

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 2 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 \$12,064,731 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.

To meet demand on the Clean Water SRF program, up to \$7.5 million will be transferred from the Drinking Water Program to the Clean Water SRF program. The source of the funds will be leveraged bond proceeds. This transfer will not impact any projects expecting SRF funding during fiscal year 2006. Based on EPA's Financial Planning Model it is estimated that this action will reduce the annual Drinking Water SRF revolving level by approximately \$1 million per year during the next 20 years.

Additionally, transfers from the Clean Water SRF program may be necessary to address high demand on the Drinking Water SRF program from private, 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.

Table 1 - Clean Water SRF Interest Rates

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

The interest rate includes an administrative surcharge as identified in Table 1. 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.

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.

Table 2 - 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	Amount Transferred from DWSRF to CWSRF	Transfer Description	CWSRF Funds Available to Transfer	DWSRF Funds Available to Transfer
1997	\$12,558,800	\$4,144,404	\$4,144,404				\$4,144,404	\$4,144,404
1998	\$7,121,300	\$2,350,029	\$6,494,433				\$6,494,433	\$6,494,433
1999	\$7,463,800	\$2,463,054	\$8,957,487				\$8,957,487	\$8,957,487
2000	\$7,757,000	\$2,559,810	\$11,517,297				\$11,517,297	\$11,517,297
2001	\$7,789,100	\$2,570,403	\$14,087,700				\$14,087,700	\$14,087,700
2002	\$8,052,500	\$2,657,325	\$16,745,025	\$7,812,960		CW Cap Grant/Match	\$8,932,065	\$16,745,025
2003	\$8,004,100	\$2,641,353	\$19,386,378	\$7,761,360		CW Cap Grant/Match	\$3,812,058	\$19,386,378
2004	\$8,303,100	\$2,740,023	\$22,126,401				\$6,552,081	\$22,126,401
2005	\$8,352,500	\$2,756,325	\$24,882,726				\$9,308,406	\$24,882,726
2006	\$8,229,300	\$2,715,669	\$27,598,395		\$7,500,000	Leveraged Bonds	\$12,024,075	\$20,098,395

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
22	Canova	C461321-01	Construction of a 3.0-acre wetland cell to provide sufficient capacity for total retention as required in the city's Surface Water Discharge permit.	\$120,000	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)

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term
16	Redfield	C461182-02	Extend sewer lines to eliminate a private wastewater pond at a trailer court and provide service to an unsewered development with failing septic systems.	\$794,000	3.25%, 20 yrs
16	Sisseton	C461053-01	Modify the existing wastewater treatment facility by converting two of the artificial wetland cells to primary treatment cells and riprap the three existing primary cells.	\$200,000	3.25%, 20 yrs
14	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	Highmore	C461106-02	Install storm sewers and curb and gutters to correct storm water problems in the eastern part of the city and extend wastewater service to an area north of Highway 14.	\$700,000	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	C461456-01	Construction of an additional cell at the wastewater	\$425,000	3.25%, 20 yrs

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term
	District		treatment facility to avoid unauthorized discharges.		
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	Hartford	C461104-05	Replace various segments of the wastewater collection system that are in poor shape and add storm sewers to areas that require improved drainage.	\$500,000	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
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/rehabilitation of sewer mains.	\$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	\$430,000	3.25%, 20 yrs

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term
			treatment facility.		
8	Brookings	C461019-02	Replacement of approximately 2,200 feet of sewer mains on Main Street.	\$200,000	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	Mobridge	C461016-04	Repair or replacement of a portion of the storm sewer system.	\$300,000	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 improve capacity.	\$100,000	3.25%, 20 yrs
6	Sisseton	C461053-02	Construction of a storm sewer system to include approximately 3,840 feet of 15-inch to 48-inch pipe, 15,600 feet of open channels, manholes, inlets and other appurtenances.	\$309,000	3.25%, 20 yrs
6	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
5	Wolsey	C461262-01	Replace wastewater collection lines in conjunction with a DOT Highway project.	\$120,000	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

Priority Points	Loan Recipient	Project Number	Loan Amount	Funding Date	Expected Funding Source
LOANS MADE					
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
10	Dell Rapids	C461064-02	\$731,700	January 2006	Principal Repayments
8	Burke	C461225-01	\$155,000	January 2006	Principal Repayments
12	Sioux Falls (storm water)	C461232-22	\$10,550,000	February 2006	Unrestricted Interest Earnings & Principal Repayments
18	Watertown	C461029-06	\$1,303,130	March 2006	FY 2006& Principal Repayments
12	Weston Heights Sanitary District	C461456-01	\$638,300	March 2006	FY 2006
14	Sioux Falls (wastewater)	C461232-23	\$10,323,000	March 2006	FY 2006, Leveraged Bonds & Principal Repayments
7	Tyndall	C461131-01	\$795,000	March 2006	FY 2006
LOANS EXPECTED					
14	Castlewood	C461246-02	\$100,000	June 2006	FY 2006
12	Winner	C461123-01	\$1,400,000	June 2006	Unrestricted Interest Earnings
11	Parker	C461026-02	\$1,250,000	June 2006	FY 2006 & Unrestricted Interest Earnings
9	Elk Point	C461059-04	\$175,000	June 2006	Principal Repayments
16	Redfield	C461182-02	\$794,000	September 2006	Unrestricted Interest Earnings
9	Tea	C461028-06	\$800,000	September 2006	Unrestricted Interest Earnings

**ATTACHMENT III
PROGRAM FUNDING STATUS**

Fiscal Years 1989 - 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	\$61,287,848	
 Total Funds Dedicated to Loan		206,545,420
 Loans made through September 30, 2005		(\$204,490,073)
 Balance of funds as of September 30, 2005		\$2,055,347

Fiscal Year 2006

Capitalization Grants	\$4,242,300	
State Match	\$613,411	
Program Administration Allowance	(\$169,692)	
Leveraged Funds	\$33,500,000	
Projected Principal Repayments	\$4,372,100	
Projected Unrestricted Interest Earnings	\$5,000,000	
Sioux Falls Series B Loans	(\$30,308,000)	
Transfer from Drinking Water SRF Program	\$7,500,000	
Projected Fiscal Year 2006 Subtotal		<u>\$24,750,119</u>
 Total Funds Available for Loans		<u><u>\$26,805,466</u></u>
 Loan Amount Identified on Attachment II - List of Projects to be Funded in Fiscal Year 2006 (excluding Sioux Falls Series B loans)		<u><u>\$28,650,700</u></u>

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