

**SOUTH DAKOTA CLEAN WATER STATE REVOLVING FUND
FISCAL YEAR 2015 INTENDED USE PLAN**

INTRODUCTION

The state of South Dakota proposes to adopt the following Intended Use Plan (IUP) for federal fiscal year 2015 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 2015 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, decentralized wastewater treatment systems, 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 2015.

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 2015 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 2015 capitalization grant, the ability exists to transfer more than \$39.2 million from the Clean Water SRF program to the Drinking Water SRF program. More than \$37.3 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 2015.

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 2015 capitalization grant is expected to be \$6,853,000 which requires \$1,370,600 in state match. Bond proceeds will be used to match 2015 capitalization grant funds.

For purposes of meeting fiscal year 2015 proportionality requirements, the South Dakota Clean Water SRF program will document the expenditure of repayments and bond proceeds in an amount equivalent to the entire required state match.

Leveraged Bonds: The South Dakota Conservancy District has the ability to issue additional bonds above that required for state match, known as leveraged bonds. Leveraged bonds totaling \$53,000,000 were issued in October 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 \$8,250,000 in principal repayments will become available for loans in fiscal year 2015.

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 \$6,500,000 in interest earnings will become available for loans in fiscal year 2015.

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 through 2014 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	\$372,924	\$559,386
2015 (est.)	\$372,924	\$559,386
	\$3,604,105	\$9,379,385
Awarded from 2010 grant		\$4,993,274
Awarded from 2011 grant		\$2,230,777
Awarded from 2012 grant		\$575,882
Awarded from 2013 grant		\$460,680
Awarded from 2014 grant		\$88,406

It is anticipated that the 2015 capitalization grant will include the ability to award principal forgiveness. With the passage of the Water Resources Reform and Development Act (WRRDA) in June 2014, additional requirements have been made in order to provide principal forgiveness to projects. Additional subsidization can be provided to a municipality only if it meets the

affordability requirements established by the state or to projects that implement a process, material, technique, or technology with water efficiency, energy efficiency, mitigation of stormwater runoff or sustainability benefits. South Dakota will be adopting affordability criteria in compliance with the WRRDA provisions in the upcoming fiscal year. Attachment II - List of Projects to be Funded in FY 2015 identifies \$845,000 in potential principal forgiveness.

Table 1 on the previous page summarizes the amounts of principal forgiveness provided with the 2010 - 2014 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.

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 2015 are summarized in Table 2. The rates were last adjusted in November 2014.

	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		1.50%	2.25%	2.50%
Admin. Surcharge		<u>0.75%</u>	<u>0.75%</u>	<u>0.75%</u>
Total		2.25%	3.00%	3.25%
<u>Nonpoint Source Incentive Rate</u>				
Interest Rate		0.75%	1.25%	1.50%
Admin. Surcharge		<u>0.50%</u>	<u>0.75%</u>	<u>0.75%</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 \$9,000 per approved loan with payments made in \$3,000 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. The WRRDA of 2014 included Davis-Bacon prevailing wage rules for all capitalization grants going forward. Under

joint powers agreements between the planning districts and the department, the planning districts are reimbursed \$1,100 per project to oversee compliance with the Davis-Bacon wage rate verification and certification.

Administrative Surcharge Uses in FY 2015

As of September 30, 2014, \$521,118 of unobligated administrative surcharge funds is available. It is anticipated that the administrative surcharge will generate an additional \$1,210,000 in the upcoming fiscal year.

In fiscal year 2015, \$1,150,000 of administrative surcharge funds will be allocated. It is proposed to allocate \$1,000,000 to supplement the Consolidated and Section 319 programs with grants for wastewater treatment and TMDL implementation projects.

Nearly \$99,000 remains from prior years' allocations for planning grants, which should be sufficient for 2015; 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 2015 allocation for these activities will be \$150,000.

Capitalization Grant Administrative Allowance

The WRRDA of 2014 provides three options to states to calculate the administrative fees available from each year's capitalization grant. States may use the larger of 1) an

amount equal to four percent of the annual capitalization grant, 2) \$400,000 per year or 3) 1/5 of a percent of the current valuation of the Clean Water SRF fund based on the most recent previous year's audited financial statements.

Four percent of the expected fiscal year 2015 capitalization grant is \$274,120, and 1/5 of a percent of the current fund valuation of \$194,701,366 would result in \$389,402 available for administrative fees. As a result, an administrative allowance of \$400,000 will be reserved for administrative purposes in fiscal year 2015.

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.

Section 602(b)(14) - Procurement of Architectural and Engineering Services - The state will not provide Clean Water SRF assistance to projects for architectural or engineering services that are identified as an equivalency project in the annual report.

Section 608 - American Iron and Steel Provisions - The state certifies that it will require American Iron and Steel products to be utilized for all treatment works projects receiving assistance from the Clean Water SRF, 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 2015 Clean Water SRF Intended Use Plan on November 6, 2014.

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	\$8,285,500	\$2,734,215	\$24,860,616				\$9,286,296	\$24,860,616
2006	\$8,229,300	\$2,715,669	\$27,576,285		\$7,500,000	Leveraged Bonds	\$12,001,965	\$20,076,285
2007	\$8,229,000	\$2,715,570	\$30,291,855				\$14,717,535	\$22,791,855
2008	\$8,146,000	\$2,688,180	\$32,980,035				\$17,405,715	\$25,480,035
2009	\$8,146,000	\$2,688,180	\$35,668,215				\$20,093,895	\$28,168,215
2010	\$13,573,000	\$4,479,090	\$40,147,305				\$24,572,985	\$32,647,305
2011	\$9,418,000	\$3,107,940	\$43,255,245		\$10,000,000	Repayments	\$27,680,925	\$25,755,245
2012	\$8,975,000	\$2,961,750	\$46,216,995				\$30,642,675	\$28,716,995
2013	\$8,421,000	\$2,788,930	\$48,995,925				\$33,421,605	\$31,495,925
2014	\$8,845,000	\$2,918,850	\$51,914,775				\$36,340,455	\$34,414,775
2015 (est.)	\$8,845,000	\$2,918,850	\$54,833,625				\$39,259,305	\$37,333,625

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 2015.

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term
30	Waubay	C461025-03	Construction of new wastewater treatment ponds to provide total retention.	\$1,779,000	3.25%, 30 yrs
25	Clark	C461124-02	Construction of a total retention wastewater treatment facility necessitated by the reclassification of lakes downstream of the existing outfall line.	\$2,500,000	3.25%, 30 yrs
25	Platte	C461130-01	Reconfiguration of its wastewater treatment lagoons to include fine bubble aeration and the installation of a Submerged Attached Growth Reactor system to allow the system to meet limits for ammonia in discharges.	\$2,537,000	3.00%, 20 yrs
24	Mina Lake Sanitary District	C461287-01	Construction of a new wastewater treatment artificial wetland and rehabilitation of the existing ponds, installation of new sanitary sewer collection piping utilizing small diameter pressure sewer to connect 36 additional users, replacement of individual home sewer lift pits, and pump replacement at the lift station.	\$2,624,000	3.00%, 20 yrs
23	Kennebec	C461283-01	Construction of a new wastewater treatment pond and rehabilitation of the existing ponds, installation of new sanitary sewer collection piping utilizing small diameter pressure sewer, and cleaning and televising of the existing gravity collection sewer to determine where repairs are needed.	\$1,134,550	3.25%, 30 yrs
22	Humboldt	C461254-01	Construction of a new wastewater treatment pond and rehabilitation of the existing ponds to provide total retention and installation of new sanitary sewer collection piping.	\$4,066,000	3.25%, 30 yrs
22	Piedmont	C461462-01	Construction of a centralized collection system and	\$4,500,000	3.00%, 20 yrs

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term
			activated sludge treatment facility to replace on-site septic systems within the recently incorporated municipality.		
21	Hosmer	C461279-01	Construction of a new wastewater treatment pond and rehabilitation of the existing ponds, replacement of sanitary sewer collection piping, and cleaning and televising of the existing gravity collection sewer to determine where repairs are needed.	\$4,122,000	3.25%, 30 yrs
20	Rapid City	C461014-07	Construction of a new trickling filter pump station.	\$6,000,000	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
17	Dupree	C461247-02	Replacement of a lift station, repairing berms, installing fencing, and constructing an all-weather road at the wastewater treatment facility, and televising the collection system.	\$240,000	3.25%, 30 yrs
16	Mobridge	C461016-05	Make several improvements to the wastewater treatment facility to maintain compliance, which include the addition of a new primary clarifier, update the SCADA system, convert the sludge pond to an equalization basin, and other miscellaneous improvements.	\$1,873,000	3.00%, 20 yrs
15	Eagle Butte	C461148-02	Installation of aeration equipment and dredging of sludge at the wastewater treatment facility and the replacement of approximately 9,500 feet of sanitary sewer collection lines and an aging lift station. The project will also construct approximately 700 feet of storm sewer piping and catch basins.	\$2,910,000	3.25%, 30 yrs
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 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
14	Howard	C461127-01	Expansion of the existing wastewater treatment facility to a two cell pretreatment pond system and	\$1,427,000	3.25%, 30 yrs

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term
			artificial wetland, and cleaning and televising of collection system lines to identify areas of infiltration and inflow.		
14	Sioux Falls	C461232-35	Installation of a new 36-inch diameter forcemain from the Brandon Road Pump Station to the Water Reclamation Facility.	\$11,979,457	1.25%, 10 yrs
14	Sioux Falls	C461232-36	Replacement of approximately 9,700 feet of the existing outfall sewer with from the equalization basins to the Brandon Road Pump Station, rehabilitation of two siphon boxes at the Big Sioux River, installation of metering and pumping vault at the city lime lagoons, and provide for a future connection to the Brandon Road Pump Station.	\$19,475,025	1.25%, 10 yrs
13	Pickstown	C461378-01	Expansion of the existing wastewater treatment facility to a three cell discharging pond system and installation of a lift station to transfer water within the ponds.	\$405,000	3.35%, 30 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	Flandreau	C461125-01	Replacement or relining of approximately 8,300 feet of sewer lines, replacement of an existing lift station, and dredging of the wastewater treatment facility.	\$3,820,000	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
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.	\$1,750,000	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.	\$2,251,600	3.25%, 30 yrs
8	Alcester	C461212-01	Rehabilitation of approximately 6,500 feet of sanitary sewer lines.	\$750,000	3.25%, 30 yrs

Priority Points	Loan Recipient	Project Number	Project Description	Estimated Loan Amount	Expected Loan Rate & Term
8	Faulkton	C461217-02	Rehabilitation of approximately 32,400 feet of sanitary sewer lines and related appurtenances.	\$3,670,000	3.25%, 30 yrs
8	Wessington Springs	C461210-01	Rehabilitation of approximately 1,500 feet of sanitary sewer lines.	\$187,500	3.25%, 30 yrs
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	C461128-02	Replacement of approximately 33,600 feet of storm sewer pipe and related appurtenances.	\$6,000,000	3.25%, 30 yrs
7	Volga	C461046-01	Installation of a lift station to serve a currently undeveloped area of town that will be installing sanitary sewer collection pipe.	\$619,000	3.00%, 20 yrs
6	Cavour	C461043-01	Replacement of approximately 7,000 feet of sanitary sewer and appurtenances, cleaning and televising of collection system, lift station replacement, replacement of 1,600 feet of forcemain, and upgrades to the wastewater treatment ponds.	\$2,390,000	3.25%, 30 yrs
4	Northville	C461371-02	Installation of approximately 2,100 feet of storm sewer, 6 manholes with inlets, and appurtenances.	\$137,000	3.25%, 30 yrs

ATTACHMENT II - LIST OF PROJECTS TO BE FUNDED IN FY2015

Priority Points	Loan Recipient	Project Number	Assistance Amount	Principal Forgiveness ¹	Funding Date	Expected Funding Source ²
Loans Expected						
17	Dupree	C461247-02	\$240,000	-0-	Jan. 2015	2014
16	Mobridge	C461148-02	\$1,873,000	\$180,000	Jan. 2015	2014
15	Eagle Butte	C461148-02	\$2,910,000	\$290,000	Jan. 2015	2014
25	Clark	C461124-02	\$2,500,000	-0-	March 2015	2015
25	Platte	C461130-01	\$2,537,000	-0-	March 2015	Repayments
20	Rapid City	C461014-07	\$6,000,000	-0-	March 2015	2014/Repayments
17	Hosmer	C461279-01	\$4,122,000	-0-	March 2015	2015
14	Sioux Falls	C461232-35	\$11,979,457	-0-	March 2015	Leveraged Funds
14	Sioux Falls	C461232-36	\$19,475,025	-0-	March 2015	Leveraged Funds
9	Lennox	C461105-05	\$2,251,600	-0-	March 2015	2015
7	Volga	C461046-01	\$619,000	-0-	March 2015	Repayments
30	Waubay	C461025-03	\$1,779,000	-0-	June 2015	2015/Repayments
24	Mina Lake Sanitary District	C461287-01	\$2,624,000	-0-	June 2015	Repayments
21	Humboldt	C461254-01	\$4,066,000	-0-	June 2015	Repayments
15	Miller	C461128-01	\$5,000,000	-0-	June 2015	Repayments
14	Howard	C461127-01	\$1,427,000	-0-	June 2015	Repayments
9	Elk Point	C461059-08	\$1,750,000	-0-	June 2015	Repayments
23	Kennebec	C461283-01	\$1,134,550	-0-	Sept. 2015	Repayments
17	Brandon	C461032-05	\$23,123,000	-0-	Sept. 2015	Leveraged Funds
11	Flandreau	C461125-01	\$3,820,000	\$375,000	Sept. 2015	Repayments
7	Miller	C461128-02	\$6,000,000	-0-	Sept. 2015	Repayments

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

2. Projects identified using 2015 capitalization grant funds are for equivalency requirements planning purposes only, actual projects used for capitalization grant equivalency will be identified on the fiscal year 2015 annual report.

**ATTACHMENT III
PROGRAM FUNDING STATUS**

Fiscal Years 1989 - 2014

Capitalization Grants	\$167,476,200	
State Match	\$30,899,520	
ARRA Grant	\$19,239,100	
Program Administration Allowance	(\$6,949,452)	
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, 2014	\$67,543,156	
Excess Principal as of Sept. 30, 2014	<u>\$147,672,181</u>	
 Total Funds Dedicated to Loan		 \$574,552,651
 Loans made through September 30, 2014		 <u>(\$546,934,957)</u>
 Balance of funds as of September 30, 2014		 \$27,617,694

Fiscal Year 2015 Projections

Capitalization Grants	\$6,853,000	
State Match	\$1,370,600	
Program Administration Allowance	(\$400,000)	
Projected Excess Principal Repayments	\$8,250,000	
Projected Unrestricted Interest Earnings	\$6,500,000	
Leveraged Bonds	<u>\$53,000,000</u>	
Projected Fiscal Year 2015 Loan Subtotal		\$75,573,600
 Total Funds Available for Loans		 <u><u>\$103,191,294</u></u>
 Loan Amount Identified on Attachment II - List of Projects to be Funded in Fiscal Year 2015		 <u><u>\$105,230,632</u></u>

Administrative Surcharge Funds Available as of September 30, 2014	
Restricted Account (Administrative Purposes Only)	\$11,246
Discretionary Account (Available for Water Quality Grants)	<u>\$509,872</u>
Total	<u>\$521,118</u>