

**SOUTH DAKOTA CLEAN WATER STATE REVOLVING FUND
FISCAL YEAR 2012 INTENDED USE PLAN**

INTRODUCTION

The state of South Dakota proposes to adopt the following Intended Use Plan (IUP) for federal fiscal year 2012 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, objectives, and environmental results;
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 and 74:05:08:03.02. 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.

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 2012.

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 are required to quantify and report the environmental benefits being realized through the Clean Water SRF loan program. The reporting requirement is being satisfied using an on-line environmental benefits assessment developed by EPA in cooperation with the States and other organizations. A summary of the fiscal year 2012 loans and the resulting benefits will be provided in the end-of-year-annual report.

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

The Safe Drinking Water Act Amendments of 1996 and subsequent Congressional action allows 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. 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. In fiscal year 2006 and 2011, \$7.5 million in leveraged bond proceeds and \$10 million of repayments, respectively, were transferred from the Drinking Water SRF program to the Clean Water SRF program. With the 2012 capitalization grant, the ability exists to transfer up to \$30.8 million from the Clean Water SRF program to the Drinking Water SRF program. Nearly \$28.9 million could be transferred from the Drinking Water Program to the Clean Water SRF program. The table on page 8 details the amount of funds transferred between the programs and the amount of funds available to be transferred.

No transfers are anticipated in 2012.

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.

Sources of Loan Funds

Loan funds are derived from various sources and include federal capitalization grants, state match, leveraged bonds, borrowers' principal repayments, and interest earnings.

Capitalization Grants/State Match: Federal capitalization grants are provided to the state annually. These funds must be matched by the state at a ratio of 5 to 1. The fiscal year 2012 capitalization grant is expected to be \$7,222,000 which requires \$1,444,400 in state match. Bond proceeds will be used to match 2012 capitalization grant funds.

In fiscal year 2012, the South Dakota Clean Water SRF program will draw cash from Federal grants to pay for project and administrative expenses at a ratio of 83.33 percent federal to 16.67 percent of state match funds. This ratio may be adjusted throughout the year with additional federal funds spent, due to the program having spent state match prior to drawing federal funds, so the program could remain in compliance with the Tax Increase Prevention and Reconciliation Act. Leveraged bond proceeds will be spent on project expenses with a zero percent federal proportionate share.

Leveraged Bonds: The South Dakota Conservancy District has the ability to issue additional bonds above that required for state match, known as leveraged bonds. It is anticipated that a minimum of \$10,000,000 in leveraged bonds will be required in 2012.

The amount of leveraged funds required will be determined at a later time.

Borrowers' Principal Repayments: The principal repaid by the loan borrowers is used to make semi-annual leveraged bond payments. Any excess principal is available for loans. It is estimated that \$10,000,000 in principal repayments will become available for loans in fiscal year 2012.

Interest Earnings: The interest repaid by the loan borrowers, as well as interest earned on investments, is dedicated to make semi-annual state match bond payments. Any excess interest is available for loans. It is estimated that \$5,300,000 in interest earnings will become available for loans in fiscal year 2012.

Additional Subsidy - Principal Forgiveness

The 2010 and 2011 Clean Water SRF appropriation mandated that not less than 30 percent of the funds made available for Clean Water SRF capitalization grants be used by the State to provide additional subsidy to eligible recipients and shall only apply to the portion of the national allocation that exceeds \$1,000,000,000. Additional subsidy may be in the form of forgiveness of principal, negative interest loans, or grants (or any combination of these).

Additional subsidy will be provided in the form of principal forgiveness. Municipalities and sanitary districts must have a minimum rate of \$22 per month based on 5,000 gallons usage or a flat rate to qualify for principal forgiveness. Other applicants must have a minimum rate of \$40 per month based on 5,000 gallons usage or a flat rate to qualify for principal forgiveness.

When determining the amount of principal forgiveness, the Board of Water and Natural

Resources may consider the following decision-making factors, which are set forth in alphabetical order:

- (1) Annual utility operating budgets;
- (2) Available local cash and in-kind contributions;
- (3) Available program funds;
- (4) Compliance with permits and regulations;
- (5) Debt service capability;
- (6) Economic impact;
- (7) Other funding sources;
- (8) Qualification as a Green Project Reserve project;
- (9) Readiness to proceed;
- (10) Regionalization or consolidation of facilities;
- (11) Technical feasibility;
- (12) Utility rates; and
- (13) Water quality benefits.

Table 1 summarizes the amounts of principal forgiveness provided through the 2010 and 2011 capitalization grants.

Table 1 – Principal Forgiveness Awarded

FFY	Principal Forgiveness	
	Minimum	Maximum
2010	\$1,497,892	\$4,993,274
2011	\$669,233	\$2,230,775
	\$2,167,125	\$7,224,049
Awarded in 2010		(\$3,735,995)
Awarded in 2011		(\$3,488,195)
Principal Forgiveness Balance		(\$141)

Although the availability of principal forgiveness for the upcoming year is unknown, it is anticipated that the 2012 capitalization grant will include the ability to award principal forgiveness. Attachment II - List of Projects to be Funded in FY 2012

identifies \$1,061,440 in potential principal forgiveness.

Green Project Reserve

The 2010 and 2011 Clean Water SRF appropriations mandate that to the extent there are sufficient eligible project applications, not less than 20 percent of the funds made available for each year's Clean Water SRF capitalization grant shall be used by the State for projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. These four categories of projects are the components of the Green Project Reserve.

To meet the Green Project Reserve requirement, the South Dakota Clean Water SRF program will be expected to provide at least \$2,000,400 and \$1,938,600 from the 2010 and 2011 capitalization grants, respectively, to qualifying projects. Sufficient funds have been awarded to qualifying projects to meet the 2010 and 2011 Green Project Reserve requirement.

It is anticipated that the Green Project Reserve requirement will carry forward with the 2012 capitalization grant. Attachment II - List of Projects to be Funded in FY 2011 identifies \$4.28 million of projects or project components that may count towards the Green Project Reserve. Based on the expected 2012 capitalization grant this amount will meet the mandated 20 percent threshold. If this amount cannot be achieved, a waiver from the Green Project Reserve requirement can be requested. To obtain a waiver it must be demonstrated that sufficient effort was taken to solicit eligible projects.

Interest Rates

Interest rates are reviewed periodically in comparison to established bond rating indexes to assure rates are at or below market rates as required. The SRF rates are then set to be competitive with other funding agencies.

The interest rates for fiscal year 2012 are summarized in Table 2. The rates were last adjusted in February 2009.

	Up to 3 Yrs	Up to 10 Yrs	Up to 20 Yrs	Up to 30 Yrs*
<u>Interim Rate</u>				
Interest Rate	2.00%			
Admin. Surcharge	<u>0.00%</u>			
Total	2.00%			
<u>Base Rate</u>				
Interest Rate		1.75%	2.50%	2.75%
Admin. Surcharge		<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>
Total		2.25%	3.00%	3.25%
<u>Nonpoint Source Incentive Rate</u>				
Interest Rate		1.00%	1.50%	1.75%
Admin. Surcharge		<u>0.25%</u>	<u>0.50%</u>	<u>0.50%</u>
Total		1.25%	2.00%	2.25%

* Term cannot exceed useful life of the project.

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.

Administrative Surcharge Activities

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.

In fiscal year 2001, the board initiated the Small Community Planning Grant program to encourage proactive planning by small communities. The planning grants reimburse 80 percent of the cost of the study. Planning grants are available only to communities of 2,500 or less. Communities are reimbursed 80 percent of the cost of an engineering study, with the maximum grant amount for any project being \$10,000.

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.

Administrative surcharges are being used for non-federal cost share for Total Maximum Daily Load (TMDL) assessment and implementation projects.

Additionally, administrative surcharges were allocated to supplement the Consolidated program by providing water quality grants to Clean Water SRF eligible projects.

Beginning in fiscal year 2005, administrative surcharge funds were also 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. Future allocations for this activity are anticipated and will be based on expected loan demand.

The American Recovery and Reinvestment Act (ARRA) of 2009 and subsequent capitalization grants have mandated implementation of Davis-Bacon prevailing wage rules. Under joint powers agreements between the planning districts and the department, the planning districts are reimbursed \$1,000 per project to oversee compliance with the Davis-Bacon wage rate verification and certification. Administrative surcharges will continue to be used for this purpose in 2012.

Administrative Surcharge Uses in FY 2012

As of September 30, 2011, \$564,230 of unobligated administrative surcharge funds is available.

In fiscal year 2012, \$1,550,000 of administrative surcharge funds will be allocated. It is proposed to allocate \$200,000 for planning grants and \$1,250,000 to supplement the Consolidated and Section 319 programs with grants for wastewater treatment and TMDL implementation projects. These allocation of funds may be adjusted based on demand.

Administrative surcharge funds will again be provided to the planning districts to defray the cost of SRF application preparation and project administration, which includes Davis-Bacon wage rate verification and certification. The 2012 allocation for these activities will be \$100,000

Capitalization Grant Administrative Allowance

The four percent administrative allowance of \$288,880 will be reserved for administrative purposes in fiscal year 2012.

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 administrative 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 2012 Clean Water SRF Intended Use Plan on November 10, 2011.

Table 3 - 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
2007	\$8,229,000	\$2,715,570	\$30,313,965				\$14,739,645	\$22,813,965
2008	\$8,146,000	\$2,688,180	\$33,002,145				\$17,427,825	\$25,502,145
2009	\$8,146,000	\$2,688,180	\$35,690,325				\$20,116,005	\$28,190,325
2010	\$13,573,000	\$4,479,090	\$40,169,415				\$24,595,095	\$32,669,415
2011	\$9,418,000	\$3,107,940	\$43,277,355		\$10,000,000	Repayments	\$27,703,035	\$25,777,355
2012 (est.)	\$9,418,000	\$3,107,940	\$46,385,295				\$30,810,975	\$28,885,295

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 2011.

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term
35	Ellsworth Development Authority	C461467-01	Construction of a new wastewater treatment facility to serve Ellsworth AFB and the city of Box Elder	\$11,000,000	3.00%, 20 yrs
26	Sioux Falls	C461232-33	Rehabilitation of the Hayward Trunk Sewer to eliminate excessive infiltration and replace approximately 8,000 feet of the Sioux River Interceptor and continuation of nonpoint source activities in the Big Sioux watershed.	\$15,238,000	1.25%, 10 yrs
24	Green Valley San. Dist.	C461251-01	Construction of a central wastewater collection system and connection to the Rapid City system to eliminate failing septic systems.	\$3,200,000	3.25%, 30 yrs
22	Piedmont	C461462-01	Construction of a centralized collection system and activated sludge treatment facility to replace on-site septic systems within the recently incorporated municipality.	\$1,675,000	3.00%, 20 yrs
22	Yankton	C461038-04	Construction of a new lift station (with pumps utilizing variable frequency drives) to replace two existing lift stations and rerouting of gravity sewer and force main to accommodate the new lift station.	\$3,680,000	3.00%, 20 yrs
20	Brookings	C461019-05	Construction of the Nelson 5 th Addition detention pond.	\$450,000	3.00%, 20 yrs
18	Brookings	C461019-07 and C461019-08	Rehabilitation of the wastewater treatment facility which has exceeded its useful life expectancy and is at its maximum organic capacity.	\$20,600,000	3.00%, 20 yrs and 3.25%, 30 yrs
18	Vermillion	C461022-07	Construction of a new landfill cell and leachate pond.	\$1,500,000	3.00%, 20 yrs
16	Hot Springs	C461040-03	Rehabilitation of the wastewater treatment facility to include replacement of the wet well, tricking filter, digester building piping, and outlet piping.	\$1,990,000	3.00%, 20 yrs

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term
16	Redfield	C461182-02	Installation of a gravity sewer system to serve 26 homes that currently utilize on-site septic systems.	\$620,000	3.25%, 30 yrs
16	Southern Missouri Recycling and Waste Management District	C461013-02	Construction of a third disposal trench.	\$200,000	3.00%, 20 yrs
16	Turton	C461396-01	Replacement of a lift station and rehabilitation of the wastewater treatment system by converting to an artificial wetland system.	\$456,100	3.00%, 20 yr
16	Woonsocket	C461138-01	Construction of storm sewers and detention ponds to address storm water management.	\$2,110,500	3.25%, 30 yrs
15	Fort Pierre	C461049-06	Increase of the berms at the wastewater treatment facility to provide additional hydraulic capacity.	\$780,000	
15	Lake Poinsett Sanitary District	C461027-04	Extension of the sanitary sewer collection system to serve additional residences (approximately 125) and the construction of a total retention wastewater treatment lagoon system.	\$3,729,000	3.25%, 30 yrs
14	Ravinia	C461384-01	Rehabilitation of existing storm sewers, culverts, and ditches and construction of a storm water detention pond.	\$434,540	3.25%, 30 yrs
15	Hermosa	C461278-01	Extension of sewer service to an area utilizing septic systems.	\$504,500	3.00%, 20 yrs
15	Summerset	C461448-01	Construction of sludge drying beds	\$230,000	3.25%, 30 yrs
13	Alpena	C461263-01	Construction of a new 14-acre cell at the wastewater treatment facility to provide additional capacity.	\$700,000	3.25%, 30 yrs
13	Warner	C461042-02	Replacement of approximately 3,500 feet of 8-inch lines, 1,300 feet of 4-inch service lines, and 1,870 feet of force main; rehabilitation of the lift station; and construction of a 6.0-acre primary pond, and miscellaneous improvements to the existing wastewater treatment system.	\$2,453,000	3.25%, 30 yrs
12	Aberdeen	C461072-03	Replacement of sanitary and storm sewer on Klein Street between 2 nd and 6 th Avenues.	\$1,600,000	3.00%, 20 yrs
12	Andover	C461086-01	Replacement of the gravity collection system and upgrading the single cell wastewater treatment facility to a three-cell system.	\$1,571,400	3.25%, 30 yrs
12	Lake Byron Watershed	C461052-01	Construction of a central wastewater collection and	\$2,935,000	3.25%, 30 yrs

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term
	District		treatment system.		
12	Quinn	C461381-01	Construction of a new wastewater collection system and treatment facility to eliminate individual septic systems.	\$895,000	3.25%, 30 yrs
12	Stockholm	C461391-01	Rehabilitation of the wastewater treatment ponds which are suspected to be leaking excessively and replacement of the main lift station.	\$400,000	3.25%, 30 yrs
12	Wall Lake Sanitary District	C461300-02	Conversion of the existing wetland treatment system to a three-cell discharging system to address suspected excessive seepage and hydraulic overloading.	\$425,000	3.25%, 30 yrs
12	Winner	C461123-02	Upgrading sewer lines along several blocks of Wilson Street and installation of a lift station.	\$821,000	3.25%, 30 yrs
11	Custer	C461021-04	Rehabilitation of portions of the wastewater collection system that are experiencing excessive infiltration.	\$950,000	3.25%, 30 yrs
10	Bridgewater	C461112-03	Relining and replacement of approximately 2,400 feet of vitrified clay sanitary sewer lines on Main Street.	\$261,000	3.25%, 30 yrs
10	Brookings	C461019-06	Construction of a storm sewer pipe/box culvert system to divert storm water to the Nelson 5 th Addition detention pond.	\$2,500,000	3.00%, 20 yrs
10	Centerville	C461215-02	Rehabilitation of ten manholes and approximately 22,600 feet of sanitary sewer using cured in-place pipe.	\$1,400,000	3.25%, 30 yrs
10	Colman	C461144-01	Replacement or relining of the entire wastewater collection system.	\$3,400,000	3.25%, 30 yrs
10	Philip	C461205-05	Phase I of four phase project to rehabilitate the wastewater collection system to address excessive infiltration.	\$1,034,000	3.25%, 30 yrs
9	Beresford	C461187-02	Replacement of approximately 7,250 feet of clay sewer pipe with PVC pipe.	\$834,735	3.25%, 30 yrs
9	Britton	C461188-02	Clean and televise approximately 50,100 feet of sanitary sewer and rehabilitation of four lift stations.	\$1,042,000	3.25%, 30 yrs
9	Ethan	C461272-01	Replacement of approximately 3,575 feet of collection lines and construction of a new lift station and approximately 13,100 feet of force main to effluent to be discharged below Ethan Lake.	\$1,125,000	3.25%, 30 yrs
9	Groton	C461051-09	Construction of a new lift station and forcemain to	\$242,500	3.00%, 20 yrs

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term
			replace a failing gravity sewer line.		
9	Herried	C461252-01	Replacement of approximately 2,575 feet of corrugated metal pipe with PVC pipe, replacement of the outlet and flow measuring structures at the wastewater treatment facility, and replacement of the lift station.	\$994,300	3.25%, 30 yrs
9	Hurley	C461281-01	Rehabilitation of the wastewater collection system by relining approximately 18,900 feet of lines and rehabilitating 60 manholes.	\$1,625,000	3.25%, 30 yrs
9	Langford	C461285-01	Replace approximately 5,600 feet of sewer mains and 2,300 feet of sewer services to address excessive infiltration in the collection system and make miscellaneous improvements at the wastewater treatment facility.	\$1,516,000	3.25%, 30 yrs
8	Baltic	C461223-03	Replacement of approximately 2,100 feet of clay sewer line on Elm Street.	\$801,400	3.25%, 30 yrs
8	Worthing	C461047-03	Replacement of sewer line and manholes on Third Street.	\$145,000	3.25%, 30 yrs
8	Carthage	C461268-01	Installation of approximately 16,000 feet of sanitary sewer, 8,400 feet of storm sewer and appurtenances and miscellaneous improvements at the wastewater treatment facility	\$835,000	3.25%, 30 yrs
8	McLaughlin	C461233-01	Replacement or relining of approximately 22,900 feet of 8- and 15-inch sewer lines, replace two lift stations, and repair riprap at the wastewater treatment facility.	\$2,584,000	3.25%, 30 yrs
8	Menno	C461136-02	Replacement of approximately 6,400 feet of sanitary sewer on Park Street and portions of Fifth, High, and Pearl Streets.	\$648,000	3.25%, 30 yrs
8	Scotland	C461069-02	Replace sanitary sewer and install new storm sewer on Washington and 2 nd Streets.	\$575,000	3.25%, 30 yrs
7	Doland	C461050-01	Replace and reline sewer lines and manholes to reduce infiltration and inflow in the collection system and reline cells at the wastewater treatment facility to address excessive seepage.	\$1,845,730	3.25%, 30 yrs
6	Castlewood	C461246-03	Installation of approximately 4,600 feet of storm sewer, 34,400 feet of curb and gutter, 28 inlets, 14	\$1,600,000	3.25%, 30 yrs

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term
			manholes, and appurtenances.		
6	Corsica	C461107-02	Installation of 3,400 feet of 36- and 48-inch storm sewer to convey storm water from problem areas.	\$750,000	3.25%, 30 yrs
6	Crooks	C461227-02	Installation of approximately 2,800 feet of storm sewer, curb inlets, and appurtenances to manage storm water in the Palmira subdivision.	\$483,500	3.25%, 30 yrs
6	Lebanon	C461356-01	Replace the existing lift station and force main and remove sludge from the wastewater treatment system and make miscellaneous improvements to inter-pond piping, valves and inlet/outlet structures.	\$462,550	3.00%, 20 yrs
6	Philip	C461205-04	Phase I of a three phase storm water management project involving the installation of various sized storm sewer, curb and gutter and appurtenances.	\$1,050,000	3.25%, 30 yrs
6	Renner Sanitary District	C461237-01	Rehabilitation of sewer lines and a manhole to reduce infiltration and replacement of lift station pumps.	\$105,000	3.00%, 20 yrs
6	Waubay	C461025-02	Improvements to Lift Station #5 to increase the pumping capacity to serve several homes that are to be relocated.	\$539,000	3.00%, 20 yrs
4	Java	C461350-01	Reshaping the stabilization pond berms and installing riprap and miscellaneous improvements to a lift station.	\$438,325	3.25%, 30 yrs
4	Powder House Pass Community Improvement District	C461471-01	Construction of an interceptor line to convey wastewater from a proposed development south of Lead to the Lead-Deadwood Sanitary District's system.	\$3,500,000	3.25%, 30 yrs

ATTACHMENT II - LIST OF PROJECTS TO BE FUNDED IN FY2012

Priority Points	Loan Recipient	Project Number	Assistance Amount	Principal Forgiveness ¹	Funding Date	Expected Funding Source
	<i>Green Project Reserve Information</i>					
LOANS EXPECTED						
9	Britton	C461188-02	\$1,042,000	-0-	Jan. 2012	2011
22	Yankton	C461038-04	\$3,680,000	\$368,000	Mar. 2012	2011
	<i>GPR Project Type: Energy Efficiency (Business Case)</i> <i>GPR Amount: \$3,680,000</i>					
20	Brookings	C461019-05	\$450,000	\$45,000	Mar. 2012	2011
	<i>GPR Project Type: Green Infrastructure (Categorical)</i> <i>GPR Amount: \$450,000</i>					
16	Hot Springs	C461040-03	\$1,990,000	-0-	Mar. 2012	2011/2012
16	Redfield	C461182-02	\$620,000	\$62,000	Mar. 2012	2012
16	Southern Missouri Recycling and Waste Management District	C461013-02	\$200,000	-0-	Mar. 2012	2012
15	Fort Pierre	C461049-06	\$780,000	\$78,000	Mar. 2012	2012
15	Summerset	C461448-01	\$230,000	\$46,000	Mar. 2012	2012
12	Aberdeen	C461072-03	\$1,600,00	-0-	Mar. 2012	2012
12	Winner	C461123-02	\$821,000	-0-	Mar. 2012	2012
10	Brookings	C461019-06	\$2,500,000	-0-	Mar. 2012	2012
6	Renner Sanitary District	C461019-02	\$105,000	-0-	Mar. 2012	2012
6	Waubay	C461025-02	\$539,000	\$53,900	Mar. 2012	2012
18	Brookings	C461019-07 and C461019-08	\$20,600,000	-0-	June. 2012	Leveraged Funds/Repayments
16	Woonsocket	C461138-01	\$2,110,500	\$50,000	June 2011	Repayments
	<i>GPR Project Type: Green Infrastructure (Categorical)</i> <i>GPR Amount: \$150,000 (est.)</i>					
13	Alpena	C461263-01	\$700,000	\$70,000	June 2011	2012
10	Philip (Sanitary Sewer)	C461285-05	\$1,034,000	\$103,400	June 2011	Repayments
8	Baltic	C461223-03	\$801,400	\$80,140	June 2011	Repayments
6	Philip (Storm Sewer)	C461285-04	\$1,050,000	\$105,000	June 2011	Repayments
4	Powder House Pass CID	C461471-01	\$3,500,000	-0-	Sept 2011	Repayments

1. Principal forgiveness amounts shown for loans expected are estimates for planning purposes only.

**ATTACHMENT III
PROGRAM FUNDING STATUS**

Fiscal Years 1989 - 2011

Capitalization Grants	\$147,195,200	
State Match	\$29,439,040	
ARRA Grant	\$19,239,100	
Program Administration Allowance	(\$6,138,220)	
Leveraged Funds	\$99,246,266	
Transfer of FY 2002 & 2003 Capitalization Grant and State Match to DWSRF	(\$15,574,320)	
Transfer of DWSRF Repayments	\$10,000,000	
Excess Interest as of September 30, 2011	\$51,082,963	
Excess Principal Repayments as of Sept. 30, 2011	\$116,566,859	
Total Funds Dedicated to Loan		\$451,056,888
Loans made through September 30, 2011		<u>\$436,617,017</u>
Balance of funds as of September 30, 2011		\$14,439,871

Fiscal Year 2012 Projections

Capitalization Grants	\$7,222,000	
State Match	\$1,444,400	
Program Administration Allowance	(\$288,876)	
Projected Excess Principal Repayments	\$10,000,000	
Projected Unrestricted Interest Earnings	\$5,300,000	
Leveraged Funds	\$10,000,000	
Arbitrage Rebate Liability	-0-	
Projected Fiscal Year 2012 Loan Subtotal	<u>\$33,677,524</u>	
Total Funds Available for Loans		<u><u>\$48,117,395</u></u>
Loan Amount Identified on Attachment II - List of Projects to be Funded in Fiscal Year 2012		<u><u>\$42,754,500</u></u>

Administrative Surcharge Funds Available as of September 30, 2011	
Restricted Account (Administrative Purposes Only)	\$4,052
Discretionary Account (Available for Water Quality Grants)	<u>\$560,178</u>
Total	<u>\$564,230</u>