
TOTAL	\$11,369,351		

**EXHIBIT II
SRF NEEDS CATEGORIES
FEDERAL FISCAL YEAR 2004**

Recipient	I Sec. Treat.	II Adv. Treat.	III-A I/I Correction	III-B System Rehab	IV-A New Collection	VI Storm Sewers
Clear Lake (02)			\$910,000			
Fort Pierre (03)	\$450,000					
Gayville (01)	\$275,000					
Lake Cochrane San Dist (02)	\$160,000					
Parker (01)				\$774,000		\$50,000
Sioux Falls (18)		\$322,000		\$2,222,000	\$1,407,000	
Sioux Falls (19)						\$801,000
Valley Springs (02)				\$350,000		
Vermillion (04)		\$3,548,351				
Willow Lake (01)				\$100,000		
TOTAL	\$885,000	\$3,870,351	\$910,000	\$3,446,000	\$1,407,000	\$851,000

**EXHIBIT III
ALLOCATION AND SOURCE OF SRF FUNDS**

Fiscal Year	Capitalization Grant Award	State Match	Leveraged Funds	Total
1989	\$4,577,200	\$915,440		\$5,492,640
1990	\$4,738,000	\$947,600		\$5,685,600
1991	\$10,074,800	\$2,014,960		\$12,089,760
1992	\$9,534,900	\$1,906,980		\$11,441,880
1993	\$9,431,000	\$1,886,200		\$11,317,200
1994	\$5,813,800	\$1,162,760		\$6,976,560
1995	\$6,007,800	\$1,201,560	\$4,507,540	\$11,716,900
1996	\$9,904,700	\$1,980,940		\$11,885,640
1997	\$2,990,500	\$598,100		\$3,588,600
1998	\$6,577,300	\$1,315,460		\$7,892,760
1999	\$6,577,900	\$1,315,580		\$7,893,480
2000	\$6,555,200	\$1,311,040		\$7,866,240
2001	\$6,496,100	\$1,299,220		\$7,795,320
2002 *	\$0	\$0		\$0
2003 *	\$0	\$0		\$0
2004	\$6,471,800	\$1,294,360		\$7,766,160
TOTAL	\$95,751,000	\$19,150,200	\$4,507,540	\$119,407,740

* The 2002 and 2003 capitalization grants and state match were transferred to the Drinking Water SRF program.

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

EXHIBIT IV
Obligations for
Federal Fiscal Years 1989-2004
Capitalization Grants, Principal Repayments
and Leveraged Funds

1. PROJECTS UTILIZING 1989 SRF FUNDS

RECIPIENT	BINDING COMMITMENT DATE	BINDING COMMITMENT AMOUNT	ACTUAL AMOUNT	BALANCE
1989 Capitalization Grant and State Match				\$5,309,552
Huron (01)	Nov. 9, 1989	\$1,656,000	\$1,656,000	\$3,653,552
Rapid Valley Sanitary District (01)	Jan. 11, 1990	\$614,000	\$614,000	\$3,039,552
Box Elder (01)	April 11, 1990	\$648,600	\$648,600	\$2,390,952
Custer (01)	April 11, 1990	\$430,000	\$430,000	\$1,960,952
Lake Cochrane (01)	April 11, 1990	\$80,000	\$80,000	\$1,880,952
Lemmon (01)	April 11, 1990	\$427,100	\$427,100	\$1,453,852
Sioux Falls (01) ¹	April 11, 1990	\$3,316,310	\$1,453,852	\$0

¹ Balance is from 1990 funds

2. PROJECTS UTILIZING 1990 SRF FUNDS

RECIPIENT	BINDING COMMITMENT DATE	BINDING COMMITMENT AMOUNT	ACTUAL AMOUNT	BALANCE
1990 Capitalization Grant and State Match				\$5,496,080
Sioux Falls (01) ²			\$1,383,111	\$4,112,969
Lead-Deadwood Sanitary District (01)	June 7, 1990	\$110,000	\$106,855	\$4,006,114
Vermillion (01)	June 7, 1990	\$125,000	\$125,000	\$3,881,114
Custer (02)	July 11, 1990	\$182,000	\$182,000	\$3,699,114
Lead (01)	July 11, 1990	\$186,409	\$186,409	\$3,512,705
Mobridge (01)	July 11, 1990	\$1,500,000	\$1,500,000	\$2,012,705
Sioux Falls (02)	July 11, 1990	\$454,000	\$453,999	\$1,558,706
Belle Fourche (01)	August 22, 1990	\$253,000	\$253,000	\$1,305,706
Pierre (01)	Nov. 8, 1990	\$600,000	\$433,976	\$871,730
Rapid City (01) ³	Dec. 12, 1990	\$2,637,000	\$871,730	\$0

² Balance is from 1989 funds

³ Balance is from 1991 funds

3. PROJECTS UTILIZING 1991 SRF FUNDS

RECIPIENT	BINDING COMMITMENT DATE	BINDING COMMITMENT AMOUNT	ACTUAL AMOUNT	BALANCE
1991 Capitalization Grant and State Match				\$11,686,768
Rapid City (01) ⁴			\$1,608,175	\$10,078,593
Sioux Falls (03)	Dec. 12, 1990	\$845,000	\$845,000	\$9,233,593
Sioux Falls (04)	Dec. 13, 1990	\$1,200,000	\$1,200,000	\$8,033,593
Brookings (01)	March 14, 1991	\$188,065	\$188,065	\$7,845,528
Madison (01)	March 14, 1991	\$150,000	\$119,416	\$7,726,112
Lake Madison Sanitary Dist (01)	March 14, 1991	\$330,000	\$330,000	\$7,396,112
Brandon (01)	March 14, 1991	\$105,000	\$105,000	\$7,291,112
Clear Lake (01)	June 13, 1991	\$370,000	\$79,537	\$7,211,575
Huron (02)	June 13, 1991	\$750,000	\$701,997	\$6,509,578
Lead (02)	July 11, 1991	\$500,770	\$500,770	\$6,008,808
McCook Lake Sanitary District (01)	August 29, 1991	\$641,935	\$641,935	\$5,366,873
Watertown (01)	Oct. 9, 1991	\$2,000,000	\$2,000,000	\$3,366,873
Mobridge (02)	Dec. 11, 1991	\$158,000	\$158,000	\$3,208,873
Waubay (01)	Feb. 18, 1992	\$163,487	\$81,454	\$3,127,419
Whitewood (01)	Feb. 18, 1992	\$200,000	\$180,801	\$2,946,618
Hot Springs (01)	March 12, 1992	\$196,930	\$196,930	\$2,749,688
Sioux Falls (05)	March 12, 1992	\$1,955,000	\$1,955,000	\$794,688
Sioux Falls (06)	March 12, 1992	\$700,000	\$700,000	\$94,688
Spearfish (01) ⁵	March 12, 1992	\$1,956,000	\$94,688	\$0

⁴ Balance is from 1990 funds

⁵ Balance is from 1992 funds

4. PROJECTS UTILIZING 1992 SRF FUNDS

RECIPIENT	BINDING COMMITMENT DATE	BINDING COMMITMENT AMOUNT	ACTUAL AMOUNT	BALANCE
1992 Capitalization Grant and State Match				\$11,060,484
Spearfish (01) ⁶			\$1,861,312	\$9,199,172
Canton (01)	May 19, 1992	\$621,000	\$515,715	\$8,683,457
Lead (03)	May 19, 1992	\$405,000	\$375,298	\$8,308,159
Chamberlain (01)	July 8, 1992	\$350,500	\$350,500	\$7,957,659
North Sioux City (01)	July 8, 1992	\$239,650	\$239,650	\$7,718,009

Rapid City (02)	July 8, 1992	\$1,138,200	\$986,685	\$6,731,324
Watertown (02)	August 12, 1992	\$4,000,000	\$4,000,000	\$2,731,324
Sioux Falls (07) ⁷	Jan. 26, 1993	\$4,500,000	\$2,731,324	\$0

⁶ Balance is from 1991 funds

⁷ Balance is from 1993 funds

5. PROJECTS UTILIZING 1993 SRF FUNDS

RECIPIENT	BINDING COMMITMENT DATE	BINDING COMMITMENT AMOUNT	ACTUAL AMOUNT	BALANCE
1993 Capitalization Grant and State Match				\$10,939,960
Sioux Falls (07) ⁸			\$1,768,676	\$9,171,284
Chamberlain (02)	Jan. 26, 1993	\$265,000	\$265,000	\$8,906,284
Brandon (02)	March 31, 1993	\$600,000	\$526,018	\$8,380,266
Tea (01)	March 31, 1993	\$600,000	\$600,000	\$7,780,266
Elk Point (01)	May 27, 1993	\$458,000	\$458,000	\$7,322,266
Rapid City (03)	June 23, 1993	\$777,500	\$674,577	\$6,647,689
Custer (03)	August 23, 1993	\$276,000	\$276,000	\$6,371,689
Sturgis (01)	August 23, 1993	\$502,000	\$502,000	\$5,869,689
Pollock (01)	Sept. 23, 1993	\$170,000	\$151,619	\$5,718,070
Vermillion (02)	Dec. 9, 1993	\$500,000	\$370,471	\$5,347,599
Dell Rapids (01)	Dec. 9, 1993	\$300,000	\$300,000	\$5,047,599
Groton (01)	Jan. 13, 1994	\$192,000	\$189,524	\$4,858,075
Hot Springs (NPS/01)	Jan. 13, 1994	\$930,000	\$930,000	\$3,928,075
Sioux Falls (08)	January 13, 1994	\$1,000,000	\$699,003	\$3,229,072
Deadwood (01)	April 25, 1994	\$582,000	\$447,838	\$2,781,234
Northdale Sanitary District (01)	April 25, 1994	\$315,000	\$256,380	\$2,524,854
Fort Pierre (01)	May 11, 1994	\$330,294	\$330,294	\$2,194,560
Garretson (01)	May 11, 1994	\$510,000	\$300,000	\$1,894,560
Groton (02)	May 11, 1994	\$106,000	\$74,630	\$1,819,930
Tea (02)	May 11, 1994	\$600,000	\$600,000	\$1,219,930
Sturgis (02)	June 23, 1994	\$936,250	\$936,250	\$283,680
Rapid City (04) ⁹	August 10, 1994	\$1,214,861	\$283,680	\$0

⁸ Balance is from 1992 funds

⁹ Balance is from 1994 funds

6. PROJECTS UTILIZING 1994 SRF FUNDS

RECIPIENT	BINDING COMMITMENT DATE	BINDING COMMITMENT AMOUNT	ACTUAL AMOUNT	BALANCE
1994 Capitalization Grant and State Match				\$6,744,008
Rapid City (04) ¹⁰			\$931,181	\$5,812,827
Sioux Falls (09)	August 10, 1994	\$1,250,000	\$1,250,000	\$4,562,827
Sioux Falls (10)	August 10, 1994	\$1,500,000	\$1,432,941	\$3,129,886
Southern Missouri WMD (01)	Oct. 6, 1994	\$700,000	\$700,000	\$2,429,886
Rapid Valley Sanitary District (02)	Nov. 10, 1994	\$460,000	\$364,583	\$2,065,303
Warner (01)	March 23, 1995	\$102,000	\$101,152	\$1,964,151
Belle Fourche (02)	June 22, 1995	\$300,000	\$264,422	\$1,699,729
Custer-Fall River WMD (01)	June 22, 1995	\$250,000	\$106,939	\$1,592,790
North Sioux City (02)	June 22, 1995	\$646,000	\$646,000	\$946,790
Philip (01)	June 22, 1995	\$472,000	\$453,885	\$492,905
Sioux Falls (11) ¹¹	June 22, 1995	\$1,250,000	\$492,905	\$0

¹⁰ Balance is from 1993 funds

¹¹ Balance is from 1995 funds

7. PROJECTS UTILIZING 1995 SRF FUNDS

RECIPIENT	BINDING COMMITMENT DATE	BINDING COMMITMENT AMOUNT	ACTUAL AMOUNT	BALANCE
1995 Capitalization Grant and State Match				\$6,969,048
Sioux Falls (11) ¹²			\$702,441	\$6,266,607
Watertown (03)	June 22, 1995	\$2,600,000	\$2,583,734	\$3,682,873
Vermillion (NPS/01)	August 10, 1995	\$480,000	\$356,531	\$3,326,342
Huron (03)	Sept. 19, 1995	\$2,700,000	\$1,856,828	\$1,469,514
Sioux Falls (12)	March 27, 1996	\$1,300,000	\$1,300,000	\$169,514
Webster (01) ¹³	March 27, 1996	\$400,000	\$169,514	\$0

¹² Balance is from 1994 funds

¹³ Balance is from 1996 funds

8. PROJECTS UTILIZING 1996 SRF FUNDS

RECIPIENT	BINDING COMMITMENT DATE	BINDING COMMITMENT AMOUNT	ACTUAL AMOUNT	BALANCE
1996 Capitalization Grant and State Match				\$11,489,452
Webster (01) ¹⁴			\$175,880	\$11,313,572
Pickerel Lake Sanitary District (01)	May 9, 1996	\$850,000	\$850,000	\$10,463,572
Chamberlain (03)	June 27, 1996	\$2,700,000	\$2,700,000	\$7,763,572
Lennox (01)	June 27, 1996	\$350,000	\$350,000	\$7,413,572
Richmond Lake Sanitary District (01)	June 27, 1996	\$414,000	\$414,000	\$6,999,572
Worthing (01)	June 27, 1996	\$315,725	\$227,645	\$6,771,927
Rapid Valley Sanitary District (03)	July 29, 1996	\$630,000	\$630,000	\$6,141,927
Roscoe (01)	July 29, 1996	\$358,408	\$358,408	\$5,783,519
Sioux Falls (13)	January 9, 1997	\$2,500,000	\$2,083,137	\$3,700,382
Philip (02)	June 26, 1997	\$325,000	\$321,127	\$3,379,255
Sturgis (03)	June 27, 1997	\$450,000	\$437,380	\$2,941,875
Tea (03)	June 27, 1997	\$250,000	\$208,813	\$2,733,062
Groton (03)	July 23, 1997	\$635,000	\$470,809	\$2,262,253
Lennox (02)	July 23, 1997	\$600,000	\$583,735	\$1,678,518
Bridgewater (01)	Sept. 25, 1997	\$120,000	\$90,328	\$1,588,190
Pickerel Lake Sanitary District (02)	Sept. 25, 1997	\$670,000	\$670,000	\$918,190
Yankton (01) ¹⁵	Dec. 11, 1997	\$2,625,000	\$918,190	\$0

¹⁴ Balance is from 1995 funds

¹⁵ Balance is from 1997 funds

9. PROJECTS UTILIZING 1997 SRF FUNDS

RECIPIENT	BINDING COMMITMENT DATE	BINDING COMMITMENT AMOUNT	ACTUAL AMOUNT	BALANCE
1997 Capitalization Grant and State Match				\$3,468,980
Yankton (01) ¹⁶			\$1,706,810	\$1,762,170
Chamberlain (04)	March 26, 1998	\$450,000	\$450,000	\$1,312,170
Pierre (02) ¹⁷	March 26, 1998	\$4,417,000	\$1,312,170	\$0

¹⁶ Balance is from 1996 funds

¹⁷ Balance is from 1998 funds

10. PROJECTS UTILIZING 1998 SRF FUNDS

RECIPIENT	BINDING COMMITMENT DATE	BINDING COMMITMENT AMOUNT	ACTUAL AMOUNT	BALANCE
1998 Capitalization Grant and State Match				\$7,629,668
Pierre (02) ¹⁸			\$3,104,830	\$4,524,838
Tea (04)	May 14, 1998	\$375,000	\$375,000	\$4,149,838
Valley Springs (01)	May 14, 1998	\$430,000	\$422,128	\$3,727,710
Richmond Lake Sanitary District (02)	June 25, 1998	\$226,500	\$191,500	\$3,536,210
Pierre (03) ¹⁹	March 25, 1999	\$5,391,260	\$3,536,210	\$0

¹⁸ Balance is from 1997 funds

¹⁹ Balance is from 1999 funds

11. PROJECTS UTILIZING 1999 SRF FUNDS

RECIPIENT	BINDING COMMITMENT DATE	BINDING COMMITMENT AMOUNT	ACTUAL AMOUNT	BALANCE
1999 Capitalization Grant and State Match				\$7,630,364
Pierre (03) ²⁰			\$1,855,050	\$5,775,314
Platte (01)	March 25, 1999	\$1,000,000	\$1,000,000	\$4,775,314
Britton (01)	May 13, 1999	\$509,935	\$509,935	\$4,265,379
Harrisburg (01)	June 23, 1999	\$520,000	\$507,277	\$3,758,102
Wall (01)	July 22, 1999	\$1,146,000	\$788,600	\$2,969,502
Hartford (01)	April 13, 2000	\$504,000	\$504,000	\$2,465,502
Hartford (02)	April 13, 2000	\$690,804	\$690,804	\$1,774,698
Mobridge (03)	April 13, 2000	\$1,355,000	\$1,350,000	\$424,698
Sturgis (04) ²¹	April 14, 2000	\$2,100,000	\$424,698	\$0

²⁰ Balance is from 1998 funds

²¹ Balance is from 2000 funds

12. PROJECTS UTILIZING 2000 SRF FUNDS

RECIPIENT	BINDING COMMITMENT DATE	BINDING COMMITMENT AMOUNT	ACTUAL AMOUNT	BALANCE
2000 Capitalization Grant and State Match				\$7,604,032
Sturgis (04) ²²			\$1,675,302	\$5,928,730
Beresford (01)	June 22, 2000	\$1,150,000	\$1,115,852	\$4,812,878

Aurora (01)	July 27, 2000	\$410,000	\$410,000	\$4,402,878
Lead (04)	July 27, 2000	\$239,200	\$239,200	\$4,163,678
Whitewood (02)	July 27, 2000	\$275,000	\$189,032	\$3,974,646
Sioux Falls (14) ²³	July 27, 2000	\$5,100,000	\$3,974,646	\$0

²² Balance is from 1999 funds

²³ Balance is from 2001 funds

13. PROJECTS UTILIZING 2001 SRF FUNDS

RECIPIENT	BINDING COMMITMENT DATE	BINDING COMMITMENT AMOUNT	ACTUAL AMOUNT	BALANCE
2001 Capitalization Grant and State Match				\$7,535,476
Sioux Falls (14) ²⁴			\$913,891	\$6,621,585
Yankton (03)	Oct. 12, 2001	\$6,130,000	\$6,130,000	\$491,585
Wall Lake (01)	Dec. 13, 2001	\$200,000	\$175,126	\$316,459
Elk Point (02) ²⁵	January 31, 2002	\$450,000	\$40,974	\$275,485
Sioux Falls (15) ²⁵	April 12, 2002	\$1,724,000	\$275,485	\$0

²⁴ Balance is from 2000 funds

²⁵ Balance is from repayment funds

14. PROJECTS UTILIZING 2002 SRF FUNDS

The FFY 2002 Clean Water SRF Capitalization Grant and state matching funds were transferred in their entirety to the Drinking Water SRF Program.

15. PROJECTS UTILIZING 2003 SRF FUNDS

The FFY 2003 Clean Water SRF Capitalization Grant and state matching funds were transferred in their entirety to the Drinking Water SRF Program.

16. PROJECTS UTILIZING 2004 SRF FUNDS

RECIPIENT	BINDING COMMITMENT DATE	BINDING COMMITMENT AMOUNT	ACTUAL AMOUNT	BALANCE
2004 Capitalization Grant and State Match				\$7,507,288
Rapid City (05) ²⁴	January 11, 2001	\$14,000,000	\$1,251,215	\$6,256,073
Clear Lake (02)	June 25, 2004	\$910,000	\$910,000	\$5,346,073

Gayville (01)	June 25, 2004	\$275,000	\$275,000	\$5,071,073
Sioux Falls (18)	July 16, 2004	\$3,951,000	\$3,951,000	\$1,120,073
Sioux Falls (19)	July 16, 2004	\$801,000	\$801,000	\$319,073
Vermillion (04) ²⁵	July 16, 2004	\$3,548,351	\$319,073	\$0

²⁴ Balance is from future year match and repayment funds

²⁵ Balance is from repayment funds

17. PROJECTS UTILIZING LEVERAGED FUNDS

RECIPIENT	BINDING COMMITMENT DATE	BINDING COMMITMENT AMOUNT	ACTUAL AMOUNT	BALANCE
Total Leveraged Funds Available				\$4,507,540
Yankton (02)	Dec. 11, 1997	6.0%, 20	\$4,500,000	\$7,540
Lake Madison Sanitary Dist (02) ²⁶			\$7,540	\$0

²⁷ Balance is from repayment funds

18. PROJECTS UTILIZING REPAYMENT FUNDS

RECIPIENT	BINDING COMMITMENT DATE	BINDING COMMITMENT AMOUNT	ACTUAL AMOUNT	BALANCE
Total Repayments as of 9/30/2004				\$57,348,847
Watertown (04)	Nov. 9, 1995	\$2,200,000	\$932,830	\$56,416,017
Mitchell (01)	April 15, 1997	\$2,000,000	\$1,543,405	\$54,872,612
Rapid City (05) ²⁷			\$11,500,000	\$43,372,612
Castlewood (01)	January 31, 2002	\$250,000	\$215,859	\$43,156,753
Fort Pierre (02)	January 31, 2002	\$462,500	\$462,500	\$42,694,253
Elk Point (02) ²⁸			\$409,026	\$42,285,227
Hartford (03)	April 12, 2002	\$300,000	\$300,000	\$41,985,227
Highmore (01)	April 12, 2002	\$262,300	\$262,300	\$41,722,927
Webster (02)	April 12, 2002	\$811,000	\$811,000	\$40,911,927
Sioux Falls (15) ²⁸			\$1,448,515	\$39,463,412
Baltic (01)	June 27, 2002	\$465,000	\$405,646	\$39,057,766
Centerville (01)	June 27, 2002	\$500,000	\$500,000	\$38,557,766
Britton (02)	Sept. 26, 2002	\$322,500	\$322,500	\$38,235,266
Canton (02)	January 10, 2003	\$600,000	\$600,000	\$37,635,266

RECIPIENT	BINDING COMMITMENT DATE	BINDING COMMITMENT AMOUNT	ACTUAL AMOUNT	BALANCE
Clark (01)	January 10, 2003	\$400,000	\$400,000	\$37,235,266
Hartford (04)	January 10, 2003	\$550,035	\$550,035	\$36,685,231
Sioux Falls (16)	January 10, 2003	\$2,479,500	\$2,479,500	\$34,205,731
Groton (04)	March 28, 2003	\$163,775	\$126,648	\$34,079,083
Groton (05)	March 28, 2003	\$440,000	\$440,000	\$33,639,083
Jefferson (01)	March 28, 2003	\$320,000	\$320,000	\$33,319,083
Pierre (04)	March 28, 2003	\$1,378,404	\$1,378,404	\$31,940,679
Salem (01)	March 28, 2003	\$592,307	\$518,035	\$31,422,644
Scotland (01)	March 28, 2003	\$250,000	\$250,000	\$31,172,644
Vermillion (03)	March 28, 2003	\$456,000	\$273,965	\$30,898,679
Watertown (05)	March 28, 2003	\$2,055,000	\$2,055,000	\$28,843,679
Black Hawk Sanitary District (01)	June 26, 2003	\$589,600	\$589,600	\$28,254,079
Elk Point (03)	June 26, 2003	\$345,000	\$345,000	\$27,909,079
Sioux Falls (17)	June 26, 2003	\$932,000	\$932,000	\$26,977,079
Tea (05)	June 26, 2003	\$495,490	\$495,490	\$26,481,589
Lake Madison Sanitary Dist (02) ²⁹			\$867,460	\$25,614,129
Mitchell (02)	Sept. 25, 2003	\$1,320,000	\$1,320,000	\$24,294,129
Lake Cochrane (02)	January 8, 2004	\$160,000	\$160,000	\$24,134,129
Willow Lake (01)	January 8, 2004	\$100,000	\$100,000	\$24,034,129
Fort Pierre (03)	January 9, 2004	\$450,000	\$450,000	\$23,584,129
Vermillion (04) ³⁰			\$3,229,278	\$20,354,851
Parker (01)	Sept. 23, 2004	\$824,000	\$824,000	\$19,530,851
Valley Springs (02)	Sept. 23, 2004	\$350,000	\$350,000	\$19,180,851

²⁷ Balance is from future match and 2004 funds

²⁸ Balance is from 2001 funds

²⁹ Balance is from leveraged funds

³⁰ Balance is from 2004 funds

19. PROJECTS UTILIZING FUTURE YEARS' MATCH (2001 BOND PROCEEDS)

RECIPIENT	BINDING COMMITMENT DATE	BINDING COMMITMENT AMOUNT	ACTUAL AMOUNT	BALANCE
2001 Bond Proceeds				\$1,248,785
Rapid City (05) ³¹			\$1,248,785	\$0

³¹ Balance is from 2004 and repayment funds

EXHIBIT V
Clean Water SRF Disbursements
October 1, 2003 to September 30, 2004

LOAN DISBURSEMENTS

Disburse Number	Date	Payee	Leveraged Funds	Repayment Funds	State Funds	Federal Funds	Total Payment
04-01	10/08/03	Vermillion (03)	\$0.00	\$136,965.00	\$0.00	\$0.00	\$136,965.00
04-02	10/16/03	Scotland (01)	\$0.00	\$18,736.00	\$0.00	\$0.00	\$18,736.00
04-03	10/16/03	Tea (05)	\$0.00	\$140,494.00	\$0.00	\$0.00	\$140,494.00
04-04	10/17/03	Webster (02)	\$0.00	\$135,534.00	\$0.00	\$0.00	\$135,534.00
04-05	10/22/03	Groton (04)	\$0.00	\$20,280.00	\$0.00	\$0.00	\$20,280.00
04-06	10/22/03	Rapid City (05)	\$0.00	\$685,796.00	\$0.00	\$0.00	\$685,796.00
04-07	10/22/03	Salem (01)	\$0.00	\$154,707.00	\$0.00	\$0.00	\$154,707.00
04-08	10/23/03	Yankton (03)	\$0.00	\$0.00	\$396,161.00	\$1,980,802.00	\$2,376,963.00
04-09	10/30/03	Clark (01)	\$0.00	\$97,524.00	\$0.00	\$0.00	\$97,524.00
04-10	10/30/03	Jefferson (01)	\$0.00	\$31,380.00	\$0.00	\$0.00	\$31,380.00
04-11	10/30/03	Pierre (04)	\$0.00	\$143,496.00	\$0.00	\$0.00	\$143,496.00
04-12	10/30/03	Scotland (01)	\$0.00	\$14,469.00	\$0.00	\$0.00	\$14,469.00
04-13	11/05/03	Baltic (01)	\$0.00	\$61,970.00	\$0.00	\$0.00	\$61,970.00
04-14	11/13/03	Groton (04)	\$0.00	\$20,802.00	\$0.00	\$0.00	\$20,802.00
04-15	11/13/03	Hartford (04)	\$0.00	\$26,735.00	\$0.00	\$0.00	\$26,735.00
04-16	11/24/03	Clark (01)	\$0.00	\$51,411.00	\$0.00	\$0.00	\$51,411.00
04-17	11/25/03	Webster (02)	\$0.00	\$134,849.00	\$0.00	\$0.00	\$134,849.00
04-18	11/26/03	Scotland (01)	\$0.00	\$44,095.00	\$0.00	\$0.00	\$44,095.00
04-19	12/03/03	Yankton (03)	\$0.00	\$0.00	\$176,870.00	\$884,370.00	\$1,061,240.00
04-20	12/04/03	Salem (01)	\$0.00	\$124,342.00	\$0.00	\$0.00	\$124,342.00
04-21	12/17/03	Sioux Falls (17)	\$0.00	\$503,744.00	\$0.00	\$0.00	\$503,744.00
04-22	12/17/03	Tea (05)	\$0.00	\$176,276.00	\$0.00	\$0.00	\$176,276.00
04-23	12/24/03	Baltic (01)	\$0.00	\$237,854.00	\$0.00	\$0.00	\$237,854.00
04-24	12/24/03	Clark (01)	\$0.00	\$55,785.00	\$0.00	\$0.00	\$55,785.00
04-25	12/24/03	Watertown (05)	\$0.00	\$422,231.00	\$0.00	\$0.00	\$422,231.00
04-26	12/24/03	Webster (02)	\$0.00	\$11,139.00	\$0.00	\$0.00	\$11,139.00
04-27	01/06/04	Pierre (04)	\$0.00	\$255,952.00	\$0.00	\$0.00	\$255,952.00
04-28	01/06/04	Tea (05)	\$0.00	\$40,227.00	\$0.00	\$0.00	\$40,227.00
04-29	01/06/04	Vermillion (03)	\$0.00	\$6,366.00	\$0.00	\$0.00	\$6,366.00

04-31	01/15/04	Hartford (04)	\$0.00	\$7,864.00	\$0.00	\$0.00	\$7,864.00
04-32	01/15/04	Vermillion (03)	\$0.00	\$10,000.00	\$0.00	\$0.00	\$10,000.00
04-30	01/15/04	Groton (04)	\$0.00	\$14,952.00	\$0.00	\$0.00	\$14,952.00
04-33	01/27/04	Centerville (01)	\$0.00	\$5,000.00	\$0.00	\$0.00	\$5,000.00
04-34	01/27/04	Scotland (01)	\$0.00	\$18,799.00	\$0.00	\$0.00	\$18,799.00
04-35	02/04/04	Salem (01)	\$0.00	\$18,687.00	\$0.00	\$0.00	\$18,687.00
04-36	02/04/04	Watertown (05)	\$0.00	\$1,349.00	\$0.00	\$0.00	\$1,349.00
04-37	03/04/04	Watertown (05)	\$0.00	\$1,986.00	\$0.00	\$0.00	\$1,986.00
04-38	03/04/04	Scotland (01)	\$0.00	\$33,085.00	\$0.00	\$0.00	\$33,085.00
04-39	03/11/04	Clark (01)	\$0.00	\$4,865.00	\$0.00	\$0.00	\$4,865.00
04-40	03/16/04	Baltic (01)	\$0.00	\$19,422.00	\$0.00	\$0.00	\$19,422.00
04-41	03/31/04	Hartford (04)	\$0.00	\$4,130.00	\$0.00	\$0.00	\$4,130.00
04-43	03/31/04	Watertown (05)	\$0.00	\$894.00	\$0.00	\$0.00	\$894.00
04-42	04/06/04	LMSD (02)	\$7,540.00	\$0.00	\$0.00	\$0.00	\$7,540.00
04-42	04/06/04	LMSD (02)	\$0.00	\$54,367.00	\$0.00	\$0.00	\$54,367.00
04-44	05/14/04	Clark (01)	\$0.00	\$4,220.00	\$0.00	\$0.00	\$4,220.00
04-45	05/14/04	LMSD (02)	\$0.00	\$2,675.00	\$0.00	\$0.00	\$2,675.00
04-46	05/26/04	Jefferson (01)	\$0.00	\$52,326.00	\$0.00	\$0.00	\$52,326.00
04-47	05/26/04	Sioux Falls (16)	\$0.00	\$1,195,142.00	\$0.00	\$0.00	\$1,195,142.00
04-48	06/09/04	Groton (04)	\$0.00	\$20,162.00	\$0.00	\$0.00	\$20,162.00
04-49	06/18/04	Vermillion (03)	\$0.00	\$3,037.00	\$0.00	\$0.00	\$3,037.00
04-50	06/24/04	Clark (01)	\$0.00	\$3,746.00	\$0.00	\$0.00	\$3,746.00
04-51	06/24/04	Watertown (05)	\$0.00	\$41,613.00	\$0.00	\$0.00	\$41,613.00
04-52	06/24/04	Yankton (03)	\$0.00	\$0.00	\$100,198.00	\$500,985.00	\$601,183.00
04-53	06/28/04	Salem (01)	\$0.00	\$23,600.00	\$0.00	\$0.00	\$23,600.00
04-54	06/28/04	Webster (02)	\$0.00	\$48,267.00	\$0.00	\$0.00	\$48,267.00
04-55	07/09/04	Webster (02)	\$0.00	\$5,000.00	\$0.00	\$0.00	\$5,000.00
04-56	07/09/04	Sioux Falls (17)	\$0.00	\$57,576.00	\$0.00	\$0.00	\$57,576.00
04-57	07/22/04	Hartford (04)	\$0.00	\$120,393.00	\$0.00	\$0.00	\$120,393.00
04-58	07/22/04	Sioux Falls (15)	\$0.00	\$1,192,221.00	\$0.00	\$0.00	\$1,192,221.00
04-58	07/22/04	Sioux Falls (15)	\$0.00	\$0.00	\$45,915.00	\$229,570.00	\$275,485.00
04-59	07/22/04	Sioux Falls (16)	\$0.00	\$16,393.00	\$0.00	\$0.00	\$16,393.00
04-60	07/22/04	Watertown (05)	\$0.00	\$94,097.00	\$0.00	\$0.00	\$94,097.00
04-61	07/29/04	Clark (01)	\$0.00	\$3,698.00	\$0.00	\$0.00	\$3,698.00
04-62	07/29/04	Elk Point (03)	\$0.00	\$46,512.00	\$0.00	\$0.00	\$46,512.00
04-63	07/29/04	Hartford (04)	\$0.00	\$145,978.00	\$0.00	\$0.00	\$145,978.00
04-64	07/29/04	LMSD (02)	\$0.00	\$9,525.00	\$0.00	\$0.00	\$9,525.00

04-65	08/20/04	Clark (01)	\$0.00	\$7,391.00	\$0.00	\$0.00	\$7,391.00
04-66	08/20/04	Jefferson (01)	\$0.00	\$82,378.00	\$0.00	\$0.00	\$82,378.00
04-67	08/30/04	Britton (02)	\$0.00	\$183,543.00	\$0.00	\$0.00	\$183,543.00
04-68	08/30/04	Hartford (04)	\$0.00	\$99,148.00	\$0.00	\$0.00	\$99,148.00
04-69	09/10/04	Watertown (05)	\$0.00	\$71,979.00	\$0.00	\$0.00	\$71,979.00
04-70	09/17/04	Watertown (05)	\$0.00	\$98,945.00	\$0.00	\$0.00	\$98,945.00
04-71	09/17/04	Hartford (04)	\$0.00	\$14,411.00	\$0.00	\$0.00	\$14,411.00
04-72	09/24/04	LMSD (02)	\$0.00	\$87,932.00	\$0.00	\$0.00	\$87,932.00
04-73	09/30/04	Groton (05)	\$0.00	\$232,791.00	\$0.00	\$0.00	\$232,791.00
04-74	09/30/04	Clark (01)	\$0.00	\$67,049.00	\$0.00	\$0.00	\$67,049.00
04-75	09/30/04	Britton (02)	\$0.00	\$30,950.00	\$0.00	\$0.00	\$30,950.00
Total Loan Disbursements			\$7,540.00	\$8,011,257.00	\$719,144.00	\$3,595,727.00	\$12,333,668.00

ADMINISTRATIVE DISBURSEMENTS

Disburse Number	Date	Name	Costs of Cost of Issuance	State Match	Federal	State Admin Restricted	State Admin Discretionary	Total Payment
04A-01	10/16/03	SD	\$0	\$0	\$0	\$7,000	\$0	\$7,000
04A-01	10/16/03	SD	\$0	\$0	\$0	\$0	\$3,400	\$3,400
04A-01	10/16/03	SD - Planning Grants	\$0	\$0	\$0	\$0	\$2,800	\$2,800
04A-02	11/24/03	SD	\$0	\$0	\$0	\$18,000	\$11,300	\$29,300
04A-03	12/11/03	SD	\$0	\$0	\$0	\$0	\$11,000	\$11,000
04A-03	12/11/03	SD - Planning Grants	\$0	\$0	\$0	\$0	\$13,000	\$13,000
04A-04	12/11/03	FNB	\$0	\$0	\$0	\$0	\$22,550	\$22,550
04A-05	01/27/04	SD	\$0	\$0	\$0	\$11,300	\$7,500	\$18,800
04A-06	02/11/04	FNB	\$0	\$0	\$0	\$0	\$32,900	\$32,900
04A-07	03/11/04	Alzheimer & Gray	\$0	\$0	\$0	\$0	\$25,000	\$25,000
04A-08	03/24/04	SD	\$0	\$0	\$0	\$0	\$8,400	\$8,400
04A-08	03/24/04	SD - Planning Grants	\$0	\$0	\$0	\$0	\$8,000	\$8,000
04A-09	04/22/04	Public Financial Mgmt	\$0	\$0	\$0	\$0	\$21,500	\$21,500
04A-10	04/21/04	SD	\$0	\$0	\$0	\$0	\$19,600	\$19,600
04A-10	04/21/04	SD - Planning Grants	\$0	\$0	\$0	\$0	\$7,400	\$7,400
04A-11	05/14/04	SD	\$0	\$0	\$0	\$0	\$29,300	\$29,300
04A-12	06/18/04	FNB	\$0	\$0	\$0	\$22,755	\$0	\$22,755
04A-13	06/18/04	Perkins Coie	\$0	\$0	\$0	\$0	\$37,500	\$37,500
04A-14	06/25/04	SD	\$0	\$0	\$0	\$10,500	\$0	\$10,500

04A-15	07/16/04	Perkins Coie	\$15,984	\$0	\$0	\$0	\$0	\$15,984
04A-16	07/16/04	FNB	\$3,552	\$0	\$0	\$0	\$0	\$3,552
04A-17	07/16/04	Moody's	\$5,624	\$0	\$0	\$0	\$0	\$5,624
04A-18	07/16/04	Ambach Assurance	\$2,960	\$0	\$0	\$0	\$0	\$2,960
04A-19	07/16/04	Standard & Poor's	\$5,328	\$0	\$0	\$0	\$0	\$5,328
04A-20	07/29/04	SD	\$0	\$0	\$0	\$0	\$37,893	\$37,893
04A-20	07/29/04	SD - Planning Grants	\$0	\$0	\$0	\$0	\$17	\$17
04A-21	08/06/04	Public Financial Mgmt	\$12,842	\$0	\$0	\$0	\$0	\$12,842
04A-22	08/26/04	Berens-Tate Consult.	\$770	\$0	\$0	\$0	\$0	\$770
04A-23	08/27/04	SD	\$0	\$5,000	\$25,000	\$0	\$0	\$30,000
04A-24	09/15/04	SD	\$0	\$1,360	\$6,800	\$0	\$0	\$8,160
04A-24	09/15/04	SD-Planning Grants	\$0	\$0	\$0	\$0	\$12,800	\$12,800
Total Admin Disbursements			\$47,060	\$6,360	\$31,800	\$69,555	\$311,860	\$466,635

TOTAL OF ALL CWSRF DISBURSEMENTS

\$12,800,303

Disbursements to the State of SD reflect reimbursements for disbursements made through the state accounting system. These reimbursements are for payroll expenses, overhead costs, and planning grants. These reimbursements are rounded and do not reflect expenses as incurred during the year. Expenses reimbursed also may be from a prior fiscal year. See Financial Statements for expenses incurred on an accrual basis.

EXHIBIT VI
Letter of Credit
Projected vs. Actual Draws
Federal Fiscal year 2004

QUARTER	PROJECTED DRAWS	ACTUAL LOAN DRAWS	ACTUAL ADMIN DRAWS	DIFFERENCE
1ST	\$0	\$2,865,172	\$0	\$2,865,172
2ND	\$0	\$0	\$0	\$0
3RD	\$0	\$500,985	\$0	\$500,985
4TH	\$471,800	\$229,570	\$31,800	(\$210,430)
TOTAL	\$471,800	\$3,595,727	\$31,800	\$3,155,727

Letter of Credit Draws
Federal Fiscal Year 2004

Draw #	Date	Loan	Admin	Total
0505	10/22/03	\$1,980,802		\$1,980,802
0512	12/02/03	\$884,370		\$884,370
0536	06/23/04	\$500,985		\$500,985
0540	07/21/04	\$229,570		\$229,570
0544	08/26/04		\$25,000	\$25,000
0545	09/15/04		\$6,800	\$6,800
		\$3,595,727	\$31,800	\$3,627,527

EXHIBIT VII
Environmental Review and
Land Purchase Information

Loan Recipient	Environmental Assessment Class	Environmental Assessment Publication Date	Land Purchase w/ SRF?
Clear Lake (02)	CatEx	05/12/04	No
Fort Pierre (03)	FNSI	01/07/04	No
Gayville (01)	FNSI	06/18/04	No
Lake Cochrane San Dist (02)	CatEx	01/07/04	No
Parker (01)	CatEx	06/30/04	No
Sioux Falls (18)	CatEx	07/02/04	No
Sioux Falls (19)	CatEx	07/02/04	No
Valley Springs (02)	CatEx	09/01/04	No
Vermillion (04)	FNSI	07/09/04	No
Willow Lake (01)	CatEx	01/05/04	No

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

EXHIBIT VIII
CWSRF LOAN PARTICIPANTS
September 30, 2004
(Unaudited)

Borrower Name	Loan Amount	State Advances	Federal Advances	Other Advances	Total Advances	Repayment Amount	Loan Balance
Aurora (01)	410,000.00	44,555.00	265,204.00	0.00	309,759.00	25,434.91	284,324.09
Baltic (01)	405,646.00	0.00	0.00	405,646.00	405,646.00	7,062.43	398,583.57
Belle Fourche (01)	253,000.00	38,396.00	214,604.00	0.00	253,000.00	130,070.85	122,929.15
Belle Fourche (02)	264,422.00	44,071.00	220,351.00	0.00	264,422.00	221,320.75	43,101.25
Beresford (01)	1,115,852.00	76,297.00	1,039,555.00	0.00	1,115,852.00	339,130.47	776,721.53
Black Hawk San. Dist. (01)	589,600.00	0.00	0.00	0.00	0.00	0.00	0.00
Box Elder (01)	648,600.00	108,100.00	540,500.00	0.00	648,600.00	408,851.12	239,748.88
Brandon (01)	105,000.00	103,723.00	1,277.00	0.00	105,000.00	105,000.00	0.00
Brandon (02)	526,018.00	125,389.00	400,629.00	0.00	526,018.00	489,755.41	36,262.59
Bridgewater (01)	90,328.00	15,055.00	75,273.00	0.00	90,328.00	17,185.97	73,142.03
Britton (01)	509,935.00	84,990.00	424,945.00	0.00	509,935.00	213,019.08	296,915.92
Britton (02)	322,500.00	0.00	0.00	214,493.00	214,493.00	0.00	214,493.00
Brookings (01)	188,065.00	31,344.00	156,721.00	0.00	188,065.00	188,065.00	0.00

Borrower Name	Loan Amount	State Advances	Federal Advances	Other Advances	Total Advances	Repayment Amount	Loan Balance
Canton (01)	515,715.00	0.00	515,715.00	0.00	515,715.00	346,874.83	168,840.17
Canton (02)	600,000.00	0.00	0.00	559,965.00	559,965.00	0.00	559,965.00
Castlewood (01)	215,859.00	0.00	0.00	215,859.00	215,859.00	7,596.84	208,262.16
Centerville (01)	500,000.00	0.00	0.00	500,000.00	500,000.00	8,721.74	491,278.26
Chamberlain (01)	350,500.00	0.00	350,500.00	0.00	350,500.00	350,500.00	0.00
Chamberlain (02)	265,000.00	44,167.00	220,833.00	0.00	265,000.00	265,000.00	0.00
Chamberlain (03)	2,700,000.00	450,002.00	2,249,998.00	0.00	2,700,000.00	2,700,000.00	0.00
Chamberlain (04)	450,000.00	75,000.00	375,000.00	0.00	450,000.00	81,337.31	368,662.69
Clark (01)	400,000.00	0.00	0.00	344,421.00	344,421.00	0.00	344,421.00
Clear Lake (01)	79,537.00	18,075.00	61,462.00	0.00	79,537.00	79,537.00	0.00
Clear Lake (02)	910,000.00	0.00	0.00	0.00	0.00	0.00	0.00
Custer (01)	430,000.00	91,087.00	338,913.00	0.00	430,000.00	225,611.72	204,388.28
Custer (02)	182,000.00	30,333.00	151,667.00	0.00	182,000.00	182,000.00	0.00
Custer (03)	276,000.00	46,003.00	229,997.00	0.00	276,000.00	276,000.00	0.00
Custer-Fall River (NPS-01)	106,939.00	17,823.00	89,116.00	0.00	106,939.00 0.00	106,939.00	0.00
Deadwood (01)	447,838.00	74,640.00	373,198.00	0.00	447,838.00	295,373.29	152,464.71
Dell Rapids (01)	300,000.00	50,001.00	249,999.00	0.00	300,000.00	282,769.84	17,230.16
Elk Point (01)	458,000.00	76,335.00	381,665.00	0.00	458,000.00	257,701.04	200,298.96
Elk Point (02)	450,000.00	6,829.00	34,145.00	312,604.00	353,578.00	15,622.94	337,955.06
Elk Point (03)	345,000.00	0.00	0.00	46,512.00	46,512.00	0.00	46,512.00

Borrower Name	Loan Amount	State Advances	Federal Advances	Other Advances	Total Advances	Repayment Amount	Loan Balance
Fort Pierre (01)	330,294.00	55,051.00	275,243.00	0.00	330,294.00	286,468.94	43,825.06
Fort Pierre (02)	462,500.00	0.00	0.00	462,500.00	462,500.00	36,119.91	426,380.09
Fort Pierre (03)	450,000.00	0.00	0.00	0.00	0.00	0.00	0.00
Garretson (01)	300,000.00	50,001.00	249,999.00	0.00	300,000.00	300,000.00	0.00
Gayville (01)	275,000.00	0.00	0.00	0.00	0.00	0.00	0.00
Groton (01)	189,524.00	31,589.00	157,935.00	0.00	189,524.00	157,362.00	32,162.00
Groton (02)	74,630.00	12,440.00	62,190.00	0.00	74,630.00	61,965.38	12,664.62
Groton (03)	470,809.00	78,467.00	392,342.00	0.00	470,809.00	82,541.16	388,267.84
Groton (04)	126,648.00	0.00	0.00	126,648.00	126,648.00	0.00	126,648.00
Groton (05)	440,000.00	0.00	0.00	232,791.00	232,791.00	0.00	232,791.00
Harrisburg (01)	507,277.00	84,545.00	422,732.00	0.00	507,277.00	79,567.19	427,709.81
Hartford (01)	504,000.00	32,409.00	471,591.00	0.00	504,000.00	39,180.21	464,819.79
Hartford (02)	690,804.00	67,100.00	623,704.00	0.00	690,804.00	52,947.85	637,856.15
Hartford (03)	300,000.00	0.00	0.00	300,000.00	300,000.00	21,490.51	278,509.49
Hartford (04)	550,035.00	0.00	0.00	550,035.00	550,035.00	4,128.44	545,906.56
Highmore (01)	262,300.00	0.00	0.00	262,300.00	262,300.00	6,893.21	255,406.79
Hot Springs (01)	196,930.00	32,822.00	164,108.00	0.00	196,930.00	185,619.65	11,310.35
Hot Springs (NPS-01)	930,000.00	155,001.00	774,999.00	0.00	930,000.00	307,809.98	622,190.02
Huron (01)	1,656,000.00	276,001.00	1,379,999.00	0.00	1,656,000.00	938,226.58	717,773.42
Huron (02)	701,997.00	110,501.00	591,496.00	0.00	701,997.00	701,997.00	0.00
Huron (03)	1,856,828.00	309,472.00	1,547,356.00	0.00	1,856,828.00	480,947.34	1,375,880.66

Borrower Name	Loan Amount	State Advances	Federal Advances	Other Advances	Total Advances	Repayment Amount	Loan Balance
Jefferson (01)	320,000.00	0.00	0.00	166,084.00	166,084.00	0.00	166,084.00
Lake Cochrane SD (01)	80,000.00	13,333.00	66,667.00	0.00	80,000.00	52,100.13	27,899.87
Lake Cochrane SD (02)	160,000.00	0.00	0.00	0.00	0.00	0.00	0.00
Lake Madison SD (01)	330,000.00	55,000.00	275,000.00	0.00	330,000.00	330,000.00	0.00
Lake Madison SD (02)	875,000.00	0.00	0.00	162,039.00	162,039.00	0.00	162,039.00
Lead (01)	186,409.00	31,068.00	155,341.00	0.00	186,409.00	109,846.72	76,562.28
Lead (02)	500,770.00	94,264.00	406,506.00	0.00	500,770.00	500,770.00	0.00
Lead (03)	375,298.00	21,459.00	353,839.00	0.00	375,298.00	375,298.00	0.00
Lead (04)	239,200.00	39,867.00	199,333.00	0.00	239,200.00	29,425.33	209,774.67
Lead-Deadwood SD (01)	106,855.00	17,809.00	89,046.00	0.00	106,855.00	106,855.00	0.00
Lemmon (01)	427,100.00	71,184.00	355,916.00	0.00	427,100.00	265,365.14	161,734.86
Lennox (01)	350,000.00	58,336.00	291,664.00	0.00	350,000.00	92,064.56	257,935.44
Lennox (02)	583,735.00	97,288.00	486,447.00	0.00	583,735.00	108,821.14	474,913.86
Madison (01)	119,416.00	19,904.00	99,512.00	0.00	119,416.00	119,416.00	0.00
McCook Lake SD (01)	641,935.00	45,304.00	596,631.00	0.00	641,935.00	263,253.43	378,681.57
Mitchell (01)	1,543,405.00	0.00	0.00	1,543,405.00	1,543,405.00	766,015.31	777,389.69
Mitchell (02)	1,320,000.00	0.00	0.00	0.00	0.00	0.00	0.00
Mobridge (01)	1,500,000.00	250,000.00	1,250,000.00	0.00	1,500,000.00	870,409.07	629,590.93
Mobridge (02)	158,000.00	158,000.00	0.00	0.00	158,000.00	122,509.06	35,490.94
Mobridge (03)	1,350,000.00	84,143.00	1,265,857.00	0.00	1,350,000.00	283,142.25	1,066,857.75

Borrower Name	Loan Amount	State Advances	Federal Advances	Other Advances	Total Advances	Repayment Amount	Loan Balance
North Sioux City (01)	239,650.00	35,828.00	203,822.00	0.00	239,650.00	239,650.00	0.00
North Sioux City (02)	646,000.00	107,667.00	538,333.00	0.00	646,000.00	263,499.78	382,500.22
Northdale SD (01)	256,380.00	42,731.00	213,649.00	0.00	256,380.00	256,380.00	0.00
Parker (01)	824,000.00	0.00	0.00	0.00	0.00	0.00	0.00
Philip (01)	453,885.00	75,649.00	378,236.00	0.00	453,885.00	209,996.09	243,888.91
Philip (02)	321,127.00	53,503.00	267,624.00	0.00	321,127.00	62,003.87	259,123.13
Pickerel Lake SD (01)	850,000.00	141,668.00	708,332.00	0.00	850,000.00	455,445.83	394,554.17
Pickerel Lake SD (02)	670,000.00	111,668.00	558,332.00	0.00	670,000.00	352,127.20	317,872.80
Pierre (01)	433,976.00	119,669.00	314,307.00	0.00	433,976.00	433,976.00	0.00
Pierre (02)	4,417,000.00	736,167.00	3,680,833.00	0.00	4,417,000.00	764,056.27	3,652,943.73
Pierre (03)	5,391,260.00	894,379.00	4,496,881.00	0.00	5,391,260.00	646,560.19	4,744,699.81
Pierre (04)	1,378,404.00	0.00	0.00	1,199,832.00	1,199,832.00	0.00	1,199,832.00
Platte (01)	1,000,000.00	35,347.00	940,518.00	0.00	975,865.00	113,311.59	862,553.41
Pollock (01)	151,619.49	25,269.49	126,350.00	0.00	151,619.49	151,619.49	0.00
Rapid City (01)	2,479,905.00	314,856.00	2,165,049.00	0.00	2,479,905.00	1,659,666.23	820,238.77
Rapid City (02)	986,685.00	84,228.00	902,457.00	0.00	986,685.00	569,072.72	417,612.28
Rapid City (03)	674,577.00	139,827.00	534,750.00	0.00	674,577.00	366,316.57	308,260.43
Rapid City (04)	1,214,861.39	202,476.39	1,012,385.00	0.00	1,214,861.39	681,470.75	533,390.64
Rapid City (05)	14,000,000.00	2,500,000.00	0.00	11,500,000.00	14,000,000.00	697,831.04	13,302,168.96
Rapid Valley SD (01)	614,000.00	37,161.00	576,839.00	0.00	614,000.00	614,000.00	0.00
Rapid Valley SD (02)	364,583.00	60,762.00	303,821.00	0.00	364,583.00	185,292.51	179,290.49

Borrower Name	Loan Amount	State Advances	Federal Advances	Other Advances	Total Advances	Repayment Amount	Loan Balance
Rapid Valley SD (03)	630,000.00	105,000.00	525,000.00	0.00	630,000.00	133,295.13	496,704.87
Richmond Lake SD (01)	414,000.00	69,000.00	345,000.00	0.00	414,000.00	293,546.64	120,453.36
Richmond Lake SD (02)	191,500.00	31,916.00	159,584.00	0.00	191,500.00	191,500.00	0.00
Roscoe (01)	358,408.00	59,735.00	298,673.00	0.00	358,408.00	358,408.00	0.00
Salem (01)	518,035.00	0.00	0.00	518,035.00	518,035.00	0.00	518,035.00
Scotland (01)	250,000.00	0.00	0.00	249,701.00	249,701.00	0.00	249,701.00
Sioux Falls (01)	2,836,962.58	485,789.58	2,351,173.00	0.00	2,836,962.58	1,520,398.25	1,316,564.33
Sioux Falls (02)	453,999.19	63,755.19	390,244.00	0.00	453,999.19	453,999.19	0.00
Sioux Falls (03)	844,999.94	214,025.94	630,974.00	0.00	844,999.94	844,999.94	0.00
Sioux Falls (04)	1,199,999.89	451,538.89	748,461.00	0.00	1,199,999.89	1,199,999.89	0.00
Sioux Falls (05)	1,954,999.84	7,484.84	1,947,515.00	0.00	1,954,999.84	1,954,999.84	0.00
Sioux Falls (06)	699,999.92	28,753.92	671,246.00	0.00	699,999.92	699,999.92	0.00
Sioux Falls (07)	4,500,000.00	717,666.00	3,782,334.00	0.00	4,500,000.00	4,029,117.57	470,882.43
Sioux Falls (08)	699,003.00	87,540.00	611,463.00	0.00	699,003.00	548,498.75	150,504.25
Sioux Falls (09)	1,250,000.00	208,336.00	1,041,664.00	0.00	1,250,000.00	1,012,995.96	237,004.04
Sioux Falls (10)	1,432,941.00	155,264.00	1,277,677.00	0.00	1,432,941.00	1,162,031.24	270,909.76
Sioux Falls (11)	1,195,346.00	199,225.00	996,121.00	0.00	1,195,346.00	866,133.21	329,212.79
Sioux Falls (12)	1,300,000.00	216,667.00	1,083,333.00	0.00	1,300,000.00	890,673.71	409,326.29
Sioux Falls (13)	2,083,137.00	326,754.00	1,756,383.00	0.00	2,083,137.00	1,078,038.13	1,005,098.87
Sioux Falls (14)	4,888,537.00	1,389,225.00	3,499,312.00	0.00	4,888,537.00	915,106.54	3,973,430.46
Sioux Falls (15)	1,724,000.00	45,915.00	229,570.00	1,192,221.00	1,467,706.00	0.00	1,467,706.00
Sioux Falls (16)	2,479,500.00	0.00	0.00	1,211,535.00	1,211,535.00	0.00	1,211,535.00
Sioux Falls (17)	932,000.00	0.00	0.00	561,320.00	561,320.00	0.00	561,320.00
Sioux Falls (18)	3,951,000.00	0.00	0.00	0.00	0.00	0.00	0.00
Sioux Falls (19)	801,000.00	0.00	0.00	0.00	0.00	0.00	0.00

Borrower Name	Loan Amount	State Advances	Federal Advances	Other Advances	Total Advances	Repayment Amount	Loan Balance
So. Missouri (NPS-01)	700,000.00	116,667.00	583,333.00	0.00	700,000.00	481,335.56	218,664.44
Spearfish (01)	1,955,999.83	61,131.83	1,894,868.00	0.00	1,955,999.83	1,230,028.40	725,971.43
Sturgis (01)	502,000.00	83,667.00	418,333.00	0.00	502,000.00	502,000.00	0.00
Sturgis (02)	936,250.00	103,368.00	832,882.00	0.00	936,250.00	936,250.00	0.00
Sturgis (03)	437,380.00	72,896.00	364,484.00	0.00	437,380.00	437,380.00	0.00
Sturgis (04)	2,100,000.00	291,252.00	1,808,748.00	0.00	2,100,000.00	2,100,000.00	0.00
Tea (01)	600,000.00	99,999.00	500,001.00	0.00	600,000.00	337,599.50	262,400.50
Tea (02)	600,000.00	89,603.00	510,397.00	0.00	600,000.00	318,218.06	281,781.94
Tea (03)	208,813.00	34,802.00	174,011.00	0.00	208,813.00	50,305.30	158,507.70
Tea (04)	375,000.00	62,501.00	312,499.00	0.00	375,000.00	112,602.93	262,397.07
Tea (05)	495,490.00	0.00	0.00	495,490.00	495,490.00	8,643.06	486,846.94
Valley Springs (01)	422,128.00	70,356.00	351,772.00	0.00	422,128.00	71,948.42	350,179.58
Valley Springs (02)	350,000.00	0.00	0.00	0.00	0.00	0.00	0.00
Vermillion (01)	125,000.00	97,149.00	27,851.00	0.00	125,000.00	62,676.14	62,323.86
Vermillion (02)	370,471.00	61,746.00	308,725.00	0.00	370,471.00	188,979.77	181,491.23
Vermillion (03)	273,965.00	0.00	0.00	273,965.00	273,965.00	0.00	273,965.00
Vermillion (04)	3,548,351.00	0.00	0.00	0.00	0.00	0.00	0.00
Vermillion (NPS-01)	356,531.00	59,422.00	297,109.00	0.00	356,531.00	282,488.81	74,042.19
Wall (01)	788,600.00	131,433.00	657,167.00	0.00	788,600.00	438,182.00	350,418.00
Wall Lake San. Dist (01)	175,126.00	29,189.00	145,937.00	0.00	175,126.00	4,602.28	170,523.72
Warner (01)	101,152.00	16,859.00	84,293.00	0.00	101,152.00	101,152.00	0.00

Borrower Name	Loan Amount	State Advances	Federal Advances	Other Advances	Total Advances	Repayment Amount	Loan Balance
Watertown (01)	2,000,000.00	792,024.00	1,207,976.00	0.00	2,000,000.00	1,383,159.40	616,840.60
Watertown (02)	4,000,000.00	760,786.00	3,239,214.00	0.00	4,000,000.00	2,521,580.95	1,478,419.05
Watertown (03)	2,583,734.00	430,622.00	2,153,112.00	0.00	2,583,734.00	691,759.59	1,891,974.41
Watertown (04)	932,830.00	0.00	0.00	932,830.00	932,830.00	932,830.00	0.00
Watertown (05)	2,055,000.00	0.00	0.00	733,094.00	733,094.00	0.00	733,094.00
Waubay (01)	81,454.00	81,454.00	0.00	0.00	81,454.00	81,454.00	0.00
Webster (01)	345,394.00	57,566.00	287,828.00	0.00	345,394.00	242,833.74	102,560.26
Webster (02)	811,000.00	0.00	0.00	811,000.00	811,000.00	31,087.25	779,912.75
Whitewood (01)	180,801.00	26,344.00	154,457.00	0.00	180,801.00	121,608.48	59,192.52
Whitewood (02)	189,032.00	24,956.00	164,076.00	0.00	189,032.00	20,052.97	168,979.03
Willow Lake (01)	100,000.00	0.00	0.00	0.00	0.00	0.00	0.00
Worthing (01)	227,645.00	37,939.00	189,706.00	0.00	227,645.00	55,974.11	171,670.89
Yankton (01)	2,625,000.00	437,501.00	2,187,499.00	0.00	2,625,000.00	350,773.65	2,274,226.35
Yankton (02)	4,500,000.00	0.00	0.00	4,500,000.00	4,500,000.00	468,137.37	4,031,862.63
Yankton (03)	6,130,000.00	919,498.00	4,597,502.00	0.00	5,517,000.00	142,147.24	5,374,852.76
total - 156 loans	\$154,995,481.07	\$19,637,751.07	\$85,688,745.00	\$30,584,325.00	\$135,910,821.07	\$57,348,847.05	\$78,561,974.02

EXHIBIT IX
Projected Cash Flow Worksheet
for 10/01/04 thru 09/30/05
Unaudited

Borrower	Principal	Interest	Admin Surcharge	Total
Aurora (01)	10,679	11,214	2,804	24,697
Baltic (01)	14,528	9,830	3,932	28,289
Belle Fourche (01)	13,333	2,629	876	16,839
Belle Fourche (02)	32,083	962	321	33,366
Beresford (01)	82,150	19,681	5,616	107,447
Black Hawk San Dist (01)	0	1,059	423	1,482
Box Elder (01)	36,472	5,020	1,673	43,165
Brandon (02)	36,263	361	120	36,743
Bridgewater (01)	3,551	2,828	943	7,322
Britton (01)	38,268	7,195	2,398	47,861
Britton (02)	4,823	3,807	1,523	10,153
Canton (01)	39,725	4,622	1,541	45,887
Canton (02)	14,716	28,416	11,366	54,497
Castlewood (01)	7,866	5,133	2,053	15,053
Centerville (01)	13,371	9,129	3,651	26,151
Chamberlain (04)	17,463	14,261	4,754	36,477
Clark (01)	6,008	12,631	5,052	23,692
Clear Lake (02)	0	0	0	0
Custer (01)	22,951	4,363	1,454	28,769
Deadwood (01)	34,314	4,106	1,369	39,788
Dell Rapids (01)	17,230	113	38	17,381
Elk Point (01)	24,801	5,048	1,683	31,532
Elk Point (02)	12,998	8,328	3,331	24,657
Elk Point (03)	5,233	2,844	1,137	9,214
Fort Pierre (01)	37,470	602	201	38,272
Fort Pierre (02)	25,154	10,373	4,149	39,676
Groton (01)	21,281	545	182	22,008
Groton (02)	8,380	215	72	8,666
Groton (03)	18,391	15,019	5,006	38,417
Groton (04)	4,457	3,125	1,250	8,832
Groton (05)	4,061	4,611	1,844	10,516
Harrisburg (01)	18,781	15,778	5,259	39,818
Hartford (01)	17,087	17,193	5,731	40,011
Hartford (02)	23,447	23,593	7,864	54,905

Hartford (03)	11,320	6,858	2,743	20,921
Hartford (04)	6,158	4,092	1,637	11,887
Highmore (01)	9,476	6,297	2,519	18,291
Hot Springs (01)	11,310	74	25	11,409
Hot Springs (NPS-01)	43,530	22,591	7,530	73,651
Huron (01)	89,980	15,227	5,076	110,283
Huron (03)	80,015	52,745	17,582	150,342
Jefferson (01)	1,442	4,686	1,874	8,002
Lake Cochrane San Dist (01)	4,514	590	197	5,301
Lake Cochrane San Dist (02)	1,276	1,403	561	3,239
Lake Madison San Dist (02)	5,745	6,764	2,705	15,214
Lead (01)	10,249	1,618	539	12,406
Lead (04)	20,743	7,074	2,019	29,836
Lemmon (01)	23,891	3,439	1,146	28,476
Lennox (01)	15,022	9,937	3,312	28,271
Lennox (02)	22,495	18,371	6,124	46,990
McCook Lake San Dist (01)	33,033	13,638	4,546	51,217
Mitchell (01)	159,485	24,237	8,079	191,801
Mitchell (02)	0	0	0	0
Mobridge (01)	75,129	12,284	4,095	91,509
Mobridge (02)	11,777	82,977	27,659	122,413
Mobridge (03)	91,306	27,220	7,767	126,293
North Sioux City (02)	43,149	13,743	4,581	61,473
Philip (01)	31,618	8,607	2,869	43,094
Philip (02)	12,665	9,977	3,326	25,967
Pickeral Lake San Dist (01)	20,940	15,030	5,010	40,980
Pickeral Lake San Dist (02)	15,254	12,148	4,049	31,452
Pierre (02)	175,598	140,696	46,899	363,192
Pierre (03)	194,588	186,899	46,725	428,213
Pierre (04)	20,929	53,958	21,582	96,470
Platte (01)	862,553	12,000	3,000	877,553
Rapid City (01)	192,984	22,454	7,485	222,923
Rapid City (02)	72,966	11,714	3,905	88,585
Rapid City (03)	48,672	8,705	2,902	60,278
Rapid City (04)	88,502	15,014	5,005	108,521
Rapid City (05)	482,030	459,439	131,100	1,072,569
Rapid Valley San Dist (02)	26,160	5,022	1,674	32,855
Rapid Valley San Dist (03)	26,432	19,085	6,362	51,879
Richmond Lake San Dist (01)	120,453	2,137	712	123,302
Salem (01)	18,231	12,781	5,112	36,125
Scotland (01)	2,168	10,710	4,284	17,163

Sioux Falls (01)	151,376	28,070	9,357	188,802
Sioux Falls (07)	470,882	5,321	1,774	477,977
Sioux Falls (08)	77,445	2,592	864	80,901
Sioux Falls (09)	140,780	3,889	1,296	145,965
Sioux Falls (10)	160,910	4,452	1,484	166,847
Sioux Falls (11)	136,878	9,011	3,004	148,892
Sioux Falls (12)	147,782	11,547	3,849	163,179
Sioux Falls (13)	251,598	30,135	10,045	291,778
Sioux Falls (14)	437,774	132,622	37,843	608,240
Sioux Falls (15)	114,216	41,015	16,405	171,635
Sioux Falls (16)	51,077	34,190	13,675	98,942
Sioux Falls (17)	23,645	21,260	8,503	53,408
Southern Missouri WMD (01)	12,148	7,993	2,664	22,805
Spearfish (01)	147,261	19,769	6,590	173,619
Tea (01)	43,538	7,386	2,462	53,387
Tea (02)	42,417	7,980	2,660	53,058
Tea (03)	8,522	6,117	2,039	16,677
Tea (04)	22,910	9,521	3,174	35,605
Tea (05)	17,745	12,006	4,802	34,553
Valley Springs (01)	15,800	13,558	4,519	33,877
Vermillion (01)	6,538	1,347	449	8,334
Vermillion (02)	26,092	5,154	1,718	32,964
Vermillion (03)	9,642	6,760	2,704	19,105
Vermillion (NPS-01)	41,599	1,977	659	44,235
Wall (01)	122,346	14,123	3,531	140,000
Wall Lake (01)	6,327	4,204	1,682	12,212
Watertown (01)	155,597	16,769	5,590	177,956
Watertown (02)	306,044	40,938	13,646	360,628
Watertown (03)	113,252	72,842	24,281	210,376
Watertown (05)	13,004	22,992	9,196	45,192
Webster (01)	39,653	2,964	988	43,605
Webster (02)	30,326	19,271	7,708	57,305
Whitewood (01)	13,927	1,620	540	16,087
Whitewood (02)	6,629	6,661	1,665	14,955
Willow Lake (01)	0	0	0	0
Worthing (01)	9,732	6,617	2,206	18,555
Yankton (01)	93,399	88,184	29,395	210,977
Yankton (02)	148,014	238,623	0	386,637
Yankton (03)	203,013	132,485	52,990	388,487

Total FFY05	7,670,959	2,688,842	799,884	11,159,685
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EXHIBIT X
DENR CLEAN WATER STATE REVOLVING FUND
BALANCE SHEET
9/30/2004

ASSETS:

Cash	\$6,784,915.29
Investments	\$46,858,008.74
Loans Receivable	\$78,561,974.02
Federal LOC Commitment less Cash Draws	\$7,054,482.00
Accrued Interest Receivable	\$878,372.24
Due from Other Governments	\$104,054.72
Deferred Charges	\$227,767.32
	\$227,767.32
TOTAL ASSETS	\$140,469,574.33

LIABILITIES AND FUND EQUITY:

Liabilities:

Accounts Payable	\$67,359.77
Bonds Payable	\$13,993,795.35
Cost of Issuance Payable	\$6,247.33
Wages Payable	\$9,347.20
Accrued Employee Benefits	\$2,189.91
Accrued Interest Payable	\$120,287.22
Deferred Revenue	\$181,096.06
	\$14,380,322.84
Total Liabilities	\$14,380,322.84

Fund Equity:

Contributions from EPA	\$95,751,000.00
Retained Earnings	\$29,138,251.49
Contributed Capital	\$1,200,000.00
	\$1,200,000.00
Total Fund Equity	\$126,089,251.49

TOTAL LIABILITIES AND FUND EQUITY	\$140,469,574.33
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EXHIBIT XI
DENR CLEAN WATER STATE REVOLVING FUND
STATEMENT OF INCOME AND RETAINED EARNINGS
For the Fiscal Year Ended September 30, 2003

Operating Revenues:	
Interest Income	\$2,669,065.60
Investment Income	\$2,993,219.70
Other Income	\$768,694.42
	<hr/>
Total Operating Revenue	\$6,430,979.72
	<hr/>
Operating Expenses:	
Administrative Expenses	\$396,194.52
Interest Expense	\$587,035.13
Bond Issuance Expense	\$50,815.32
Bond Discount Expense	\$13,918.23
Refund of Prior Year Revenue	\$0.00
	<hr/>
Total Operating Expenses	\$1,047,963.20
	<hr/>
Operating Income (Loss)	\$5,383,016.52
Operating Transfers:	
Operating Transfer Out	(\$27,377.99)
	<hr/>
Net Income (Loss)	\$5,355,638.53
	<hr/>
Fund Equity, Beginning	\$23,782,612.96
	<hr/>
RETAINED EARNINGS, ENDING	\$29,138,251.49
	<hr/> <hr/>

EXHIBIT XII
DENR CLEAN WATER STATE REVOLVING FUND
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended September 30, 2004

Cash flows form operating activities:

Net Income	\$5,383,016.52
Adjustments to reconcile net income to net cash provided (used) by operating activities:	
Investment Income	(\$3,025,207.92)
Interest Expense	\$587,035.13
Amortization of bond issuance cost	\$50,815.32
Amortization of bond discount	\$13,918.23
Amortization of bond premium	(\$1,980.89)
Assets: (Increase)/Decrease	
Loans Receivable	(\$5,182,860.68)
Accrued Interest Receivable on Loans	\$911.93
Federal LOC Commitment less Cash Draws	(\$2,844,273.00)
Due from Other Governments	(\$4,633.87)
Liabilities: Increase/(Decrease)	
Accounts Payable	(\$4,278.29)
Amortization of Deferred Charges	\$29,437.08
Accrued Interest payable	\$0.00
Cost of Issuance Payable	\$6,247.33
Accrued Employee Benefits	(\$60.99)
Wages Payable	(\$46.74)

Net cash provided by operations (\$4,991,960.84)

Cash flows from noncapital financing activities:

Operating Transfers Out	(\$27,377.99)
Unamortized Bond Issuance Costs	(\$122,164.30)
Unamortized Bond Premium Revenue	\$183,076.95
Payment of Escrow Agent for Defeased Bonds	(\$14,980,112.59)
Bonds Payable	(\$150,000.00)
Bond Issue	\$11,390,000.00
Interest Payments on Bonds and Notes	(\$633,784.58)
Contributions from EPA	\$6,471,800.00

Net cash provided by noncapital financing activities \$2,131,437.49

Cash Flows from Investing Activities:

Interest on Investments	\$2,993,219.70
Purchase of Investment Securities	(\$10,347,899.63)
Proceeds from Sale of Investment Securities	\$11,939,794.64

Increase in Investments \$4,585,114.71

Net Decrease in cash and cash equivalents \$1,724,591.36

Cash and cash equivalents at beginning of year \$5,060,323.93

Cash and cash equivalents at year end **\$6,784,915.29**

CLEAN WATER STATE REVOLVING FUND
NOTES TO FINANCIAL STATEMENTS
September 30, 2004

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. The 1988 South Dakota Legislature authorized the State Water Pollution Control Revolving Loan Fund Program, also known as the Clean Water State Revolving Loan Fund (CWSRF) program. Additionally, the legislature appropriated \$1,200,000 and directed the South Dakota Conservancy District to administer the program. The 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 grant awarded annually through the United States Environmental Protection Agency. The federal capitalization grants are matched by state funds at a ratio of 5:1.
3. The Clean Water SRF is accounted for as an enterprise fund. Enterprise funds are used to account for activities that are financed and operated in a manner similar to private business enterprises.
4. The Clean Water SRF follows the accrual basis of accounting. Revenue is recognized in the accounting period in which it was earned and expenses are recognized when they are incurred. The CWSRF follows all Governmental Accounting Standards Board (GASB) pronouncements and interpretations.
5. Cash and Cash Equivalents consists of a Goldman Sachs Financial Square Treasury Obligation Fund rated "AAAm" by Standard and Poor's, which paid on average approximately 0.92% for the year ending September 30, 2004.
6. Investments consist of the following Investment Agreements:
 - 5.40% FGIC Capital Market Services Inc. due July 31, 2012 totaling \$22,211,394
 - 6.85% Societe General due August 1, 2015 totaling \$14,027,520
 - 6.22% MBIA Inc. due August 1, 2017 totaling \$9,422,935
 - 5.07% AIG Matched Funding Corp due August 1, 2025 totaling \$2,504,674
7. Reserve Accounts consist primarily of the following Investment Agreements:
 - 6.22% MBIA Inc. due August 1, 2017 totaling \$95,771
 - 5.07% AIG Matched Funding Corp due August 1, 2005 totaling \$278,651

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

	<u>Bonds Outstanding</u>	<u>February 1, 2005</u>	<u>August 1, 2005</u>
2001 Bonds			
Principal	4,115,000		155,000
Interest		97,425	97,425
2004 Refunded Bonds			
Principal	11,390,000		355,000
Interest		222,135	201,941
1996 Unrefunded Bonds			
Principal	100,000		
Interest		2,812	2,813
Total	15,605,000	322,372	812,179

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

<u>September 30</u>				
1989	4,577,200	1996		9,904,700
1990	4,738,000	1997		2,990,500
1991	10,074,800	1998		6,577,300
1992	9,534,900	1999		6,577,900
1993	9,431,000	2000		6,555,200
1994	5,813,800	2001		6,496,100
1995	6,007,800	2004		6,471,800
			95,751,000	

On the federal fiscal year end statements, contributions from EPA are recognized as assets once the grants are awarded. On the June 30th state year end statements EPA funds are not recognized as assets until the funds are drawn.

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

	<u>Year Ending</u> <u>09/30/04</u>
State of South Dakota	223,567
Planning Grants	66,218
Trustee	44,910
Bond Counsel	40,000
Financial Advisor	21,500
Total	396,195

11. A bond issue of \$11,390,000 was completed on 7/13/04. The proceeds of Series 2004 Bonds and certain available funds will be used to refund all of the District's outstanding Series 1994 Bonds and Series 1995 Bonds, and advance refund all but a portion of the 2017 maturities of the District's outstanding Series 1996 Bonds. It resulted in a net present value savings of \$986,412. The 2004 Bond issue was rated AAA by Standard and Poor's and Aaa by Moody's. These are the highest ratings assigned by each agency.

ADDENDUM I
FEDERAL FISCAL YEAR 2005
INTENDED USE PLAN

**SOUTH DAKOTA CLEAN WATER STATE REVOLVING FUND
FISCAL YEAR 2005 INTENDED USE PLAN**

INTRODUCTION

The state of South Dakota proposes to adopt the following Intended Use Plan (IUP) for federal fiscal year 2005 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 that review.

The IUP includes the following:

1. List of projects and activities;
2. Goals and objectives;
3. Amount of funds transferred between the Clean Water SRF and the Drinking Water SRF;
4. Information on the activities to be supported;
5. Assurances and specific proposals;
6. Criteria and method for distribution of funds; and
7. Sources and uses of funds.

LIST OF PROJECTS AND ACTIVITIES

The IUP identifies potential municipal wastewater, storm water, and nonpoint source projects. A project must be on the project priority list, Attachment I, to be eligible for a loan. This list was developed from the State Water Plan and includes projects that did not

designate Clean Water SRF loans as a funding source.

Projects may be added to the project priority list by the Board of Water and Natural Resources if the action is included on the meeting agenda at the time it is posted.

Priority ratings are based on the integrated project priority system established in ARSD 74:05:08:03.01. The general objective of the integrated priority system is to ensure that projects funded through the Clean Water SRF program address high priority water quality problems. This is accomplished with a priority system that ranks both municipal wastewater and nonpoint source pollution control projects on an equal basis.

Attachment II is a list of those projects from which the department expects to receive applications. The estimated funding dates are only estimates and should not be interpreted as deadlines or that the loan funds have been reserved. Projects with a later expected funding date may receive loans prior to those projects with an earlier date based on time of submittal of its funding application. Any project that is listed on the project priority list, but not listed on Attachment II, will be moved to Attachment II upon submittal of an application. Attachment II will be revised as projects are added. These revisions do not require approval by the Board of Water and Natural Resources.

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 pollution control projects and programs, including non-traditional projects (projects with a primary purpose other than water quality).

A determination of which projects are funded from the above mentioned lists, the amount of assistance, and the financing terms and conditions will be made by the Board of Water and Natural Resources during federal fiscal year 2005.

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 nonpoint source pollution control 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.

AMOUNT OF FUNDS TRANSFERRED BETWEEN THE CLEAN WATER SRF AND THE DRINKING WATER SRF

The Safe Drinking Water Act Amendments of 1996 allowed states to transfer an amount equal to 33 percent of its Drinking Water SRF capitalization grant to the Clean Water SRF or an equivalent amount from the Clean Water SRF to the Drinking Water SRF. One-year extensions of this transfer authority were granted through the VA, HUD, and Independent Agencies Appropriation Bill for fiscal years 2002 - 2004. States can also transfer state match, investment earnings, or principal and interest repayments between SRF programs and may transfer a previous year's allocation at any time.

South Dakota transferred \$7,812,960 and \$7,761,360 from the Clean Water SRF program in fiscal years 2002 and 2003, respectively. This equaled the entire fiscal years, 2002 and 2003 Clean Water SRF capitalization grants and state match. These transfers utilized the capacity of the fiscal years 1997 through 2001 Drinking Water SRF capitalization grants and \$1.5 million of the fiscal year 2002 Drinking Water SRF capitalization grant. Assuming the transfer authority is extended, \$9,308,406 of banked transfer authority remains; however no transfers from the Clean Water SRF program are expected to occur in 2005. Table 1 itemizes the amount of funds transferred to the Drinking Water SRF program.

To meet the anticipated increased demand for loan funds, transfers from the Drinking Water SRF program to the Clean Water SRF program may be necessary. Such a transfer is dependent upon the availability of Drinking

Water SRF funds. A decision will be made at a later date when demand on the Drinking Water program is determined.

INFORMATION ON THE ACTIVITIES TO BE SUPPORTED

The primary type of assistance to be provided by the Clean Water SRF is direct loans including refinancing of existing debts where eligible. Loan 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 accordance with the Clean Water SRF administrative rules adopted by the Board of Water and Natural Resources.

With the adoption of the amended and restated Master Indenture in 2004, the Clean Water and Drinking Water SRF programs are cross-collateralized. This allows the board to pledge excess revenues on deposit in the Drinking Water SRF program to act as additional security for bonds secured by

Table 1 - Amounts Available to Transfer between State Revolving Fund Programs

Year	DWSRF Capitalization Grant	Amount Available for Transfer	Banked Transfer Ceiling	Amount Transferred from CWSRF to DWSRF	Banked Transfer Utilized
1997	\$12,558,800	\$4,144,404	\$4,144,404	-0-	\$4,144,404
1998	\$7,121,300	\$2,350,029	\$6,494,433	-0-	\$2,350,029
1999	\$7,463,800	\$2,463,054	\$8,957,487	-0-	\$1,318,527 \$1,144,527
2000	\$7,757,000	\$2,559,810	\$11,517,297	-0-	\$2,559,810
2001	\$7,789,100	\$2,570,403	\$14,087,700	-0-	\$2,570,403
2002	\$8,052,500	\$2,657,325	\$16,745,025	\$7,812,960	\$1,486,620
2003	\$8,004,100	\$2,641,353	\$19,386,378	\$7,761,360	
2004	\$8,303,100	\$2,740,023	\$22,126,401	-0-	
2005 (est.)	\$8,352,500	\$2,756,325	\$24,882,726	-0-	

excess revenues on deposit in the Clean Water SRF program, and vice versa.

Interest rates are reviewed annually and are set to be competitive with other funding agencies. In September 2004 the Board of Water and Natural Resources retained the interest rates established in March 2004, which are 2.50 percent for loans with a term of 10 years or less and 3.25 percent for loans with a term greater than 10 years. The term of each loan is at the discretion of the project sponsor provided that the proposed repayment source produces sufficient coverage. The rate for loans for interim financing is 2.0 percent. The maximum allowable term for interim financing loans is three years.

The board also established a nonpoint source incentive rate for nonpoint source projects at 1.50 percent for loans with a term of 10 years or less and 2.25 percent for loans with a term greater than 10 years. Projects for traditional wastewater or stormwater projects that include a nonpoint component may receive the nonpoint source rate. The annual principal and interest payments are calculated for a loan at the higher base interest rate. Using the lower interest incentive rate, a loan is sized using the annual payment previously calculated. The difference in the two loan amounts is the amount of funding available for the nonpoint source component of the project.

The interest rate includes an administrative surcharge as identified in Table 2. 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 Board of

Water and Natural Resources and department.

Table 2 - Clean Water SRF Interest Rates

	Up to 3 Yrs	Up to 10 Yrs	Up to 20 Yrs
<u>Interim Rate</u>			
Interest Rate	2.00%		
Admin. Surcharge	<u>0.00%</u>		
Total	2.00%		
<u>Base Rate</u>			
Interest Rate		2.00%	2.50%
Admin. Surcharge		<u>0.50%</u>	<u>0.75%</u>
Total		2.50%	3.25%
<u>Nonpoint Source Incentive Rate</u>			
Interest Rate		1.00%	1.50%
Admin. Surcharge		<u>0.50%</u>	<u>0.75%</u>
Total		1.50%	2.25%

As of September 30, 2004, \$3.41 million of administrative surcharge funds are available.

In fiscal year 2001 the board initiated the Small Community Planning Grant program to encourage proactive planning by small communities. The planning grants reimbursed 80 percent of the cost of the study. Planning grants are available only to communities of 2,500 or less. Studies that include measures to identify inflow and infiltration (I/I) can receive up to \$6,400. Studies that do not include an I/I analysis can receive up to \$4,000. Upon the adoption of the Intended Use Plan, the maximum allowable grant amount will be increased to \$8,000 for studies with an I/I analysis and 6,000 for those without an I/I analysis. The board also provides additional grants for studies incorporating a rate analysis using Rate Maker software. Reimbursement for performing a rate analysis is 80 percent of costs up to a maximum of \$1,600.

The board has allocated \$200,000 of administrative surcharge income for the program. Approximately \$17,000 remains unobligated from prior years' allocations, and the department is proposing to allocate an additional \$100,000 of administrative surcharge towards this effort in fiscal year 2005. Future allocations of administrative surcharge will depend on program demand.

In fiscal year 2003, the board initiated a planning grant program to facilitate compliance with environmental permit regulations by livestock auction barns within or near communities. Planning grants are available to communities with existing livestock auction barns located within the city limits or within three miles of an incorporated community. The planning studies will evaluate such items as clean water diversions, manure handling, and wastewater treatment options to include connection to the community's sanitary sewer system. The auction barn planning grant will reimburse 60 percent of the cost of the engineering study, with the maximum grant amount for any project being \$4,200. The board allocated \$150,000 of administrative surcharge income for this program. To date, \$26,940 has been awarded, no future allocations of administrative surcharge for this purpose are anticipated.

In fiscal year 2004 the board initiated a program to assist in the design of manure management systems for concentrated animal feeding operations (CAFOs). Grants are awarded only for those CAFOs that have submitted a Notice of Intent to the department. The CAFO design grants reimburse 60 percent of the cost of the design, with the maximum grant amount for any project being \$12,000. The completed plans and designs must meet department

requirements. In fiscal year 2004, \$580,000 of administrative surcharge funds were allocated for this purpose. Approximately \$57,000 has been expended to assist six producers to complete plans for the design of manure management systems. No future allocations of administrative surcharge for this purpose are anticipated.

The use of the administrative surcharge will be expanded in fiscal year 2005 to include the following activities:

1. Supplement the Consolidated program by providing water quality grants to Clean Water SRF loan recipients; and
2. Provide water quality grants for manure management systems for livestock auction barns.

Up to \$2.9 million will be allocated to these activities on an as-needed basis. Terms and conditions for individual awards will be determined by the board.

Continued significant needs for State Water Resources Management System projects, coupled with decreased revenue projections for the Water and Environment Fund, will result in fewer funds for the Consolidated program. Using the administrative surcharge to provide water quality grants will provide additional grant funds for projects in fiscal year 2005.

Under certain conditions, livestock auction barns are required to control discharges from the facility and must obtain a Surface Water Quality permit. The construction of manure management systems for auction barns is not eligible for assistance from the USDA Environmental Quality Incentive Program (EQIP). Grants to assist in the construction of a manure management system will

reimburse 75 percent of actual construction costs, with the maximum grant amount for any recipient being \$150,000. These are the same terms provided for projects receiving assistance through EQIP. Grants will be provided regardless of the need for the auction barn to be permitted.

The four percent administrative allowance will be reserved for administrative purposes in fiscal year 2005.

Bond proceeds will be used to match 2005 capitalization grant funds.

ASSURANCES 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 Board of Water and Natural Resources.

Section 602(a) - Environmental Reviews - The state certifies that it will conduct environmental reviews of each project on Attachment II receiving assistance from the Clean Water SRF, as applicable. 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 state 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.

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

CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

The Clean Water SRF funds are 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.

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 Board of Water and Natural

Resources approved the rules following the hearing. Revisions to the Clean Water SRF rules have been made periodically to reflect the needs of the program.

A formal public hearing was held for the South Dakota fiscal year 2005 Clean Water SRF Intended Use Plan on November 5, 2004.

ATTACHMENT I

PROJECT PRIORITY LIST

Attachment I is a comprehensive list of projects that are eligible for Clean Water SRF loans. This list was developed from State Water Plan applications. Inclusion on the list carries no obligations to the Clean Water SRF program. Attachment II lists those projects expected to be funded in fiscal year 2005.

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term
34	Sioux Falls (storm water)	C461232-20	Increase the city's storm water handling capability by installing larger diameter pipes, improving storm water diversions, adding and enlarging detention areas, and improving existing drainage channels and the implementation of nonpoint source practices in the central Big Sioux watershed.	\$24,700,000 (storm water) \$1,249,350 (nonpoint)	1.5%, 10 yrs (Watershed Incentive Rate)
32	Hill City (treatment facility project)	C461231-01	Construction of an advanced activated sludge wastewater treatment facility to replace the existing lagoon system.	\$400,000	3.25%, 20 yrs
30	Sioux Falls (wastewater)	C461232-21	Construction of a new forcemain, lift stations, and gravity sewer lines to serve areas east of the city and the implementation of nonpoint source practices in the central Big Sioux watershed.	\$34,108,000 (wastewater) \$3,269,400 (nonpoint)	2.25%, 20 yrs (Watershed Incentive Rate)
28	Aberdeen	C461072-01	Rehabilitation of the wastewater treatment plant necessitated by the reclassification of Moccasin Creek and the implementation of nonpoint source practices for Elm River and/or Moccasin Creek.	\$12,062,600 (wastewater) \$1,156,250 (nonpoint)	2.25%, 20 yrs (Watershed Incentive Rate)
26	Milbank	C461023-01	Rehabilitation of the wastewater treatment plant to address non-compliance with its Surface Water Discharge permit.	\$1,950,000	3.25%, 20 yrs
24	Green Valley San. Dist.	C461251-01	Elimination of septic systems by construction of a	\$650,000	3.25%, 20 yrs

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term
			central collection system and connection to the Rapid City system.		
24	Woonsocket	C461138-01	Construction of a 5.0-acre lagoon cell to provide sufficient capacity for total retention as required in the city's Surface Water Discharge permit.	\$200,000	3.25%, 20 yrs
21	Nisland	C461079-01	Construction of a 180-day discharging lagoon system to replace the existing one-cell lagoon and Imhoff tank.	\$108,600	3.25%, 20 yrs
18	Huron	C461291-04	Upgrade of the wastewater treatment facility and installation of new force mains to accommodate industrial growth.	\$1,500,000	3.25%, 20 yrs
16	Brookings	C461019-02	Construction of a new trench, leachate collection system, and storm water retention pond at the landfill.	\$475,000	3.25%, 20 yrs
16	Redfield	C461182-02	Extend sewer lines to eliminate a private wastewater pond at a trailer court and provide service to an unsewered development with failing septic systems.	\$794,000	3.25%, 20 yrs
16	Sisseton	C461053-01	Modify the existing wastewater treatment facility by converting two of the artificial wetland cells to primary treatment cells and riprap the three existing primary cells.	\$200,000	3.25%, 20 yrs
14	Corsica	C461107-01	Relocation of the wastewater treatment plant to address deficiencies with the existing system and provide service to an industry.	\$1,000,000	2.0%, 3 yrs
14	Crooks	C461227-01	Build additional capacity into the wastewater treatment facility and replace the existing lift station to accommodate growth within the community.	\$510,000	3.25%, 20 yrs
14	Highmore	C461106-02	Extension of the sewer system to businesses currently utilizing septic systems.	\$100,000	3.52%, 20 yrs
14	Whitewood	C461006-04	Construction of an ultraviolet light disinfection unit at the wastewater treatment facility.	\$80,000	2.5%, 10 yrs
13	Enemy Swim San. Dist.	C461422-01	Elimination of septic systems by constructing two	\$1,500,000	3.25%, 20 yrs

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term
			wastewater treatment lagoons and collection systems to convey wastewater to these lagoons and the existing wastewater treatment facility at Pickerel Lake.		
13	Lake Poinsett San. Dist.	C461027-01	Phase I of a multi-year project to construct central collection and treatment systems to serve portions of Lake Poinsett.	\$590,000	3.25%, 20 yrs
13	Montrose	C461075-01	Rehabilitate the existing wastewater treatment pond system adding riprap, relining the existing cells, and creating a third cell, repair manholes to eliminate infiltration, and repair the existing lift station.	\$265,800	3.25%, 20 yrs
12	Lead	C461007-05	Replace sewer lines in conjunction with a DOT project and separation of combined storm and sanitary sewer lines.	\$333,700	3.25%, 20 yrs
11	Freeman	C461017-01	Replace approximately 6,100 feet of vitrified clay sewer line to eliminate excessive infiltration and inflow.	\$300,000	3.25%, 20 yrs
11	Gettysburg	C461196-01	Replace the existing vitrified clay sewer outfall line with PVC pipe.	\$133,000	3.25%, 20 yrs
11	Parkston	C461062-01	Replace approximately 1,500 feet of vitrified clay sewer line to eliminate excessive infiltration and inflow.	\$100,000	3.25%, 20 yrs
10	Dell Rapids	C461064-02	Replace sewer line and install storm sewer as part of street improvement project.	\$862,000	3.25%, 20 yrs
10	Redfield	C461182-01	Replace approximately 250 feet of sewer line and 1,000 feet of storm sewer as part of a Main Street reconstruction project.	\$332,500	3.25%, 20 yrs
9	Humboldt	C461254-01	Replace approximately 1,200 feet of sewer main and improvements at the wastewater treatment facility (depth indicators and additional rip rap).	\$122,000	3.25%, 20 yrs
9	Salem	C461057-02	Upgrade the city's storm water handling capability by replacing old storm sewer and installing new storm	\$400,000	3.25%, 20 yrs

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term
			sewer in selected areas within the city and extend new sanitary sewer to an unsewered area south of the city.		
8	Bridgewater	C461112-02	Replace vitrified clay sewer lines in areas throughout the city and install a new interceptor to better serve the southeastern part of the city.	\$350,000	3.25%, 20 yrs
8	Burke	C461225-01	Replace approximately 2,800 feet of sewer main.	\$142,000	3.25%, 20 yrs
8	Hill City (line replacement project)	C461231-02	Replace old sewer lines and install new lines to serve areas without centralized wastewater service.	\$310,000	3.25%, 20 yrs
8	Lead	C461007-06	Extension of wastewater service to several new residential areas.	\$1,000,000	3.25%, 20 yrs
8	Waubay	C461025-02	Replacement/rehabilitation of sewer lines.	\$500,000	3.25%, 20 yrs
8	Wessington Springs	C461210-01	Install 1,900 feet of sanitary sewer line and a lift station to serve an industrial park.	\$200,000	3.25%, 20 yrs
7	Pollock	C461018-02	Rehabilitation of an existing lift station.	\$70,000	3.25%, 20 yrs
7	Tyndall	C461131-01	Construct additional 30- and 36-inch storm sewer lines to alleviate storm water back-ups.	\$500,000	3.25%, 20 yrs
6	Colton	C461135-01	Televise existing lines to locate areas of infiltration/inflow and installation of rip-rap on the lagoon berms.	\$200,000	3.25%, 20 yrs
6	Highmore	C461106-03	Reconstruction of a segment of storm sewer to be done in conjunction with a road projects.	\$250,000	3.25%, 20 yrs
6	Sisseton	C461053-02	Construction of a storm sewer system to include approximately 3,840 feet of 15-inch to 48-inch pipe, 15,600 feet of open channels, manholes, inlets and other appurtenances.	\$309,000	3.25%, 20 yrs
6	Wall	C461033-02	Extension of sewer service to the proposed school.	\$250,000	3.25%, 20 yrs
5	Blunt	C461265-01	Upgrade the wastewater treatment facility by dividing an existing cell into two separate cells and providing erosion control measures.	\$190,000	3.25%, 20 yrs
5	Pickerel Lake Sanitary District	C461066-03	Repair of eroded embankments on the primary and secondary cells of the wastewater treatment facility.	\$90,000	3.25%, 20 yrs

ATTACHMENT II - LIST OF PROJECTS TO BE FUNDED IN FY2005

Priority Points	Loan Recipient	Project Number	Loan Amount	Funding Date	Expected Funding Source
LOANS EXPECTED					
34	Sioux Falls (storm water)	C461232-20	\$25,949,350	January 2005	Current & Future Principal Repayments & Unrestricted Interest Earnings
30	Sioux Falls (wastewater)	C461232-21	\$37,377,400	January 2005	Current & Future Principal Repayments & Unrestricted Interest Earnings
28	Aberdeen	C461072-01	\$13,218,850	January 2005	Current & Future Principal Repayments & Unrestricted Interest Earnings
18	Huron	C461291-04	\$1,500,000	January 2005	FY 2005
13	Lake Poinsett San. Dist.	C461027-01	\$590,000	January 2005	FY 2005
12	Lead	C461007-05	\$333,700	January 2005	FY 2005
11	Freeman	C461017-01	\$300,000	January 2005	FY 2005
26	Milbank	C461023-01	\$1,950,000	March 2005	FY 2005
24	Woonsocket	C461138-01	\$200,000	March 2005	Principal Repayments
21	Nisland	C461079-01	\$108,600	March 2005	Principal Repayments
16	Redfield	C461182-02	\$794,000	June 2005	Principal Repayments
10	Redfield	C461182-01	\$332,500	June 2005	Principal Repayments
16	Sisseton	C461053-01	\$200,000	September 2005	Principal Repayments
7	Tyndall	C461131-01	\$500,000	September 2005	Principal Repayments

**ATTACHMENT III
PROGRAM FUNDING STATUS**

Fiscal Years 1997 - 2004

Capitalization Grants	\$108,729,600	
State Match	\$21,745,920	
Overmatch from 2001 Bond Proceeds	\$1,248,785	
Leveraged Funds	\$4,507,540	
Program Administration Allowance	(\$3,830,040)	
Transfer of FY 2002 & 2003 Capitalization Grant and State Match to DWSRF	(\$15,574,320)	
Available to Loan		\$116,827,485
Excess Interest as of September 30, 2004		\$19,833,887
Principal Repayments as of September 30, 2004		\$57,348,847

Fiscal Year 2005

Capitalization Grants	\$4,062,000	
State Match	\$812,400	
Program Administration Allowance	(\$162,480)	
Available to Loan		<u>\$4,711,920</u>
Total Funds Dedicated to Loan		\$198,722,139
Loans made through September 30, 2004		<u>\$154,995,481</u>
Funds Available for Loans		<u><u>\$43,726,658</u></u>
Amount of Estimated Loans Identified on Attachment I of Fiscal Year 2005 Intended Use Plan		<u><u>\$93,813,200</u></u>

Administrative Surcharge Funds Available as of September 30, 2004	
Restricted Account (Administrative Purposes Only)	\$49,000
Discretionary Account (Available for Water Quality Grants)	<u>\$3,363,620</u>
Total	<u><u>\$3,412,620</u></u>