

## **SOUTH DAKOTA CLEAN WATER STATE REVOLVING FUND FISCAL YEAR 2014 INTENDED USE PLAN**

### **INTRODUCTION**

The state of South Dakota proposes to adopt the following Intended Use Plan (IUP) for federal fiscal year 2014 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 (the 2014 capitalization grant estimate used in the IUP is based on last year's allocation).

### **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 2014.

**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 2014 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 2014 capitalization grant, the ability exists to transfer up to \$36.4 million from the Clean Water SRF program to the Drinking Water SRF program. More than \$34.4 million could be transferred from the Drinking Water Program to the Clean Water SRF program. The table on page 9 details the amount of funds transferred between the programs and the amount of funds available to be transferred.

No transfers are expected in fiscal year 2014.

## **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 2014 capitalization grant is expected to be \$6,520,000 which requires \$1,304,000 in state match. Bond proceeds will be used to match 2014 capitalization grant funds.

In fiscal year 2014, the South Dakota Clean Water SRF program will draw cash from state match funds prior to drawing federal capitalization grants, to the extent possible. Due to private activity concerns associated with tax-exempt bonds, certain loans must draw 100 percent federal funds. 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 not anticipated that additional leveraged bonds will be required in 2014.

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 \$6,800,000 in principal repayments will become available for loans in fiscal year 2014.

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 \$5,600,000 in interest earnings will become available for loans in fiscal year 2014.

**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. The 2012 and 2013 capitalization grants mandated additional subsidy be provided in an amount not less than 20 percent, but not more than 30 percent, of that 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 – Principal Forgiveness Status

FFY	Principal Forgiveness	
	Minimum	Maximum
2010	\$1,497,892	\$4,993,274
2011	\$669,233	\$2,230,777
2012	\$383,922	\$575,882
2013	\$307,120	\$460,680
2014 (est.)	\$307,120	\$460,680
	\$3,165,287	\$8,721,291
Awarded from 2010 grant		\$4,993,274
Awarded from 2011 grant		\$2,230,777
Awarded from 2012 grant		\$575,882
Awarded from 2013 grant		\$459,604

It is anticipated that the 2014 capitalization grant will include the ability to award principal forgiveness. Attachment II - List of Projects to be Funded in FY 2014 identifies \$450,000 in potential principal forgiveness.

Table 1 on the previous page summarizes the amounts of principal forgiveness provided through the 2010 - 2013 capitalization grants.

### Green Project Reserve

Recent Clean Water SRF appropriations mandated that to the extent there are sufficient eligible project applications, a portion 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.

Sufficient funds have been awarded to qualifying projects to meet the prior years' Green Project Reserve requirements.

It is anticipated that the Green Project Reserve requirement will carry forward with the 2014 capitalization grant, and that not less than 20 percent be made available for Green Project Reserve eligible projects. Attachment II - List of Projects to be Funded in FY 2014 identifies one project with \$1,570,000 of Green Project Reserve eligible project components. Based on the expected 2014 capitalization grant this amount will meet the anticipated 20 percent threshold.

### 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 2014 are summarized in Table 2. The rates were last adjusted in February 2009.

Table 2 - Clean Water SRF Interest Rates

	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 have been 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 Surcharge Uses in FY 2014**

As of September 30, 2013, \$255,346 of unobligated administrative surcharge funds is available. It is anticipated that the administrative surcharge will generate an additional \$1,255,000 in the upcoming fiscal year.

In fiscal year 2014, \$900,000 of administrative surcharge funds will be allocated. It is proposed to allocate \$800,000 to supplement the Consolidated and Section 319 programs with grants for wastewater treatment and TMDL implementation projects. Up to \$50,000 of this amount may be used for water conservation projects.

Nearly \$170,000 remains from prior years' allocations for planning grants, which should be sufficient for 2014; however, funds will be shifted for this purpose if needed. This allocation of funds may be adjusted as needed.

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 2014 allocation for these activities will be \$100,000.

#### **Capitalization Grant Administrative Allowance**

The four percent administrative allowance of \$260,800 will be reserved for administrative purposes in fiscal year 2014.

## **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 2014 Clean Water SRF Intended Use Plan on November 7, 2013.

**Table 3 - Amounts Available to Transfer between State Revolving Fund Programs**

<b>Year</b>	<b>DWSRF Capitalization Grant</b>	<b>Amount Available for Transfer</b>	<b>Banked Transfer Ceiling</b>	<b>Amount Transferred from CWSRF to DWSRF</b>	<b>Amount Transferred from DWSRF to CWSRF</b>	<b>Transfer Description</b>	<b>CWSRF Funds Available to Transfer</b>	<b>DWSRF Funds Available to Transfer</b>
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	\$8,975,000	\$2,961,750	\$46,239,105				\$30,664,785	\$28,739,105
2013	\$8,421,000	\$2,788,930	\$49,018,035				\$33,443,715	\$31,518,035
2014 (est.)	\$8,845,000	\$2,918,850	\$51,936,885				\$36,362,565	\$34,436,885

## 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 2014.

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term
25	Clark	C461124-02	Construction of a total retention wastewater treatment facility necessitated by the reclassification of lakes downstream of the existing outfall line.	\$1,000,000	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.	\$4,500,000	3.00%, 20 yrs
20	Brookings	C461019-09	Construction of a storm water detention pond and a flow control structure for storm water management.	\$1,570,000	3.00%, 20 yrs
20	Rapid City	C461014-07	Construction of a new trickling filter pump station.	\$6,000,000	3.00%, 20 yrs
20	Sinai	C461134-01	Construction of a total retention pond system to replace the dilapidated extended aeration package plant and a lift station and forcemain to the new facility.	\$1,500,000	3.25%, 30 yrs
18	Brown County	C461100-01	Construction of new solid waste disposal cell at the Brown County Regional Landfill.	\$1,732,000	3.00%, 20 yrs
17	Brandon	C461032-05	Construction of a new wastewater treatment facility and installation of new trunk sewers to eliminate lift stations and convey wastewater to the new treatment facility.	\$23,123,000	3.00%, 20 yrs
16	Dell Rapids	C461064-07	Construct a lift station, force main, and gravity sewer to serve city residents with on-site systems, replace 260 feet of sewer crossing beneath a railroad, and televise the approximately 40,000 feet of sanitary sewer lines.	\$1,200,000	3.25%, 30 yrs
16	Mobridge	C461016-05	Make several improvements to the wastewater treatment facility to maintain compliance, which	\$1,873,000	3.00%, 20 yr

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term
			include the addition of a new primary clarifier, update the SCADA system, convert the sludge pond to an equalization basin, and other miscellaneous improvements.		
15	Elk Point	C461059-07	Reconditioning Cell #3 to include relining and replacing inter-pond piping, valves, and other appurtenances.	\$500,000	3.00%, 20 yr
15	Freeman	C461017-03	Improvements to the wastewater treatment facility to include replacement of blowers and diffusers at the aerated cell and minor repairs at the non-aerated cells.	\$1,445,000	3.00%, 20 yr
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
15	Miller	C461128-01	Replacement of approximately 9,300 feet of sewer lines, rehabilitation of two lift stations, and expansion of cell #2 at the wastewater treatment facility.	\$5,000,000	3.25%, 30 yrs
13	South Shore	C461294-01	Rehabilitation of the collection system to reduce infiltration and renovation of the treatment system to address excessive leakage.	\$2,035,000	3.25%, 30 yrs
12	Lake Byron Watershed District	C461052-01	Construction of a central wastewater collection and treatment system.	\$3,695,000	3.25%, 30 yrs
12	Lead	C461007-08	Replacement of approximately 2,400 feet of sanitary sewer and installation of approximately 2,300 feet of storm sewer on Main Street to separate the combined sewer system.	\$512,000	3.00%, 20 yrs
12	Quinn	C461381-01	Construction of a new wastewater collection system and treatment facility to eliminate individual septic systems.	\$1,475,000	3.25%, 30 yrs
11	Beresford	C461187-03	Replacement of approximately 6,800 feet of sanitary sewer line in conjunction with a DOT project.	\$432,000	3.25%, 30 yrs
11	Wagner	C461209-04	Replacement of approximately 3,850 feet of sewer line and a storm water pump station and installation of approximately 1,000 feet of new storm sewer lines.	\$1,400,000	3.25%, 30 yrs
10	Brookings	C461019-10	Installation of storm sewer in conjunction with the Main Avenue South Reconstruction project.	\$455,000	3.00%, 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>
10	Brookings	C461019-11	Installation of sanitary sewer in conjunction with the Main Avenue South Reconstruction project.	\$2,916,000	3.00%, 20 yrs
10	Canistota	C461226-03	Replacement of approximately 4,600 feet of sewer lines and 15 manholes.	\$1,378,000	3.25%, 30 yrs
10	Hoven	C461253-01	Replacement of approximately 3,100 feet of sanitary sewer line along Highway 47.	\$656,000	3.25%, 30 yrs
10	Ipswich	C461133-01	Replacement or relining of approximately 30,900 feet of sewer lines and minor improvements at the wastewater treatment facility.	\$3,475,000	3.25%, 30 yrs
10	North Sioux City	C461009-03	Extension of the Lake Shore force main to alleviate pressure in another area of the city where development is occurring.	\$300,000	3.00%, 20 yrs
9	Bison	C461139-02	Rehabilitation of the berms at the wastewater treatment facility, construction of a lift station between cells 3 and 4, and rehabilitation of portions of the wastewater collection system.	\$3,297,000	3.25%, 30 yrs
9	Clear Lake	C461037-03	Rehabilitation of a portion of the city's collection system to address excessive infiltration.	\$3,200,000	3.25%, 30 yrs
9	Elk Point	C461059-08	Replacement of approximately 4,000 feet of sewer lines, nine manholes, and 36 service lines as part of the reconstruction of Rose Street.	\$1,542,000	3.25%, 30 yrs
9	Irene	C461255-01	Rehabilitation of 21 blocks of sewer lines to address excessive infiltration.	\$1,906,000	3.25%, 30 yrs
9	Lennox	C461105-05	Replacement of approximately 8,200 feet of sanitary sewer and replacement or installation of approximately 11,700 feet of storm sewer.	\$5,239,000	3.25%, 30 yrs
9	Wagner	C461209-03	Replacement of approximately 2,850 feet of sewer lines, eight manholes and appurtenances.	\$1,500,000	3.25%, 30 yrs
8	Alcester	C461212-01	Rehabilitation of approximately 6,500 of sewer lines.	\$750,000	3.25%, 30 yrs
8	Arlington	C461213-01	Replacement of approximately 1,300 feet of sewer lines and four manholes.	\$658,300	3.25%, 30 yrs
8	Highmore	C461106-02	Relocation of approximately 1,500 of sewer main to accommodate the reconstruction of Highway 47.	\$226,500	3.25%, 30 yrs
7	Bristol	C461244-01	Replacement of approximately 3,300 feet of sanitary sewer trunk lines and 3,600 feet of storm sewer.	\$1,342,700	3.25%, 30 yrs
7	Chancellor	C461122-01	Replacement or relining of the entire collection system (approximately 19,300 feet).	\$2,057,000	3.25%, 30 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>
7	Emery	C462248-01	Replacement of approximately 15,100 feet of sewer line and 40 manholes.	\$3,100,000	3.25%, 30 yrs
7	Hartford	C461104-06	Installation of approximately 4,800 feet of sanitary sewer and appurtenances to extend sewer service to an industrial park.	\$380,000	3.00%, 20 yrs
7	Lake Norden	C461256-01	Cleaning and televising the entire collection system and relining the existing cast iron lines.	\$510,000	3.00%, 20 yrs
7	Miller	C461128-01	Clean and televise the sanitary and storm sewer systems and use GIS/GPS to map the systems.	\$242,000	3.00%, 20 yrs
6	Bowdle	C461243-01	Rehabilitation of the berms and other miscellaneous improvements at the wastewater treatment facility.	\$306,000	3.25%, 30 yrs
6	Highmore	C461106-02	Installation of approximately 9,800 feet of storm sewer, 37,100 feet of curb and gutter, 28 inlets, 16 manholes, and appurtenances.	\$2,779,00	3.25%, 30 yrs
6	Turton	C461396-01	Conversion of the three-cell lagoon system to an artificial wetland system, replacement of a lift station, and clean and televise the collection system.	\$596,000	3.00%, 20 yrs
4	Saint Lawrence	C461045-01	Rehabilitation of berms and the access road at the wastewater treatment facility.	\$372,300	3.25%, 30 yrs

**ATTACHMENT II - LIST OF PROJECTS TO BE FUNDED IN FY2014**

Priority Points	Loan Recipient	Project Number	Assistance Amount	Principal Forgiveness <sup>1</sup>	Funding Date	Expected Funding Source
	<i>Green Project Reserve Information</i>					
<b>LOANS EXPECTED</b>						
20	Brookings <i>GPR Project Type: Green Infrastructure (Categorical)</i> <i>GPR Amount: \$1,570,000</i>	C461019-09	\$1,570,000	-0-	Jan. 2014	2013
16	Dell Rapids	C461064-07	\$1,200,000	-0-	Jan. 2014	2013
7	Miller	C461128-01	\$242,000	-0-	Jan. 2014	2013
25	Clark	C461124-02	\$1,000,000	-0-	March 2014	2013
20	Sinai	C461134-01	\$1,500,000	\$150,00	March 2014	2013/2014
18	Brown County	C461100-01	\$1,732,000	-0-	March 2014	2014
15	Elk Point	C461059-07	\$500,000	-0-	March 2014	2014
11	Beresford	C461187-03	\$432,000	-0-	March 2014	2014
10	North Sioux City	C461009-03	\$300,000	-0-	March 2014	2014
8	Highmore	C461106-03	\$226,500	-0-	March 2014	2014
16	Mobridge	C461016-05	\$1,873,000	-0-	June 2014	2014
12	Lead	C462007-08	\$512,000	-0-	June 2014	2014
10	Hoven	C461253-01	\$656,000	-0-	June 2014	2014
9	Clear Lake	C461037-03	\$3,200,000	-0-	June 2014	2014/Repayments
7	Hartford	C461104-06	\$380,000	-0-	June 2014	Repayments
7	Lake Norden	C461256-01	\$510,000	-0-	June 2014	Repayments
10	Brookings	C461019-10	\$455,000	-0-	Sept. 2014	Repayments
10	Brookings	C461019-11	\$2,916,000	-0-	Sept. 2014	Repayments
10	Ipswich	C461133-01	\$3,475,000	\$300,000	Sept. 2014	Repayments
9	Wagner	C461209-03	\$1,500,000	-0-	Sept. 2014	Repayments
8	Alcester	C461212-01	\$750,000	-0-	Sept. 2014	Repayments
8	Arlington	C461213-01	\$658,300	-0-	Sept. 2014	Repayments

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

**ATTACHMENT III  
PROGRAM FUNDING STATUS**

**Fiscal Years 1989 - 2013**

Capitalization Grants	\$160,623,200	
State Match	\$1,304,000	
ARRA Grant	\$19,239,100	
Program Administration Allowance	(\$6,675,336)	
Leveraged Funds	\$154,246,266	
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, 2013	\$62,562,945	
Excess Principal as of Sept. 30, 2013	<u>\$130,017,086</u>	
 Total Funds Dedicated to Loan		 \$546,563,581
 Loans made through September 30, 2013		 <u>\$536,767,890</u>
 Balance of funds as of September 30, 2013		 \$9,795,592

**Fiscal Year 2014 Projections**

Capitalization Grants	\$6,520,000	
State Match	\$1,304,000	
Program Administration Allowance	(\$260,800)	
Projected Excess Principal Repayments	\$6,800,000	
Projected Unrestricted Interest Earnings	\$5,600,000	
Arbitrage Rebate Liability	<u>(\$900,000)</u>	
Projected Fiscal Year 2014 Loan Subtotal		\$19,063,200
 Total Funds Available for Loans		 <u>\$28,858,792</u>
 Loan Amount Identified on Attachment II - List of Projects to be Funded in Fiscal Year 2014		 <u>\$25,587,500</u>

<b>Administrative Surcharge Funds Available as of September 30, 2013</b>	
Restricted Account (Administrative Purposes Only)	\$55,357
Discretionary Account (Available for Water Quality Grants)	<u>\$199,989</u>
Total	<u>\$255,346</u>