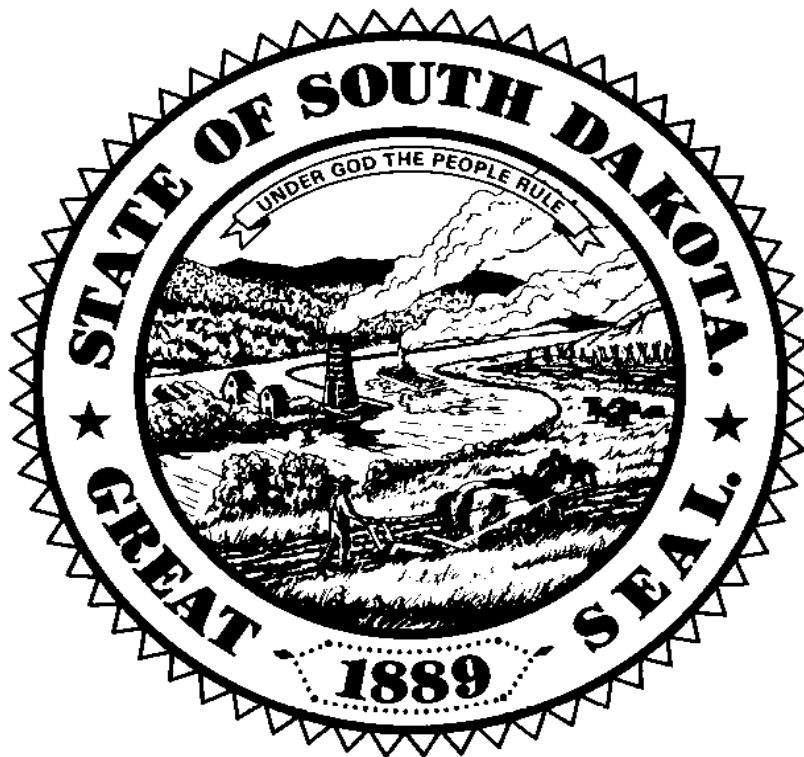


**THE SOUTH DAKOTA CONSERVANCY DISTRICT  
CLEAN WATER STATE REVOLVING FUND  
ANNUAL REPORT**

**FEDERAL FISCAL YEAR 2005  
October 1, 2004 - September 30, 2005**



**Department of Environment and Natural Resources  
Division of Financial and Technical Assistance  
523 East Capitol Avenue  
Pierre, South Dakota 57501-3181  
PHONE: (605)773-4216 FAX: (605)773-4068**

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**THE SOUTH DAKOTA CONSERVANCY DISTRICT  
BOARD MEMBERS**

**BRAD JOHNSON, CHAIRMAN**

Watertown  
Member since 2003

**DON BOLLWEG, VICE-CHAIRMAN**

Harrold  
Member since 1994

**KELLY WHEELER, SECRETARY**

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**JOHN LOUCKS**

Rapid City  
Member since 1989

**DON ROUNDS**

Pierre  
Member since 2003

**GREGG GREENFIELD**

Sioux Falls  
Member 1996-2005

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## **MISSION**

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

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**FEDERAL FISCAL YEAR**

**2005**

**ANNUAL REPORT**

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## INTRODUCTION

The state of South Dakota herewith submits its Annual Report for Federal Fiscal Year (FFY) 2005 (October 1, 2004 through September 30, 2005). 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 2005 activity. The next section addresses the *Goals, Objectives, and Environmental Results* the state of South Dakota identified in its 2005 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 2005, 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 2006*. 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 \$5,243,500 for FFY 2005. These funds were matched by \$1,048,700 in bond proceeds and were supplemented by accumulated loan repayments and interest earnings.

### CLEAN WATER SRF LOANS

The Conservancy District approved 14 loans to 13 communities totaling \$50,902,835. A summary of loans approved in FFY 2005 together with project descriptions is provided in Table 1.

**Table 1  
Clean Water Loans  
Federal Fiscal Year 2005**

<b>Recipient</b>	<b>Project Description</b>	<b>Assistance Amount</b>	<b>Rate/Term %, Years</b>
Aberdeen (01)			
Series A	Wastewater Treatment Plant Improvements	\$12,062,600	2.25%, 20
Series NPS	Nonpoint Source/Watershed Protection	\$1,156,259	2.25%, 20
Bridgewater (02)	South Side Sanitary Sewer Improvements	\$321,600	3.25%, 20
Colton (01)	WW Collection/Treatment System Improvements	\$204,500	3.25%, 20
Freeman (01)	Wastewater Collection Improvements	\$300,000	2.5%, 10
Huron (04)	Wastewater Treatment Facility Construction	\$1,500,000	3.25%, 20
Lake Poinsett San Dist (01)	Expand Sanitary System at Lake Poinsett	\$590,000	3.25%, 20
Lead (05)	Highway 85 Utilities Project	\$333,700	3.25%, 20
Montrose (01)	Wastewater Collection & Treatment Improvements	\$142,621	2.5%, 10
Nisland (01)	Wastewater Stabilization Pond Project	\$204,000	3.25%, 20
Philip (03)	Utility Improvements	\$347,040	3.25%, 15
Redfield (01)	S. Main St. and Sixth Ave. Utility Replacement	\$333,788	3.25%, 20
Salem (02)	2005 Utility Improvements Project	\$387,960	3.25%, 20
Sioux Falls (20)			
Series A	Storm Sewer Improvements	\$16,000,000	1.50%, 10
Series NPS	Nonpoint Source/Watershed Protection	\$1,249,349	1.50%, 10
Sioux Falls (21)			
Series A	East Side Sanitary Sewer	\$12,500,000	2.25%, 20
Series NPS	Nonpoint Source/Watershed Protection	\$3,269,418	2.25%, 20
<b>TOTAL</b>		<b>\$50,902,835</b>	

Loan disbursements from the program to the current and prior year recipients totaled \$12,926,576. One hundred one loans are currently in repayment, and FFY 2005 repayments totaled \$12,386,706. Of this amount, \$8,897,148 was for principal, \$2,689,182 was for interest,

and \$800,376 was for administrative surcharge. Included in these repayments were nine loans that completed payments during the fiscal year, bringing the number of loans that have been paid in full to 44.

Since the program was initiated in 1988, 170 loans have been awarded. The projects associated with 146 loans are fully constructed or essentially complete and in operation. The following thirteen projects initiated operations this past year:

Black Hawk San Dist (01)	Britton (02)
Clark (01)	Elk Point (03)
Fort Pierre (03)	Freeman (01)
Gayville (01)	Groton (05)
Hartford (04)	Lake Cochrane San Dist (02)
Lake Madison San Dist (02)	Mitchell (02)
Sioux Falls (16)	

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](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.

In September 2004 the board took action to retain the interest rates established in March 2004 for FFY 2005. The base interest rates are 2.50 percent for loans with a term of 10 years or less and 3.25 percent for loans with a term up to 20 years. Additionally, the board retained an interim financing rate of 2.0 percent with a term up to three years.

The board also retained the 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.

### **BOND ISSUE**

In FFY 2005, the South Dakota Conservancy District initiated the process to issue an additional \$51.63 million in tax-exempt revenue bonds. The bonds were sold and the issue closed in October 2005. This issue will be discussed in detail in the FFY 2006 annual report.

**ADMINISTRATIVE SURCHARGE**

The FFY 2005 Intended Use Plan allocated \$200,000 in administrative surcharge fees to the Small Community Planning Grant program. This program encourages proactive planning by small communities or systems by providing grants for the preparation of an engineering study or rate analysis for systems serving populations of 2,500 or less. For engineering studies, the program provides an 80 percent cost share up to \$6,000, with an additional \$2,000 made available for wastewater studies that include an infiltration/inflow analysis. The program provides an 80 percent cost share up to \$1,600 for wastewater utility rate analysis. Grants for wastewater engineering are shown in Table 2 and totaled \$176,936.

**Table 2  
Small Community Planning Grants  
Wastewater Engineering  
FFY 2005**

<b>Recipient</b>	<b>Grant Amount</b>
Alcester	\$8,000
Bowdle	3,000
Canova	9,600
Centerville	6,000
Chancellor	2,000
Clark	8,000
Colman	9,600
Corsica	8,000
DeSmet	8,000
Elk Point	7,152
Gary	6,000
Hoven	8,000
Hurley	5,917
Kimball	7,200
Lennox	6,400
Marion	8,000
Newell	2,960
Parker	6,000
Parkston	8,000
Renner San Dist	6,790
Roslyn	8,000
Tyndall	8,000
Viborg	5,917
Weston Heights San Dist	6,000
Wolsey	6,400
Worthing	8,000
<b>TOTAL</b>	<b>\$176,936</b>

Table 3 shows grants awarded for wastewater rate analyses, and those grants totaled \$12,800.

**Table 3**  
**Wastewater Rate Analysis Grants**  
**FFY 2005**

<b>Recipient</b>	<b>Grant Amount</b>
Bridgewater	\$1,600
Crooks	1,600
Harrisburg	1,600
Hill City	1,600
Humboldt	1,600
Hurley	1,600
Lake Norden	1,600
Salem	1,600
<b>TOTAL</b>	<b>\$12,800</b>

In FFY 2003, the state initiated a planning grant program to facilitate compliance with environmental permit regulations by livestock auction markets within or near communities. Planning grants are available to communities with existing livestock auction markets located within the city limits or within three miles of an incorporated community. The planning studies evaluate such items as clean water diversions, animal waste handling, and wastewater treatment options to include connection to the community's sanitary sewer system. The auction market 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. As of June 2005, \$31,140 had been allocated for this purpose. The remaining \$118,860 was made available for the design of animal waste management systems for concentrated animal feeding operations. One grant was awarded in FFY 2005 and is shown in Table 4.

**Table 4**  
**Auction Market Planning Grants**  
**FFY 2005**

<b>Recipient</b>	<b>Grant Amount</b>
Faith	\$4,200
<b>TOTAL</b>	<b>\$4,200</b>

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 animal waste management systems for concentrated animal feeding operations (CAFOs). In FFY 2004 the Conservancy District allocated \$580,000 of administrative surcharge fees for this program. The allocation was increased to \$698,860 with the addition of the unused auction market planning grant funds. The CAFO design program will provide assistance to operators of existing CAFOs for the development of animal waste management system engineering plans and specifications with accompanying nutrient management plans. Assistance is limited to 60 percent of the cost of design up to a maximum \$12,000. Reimbursements totaling \$325,010 were made in FFY 2005.

Under certain conditions, livestock auction markets are required to control discharges from the facility and must obtain a Surface Water Quality permit. The construction of manure management systems for auction markets is not eligible for assistance from the USDA Environmental Quality Incentive Program (EQIP). In FFY 2005, \$2.5 million was allocated for grants to assist in the construction of manure management systems. These grants reimburse 75 percent of actual construction costs, with the maximum grant amount for any recipient being \$162,500. These terms are similar to the assistance provided through EQIP. Grants will be provided regardless of the need for the auction market to be permitted. Three grants totaling \$395,285 were awarded in FFY 2005. In FFY 2005, an additional \$300,000 was allocated for wastewater collection and treatment systems.

**Table 5**  
**Water Quality Construction Grants**  
**FFY 2005**

<b>Recipient</b>	<b>Description</b>	<b>Grant Amount</b>
Highmore Cattle Auction	Auction Market Animal Waste Handling Facilities	\$ 87,750
Mobridge Livestock Market	Auction Market Animal Waste Handling Facilities	145,035
Stockmens Livestock Auction	Auction Market Animal Waste Handling Facilities	162,500
Weston Heights San Dist	Wastewater Treatment Improvements	300,000
<b>TOTAL</b>		<b>\$695,285</b>

In FFY 2005 the Board established a new program to provide administrative surcharge funds to planning districts to defray the cost of application preparation and on-going project administration activities. The planning districts may receive up to \$7,500 per loan for application and project administration duties.

**Table 6**  
**Technical Assistance Contracts for**  
**SRF Loan Preparation and Oversight**  
**FFY 2005**

<b>Recipient</b>	<b>Grant Amount</b>
Black Hills Council of Local Governments	\$ 7,500
First Planning and Development District	15,000
Northeast Council of Governments	22,500
South Eastern Council of Governments	45,000
Third Planning and Development District	7,500
<b>TOTAL</b>	<b>\$97,500</b>

## GOALS, OBJECTIVES, AND ENVIRONMENTAL RESULTS

### SHORT-TERM GOALS AND OBJECTIVES

In its 2005 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, 2005, 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 2005, 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 2005 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, 2005, 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 170 loans to 79 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.

## **ENVIRONMENTAL RESULTS**

As of January 1, 2005, EPA required states to establish program activity measures (outcomes) in its Intended Use Plan to receive the federal capitalization grant. Progress related to these measures is to be reported in the annual report. The specific measures as set forth in the Intended Use Plan and the results are as follows:

- 1. In FY 2004, the fund utilization rate, as measured by the percentage of executed loans to funds available, was 77 percent, which is lower than the national**



**average of 92 percent. In FY 2005, the goal of the CWSRF program is to increase the fund utilization rate to 95 percent.**

As of September 30, 2005, the state had made loans totaling \$204,490,073. The amount of funds (capitalization grants, state match, leveraged bonds, repayments, and interest earnings) totaled \$211,268,518. This results in a fund utilization rate of 96.8 percent.

- 2. The goal of the CWSRF program is to fund four of the five highest priority projects to protect and improve water quality on a watershed basis through an integrated planning and priority system.**

In FFY 2005 three of the five highest priority projects as identified through an integrated planning and priority system were funded. The two projects not funded with the Clean Water SRF program are working with other agencies for financing.

- 3. The goal of the CWSRF program is to provide \$5,675,000 to three projects to prevent polluted run-off.**

In FFY 2005 three traditional wastewater or stormwater projects incorporated a nonpoint component to take advantage of the nonpoint source incentive rate. The total amount committed to prevent polluted run-off was \$5,668,898.

- 4. The goal of the CWSRF program is to fund one project to upgrade wastewater treatment plants operating at the secondary level to the advance treatment level.**

Recent changes in stream standards for Moccasin Creek required the city of Aberdeen to meet ammonia limits. The Clean Water SRF program provided \$12,062,600 to the city to upgrade its wastewater treatment facility from a secondary level to the advance treatment level

- 5. The goal of the CWSRF program is to fund three projects to replace or rehabilitate aging wastewater treatment plants.**

Along with the funding for Aberdeen, the Clean Water SRF program also provided loans to Huron and Nisland to rehabilitate aging wastewater treatment plants. Total funds awarded for these three projects is \$13,766,600.

- 6. The CWSRF program intends to fund one project to improve stormwater management within a community.**

Loan funds totaling \$16,207,497 were awarded in FFY 2005 to Sioux Falls and Philip to improve stormwater management.

## 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 fourteen binding commitments totaling \$50,902,835. 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 2005, the state was awarded a \$5,243,500 federal capitalization grant that was matched by \$1,048,700 in bond proceeds. Exhibit III and Figure 2 show the annual capitalization grant allocation, the required state match, and leveraged funds.

At the beginning of FFY 2005, \$52,473,012 in principal repayments was available, and an additional \$8,897,148 was received in FFY 2005. Unrestricted cumulative excess (UCE) funds at the beginning of FFY 2005 totaled \$19,833,887 and were supplemented by an additional \$3,527,473 received in FFY 2005. UCE funds include investment earnings and interest repayments in excess of the amounts needed for debt service on the District's revenue bonds.

**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 \$6,556,842.37. 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 \$1,703,317.04. Additionally, \$27,159.93 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 FFY 2005.

**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 FFY 2004 (July 1, 2003, through June 30, 2004). 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 final report was received in March 2005, and the following observation was made:

1. Provided that the State's plan to commit all CWSRF funds in FY05 is followed through, and that drinking water projects continue to proceed with construction, there are no recommendations for either program as a result of this review.

EPA also suggested that DENR “may want to consider establishing a Tier II environmental review process for each program, as allowed by 40 CFR §35.3140(c) for CWSRF projects and §35.3580(d) for DWSRF projects.”

### **Assistance Activity**

Exhibits I through VII illustrate the assistance activity of the Clean Water SRF in FFY 2005.

- |             |  |
|-------------|--|
| Exhibit I   | The recipients that received Clean Water SRF loans during FFY 2005. Fourteen 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 for FFY 2005. The estimated schedule was established by the state and EPA through the annual Capitalization Grant application process. |
| Exhibit VII | The environmental review and land purchase information for the loans made in FFY 2005.   |

### **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.

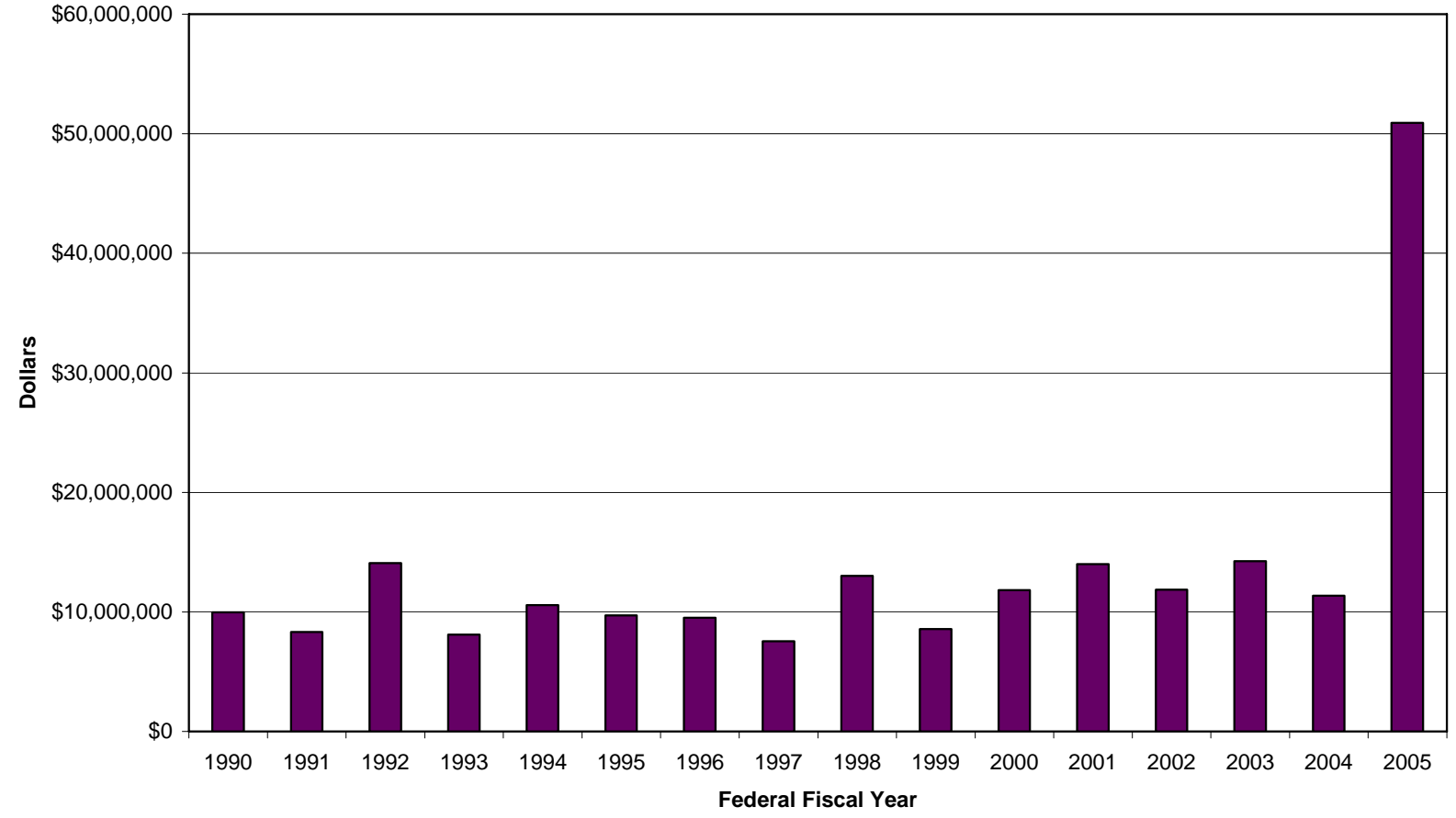
The state and EPA have agreed on "fair share" goals of 1 percent MBE and 3 percent WBE. The actual MBE/WBE participation achieved for FFY 2005 was 0.70 percent MBE and 1.58 percent for WBE.

## **PROGRAM CHANGES**

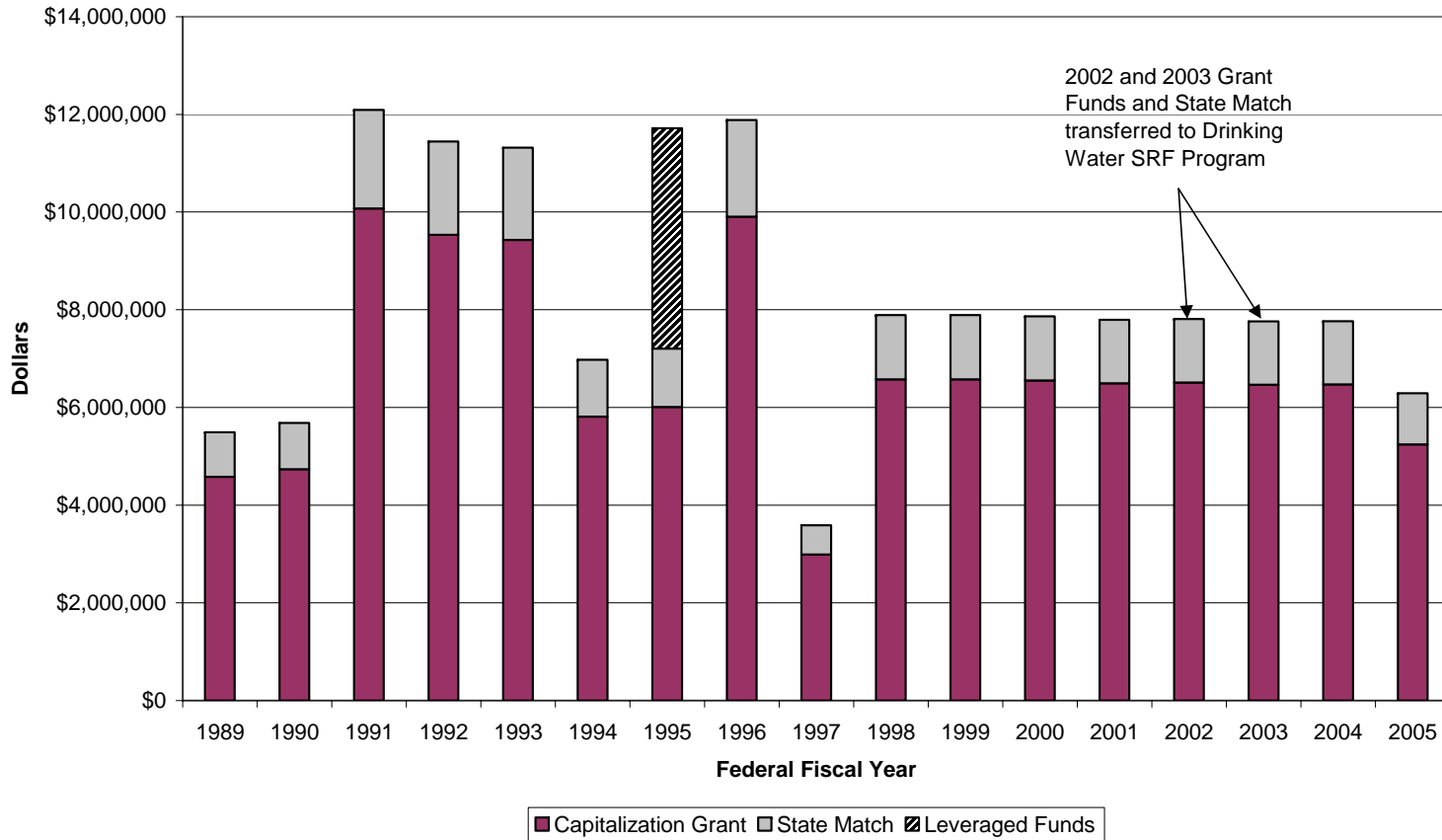
### **2006 Intended Use Plan**

The Annual Report contains the 2006 Intended Use Plan as approved by the Board of Water and Natural Resources on November 4, 2005. The 2006 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 seventeen capitalization grants totaling \$113,973,100. In order to receive each of the capitalization grants, the conservancy district must have state matching funds in place equal to at least 20 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 \$22,794,620 in state matching funds. Exhibit III 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 was used to match the FFY 2001, 2004, and 2005 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 and investment earnings. 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**

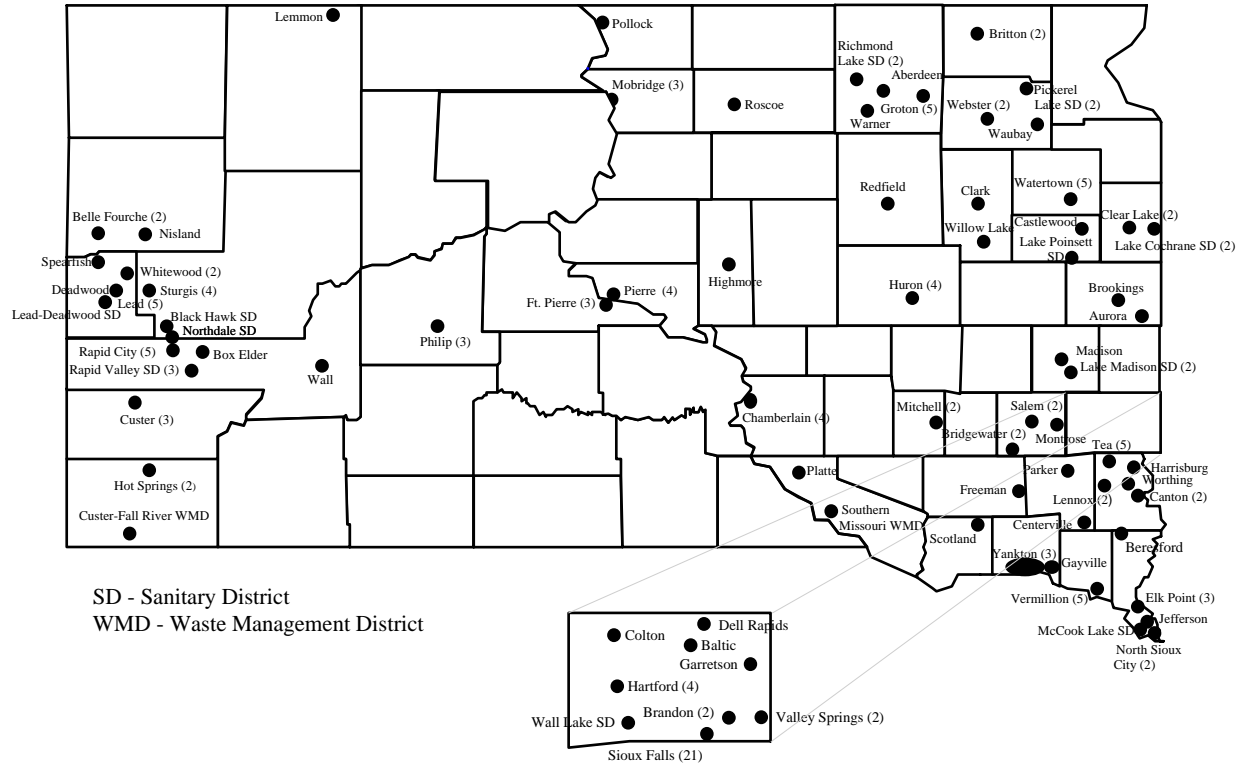
Region VIII of the Environmental Protection Agency oversees the South Dakota Clean Water State Revolving Fund Program. EPA assists the state in securing capitalization grants and guides the conservancy district in its administration of the program.

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**CLEAN WATER  
STATE REVOLVING FUND  
LOAN PORTFOLIO**

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**FIGURE 3**  
**Clean Water State Revolving Fund Loans**



**Table 7**  
**State of South Dakota**  
**Clean Water State Revolving Fund Loan Program**

Sponsor	Binding Commitment Date	Terms	Original Binding Commitment Amount	Final Loan Amount
Aberdeen (01)				
Series A	01/06/2005	2.25%, 20 yr	\$12,062,600	\$12,062,600
Series NPS	01/06/2005	2.25%, 20 yr	\$1,156,259	\$1,156,259
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
Bridgewater (02)	06/23/2005	3.25%, 20 yr	\$321,600	\$321,600
Britton (01)	05/13/1999	4.50%, 10 yr	\$509,935	\$509,935
Britton (02)	09/26/2002	3.50%, 20 yr	\$322,500	\$291,854
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
Colton (01)	09/22/2005	3.25%, 20 yr	\$204,500	\$204,500
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

Sponsor	Binding Commitment Date	Terms	Original Binding Commitment Amount	Final Loan Amount
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
Freeman (01)	01/06/2005	2.50%, 10 yr	\$300,000	\$300,000
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
Huron (04)	01/06/2005	3.25%, 20 yr	\$1,500,000	\$1,500,000
Jefferson (01)	03/28/2003	3.50%, 20 yr	\$320,000	\$166,084
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
Lake Poinsett San Dist (01)	01/06/2005	3.25%, 20 yr	\$590,000	\$590,000
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 (05)	01/06/2005	3.25%, 20 yr	\$333,700	\$333,700
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

Sponsor	Binding Commitment Date	Terms	Original Binding Commitment Amount	Final Loan Amount
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
Montrose (01)	09/22/2005	2.5%, 10 yr	\$142,621	\$142,621
Nisland (01)	01/06/2005	3.25%, 20 yr	\$204,000	\$204,000
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	\$430,000	\$430,000
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
Philip (03)	09/22/2005	3.25%, 15	\$347,040	\$347,040
Pickerel Lake San Dist (01)	05/09/1996	5.25%, 15 yr	\$850,000	\$850,000
Pickerel 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	\$1,199,832
Platte (01) *	03/25/1999	5.00%, 20 yr	\$1,000,000	\$975,865
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
Redfield (01)	06/23/2005	3.25%, 20 yr	\$333,788	\$333,788
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

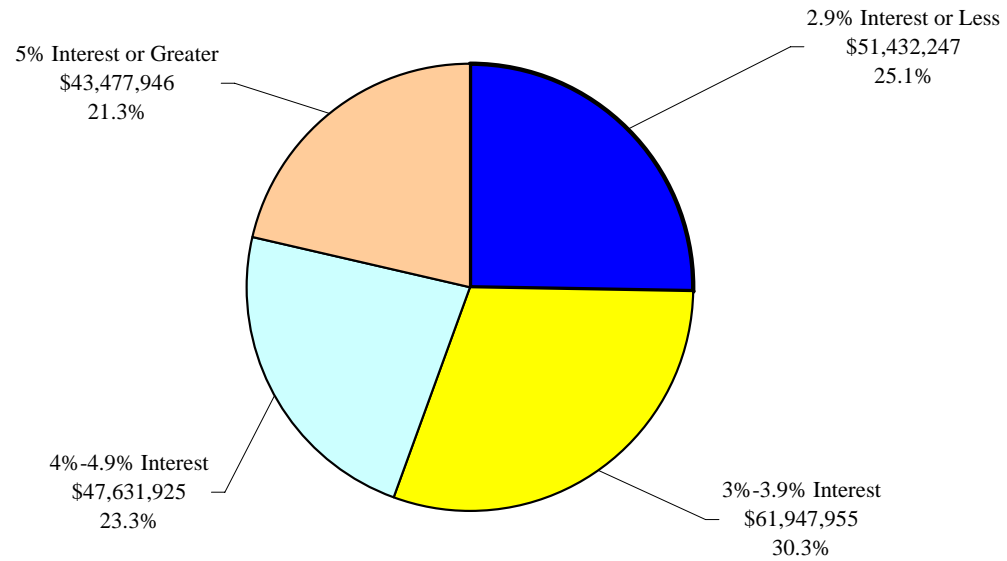
Sponsor	Binding Commitment Date	Terms	Original Binding Commitment Amount	Final Loan Amount
Salem (02)	06/23/2005	3.25%, 20 yr	\$387,960	\$387,960
Scotland (01)	03/28/2003	3.50%, 20 yr	\$250,000	\$250,000
Sioux Falls (01)	04/11/1990	3.00%, 20 yr	\$3,316,310	\$2,836,963
Sioux Falls (02) *	07/11/1990	3.00%, 10 yr	\$454,000	\$453,999
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	\$1,467,706
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	\$561,320
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
Sioux Falls (20)				
Series A	01/06/2005	1.50%, 10 yr	\$16,000,000	\$16,000,000
Series NPS	01/06/2005	1.50%, 10 yr	\$1,249,349	\$1,249,349
Sioux Falls (21)				
Series A	03/31/2005	2.25%, 20 yr	\$12,500,000	\$12,500,000
Series NPS	03/31/2005	2.25%, 20 yr	\$3,269,418	\$3,269,418
Southern Missouri (NPS-01)	10/06/1994	5.00%, 20 yr	\$700,000	\$700,000
Spearfish (01)	03/12/1992	1.00%, 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



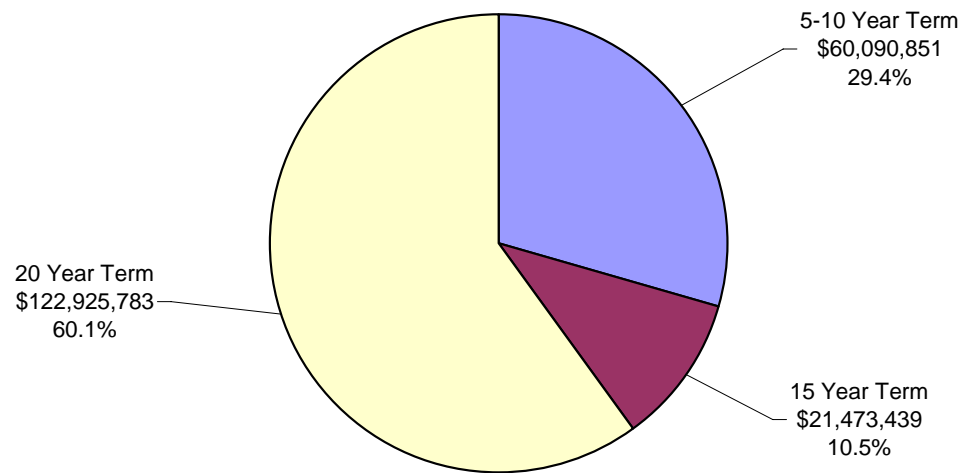
Sponsor	Binding Commitment Date	Terms	Original Binding Commitment Amount	Final Loan Amount
Valley Springs (02)	09/23/2004	3.25%, 20 yr	\$350,000	\$350,000
Vermillion (01)	06/07/1990	3.00%, 20 yr	\$125,000	\$125,000
Vermillion (02)	12/09/1993	4.00%, 15 yr	\$500,000	\$370,471
Vermillion (03)	03/28/2003	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 Lake San Dist (01)	12/13/2001	3.50%, 20 yr	\$200,000	\$175,126
Wall (01) *	07/22/1999	5.00%, 20 yr	\$1,146,000	\$788,600
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
<b>TOTAL 170 Loans to 79 Entities</b>			<b>\$213,239,290</b>	<b>\$204,490,073</b>

\* Loans Paid in Full

**FIGURE 4**  
**Clean Water SRF Interest Rates**  
**by Percent of Loan Portfolio**  
**(\$204 Million)**



**FIGURE 5**  
**Clean Water SRF Loan Terms**  
**by Percentage of Loan Portfolio**  
**(\$204 Million)**



## PROJECT DESCRIPTIONS

**Loans approved during federal fiscal year 2005 are specially designated directly beside the loan recipients' names and italic lettering within the paragraph.**

**ABERDEEN (2005)** – *Aberdeen received its first loan for wastewater treatment plant improvements and upgrades and nonpoint source best management practices. The loan is for \$13,218,859 at 2.25 percent for 20 years.*

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

**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. 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 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 (2005)** – The city of Bridgewater constructed storm sewer along the north and east sides of the city to connect to an existing inlet basin with its first loan, a 20 year, 5.25 percent loan for \$90,328. *The city's second loan, for \$321,600 at 3.25 percent for 20 years funded improvements to the sanitary sewer system.*

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

**COLTON (2005)** – *The city’s first loan, \$204,500 at 3.25 percent for 20 years, funded wastewater treatment system 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 replaced sanitary sewer in conjunction with the Pearl Street Utility Improvement project. Its third loan, in the amount of \$345,000 at 3.5 percent for 20 years, financed renovation of the city's lagoon system on the southwest side of the city.

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

**FREEMAN (2005)** – *The city of Freeman's first loan, in the amount of \$300,000 at 2.5 percent for 10 years, funded wastewater collection system improvements.*

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

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

**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 loan, for \$163,775, funded expansion of the sewer system to the northeast part of the city. The fifth loan, \$440,000, funded replacement of sewer lines on Main Street and reconstruction of the road.

**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 (2005)** – The city of Huron has received four Clean Water SRF loans. The first loan was used to partially fund improvements at the mechanical wastewater treatment facility and artificial wetlands treatment site. This loan totaled \$1,656,000 at 3 percent for 20 years. The second loan, for \$701,007 at 3

percent for 10 years, was used to construct an extension to the storm sewer system to provide drainage in a developing area of the city. Huron utilized a third Clean Water SRF loan in the amount of \$1,856,828 at 5.25 percent for 20 years to expand the existing stabilization pond system and increase pumping capacity. *The city funded upgrades to its wastewater treatment facility with a fourth loan for \$1,500,000 at 3.25 percent for 20 years.*

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

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

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

**LAKE POINSETT SANITARY DISTRICT (2005)** – *Lake Poinsett Sanitary District received a loan in the amount of \$590,000 at 3.25 percent for 20 years to fund expansion of the sanitary system at Lake Poinsett.*

**LEAD (2005)** – The city of Lead received five Clean Water SRF loans amounting to \$1,635,377 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 (SDDOT) 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's fifth Clean Water SRF loan, in the amount of \$333,700 at 3.25 percent for 20 years, constructed wastewater collection system improvements associated with the SDDOT's Highway 85 reconstruction.*

**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.

**MONTROSE (2005)** – *Montrose's first loan in the amount of \$142,621 at 2.5 percent for 10 years funded wastewater collection and treatment improvements.*

**NISLAND (2005)** – *Nisland received its first loan in the amount of \$204,000 at 3.25 percent for 20 years to upgrade its wastewater treatment system to a three-cell stabilization pond system.*

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

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

**PHILIP (2005)** – Philip financed the construction of sanitary and storm sewer improvements with its first loan for \$453,885 at 5 percent interest for 15 years. The city received a second, \$321,127 Clean Water SRF loan for a term of 20 years at 5.25 percent to finance the construction of sanitary sewer, storm sewer, concrete curb and gutter, and replacement of force main. *Philip's third SRF loan, in the amount of \$347,040 at 3.25 percent for 15 years, funded wastewater and storm sewer utility improvements in the downtown area of the city.*

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

**PIERRE** – The city of Pierre has received 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.

**REDFIELD (2005)** – *Redfield's first loan, \$333,788 at 3.25 percent for 20 years, funded wastewater and storm water utility improvements on South Main Street and Sixth Avenue.*

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

**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 (2005)** – Salem's first Clean Water SRF loan, in the amount of \$592,307 at 3.5 percent for 20 years, funded wastewater collection improvements in conjunction with a South Dakota DOT project. *The city's second loan, \$387,960 at 3.25 percent for 20 years, funded wastewater and storm water utility improvements.*

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

**SIoux FALLS (2005)** – The city of Sioux Falls has received 21 Clean Water SRF loans totaling \$100,084,577 for a variety of projects. These projects include the construction of new interceptor lines and lift stations, rehabilitation of the sanitary sewers and lift stations, purchase of sludge handling equipment and improvements, infiltration/inflow correction, improvement of storm water drainage, flow equalization basin construction, and other wastewater system improvements. The first loan was at 3 percent for 20 years. Loans 2 through 10 were at 3 percent for 10 years, loans 11 through 14 were at 4.5 percent for 10 years, and the 15<sup>th</sup> loan was at 3.5 percent for 10 years. The City's 16<sup>th</sup> and 17<sup>th</sup> loans, for

\$2,479,500 and \$932,000, are both at 3.5 percent for ten years, funded wastewater facilities improvements and identified and implemented best management practices within the city. Loans 18 (for \$3,951,000) and 19 (for \$801,000) were at 2.5 percent for ten years and funded improvements to the wastewater system and retrofitted storm water detention ponds, respectively. *The city's 20<sup>th</sup> loan, in the amount of \$25,949,349 at 1.5 percent for 10 years, funded storm sewer improvements and nonpoint source best management practices, and the 21<sup>st</sup> loan provided for construction of the East Side Sanitary Sewer System and nonpoint source best management practices. This loan is for \$37,377,418 at 2.25 percent for 20 years. Both 2005 loans were structured with a portion of the funding in a Series B bond that was approved contingent upon sufficient Clean SRF funding being available in FFY 2006 to fund the balance. The Series B amounts are \$8,700,000 and \$21,608,000 for the Storm Drainage (20) and East Side Sanitary Sewer (21) projects, 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** – The city of Valley Springs received a \$430,000 loan for 20 years at 5.25 percent interest to fund the expansion and upgrade of the existing wastewater treatment facility. The city's second loan, in the amount of \$350,000 at 3.25 percent for 20 years, funded sanitary sewer replacement.

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

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**EXHIBITS I-VII**  
**CLEAN WATER SRF**  
**STATUS REPORTS**

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**EXHIBIT I**  
**PROJECTS RECEIVING SRF ASSISTANCE**  
**FEDERAL FISCAL YEAR 2005**

Recipient	Assistance Amount	Binding Commitment Date	Rate/Term
Aberdeen (01)			
Series A	\$12,062,600	6-Jan-05	2.25%/20
Series NPS	\$1,156,259	6-Jan-05	2.25%/20
Bridgewater (02)	\$321,600	23-Jun-05	3.25%/20
Colton (01)	\$204,500	22-Sep-05	3.25%/20
Freeman (01)	\$300,000	6-Jan-05	2.5%/10
Huron (04)	\$1,500,000	6-Jan-05	3.25%/20
Lake Poinset San Dist (01)	\$590,000	6-Jan-05	3.25%/20
Lead (05)	\$333,700	6-Jan-05	3.25%/20
Montrose (01)	\$142,621	22-Sep-05	2.5%/10
Nisland (01)	\$204,000	6-Jan-05	3.25%/20
Philip (03)	\$347,040	22-Sep-05	3.25%/15
Redfield (01)	\$333,788	23-Jun-05	3.25%/20
Salem (02)	\$387,960	23-Jun-05	3.25%/20
Sioux Falls (20)			
Series A	\$16,000,000	6-Jan-05	1.5%/10
Series NPS	\$1,249,349	6-Jan-05	1.5%/10
Sioux Falls (21)			
Series A	\$12,500,000	31-Mar-05	2.25%/20
Series NPS	\$3,269,418	31-Mar-05	2.25%/20
<b>TOTAL</b>	<b>\$50,902,835</b>		

**EXHIBIT II**  
**SRF NEEDS CATEGORIES**  
**FEDERAL FISCAL YEAR 2005**

Recipient	I Sec. Treat.	II Adv. Treat.	III-A I/I Correction	III-B System Rehab	IV-A New Collection	IV-B New Interceptor	VI Storm Sewers	NPS
Aberdeen (01)								
Series A	\$6,756,700	\$4,647,000		\$658,900				
Series NPS								\$1,156,259
Bridgewater (02)				\$266,928		\$54,672		
Colton (01)	\$204,500							
Freeman (01)				\$243,500	\$56,500			
Huron (04)		\$1,500,000						
Lake Poinset San Dist (01)	\$590,000							
Lead (05)				\$333,700				
Montrose (01)	\$137,621		\$5,000					
Nisland (01)	\$204,000							
Philip (03)				\$112,282			\$234,758	
Redfield (01)				\$333,788				
Salem (02)					\$197,091		\$190,869	
Sioux Falls (20)								
Series A							\$16,000,000	
Series NPS								\$1,249,349
Sioux Falls (21)								
Series A						\$12,500,000		
Series NPS								\$3,269,418
<b>TOTAL</b>	<b>\$7,892,821</b>	<b>\$6,147,000</b>	<b>\$5,000</b>	<b>\$1,949,098</b>	<b>\$253,591</b>	<b>\$12,554,672</b>	<b>\$16,425,627</b>	<b>\$5,675,026</b>

**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
2005	\$5,243,500	\$1,048,700		\$6,292,200
<b>TOTAL</b>	<b>\$100,994,500</b>	<b>\$20,198,900</b>	<b>\$4,507,540</b>	<b>\$125,700,940</b>

\* 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 1989-2005**  
**Capitalization Grants, Principal Repayments,**  
**Leveraged Funds, and Unrestricted Cumulative Excess (UCE) 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)	November 9, 1989	\$1,656,000	\$1,656,000	\$3,653,552
Rapid Valley Sanitary District (01)	January 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) <sup>1</sup>	April 11, 1990	\$3,316,310	\$1,453,852	\$0

<sup>1</sup> 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) <sup>2</sup>			\$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)	November 8, 1990	\$600,000	\$433,976	\$871,730
Rapid City (01) <sup>3</sup>	Dec 12, 1990	\$2,637,000	\$871,730	\$0

<sup>2</sup> Balance is from 1989 funds

<sup>3</sup> 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) <sup>4</sup>			\$1,608,175	\$10,078,593
Sioux Falls (03)	December 12, 1990	\$845,000	\$845,000	\$9,233,593
Sioux Falls (04)	December 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)	October 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)	February 18, 1992	\$163,487	\$81,454	\$3,127,419
Whitewood (01)	February 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) <sup>5</sup>	March 12, 1992	\$1,956,000	\$94,688	\$0

<sup>4</sup> Balance is from 1990 funds

<sup>5</sup> 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) <sup>6</sup>			\$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) <sup>7</sup>	January 26, 1993	\$4,500,000	\$2,731,324	\$0

<sup>6</sup> Balance is from 1991 funds

<sup>7</sup> 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) <sup>8</sup>			\$1,768,676	\$9,171,284
Chamberlain (02)	January 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)	December 9, 1993	\$500,000	\$370,471	\$5,347,599
Dell Rapids (01)	December 9, 1993	\$300,000	\$300,000	\$5,047,599
Groton (01)	January 13, 1994	\$192,000	\$189,524	\$4,858,075
Hot Springs (NPS/01)	January 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) <sup>9</sup>	August 10, 1994	\$1,214,861	\$283,680	\$0

<sup>8</sup> Balance is from 1992 funds

<sup>9</sup> 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) <sup>10</sup>			\$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)	October 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) <sup>11</sup>	June 22, 1995	\$1,250,000	\$492,905	\$0

<sup>10</sup> Balance is from 1993 funds

<sup>11</sup> 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) <sup>12</sup>			\$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) <sup>13</sup>	March 27, 1996	\$400,000	\$169,514	\$0

<sup>12</sup> Balance is from 1994 funds

<sup>13</sup> 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) <sup>14</sup>			\$175,880	\$11,313,572
Pickrel 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
Pickrel Lake Sanitary District (02)	Sept 25, 1997	\$670,000	\$670,000	\$918,190
Yankton (01) <sup>15</sup>	Dec 11, 1997	\$2,625,000	\$918,190	\$0

<sup>14</sup> Balance is from 1995 funds

<sup>15</sup> 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) <sup>16</sup>			\$1,706,810	\$1,762,170
Chamberlain (04)	March 26, 1998	\$450,000	\$450,000	\$1,312,170
Pierre (02) <sup>17</sup>	March 26, 1998	\$4,417,000	\$1,312,170	\$0

<sup>16</sup> Balance is from 1996 funds

<sup>17</sup> 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) <sup>18</sup>			\$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) <sup>19</sup>	March 25, 1999	\$5,391,260	\$3,536,210	\$0

<sup>18</sup> Balance is from 1997 funds

<sup>19</sup> 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) <sup>20</sup>			\$1,855,050	\$5,775,314
Platte (01)	March 25, 1999	\$1,000,000	\$975,865	\$4,799,449
Britton (01)	May 13, 1999	\$509,935	\$509,935	\$4,289,514
Harrisburg (01)	June 23, 1999	\$520,000	\$507,277	\$3,782,237
Wall (01)	July 22, 1999	\$1,146,000	\$788,600	\$2,993,637
Hartford (01)	April 13, 2000	\$504,000	\$504,000	\$2,489,637

Hartford (02)	April 13, 2000	\$690,804	\$690,804	\$1,798,833
Mobridge (03)	April 13, 2000	\$1,355,000	\$1,350,000	\$448,833
Sturgis (04) <sup>21</sup>	April 14, 2000	\$2,100,000	\$448,833	\$0

<sup>20</sup> Balance is from 1998 funds

<sup>21</sup> Balance is from 2000 funds

## 12. PROJECTS UTILIZING 2000 SRF FUNDS

Recipient	Binding Commitment Date	Binding Commitment Amount	Actual Amount	Balance
<hr/>				
2000 Capitalization Grant and State Match				\$7,604,032
Sturgis (04) <sup>22</sup>			\$1,651,167	\$5,952,865
Beresford (01)	June 22, 2000	\$1,150,000	\$1,115,852	\$4,837,013
Aurora (01)	July 27, 2000	\$410,000	\$410,000	\$4,427,013
Lead (04)	July 27, 2000	\$239,200	\$239,200	\$4,187,813
Whitewood (02)	July 27, 2000	\$275,000	\$189,032	\$3,998,781
Sioux Falls (14) <sup>23</sup>	July 27, 2000	\$5,100,000	\$3,998,781	\$0

<sup>22</sup> Balance is from 1999 funds

<sup>23</sup> Balance is from 2001 funds

## 13. PROJECTS UTILIZING 2001 SRF FUNDS

Recipient	Binding Commitment Date	Binding Commitment Amount	Actual Amount	Balance
<hr/>				
2001 Capitalization Grant and State Match				\$7,535,476
Sioux Falls (14) <sup>24</sup>			\$889,756	\$6,645,720
Yankton (03)	October 12, 2001	\$6,130,000	\$6,130,000	\$515,720
Wall Lake (01)	December 13, 2001	\$200,000	\$175,126	\$340,594
Elk Point (02) <sup>25</sup>	January 31, 2002	\$450,000	\$65,109	\$275,485
Sioux Falls (15) <sup>25</sup>	April 12, 2002	\$1,724,000	\$275,485	\$0

<sup>24</sup> Balance is from 2000 funds

<sup>25</sup> 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
<hr/>				
2004 Capitalization Grant and State Match				\$7,507,288
Rapid City (05) <sup>24</sup>	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) <sup>25</sup>	July 16, 2004	\$3,548,351	\$319,073	\$0

<sup>24</sup> Balance is from 2005 funds, future match and repayment funds

<sup>25</sup> Balance is from repayment funds

#### 17. PROJECTS UTILIZING 2005 SRF FUNDS

Recipient	Binding Commitment Date	Binding Commitment Amount	Actual Amount	Balance
2005 Capitalization Grant and State Match				\$6,082,464
Rapid City (05) <sup>26</sup>			\$1,013,736	\$5,068,728
Aberdeen (01A) <sup>27</sup>	June 6, 2005	\$12,062,600	\$5,062,600	\$6,128
Sioux Falls (20NPS) <sup>27</sup>	June 6, 2005	\$1,249,349	\$6,128	\$0

<sup>26</sup> Balance is from 2004 funds, future match and repayment funds

<sup>27</sup> Balance is from repayment funds

#### 18. 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	\$4,500,000	\$4,500,000	\$7,540
Lake Madison Sanitary Dist (02) 28		\$875,000	\$7,540	\$0

<sup>28</sup> Balance is from repayment funds

#### 19. PROJECTS UTILIZING REPAYMENT FUNDS

Recipient	Binding Commitment Date	Binding Commitment Amount	Actual Amount	Balance
Total Repayments as of 9/30/2005				\$66,245,995
Watertown (04)	November 9, 1995	\$2,200,000	\$932,830	\$65,313,165
Mitchell (01)	April 15, 1997	\$2,000,000	\$1,543,405	\$63,769,760
Rapid City (05) <sup>29</sup>			\$11,500,000	\$52,269,760
Castlewood (01)	January 31, 2002	\$250,000	\$215,859	\$52,053,901
Fort Pierre (02)	January 31, 2002	\$462,500	\$462,500	\$51,591,401
Elk Point (02) <sup>30</sup>			\$384,891	\$51,206,510
Hartford (03)	April 12, 2002	\$300,000	\$300,000	\$50,906,510
Highmore (01)	April 12, 2002	\$262,300	\$262,300	\$50,644,210
Webster (02)	April 12, 2002	\$811,000	\$811,000	\$49,833,210
Sioux Falls (15) <sup>30</sup>			\$1,192,221	\$48,640,989
Baltic (01)	June 27, 2002	\$465,000	\$405,646	\$48,235,343
Centerville (01)	June 27, 2002	\$500,000	\$500,000	\$47,735,343
Britton (02)	Sept 26, 2002	\$322,500	\$291,854	\$47,443,489
Canton (02)	January 10, 2003	\$600,000	\$600,000	\$46,843,489
Clark (01)	January 10, 2003	\$400,000	\$400,000	\$46,443,489
Hartford (04)	January 10, 2003	\$550,035	\$550,035	\$45,893,454
Sioux Falls (16)	January 10, 2003	\$2,479,500	\$2,479,500	\$43,413,954
Groton (04)	March 28, 2003	\$163,775	\$126,648	\$43,287,306
Groton (05)	March 28, 2003	\$440,000	\$440,000	\$42,847,306

Jefferson (01)	March 28, 2003	\$320,000	\$166,084	\$42,681,222
Pierre (04)	March 28, 2003	\$1,378,404	\$1,199,832	\$41,481,390
Salem (01)	March 28, 2003	\$592,307	\$518,035	\$40,963,355
Scotland (01)	March 28, 2003	\$250,000	\$250,000	\$40,713,355
Vermillion (03)	March 28, 2003	\$456,000	\$273,965	\$40,439,390
Watertown (05)	March 28, 2003	\$2,055,000	\$2,055,000	\$38,384,390
Black Hawk Sanitary District (01)	June 26, 2003	\$589,600	\$589,600	\$37,794,790
Elk Point (03)	June 26, 2003	\$345,000	\$345,000	\$37,449,790
Sioux Falls (17)	June 26, 2003	\$932,000	\$561,320	\$36,888,470
Tea (05)	June 26, 2003	\$495,490	\$495,490	\$36,392,980
Lake Madison Sanitary Dist (02) <sup>31</sup>			\$867,460	\$35,525,520
Mitchell (02)	Sept 25, 2003	\$1,320,000	\$1,320,000	\$34,205,520
Lake Cochrane (02)	January 8, 2004	\$160,000	\$160,000	\$34,045,520
Willow Lake (01)	January 8, 2004	\$100,000	\$100,000	\$33,945,520
Fort Pierre (03)	January 9, 2004	\$450,000	\$450,000	\$33,495,520
Vermillion (04) <sup>32</sup>			\$3,229,278	\$30,266,242
Parker (01)	Sept 23, 2004	\$430,000	\$430,000	\$29,836,242
Valley Springs (02)	Sept 23, 2004	\$350,000	\$350,000	\$29,486,242
Aberdeen (01A) <sup>33</sup>			\$7,000,000	\$22,486,242
Aberdeen (01NPS)	January 1, 2005	\$1,156,259	\$1,156,259	\$21,329,983
Nisland (01)	January 1, 2005	\$204,000	\$204,000	\$21,125,983
Sioux Falls (20A) <sup>34</sup>	January 1, 2005	\$16,000,000	\$10,000,000	\$11,125,983
Sioux Falls (20NPS) <sup>33</sup>			\$1,243,221	\$9,882,762
Sioux Falls (21NPS)	March 31, 2005	\$3,269,418	\$3,269,418	\$6,613,344
Bridgewater (02)	June 23, 2005	\$321,600	\$321,600	\$6,291,744
Redfield (01)	June 23, 2005	\$333,788	\$333,788	\$5,957,956
Salem (02)	June 23, 2005	\$387,960	\$387,960	\$5,569,996
Colton (01)	Sept 22, 2005	\$204,500	\$204,500	\$5,365,496
Montrose (01)	Sept 22, 2005	\$142,621	\$142,621	\$5,222,875
Philip (03)	Sept 22, 2005	\$347,040	\$347,040	\$4,875,835

<sup>29</sup> Balance is from future match, 2004 and 2005 funds

<sup>30</sup> Balance is from 2001 funds

<sup>31</sup> Balance is from leveraged funds

<sup>32</sup> Balance is from 2004 funds

<sup>33</sup> Balance is from 2005 funds

<sup>34</sup> Balance is from Unrestricted Cumulative Excess funds

## 20. PROJECTS UTILIZING UNRESTRICTED CUMULATIVE EXCESS (UCE) FUNDS

Recipient	Binding Commitment Date	Binding Commitment Amount	Actual Amount	Balance
Total UCE Available as of 9/30/2005				\$23,361,359
Freeman (01)	January 1, 2005	\$300,000	\$300,000	\$23,061,359
Huron (01)	January 1, 2005	\$1,500,000	\$1,500,000	\$21,561,359
Lake Poinsett San Dist (01)	January 1, 2005	\$590,000	\$590,000	\$20,971,359
Lead (01)	January 1, 2005	\$333,700	\$333,700	\$20,637,659
Sioux Falls (20A) <sup>35</sup>			\$6,000,000	\$14,637,659
Sioux Falls (21A)	March 31, 2005	\$12,500,000	\$12,500,000	\$2,137,659

<sup>35</sup> Balance is from repayment funds

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

Recipient	Binding Commitment Date	Binding Commitment Amount	Actual Amount	Balance
2001 Bond Proceeds Rapid City (05) <sup>36</sup>			\$235,049	\$235,049 \$0

<sup>36</sup> Balance is from 2004, 2005, and repayment funds

**EXHIBIT V**  
**Clean Water SRF Disbursements**  
**October 1, 2004 to September 30, 2005**

**LOAN DISBURSEMENTS**

Disburse Number	Date	Payee	Leveraged Funds	Repayment Funds	State Funds	Federal Funds	Total Payment
05-01	10/08/04	Elk Point (03)	\$0.00	\$6,972.00	\$0.00	\$0.00	\$6,972.00
05-02	10/08/04	Lake Cochrane (02)	\$0.00	\$73,129.00	\$0.00	\$0.00	\$73,129.00
05-03	10/22/04	Black Hawk SD (01)	\$0.00	\$57,720.00	\$0.00	\$0.00	\$57,720.00
05-04	10/22/04	Fort Pierre (03)	\$0.00	\$76,809.00	\$0.00	\$0.00	\$76,809.00
05-05	10/22/04	LMSD (02)	\$0.00	\$167,313.00	\$0.00	\$0.00	\$167,313.00
05-06	10/22/04	Watertown (05)	\$0.00	\$12,407.00	\$0.00	\$0.00	\$12,407.00
05-07	10/29/04	Elk Point (03)	\$0.00	\$19,965.00	\$0.00	\$0.00	\$19,965.00
05-08	10/29/04	Mitchell (02)	\$0.00	\$51,687.00	\$0.00	\$0.00	\$51,687.00
05-09	11/08/04	Willow Lake (01)	\$0.00	\$100,000.00	\$0.00	\$0.00	\$100,000.00
05-10	11/12/04	Gayville (01)	\$0.00	\$0.00	\$10,331.00	\$51,655.00	\$61,986.00
05-11	11/15/04	Mitchell (02)	\$0.00	\$164,370.00	\$0.00	\$0.00	\$164,370.00
05-12	11/15/04	Watertown (05)	\$0.00	\$185,823.00	\$0.00	\$0.00	\$185,823.00
05-12	11/18/04	Gayville (01)	\$0.00	\$0.00	\$18,951.00	\$94,755.00	\$113,706.00
05-11	11/19/04	LMSD (02)	\$0.00	\$208,077.00	\$0.00	\$0.00	\$208,077.00
05-15	11/24/04	Britton (02)	\$0.00	\$25,323.00	\$0.00	\$0.00	\$25,323.00
05-16	11/24/04	Fort Pierre (03)	\$0.00	\$97,882.00	\$0.00	\$0.00	\$97,882.00
05-17	11/24/04	Lake Cochrane (02)	\$0.00	\$78,871.00	\$0.00	\$0.00	\$78,871.00
05-18	11/24/04	Groton (05)	\$0.00	\$165,405.00	\$0.00	\$0.00	\$165,405.00
05-19	11/24/04	Elk Point (03)	\$0.00	\$109,186.00	\$0.00	\$0.00	\$109,186.00
05-21	12/03/04	Clark (01)	\$0.00	\$11,369.00	\$0.00	\$0.00	\$11,369.00
05-22	12/03/04	Watertown (05)	\$0.00	\$32,962.00	\$0.00	\$0.00	\$32,962.00
05-20	12/06/04	Clear Lake (02)	\$0.00	\$0.00	\$28,301.00	\$141,506.00	\$169,807.00
05-23	12/08/04	Black Hawk SD (01)	\$0.00	\$80,171.00	\$0.00	\$0.00	\$80,171.00
05-24	12/16/04	Black Hawk SD (01)	\$0.00	\$91,315.00	\$0.00	\$0.00	\$91,315.00
05-25	12/22/04	Mitchell (02)	\$0.00	\$243,143.00	\$0.00	\$0.00	\$243,143.00
05-30	12/28/04	Gayville (01)	\$0.00	\$0.00	\$7,850.00	\$39,250.00	\$47,100.00
05-26	12/29/04	Black Hawk SD (01)	\$0.00	\$135,167.00	\$0.00	\$0.00	\$135,167.00
05-27	12/29/04	Elk Point (03)	\$0.00	\$49,616.00	\$0.00	\$0.00	\$49,616.00
05-28	12/29/04	Fort Pierre (03)	\$0.00	\$223,123.00	\$0.00	\$0.00	\$223,123.00
05-29	12/29/04	Groton (05)	\$0.00	\$34,651.00	\$0.00	\$0.00	\$34,651.00
05-32	01/05/05	Sioux Falls (19)	\$0.00	\$0.00	\$0.00	\$66,010.00	\$66,010.00
05-33	01/05/05	Sioux Falls (18)	\$0.00	\$0.00	\$0.00	\$221,306.00	\$221,306.00
05-33	01/05/05	Sioux Falls (18)	\$0.00	\$0.00	\$0.00	\$950,971.00	\$950,971.00
05-31	01/06/05	Clark (01)	\$0.00	\$8,106.00	\$0.00	\$0.00	\$8,106.00
05-34	01/21/05	Scotland (01)	\$0.00	\$299.00	\$0.00	\$0.00	\$299.00
05-35	01/21/05	LMSD (02)	\$0.00	\$75,089.00	\$0.00	\$0.00	\$75,089.00
05-36	01/27/05	Britton (02)	\$0.00	\$45,821.00	\$0.00	\$0.00	\$45,821.00
05-37	01/27/05	Watertown (05)	\$0.00	\$34,918.00	\$0.00	\$0.00	\$34,918.00
05-38	02/03/05	Gayville (01)	\$0.00	\$0.00	\$0.00	\$7,114.00	\$7,114.00



05-39	02/03/05	Black Hawk SD (01)	\$0.00	\$32,949.00	\$0.00	\$0.00	\$32,949.00
05-40	02/03/05	Sioux Falls (16)	\$0.00	\$1,010,785.00	\$0.00	\$0.00	\$1,010,785.00
05-41	02/03/05	Watertown (05)	\$0.00	\$9,050.00	\$0.00	\$0.00	\$9,050.00
05-42	02/09/05	Black Hawk SD (01)	\$0.00	\$126,122.00	\$0.00	\$0.00	\$126,122.00
05-43	02/22/05	Canton (02)	\$0.00	\$40,035.00	\$0.00	\$0.00	\$40,035.00
05-44	02/22/05	Fort Pierre (03)	\$0.00	\$11,162.00	\$0.00	\$0.00	\$11,162.00
05-45	02/22/05	LMSD (02)	\$0.00	\$901.00	\$0.00	\$0.00	\$901.00
05-47	02/25/05	Sioux Falls (18)	\$0.00	\$0.00	\$0.00	\$101,730.00	\$101,730.00
05-46	02/28/05	Sioux Falls (16)	\$0.00	\$100,136.00	\$0.00	\$0.00	\$100,136.00
05-48	02/28/05	Parker (01)	\$0.00	\$43,142.00	\$0.00	\$0.00	\$43,142.00
05-49	03/03/05	Clear Lake (02)	\$0.00	\$0.00	\$0.00	\$15,500.00	\$15,500.00
05-50	03/25/05	Black Hawk SD (01)	\$0.00	\$28,764.00	\$0.00	\$0.00	\$28,764.00
05-51	03/25/05	Groton (05)	\$0.00	\$7,153.00	\$0.00	\$0.00	\$7,153.00
05-53	03/28/05	Sioux Falls (18)	\$0.00	\$0.00	\$0.00	\$3,397.00	\$3,397.00
05-52	03/29/05	Sioux Falls (16)	\$0.00	\$104,558.00	\$0.00	\$0.00	\$104,558.00
05-54	04/15/05	Watertown (05)	\$0.00	\$3,584.00	\$0.00	\$0.00	\$3,584.00
05-55	04/28/05	Clark (01)	\$0.00	\$3,729.00	\$0.00	\$0.00	\$3,729.00
05-56	04/28/05	Mitchell (02)	\$0.00	\$295,101.00	\$0.00	\$0.00	\$295,101.00
05-57	04/28/05	Lead (05)	\$0.00	\$220,029.00	\$0.00	\$0.00	\$220,029.00
05-58	04/28/05	Sioux Falls (18)	\$0.00	\$0.00	\$0.00	\$8,848.00	\$8,848.00
05-59	04/28/05	Sioux Falls (19)	\$0.00	\$0.00	\$0.00	\$885.00	\$885.00
05-60	05/05/05	Watertown (05)	\$0.00	\$2,381.00	\$0.00	\$0.00	\$2,381.00
05-61	05/13/05	Black Hawk SD (01)	\$0.00	\$27,990.00	\$0.00	\$0.00	\$27,990.00
05-62	05/13/05	Clark (01)	\$0.00	\$27,375.00	\$0.00	\$0.00	\$27,375.00
05-63	05/19/05	Mitchell (02)	\$0.00	\$123,198.00	\$0.00	\$0.00	\$123,198.00
05-64	05/19/05	Parker (01)	\$0.00	\$226,814.00	\$0.00	\$0.00	\$226,814.00
05-69	06/03/05	Sioux Falls (18)	\$0.00	\$0.00	\$0.00	\$9,502.00	\$9,502.00
05-70	06/03/05	Sioux Falls (19)	\$0.00	\$0.00	\$0.00	\$1,961.00	\$1,961.00
05-65	06/06/05	Watertown (05)	\$0.00	\$3,012.00	\$0.00	\$0.00	\$3,012.00
05-66	06/06/05	Elk Point (03)	\$0.00	\$41,191.00	\$0.00	\$0.00	\$41,191.00
05-67	06/06/05	Mitchell (02)	\$0.00	\$25,218.00	\$0.00	\$0.00	\$25,218.00
05-68	06/06/05	Sioux Falls (16)	\$0.00	\$52,486.00	\$0.00	\$0.00	\$52,486.00
05-71	06/16/05	Clear Lake (02)	\$0.00	\$0.00	\$0.00	\$9,984.00	\$9,984.00
05-72	06/16/05	Vermillion (04)	\$0.00	\$0.00	\$0.00	\$15,674.00	\$15,674.00
05-73	06/17/05	Sioux Falls (20A)	\$0.00	\$1,387,112.00	\$0.00	\$0.00	\$1,387,112.00
05-74	06/23/05	Elk Point (03)	\$0.00	\$54,558.00	\$0.00	\$0.00	\$54,558.00
05-75	06/23/05	Parker (01)	\$0.00	\$134,639.00	\$0.00	\$0.00	\$134,639.00
05-76	06/23/05	Valley Springs (02)	\$0.00	\$32,337.00	\$0.00	\$0.00	\$32,337.00
05-77	07/11/05	Britton (02)	\$0.00	\$6,217.00	\$0.00	\$0.00	\$6,217.00
05-79	07/13/05	Sioux Falls (20NPS)	\$0.00	\$0.00	\$0.00	\$6,128.00	\$6,128.00
05-78	07/14/05	Sioux Falls (20A)	\$0.00	\$155,578.00	\$0.00	\$0.00	\$155,578.00
05-80	07/22/05	Gayville (01)	\$0.00	\$0.00	\$0.00	\$16,143.00	\$16,143.00
05-81	07/25/05	Parker (01)	\$0.00	\$25,405.00	\$0.00	\$0.00	\$25,405.00
05-83	07/28/05	Sioux Falls (18)	\$0.00	\$0.00	\$0.00	\$381,544.00	\$381,544.00
05-84	07/28/05	Sioux Falls (19)	\$0.00	\$0.00	\$0.00	\$48,610.00	\$48,610.00
05-82	07/29/05	Freeman (01)	\$0.00	\$191,271.00	\$0.00	\$0.00	\$191,271.00
05-85	07/29/05	Watertown (05)	\$0.00	\$3,709.00	\$0.00	\$0.00	\$3,709.00
05-86	08/04/05	Clear Lake (02)	\$0.00	\$0.00	\$0.00	\$33,630.00	\$33,630.00
05-87	08/04/05	Watertown (05)	\$0.00	\$5,827.00	\$0.00	\$0.00	\$5,827.00
05-88	08/10/05	Gayville (01)	\$0.00	\$0.00	\$0.00	\$7,333.00	\$7,333.00

05-89	08/19/05	Clark (01)	\$0.00	\$5,000.00	\$0.00	\$0.00	\$5,000.00
05-90	08/19/05	Sioux Falls (20A)	\$0.00	\$230,373.00	\$0.00	\$0.00	\$230,373.00
05-91	08/19/05	Sioux Falls (20NPS)	\$0.00	\$7,630.00	\$0.00	\$0.00	\$7,630.00
05-92	08/19/05	Sioux Falls (21A)	\$0.00	\$614,966.00	\$0.00	\$0.00	\$614,966.00
05-93	09/01/05	Clear Lake (02)	\$0.00	\$0.00	\$0.00	\$70,812.00	\$70,812.00
05-94	09/01/05	Sioux Falls (18)	\$0.00	\$0.00	\$0.00	\$20,375.00	\$20,375.00
05-95	09/01/05	Sioux Falls (19)	\$0.00	\$0.00	\$0.00	\$84,783.00	\$84,783.00
05-96	09/01/05	Watertown (05)	\$0.00	\$7,991.00	\$0.00	\$0.00	\$7,991.00
05-97	09/12/05	Mitchell (02)	\$0.00	\$324,989.00	\$0.00	\$0.00	\$324,989.00
05-101	09/15/05	Yankton (03)	\$0.00	\$0.00	\$0.00	\$300,000.00	\$300,000.00
05-98	09/19/05	Sioux Falls (20A)	\$0.00	\$1,559,936.00	\$0.00	\$0.00	\$1,559,936.00
05-99	09/19/05	Sioux Falls (20NPS)	\$0.00	\$9,198.00	\$0.00	\$0.00	\$9,198.00
05-100	09/19/05	Sioux Falls (21A)	\$0.00	\$133,092.00	\$0.00	\$0.00	\$133,092.00
Reimburse	09/26/05	Black Hawk SD (01)	\$0.00	(\$102,375.00)	\$0.00	\$0.00	(\$102,375.00)
05-102	09/28/05	Clear Lake (02)	\$0.00	\$0.00	\$0.00	\$122,230.00	\$122,230.00
05-103	09/28/05	Valley Springs (02)	\$0.00	\$8,500.00	\$0.00	\$0.00	\$8,500.00
Total Loan Disbursements			\$0.00	\$10,029,507.00	\$65,433.00	\$2,831,636.00	\$12,926,576.00

**ADMINISTRATIVE DISBURSEMENTS**

Disburs No	Date	Payee	Costs of Issuance	State Match	Federal	State Admin Restricted	State Admin Discretionary	Total Payment
05A-01	10/08/04	Image Master	\$989.26	\$0.00	\$0.00	\$0.00	\$0.00	\$989.26
05A-02	10/28/04	SD	\$0.00	\$3,420.00	\$17,100.00	\$0.00	\$0.00	\$20,520.00
05A-02	10/28/04	SD-Planning Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$1,000.00	\$1,000.00
05A-03	11/04/04	PFM *	\$352.98	\$0.00	\$0.00	\$0.00	\$0.00	\$352.98
05A-04	11/23/04	SD	\$0.00	\$3,660.00	\$18,300.00	\$0.00	\$0.00	\$21,960.00
05A-04	11/23/04	SD-Planning Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$4,000.00	\$4,000.00
05A-05	12/07/04	FNB **	\$0.00	\$3,745.00	\$18,725.00	\$0.00	\$0.00	\$22,470.00
05A-06	12/21/04	SD	\$0.00	\$4,060.00	\$20,300.00	\$0.00	\$0.00	\$24,360.00
05A-07	01/21/05	PFM	\$0.00	\$265.00	\$1,320.00	\$0.00	\$0.00	\$1,585.00
05A-08	01/27/05	SD	\$0.00	\$3,220.00	\$16,100.00	\$0.00	\$0.00	\$19,320.00
05A-08	01/27/05	SD-Planning Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$2,000.00	\$2,000.00
05A-09	02/25/05	SD	\$0.00	\$3,260.00	\$16,300.00	\$0.00	\$0.00	\$19,560.00
05A-09	02/25/05	SD-Planning Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$4,000.00	\$4,000.00
05A-09	02/25/05	SD-Sale Barn Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$4,200.00	\$4,200.00
05A-09	02/25/05	SD-CAFO Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$176,500.00	\$176,500.00
05A-10	03/23/05	SD	\$0.00	\$2,880.00	\$14,400.00	\$0.00	\$0.00	\$17,280.00
05A-10	03/23/05	SD-Sale Barn Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$7,100.00	\$7,100.00
05A-10	03/23/05	SD-CAFO Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$18,000.00	\$18,000.00
05A-11	04/15/05	SD	\$0.00	\$4,560.00	\$22,800.00	\$0.00	\$0.00	\$27,360.00
05A-11	04/15/05	SD-Planning Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$17,200.00	\$17,200.00
05A-11	04/15/05	SD-Sale Barn Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$7,200.00	\$7,200.00
05A-11	04/15/05	SD-CAFO Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$66,700.00	\$66,700.00
05A-12	05/26/05	SD	\$0.00	\$4,160.00	\$20,800.00	\$0.00	\$0.00	\$24,960.00
05A-12	05/26/05	SD-Sale Barn Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$4,200.00	\$4,200.00
05A-12	05/26/05	SD-CAFO Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$35,000.00	\$35,000.00
05A-13	06/17/05	FNB	\$0.00	\$3,553.00	\$17,782.00	\$0.00	\$0.00	\$21,335.00
05A-13	06/17/05	FNB	\$0.00	\$252.00	\$1,241.00	\$0.00	\$0.00	\$1,493.00
05A-14	06/23/05	SD	\$0.00	\$2,980.00	\$14,900.00	\$0.00	\$0.00	\$17,880.00
05A-14	06/23/05	SD-Planning Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$24,800.00	\$24,800.00
05A-14	06/23/05	SD-Sale Barn Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$40.00	\$40.00
05A-14	06/23/05	SD-CAFO Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$8,800.00	\$8,800.00
05A-14	06/23/05	SD-Planning Districts	\$0.00	\$0.00	\$0.00	\$0.00	\$10,000.00	\$10,000.00
05A-15	07/26/05	SD	\$0.00	\$2,800.00	\$14,000.00	\$0.00	\$0.00	\$16,800.00
05A-15	07/26/05	SD-Sale Barn Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$4,200.00	\$4,200.00
05A-15	07/26/05	SD-CAFO Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$22,500.00	\$22,500.00
05A-15	07/26/05	SD-Planning Districts	\$0.00	\$0.00	\$0.00	\$0.00	\$2,500.00	\$2,500.00
05A-16	08/30/05	SD	\$0.00	\$2,940.00	\$14,700.00	\$0.00	\$0.00	\$17,640.00
05A-16	08/30/05	SD-Planning Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$18,800.00	\$18,800.00
05A-16	08/30/05	SD-CAFO Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$26,400.00	\$26,400.00
05A-16	08/30/05	SD-Planning Districts	\$0.00	\$0.00	\$0.00	\$0.00	\$10,000.00	\$10,000.00
05A-17	09/28/05	SD	\$0.00	\$3,020.00	\$15,100.00	\$0.00	\$0.00	\$18,120.00
05A-17	09/28/05	SD-Planning Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$4,000.00	\$4,000.00
05A-17	09/28/05	SD-CAFO Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$6,300.00	\$6,300.00
05A-17	09/28/05	SD-Sale Barn Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$2,400.00	\$2,400.00
			\$1,342.24	\$48,775.00	\$243,868.00	\$0.00	\$487,840.00	\$781,825.24

**TOTAL OF ALL CWSRF DISBURSEMENTS**

**\$13,708,401.24**

Disbursements to the State of SD reflect reimbursements for disbursements made through the state accounting system. These reimbursements are for payroll expenses, overhead costs, planning grants, sale barn grants, CAFO grants, 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.

\* Public Financial Management Inc.  
 \*\* First National Bank in Sioux Falls

**EXHIBIT VI**  
**Letter of Credit Analysis**  
**Projected Draws vs. Actual Draws**  
**Federal Fiscal Year 2005**

Quarter	Projected Draws	Actual Loan Draws	Actual Admin Draws	Difference
1st	\$1,000,000	\$327,166	\$74,425	\$598,409
2nd	\$1,000,000	\$1,366,028	\$48,120	(\$414,148)
3rd	\$1,243,500	\$46,854	\$77,523	\$1,119,123
4th	\$2,000,000	\$1,091,588	\$43,800	\$864,612
	\$5,243,500	\$2,831,636	\$243,868	\$2,167,996

**Letter of Credit Draws**  
**Federal Fiscal Year 2005**

Draw #	Date	Loan	Admin	Total
0550	10/27/04	\$0	\$17,100	\$17,100
0552	11/10/04	\$51,655	\$0	\$51,655
0553	11/17/04	\$94,755	\$0	\$94,755
0554	11/22/04	\$0	\$18,300	\$18,300
0555	12/02/04	\$141,506	\$0	\$141,506
0556	12/07/04	\$0	\$18,725	\$18,725
0558	12/20/04	\$0	\$20,300	\$20,300
0559	12/27/04	\$39,250	\$0	\$39,250
0560	01/04/05	\$1,238,287	\$0	\$1,238,287
0561	01/20/05	\$0	\$1,320	\$1,320
0562	01/26/05	\$0	\$16,100	\$16,100
0563	02/02/05	\$7,114	\$0	\$7,114
0566	02/24/05	\$101,730	\$16,300	\$118,030
0567	03/02/05	\$15,500	\$0	\$15,500
0568	03/22/05	\$0	\$14,400	\$14,400
0570	03/25/05	\$3,397	\$0	\$3,397
0572	04/14/05	\$0	\$22,800	\$22,800
0574	04/27/05	\$9,733	\$0	\$9,733
0577	05/25/05	\$0	\$20,800	\$20,800
0578	06/02/05	\$11,463	\$0	\$11,463
0579	06/15/05	\$25,658	\$19,023	\$44,681
0580	06/22/05	\$0	\$14,900	\$14,900
0583	07/12/05	\$6,128	\$0	\$6,128
0584	07/21/05	\$16,143	\$0	\$16,143
0585	07/22/05	\$0	\$14,000	\$14,000
0587	07/27/05	\$430,154	\$0	\$430,154
0588	08/30/05	\$33,630	\$0	\$33,630
0589	08/09/05	\$7,333	\$0	\$7,333
0592	08/29/05	\$0	\$14,700	\$14,700
0593	08/31/05	\$175,970	\$0	\$175,970
0594	09/14/05	\$300,000	\$0	\$300,000
0596	09/27/05	\$122,230	\$15,100	\$137,330
		\$2,831,636	\$243,868	\$3,075,504

**EXHIBIT VII**  
**Environmental Review and**  
**Land Purchase Information**

Loan Recipient	Environmental Assessment Class	Environmental Assessment Publication Date	Land Purchase w/ SRF?
Aberdeen (01)	FNSI	01/04/05	No
Aberdeen (01NPS)	N/A	N/A	No
Bridgewater (02)	CATEX	06/16/05	No
Colton (01)	CATEX	09/21/05	No
Freeman (01)	CATEX	11/17/04	No
Huron (04)	FNSI	12/30/04	No
Lake Poinsett San Dist (01)	FNSI	01/05/05	No
Lead (05)	CATEX	12/03/04	No
Montrose (01)	CATEX	09/16/05	No
Nisland (01)	FNSI	01/06/05	No
Philip	CATEX	09/18/05	No
Redfield (01)	CATEX	05/11/05	No
Salem (02)	CATEX	05/19/05	No
Sioux Falls (20A)	CATEX	11/26/04	No
Sioux Falls (20NPS)	N/A	N/A	No
Sioux Falls (21A)	FNSI	03/29/05	No
Sioux Falls (21NPS)	N/A	N/A	No

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

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**EXHIBIT VIII**  
**CWSRF LOAN PARTICIPANTS**

**September 30, 2005**

**(Unaudited)**

<b>Borrower Name</b>	<b>Loan Amount</b>	<b>State Advances</b>	<b>Federal Advances</b>	<b>Other Advances</b>	<b>Total Advances</b>	<b>Repayment Amount</b>	<b>Loan Balance</b>
Aberdeen (01)	12,062,600.00	0.00	0.00	0.00	0.00	0.00	0.00
Aberdeen (01NPS)	1,156,259.00	0.00	0.00	0.00	0.00	0.00	0.00
Aurora (01)	410,000.00	44,555.00	265,204.00	0.00	309,759.00	36,113.58	273,645.42
Baltic (01)	405,646.00	0.00	0.00	405,646.00	405,646.00	21,589.93	384,056.07
Belle Fourche (01)	253,000.00	38,396.00	214,604.00	0.00	253,000.00	143,404.32	109,595.68
Belle Fourche (02)	264,422.00	44,071.00	220,351.00	0.00	264,422.00	253,403.66	11,018.34
Beresford (01)	1,115,852.00	76,297.00	1,039,555.00	0.00	1,115,852.00	449,282.49	666,569.51
Black Hawk San. Dist. (01)	589,600.00	0.00	0.00	477,823.00	477,823.00	0.00	477,823.00
Box Elder (01)	648,600.00	108,100.00	540,500.00	0.00	648,600.00	445,322.87	203,277.13
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	526,018.00	0.00
Bridgewater (01)	90,328.00	15,055.00	75,273.00	0.00	90,328.00	20,737.21	69,590.79
Bridgewater (02)	321,600.00	0.00	0.00	0.00	0.00	0.00	0.00
Britton (01)	509,935.00	84,990.00	424,945.00	0.00	509,935.00	264,330.59	245,604.41
Britton (02)	291,854.00	0.00	0.00	291,854.00	291,854.00	10,238.24	281,615.76
Brookings (01)	188,065.00	31,344.00	156,721.00	0.00	188,065.00	188,065.00	0.00
Canton (01)	515,715.00	0.00	515,715.00	0.00	515,715.00	386,599.35	129,115.65
Canton (02)	600,000.00	0.00	0.00	600,000.00	600,000.00	15,482.76	584,517.24
Castlewood (01)	215,859.00	0.00	0.00	215,859.00	215,859.00	15,463.08	200,395.92
Centerville (01)	500,000.00	0.00	0.00	500,000.00	500,000.00	26,627.79	473,372.21
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	98,799.86	351,200.14
Clark (01)	400,000.00	0.00	0.00	400,000.00	400,000.00	7,600.96	392,399.04
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	28,301.00	393,662.00	0.00	421,963.00	0.00	421,963.00
Colton (01)	204,500.00	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	248,562.75	181,437.25
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	106,939.00	0.00
Deadwood (01)	447,838.00	74,640.00	373,198.00	0.00	447,838.00	329,686.81	118,151.19
Dell Rapids (01)	300,000.00	50,001.00	249,999.00	0.00	300,000.00	300,000.00	0.00

Elk Point (01)	458,000.00	76,335.00	381,665.00	0.00	458,000.00	282,502.32	175,497.68
Elk Point (02)	450,000.00	6,829.00	34,145.00	312,604.00	353,578.00	28,620.63	324,957.37
Elk Point (03)	345,000.00	0.00	0.00	328,000.00	328,000.00	0.00	328,000.00
Fort Pierre (01)	330,294.00	55,051.00	275,243.00	0.00	330,294.00	323,938.69	6,355.31
Fort Pierre (02)	462,500.00	0.00	0.00	462,500.00	462,500.00	61,273.53	401,226.47
Fort Pierre (03)	450,000.00	0.00	0.00	408,976.00	408,976.00	0.00	408,976.00
Freeman (01)	300,000.00	0.00	0.00	191,271.00	191,271.00	0.00	191,271.00
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	37,132.00	216,250.00	0.00	253,382.00	0.00	253,382.00
Groton (01)	189,524.00	31,589.00	157,935.00	0.00	189,524.00	184,062.99	5,461.01
Groton (02)	74,630.00	12,440.00	62,190.00	0.00	74,630.00	72,479.59	2,150.41
Groton (03)	470,809.00	78,467.00	392,342.00	0.00	470,809.00	105,681.96	365,127.04
Groton (04)	126,648.00	0.00	0.00	126,648.00	126,648.00	4,457.20	122,190.80
Groton (05)	440,000.00	0.00	0.00	440,000.00	440,000.00	7,675.12	432,324.88
Harrisburg (01)	507,277.00	84,545.00	422,732.00	0.00	507,277.00	98,348.44	408,928.56
Hartford (01)	504,000.00	32,409.00	471,591.00	0.00	504,000.00	56,266.88	447,733.12
Hartford (02)	690,804.00	67,100.00	623,704.00	0.00	690,804.00	76,395.29	614,408.71
Hartford (03)	300,000.00	0.00	0.00	300,000.00	300,000.00	32,810.66	267,189.34
Hartford (04)	550,035.00	0.00	0.00	550,035.00	550,035.00	23,317.90	526,717.10
Highmore (01)	262,300.00	0.00	0.00	262,300.00	262,300.00	16,368.91	245,931.09
Hot Springs (01)	196,930.00	32,822.00	164,108.00	0.00	196,930.00	196,930.00	0.00
Hot Springs (NPS-01)	930,000.00	155,001.00	774,999.00	0.00	930,000.00	351,340.14	578,659.86
Huron (01)	1,656,000.00	276,001.00	1,379,999.00	0.00	1,656,000.00	1,656,000.00	0.00
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	560,962.52	1,295,865.48
Huron (04)	1,500,000.00	0.00	0.00	0.00	0.00	0.00	0.00
Jefferson (01)	166,084.00	0.00	0.00	166,084.00	166,084.00	1,442.23	164,641.77
Lake Cochrane SD (01)	80,000.00	13,333.00	66,667.00	0.00	80,000.00	56,614.32	23,385.68
Lake Cochrane SD (02)	160,000.00	0.00	0.00	152,000.00	152,000.00	2,651.41	149,348.59
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	613,419.00	613,419.00	10,802.10	602,616.90
Lake Poinsett SD (01)	590,000.00	0.00	0.00	0.00	0.00	0.00	0.00
Lead (01)	186,409.00	31,068.00	155,341.00	0.00	186,409.00	120,095.85	66,313.15
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	55,501.10	183,698.90
Lead (05)	333,700.00	0.00	0.00	220,029.00	220,029.00	0.00	220,029.00
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	427,100.00	0.00
Lennox (01)	350,000.00	58,336.00	291,664.00	0.00	350,000.00	107,086.81	242,913.19
Lennox (02)	583,735.00	97,288.00	486,447.00	0.00	583,735.00	131,316.50	452,418.50
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	296,286.13	345,648.87
Mitchell (01)	1,543,405.00	0.00	0.00	1,543,405.00	1,543,405.00	925,500.11	617,904.89
Mitchell (02)	1,320,000.00	0.00	0.00	1,227,706.00	1,227,706.00	0.00	1,227,706.00
Mobridge (01)	1,500,000.00	250,000.00	1,250,000.00	0.00	1,500,000.00	945,538.31	554,461.69
Mobridge (02)	158,000.00	158,000.00	0.00	0.00	158,000.00	134,285.57	23,714.43



Mobridge (03)	1,350,000.00	84,143.00	1,265,857.00	0.00	1,350,000.00	374,448.47	975,551.53
Montrose (01)	142,621.00	0.00	0.00	0.00	0.00	0.00	0.00
Nisland (01)	204,000.00	0.00	0.00	0.00	0.00	0.00	0.00
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	306,648.60	339,351.40
Northdale SD (01)	256,380.00	42,731.00	213,649.00	0.00	256,380.00	256,380.00	0.00
Parker (01)	430,000.00	0.00	0.00	430,000.00	430,000.00	0.00	430,000.00
Philip (01)	453,885.00	75,649.00	378,236.00	0.00	453,885.00	241,613.85	212,271.15
Philip (02)	321,127.00	53,503.00	267,624.00	0.00	321,127.00	74,668.57	246,458.43
Philip (03)	347,040.00	0.00	0.00	0.00	0.00	0.00	0.00
Pickernel Lake SD (01)	850,000.00	141,668.00	708,332.00	0.00	850,000.00	515,157.90	334,842.10
Pickernel Lake SD (02)	670,000.00	111,668.00	558,332.00	0.00	670,000.00	386,533.78	283,466.22
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	939,654.20	3,477,345.80
Pierre (03)	5,391,260.00	894,379.00	4,496,881.00	0.00	5,391,260.00	841,148.48	4,550,111.52
Pierre (04)	1,199,832.00	0.00	0.00	1,199,832.00	1,199,832.00	31,531.39	1,168,300.61
Platte (01)	975,865.00	35,347.00	940,518.00	0.00	975,865.00	975,865.00	0.00
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	1,852,650.64	627,254.36
Rapid City (02)	986,685.00	84,228.00	902,457.00	0.00	986,685.00	642,038.85	344,646.15
Rapid City (03)	674,577.00	139,827.00	534,750.00	0.00	674,577.00	414,988.45	259,588.55
Rapid City (04)	1,214,861.39	202,476.39	1,012,385.00	0.00	1,214,861.39	769,972.52	444,888.87
Rapid City (05)	14,000,000.00	2,500,000.00	0.00	11,500,000.00	14,000,000.00	1,179,861.02	12,820,138.98
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	211,452.43	153,130.57
Rapid Valley SD (03)	630,000.00	105,000.00	525,000.00	0.00	630,000.00	159,726.64	470,273.36
Redfield (01)	333,788.00	0.00	0.00	0.00	0.00	0.00	0.00
Richmond Lake SD (01)	414,000.00	69,000.00	345,000.00	0.00	414,000.00	414,000.00	0.00
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	18,231.49	499,803.51
Salem (02)	387,960.00	0.00	0.00	0.00	0.00	0.00	0.00
Scotland (01)	250,000.00	0.00	0.00	250,000.00	250,000.00	2,170.93	247,829.07
Sioux Falls (01)	2,836,962.58	485,789.58	2,351,173.00	0.00	2,836,962.58	1,671,773.84	1,165,188.74
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	4,500,000.00	0.00
Sioux Falls (08)	699,003.00	87,540.00	611,463.00	0.00	699,003.00	625,943.97	73,059.03
Sioux Falls (09)	1,250,000.00	208,336.00	1,041,664.00	0.00	1,250,000.00	1,153,775.85	96,224.15
Sioux Falls (10)	1,432,941.00	155,264.00	1,277,677.00	0.00	1,432,941.00	1,322,951.19	109,989.81
Sioux Falls (11)	1,195,346.00	199,225.00	996,121.00	0.00	1,195,346.00	1,003,011.00	192,335.00
Sioux Falls (12)	1,300,000.00	216,667.00	1,083,333.00	0.00	1,300,000.00	1,038,456.20	261,543.80
Sioux Falls (13)	2,083,137.00	326,754.00	1,756,383.00	0.00	2,083,137.00	1,329,735.68	753,401.32
Sioux Falls (14)	4,888,537.00	1,389,225.00	3,499,312.00	0.00	4,888,537.00	1,353,510.85	3,535,026.15
Sioux Falls (15)	1,467,706.00	45,915.00	229,570.00	1,192,221.00	1,467,706.00	114,215.99	1,353,490.01
Sioux Falls (16)	2,479,500.00	0.00	0.00	2,479,500.00	2,479,500.00	96,236.40	2,383,263.60
Sioux Falls (17)	561,320.00	0.00	0.00	561,320.00	561,320.00	31,629.29	529,690.71
Sioux Falls (18)	3,951,000.00	0.00	1,697,673.00	0.00	1,697,673.00	0.00	1,697,673.00
Sioux Falls (19)	801,000.00	0.00	202,249.00	0.00	202,249.00	0.00	202,249.00

Sioux Falls (20A)	16,000,000.00	0.00	0.00	3,332,999.00	3,332,999.00	0.00	3,332,999.00
Sioux Falls (20B)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sioux Falls (20NPS)	1,249,349.00	0.00	6,128.00	16,828.00	22,956.00	0.00	22,956.00
Sioux Falls (21A)	12,500,000.00	0.00	0.00	748,058.00	748,058.00	0.00	748,058.00
Sioux Falls (21B)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sioux Falls (21NPS)	3,269,418.00	0.00	0.00	0.00	0.00	0.00	0.00
Southern Missouri (NPS-01)	700,000.00	116,667.00	583,333.00	0.00	700,000.00	493,483.38	206,516.62
Spearfish (01)	1,955,999.83	61,131.83	1,894,868.00	0.00	1,955,999.83	1,377,289.34	578,710.49
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	381,137.82	218,862.18
Tea (02)	600,000.00	89,603.00	510,397.00	0.00	600,000.00	360,635.52	239,364.48
Tea (03)	208,813.00	34,802.00	174,011.00	0.00	208,813.00	58,827.08	149,985.92
Tea (04)	375,000.00	62,501.00	312,499.00	0.00	375,000.00	135,513.03	239,486.97
Tea (05)	495,490.00	0.00	0.00	495,490.00	495,490.00	26,387.58	469,102.42
Valley Springs (01)	422,128.00	70,356.00	351,772.00	0.00	422,128.00	87,748.64	334,379.36
Valley Springs (02)	350,000.00	0.00	0.00	40,837.00	40,837.00	0.00	40,837.00
Vermillion (01)	125,000.00	97,149.00	27,851.00	0.00	125,000.00	69,213.64	55,786.36
Vermillion (02)	370,471.00	61,746.00	308,725.00	0.00	370,471.00	215,071.93	155,399.07
Vermillion (03)	273,965.00	0.00	0.00	273,965.00	273,965.00	9,641.78	264,323.22
Vermillion (04)	3,548,351.00	0.00	15,674.00	0.00	15,674.00	0.00	15,674.00
Vermillion (NPS-01)	356,531.00	59,422.00	297,109.00	0.00	356,531.00	324,087.50	32,443.50
Wall (01)	788,600.00	131,433.00	657,167.00	0.00	788,600.00	788,600.00	0.00
Wall Lake Sanitary Dist (01)	175,126.00	29,189.00	145,937.00	0.00	175,126.00	10,928.79	164,197.21
Warner (01)	101,152.00	16,859.00	84,293.00	0.00	101,152.00	101,152.00	0.00
Watertown (01)	2,000,000.00	792,024.00	1,207,976.00	0.00	2,000,000.00	1,538,755.97	461,244.03
Watertown (02)	4,000,000.00	760,786.00	3,239,214.00	0.00	4,000,000.00	2,827,624.82	1,172,375.18
Watertown (03)	2,583,734.00	430,622.00	2,153,112.00	0.00	2,583,734.00	805,012.04	1,778,721.96
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	1,034,758.00	1,034,758.00	32,489.01	1,002,268.99
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	282,486.47	62,907.53
Webster (02)	811,000.00	0.00	0.00	811,000.00	811,000.00	61,413.15	749,586.85
Whitewood (01)	180,801.00	26,344.00	154,457.00	0.00	180,801.00	135,535.23	45,265.77
Whitewood (02)	189,032.00	24,956.00	164,076.00	0.00	189,032.00	26,682.07	162,349.93
Willow Lake (01)	100,000.00	0.00	0.00	100,000.00	100,000.00	1,744.34	98,255.66
Worthing (01)	227,645.00	37,939.00	189,706.00	0.00	227,645.00	65,705.61	161,939.39
Yankton (01)	2,625,000.00	437,501.00	2,187,499.00	0.00	2,625,000.00	444,172.49	2,180,827.51
Yankton (02)	4,500,000.00	0.00	0.00	4,500,000.00	4,500,000.00	616,151.78	3,883,848.22
Yankton (03)	6,130,000.00	919,498.00	4,897,502.00	0.00	5,817,000.00	345,159.91	5,471,840.09
total - 170 loans	\$204,490,073.07	\$19,703,184.07	\$88,520,381.00	\$40,613,832.00	\$148,837,397.07	\$66,245,995.12	\$82,591,401.95

**EXHIBIT IX**  
**Projected Cash Flow Worksheet**  
**for 10/01/05 through 09/30/06**  
**Unaudited**

<b>Borrower</b>	<b>Principal</b>	<b>Interest</b>	<b>Administrative Surcharge</b>	<b>Total</b>
Aurora (01)	\$8,365	\$8,126	\$2,032	\$18,523
Baltic (01)	\$15,043	\$9,462	\$3,784	\$28,289
Belle Fourche (01)	\$12,578	\$2,143	\$714	\$15,436
Belle Fourche (02)	\$11,018	\$78	\$26	\$11,122
Beresford (01)	\$85,910	\$16,756	\$4,781	\$107,447
Black Hawk San Dist (01)	\$12,557	\$18,585	\$7,434	\$38,576
Box Elder (01)	\$37,581	\$4,188	\$1,396	\$43,165
Bridgewater (01)	\$2,788	\$2,028	\$676	\$5,492
Britton (01)	\$40,019	\$5,882	\$1,961	\$47,861
Britton (02)	\$7,943	\$5,231	\$2,092	\$15,266
Canton (01)	\$41,337	\$3,412	\$1,137	\$45,887
Canton (02)	\$21,686	\$14,411	\$5,764	\$41,861
Castlewood (01)	\$8,145	\$4,934	\$1,974	\$15,053
Centerville (01)	\$13,845	\$8,790	\$3,516	\$26,151
Chamberlain (04)	\$16,708	\$10,238	\$3,413	\$30,358
Clark (01)	\$15,505	\$8,755	\$3,502	\$27,761
Clear Lake (02)	\$0	\$12,498	\$3,748	\$16,246
Custer (01)	\$23,649	\$3,840	\$1,280	\$28,769
Deadwood (01)	\$35,712	\$3,057	\$1,019	\$39,788
Elk Point (01)	\$34,241	\$4,883	\$1,628	\$40,752
Elk Point (02)	\$13,459	\$7,999	\$3,199	\$24,657
Elk Point (03)	\$11,543	\$8,093	\$3,237	\$22,873
Fort Pierre (01)	\$6,355	\$18	\$6	\$6,379
Fort Pierre (02)	\$23,843	\$8,948	\$3,579	\$36,370
Fort Pierre (03)	\$0	\$17,623	\$7,049	\$24,672
Groton (01)	\$5,461	\$31	\$10	\$5,502
Groton (02)	\$2,150	\$12	\$4	\$2,167
Groton (03)	\$14,626	\$10,640	\$3,547	\$28,813
Groton (04)	\$4,615	\$3,012	\$1,205	\$8,832
Groton (05)	\$15,757	\$10,662	\$4,264	\$30,683
Harrisburg (01)	\$14,711	\$11,364	\$3,788	\$29,864
Hartford (01)	\$13,384	\$12,468	\$4,156	\$30,008
Hartford (02)	\$18,366	\$17,109	\$5,703	\$41,179
Hartford (03)	\$8,753	\$4,956	\$1,982	\$15,690

Hartford (04)	\$15,692	\$9,779	\$3,911	\$29,381
Highmore (01)	\$7,327	\$4,566	\$1,826	\$13,719
Hot Springs (NPS-01)	\$41,865	\$19,243	\$6,414	\$67,522
Huron (03)	\$84,319	\$49,517	\$16,506	\$150,342
Jefferson (01)	\$5,896	\$4,061	\$1,624	\$11,582
Lake Cochrane San Dist (01)	\$4,651	\$487	\$162	\$5,301
Lake Cochrane San Dist (02)	\$5,443	\$3,683	\$1,473	\$10,600
Lake Madison San Dist (02)	\$21,964	\$14,861	\$5,944	\$42,770
Lead (01)	\$9,669	\$1,278	\$426	\$11,372
Lead (04)	\$16,360	\$4,681	\$1,336	\$22,377
Lead (05)	\$5,938	\$4,089	\$1,226	\$11,254
Lennox (01)	\$15,827	\$9,334	\$3,111	\$28,271
Lennox (02)	\$23,700	\$17,468	\$5,823	\$46,990
McCook Lake San Dist (01)	\$34,723	\$12,370	\$4,123	\$51,217
Mitchell (01)	\$166,784	\$18,763	\$6,254	\$191,801
Mitchell (02)	\$32,264	\$22,819	\$9,127	\$64,211
Mobridge (01)	\$84,347	\$11,610	\$3,870	\$99,828
Mobridge (02)	\$13,348	\$529	\$176	\$14,054
Mobridge (03)	\$126,608	\$32,507	\$9,276	\$168,391
North Sioux City (02)	\$45,347	\$12,095	\$4,032	\$61,473
Parker (01)	\$45,347	\$12,406	\$3,720	\$61,473
Philip (01)	\$30,402	\$6,826	\$2,275	\$39,503
Philip (02)	\$12,207	\$8,697	\$2,899	\$23,803
Pickeral Lake San Dist (01)	\$19,501	\$12,900	\$4,300	\$36,701
Pickeral Lake San Dist (02)	\$14,849	\$10,945	\$3,648	\$29,442
Pierre (02)	\$185,042	\$133,613	\$44,538	\$363,192
Pierre (03)	\$152,420	\$134,992	\$33,748	\$321,160
Pierre (04)	\$43,344	\$28,805	\$11,521	\$83,670
Rapid City (01)	\$200,820	\$16,577	\$5,526	\$222,923
Rapid City (02)	\$75,929	\$9,492	\$3,164	\$88,585
Rapid City (03)	\$50,648	\$7,223	\$2,408	\$60,278
Rapid City (04)	\$92,095	\$12,319	\$4,106	\$108,521
Rapid City (05)	\$504,090	\$442,277	\$126,202	\$1,072,569
Rapid Valley San Dist (02)	\$27,226	\$4,222	\$1,407	\$32,855
Rapid Valley San Dist (03)	\$27,853	\$18,019	\$6,006	\$51,879
Salem (01)	\$18,878	\$12,320	\$4,928	\$36,125
Scotland (01)	\$8,875	\$6,113	\$2,445	\$17,434
Sioux Falls (01)	\$155,980	\$24,617	\$8,206	\$188,802
Sioux Falls (08)	\$73,059	\$825	\$275	\$74,159
Sioux Falls (09)	\$96,224	\$814	\$271	\$97,310
Sioux Falls (10)	\$109,990	\$931	\$310	\$111,231

Sioux Falls (11)	\$143,166	\$4,295	\$1,432	\$148,892
Sioux Falls (12)	\$154,572	\$6,455	\$2,152	\$163,179
Sioux Falls (13)	\$263,261	\$21,388	\$7,129	\$291,778
Sioux Falls (14)	\$458,545	\$116,463	\$33,232	\$608,240
Sioux Falls (15)	\$128,844	\$32,371	\$12,947	\$174,162
Sioux Falls (16)	\$219,782	\$57,080	\$22,831	\$299,692
Sioux Falls (17)	\$48,847	\$12,686	\$5,074	\$66,608
Sioux Falls (18)	\$0	\$46,857	\$11,714	\$58,571
Sioux Falls (19)	\$0	\$4,498	\$1,125	\$5,623
Southern Missouri WMD (01)	\$12,769	\$7,527	\$2,509	\$22,805
Spearfish (01)	\$152,751	\$15,651	\$5,217	\$173,619
Tea (01)	\$33,810	\$4,673	\$1,558	\$40,040
Tea (02)	\$32,940	\$5,140	\$1,713	\$39,793
Tea (03)	\$6,689	\$4,364	\$1,455	\$12,508
Tea (04)	\$17,945	\$6,569	\$2,190	\$26,704
Tea (05)	\$13,720	\$8,711	\$3,484	\$25,915
Valley Springs (01)	\$12,403	\$9,754	\$3,251	\$25,408
Valley Springs (02)	\$732	\$982	\$295	\$2,009
Vermillion (01)	\$6,736	\$1,199	\$400	\$8,334
Vermillion (02)	\$27,152	\$4,359	\$1,453	\$32,964
Vermillion (03)	\$9,984	\$6,515	\$2,606	\$19,105
Vermillion (04)	\$0	\$9,945	\$2,982	\$12,927
Vermillion (NPS-01)	\$32,444	\$550	\$183	\$33,176
Wall Lake (01)	\$6,551	\$4,044	\$1,618	\$12,212
Watertown (01)	\$161,914	\$12,031	\$4,010	\$177,956
Watertown (02)	\$318,170	\$31,618	\$10,539	\$360,328
Watertown (03)	\$119,316	\$68,295	\$22,765	\$210,376
Watertown (05)	\$27,281	\$18,295	\$7,317	\$52,893
Webster (01)	\$41,467	\$1,603	\$534	\$43,605
Webster (02)	\$30,467	\$18,456	\$7,382	\$56,306
Whitewood (01)	\$14,492	\$1,196	\$399	\$16,087
Whitewood (02)	\$5,193	\$4,819	\$1,205	\$11,216
Willow Lake (01)	\$3,581	\$2,423	\$969	\$6,973
Worthing (01)	\$7,639	\$6,326	\$2,109	\$16,074
Yankton (01)	\$73,317	\$63,687	\$21,229	\$158,233
Yankton (02)	\$116,941	\$173,036	\$0	\$289,978
Yankton (03)	\$156,970	\$95,999	\$38,397	\$291,365
<b>Total FFY05</b>	<b>\$6,164,896</b>	<b>\$2,308,764</b>	<b>\$697,555</b>	<b>\$9,171,215</b>

**EXHIBIT X**  
**DENR CLEAN WATER STATE REVOLVING FUND**  
**BALANCE SHEET**  
**9/30/2005**

**ASSETS:**

Cash	\$8,277,423.00
Investments	\$48,372,453.06
Loans Receivable	\$82,591,401.95
Federal LOC Commitment less Cash Draws	\$9,222,478.00
Accrued Interest Receivable	\$869,887.62
Due from Other Governments	\$89,207.01
Deferred Charges	\$209,077.51

**TOTAL ASSETS** \$149,631,928.15

**LIABILITIES AND FUND EQUITY:**

Liabilities:

Accounts Payable	\$235,337.63
Bonds Payable	\$12,964,826.24
Wages Payable	\$3,539.82
Accrued Employee Benefits	\$839.10
Accrued Interest Payable	\$96,326.26
Deferred Revenue	\$171,942.21
Total Liabilities	<u>\$13,472,811.26</u>

Fund Equity:

Contributions from EPA	\$100,994,500.00
Retained Earnings	\$33,964,616.89
Contributed Capital	\$1,200,000.00
Total Fund Equity	<u>\$136,159,116.89</u>

**TOTAL LIABILITIES AND FUND EQUITY** \$149,631,928.15

**EXHIBIT XI**  
**DENR CLEAN WATER STATE REVOLVING FUND**  
**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**For the Fiscal Year Ended September 30, 2005**

<b>Operating Revenues:</b>	
Interest Income	\$2,657,574.73
Investment Income	\$3,104,612.26
Other Income	<u>\$794,655.38</u>
<b>Total Operating Revenue</b>	<u>\$6,556,842.37</u>
<b>Operating Expenses:</b>	
Administrative Expenses	\$952,910.76
Interest Expense	\$736,621.56
Bond Issuance Expense	\$12,104.19
Bond Discount Expense	\$1,680.53
Refund of Prior Year Revenue	<u>\$0.00</u>
Total Operating Expenses	<u>\$1,703,317.04</u>
Operating Income (Loss)	\$4,853,525.33
Operating Transfers:	
Operating Transfer Out	<u>(\$27,159.93)</u>
<b>Net Income (Loss)</b>	\$4,826,365.40
<b>Fund Equity, Beginning</b>	<u>\$29,138,251.49</u>
<b>RETAINED EARNINGS, ENDING</b>	<u><u>\$33,964,616.89</u></u>

**EXHIBIT XII**  
**DENR CLEAN WATER STATE REVOLVING FUND**  
**STATEMENT OF CASH FLOWS**  
**For the Fiscal Year Ended September 30, 2005**

<b>Cash flows form operating activities:</b>	
Net Income	\$4,853,525.33
Adjustments to reconcile net income to net cash provided (used) by operating activities:	
Investment Income	(\$3,125,906.94)
Interest Expense	\$736,621.56
Amortization of bond issuance cost	\$17,009.28
Amortization of bond discount	\$1,680.53
Amortization of bond premium	(\$9,153.85)
Assets: (Increase)/Decrease	
Loans Receivable	(\$4,029,427.93)
Accrued Interest Receivable on Loans	\$29,779.30
Federal LOC Commitment less Cash Draws	(\$2,167,996.00)
Due from Other Governments	\$14,847.71
Liabilities: Increase/(Decrease)	
Accounts Payable	\$167,977.86
Amortization of Deferred Charges	\$136,030.89
Accrued Interest payable	\$0.00
Cost of Issuance Payable	\$0.00
Accrued Employee Benefits	(\$1,350.81)
Wages Payable	(\$5,807.38)
	<hr/>
Net cash provided by operations	(\$3,382,170.45)
<b>Cash flows from noncapital financing activities:</b>	
Operating Transfers Out	(\$27,159.93)
Bonds Payable	(\$1,165,000.00)
COI Payable	(\$6,247.33)
Interest Payments on Bonds and Notes	(\$760,582.52)
Contributions from EPA	\$5,243,500.00
	<hr/>
Net cash provided by noncapital financing activities	\$3,284,510.22
<b>Cash Flows from Investing Activities:</b>	
Interest on Investments	\$3,104,612.26
Purchase of Investment Securities	(\$13,279,995.95)
Proceeds from Sale of Investment Securities	\$11,765,551.63
	<hr/>
Increase in Investments	\$1,590,167.94
	<hr/>
Net Decrease in cash and cash equivalents	\$1,492,507.71
Cash and cash equivalents at beginning of year	<hr/> \$6,784,915.29
<b>Cash and cash equivalents at year end</b>	<hr/> <hr/> \$8,277,423.00



## CLEAN WATER STATE REVOLVING FUND

### NOTES TO FINANCIAL STATEMENTS

September 30, 2005

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 2.45% for the year ending September 30, 2005.
6. Investments consist of the following Investment Agreements:
  - 5.40% FGIC Capital Market Services Inc. due July 31, 2012 totaling \$17,211,301
  - 6.85% Societe General due August 1, 2015 totaling \$14,989,179
  - 6.22% MBIA Inc. due August 1, 2017 totaling \$11,721,798
  - 5.07% AIG Matched Funding Corp due August 1, 2025 totaling \$4,075,753

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, 2025 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>
Series 2001 Bonds			
Principal	3,960,000		160,000
Interest		94,325	94,325
Series 2004 Refunded Bonds			
Principal	10,380,000		1,050,000
Interest		191,841	191,841
Series 1996 Unrefunded Bonds			
Principal	100,000		
Interest		2,812	2,813
Total	<u>14,440,000</u>	<u>288,978</u>	<u>1,498,979</u>

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
		2005	5,243,500
	Total		<u>100,994,500</u>

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>09/30/05</u>
State of South Dakota	222,604
Loan Application and Oversight	32,500

Planning Grants	625,024
Trustee	29,533
Bond Council	38,125
Financial Advisor	<u>5,125</u>
Total	<u><u>952,911</u></u>

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**ADDENDUM I**  
**FEDERAL FISCAL YEAR 2006**  
**INTENDED USE PLAN**

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**SOUTH DAKOTA CLEAN WATER STATE REVOLVING FUND  
FISCAL YEAR 2006 INTENDED USE PLAN**

**INTRODUCTION**

The state of South Dakota proposes to adopt the following Intended Use Plan (IUP) for federal fiscal year 2006 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. Projects and activities utilizing administrative

surcharge funds are not required to be ranked and included on the project priority list.

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 2006.

**GOALS OBJECTIVES, AND ENVIRONMENTAL RESULTS**

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.

Environmental Results

Beginning January 1, 2005, states were required to establish program activity measures (outcomes) in its Intended Use Plan to receive the federal capitalization grant. For fiscal year 2005, the state established six specific measures such as fund utilization rate, funding high ranking projects, and funding certain types of projects.

In fiscal year 2006, the reporting requirement will be satisfied using an environmental benefits assessment developed by EPA in cooperation with the States and other organizations. As an estimated measure of the environmental benefits attained by the Clean Water SRF program, the department will complete an environmental benefits spreadsheet for each project funded during fiscal year 2006. A copy of the assessment form is provided as Attachment IV.

**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 for fiscal years 2002 - 2005. This transfer authority has been extended by Congressional action for fiscal year 2006 and thereafter. 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 has transferred \$15,574,320 from the Clean Water SRF program to the Drinking Water SRF program in past years. Table 1 itemizes the amount of funds transferred to the Drinking Water SRF program.

No transfers have been made from the Drinking Water Program to the Clean Water SRF program. With the 2006 capitalization grant, the ability exists to transfer up to \$12,042,621 from the Clean Water SRF program to the Drinking Water SRF program. Up to \$27.6 million could be transferred from the Drinking Water Program to the Clean Water SRF program. Transfers from the Clean Water SRF program may be necessary to address high demand on the Drinking Water SRF program from private,

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-	\$2,463,054
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	\$8,285,500	\$2,734,215	\$24,860,616	-0-	
2006 (est.)	\$8,352,500	\$2,756,325	\$27,616,941	-0-	

non-profit regional water systems. These borrowers can not utilize bond proceeds, leaving capitalization grants as the primary source of funds available for this purpose. Should a transfer be necessary, it will be in an amount equal to the 2006 Clean Water capitalization grant. An equal amount of bond proceeds from the Drinking Water SRF program will be transferred back to the Clean Water program. Although excessive demand from private, non-profit borrowers has not been identified for fiscal year 2006, this option may be needed at a later date.

**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 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 2005 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 retained the nonpoint source incentive rates for nonpoint source projects, which are 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 source 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 surcharge was established 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. Recent emphasis has been on using the surcharge for purposes other than reserves for future program administration.

As of September 30, 2005, \$453,600 of unobligated 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 \$8,000. Studies that do not include an I/I analysis can receive up to \$6,000. The board 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 \$400,000 of administrative surcharge income for the program. Approximately \$25,000 remains unobligated from prior years' allocations, and the department is proposing to allocate an additional \$200,000 of administrative surcharge towards this effort in fiscal year 2006. Future allocations of administrative surcharge will depend on program demand.

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. Unused funds amounting to \$118,860 that were allocated for auction market planning grants were made available for this activity in fiscal year 2005. Of the \$698,860 available, \$366,229 has been expended to assist 39 producers to complete plans for the design of manure management systems. No future allocations of administrative surcharge for this purpose are anticipated.

	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%

The use of the administrative surcharge was expanded in fiscal year 2005 to support three additional activities. Administrative surcharges of \$2.9 million were allocated to supplement the Consolidated program by providing water quality grants to Clean Water SRF loan recipients; provide water quality grants for construction of manure management systems for livestock auction markets; and reimburse planning districts for expenses resulting from SRF application preparation and project administration.

Significant needs for State Water Resources Management System projects, coupled with decreased revenue projections for the Water and Environment Fund, has resulted in fewer funds for the Consolidated program. In fiscal year 2005, one water quality grant of \$300,000 was awarded. An additional \$300,000 will be allocated to provide water quality grant funds for wastewater projects in fiscal year 2006.

Under certain conditions, livestock auction markets are required to control discharges from the facility and



must obtain a Surface Water Quality permit. The construction of manure management systems for auction markets is not eligible for assistance from the USDA Environmental Quality Incentive Program (EQIP). In fiscal year 2005, \$2.5 million was allocated for grants to assist in the construction of manure management systems. These grants reimburse 75 percent of actual construction and construction engineering costs, with the maximum grant amount for any recipient being \$162,500. Grants will be provided regardless of the need for the auction market to be permitted. Three grants, totaling \$395,285 were awarded in fiscal year 2005. Additional allocations of the administrative surcharge are not anticipated for this activity.

Beginning in fiscal year 2005, administrative surcharge funds were provided to the planning districts to defray the cost of SRF application preparation and project administration. Reimbursement is \$7,500 per approved loan with payments made in \$2,500 increments as certain milestones are met. Based on recent loan demand, \$150,000 will be used for this purpose in fiscal year 2005.

The four percent administrative allowance will be reserved for administrative purposes in fiscal year 2006.

Bond proceeds will be used to match 2006 capitalization grant funds.

The Clean Water SRF program experienced unprecedented demand in fiscal year 2005. To address these needs, the South Dakota

Conservancy District initiated a bond sale in June 2005. In October 2005, \$33.5 million of leveraged bonds were issued to meet current and future demand.

## **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 2006 Clean Water SRF Intended Use Plan on November 4, 2005.

## 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 2006.

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term
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
26	Box Elder	C461003-02	Construction of a packaged mechanical-type treatment facility to address more stringent stream standards.	\$900,000	3.25%, 20 yrs
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	Crooks	C461227-01	Build additional capacity into the wastewater treatment facility to meet more stringent stream standards and replace the existing lift station to accommodate growth within the community.	\$510,000	3.25%, 20 yrs
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
18	Watertown	C461029-06	Construction of storm sewers to convey overflow from an existing detention pond during events in excess of a 25-year event and the construction of various management practices along a section of the Big Sioux River north of Watertown.	\$1,270,000	2.25, 20 yrs (Watershed Incentive Rate)
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	\$200,000	3.25%, 20 yrs

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term
			converting two of the artificial wetland cells to primary treatment cells and riprap the three existing primary cells.		
14	Castlewood	C461246-02	Rehabilitate and riprap to interior and exterior sides of the wastewater lagoon dikes to address erosion.	\$100,000	3.25%, 20 yrs
14	Sioux Falls (wastewater)	C461232-23	Rehabilitation of existing sewer lines and manholes to reduce inflow/infiltration, lift station improvements, installation of SCADA system at the wastewater treatment facility, and design and construction of a new collection system within Basin 13.	\$11,750,000	3.25%, 20 yrs
13	Enemy Swim San. Dist.	C461422-01	Elimination of septic systems by constructing two wastewater treatment lagoons and collection systems to convey wastewater to these lagoons and the existing wastewater treatment facility at Pickerel Lake.	\$1,500,000	3.25%, 20 yrs
13	Hermosa	C461278-01	Expand the capacity of the wastewater treatment facility and rehabilitate segments of the collection system that are experiencing excessive inflow and infiltration.	\$230,000	3.25%, 20 yrs
12	Sioux Falls (storm water)	C461232-22	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.	\$7,250,000	2.5%, 10 yrs
12	Weston Heights Sanitary District	C461456-01	Construction of an additional cell at the wastewater treatment facility to avoid unauthorized discharges.	\$425,000	3.25%, 20 yrs
12	Winner	C461123-01	Replacement of sewer mains and manholes to address excessive infiltration and inflow and rehabilitation of lift stations to address capacity issues.	\$1,400,000	3.25%, 20 yr
11	Gettysburg	C461196-01	Replace the existing vitrified clay sewer outfall line with PVC pipe.	\$133,000	3.25%, 20 yrs
11	Parker	C461026-02	Replace a large portion of the wastewater collection system to address significant inflow and infiltration issues.	\$1,250,000	3.25%, 20 yr

<b>Priority Points</b>	<b>Loan Recipient</b>	<b>Project Number</b>	<b>Project Description</b>	<b>Estimated Loan Amount</b>	<b>Expected Loan Rate &amp; Term</b>
10	Centerville	C461215-02	Rehabilitation of the collection system to address significant inflow and infiltration issues.	\$1,500,000	3.25%, 20 yr
10	Corsica	C461107-01	Replacement of approximately 9,000 feet of sewer that is experiencing excessive inflow and infiltration.	\$200,000	3.25%, 20 yrs
10	Dell Rapids	C461064-02	Replace sewer line and install storm sewer as part of street improvement project.	\$731,700	3.25%, 20 yrs
9	Delmont	C461083-01	Replacement of a lift station and approximately 800 feet of sewer main.	\$200,000	3.25%, 20 yrs
9	Elk Point	C461059-04	Rehabilitation of an existing lift station and the replacement of sewer mains in conjunction with street improvement projects.	\$175,000	3.25%, 20 yr
9	Geddes	C461274-01	Replacement of all manholes and much of the collection system throughout the community.	\$330,000	3.25%, 20 yrs
9	Roslyn	C461183-01	Replace deteriorating sewer lines and manholes to address infiltration and line blockage issues.	\$350,000	3.25%, 20 yr
9	Tea	C461028-06	Relocation of an existing lift station to eliminate two other lift stations and associated trunk line adjustments.	\$800,000	3.25%, 20 yr
9	Toronto	C461080-01	Installation of approximately 16,500 feet of sewer lines and 32 manholes to address excessive inflow and infiltration and improvements to the wastewater treatment facility.	\$430,000	3.25%, 20 yrs
8	Burke	C461225-01	Replace approximately 2,800 feet of sewer main.	\$155,000	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	Waubay	C461025-02	Replacement/rehabilitation of sewer lines.	\$500,000	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	Arlington	C461213-01	Installation of approximately 1,600 feet of storm sewer pipe, 240 feet of sanitary sewer, 3,000 feet of curb and gutter, and appurtenances.	\$370,000	3.25%, 20 yrs
6	Kimball	C461415-01	Construction of a new lift station and forcemain to	\$100,000	3.25%, 20 yrs

<b>Priority Points</b>	<b>Loan Recipient</b>	<b>Project Number</b>	<b>Project Description</b>	<b>Estimated Loan Amount</b>	<b>Expected Loan Rate &amp; Term</b>
			improve capacity.		
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	Springfield	C461071-01	Extension of the collection system into an undeveloped portion of the town.	\$175,000	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
4	Pickstown	C461378-01	Extend sewer service to a commercial business park.	\$100,000	3.25%, 20 yrs

**ATTACHMENT II - LIST OF PROJECTS TO BE FUNDED IN FY2006**

<b>Priority Points</b>	<b>Loan Recipient</b>	<b>Project Number</b>	<b>Loan Amount</b>	<b>Funding Date</b>	<b>Expected Funding Source</b>
LOANS EXPECTED					
34	Sioux Falls (storm water)	C461232-20 (Series B)	\$8,700,000	November 2005	Leveraged Bonds
30	Sioux Falls (wastewater)	C461232-21 (Series B)	\$21,608,000	November 2005	Leveraged Bonds
12	Sioux Falls (storm water)	C461232-22	\$7,250,000	January 2006	Leveraged Bonds & Principal Repayments
10	Dell Rapids	C461064-02	\$731,700	January 2006	Principal Repayments
8	Burke	C461225-01	\$155,000	January 2006	Leveraged Bonds
18	Watertown	C461029-06	\$1,270,000	March 2006	FY 2006
14	Sioux Falls (wastewater)	C461232-23	\$11,750,000	March 2006	Unrestricted Interest Earnings & Principal Repayments
12	Weston Heights Sanitary District	C461456-01	\$425,000	March 2006	FY 2006
26	Milbank	C461023-01	\$1,950,000	June 2006	FY 2006
24	Woonsocket	C461138-01	\$200,000	June 2006	FY 2006
16	Redfield	C461182-02	\$794,000	June 2006	FY 2006
12	Winner	C461123-01	\$1,400,000	June 2006	Principal Repayments
11	Parker	C461026-02	\$1,250,000	September 2006	Principal Repayments
9	Elk Point	C461059-04	\$175,000	September 2006	FY 2006
9	Tea	C461028-06	\$800,000	September 2006	Principal Repayments
7	Tyndall	C461131-01	\$500,000	September 2006	Unrestricted Interest Earnings

**ATTACHMENT III  
PROGRAM FUNDING STATUS**

**Fiscal Years 1997 - 2005**

Capitalization Grants	\$113,973,100	
State Match	\$22,794,620	
Overmatch from 2001 Bond Proceeds	\$235,049	
Leveraged Funds	\$4,507,540	
Program Administration Allowance	(\$4,039,776)	
Transfer of FY 2002 & 2003 Capitalization Grant and State Match to DWSRF	(\$15,574,320)	
Excess Interest as of September 30, 2005	\$23,361,359	
Principal Repayments as of Sept. 30, 2005	\$66,245,995	
 Total Funds Dedicated to Loan		 \$211,503,567
 Loans made through September 30, 2005		 (\$204,490,073)
 Balance of funds as of September 30, 2005		 \$7,013,494

**Fiscal Year 2006**

Capitalization Grants	\$4,307,000	
State Match	\$626,351	
Program Administration Allowance	(\$172,280)	
Leveraged Funds	\$33,500,000	
Projected Principal Repayments	\$9,000,000	
Projected Unrestricted Interest Earnings	\$4,500,000	
Sioux Falls Series B Loans	(\$30,308,000)	
Projected Fiscal Year 2006 Subtotal		<u>\$21,453,071</u>
 Total Funds Available for Loans		 <u>\$28,466,565</u>
 Loan Amount Identified on Attachment II - List of Projects to be Funded in Fiscal Year 2006 (excluding Sioux Falls Series B loans)		 <u>\$28,650,700</u>

<b>Administrative Surcharge Funds Available as of September 30, 2005</b>	
Restricted Account (Administrative Purposes Only)	\$3,484.62
Discretionary Account (Available for Water Quality Grants)	<u>\$450,122.61</u>
Total	<u>\$453,607.23</u>