THE SOUTH DAKOTA CONSERVANCY DISTRICT

CLEAN WATER STATE REVOLVING FUND

ANNUAL REPORT

FEDERAL FISCAL YEAR 1998

Department of Environment and Natural Resources
Division of Financial and Technical Assistance
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THE SOUTH DAKOTA CONSERVANCY DISTRICT
BOARD MEMBERS

STEVE LOWRIE, CHAIRMAN
Watertown
Member since 1985

GREGG GREENFIELD, VICE-CHAIRMAN
Sioux Falls
Member since 1996

DALE KENNEDY, SECRETARY
Beresford
Member since 1985

DON BOLLWEG
Harrold
Member since 1994

JERRY KLEINSASSER
Frankfort
Member since 1996

ROGER LARSEN
Sioux Falls
Member since 1997

JOHN LOUCKS
Rapid City
Member since 1989

MISSION

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

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I. INTRODUCTION

The state of South Dakota herewith submits its Annual Report for Federal Fiscal Year 1998 (October 1, 1997 through September 30, 1998). This report describes how South Dakota has met the goals and objectives of the Clean Water State Revolving Fund Loan Program (CW SRF) as identified in the 1998 Intended Use Plan, the actual use of funds, and the financial position of the Clean Water SRF.

The Annual Report consists of three main sections. The *Executive Summary* provides an overview of the FFY 1998 activity. The next section addresses the *Goals and Objectives* the state of South Dakota identified in its 1998 Intended Use Plan and the steps that have been taken to meet these measures. The *Details of Activities* section provides information on the financial status of the program, the financial assistance provided during FFY 1998, and compliance with the EPA grant and operating agreement conditions. The Annual Report is followed by a brief history of the Clean Water SRF program since its inception.

The program history is followed by the *Clean Water SRF Loan Portfolio*. The loan portfolio provides information on the interest rates, loan amounts, projects, and loan terms. Exhibits I through VII provide detailed financial and environmental program information. Exhibits VIII through XII are the unaudited financial statements of the Clean Water SRF program, as prepared by the First National Bank in Sioux Falls. Finally, Addendum I is the *Intended Use Plan for Federal Fiscal Year 1999*. The primary purpose of the Intended Use Plan is to identify the proposed annual intended use of the amounts available to the Clean Water State Revolving Fund.

II. EXECUTIVE SUMMARY

South Dakota's Clean Water SRF Program received a federal capitalization grant of $6,577,300 for Federal Fiscal Year 1998. These funds were matched by $1,315,460 in state issued revenue bonds.

Six communities entered into binding commitments with the conservancy district totaling $13,023,500 in loans for the construction of wastewater treatment and sanitary sewer projects. A breakdown of the loans made during FFY 1998 are detailed in Table 1.

TABLE 1
CLEAN WATER LOANS
FEDERAL FISCAL YEAR 1998

Recipient	Project Description	Assistance Amount	Rate, Term
Chamberlain (04)	Expand sewer service	$450,000	5.25%,20
Pierre (02)	Wastewater treatment facility improvements	$4,417,000	5.25%,20
Richmond Lake (02)	Collection system construction	$226,500	5.25%,20
Tea (04)	Reconfigure lagoon and construct three new cells	$375,000	5.0%, 15
Valley Springs (01)	Expansion and upgrade treatment facility	$430,000	5.25%,20
Yankton (01)	Upgrade and expand treatment facility	$2,625,000	5.25%,20
Yankton (02)	Upgrade and expand treatment facility	$4,500,000	6.0%, 20
TOTAL		$13,023,500	

Loan disbursements from the program to the various recipients totaled $5,816,900. This total includes the cost of issuance expenses which were incurred with the Series 1994A and 1995A bond issues. The state originally chose to use bond proceeds to pay the expenses rather than use funds from its 4% administration allotment for the cost of issuance. In Federal Fiscal Year 1998, the state requested reimbursement for the previous cost of issuance expenses from its 4% administration allotment and all Series 1994A and 1995A bond proceeds will be utilized for state match. See Exhibit V for a breakdown of all cash draws and the projects and administration assistance for which they were made.

The Clean Water SRF application form was revised in August of 1998, concurrent with the annual review and update of the South Dakota State Water Planning Process document. This document contains applications for other Department of Environment and Natural Resources' funding programs.

In September of 1998, the Conservancy District reviewed and approved the Clean Water SRF interest rates for Federal Fiscal Year 1999. The District approved rates of 4.50% for a 10-year term, 4.75% for a 15-year term, and 5.00% for a 20-year term.

Since the onset of the Program in 1988, 101 loans have been awarded. The project facilities associated with 89 loans are fully constructed or essentially complete and in operation. The following nine projects initiated operations this past year: Tea (03), Watertown (04), Chamberlain (03), Worthing (01), Pickerel Lake Sanitary District (01), Richmond Lake Sanitary District (01), Bridgewater (01), Mitchell (01), and Philip (02). Eighty-one loans are currently in repayment, and seven loans have been repaid in full.

III. GOALS AND OBJECTIVES

A. Short Term Goals and Objectives

In its 1998 Intended Use Plan, the state of South Dakota identified one short-term goal to be implemented and four objectives to be accomplished. The state has made significant progress toward successful completion of its short-term goal and objectives.

GOAL: To fully capitalize the fund and utilize the one-time allocation of Hardship Grant program funds.

> As of September 30, 1998, South Dakota has made binding commitments equal to all but $833,588 of its entire capitalization awards and associated state matching funds. The state has also loaned an additional $932,830 in principal repayment funds and $4,500,000 in leveraged funds. The State of South Dakota is working with Tribal and Federal agencies to execute a Memorandum of Agreement to award a Hardship Grant for the unincorporated community of Ridgeview on the Cheyenne River Sioux Indian reservation.

OBJECTIVE: Ensure the technical integrity of the CW SRF projects through the review of planning, design, plans and specifications, and construction activities.

> Each Clean Water SRF application is assigned to an engineer and is followed through by that engineer until project completion and initiation of operations. Plans and specifications and facility plans are reviewed and approved by the Department of Environment and Natural Resources. Pre-construction, initial, interim, and final construction inspections are conducted to ensure each project's technical integrity.

OBJECTIVE: Ensure compliance with all pertinent federal, state, and local water pollution control laws and regulations.

> The state works with all pertinent federal, state, and local agencies to ensure compliance.

OBJECTIVE: Obtain maximum capitalization of the funds for the state in the shortest time possible.

The state applied for its capitalization grants as soon as the awards were announced, and state matching funds were in place prior to receiving the grants. Loans are awarded by assessing the following criteria: (1) the availability of funds in the Clean Water SRF program; (2) the applicant's need; (3) violation of health or safety standards; and (4) the applicant's ability to repay. Loans are usually awarded within four to six weeks after receiving the application. South Dakota has not reverted any capitalization grant funds due to the eight quarter time limit. Funds are usually awarded within one year of receiving each capitalization grant.

OBJECTIVE: Provide a Hardship Grant to the unincorporated community of Ridgeview.

Representatives from the Department of Environment and Natural Resources, the Cheyenne River Sioux Tribe, the Environmental Protection Agency, Indian Health Services, the South Dakota Office of Tribal Government Relations, and the Office of the Attorney General have been working together to negotiate an agreement to construct the wastewater facility in Ridgeview. In early September, attorneys for the State of South Dakota, Cheyenne River Sioux Tribe, and the Environmental Protection Agency began preparing a Memorandum of Agreement outlining the responsibilities of each party.

B. Long Term Goals and Objectives

In its 1998 Intended Use Plan, the state of South Dakota identified two long term goals and two objectives to be accomplished.

GOAL: To fully capitalize the Clean Water SRF.

The state has received and expended each capitalization grant in the required time period and has had state match moneys available for each capitalization grant. As of September 30, 1998, South Dakota has made binding commitments equal to all but $833,588 of its entire capitalization awards and associated state matching funds. The state also loaned an additional $932,830 in principal repayment funds and $4,500,000 in leveraged funds.

GOAL: Maintain or restore and enhance the chemical, physical and biological integrity of the state's waters for the benefit of the overall environment, the protection of public health, and the promotion of economic well-being.

The state has awarded 101 loans to 52 entities to assist with construction of wastewater, storm sewer, and nonpoint source projects.

OBJECTIVE: Maintain a permanent, self-sustaining Clean Water SRF program that will serve in perpetuity as a financing source for wastewater treatment works projects and water pollution control activities, including nonpoint source and groundwater protection projects.

By ensuring that all loans are made to financially sound and responsible borrowers, the Clean Water SRF program will serve in perpetuity for South Dakota's wastewater, storm sewer, and nonpoint source projects.

OBJECTIVE: Fulfill the requirements of pertinent federal, state, and local laws and regulations governing water pollution control activities, while providing the state and local project sponsors with maximum flexibility and decision making authority regarding such activities.

The state has tailored its Handbook of Procedures to be customer service oriented and user friendly for Clean Water State Revolving Fund Loan Program recipients. The handbooks also allow for maximum program flexibility while continuing to maintain sufficient state oversight of the program's activities.

IV. DETAILS OF ACTIVITIES

A. Fund Financial Status

1. Binding Commitments

In order to provide financial assistance for Section 212 (wastewater and storm water) and nonpoint source projects, the state entered into seven binding commitments totaling $13,023,500. Exhibit I lists the recipients of these Clean Water SRF loans. Table 2 shows the total amount of binding commitments made by year.

2. Sources of Funds

During 1998, the state was awarded a $6,577,300 federal capitalization grant that was matched by $1,315,460 in state funds. Exhibit III and Table 3 show the annual allocation and source of Clean Water SRF funds.

3. Revenues and Expenses

Fund revenues consisted of interest earned on loans to communities, cash and investments, the special reserve account, and administrative expense surcharge payments received from each borrower. These earnings totaled $3,794,000. Fund expenses included administration expenditures, interest payable on bonds, and the amortization of each bond issuance's costs. These totaled $1,446,000. The Statement of Income and Retained Earnings is shown on Exhibit XI.

TABLE 2: BINDING COMMITMENTS MADE BY YEAR

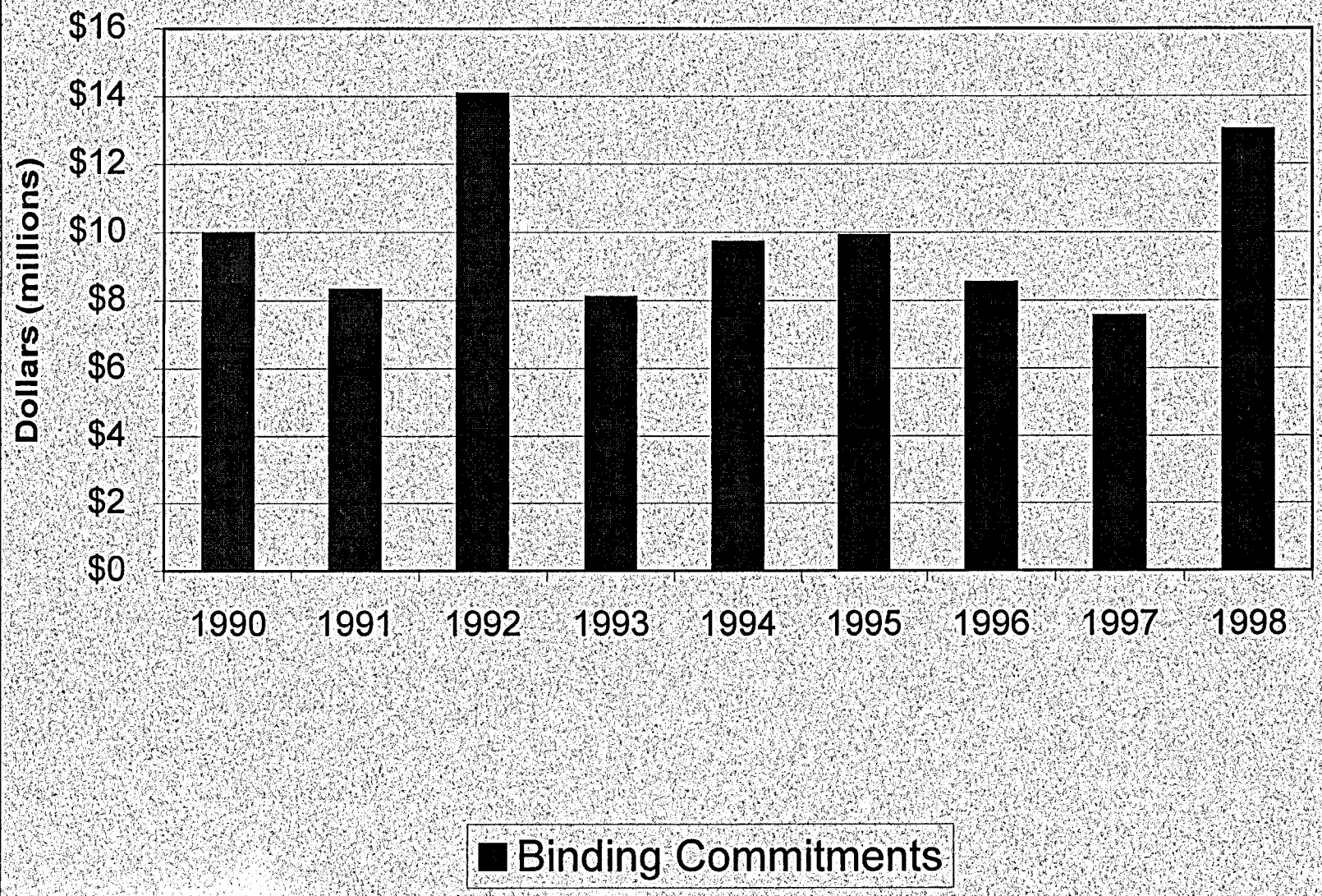
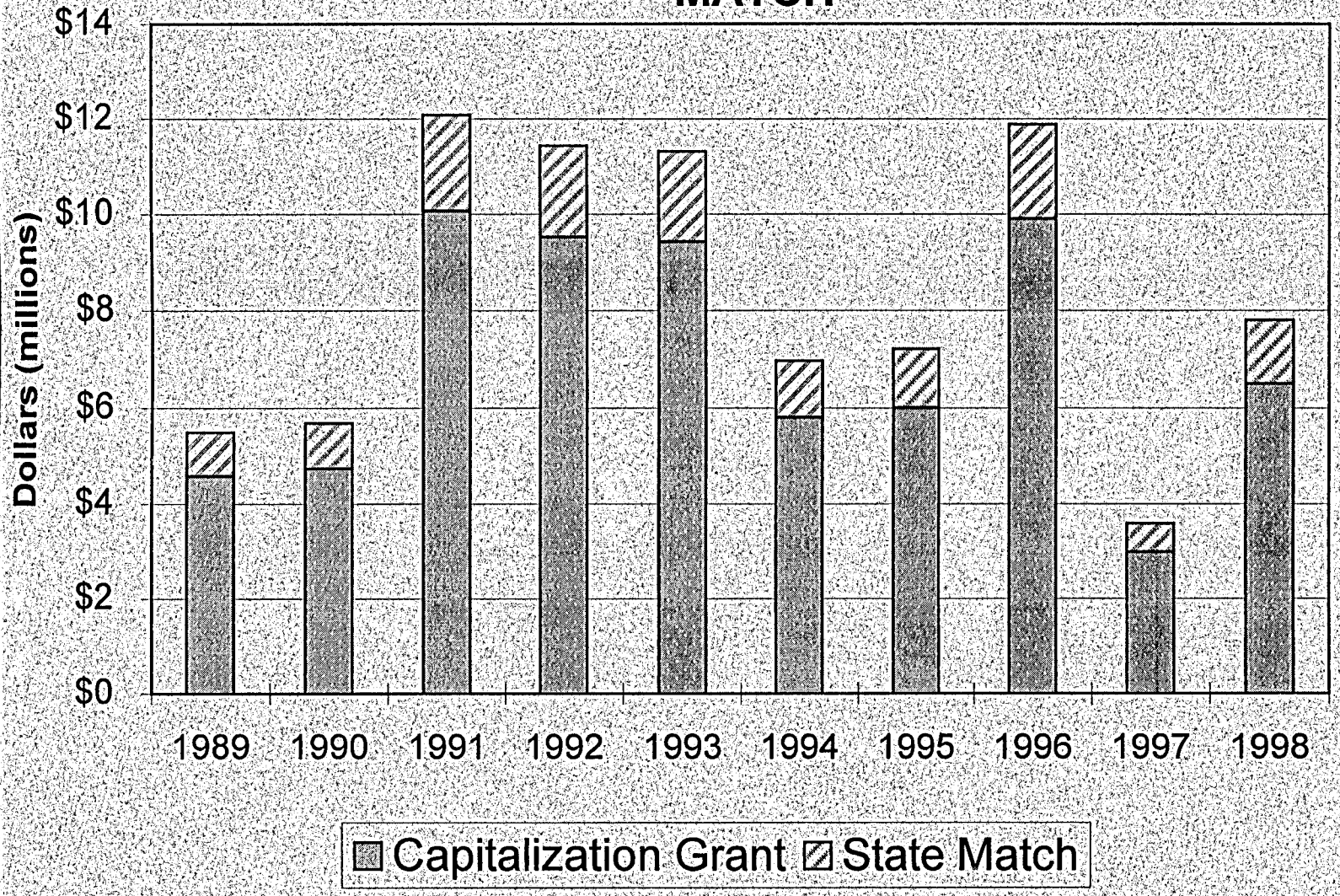


TABLE 3: SRF CAPITALIZATION GRANTS AND STATE MATCH



4. Disbursements and Guarantees

There were no loan guarantees during Federal Fiscal Year 1998.

5. Findings of the 1997 Audit

The CW SRF program was audited by the South Dakota Department of Legislative Audit in January of 1998, for state fiscal year 1997 (July 1, 1996, through June 30, 1997). The audit did not contain any written findings or recommendations.

In April of 1998, EPA Region VIII conducted its annual review of the South Dakota CW SRF program. A final report was received in June. EPA recommended one area in which the program could be improved. The department's formal response to this recommendation was incorporated into the final report.

B. Assistance Activity

Exhibits I through VI illustrate the assistance activity of the Clean Water SRF in Federal Fiscal Year 1998.

Exhibit I shows those recipients that received Clean Water SRF loans during Federal Fiscal Year 1998. All seven loans were for Section 212 projects.

Exhibit II lists the assistance amount provided to each project by needs category.

Exhibit III lists the total Clean Water SRF dollars available, broken down by fiscal year, capitalization amounts and state match amounts.

Exhibit IV lists each Clean Water SRF loan and its source of funding.

Exhibit V lists the cash draws and the projects or administrative assistance for which they were made.

Exhibit VI lists the estimated and actual cash disbursement schedule from the federal Letter of Credit (LOC) for FFY 1998. The estimated schedule was agreed upon by the state and EPA in the 1998 Annual Workplan.

C. Provisions of the Operating Agreement / Conditions of the Grant

The state of South Dakota agreed to 20 conditions in the Operating Agreement and Capitalization Grant Agreement. The following 16 conditions have been met and need no further description.

Agreement to Accept Payments
Cash Draws for Clean Water SRF Program Separate
Prior Incurred Costs Not as State Match
Revenues Dedicated for Repayment of Loans
Procurement Actions - 40 CFR Part 31
Administrative Surcharge
State Match
Cash Draw Schedule
Anti-Lobbying
Expenditure of State Matching Funds
Deposit of State Matching Funds with Federal Moneys
Binding Commitment Ratio
Timely and Expeditious Use of Funds
No Transfer of Title II Funds
Eligibility of Storm Sewers
Clean Water SRF Contains a 83.33% Federal and 16.67% State Split

The following three conditions are described in detail below:

1. Establishment of Minority Business Enterprise (MBE)/Women's Business Enterprise (WBE) Goals and Submittal of MBE/WBE Utilization Report.

   The state and EPA have agreed on "fair share" goals of 6% and 2% for MBE and WBE firms. The actual MBE/WBE participation achieved for Federal Fiscal Year 1998 were 2.2% MBE and 1.0% for WBE.

2. Prior to executing binding commitments on Clean Water SRF projects, the Regional Administrator must certify project compliance with Title VI of the Civil Rights Act.

   The nine loan recipients all submitted project certification forms (EPA 4700-4) to DENR, who in turn submitted these forms to EPA for concurrence. The forms were, in most cases, returned with EPA approval prior to the Board of Water and Natural Resources' action regarding the loans. In those cases that EPA did not return the forms prior to board consideration, the board approved each loan contingent on approval by EPA.

3. The state hereby establishes that it has reviewed all CW SRF funded Section 212 projects in accordance with the approved environmental review procedures as required by 40 CFR Section 35.3165 (b) (1).

V. PROGRAM CHANGES

1999 Intended Use Plan

The Annual Report contains the 1999 Intended Use Plan as approved by the Board of Water and Natural Resources on November 12, 1998. The 1999 Intended Use Plan is included in the Annual Report as Addendum I starting on page 57.

INITIATION OF THE PROGRAM

The State Water Pollution Control Revolving Loan Fund, also known as the Clean Water State Revolving Fund Loan Program (SRF), is a low interest loan program to finance the construction of wastewater facilities, storm sewers, and non-point source pollution control projects. The program was created by the 1987 Clean Water Act amendments. Funds are provided to the states in the form of capitalization grants awarded annually through the United States Environmental Protection Agency. The federal capitalization grants are matched by state funds at a ratio of 5:1.

The 1988 South Dakota Legislature authorized the State Water Pollution Control Revolving Loan Fund (SRF) program. Additionally, the legislature appropriated $1,200,000 and directed the South Dakota Conservancy District to administer the program.

CAPITALIZATION GRANTS

Since 1988, the conservancy district has received ten capitalization grants totaling $69,650,000. In order to receive each of the capitalization grants, the conservancy district must have state matching funds in place equal to at least 20% of each grant. To meet this requirement, the conservancy district used the state appropriation as well as issuing revenue bonds to provide for the required $13,930,000 in state matching funds. Table 3 shows the total amount of capitalization grant and state match by year.

STATE MATCHING FUNDS

In 1989, $5,875,000 in revenue bonds were issued with a Aaa rating from Standard & Poor's Ratings Corporation (S & P). This bond issue was insured by Capital Guaranty Insurance Company.

In 1992, the district issued $4,180,000 in revenue bonds without insurance and received a BBB rating by S & P. However, an annual report of cash flow projections was required to be submitted, and approximately 70% of the Clean Water SRF loan portfolio was required to be rated BBB or better by the rating agency.

In 1994, $10,220,000 in revenue bonds were issued as an advanced refunding of the two prior outstanding issues plus additional matching funds. The program raised its rating to an A. Moody's Investors Service was the rating agency for this issue. No bond insurance was obtained, no cash flow report was required, and no loan applicants had to be rated. The advance refunding provided considerable cost savings by securing a lower interest rate, decreasing the administration of the program, and deleting numerous accounts. Bond proceeds were used to purchase government securities to redeem the Series 1989 and Series 1992 bonds on their first optional call date at par. The Series 1989 bonds were called on August 1, 1996. The Series 1992 bonds will be called on August 1, 2002.

In 1995, $7,970,000 in revenue bonds were issued with an upgraded rating of A1 by Moody's Investors Service. A portion of the Series 1995A bonds were used to provide matching funds for the 1995 and 1996 federal capitalization grants.

In 1996, the district issued $2,770,000 in revenue bonds. The bonds received an A1 rating by Moody's Investors Service. The Series 1996A bonds were issued to provide match for part of the 1996 federal capitalization grant as well as the 1997 and 1998 capitalization grants.

The entire program was upgraded to a Aaa rating by Moody's Investors Service in June, 1998.

LEVERAGED PROGRAM BONDS

Included in the Series 1995A bond issue was $4,500,000 in program bonds. These program bonds were leveraged to provide additional loan funds to communities. These funds were loaned to the city of Yankton in 1998 at 6% for 20 years.

PRINCIPAL REPAYMENT LOANS

The Clean Water SRF program is intended to last in perpetuity. As borrowers repay their loans, the principal repayments are then available to be loaned out to other communities. The first principal repayment loan was awarded to Watertown in November of 1995. Eventually, the state will no longer receive federal capitalization grants, and all loans will be made from the principal repayments of other borrowers.

TRUSTEE

The First National Bank in Sioux Falls has been the trustee since the onset of the program in 1989. The trustee manages and invests funds and accounts for the Clean Water SRF Program including the Series 1992 escrow, issues amortization schedules, disburses loan funds, and accepts all repayments from each of the program's 101 loans.

BOND COUNSEL

Altheimer & Gray was hired as bond counsel for the Series 1994A, 1995A, and 1996A State Revolving Fund Revenue Bonds. Kutak Rock served as bond counsel for the Series 1989 and 1992 bond issues.

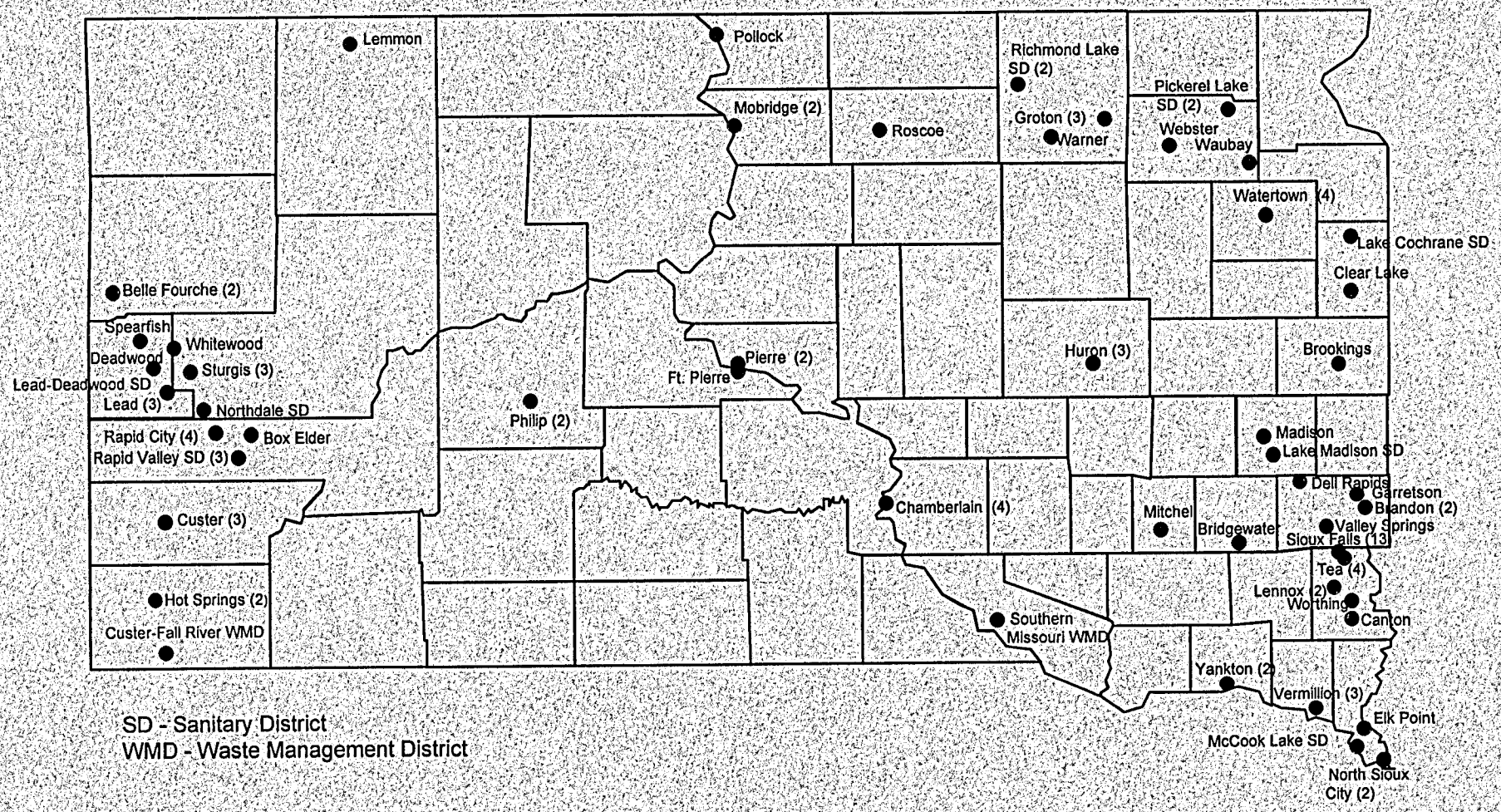
UNDERWRITER

Piper Jaffray was hired as underwriter for the Series 1994A, 1995A, and 1996A State Revolving Fund Revenue Bonds. Shearson Lehman served as underwriter for the Series 1989 and 1992 bond issues.

EPA REGION VIII

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

Clean Water State Revolving Fund Loans



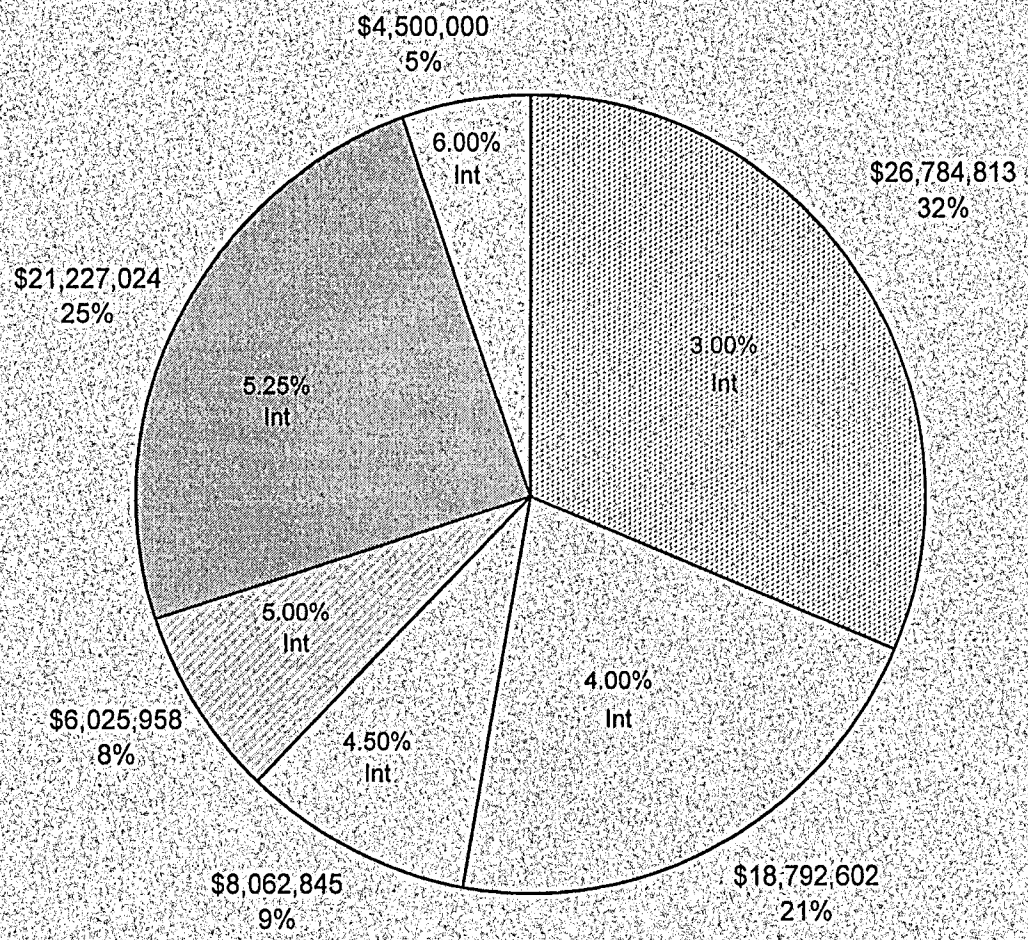
SD - Sanitary District
WMD - Waste Management District

STATE OF SOUTH DAKOTA
CLEAN WATER STATE REVOLVING FUND LOAN PROGRAM

RECIPIENT	BINDING COMMITMENT DATE	RATE,TERM	BINDING COMMITMENT AMOUNT	ACTUAL LOAN AMOUNT
Belle Fourche (01)	08/22/90	3%, 20	$253,000.00	$253,000.00
Belle Fourche (02)	06/22/95	4.5%, 10	$300,000.00	$264,422.00
Box Elder	04/11/90	3%, 20	$648,600.00	$648,600.00
Brandon (01)	03/14/91	3%, 10	$105,000.00	$105,000.00
Brandon (02)	03/31/93	3%, 10	$600,000.00	$526,018.00
Bridgewater	09/25/97	5.25%, 20	$120,000.00	$120,000.00
Brookings	03/14/91	4%, 15	$188,065.00	$188,065.00
Canton	05/19/92	4%, 15	$621,000.00	$515,715.00
Chamberlain (01)	07/08/92	3%, 10	$350,500.00	$350,500.00
Chamberlain (02)	01/26/93	3%, 10	$265,000.00	$265,000.00
Chamberlain (03)	06/27/96	5.25%, 20	$2,700,000.00	$2,700,000.00
Chamberlain (04)	03/26/98	5.25%, 20	$450,000.00	$450,000.00
Clear Lake	06/13/91	4%, 15	$370,000.00	$79,537.00
Custer (01)	04/11/90	3%, 20	$430,000.00	$430,000.00
Custer (02)	07/11/90	3%, 20	$182,000.00	$182,000.00
Custer (03)	08/23/93	3%, 10	$276,000.00	$276,000.00
Custer-Fall River WMD	06/22/95	5%, 20	$250,000.00	$106,939.00
Deadwood	04/25/94	4%, 15	$582,000.00	$447,838.00
Dell Rapids	12/09/93	3%, 10	$300,000.00	$300,000.00
Elk Point	05/27/93	4%, 15	$458,000.00	$458,000.00
Fort Pierre	05/11/94	3%, 10	$330,294.00	$330,294.00
Garretson	05/11/94	4%, 15	$510,000.00	$300,000.00
Groton (01)	01/13/94	3%, 10	$192,000.00	$189,524.00
Groton (02)	05/11/94	3%, 10	$106,000.00	$74,630.00
Groton (03)	07/23/97	5.25%, 20	$635,000.00	$635,000.00
Hot Springs (01)	03/12/92	3%, 10	$196,930.00	$196,930.00
Hot Springs (NPS/01)	01/13/94	5%, 20	$930,000.00	$930,000.00
Huron (01)	11/09/89	3%, 20	$1,656,000.00	$1,656,000.00
Huron (02)	06/13/91	3%, 10	$750,000.00	$701,997.00
Huron (03)	09/19/95	5.25%, 20	$2,700,000.00	$1,856,828.00
Lake Cochrane	04/11/90	3%, 20	$80,000.00	$80,000.00
Lake Madison	03/14/91	4%, 15	$330,000.00	$330,000.00
Lead (01)	07/11/90	3%, 20	$186,409.00	$186,409.00
Lead (02)	07/11/91	3%, 10	$500,770.00	$500,770.00
Lead (03)	05/19/92	3%, 10	$405,000.00	$375,298.00
Lead-Deadwood Sanitary District	06/07/90	3%, 5	$110,000.00	$106,855.00
Lemmon	04/11/90	3%, 20	$427,100.00	$427,100.00
Lennox (01)	06/27/96	5.25%, 20	$350,000.00	$350,000.00
Lennox (02)	07/23/97	5.25%, 20	$600,000.00	$600,000.00
Madison	03/14/91	3%, 10	$150,000.00	$119,416.00
McCook Lake Sanitary District	08/29/91	5%, 20	$641,935.00	$641,935.00
Mitchell	04/15/97	4.5%, 10	$2,000,000.00	$2,000,000.00
Mobridge (01)	07/11/90	3%, 20	$1,500,000.00	$1,500,000.00
Mobridge (02)	12/11/91	4%, 15	$158,000.00	$158,000.00
North Sioux City (01)	07/08/92	3%, 10	$239,650.00	$239,650.00
North Sioux City (02)	06/22/95	5%, 15	$646,000.00	$646,000.00
Northdale Sanitary District	04/25/94	5%, 20	$315,000.00	$256,380.00
Philip (01)	06/22/95	5%, 15	$472,000.00	$453,885.00
Philip (02)	06/26/97	5.25%, 20	$325,000.00	$325,000.00
Pickerel Lake Sanitary District (01)	05/09/96	5%, 15	$850,000.00	$850,000.00
Pickerel Lake Sanitary District (02)	09/25/97	5.25%, 20	$670,000.00	$670,000.00
Pierre (01)	11/08/90	4%, 15	$600,000.00	$433,976.00
Pierre (02)	03/26/98	5.25%, 20	$4,417,000.00	$4,417,000.00
Pollock	09/23/93	3%, 10	$170,000.00	$151,619.49

RECIPIENT	BINDING COMMITMENT DATE	RATE,TERM	BINDING COMMITMENT AMOUNT	ACTUAL LOAN AMOUNT
Rapid City (01)	12/12/90	4%, 15	$2,637,000.00	$2,479,905.00
Rapid City (02)	07/08/92	4%, 15	$1,138,200.00	$986,685.00
Rapid City (03)	06/23/93	4%, 15	$777,500.00	$674,577.00
Rapid City (04)	08/10/94	4%, 15	$1,214,861.39	$1,214,861.39
Rapid Valley Sanitary District (01)	07/11/90	3%, 20	$614,000.00	$614,000.00
Rapid Valley Sanitary District (02)	11/10/94	4%, 15	$460,000.00	$364,583.00
Rapid Valley Sanitary District (03)	07/29/96	5.25%, 20	$630,000.00	$630,000.00
Richmond Lake Sanitary District (01)	06/27/96	5.25%, 20	$414,000.00	$414,000.00
Richmond Lake Sanitary District (02)	06/25/98	5.25%, 20	$226,500.00	$226,500.00
Roscoe	07/29/96	5.25%, 20	$358,408.00	$358,408.00
Sioux Falls (01)	04/11/90	3%, 20	$3,316,310.00	$2,836,962.58
Sioux Falls (02)	07/11/90	3%, 10	$454,000.00	$453,999.19
Sioux Falls (03)	12/12/90	3%, 10	$845,000.00	$844,999.94
Sioux Falls (04)	12/12/90	3%, 10	$1,200,000.00	$1,199,999.89
Sioux Falls (05)	03/12/92	3%, 10	$1,955,000.00	$1,954,999.84
Sioux Falls (06)	03/12/92	3%, 10	$700,000.00	$699,999.92
Sioux Falls (07)	01/26/93	3%, 10	$4,500,000.00	$4,500,000.00
Sioux Falls (08)	01/13/94	3%, 10	$1,000,000.00	$699,003.00
Sioux Falls (09)	08/10/94	3%, 10	$1,250,000.00	$1,250,000.00
Sioux Falls (10)	08/10/94	3%, 10	$1,500,000.00	$1,432,941.00
Sioux Falls (11)	06/22/95	4.5%, 10	$1,250,000.00	$1,195,346.00
Sioux Falls (12)	03/27/96	4.5%, 10	$1,300,000.00	$1,300,000.00
Sioux Falls (13)	01/09/97	4.5%, 10	$2,500,000.00	$2,500,000.00
Southern Missouri WMD	10/06/94	5%, 20	$700,000.00	$700,000.00
Spearfish	03/12/92	4%, 15	$1,956,000.00	$1,955,999.83
Sturgis (01)	08/23/93	5%, 20	$502,000.00	$502,000.00
Sturgis (02)	06/23/94	5%, 20	$936,250.00	$936,250.00
Sturgis (03)	06/27/97	5.25%, 20	$450,000.00	$450,000.00
Tea (01)	03/31/93	4%, 15	$600,000.00	$600,000.00
Tea (02)	05/11/94	4%, 15	$600,000.00	$600,000.00
Tea (03)	06/27/97	5.25%, 20	$250,000.00	$208,813.00
Tea (04)	05/14/98	5%, 15	$375,000.00	$375,000.00
Valley Springs	05/14/98	5.25%, 20	$430,000.00	$430,000.00
Vermillion (01)	06/07/90	3%, 20	$125,000.00	$125,000.00
Vermillion (02)	12/09/93	4%, 15	$500,000.00	$370,471.00
Vermillion (NPS/01)	08/10/95	4.5%, 10	$480,000.00	$356,531.00
Warner	03/23/95	4.5%, 10	$102,000.00	$101,152.00
Watertown (01)	10/09/91	4%, 15	$2,000,000.00	$2,000,000.00
Watertown (02)	08/12/92	4%, 15	$4,000,000.00	$4,000,000.00
Watertown (03)	06/22/95	5.25%, 20	$2,600,000.00	$2,600,000.00
Watertown (04)	11/09/95	5.25%, 20	$2,200,000.00	$932,830.00
Waubay	02/18/92	5%, 20	$163,487.00	$81,454.00
Webster	03/27/96	4.5%, 10	$400,000.00	$345,394.00
Whitewood	02/18/92	4%, 15	$200,000.00	$180,801.00
Worthing	06/27/96	5.25%, 20	$315,725.00	$227,645.00
Yankton (01)	12/10/97	5.25%, 20	$2,625,000.00	$2,625,000.00
Yankton (02)	12/10/97	6%, 20	$4,500,000.00	$4,500,000.00
TOTAL 101 Loans, 52 Entities			$90,850,494.39	$85,393,242.07

STATE REVOLVING FUND INTEREST RATES BY % OF LOAN PORTFOLIO ($85.39 M)



PROJECT DESCRIPTIONS

Loans approved during federal fiscal year 1998 are designated by the year 1998 written directly beside the loan recipients' names and italic lettering within the paragraph.

BELLE FOURCHE - The city of Belle Fourche has received two loans totaling $517,422. The first loan of $253,000 was at a rate of 3% for 20 years. It was used to construct sanitary sewer lines and manholes. The second loan of $264,422 was used to upgrade the city's primary sanitary forcemain which had deteriorated. This loan is at 4.5% for a 10-year term.

BOX ELDER - Box Elder utilized a $648,600 CW SRF loan to refinance existing sewer debt incurred to expand its treatment facility. The term of the loan is for 20 years at a rate of 3%.

BRANDON - The city of Brandon used two Clean Water SRF loans totaling $631,018. The first loan of $105,000 was for a storm drainage project. The second loan of $526,018 was for the construction of a forcemain to convey partially treated wastewater from the Brandon wastewater treatment facility to the Sioux Falls wastewater treatment plant. This loan also financed the associated pumping station and some minor improvements to the existing treatment facility. Both loans are for 10-year terms at an interest rate of 3%.

BRIDGEWATER - The city of Bridgewater received a loan for $120,000 to construct storm sewer along the north and east side of the city to connect to an existing inlet basin. The 20-year loan is at 5.25%.

BROOKINGS - The city of Brookings received a loan for $188,065 at an interest rate of 4% for 15 years. The loan financed the construction of a new interceptor.

CANTON - The city of Canton received a Clean Water SRF loan for $515,715. This loan financed sanitary and storm sewer improvements. The loan is for a 15-year term at an interest rate of 4%.

CHAMBERLAIN – ***(1998)*** - Chamberlain received two loans at 3% for 10 years totaling $615,500. The loans were used to rehabilitate sanitary sewer lines and construct storm sewer lines under two major streets in the city. Both of these loans have been repaid in full. The city received a third loan for $2,700,000 at 5.25% for 20 years. The loan was used for a major renovation to the city's wastewater treatment facility. *The city also received a fourth loan for $450,000 at 5.25% for 20 years. The loan will be used to expand sewer service into a newly annexed area of town.*

CLEAR LAKE - The city of Clear Lake used a $79,537, 4%, 15-year loan to construct a new wastewater treatment facility. The facility consisted of the construction of two new wastewater treatment stabilization ponds and the conversion of the existing pond into an artificial wetland.

CUSTER - The city of Custer received three CW SRF loans totaling $888,000. The first loan of $430,000 financed the construction of a forcemain to convey treated effluent from the wastewater treatment facility to the municipal golf course, a storage reservoir at the golf course to store the effluent, and irrigation facilities at the golf course to utilize the effluent. The second loan of $182,000 partially financed sewer improvements which included collection lines and an interceptor line extension on the west edge of the city limits. The first and second loans were for 20 years at an interest rate of 3%. The third loan of $276,000 partially financed the construction of an additional wastewater stabilization pond. The third loan is for a 10-year term at an interest rate of 3%.

CUSTER-FALL RIVER WASTE MANAGEMENT DISTRICT - The Custer-Fall River Solid Waste Management District used $106,939 in Clean Water SRF funds for the construction of a landfill to serve residents of Custer and Fall River counties. The landfill also serves the Hot Springs Material Recovery Facility (MRF). The loan is for 20 years at 5% interest. *This loan was repaid in full in federal fiscal year 1998.*

DEADWOOD - Deadwood received a $447,838 CW SRF loan at a rate of 5% for 20 years. The loan was used to slip line approximately 2,700 feet of 24 inch diameter sewer interceptor line.

DELL RAPIDS - The city of Dell Rapids constructed sanitary and storm sewers with a $300,000 loan. The new lines replaced existing undersized sewers in conjunction with a street rehabilitation project. The term of the loan is 10 years at 3%.

ELK POINT - The city of Elk Point received a $458,000 loan with a term of 4% for 15 years. The city replaced two existing lift stations with a new lift station, forcemain and interceptor lines.

FORT PIERRE - The city of Fort Pierre used a $330,294 Clean Water SRF loan to construct a new sanitary sewer and two storm sewers. The sanitary sewer serves a residential area that was previously not connected to the city's system. The term of the loan is 3% for 10 years.

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

GROTON - The city of Groton used two Clean Water SRF loans in the amounts of $189,524 and $74,630 to build new interceptor lines, forcemains and lift stations. The new sanitary systems were constructed in the east and northwest sections of the city. Both loans are at 3% for 10 years. The city received a third loan for the construction of a new three cell wastewater treatment facility, lift station, and forcemain. The $635,000 loan is for 20 years at 5.25%.

HOT SPRINGS - The city of Hot Springs received two loans totaling $1,126,930. The first loan of $196,930 was used to construct new sanitary sewers in an area of the city that had failing septic systems. This loan is at 3% interest and a 10-year term. The second loan of $930,000 was for closing the existing landfill site and constructing a transfer station and municipal solid waste composting facility. This loan is at 5% for a 20-year term.

HURON - The city of Huron received three CW SRF loans. The first loan was used to partially fund improvements at the mechanical wastewater treatment facility and artificial wetlands treatment site. This loan totaled $1,656,000 at a rate of 3% for 20 years. The second loan was used to construct an extension to the storm sewer system to provide drainage in the rapidly developing northwest part of the city. The second loan totaled $701,997 at a rate of 3% for 10 years. The city of Huron used a third CW SRF loan in the amount of $1,856,828 to expand the existing stabilization pond system and increase pumping capacity. The loan is at a rate of 5.25% for a 20-year term.

LAKE COCHRANE SANITARY DISTRICT - The Lake Cochrane Sanitary District constructed a wastewater collection and treatment system at Lake Cochrane. An $80,000 loan was made to the district to refinance a portion of the project. The loan was made for 20 years at a 3% rate.

LAKE MADISON SANITARY DISTRICT - The Lake Madison Sanitary District received a 4%, 15-year term Clean Water SRF loan for $330,000. The loan was used to refinance a Farmers Home Administration loan, which partially funded the installation of a wastewater collection and treatment system to serve Lake Madison.

LEAD - The city of Lead received three Clean Water SRF loans that were used for the separation of combined sanitary and storm sewers along with the rehabilitation of portions of the sanitary sewer system. The first loan was for $186,409 at a rate of 3% for 20 years. The second loan for $500,770 and the third loan for $375,298 are at 3% for 10 years.

LEAD-DEADWOOD SANITARY DISTRICT - A sludge disposal vehicle and a sewer jet were purchased by the Lead-Deadwood Sanitary District with this loan. The loan was for $106,855 at a rate of 3% for 5 years. This loan has been repaid in full.

LEMMON - The city of Lemmon received a $427,100 loan at a rate of 3% for 20 years to refinance a general obligation sewer bond issued in 1985. The bonds were issued to correct an infiltration/inflow problem.

LENNOX - The city of Lennox used a Clean Water SRF loan to construct and rehabilitate sanitary sewer interceptors. The loan is for $350,000 at 5.25% for 20 years. The city received a second loan for $600,000 at 5.25% for 20 years. The loan was used to add four aeration basins, two lift stations, and forcemains to the existing wastewater facility.

MADISON - The city of Madison received a CW SRF loan to finance the construction of new collectors. The loan totaled $119,416 at 3% for 10 years.

McCOOK LAKE SANITARY DISTRICT - The McCook Lake Sanitary District received a Clean Water SRF loan for $641,935 to partially fund the upgrade and expansion of the wastewater treatment facility. The loan rate is 5% for 20 years.

MITCHELL - The city of Mitchell received a $2,000,000 loan to partially fund the construction of a storm drain diversion project. The 10-year loan is at 4.5%. Construction is scheduled for completion in 1998.

MOBRIDGE - The city of Mobridge received two CW SRF loans to partially fund the upgrade and expansion of the wastewater treatment facility. The first loan totaled $1,500,000 at a rate of 3% for 20 years. The second loan of $158,000 was at a rate of 4% for 15 years.

NORTH SIOUX CITY - North Sioux City received a Clean Water SRF loan in the amount of $239,650 at a rate of 3% for 10 years. The loan was used to construct storm sewer and drainage improvements in the community. North Sioux City received its second Clean Water SRF loan to expand the storm sewer system and to provide drainage for a rapidly developing area. The $646,000 loan is at a rate of 5% for a 15-year term.

NORTHDALE SANITARY DISTRICT - The Northdale Sanitary District used a $256,380, 5%, 20-year loan to construct a new gravity sewer, lift station and forcemain. The new system connects the sanitary district to Rapid City's wastewater system.

PHILIP - The city of Philip financed the construction of sanitary and storm sewer improvements with a loan of $453,885. The loan is for 15 years at an interest rate of 5%. The city received a second CW SRF loan for $325,000 to finance the construction of sanitary sewer, storm sewer, concrete curb and gutter, and replacement of forcemain. The 20-year loan is at 5.25%..

PICKEREL LAKE SANITARY DISTRICT - The Pickerel Lake Sanitary District received an $850,000 Clean Water SRF loan to finance the phase 1 construction of a new wastewater treatment facility and a sanitary sewer collection system. This loan is for 20 years at 5.25%. The district received a second loan of $670,000 at 5.25% for 20 years to complete phase II of the collection system construction.

PIERRE – ***(1998)*** - The city of Pierre used a CW SRF loan to completely finance the construction of an interceptor line near the airport and the addition of comminutors at the treatment plant. The airport interceptor re-routed wastewater, that had been going to an unpermitted lagoon near the airport, into the main sewer system. The loan also partially financed improvements to the sludge handling facilities at the treatment plant. The loan was for $433,976 at 4% for 15 years. ***The city received a second loan for $4,417,000 at 5.25% for 20 years. The loan will be used to finance the phase I improvements to the wastewater treatment facility.***

POLLOCK - Pollock received a Clean Water SRF loan to cover costs which exceeded the available EPA grant funding used to upgrade the wastewater treatment facility. The loan was for $151,619 at a rate of 3% for 10 years.

RAPID CITY - Rapid City has received four Clean Water SRF loans which have been used for construction activities at the wastewater treatment facility, rehabilitation and extension of the sanitary sewer system, construction of stormwater facilities and mitigation of approximately four acres of wetlands at the city's Material Recovery Facility (MRF). The first three loans totaled $4,141,167. The fourth loan for the MRF was for $1,214,861.39. All Rapid City loans are at a rate of 4% for 15 years.

RAPID VALLEY SANITARY DISTRICT - The Rapid Valley Sanitary District received two CW SRF loans totaling $978,583. These loans were used for the rehabilitation and extension of the existing sanitary sewer system and carried terms of 3% for 20 years and 4% for 15 years. The sanitary district received a third loan for continued rehabilitation of the sanitary sewer system. The $630,000 loan is at a rate of 5.25% for 20 years.

RICHMOND LAKE SANITARY DISTRICT – *(1998)* - The Richmond Lake Sanitary District received a $414,000 Clean Water SRF loan at an interest rate of 5.25% and a term of 20 years. The loan will be used to partially finance the construction of a new sanitary sewer system and stabilization pond system for residences around Richmond Lake. *The district received a second loan of $226,500 at 5.25% for 20 years to complete phase II of the collection system construction.*

ROSCOE - The city of Roscoe received a CW SRF loan for $358,408 to expand their wastewater treatment facility, rehabilitate an interceptor sewer and construct a new collection sewer. The loan is for 20 years at an interest rate of 5.25%.

SIOUX FALLS - The city of Sioux Falls has received 13 CW SRF loans totaling $20,868,251.36. Sioux Falls has used the loans on a variety of projects. These projects include the construction of new interceptor lines and lift stations, rehabilitation of the sanitary sewer, purchase of sludge handling equipment, infiltration/inflow correction, improvement of stormwater drainage, flow equalization basin construction and sludge handling improvements. The first loan is at 3% for 20 years. Loans 2 through 10 are at 3% for 10 years. Loans 11, 12 and 13 are at 4.5% for 10 years.

SOUTHERN MISSOURI WASTE MANAGEMENT DISTRICT - The Southern Missouri Recycling and Waste Management District received a $700,000 Clean Water SRF loan for the construction of a regional landfill near Lake Andes. The term of the loan is 20 years at 5%. The construction of the landfill has been completed and the facility is operational. *In federal fiscal year 1998, Southern Missouri Waste Management District received a grant from HUD in the amount of $400,000. This grant was used to pay against the principal portion of Southern Missouri's Clean Water SRF loan.*

SPEARFISH - The city of Spearfish used a $1,955,999.83 Clean Water SRF loan to fund the expansion of the wastewater treatment facility. The loan rate is 4% for 15 years.

STURGIS - The city of Sturgis has received three loans totaling $1,888,250. The first loan for $502,000 financed the construction of three sewer interceptor lines, a sewer collection line, and a portion of the Sturgis wastewater treatment facility upgrade. The second loan for $936,250 financed the majority of the treatment facility upgrade. The first two loans are at an interest rate of 5% for 20 years. The city of Sturgis received its third loan of $450,000 to repair damage and replace riprap in the second and third cells of the wastewater treatment facility and to finance engineering planning studies. The 20-year loan is at 5.25%.

TEA – ***(1998)*** - The city of Tea has received four loans totaling $1,783,813. Its first two loans were for the construction of a storm drainage system. The loans are $600,000 each, at an interest rate of 4% for 15 years. The third loan of $208,813 funded the construction of a sanitary sewer and lift station. The 20-year loan is at an interest rate of 5.25%. *The city received a fourth loan of $375,000 at 5% for 15 years. The fourth loan will be used to reconfigure the existing lagoon system and construct a new primary cell and two secondary cells in order to provide sufficient treatment capacity.*

VALLEY SPRINGS – ***(1998)*** – *The city of Valley Springs received a $430,000 loan to fund the expansion and upgrade of the existing wastewater treatment facility. The 20-year loan is at 5.25% interest. Construction is scheduled for completion in 1999.*

VERMILLION - Vermillion has received three loans totaling $852,002. The first loan for $125,000 was used to reconstruct a sanitary sewer interceptor that was in need of replacement. The second loan for $370,471 was for construction of approximately 6,200 feet of storm sewer pipe and associated appurtenances in three separate areas of Vermillion. The third loan of $356,531 was for the construction of a second trench at the city's landfill and to purchase a scraper. The first loan rate was 3% for 20 years, the second loan was 4% for 15 years, and the third loan was 4.5% for 10 years.

WARNER - The town of Warner used a $101,152 Clean Water SRF loan at a rate of 4.5% and a term of 10 years. The project included the construction of a storm sewer collection and disposal system to improve storm drainage within the community.

WATERTOWN - The city of Watertown received two Clean Water SRF loans totaling $6,000,000 for the upgrade and expansion of the city's wastewater treatment facility. Both loans are at a rate of 4% for 15 years. The city was awarded its third Clean Water SRF loan in the amount of $2,600,000 to rehabilitate portions of the sanitary sewer collection system. The city used $932,830 of its fourth loan for engineering costs associated with the final upgrade of the wastewater treatment facility. The city repaid this loan in full after receiving a large federal grant. The third and fourth loans were at 5.25% for 20 years.

WAUBAY - The city of Waubay received a CW SRF loan of $81,454 to construct a wastewater collection system within the city limits on the south shore of Blue Dog Lake. This area was previously served by septic tanks. The loan was for 20 years at 5% and has been fully repaid.

WEBSTER - The city of Webster used a $345,394 CW SRF loan to reconstruct a sanitary sewer line on Main Street. The loan is for 10 years at 4.5%.

WHITEWOOD - Whitewood constructed a new mechanical wastewater treatment facility in conjunction with the existing stabilization pond system. The city partially funded the project with a Clean Water SRF loan of $180,801 at 4% for 15 years.

WORTHING - The town of Worthing received a $227,645 CW SRF loan at a 5.25% interest rate and a term of 20 years. The loan is being used to expand and upgrade the existing stabilization pond treatment facility.

YANKTON – ***(1998)*** *– The city of Yankton received two loans totaling $7,125,000. Both loans will be used to upgrade and expand the existing wastewater treatment facility. The term of the first loan was 5.25% for 20 years. The second loan utilized the leveraged program bonds with a term of 6% for 20 years.*

EXHIBIT I
PROJECTS RECEIVING CW SRF ASSISTANCE
FEDERAL FISCAL YEAR 1998

Recipient	Assistance Amount	Binding Commitment Date	Rate, Term
Chamberlain (04)	$450,000	03/26/98	5.25%,20
Pierre (02)	$4,417,000	03/26/98	5.25%,20
Richmond Lake (02)	$226,500	06/25/98	5.25%,20
Tea (04)	$375,000	05/14/98	5.0%, 15
Valley Springs (01)	$430,000	05/14/98	5.25%,20
Yankton (01)	$2,625,000	12/10/97	5.25%,20
Yankton (02)	$4,500,000	12/10/97	6.0%, 20
TOTAL	$13,023,500		

EXHIBIT II
CW SRF NEEDS CATEGORIES
FEDERAL FISCAL YEAR 1998

Recipient	Project No.	I Sec. Treat.	IV A New Collect.	IV B New Inter.
Chamberlain (04)	C461044-04			$450,000
Pierre (02)	C461288-02	$4,417,000		
Richmond Lake (02)	C461067-02		$226,500	
Tea (04)	C461028-04	$375,000		
Valley Springs (01)	C461239-01	$430,000		
Yankton (01)	C461038-01	$2,625,000		
Yankton (02)	C461038-02	$4,500,000		
TOTAL		$12,347,000	$226,500	$450,000

EXHIBIT III
ALLOCATION AND SOURCE OF
TOTAL AVAILABLE CW SRF FUNDS

Fiscal Year	Capitalization Grant Award	State Match	Total
1989	$4,577,200	$915,440	$5,492,640
1990	$4,738,000	$947,600	$5,685,600
1991	$10,074,800	$2,014,960	$12,089,760
1992	$9,534,900	$1,906,200	$11,441,880
1993	$9,431,000	$1,886,980	$11,317,200
1994	$5,813,800	$1,162,760	$6,976,560
1995	$6,007,800	$1,201,560	$7,209,360
1996	$9,904,700	$1,980,940	$11,885,640
1997	$2,990,500	$598,100	$3,588,600
1998	$6,577,300	$1,315,460	$7,892,760
TOTAL	$69,650,000	$13,930,000	$83,580,000

EXHIBIT IV
OBLIGATIONS FOR
FFY 1989-1998 CAPITALIZATION GRANTS,
DEOBLIGATIONS, PRINCIPAL REPAYMENTS, AND LEVERAGED FUNDS

1. Projects utilizing 1989 SRF funds:

	Project	Loan Amount	Board Action	1989 SRF Capitalization Amount=$5,492,640 Balance Remaining
1.	SRF Admin	$183,088		$5,309,552
2.	Huron (01)	$1,656,000	11/09/89	$3,653,552
3.	Rapid Valley San. Dist. (01)	$614,000	01/11/90	$3,039,552
4.	Box Elder (01)	$648,600	04/11/90	$2,390,952
5.	Custer (01)	$430,000	04/11/90	$1,960,952
6.	Lemmon (01)	$427,100	04/11/90	$1,533,852
7.	Sioux Falls (01)*	$1,533,852	04/11/90	$0

*Remainder of $3,316,310 loan ($1,782,458) is out of 1990 funds

2. Projects utilizing 1990 SRF funds:

	Project	Loan Amount	Board Action	1990 SRF Capitalization Amount=$5,685,600 Balance Remaining
1.	SRF Admin	$189,520		$5,496,080
2.	Sioux Falls (01)*	$1,782,458	04/11/90	$3,713,622
3.	Lake Cochrane (01)	$80,000	04/11/90	$3,633,622
4.	Lead-Deadwood San. Dist. (01)	$110,000	06/07/90	$3,523,622
5.	Vermillion (01)	$125,000	06/07/90	$3,398,622
6.	Custer (02)	$182,000	07/11/90	$3,216,622
7.	Lead (01)	$186,409	07/11/90	$3,030,213
8.	Mobridge (01)	$1,500,000	07/11/90	$1,530,213
9.	Sioux Falls (02)	$454,000	07/11/90	$1,076,213
10.	Belle Fourche (01)	$253,000	08/22/90	$823,213
11.	Pierre (01)	$600,000	11/08/90	$223,213
12.	Rapid City (01) **	$223,213	12/12/90	$0

* Remainder of $3,316,310 loan ($1,533,852) is out of 1989 funds
** Remainder of $2,637,000 loan ($2,413,787) is out of 1991 funds

3. Projects utilizing 1991 SRF funds:

	Project	Loan Amount	Board Action	1991 SRF Amount=$12,089,760 Balance Remaining
1.	SRF Admin	$402,992		$11,686,768
2.	Rapid City (01) *	$2,413,787	12/12/90	$9,272,981
3.	Sioux Falls (03)	$845,000	12/12/90	$8,427,981
4.	Sioux Falls (04)	$1,200,000	12/12/90	$7,227,981
5.	Brandon (01)	$105,000	03/14/91	$7,122,981
6.	Brookings (01)	$188,065	03/14/91	$6,934,916
7.	Lake Madison (01)	$330,000	03/14/91	$6,604,916
8.	Madison (01)	$150,000	03/14/91	$6,454,916
9.	Clear Lake (01)	$370,000	06/13/91	$6,084,916
10.	Huron (02)	$750,000	06/13/91	$5,334,916
11.	Lead (02)	$500,770	07/11/91	$4,834,146
12.	McCook Lake (01)	$641,935	08/29/91	$4,192,211
13.	Watertown (01)	$2,000,000	10/09/91	$2,192,211
14.	Mobridge (02)	$158,000	12/11/91	$2,034,211
15.	Waubay (01)	$163,487	02/18/92	$1,870,724
16.	Whitewood	$200,000	02/18/92	$1,670,724
17.	Hot Springs (01)	$196,930	03/12/92	$1,473,794
18.	Sioux Falls (05) **	$1,473,794	03/12/92	$0

* Remainder of $2,637,000 loan ($223,213) is out of 1990 funds

** Remainder of $1,955,000 loan ($481,206) is out of 1992 funds

4. Projects utilizing 1992 SRF funds:

	Project	Loan Amount	Board Action	1992 SRF Amount=$11,441,880 Balance Remaining
1.	SRF Admin	$381,396		$11,060,484
2.	Sioux Falls (05) *	$481,206	03/12/92	$10,579,278
3.	Sioux Falls (06)	$700,000	03/12/92	$9,879,278
4.	Spearfish (01)	$1,956,000	03/12/92	$7,923,278
5.	Canton (01)	$621,000	05/19/92	$7,302,278
6.	Lead (03)	$405,000	05/19/92	$6,897,278
7.	Chamberlain (01)	$350,500	07/08/92	$6,546,778
8.	North Sioux City (01)	$239,650	07/08/92	$6,307,128
9.	Rapid City (02)	$1,138,200	07/08/92	$5,168,928
10.	Watertown (02)	$4,000,000	08/12/92	$1,168,928
11.	Chamberlain (02)	$265,000	01/26/93	$903,928
12.	Sioux Falls (07)*	$903,928	01/26/93	$0

* Remainder of $1,955,000 loan ($1,473,794) is out of 1991 funds

** Remainder of $4,500,000 loan ($3,596,072) is out of 1993 funds

5. Projects utilizing 1993 SRF funds:

	Project	Loan Amount	Board Action	1993 SRF Amount=$11,317,200 Balance Remaining
1.	SRF Admin	$377,240		$10,939,960
2.	Sioux Falls (07)*	$3,596,072	01/26/93	$7,343,888
3.	Brandon (02)	$600,000	03/31/93	$6,743,888
4.	Tea (01)	$600,000	03/31/93	$6,143,888
5.	Elk Point (01)	$458,000	05/27/93	$5,685,888
6.	Rapid City (03)	$777,500	06/23/93	$4,908,388
7.	Custer (03)	$276,000	08/23/93	$4,632,388
8.	Sturgis (01)	$502,000	08/23/93	$4,130,388
9.	Pollock (01)	$170,000	09/23/93	$3,960,388
10.	Dell Rapids (01)	$300,000	12/09/93	$3,660,388
11.	Vermillion (02)	$500,000	12/09/93	$3,160,388
12.	Groton (01)	$192,000	01/13/94	$2,968,388
13.	Hot Springs (NPS/01)	$930,000	01/13/94	$2,038,388
14.	Sioux Falls (08)	$1,000,000	01/13/94	$1,038,388
15.	Deadwood (01)	$582,000	04/25/94	$456,388
16.	Northdale SD (01)	$315,000	04/25/94	$141,388
17.	Ft. Pierre (01) **	$141,388	05/11/94	$0

* Remainder of $4,500,000 loan ($1,342,645) is out of 1992 funds
** Remainder of $330,294 loan ($501,976) is out of 1994 funds

6. Projects utilizing 1994 SRF funds:

	Project	Loan Amount	Board Action	1994 SRF Capitalization Amount=$6,976,560 Balance Remaining
1.	SRF Admin	$232,552		$6,744,008
2.	Ft. Pierre (01) *	$188,906	05/11/94	$6,555,102
3.	Garretson (01)	$510,000	05/11/94	$6,045,102
4.	Groton (02)	$106,000	05/11/94	$5,939,102
5.	Tea (02)	$600,000	05/11/94	$5,339,102
6.	Sturgis (02)	$936,250	06/23/94	$4,402,852
7.	Rapid City (04)	$1,214,861	08/10/94	$3,187,991
8.	Sioux Falls (09)	$1,250,000	08/10/94	$1,937,991
9.	Sioux Falls (10)	$1,500,000	08/10/94	$437,991
10.	Southern Missouri WMD**	$437,991	10/06/94	$0

* Remainder of $330,294 loan ($141,388) is out of 1993 funds
** Remainder of $700,000 loan ($262,009) is out of 1995 funds

7. Projects utilizing 1995 SRF funds:

	Project	Loan Amount	Board Action	1995 SRF Capitalization Amount=$7,209,360 Balance Remaining
1.	SRF Admin	$240,312		$6,969,048
2.	Southern Missouri WMD*	$262,009	10/06/94	$6,707,039
3.	Rapid Valley SD (02)	$460,000	11/10/94	$6,247,039
4.	Warner (01)	$102,000	03/23/95	$6,145,039
5.	Custer-Fall River WMD (01)	$250,000	06/22/95	$5,895,039
6.	Philip (01)	$472,000	06/22/95	$5,423,039
7.	Watertown (03)	$2,600,000	06/22/95	$2,823,039
8.	North Sioux City (02)	$646,000	06/22/95	$2,177,039
9.	Sioux Falls (11)	$1,250,000	06/22/95	$927,039
10.	Belle Fourche (02)	$300,000	06/22/95	$627,039
11.	Vermillion (NPS/01)	$480,000	08/10/95	$147,039
12.	Huron (03) **	$147,039	09/19/95	$0

* Remainder of $700,000 loan ($437,991) is out of 1995 funds
** Remainder of $2,700,000 loan ($2,552,961) is out of 1996 funds

8. Projects utilizing 1996 SRF funds:

	Project	Loan Amount	Board Action	1996 SRF Capitalization Amount=$11,885,640 Balance Remaining
1.	SRF Admin	$396,188		$11,489,452
2.	Huron (03)*	$2,552,961	09/19/95	$8,936,491
3.	Sioux Falls (12)	$1,300,000	03/27/96	$7,636,491
4.	Webster	$400,000	03/27/96	$7,236,491
5.	Pickerel Lake Sanitary Dist.	$850,000	05/09/96	$6,386,491
6.	Chamberlain (03)	$2,700,000	06/27/96	$3,686,491
7.	Lennox	$350,000	06/27/96	$3,336,491
8.	Richmond Lake Sanitary Dist.	$414,000	06/27/96	$2,922,491
9.	Worthing	$315,725	06/27/96	$2,606,766
10.	Rapid Valley San. Dist. (03)	$630,000	07/29/96	$1,976,766
11.	Roscoe	$358,408	07/29/96	$1,618,358
12.	Sioux Falls (13)**	$1,618,358	01/09/97	$0

* Remainder of $2,700,000 loan ($147,039) is out of 1995 funds
**Remainder of $2,500,000 loan ($881,642) is out of 1997 funds

9. Current projects utilizing 1997 SRF funds:

	Project	Loan Amount	Board Action	1997 SRF Capitalization Amount=$3,588,600 Balance Remaining
1.	SRF Admin	$119,620		$3,468,980
2.	Sioux Falls (13)*	$881,642	01/09/97	$2,587,338
3.	Mitchell	$2,000,000	04/15/97	$587,338
4.	Philip (02)	$325,000	06/26/97	$262,338
5.	Sturgis (03)**	$262,338	06/27/97	$0

*Remainder of $2,500,000 loan ($1,618,358) is out of 1996 funds
**Remainder of $450,000 loan ($187,662) is out of 1998 funds

10. Current projects utilizing 1998 SRF funds:

	Project	Loan Amount	Board Action	1998 SRF Capitalization Amount=$7,892,760 Balance Remaining
				$7,892,760
1.	SRF Admin	$263,092		$7,629,668
2.	Sturgis (03)*	$187,662	06/27/97	$7,442,006
3.	Tea (03)	$250,000	06/27/97	$7,192,006
4.	Groton (03)	$635,000	07/23/97	$6,557,006
5.	Lennox (02)	$600,000	07/23/97	$5,957,006
6.	Bridgewater	$120,000	09/25/97	$5,837,006
7.	Pickerel Lake (02)	$670,000	09/25/97	$5,167,006
8.	Yankton (01)	$2,625,000	12/11/97	$2,542,006
9.	Chamberlain (04)	$450,000	03/26/98	$2,092,006
10.	Pierre (02) **	$2,092,006	03/26/98	$0

*Remainder of $450,000 loan ($262,338) is out of 1997 funds
**Remainder of $4,417,000 loan ($2,324,994) is out of deobligated funds

11. Projects utilizing deobligated funds:

	Project	Loan Amount	Board Action	1989-1998 SRF Deobligated As of 09/30/98 Amount=$4,219,754 Balance Remaining
				$4,219,754
1.	Pierre (02) *	$2,324,994	03/26/98	$1,894,760
2.	Tea (04)	$375,000	05/14/98	$1,519,760
3.	Valley Springs (01)	$430,000	05/14/98	$1,089,760
4.	Richmond Lake (02)	$226,500	06/25/98	$863,260

*Remainder of $4,417,000 loan ($2,092,006) is out of 1998 funds

12. Projects utilizing repayment funds:

	Project	Actual Loan Amount	Board Action	As of 9/30/98 Amount=$14,440,845 Balance Remaining
				$14,440,845
1.	Watertown (04)	$932,830	11/09/95	$13,508,015

13. Projects utilizing leveraged funds:

	Project	Loan Amount	Board Action	Leveraged Amount=$4,500,000 Balance Remaining
				$4,500,000
1.	Yankton (02)	$4,500,000	12/11/97	$0

**Note - All breakdowns listed above are used for planning purposes only and do not reflect the actual source of payments. As payments are processed, oldest funds are expended first.

EXHIBIT V
STATE REVOLVING FUND CASH DRAWS
OCTOBER 1, 1997 TO SEPTEMBER 30, 1998

DISBURSEMENT NUMBER	DATE	RECIPIENT	STATE MATCH FUNDS	FEDERAL FUNDS	PAYMENT AMOUNT
98-01	10/02/97	Pickerel Lake Sanitary District (01)	$5,715.00	$28,578.00	$34,293.00
98-02	10/02/97	Rapid Valley Sanitary District (03)	$6,677.00	$33,383.00	$40,060.00
98-03	10/02/97	Webster (01)	$11,746.00	$58,730.00	$70,476.00
98-04	10/10/97	Sturgis (03)	$22,467.00	$112,337.00	$134,804.00
98-05	10/10/97	Richmond Lake Sanitary District (01)	$8,745.00	$43,723.00	$52,468.00
98-06	10/16/97	Roscoe (01)	$3,379.00	$16,896.00	$20,275.00
98-07	10/23/97	Worthing (01)	$8,954.00	$44,773.00	$53,727.00
98A-01	10/30/97	Altheimer & Gray **	$2,083.00	$10,417.00	$12,500.00
98-08	10/30/97	Tea (03)	$19,510.00	$97,551.00	$117,061.00
98-09	10/30/97	Chamberlain (03)	$13,000.00	$65,000.00	$78,000.00
98-10	11/06/97	Sioux Falls (11)	$3,960.00	$19,803.00	$23,763.00
98A-02	11/14/97	First National Bank in Sioux Falls **	$3,083.00	$15,417.00	$18,500.00
98-11	11/14/97	Richmond Lake Sanitary District (01)	$5,890.00	$29,448.00	$35,338.00
98-12	11/21/97	Worthing (01)	$15,770.00	$78,853.00	$94,623.00
98-13	11/21/97	Sturgis (03)	$44,103.00	$220,515.00	$264,618.00
98-14	11/28/97	Pickerel Lake Sanitary District (02)	$3,693.00	$18,467.00	$22,160.00
98-15	11/28/97	Roscoe (01)	$3,842.00	$19,211.00	$23,053.00
98-16	12/04/97	Sioux Falls (13)	$30,705.00	$153,523.00	$184,228.00
98-17	12/11/97	Richmond Lake Sanitary District (01)	$9,739.00	$48,698.00	$58,437.00
98-18	01/08/98	Mitchell (01)	$36,341.00	$181,704.00	$218,045.00
98-19	01/16/98	Richmond Lake Sanitary District (01)	$6,972.00	$34,860.00	$41,832.00
98A-03	01/27/98	Altheimer & Gray **	$2,500.00	$12,500.00	$15,000.00
98A-04	01/27/98	Fiduciary Communications Co. **	$133.00	$665.00	$798.00
98-20	01/27/98	Watertown (03)	$10,235.00	$51,175.00	$61,410.00
98-21	02/05/98	Worthing (01)	$2,961.00	$14,807.00	$17,768.00
98-22	02/05/98	Pickerel Lake Sanitary District (01)	$9,669.00	$48,343.00	$58,012.00
98-23	02/05/98	Pickerel Lake Sanitary District (02)	$2,828.00	$14,141.00	$16,969.00
98-24	02/05/98	Philip (02)	$29,038.00	$145,294.00	$174,332.00
98-25	02/19/98	Tea (03)	$1,142.00	$5,710.00	$6,852.00
98-26	02/19/98	Roscoe (01)	$72.00	$362.00	$434.00
98-27	02/19/98	Mitchell (01)	$15,701.00	$78,506.00	$94,207.00
98-28	02/26/98	Richmond Lake Sanitary District (01)	$4,696.00	$23,482.00	$28,178.00
98-29	02/27/98	Tea (03)	$11,471.00	$57,353.00	$68,824.00
98A-05	03/02/98	State of South Dakota *	$16,061.00	$80,304.00	$96,365.00
98-30	03/12/98	Mitchell (01)	$2,302.00	$11,512.00	$13,814.00
98-31	03/12/98	Mitchell (01)	$23,940.00	$119,697.00	$143,637.00
98-32	03/12/98	Groton (03)	$12,859.00	$64,293.00	$77,152.00
98-33	03/12/98	Sioux Falls (13)	$38,766.00	$193,831.00	$232,597.00
98-34	03/25/98	Pickerel Lake Sanitary District (01)	$286.00	$1,431.00	$1,717.00
98-35	03/25/98	Pickerel Lake Sanitary District (02)	$17,102.00	$85,509.00	$102,611.00
98-36	03/26/98	Rapid Valley Sanitary District (03)	$9,114.00	$45,568.00	$54,682.00
98-37	04/09/98	Mitchell (01)	$1,344.00	$6,721.00	$8,065.00
98-38	04/24/98	Pickerel Lake Sanitary District (02)	$15,566.00	$77,829.00	$93,395.00
98-39	04/24/98	Roscoe (01)	$1,149.00	$5,745.00	$6,894.00

DISBURSEMENT NUMBER	DATE	RECIPIENT	STATE MATCH FUNDS	FEDERAL FUNDS	PAYMENT AMOUNT
98-40	04/30/98	Worthing (01)	$3,706.00	$18,531.00	$22,237.00
98-41	04/30/98	Groton (03)	$7,161.00	$35,804.00	$42,965.00
98-42	05/07/98	Mitchell (01)	$1,664.00	$8,319.00	$9,983.00
98-43	05/14/98	Bridgewater (01)	$5,161.00	$25,806.00	$30,967.00
98-44	05/22/98	Lennox (02)	$8,600.00	$42,998.00	$51,598.00
98-45	05/22/98	Pickerel Lake Sanitary District (01)	$2,839.00	$14,195.00	$17,034.00
98-46	05/22/98	Pickerel Lake Sanitary District (02)	$3,276.00	$16,382.00	$19,658.00
98A-06	06/05/98	First National Bank in Sioux Falls **	$3,154.00	$15,771.00	$18,925.00
98-47	06/05/98	Mitchell (01)	$131,938.00	$659,688.00	$791,626.00
98A-07	06/18/98	State of South Dakota *	$10,773.00	$53,863.00	$64,636.00
98-48	06/18/98	Lennox (02)	$32,269.00	$161,348.00	$193,617.00
98-49	06/18/98	Pickerel Lake Sanitary District (01)	$3,756.00	$18,776.00	$22,532.00
98-50	07/06/98	Bridgewater (01)	$6,828.00	$34,140.00	$40,968.00
98-51	07/16/98	Mitchell (01)	$1,005.00	$5,027.00	$6,032.00
98-52	07/16/98	Groton (03)	$7,888.00	$39,441.00	$47,329.00
98-53	07/16/98	Rapid Valley Sanitary District (03)	$3,773.00	$18,863.00	$22,636.00
98A-08	07/30/98	State of South Dakota **	$0.00	$17,153.00	$17,153.00
98A-09	07/30/98	State of South Dakota **	$0.00	$545,607.00	$545,607.00
98-54	07/30/98	Bridgewater (01)	$2,755.00	$13,773.00	$16,528.00
98-55	08/06/98	Mitchell (01)	$15,792.00	$78,962.00	$94,754.00
98-56	08/06/98	Pickerel Lake Sanitary District (01)	$15,141.00	$75,707.00	$90,848.00
98-57	08/06/98	Pickerel Lake Sanitary District (02)	$16,810.00	$84,048.00	$100,858.00
98A-10	08/18/98	Fiduciary Communications Co. **	$58.00	$0.00	$58.00
98-58	08/27/98	Rapid Valley Sanitary District (03)	$10,237.00	$51,186.00	$61,423.00
98-59	08/27/98	Tea (03)	$2,679.00	$13,397.00	$16,076.00
98-60	08/27/98	Lennox (02)	$4,108.00	$20,540.00	$24,648.00
98-61	09/10/98	Valley Springs (01)	$5,669.00	$28,343.00	$34,012.00
98-62	09/17/98	Groton (03)	$6,117.00	$30,583.00	$36,700.00
98-63	09/17/98	Pickerel Lake Sanitary District (02)	$8,551.00	$42,755.00	$51,306.00
98-64	09/23/98	Rapid Valley Sanitary District (03)	$3,366.00	$16,833.00	$20,199.00
98-65	09/23/98	Lennox (02)	$19,499.00	$97,496.00	$116,995.00
98-66	09/23/98	Pierre (02)	$35,836.00	$179,182.00	$215,018.00
TOTALS			$875,718.00	$4,941,182.00	$5,816,900.00

Administration*	$161,001.00
Contracts and Cost of Issuance**	$628,541.00
Loan Disbursements	$5,027,358.00
	$5,816,900.00

EXHIBIT VI
LETTER OF CREDIT
PROJECTED VS. ACTUAL
FFY 1998

QUARTER	PROJECTED DRAWS	ACTUAL DRAWS	DIFFERENCE
1ST	$1,895,000	$1,115,323	($779,677)
2ND	$715,000	$1,271,047	$556,047
3RD	$3,285,000	$1,161,776	($2,123,224)
4TH	$4,875,000	$1,393,036	($3,481,964)
TOTAL	$10,770,000	$4,941,182	($5,828,818)

EXHIBIT VII
ENVIRONMENTAL REVIEW AND LAND PURCHASE INFORMATION

Loan Recipient	Environmental Assessment Class	Environmental Assessment Publication Date	Land Purchase w/ SRF?
Chamberlain (04)	FNSI	03/26/98	No
Pierre (02)	FNSI	03/30/98	No
Richmond Lake (02)	FNSI	06/19/98	No
Tea (04)	FNSI	05/14/98	No
Valley Springs (01)	FNSI	04/29/98	No
Yankton (01)	FNSI	11/28/97	No
Yankton (02)	FNSI	11/28/97	No

Exhibit VIII
Loan Participants
September 30, 1998
(Unaudited)

Customer Name	Rate/ Term	Loan Amount	State Advances	Federal Advances	Total Advances	Repayment Amounts	Loan Balances
Belle Fourche #1	3%, 20	$253,000	$38,396	$214,604	$253,000	$57,940	$195,060
Belle Fourche #2	4.5%, 10	264,422	44,071	220,351	264,422	56,342	208,080
Box Elder	3%, 20	648,600	108,100	540,500	648,600	211,549	437,051
Brandon #1	3%, 10	105,000	103,772	1,277	105,049	53,899	51,150
Brandon #2	3%, 10	526,018	125,389	400,629	526,018	164,554	361,464
Bridgewater	5.25%, 20	120,000	14,744	73,719	88,463	0	88,463
Brookings	4%, 15	188,065	31,344	156,721	188,065	115,096	72,969
Canton	4%, 15	515,715	0	515,715	515,715	139,042	376,673
Chamberlain #1	3%, 10	350,500	0	350,500	350,500	350,500	0
Chamberlain #2	3%, 10	265,000	44,167	220,833	265,000	265,000	0
Chamberlain #3	5.25%, 20	2,700,000	450,002	2,249,998	2,700,000	38,810	2,661,190
Chamberlain #4	5.25%, 20	450,000	0	0	0	0	0
Clear Lake	4%, 15	79,537	18,075	61,462	79,537	37,513	42,024
Custer City #1	3%, 20	430,000	91,087	338,913	430,000	101,453	328,547
Custer City #2	3%, 20	182,000	30,333	151,667	182,000	53,836	128,164
Custer City #3	3%, 10	276,000	46,003	229,997	276,000	80,802	195,198
Custer-Fall River WMD	5%, 20	106,939	17,823	89,116	106,939	106,939	0
Deadwood	4%, 15	447,838	74,640	373,198	447,838	75,318	372,520
Dell Rapids	3%, 10	300,000	50,001	249,999	300,000	94,945	205,055
Elk Point	4%, 15	458,000	76,335	381,665	458,000	77,442	380,558
Ft. Pierre	3%, 10	330,294	55,051	275,243	330,294	83,768	246,526
Garretson	4%, 15	300,000	50,001	249,999	300,000	155,368	144,632
Groton #1	3%, 10	189,524	31,589	157,935	189,524	46,607	142,917
Groton #2	3%, 10	74,630	12,440	62,190	74,630	18,353	56,277
Groton #3	5.25%, 20	635,000	34,025	170,121	204,146	0	204,146
Hot Springs	3%, 10	196,930	32,822	164,108	196,930	62,325	134,605
Hot Springs NPS#1	5%, 20	930,000	155,001	774,999	930,000	87,683	842,317
Huron #1	3%, 20	1,656,000	276,001	1,379,999	1,656,000	451,458	1,204,542
Huron #2	3%, 10	701,997	110,501	591,496	701,997	377,867	324,130
Huron #3	5.25%, 20	1,856,828	309,472	1,547,356	1,856,828	79,681	1,777,147
Lake Cochrane San. Dist.	3%, 20	80,000	13,333	66,667	80,000	27,673	52,327
Lake Madison San. Dist.	4%, 15	330,000	55,000	275,000	330,000	134,888	195,112
Lead-Deadwood San. Dist.	3%, 5	106,855	17,809	89,046	106,855	106,855	0
Lead #1	3%, 20	186,409	31,068	155,341	186,409	54,402	132,007
Lead #2	3%, 10	500,770	94,264	406,506	500,770	269,486	231,284
Lead #3	3%, 10	375,298	21,459	353,839	375,298	161,218	214,080

Customer Name	Rate/ Term	Loan Amount	State Advances	Federal Advances	Total Advances	Repayment Amounts	Loan Balances
Lemmon	3%, 20	427,100	71,184	355,916	427,100	141,025	286,075
Lennox #1	5.25%, 20	350,000	58,336	291,664	350,000	16,673	333,327
Lennox #2	5.25%, 20	600,000	64,476	322,382	386,858	0	386,858
Madison	3%, 10	119,416	19,904	99,512	119,416	73,507	45,909
McCook Lake San. Dist.	5%, 20	641,935	45,304	596,631	641,935	96,211	545,724
Mitchell	4.5%, 10	2,000,000	230,027	1,150,136	1,380,163	0	1,380,163
Mobridge #1	3%, 20	1,500,000	250,000	1,250,000	1,500,000	420,854	1,079,146
Mobridge #2	4%, 15	158,000	158,000	0	158,000	54,387	103,613
Northdale San. Dist.	5%, 20	256,380	42,731	213,649	256,380	27,166	229,214
North Sioux City #1	3%, 10	239,650	35,828	203,822	239,650	99,388	140,262
North Sioux City #2	5%, 15	646,000	107,667	538,333	646,000	53,008	592,992
Philip #1	5%, 15	453,885	75,649	378,236	453,885	50,109	403,776
Philip #2	5.25%, 20	325,000	29,038	145,294	174,332	0	174,332
Pickeral Lake San. Dist. #1	5.25%, 20	850,000	128,431	642,148	770,579	137,284	633,295
Pickeral Lake San. Dist. #2	5.25%, 20	670,000	67,826	339,131	406,957	0	406,957
Pierre #1	4%, 15	433,976	119,669	314,307	433,976	138,775	295,201
Pierre #2	5.25%, 20	4,417,000	35,836	179,182	215,018	0	215,018
Pollock	3%, 10	151,619	25,269	126,350	151,619	47,997	103,622
Rapid City #1	4%, 15	2,479,905	314,856	2,165,049	2,479,905	650,002	1,829,903
Rapid City #2	4%, 15	986,685	84,228	902,457	986,685	187,325	799,360
Rapid City #3	4%, 15	674,577	139,827	534,750	674,577	111,673	562,904
Rapid City #4	4%, 15	1,214,861	202,476	1,012,385	1,214,861	218,443	996,418
Rapid Valley San. Dist. #1	3%, 20	614,000	37,161	576,839	614,000	139,316	474,684
Rapid Valley San. Dist. #2	4%, 15	364,583	60,762	303,821	364,583	48,489	316,094
Rapid Valley San. Dist. #3	5.25%, 20	630,000	61,866	309,328	371,194	4,478	366,716
Richmond Lake San. Dist. #1	5.25%, 20	414,000	69,000	345,000	414,000	12,308	401,692
Richmond Lake San. Dist. #2	5.25%, 20	226,500	0	0	0	0	0
Roscoe	5.25%, 20	358,408	59,735	298,673	358,408	317,660	40,748
Sioux Falls #1	3%, 20	2,836,963	485,790	2,351,173	2,836,963	701,497	2,135,466
Sioux Falls #2	3%, 10	453,999	63,755	390,244	453,999	248,468	205,531
Sioux Falls #3	3%, 10	845,000	214,026	630,974	845,000	356,888	488,112
Sioux Falls #4	3%, 10	1,200,000	451,539	748,461	1,200,000	625,492	574,508
Sioux Falls #5	3%, 10	1,955,000	7,485	1,947,515	1,955,000	724,463	1,230,537
Sioux Falls #6	3%, 10	700,000	28,754	671,246	700,000	312,237	387,763
Sioux Falls #7	3%, 10	4,500,000	717,666	3,782,334	4,500,000	1,246,701	3,253,299
Sioux Falls #8	3%, 10	699,003	87,540	611,463	699,003	129,541	569,462
Sioux Falls #9	3%, 10	1,250,000	208,336	1,041,664	1,250,000	251,415	998,585
Sioux Falls #10	3%, 10	1,432,941	155,264	1,277,677	1,432,941	291,498	1,141,443
Sioux Falls #11	4.5%, 10	1,195,346	199,225	996,121	1,195,346	162,271	1,033,075
Sioux Falls #12	4.5%, 10	1,300,000	216,667	1,083,333	1,300,000	130,736	1,169,264
Sioux Falls #13	4.5%, 10	2,500,000	69,471	347,354	416,825	9,116	407,709
Southern Missouri WMD	5%, 20	700,000	116,667	583,333	700,000	419,128	280,872
Spearfish	4%, 15	1,956,000	61,132	1,894,868	1,956,000	459,927	1,496,073
Sturgis #1	5%, 20	502,000	83,667	418,333	502,000	37,564	464,436
Sturgis #2	5%, 20	936,250	103,368	832,882	936,250	94,315	841,935

Customer Name	Rate/ Term	Loan Amount	State Advances	Federal Advances	Total Advances	Repayment Amounts	Loan Balances
Sturgis #3	5.25%, 20	450,000	66,570	332,852	399,422	9,572	389,850
Tea #1	4%, 15	600,000	99,999	500,001	600,000	109,814	490,186
Tea #2	4%, 15	600,000	89,603	510,397	600,000	96,296	503,704
Tea #3	5.25%, 20	208,813	34,802	174,011	208,813	7,537	201,276
Tea #4	5%, 20	375,000	0	0	0	0	0
Valley Springs	5.25%, 20	430,000	5,669	28,343	34,012	0	34,012
Vermillion #1	3%, 20	125,000	97,149	27,851	125,000	27,301	97,699
Vermillion #2	4%, 15	370,471	61,746	308,725	370,471	52,470	318,001
Vermillion NPS #1	4.5%, 10	356,531	59,422	297,109	356,531	68,457	288,074
Warner	4.5%, 10	101,152	16,859	84,293	101,152	21,811	79,341
Watertown #1	4%, 15	2,000,000	792,024	1,207,976	2,000,000	599,282	1,400,718
Watertown #2	4%, 15	4,000,000	760,786	3,239,214	4,000,000	979,768	3,020,232
Watertown #3	5.25%, 20	2,600,000	421,218	2,106,092	2,527,310	144,864	2,382,446
Watertown #4	5.25%, 20	932,830	0	0	932,830 **	932,830	0
Waubay	5%, 20	81,454	81,454	0	81,454	81,454	0
Webster	4.5%, 10	345,394	57,566	287,828	345,394	38,814	306,580
Whitewood	4%, 15	180,801	26,344	154,457	180,801	48,746	132,055
Worthing	5.25%, 20	227,645	37,939	189,706	227,645	7,135	220,510
Yankton #1	5.25%, 20	2,625,000	0	0	0	0	0
Yankton #2	6%, 20	4,500,000	0	0	0	0	0
SRF PROGRAM TOTAL		$85,393,242	$11,238,706	$56,193,534	$68,365,070	$16,672,098	$51,692,972

* Loan advances out of principal repayments.

Exhibit IX
Projected Cash Flow Worksheet
for 10-01-98 through 09-30-99
(Unaudited)

Customer Name	Amt of Quar or Monthly Pmt	Total figured from Quar/Mon Pmt	Principal	Interest	Adm Surcharge
Belle Fourche #1	$1,403	$16,836	$11,195	$4,231	$1,410
Belle Fourche #2	2,780	33,360	24,687	6,505	2,168
Box Elder	3,597	43,164	30,699	9,349	3,116
Brandon #1 (Pd in full 10-98)	n/a	48,618	48,485	100	33
Brandon #2	15,129	60,516	50,609	7,430	2,477
Bridgewater - Accrued		2,740	0	2,055	685
Initial Loan Amort Date 01-01-99	2,400	4,800	1,738	2,297	766
Brookings	1,391	16,692	14,123	1,927	642
Canton	11,472	45,888	31,598	10,718	3,573
Chamberlain #3	54,716	218,864	81,782	102,812	34,271
Chamberlain #4 - Accrued		1,900	0	1,425	475
Initial Loan Amort Date 01-01-99	9,176	18,352	6,518	8,876	2,959
Clear Lake	551	6,612	5,050	1,172	391
Custer City #1	2,397	28,764	19,318	7,085	2,362
Custer City #2	1,020	12,240	8,576	2,748	916
Custer City #3	2,665	31,980	26,686	3,971	1,324
Deadwood	3,316	39,792	25,602	10,643	3,548
Dell Rapids	2,897	34,764	29,224	4,155	1,385
Elk Point	10,188	40,752	26,174	10,934	3,645
Ft. Pierre	3,189	38,268	31,539	5,047	1,682
Garretson	6,673	26,692	20,817	4,406	1,469
Groton #1	5,502	22,008	17,920	3,066	1,022
Groton #2	2,166	8,664	7,056	1,206	402
Groton #3 - Accrued		8,419	0	6,314	2,105
Initial Loan Amort Date 01-01-99	12,950	25,900	9,197	12,527	4,176
Hot Springs	1,902	22,824	19,136	2,766	922
Hot Springs NPS#1	6,138	73,656	32,537	30,839	10,280
Huron #1	9,190	110,280	75,739	25,906	8,635
Huron #2	20,379	81,516	73,148	6,276	2,092
Huron #3	12,528	150,336	59,204	68,349	22,783
Lake Cochrane San. Dist.	1,325	5,300	3,801	1,124	375
Lake Madison San. Dist.	2,443	29,316	22,135	5,386	1,795

Customer Name	Amt of Quar or Monthly Pmt	Total figured from Quar/Mon Pmt	Principal	Interest	Adm Surcharge
Lead #1	1,034	12,408	8,605	2,852	951
Lead #2	4,836	58,032	52,059	4,480	1,493
Lead #3	3,624	43,488	37,766	4,292	1,431
Lemmon	7,119	28,476	20,118	6,269	2,090
Lennox #1	7,068	28,272	11,129	12,857	4,286
Lennox #2 - Accrued		10,230	0	7,673	2,558
Initial Loan Amort Date 01-01-99	12,235	24,470	8,690	11,835	3,945
Madison	3,467	13,868	12,630	929	310
McCook Lake San. Dist.	4,268	51,216	24,793	19,817	6,606
Mitchell - Accrued		44,492	0	33,369	11,123
Initial Loan Amort Date 02-01-99	62,314	124,628	87,669	27,719	9,240
Mobridge #1	8,319	99,828	68,902	23,195	7,732
Mobridge #2	1,171	14,052	10,194	2,894	965
Northdale San. Dist.	1,697	20,364	9,222	8,357	2,786
North Sioux City #1	6,940	27,760	23,817	2,957	986
North Sioux City #2	15,368	61,472	32,425	21,785	7,262
Philip #1	3,591	43,092	23,633	14,594	4,865
Philip #2 - Accrued		8,235	0	6,176	2,059
Initial Loan Amort Date 12-01-98	2,190	19,710	7,037	9,505	3,168
Pickeral Lake San. Dist. #1	13,120	52,480	19,519	24,721	8,240
Pickeral Lake San. Dist. #2 - Accrued		14,402	0	10,802	3,601
Initial Loan Amort Date 01-01-99	2,021	18,189	5,761	9,321	3,107
Pierre #1	3,210	38,520	27,481	8,279	2,760
Pierre #2 - Accrued		3,444	0	2,583	861
Initial Loan Amort Date 01-01-99	2,021	18,189	5,761	9,321	3,107
Pollock	4,401	17,604	14,661	2,207	736
Rapid City #1	55,731	222,924	153,507	52,063	17,354
Rapid City #2	22,146	88,584	58,040	22,908	7,636
Rapid City #3	15,069	60,276	38,715	16,171	5,390
Rapid City #4	27,130	108,520	70,398	28,592	9,531
Rapid Valley San. Dist. #1	3,503	42,036	28,396	10,230	3,410
Rapid Valley San. Dist. #2	2,738	32,856	20,792	9,048	3,016
Rapid Valley San. Dist. #3	1,803	21,636	8,157	10,109	3,370
Richmond Lake San. Dist. #1	8,321	33,284	12,437	15,635	5,212
Richmond Lake San. Dist. #2	0	0	0	0	0
Initial Loan Amort Date 10-01-99					
Roscoe	7,168	28,672	27,059	1,210	403

Customer Name	Amt of Quar or Monthly Pmt	Total figured from Quar/Mon Pmt	Principal	Interest	Adm Surcharge
Sioux Falls #1	15,734	188,808	127,418	46,043	15,348
Sioux Falls #2	4,378	52,536	47,366	3,878	1,293
Sioux Falls #3	8,384	100,608	87,807	9,601	3,200
Sioux Falls #4	11,587	139,044	124,429	10,961	3,654
Sioux Falls #5	19,439	233,268	200,564	24,528	8,176
Sioux Falls #6	6,759	81,108	70,971	7,603	2,534
Sioux Falls #7	43,452	521,424	432,936	66,366	22,122
Sioux Falls #8	6,741	80,892	65,188	11,778	3,926
Sioux Falls #9	12,164	145,968	118,499	20,602	6,867
Sioux Falls #10	13,904	166,848	135,452	23,547	7,849
Sioux Falls #11	12,408	148,896	105,723	32,380	10,793
Sioux Falls #12	13,598	163,176	114,145	36,773	12,258
Sioux Falls #13	4,311	51,732	34,470	12,947	4,316
Southern Missouri WMD	1,900	22,800	9,117	10,262	3,421
Spearfish	14,468	173,616	116,659	42,718	14,239
Sturgis #1	3,313	39,756	17,059	17,023	5,674
Sturgis #2	6,193	74,316	33,381	30,701	10,234
Sturgis #3	2,692	32,304	12,230	15,056	5,019
Tea #1	13,347	53,388	34,289	14,324	4,775
Tea #2	13,264	53,056	33,406	14,738	4,913
Tea #3	4,169	16,676	6,231	7,834	2,611
Tea #4 - Accrued		6,250	0	4,688	1,563
Initial Loan Amort Date 03-01-99	8,849	17,698	11,485	4,660	1,553
Valley Springs	0	0	0	0	0
Initial Loan Amort Date 12-01-99					
Vermillion #1	2,084	8,336	5,505	2,123	708
Vermillion #2	8,241	32,964	20,754	9,158	3,053
Vermillion NPS #1	11,059	44,236	32,161	9,056	3,019
Warner	3,222	12,888	9,474	2,561	854
Watertown #1	44,489	177,956	123,768	40,641	13,547
Watertown #2	90,157	360,628	243,440	87,891	29,297
Watertown #3	51,352	205,408	81,926	92,612	30,871
Webster	10,901	43,604	30,656	9,711	3,237
Whitewood	4,022	16,088	11,077	3,758	1,253
Worthing	4,639	18,556	7,116	8,580	2,860
Yankton #1	0	0	0	0	0
Initial Loan Amort Date 11-01-00					
Yankton #2	0	0	0	0	0
Initial Loan Amort Date 11-01-00					
SRF PROGRAM TOTAL		$6,330,354	$4,248,368	$1,561,490	$520,496

Exhibit X
BALANCE SHEETS
September 30, 1998 AND 1997
(Expressed in Thousands)
(Unaudited)

	1998	1997
ASSETS		
Cash and Cash Equivalents (Note 2)	$1,949	$623
Investments (Note 3)	28,091	22,784
Loans Receivable (Exhibit VIII)	51,693	51,561
Federal LOC Commitment less Cash Draws	11,140	9,504
Reserve Accounts (Note 4)	1,952	1,917
Deferred Bond Issuance Costs	530	566
Accrued Interest Receivable	505	522
Accrued Administrative Expense Surcharges	67	89
TOTAL ASSETS	$95,927	$87,566
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Bonds Payable (Note 5)	$18,975	$19,675
Less: Unamortized Charges	(1,096)	(1,191)
Accrued Interest - Bonds (Note 5)	170	175
Accrued Expenses	110	64
Estimated Arbitrage Rebate	0	0
TOTAL LIABILITIES	$18,159	$18,723
FUND EQUITY		
Contribution from EPA (Note 6)	$69,650	$63,073
Contribution from State	1,298	1,298
Retained Earnings	6,820	4,472
TOTAL FUND EQUITY	$77,768	$68,843
TOTAL LIABILITIES AND FUND EQUITY	$95,927	$87,566

The notes to the financial statements are an integral part of this statement.

Exhibit XI

REVENUES, EXPENSES & CHANGES IN RETAINED EARNINGS

FOR YEARS ENDING SEPTEMBER 30, 1998 AND 1997

(Expressed in Thousands)

(Unaudited)

	1998	1997
REVENUES		
Interest Income on:		
Loans	$1,585	$1,442
Cash and Investments	1,565	1,243
Reserve Accounts	116	111
Plus: Arbitrage Rebate Reduction	0	185
Administrative Expense Surcharges	528	480
Other	0	30
TOTAL REVENUES	$3,794	$3,491
EXPENSES		
Interest Expense	$1,042	$1,047
Administrative Expenses (Note 7)	273	324
Amortization:		
Unamortized Charges	95	95
Bond Issuance Costs	36	36
TOTAL EXPENSES	$1,446	$1,502
Net Income	$2,348	$1,989
Retained Earnings at Beginning of Year	$4,472	$2,782
Federal LOC - Correction 09/30/96	$0	($299)
Retained Earnings at End of Year	$6,820	$4,472

The notes to the financial statements are an integral part of this statement.

Exhibit XII
CASH FLOWS
FOR YEARS ENDING SEPTEMBER 30, 1998 AND 1997
(Expressed in Thousands)
(Unaudited)

	1998	1997
Cash flows from Operating Activities:		
Net Income	$2,348	$1,989
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Amortization of unamortized charges	95	95
Amortization of bond issuance costs	36	36
Assets: (Increase)/Decrease		
Loans Receivable	(132)	(2,470)
Federal LOC Commitment less Cash Draws	(1,636)	2,965
Reserve Accounts	(35)	(313)
Deferred Bond Issuance Costs	0	(151)
Accrued Interest Receivable	17	(184)
Accrued Administrative Expense Surcharges	22	(32)
Liabilities: Increase/(Decrease)		
Bond Issuance	0	2,770
Accrued Interest - Bonds	(5)	20
Accrued Expenses	46	0
Arbitrage Rebate	0	(185)
Cash provided by operations	$756	$4,540
Cash flows from Noncapital Financing Activities:		
Bond Principal Payments	($700)	($675)
Contributions from EPA	$6,577	$2,991
Cash Flows from Investing Activities:		
Net (Purchase) of Investment Securities	($5,307)	($8,026)
Net Increase (Decrease) in Cash	$1,326	($1,170)
Cash \ Cash Equivalents at Beginning of Year	$623	$1,793
Cash and Cash Equivalents at Year End	$1,949	$623

NOTES TO FINANCIAL STATEMENTS

1. The financial information contained on the Loan Participants, Projected Cash Flow Worksheet, Balance Sheets; Revenues, Expenses and Changes in Retained Earnings and Cash Flows in Exhibits VIII through XII of the SRF Annual Report is unaudited and prepared by Bert Olson and Kristie Wiederrich of The First National Bank in Sioux Falls. The format for these statements is generally consistent with guidelings provided by EPA personnel.

2. Cash and Cash Equivalents consists of a Goldman Sachs Financial Square Treasury Obligation Fund rated "AAAm" by Standard and Poors, which paid on average approximately 5.3% for the year ending September 30, 1998.

3. Investments consist of the following Investment Agreements:
   - 5.40% FGIC Capital Market Services Inc. due July 31, 2012 totaling $15,960,000
   - 6.85% Societe General due August 1, 2015 totaling $7,319,000
   - 6.22% MBIA Inc. due August 1, 2017 totaling $3,110,000
   - 6.30% FGIC Capital Market Services Inc. due July 1, 2002 totaling $1,702,000

4. Reserve Accounts consist primarily of the following Investment Agreements:
   - 5.40% FGIC Capital Market Services Inc. due July 31, 2012 totaling $892,000
   - 6.85% Societe General due August 1, 2015 totaling $711,000
   - 6.22% MBIA Inc. due August 1, 2017 totaling $240,000

   In addition, $109,000 is invested in the Goldman Sachs Fund described in Note 2 above.

5. Bonds outstanding plus principal and interest payments on the various bond issues are due as follows:

	Bonds Outstanding	February 1, 1999	August 1, 1999
Series 1994 Bonds			
Principal	$8,745,000	$0	$455,000
Interest		216,451	216,451
Series 1995 Bonds			
Principal	$7,460,000	$0	$275,000
Interest		217,954	217,954
Series 1996 Bonds			
Principal	$2,770,000	$0	$90,000
Interest		74,249	74,249
Total	$18,975,000	$508,654	$1,328,654

6. The contribution from the EPA is the full amount authorized for the periods ending as follows:

September 30	
1989	$4,577,200
1990	4,738,000
1991	10,074,800
1992	9,534,900
1993	9,431,000
1994	5,813,800
1995	6,007,800
1996	9,904,700
1997	2,990,500
1998	6,577,300
Total	$69,650,000

7. The annual administrative expenses of the SRF program are as follows:

	Year Ending Sept 30, 1998	Cumulative Total
State of South Dakota	$207,001	$1,699,266
First National Bank	37,675	248,336
Altheimer & Gray	27,500	127,000
Other	856	64,559
Total	$273,032	$2,139,161

8. Based on the current loan and investment amounts, the following amounts are estimated to be received during the period from October 1, 1998 through September 30, 1999:

Loan Payments:	$(000)
Principal	$4,248
Interest	1,561
Administrative Expense Surcharges	520
Investment Earnings ($32,000,000 at 6.0%)	1,920
	$8,249

SOUTH DAKOTA CLEAN WATER STATE REVOLVING FUND
FY 1999 INTENDED USE PLAN

I. INTRODUCTION

The state of South Dakota proposes to adopt the following Intended Use Plan (IUP) for the federal fiscal year 1999 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 State Revolving Fund (SRF). The IUP has been reviewed by the public and reflects the results of such review.

The IUP includes the following:

1. List of projects and activities;

2. Goals and objectives;

3. Information on the activities to be supported;

4. Assurances and specific proposals; and

5. Criteria and method for distribution of funds.

II. LIST OF PROJECTS

The IUP identifies potential wastewater facilities projects and nonpoint source management activities. The list of potential wastewater facilities projects incorporates a priority ranking system to comply with Project Priority List requirements as per federal regulations. To be eligible for SRF funding the project/activity must be identified and included as a potential project in the IUP. Attachment I is the list of wastewater projects that have been identified from the State Water Plan as potential borrowers of SRF funds during federal fiscal year 1999. The state may also fund nonpoint source management projects/activities from Attachment II as they apply, subject to the SRF rules adopted by the Board of Water and Natural Resources (BWNR). According to the administrative rules, the BWNR may set aside a portion of the 1999 SRF allocation for nonpoint source management projects/activities.

The 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 implementation projects/programs.

The Cheyenne River Sioux Tribe is included on the list of potential wastewater projects so the unincorporated community of Ridgeview is eligible for assistance through the Hardship Grant program.

The community of Artesian is designated eligible for assistance through the Construction Grants program.

A determination of which projects are selected from the above mentioned lists, the amount of assistance, and the financing terms and conditions will be made by the BWNR during federal fiscal year 1999.

III. GOALS AND OBJECTIVES

Long-term Goals and Objectives:

The long-term goals of the State Water Pollution Control Revolving Fund are to fully capitalize the 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 SRF program that will serve in perpetuity as a financing source for wastewater treatment works projects and water pollution control activities including nonpoint source and groundwater protection 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 SRF is to fully capitalize the fund and utilize the one-time allocation of Hardship Grant program funds.

Objectives:

1. Ensure the technical integrity of 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.

4. Provide a Hardship Grant to the unincorporated community of Ridgeview.

IV. INFORMATION ON THE ACTIVITIES TO BE SUPPORTED

The primary type of assistance to be provided by the SRF is loans including refinancing of existing debts, where eligible. On a more limited basis, the state may guarantee or buy insurance for local debt obligations, or leverage bond issues. The state plans on reserving 4 percent of the capitalization grant amount for administrative expenses.

From the SRF these types of 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 conjunction with the SRF rules adopted by the BWNR.

The unincorporated community of Ridgeview, through the Cheyenne River Sioux Tribe, is seeking assistance through the Hardship Grant program. The community, located on the Cheyenne River Indian Reservation, meets the income and unemployment guidelines set forth in the grant program. Projects must be identified in the Intended Use Plan and apply for SRF funding to receive a Hardship Grant. South Dakota's allocation for the Hardship Grant program is $322,300. It is anticipated that the entire allocation will be needed for the Ridgeview project. A five-percent match is required, and it will be supplied by the Indian Health Service.

The Department is proposing to use its remaining Construction Grant funds, approximately $409,000, for an interceptor project for the town of Artesian. These are funds that were returned from previous Construction Grants projects. Total project cost is estimated to be $1,027,000. Use of these funds has been tentatively approved by EPA.

V. ASSURANCE AND SPECIFIC PROPOSALS

The state has assured compliance with the following sections of the law in the State/EPA Operating Agreement - XI Certification Procedures. In addition, the state has developed specific proposals on implementation of those assurances in the rules promulgated by the BWNR.

Section 602(a) - Environmental Reviews - The state certifies that it will conduct environmental reviews of each project on Attachment I receiving assistance from the SRF. 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 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 staff certifies that all major and minor wastewater treatment facilities identified as part of the National Municipal Policy (NMP) universe are:

(a) in compliance, or

(b) 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

(c) have upgraded existing facilities or constructed new facilities through its own means to achieve compliance with its discharge permit.

Those projects identified as part of the NMP Universe were given priority for SRF assistance.

Section 602(b)(6) - Compliance with Title II Requirements - The state certifies that it will comply as applicable.

VI. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

The SRF funds are being distributed using the following criteria:

(a) the availability of funds in the SRF program;

(b) the applicant's need;

(c) violation of health and safety standards; and

(d) 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 SRF rules and to receive comments. The BWNR approved the rules following the hearing. Revisions to the SRF rules have been made periodically to reflect the needs of the program.

A formal public hearing was held for the South Dakota 1998 Clean Water SRF IUP on November 12, 1998, and acted upon at that time. Copies of the document were mailed to interested parties prior to the public hearing.

ATTACHMENT I

LIST OF POTENTIAL WASTEWATER PROJECTS

Applicant	Loan #	Project Description	Estimated Loan Amount
Artesian[1]	C460568-95	I/I Correction/Interceptor	$409,000
Box Elder	C461003-02	Interceptor/Collection	$3,600,000
Cheyenne River Sioux Tribe[2]	C461424-01	Collection/Treatment for Ridgeview	$322,300
Colman	C461144-01	Treatment	$300,000
Columbia	C461078-01	Treatment	$340,000
Custer	C461021-04	Interceptor/Collection	$380,000
Dell Rapids	C461064-02	Treatment	$670,000
Eagle Butte	C461148-01	Treatment	$500,000
Fort Pierre	C461049-02	Treatment/Interceptor	$900,000
Harrisburg	C461065-01	Treatment/Interceptor/Storm Sewer	$510,000
Hartford	C461104-01	Sewer Rehabilitation	$370,000
Hartford	C461104-02	Treatment	$1,000,000
Ipswich	C461133-01	Sewer Rehabilitation	$600,000
Lake Poinsett San. Dist.	C461027-01	System Expansion	$500,000
Lead	C461007-04	Interceptor/Storm Sewer	$500,000
Pierre	C461288-03	Treatment – Phase II	$4,400,000
Platte	C461130-01	/Sewer Rehabilitation	$1,100,000
Rapid Valley San. Dist	C461013-04	Refinance	$461,000
Sioux Falls	C461232-14	Treat/Sewer Rehab./Storm/Coll./Int.	$2,200,000
Sioux Falls	C461232-15	Treat/Sewer Rehab./Storm/Coll./Int.	$1,339,000
Sisseton	C461053-01	Sewer Rehabilitation	$125,000
Sturgis	C461068-04	Treatment	$1,500,000

1 Project will utilize Construction Grant funds.
2 Proposed Hardship Grant project.

ATTACHMENT II

LIST OF POTENTIAL SRF NONPOINT SOURCE PROGRAMS

Activities to be implemented for the control of NPS pollution in the project areas listed for consideration include:

1. Agricultural Best Management Practices such as reduced tillage, sod based crop rotation, terraces and fertilizer/pesticide management.

2. Urban Best Management Practices such street cleaning, retention/detention basins and non-vegetative soil stabilization.

3. Sediment Control Structures.

4. Studies

   A. Groundwater impacts from agricultural activities.

   B. Groundwater characterization from selected aquifers.

   C. Wellhead protection area identification.

5. Shoreline/Streambank Erosion Control.

6. Animal Waste Management Systems.

7. Shoreline Waste Management Systems.

8. Silviculture Best Management Practices such as ground cover and debris removal.

9. Mining Best Management Practices such as water diversion and block cutting.

10. Ground Water Protection.

11. Sediment Removal