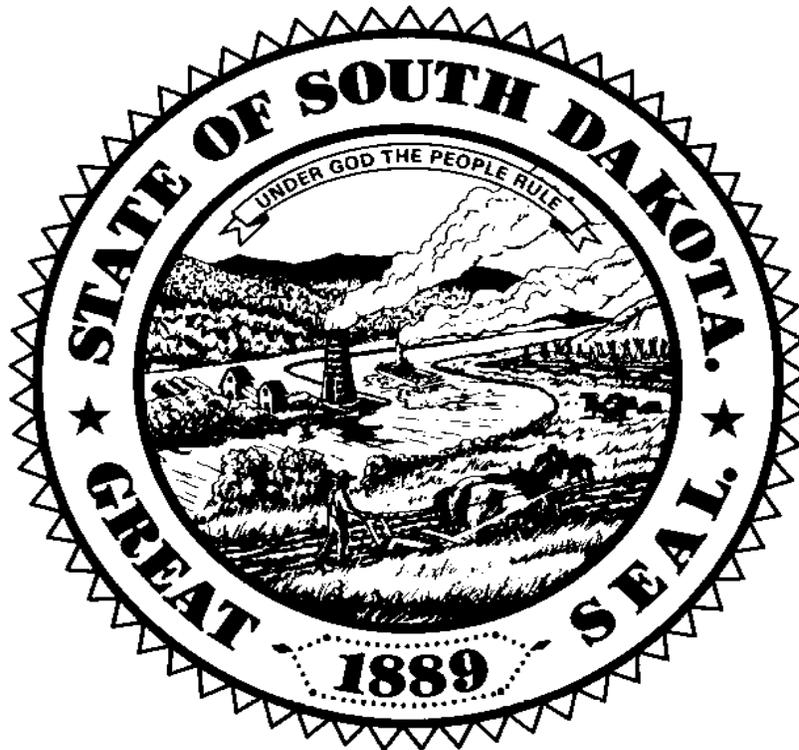


**THE SOUTH DAKOTA CONSERVANCY DISTRICT
DRINKING WATER STATE REVOLVING FUND
ANNUAL REPORT**

**FEDERAL FISCAL YEAR 2009
October 1, 2008 - September 30, 2009**



**Department of Environment and Natural Resources
Division of Financial and Technical Assistance**

THE SOUTH DAKOTA CONSERVANCY DISTRICT
DRINKING WATER STATE REVOLVING FUND
ANNUAL REPORT
FEDERAL FISCAL YEAR 2009

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

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Watertown

Member since 2003

GENE JONES, JR., VICE-CHAIRMAN

Sioux Falls

Member since 2002

DON ROUNDS, SECRETARY

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Member since 1994

DR. PAUL GNIRK

New Underwood

Member since 2009

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Beresford

Member since 1985

KELLY WHEELER

Custer

Member since 2005

MISSION

The mission of the South Dakota Drinking Water State Revolving Fund loan program is to capitalize the fund to the fullest; ensure that the state's drinking water systems remain safe and affordable; protect public health; and promote the economic well-being of the citizens of the state of South Dakota.

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FEDERAL FISCAL YEAR

2009

ANNUAL REPORT

INTRODUCTION

The State of South Dakota herewith submits its Annual Report for Federal Fiscal Year (FFY) 2009 (October 1, 2008 through September 30, 2009). This report describes how South Dakota has met the goals and objectives of the Drinking Water State Revolving Fund (SRF) Loan program as identified in the 2009 Intended Use Plan, the actual use of funds, and the financial position of the Drinking Water SRF.

The Annual Report consists of three main sections. The *Executive Summary* section provides an overview of the Drinking Water SRF program and the FFY 2009 activities. The next section addresses the *Goals and Environmental Results* the State of South Dakota identified in its 2009 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 2009 and compliance with the EPA grant and operating agreement conditions.

The Annual Report is followed by a brief history of the Drinking Water SRF program. The Program History is followed by the *Drinking Water SRF Loan Portfolio*. The loan portfolio provides information on the interest rates, loan amounts, projects, and loan terms. Exhibits I through VIII provide detailed financial and environmental program information. Exhibits IX through XI are the unaudited financial statements of the Drinking Water SRF program prepared by the Department of Environment and Natural Resources. Finally, Addendum A is the *Intended Use Plan for Federal Fiscal Year 2010*. The primary purpose of the Intended Use Plan is to outline the proposed use of the funds available to the Drinking Water SRF program.

EXECUTIVE SUMMARY

The South Dakota Drinking Water SRF program received a federal capitalization grant of \$8,146,000 for FFY 2009. These funds were matched by \$1,629,200 in state-issued revenue bonds and were supplemented by accumulated loan repayments, leveraged bonds, and interest earnings. The American Recovery and Reinvestment Act of 2009 provided an additional \$19,500,000 in federal funds. In addition, due to the demand on the Drinking Water SRF program, Bond Anticipation Notes in the amount of \$18,221,624 were issued.

DRINKING WATER SRF LOANS

The Conservancy District approved 47 loans to 43 entities totaling \$60,385,897. A breakdown of the loans made during FFY 2009 is detailed in Table 1.

**Table 1
Drinking Water Loans
Federal Fiscal Year 2009**

Recipient	Project Description	Assistance Amount	Rate/Term
Aberdeen (DW-02)	Water Meter Replacement	\$1,750,000	2.25%/10
Arlington (DW-01)	Birch & 1 st Sts Utility Improvements	\$100,000	0%/0
Aurora-Brule RWS (DW-01)	Intake Improvement Project	\$500,000	0%/0
Baltic (DW-02)	Water Meter Replacement Project	\$165,000	2.25%/10
Bowdle (DW-01)	Utility Improvements	\$150,000	0%/0
B-Y Water District (DW-01) *	Raw Water Intake #3	\$300,000	0%/0
Canistota (DW-01)	Ash St. Utilities Improvements	\$426,460	3.0%/30
Chamberlain (DW-02)	Utility Upgrades	\$1,000,000	3.0%/20
Clay RWS (DW-02)	2010 Improvements Project	\$846,300	3.0%/20
Colonial Pine Hills San Dist (DW-02)	Croyle Well, Well House, & Water Main	\$1,003,608	3.0%/20
Corson Village San Dist (DW-01)	Water Distribution Project	\$552,865	3.0%/20
DeSmet (DW-01)	Third St. Water Main Replacement	\$258,000	2.25%/30
Elk Point (DW-05)	Main St. Reconstruction Utility Improvements	\$1,179,500	3.0%/20
Eureka (DW-02)	Waterline Improvements	\$200,000	0%/0
Fall River WUD (DW-03)	North Expansion and Well Project	\$612,000	0%/0
Fall River WUD (DW-04)	Internal Expansion Project	\$750,000	0%/0
Faulkton (DW-01)	Water System Improvements	\$500,000	0%/0
Groton (DW-03)	Water Meter Replacement	\$272,000	0%/0
Hanson RWS (DW-01)	Ethan Storage System Improvements	\$840,000	3.0%/20
Hill City (DW-01)	Water System Improvements	\$402,200	3.0%/30
Huron (DW-02)	Waterline Replacement Project	\$619,684	3.0%/20
Ipswich (DW-01)	Water System Improvements	\$1,245,000	3.0%/30
Lead (DW-03)	Separation & Rehabilitation 2009-2010	\$1,020,000	3.0%/20
Letcher (DW-01)	Water Distribution System Replacement	\$200,000	2.25%/30
Mellette (DW-01)	Utility Improvements	\$271,780	3.0%/30
Mid-Dakota RWS (DW-01)	Water Treatment and Distribution Expansion	\$12,000,000	2.0%/3
Mid-Dakota RWS (DW-02)	Water Treatment and Distribution Expansion	\$1,000,000	0%/0
Mina Lake San Dist (DW-02)	Waterline Pressure Project	\$567,390	3.0%/20
Mitchell (DW-02)	Water Reservoir Replacement	\$2,360,000	3.0%/20
Mobridge (DW-05)	Raw Water Supply System Improvements	\$500,000	0%/0
New Underwood (DW-01)	New Drinking Water Treatment System	\$175,500	3.0%/20
Newell (DW-01)	Water Tower/Well/Line Replacement	\$645,500	2.25%/30
Northville (DW-01)	Water Improvements Phases I, II, and III	\$203,460	3.0%/20

Recipient	Project Description	Assistance Amount	Rate/Term
Oacoma (DW-01) *	Water Storage Project	\$1,414,800	3.0%/20
Parker (DW-03)	Phase 4 Utilities Replacement	\$554,200	3.0%/20
Rapid City (DW-02)	Jackson Springs Water Treatment Plant	\$6,000,000	3.0%/20
Rapid Valley San Dist (DW-01)	Microfiltration Plant Third Skid Addition	\$682,000	0%/0
Roslyn (DW-01)	Utilities Improvements	\$500,000	0%/0
Selby (DW-01)	Waterline Replacement Project Phase II	\$100,000	0%/0
Sioux Falls (DW-09)	New Collector 62 & Well 37 Rehabilitation	\$3,578,750	2.25%/10
Sioux Falls (DW-10)	Water Distribution System Improvements	\$7,606,900	2.25%/10
Sturgis (DW-02)	Murray Addition Utility Improvements	\$863,000	2.25%/10
Wagner (DW-03) *	South Park St. Utilities Improvements	\$275,000	0%/30
Warner (DW-01)	Water Tower and Meter Replacement Project	\$400,000	0%/0
Woonsocket (DW-01)	Hwy 34 Water Main Replacement	\$595,000	3.0%/30
Yankton (DW-03)	Water System Improvements	\$3,000,000	3.0%/20
Yankton (DW-04)	Water Supply Improvements	\$2,200,000	3.0%/20
TOTAL		\$60,385,897	

* Rescinded at the request of the borrower prior to September 30, 2009

Disbursements from the program during FFY 2009 totaled \$14,610,589.91. This total includes loan disbursements of \$13,888,602 to the various loan recipients with the balance going for set-asides purposes. See Exhibit IV for a breakdown of all disbursements during FFY 2009.

Since the program was initiated in 1997, 169 loans have been awarded with nine loans subsequently being rescinded or deobligated in full. The projects associated with 108 loans are fully constructed or essentially complete and in operation. The following 13 projects initiated operations this past year:

Black Hawk WUD (DW-02)	Brookings-Deuel RWS (DW-02)
Chamberlain (DW-01)	Elk Point (DW-03)
Elk Point (DW-04)	Kingbrook RWS (DW-04)
Salem (DW-03)	Sioux Falls (DW-07)
Sioux Falls (DW-08)	Viborg (DW-01)
Wagner (DW-01)	Wolsey (DW-02)
Yankton (DW-02)	

Drinking Water SRF program forms are provided in the Department of Environment and Natural Resources' State Water Planning Process document. This document contains application forms and instructions for the State Water Plan and various funding programs. A drinking water project self-assessment was incorporated into the State Water Plan application to facilitate the project priority determination process. All forms are also available from the department's website at www.state.sd.us/denr/dfta/wwfunding/wwfprg.htm.

The Drinking Water SRF loan application incorporates the Capacity Assessment Worksheets for Public Water Systems. The Safe Drinking Water Act requires that a public water system applying for a Drinking Water SRF loan must demonstrate that it has the financial, managerial, and technical capacity to operate its system in full compliance with the Act.

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act (ARRA) of 2009, commonly referred to as the Stimulus Bill or the Recovery Act. The State of South Dakota received Recovery Act funds of \$19,500,000 for the Drinking Water SRF program. The act requires that these funds be under construction contracts within one year after the signing of the bill or the funds would be lost. No state match was required for these awards. The Conservancy District also utilized the 2 percent set-aside for small system technical assistance, which amounted to \$390,000.

The Recovery Act contained numerous provisions that were new to the SRF programs and required action on the part of the Board of Water and Natural Resources and the department. To meet the requirements of the Recovery Act and to assure projects proceeded such that contracts would be executed by February 17, 2010, it was necessary to adopt administrative rules. Emergency administrative rules were adopted by the Board of Water and Natural Resources on March 20, 2009, and were effective for 90 days. Permanent rules were adopted by the Board of Water and Natural Resources on May 27, 2009, and became effective on June 29, 2009.

The most significant requirement of the Recovery Act was that at least 50 percent of the ARRA funds were required to be awarded as “additional subsidy.” This could be in the form of grants, negative interest rate loans, or principal forgiveness on loans. The board chose to provide additional subsidy in the form of principal forgiveness on loans. The rules provided that all loan applicants were eligible to receive 10 percent principal forgiveness on a loan. Municipalities and sanitary districts with monthly residential water rates of at least \$20 per month (based on 5,000 gallons usage) were eligible to receive additional principal forgiveness. Other applicants were required to have monthly residential water rates of at least \$50 (based on 7,000 gallons usage) to be eligible to receive additional principal forgiveness. The rules also set milestone dates to be met, and the principal forgiveness portion of a loan will be lost if any of the following deadlines are not met:

- (1) Complete plans and specifications must be postmarked or received by the department on or before October 1, 2009;
- (2) The project must be advertised for bids and the bids received and opened in accordance with SDCL chapter 5-18 on or before December 10, 2009;
- (3) The apparent lowest responsible bidder’s proposal must be received by the department for review on or before December 21, 2009; and
- (4) Construction contracts must be executed on or before February 1, 2010.

Another requirement of the Recovery Act was that at least 20 percent of each ARRA award be used to the extent practical for green infrastructure projects. States were required to make a concerted effort to meet this requirement. Those states that did not meet the requirement by August 17, 2009, could receive a waiver from EPA if the state could demonstrate an adequate

effort was made to solicit green projects. Sufficient components of drinking water projects have been identified to meet the green project reserve requirement.

The Recovery Act included provisions requiring ARRA assistance recipients to use domestic iron and steel and manufactured goods that are produced in the United States, as well as compliance with Davis-Bacon wage rates laws.

More than \$16.1 million of principal forgiveness was awarded to 44 projects. Table 2 summarizes original ARRA awards. Several awards were rescinded prior to September 30, 2009, and the adjusted total of principal forgiveness is \$15,509,757.

Table 2
American Recovery and Reinvestment Act of 2009
Drinking Water SRF Loans

Sponsor	Total Assistance Amount	Principal Forgiveness Awarded	ARRA Loan Awarded	Non-ARRA Loan Awarded
Aberdeen (DW 01)	\$1,750,000	\$175,000	\$0	\$1,575,000
Arlington (DW 01)	\$100,000	\$100,000	\$0	\$0
Aurora-Brule RWS (DW 01)	\$500,000	\$500,000	\$0	\$0
Baltic (DW 02)	\$165,000	\$16,500	\$0	\$148,500
B-Y Water District (DW01) *	\$300,000	\$300,000	\$0	\$0
Bowdle (DW 01)	\$150,000	\$150,000	\$0	\$0
Canistota (DW01)	\$426,460	\$313,960	\$0	\$112,500
Chamberlain (DW 02)	\$1,000,000	\$300,000	\$0	\$700,000
Clay RWS (DW 02)	\$846,300	\$700,000	\$0	\$146,300
Colonial Pine Hills SD (DW 02)	\$1,003,608	\$250,000	\$0	\$753,608
Corson Village SD (DW 01)	\$552,865	\$497,579	\$0	\$55,286
DeSmet (DW-01)	\$258,000	\$25,800	\$0	\$232,200
Elk Point (DW 05)	\$1,179,500	\$660,520	\$0	\$518,980
Eureka (DW 02)	\$200,000	\$200,000	\$0	\$0
Fall River WUD (DW 03)	\$612,000	\$612,000	\$0	\$0
Fall River WUD (DW 04)	\$750,000	\$750,000	\$0	\$0
Faulkton (DW 01)	\$500,000	\$500,000	\$0	\$0
Groton (DW 03)	\$272,000	\$272,000	\$0	\$0
Hanson RWS (DW 01)	\$840,000	\$588,000	\$0	\$0
Hill City (DW 01)	\$402,200	\$241,320	\$0	\$160,880
Huron (DW 02)	\$619,684	\$122,500	\$0	\$497,184
Ipswich (DW 01)	\$1,245,000	\$933,750	\$0	\$311,250
Lead (DW 03)	\$1,020,000	\$387,600	\$0	\$632,400
Mellette (DW 03)	\$271,780	\$244,602	\$0	\$27,178
Mid-Dakota RWS (DW 02)	\$1,000,000	\$1,000,000	\$0	\$0

Sponsor	Total Assistance Amount	Principal Forgiveness Awarded	ARRA Loan Awarded	Non-ARRA Loan Awarded
Mina Lake San Dist (DW 02)	\$567,390	\$283,695	\$0	\$283,695
Mitchell (DW 02)	\$2,360,000	\$354,000	\$0	\$2,006,000
Mobridge (DW 05)	\$500,000	\$500,000	\$0	\$0
New Underwood (DW01)	\$175,500	\$70,200	\$0	\$105,300
Newell (DW 01)	\$645,000	\$322,500	\$0	\$322,500
Northville (DW 01)	\$203,460	\$162,768	\$0	\$40,692
Oacoma (DW 01) *	\$1,414,800	\$321,480	\$0	\$1,093,320
Parker (DW 03)	\$554,200	\$452,100	\$0	\$102,100
Rapid Valley San Dist (DW 01)	\$682,000	\$682,000	\$0	\$0
Roslyn (DW 01)	\$500,000	\$500,000	\$0	\$0
Selby (DW 01)	\$100,000	\$100,000	\$0	\$0
Sioux Falls (DW 09)	\$3,578,750	\$357,875	\$2,612,609	\$608,266
Sioux Falls (DW 10)	\$7,606,900	\$760,690	\$0	\$6,846,210
Sturgis (DW 02)	\$863,000	\$86,300	\$0	\$776,700
Wagner (DW 03) *	\$275,000	\$55,000	\$0	\$220,000
Warner (DW 01)	\$400,000	\$400,000	\$0	\$0
Woonsocket (DW 01)	\$595,000	\$416,500	\$0	\$178,500
Yankton (DW 03)	\$3,000,000	\$300,000	\$0	\$2,700,000
Yankton (DW 04)	\$2,200,000	\$220,000	\$0	\$1,980,000
TOTAL	\$42,185,397	\$16,186,237	\$2,612,609	\$23,134,549

* Rescinded at the request of the borrower prior to September 30, 2009.

Demand for loans with a principal forgiveness component dramatically increased demand on the SRF programs. As a result, it was necessary for the Conservancy District to issue additional leveraged bonds and notes to meet the demand for loans.

BOND ANTICIPATION NOTES

The South Dakota Conservancy District closed its Series 2009 issue of Bond Anticipation Notes for the State Revolving Fund programs in August 2009. Moody's Investors Service, Inc. and Standard & Poor's Public Finance Ratings assigned short-term ratings of "MIG 1" and "SP-1+", respectively, to the Series 2009 Bond Anticipation Notes. The par amount of the tax-exempt revenue notes issued in August 2009 was \$55,000,000.

The purpose of the Series 2009 Bond Anticipation Notes was to provide Leveraged Loan funds for both the Clean Water and Drinking Water programs. The Drinking Water program utilized \$18.2 million for leveraged loans. The remaining proceeds provided \$37.5 million for leveraged Clean Water loans.

The financial team for the Series 2009 Bond Anticipation Notes included The First National Bank in Sioux Falls as trustee, Perkins Coie LLP as bond counsel, Public Financial

Management as financial advisor, and Piper Jaffray & Company as underwriter. The Trustee, Bond Counsel, and Financial Advisor provide professional financial services to the board and department on an on-going basis.

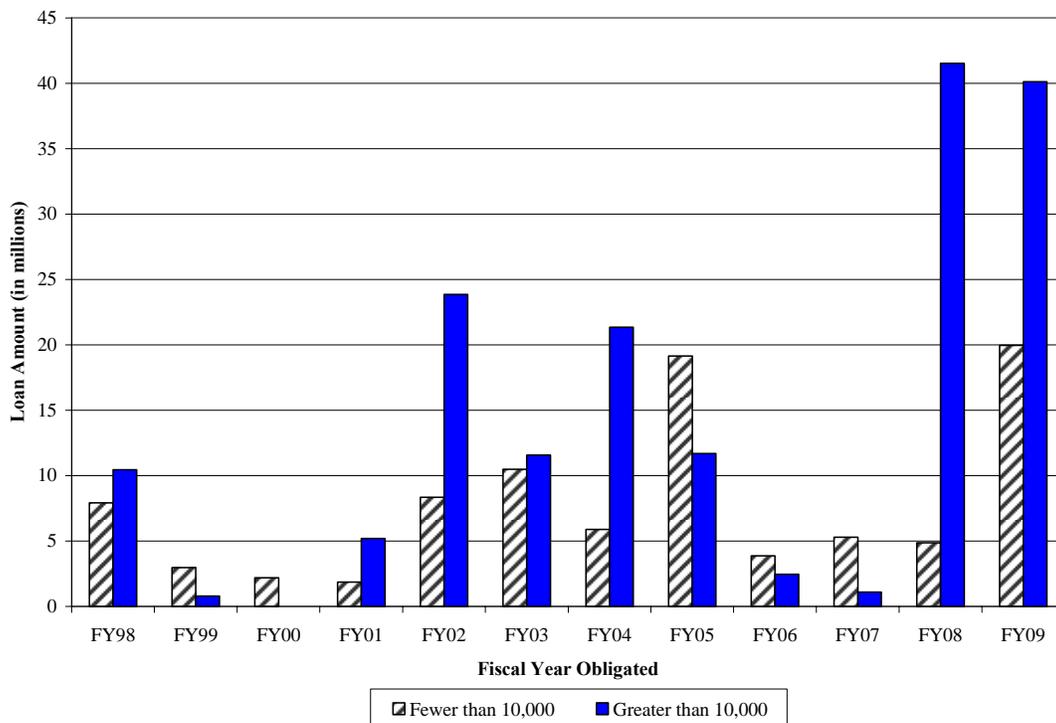
REPAYMENTS

Ninety loans are currently in repayment, and nine loans have been repaid in full. Repayments equaled \$14,539,164 in FFY 2009 and consisted of \$10,885,059 in principal, \$2,768,402 in interest, and \$885,703 in administrative surcharge fees.

ASSISTANCE TO SMALL SYSTEMS

A requirement of the Drinking Water SRF program is that the State use at least 15 percent of all dollars credited to the fund to provide loan assistance to small systems that serve fewer than 10,000 persons. In FFY 2009, \$19,970,563 or 33.2 percent of the binding commitments were made to systems serving less than 10,000. Since the Drinking Water SRF program was initiated, systems serving a population of 10,000 people or fewer have received \$89,070,850 in loan assistance. Of the total funds available to loan, this represents 33.8 percent. Figure 1 shows loans awarded to small systems for FFY 1998 through 2009.

**FIGURE 1
Drinking Water SRF Loan Amounts
by Service Population by Fiscal Year**



BYPASSED PROJECTS

Table 3 identifies the higher ranked projects on the FFY 2009 priority list that did not receive an SRF loan. The projects listed on Table 3 were bypassed because they were not ready to proceed or had secured other financing. No projects with higher priority points were denied funding in FFY 2009.

Table 3
Status of High Priority Projects Bypassed in 2009

Rank/ Priority Points	Community/ Public Water System	Reason for Bypassing
4/168	South Lincoln Rural Water System	The project is still in the planning stage.
5/165	Fort Pierre	Did not apply for funding.
5/165	Longview Sanitary District	The project is still in the planning stage.
9/153	Piedmont	The project is still in the planning stage.
11/142	Englehart Estates	Funded with other state funding program.
13/132	Clark Rural Water System	Funding through Rural Development program.
14/129	Edgemont	The project was awarded a state grant in June 2006 to install new water meters and will proceed with further improvements in the future.
15/125	Mid-Dakota Rural Water System	The project is still in the planning stage.

INTEREST RATES

Interest rates are reviewed periodically to ensure that they are below market rate and are competitive with other funding sources, such as the federal Rural Development program.

Through January 2009, the Drinking Water SRF interest rates for all borrowers were 2.50 percent for loans with a term of 10 years or less and 3.25 percent for loans with a term greater than 10 years up to a maximum of 20 years. In February 2009, the board adjusted rates to 2.25 percent for loans with a term of 10 years or less and 3.0 percent for loans with a term greater than 10 years up to 20 years. The term of each loan is at the discretion of the borrower provided that the proposed repayment source produces the required debt service coverage and the term of the loan does not exceed the useful life of the project.

Communities that meet the disadvantaged community criteria may receive a Drinking Water SRF loan at an interest rate below that for other recipients. Additionally, the maximum allowable repayment period for disadvantaged communities can be extended to 30 years. Through January 2009, disadvantaged communities qualified for 3.25 percent loans for 30 years if their median household income (MHI) was 80 percent to 100 percent of the statewide MHI. Municipalities, other community water systems, and sanitary districts had to have an MHI below 80 percent of the statewide MHI to be eligible for an interest rate of 2.5 percent, and an MHI less than 60 percent of the statewide MHI to be eligible for a loan at zero percent interest. Residential water bills must be at least \$20 for 5,000 gallons usage for municipalities and sanitary districts and \$50 for 7,000 gallons usage for other community water systems. In February 2009, the Board of Water and Natural Resources adjusted disadvantaged community interest rates to 3.0 percent for 30 years if the MHI is 80 percent to 100 percent of the statewide

MHI, to 2.25 percent for recipients with an MHI between 60 percent and 80 percent, and recipients whose MHI was lower than 60 percent could receive loans at zero percent.

DRINKING WATER SRF NON-PROJECT ACTIVITIES (SET-ASIDES)

The Safe Drinking Water Act authorizes states to set aside funding for certain non-project activities, provided that the amount of that funding does not exceed certain ceilings. Unused set-aside funds are banked for future use, where allowable, or transferred to the project loan account at the discretion of the state and with concurrence from the EPA Regional Administrator. Exhibit IV details the FFY 2009 Drinking Water disbursements. Table 4 recaps the cumulative Drinking Water SRF set-aside status.

**Table 4
Drinking Water SRF Set-Aside Status**

Set-Aside	Allotment 1997-2008	Allotment 2009	Transfer to Loan Fund	Obligated as of 9/30/09	Balance
Administration	\$3,997,580	\$325,840	\$0	\$3,661,377	\$662,043
Small System Tech Assistance	1,384,908	162,920	0	1,444,542	\$103,286
State Program Mgmt	20,000	0	15,700	4,300	\$0
Local Assistance/Other	1,505,880	50,000	1,284,674	271,206	\$0
Small System Tech Assistance—ARRA		390,000		389,974	\$26
TOTAL	\$6,908,368	\$928,760	\$1,300,374	\$5,771,399	\$765,355

- **Administration**

Four percent of the 2009 capitalization grant (\$325,840) was allocated to administer the Drinking Water SRF program. Specific activities funded from this set-aside include the following:

- Staff salaries
- Travel
- Bond counsel
- Benefits
- Overhead
- Trustee expenses
- Other administrative costs

During FFY 2009, \$362,538 was disbursed for administrative expenses.

- **Small System Technical Assistance**

The Drinking Water SRF program continues to provide technical assistance to public water systems serving 10,000 people or fewer through the Small System Technical Assistance Set-Aside. The objectives of this funding are to bring non-complying systems into compliance, to improve operations of water systems, and to facilitate completion of small systems’ capacity assessments and ultimate access to the Drinking Water SRF program.

The Small Community Planning Grant program was initiated in 2001 to encourage proactive planning by small communities. Grants are available to communities of 2,500 or fewer to assist in preparing a water system engineering study. Participating systems are reimbursed 80 percent of the cost of the study, up to a maximum of \$6,000. Additional grants for studies incorporating a rate analysis using Rate Maker software are also available through this program. Reimbursement for performing a rate analysis is 80 percent of costs up to a maximum of \$1,600. Table 5 provides a list of the small community public water systems that received awards in 2009 through the Small Community Planning Grant program.

The South Dakota Association of Rural Water Systems continues to provide on-site assistance such as leak detection, consumer confidence reports, water audits, board training, treatment plant operations, operator certification, and rate analysis. Through FFY 2009, the Association has provided nearly 12,671 hours of on-site small system technical assistance.

In 2008, the Midwest Assistance Program (MAP) began conducting follow-up reviews for small communities that received a Drinking Water SRF loan and for which recommendations were made in the capacity assessment to improve the technical, financial, or managerial capacity of the system. In FFY 2009, MAP conducted 29 capacity assessments and follow-up reviews to assist the department in ensuring that all borrowers demonstrate the required technical, financial, and managerial capacity to access Drinking Water SRF loan assistance.

To assure continued technical assistance for South Dakota communities, the maximum allowable allocation of two percent of the capitalization grant was set aside in FFY 2009. This amounted to \$162,920 and is intended to be used for planning grants and technical assistance activities as needed.

Additionally, the maximum allowable allocation of two percent of the American Recovery and Reinvestment Act (ARRA) capitalization grant or \$390,000 was set aside to provide Small System Technical Assistance. The technical assistance is being provided in the area of energy conservation as a green project reserve expenditure. HDR Engineering, Inc. was selected through a competitive selection process and will conduct water system energy audits for demonstration purposes, information transfer, and associated activities and training to promote the goal of maximizing energy conservation by drinking water systems in South Dakota.

Table 5
Small System Technical Assistance
Drinking Water Engineering
FFY 2009

Sponsor	Project Description	Amount Obligated
Alcester	Water System Improvements Study	\$6,000.00
Bowdle	Water Distribution Study	\$3,000.00
Doland	Water System Improvements Study	\$6,000.00
Fort Pierre	Water System Improvements Study	\$6,000.00
Gregory	Water System Improvements Study	\$6,000.00
Hisega Meadows Water, Inc.	Water System Improvements Study	\$6,000.00
Hoven	Water System Improvements Study	\$6,000.00
Ipswich	Water System Improvements Study	\$6,000.00
McLaughlin	Water System Improvements Study	\$6,000.00
Plankinton	Water System Improvements Study	\$6,000.00
Ramona	Water System Improvements Study	\$6,000.00
Springfield	Water System Improvements Study	\$6,000.00
Stratford	Water System Improvements Study	\$4,000.00
Wilmot	Water System Improvements Study	\$6,000.00
TOTAL		\$79,000.00

- **State Program Management**

This set-aside was not utilized in FFY 2009.

- **Local Assistance and other state programs**

In FFY 2009, the board allocated \$50,000 under this set-aside to extend and expand its contract with the Midwest Assistance Program. This will allow the Midwest Assistance Program to work with all sizes of community water systems to improve technical, financial, and managerial capacity. No funds were disbursed under this set-aside in FFY 2009.

ADMINISTRATIVE SURCHARGE

The board continued to provide assistance to revolving fund borrowers with the preparation of applications and on-going loan administration activities. The state's six planning districts all have contracts to receive up to \$7,500 per loan for application and loan administration duties. Joint powers agreements were executed between the department and the planning districts to manage requirements of the American Recovery and Reinvestment Act (ARRA). The planning districts will be reimbursed \$1,000 per project to oversee the compliance with the Davis-Bacon wage rate verification and certification. The planning districts will also be reimbursed an additional \$500 per project to provide payroll information to comply with ARRA job creation and retention reporting.

GOALS AND ENVIRONMENTAL RESULTS

The following goals were developed for the FFY 2009 Intended Use Plan. The short-term goals support the implementation of the program's long-term goals. The long-term goals provide a framework that guides management decisions for the Drinking Water SRF program.

SHORT-TERM GOAL

GOAL: To fully capitalize the fund.

As of September 30, 2009, South Dakota had provided loans totaling \$254,815,850. At the end of the year, South Dakota has made binding commitments to fully utilize all of its capitalization awards and associated state matching funds.

LONG-TERM GOALS

GOAL: To fully capitalize the fund.

The state has received and obligated each capitalization grant in the required time period and has had state match moneys available for each capitalization grant. As of September 30, 2009, South Dakota had made binding commitments to fully utilize all of its capitalization awards and associated state matching funds.

GOAL: To ensure that the state's drinking water supplies remain safe and affordable, to ensure that the systems are operated and maintained, and to promote economic well-being.

The state has awarded 169 loans to 102 entities to assist with construction or refinancing of drinking water projects. Since the Drinking Water SRF program began in 1997, the state has set aside \$1,384,908 to be used to provide technical assistance to public water systems serving 10,000 people or less. Additionally, \$271,206 has been set aside for capacity development and \$4,300 for supplemental operator training.

ENVIRONMENTAL RESULTS

Effective January 1, 2005, EPA required states to establish program activity measures (outcomes) in its Intended Use Plan to receive the federal capitalization grant. Progress related to these measures is to be reported in the annual report. The specific measures and the results are as follows:

- 1. For fiscal year 2009, the goal of the Drinking Water SRF program is to maintain the fund utilization rate at or above 90 percent.**

As of September 30, 2009, the state had made loans totaling \$254,815,850. The amount of funds (capitalization grants, state match, leveraged bonds, repayments,

and interest earnings) totaled \$263,612,004. This results in a fund utilization rate of 96.7 percent.

2. **For fiscal year 2009, the goal is to increase the construction pace above 80 percent.**

As of September 30, 2009, \$160,199,425 had been disbursed to loan recipients, and loans totaling \$254,815,850 had been awarded. This results in a construction pace of 62.9 percent.

3. **For fiscal year 2009, the goal of the Drinking Water SRF program is to fund 12 loans, totaling \$30 million.**

In fiscal year 2009, 47 loans totaling \$60,085,897 were awarded.

4. **For fiscal year 2009, it is estimated that 18 projects will initiate operations.**

Thirteen projects initiated operation in fiscal year 2009.

5. **For fiscal year 2009, it is estimated that 10 Small Community Planning Grants will be awarded to small systems to evaluate the system's infrastructure needs.**

In fiscal year 2009, fourteen Small Community Planning Grants were awarded to small systems to evaluate infrastructure needs.

6. **For fiscal year 2009, it is estimated that the South Dakota Association of Rural Water Systems will provide 1,500 hours of technical assistance to small systems.**

The South Dakota Association of Rural Water Systems provided 1,558 hours of technical assistance to small systems in fiscal year 2009.

DETAILS OF ACTIVITIES

FUND FINANCIAL STATUS

Sources of Funds: During FFY 2009, funding from the following sources were available for award under the Drinking Water SRF program:

FFY 2009 federal capitalization grant	\$8,146,000
FFY 2009 state match	\$1,629,200
ARRA capitalization grant	\$19,500,000
Principal repayments *	\$7,303,325
Interest repayments *	\$3,162,931
2009 Bond Anticipation Notes	<u>\$18,221,624</u>
Total	\$57,963,080

* Amount transferred to cumulative excess accounts and available to loan

Binding Commitments: In order to provide financial assistance for drinking water projects, the state made 47 binding commitments totaling \$60,385,897. Exhibit I details the Drinking Water SRF binding commitments made during FFY 2009. Figure 2 shows binding commitments by year since the inception of the program.

Revenues and Expenses: Fund revenues consisted of capitalization grants, administrative expense surcharge payments, and interest earned on loans, investments, and the special reserve account. These revenues totaled \$8,833,449. Fund expenses included administration expenditures, interest payable on bonds, and the amortization of each bond's issuance costs. These expenses totaled \$3,253,972. Additionally, \$22,675.91 was transferred out to the DENR indirect cost pool. The Statement of Income and Retained Earnings is shown on Exhibit X.

Disbursements and Guarantees: There were no loan guarantees during FFY 2009.

Findings and Recommendations of the Annual Audit and EPA Oversight Review: The Drinking Water SRF program was audited by the South Dakota Department of Legislative Audit for state fiscal year 2008 (July 1, 2007, through June 30, 2008), and the audit report was issued on March 4, 2009. The audit did not contain any written findings or recommendations.

Region VIII conducted its annual oversight review of the South Dakota Drinking Water SRF program. A final report was received in July 2009, and the following recommendations were made:

Prior Recommendations:

1. *Amending state rule 74:05:11:06 to ensure consistency with 40 CFR §35.3520(a)(2)(vi).*

This finding will be addressed through amendments to the Administrative Rules for the Drinking Water State Revolving Fund program. It is expected that Administrative Rules will be amended in FFY 2010.

2. *Including in the Intended Use Plan the State's method used to determine the market rate and the interest rate (ref: 40 CFR §35.3555(c)(3)(v)).*

This finding was addressed by the Board of Water and Natural Resources in the FFY 2010 Intended Use Plan.

July 2009 Recommendations:

3. *Increase the percent of disbursements to SRF assistance to meet or exceed the national average of 80%.*

The low disbursement rate can be largely attributed to two factors. First, two loans totaling more than \$40,000,000 were made in 2008. Neither of these loans proceeded to construction until late in 2009, and only \$2,375,000 was disbursed from these loans as of September 30, 2009. Second, the American Recovery and Reinvestment Act provided an unexpected \$19,500,000 of funds, and very few of the projects utilizing these funds have gone to construction. It is expected that South Dakota's rate of disbursement will increase dramatically in 2010 as the two aforementioned projects and the ARRA-funded projects begin construction.

4. *Include in the Intended Use Plan the State's method used to determine the market rate and the interest rate (ref: 40 CFR §35.3555(c)(3)(v)).*

This finding was addressed by the Board of Water and Natural Resources in the FFY 2010 Intended Use Plan.

ASSISTANCE ACTIVITY

Exhibits I through VIII illustrate the assistance activity of the Drinking Water SRF in FFY 2009 and projected cash flows for FFY 2010.

- | | |
|--------------|--|
| Exhibit I | Recipients by population category that received Drinking Water SRF loans during FFY 2009. |
| Exhibit II | The assistance amount provided to each project by needs category. |
| Exhibit III | Source of Drinking Water SRF funds by fiscal year. |
| Exhibit IV | The cash draws and the projects or administrative assistance for which they were made. |
| Exhibit V | The estimated and actual cash disbursement schedule from the federal Letter of Credit for FFY 2009. The estimated schedule was established by the state and EPA through the annual capitalization grant application process. |
| Exhibit VI | The environmental review and land purchase information for the loans made in FFY 2009. |
| Exhibit VII | The cumulative report showing loan transactions by borrower through September 30, 2009. |
| Exhibit VIII | The projected principal and interest payments for FFY 2010. |

FIGURE 2
Binding Commitments by Year

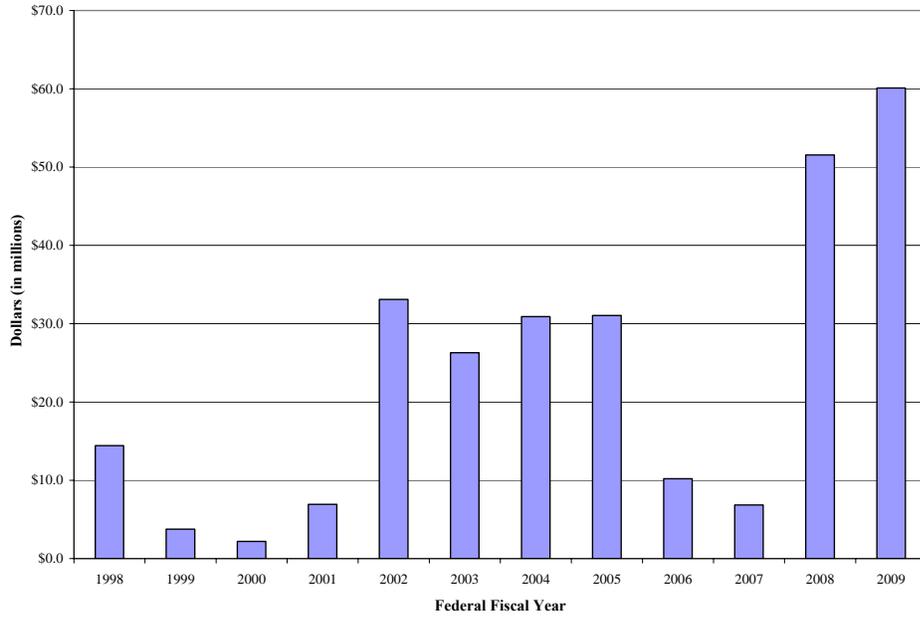
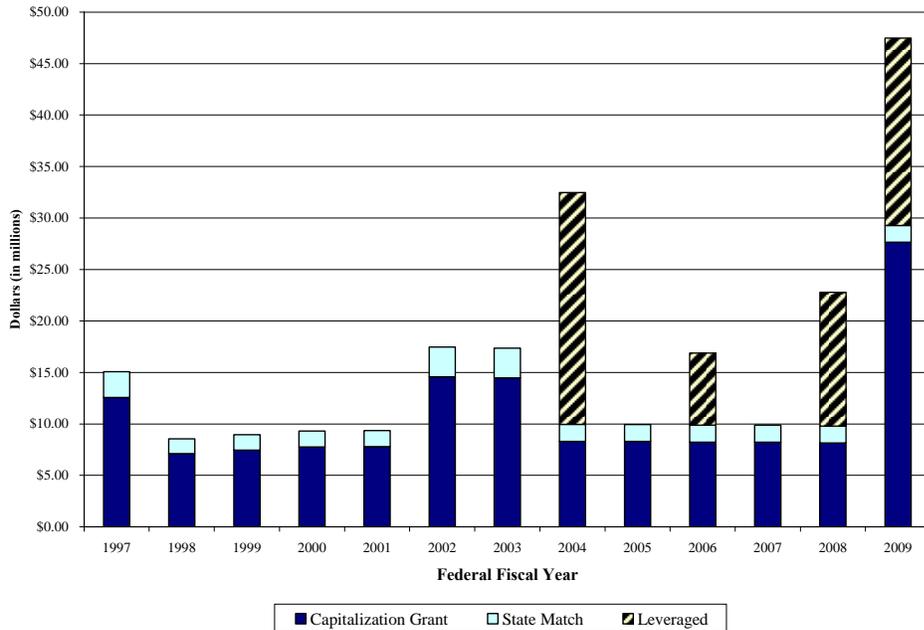


FIGURE 3
Source of State Revolving Funds by Year



PROVISIONS OF THE OPERATING AGREEMENT/CONDITIONS OF THE GRANT

The state of South Dakota agreed to 22 conditions in the Operating Agreement and Capitalization Grant Agreement. The following 21 conditions have been met and need no further description:

1. Enact legislation to establish Drinking Water SRF
2. Comply with all applicable state statutes and regulations
3. Allocate adequate personnel and resources to Drinking Water SRF program
4. Agreement to accept payments
5. Cash draws for Drinking Water SRF program separate
6. Provide state match
7. Deposit of all funds into Drinking Water SRF account
8. Establish fiscal controls and accounting procedures in accordance with Generally Accepted Accounting Principles
9. Annual audit
10. Loan covenants
11. Timely and expeditious use of funds
12. Project priority list additions and modifications
13. Annual revision of the intended use plan
14. Reports on the actual use of funds
15. Conduct environmental reviews
16. Set-asides will be identified each year
17. Compliance with specific Title I requirements
 - A. Authority to ensure new systems demonstrate technical, managerial, and financial capability
 - B. Funds provided only to systems with technical, managerial, and financial capability
 - C. Operator certification
18. Privately-owned systems may receive funding
19. Disadvantaged communities
20. Transfers between Clean Water SRF Program and Drinking Water SRF Program
21. Prior to executing binding commitments on Drinking Water SRF projects, the Regional Administrator must certify project compliance with Title VI of the Civil Rights Act. All loan recipients submitted project certification forms (EPA 4700-4) to DENR, but the department was notified in FY 2003 that it need no longer submit these forms to EPA for concurrence.

The following condition is described in detail below.

1. Compliance with all applicable federal cross-cutting authorities, including the establishment of Minority Business Enterprise (MBE)/Women's Business enterprise (WBE) goals and submission of MBE/WBE Utilization reports.

The state and EPA have agreed on "fair share" goals of 1 percent MBE and 3 percent WBE. The actual MBE/WBE participation achieved during FFY 2009 was 0.00 percent MBE and 0.12 percent WBE. Participation achieved with ARRA funding was 1.62 percent MBE and 0.23 percent WBE.

2010 INTENDED USE PLAN

The Annual Report contains the 2010 Intended Use Plan as approved by the Board of Water and Natural Resources on November 7, 2009, and is shown on page A1.

SOUTH DAKOTA
DRINKING WATER
STATE REVOLVING FUND
LOAN PROGRAM HISTORY

INITIATION OF THE PROGRAM

The Drinking Water State Revolving Fund (SRF) Loan program is a low interest loan program to finance drinking water projects. Funds are provided to the state in the form of capitalization grants awarded annually through the United States Environmental Protection Agency (EPA). The federal capitalization grants are matched by state funds at a ratio of 5 to 1.

The program was federally authorized by the Safe Drinking Water Act Amendments of 1996. The state authorized the loan program in 1994 in anticipation of federal action. EPA provided the final guidance for the Drinking Water SRF program on February 28, 1997. The South Dakota Conservancy District, acting in its capacity as the Board of Water and Natural Resources (the Board), conducted a public hearing on April 15, 1997, to adopt formal administrative rules for the program.

The Board conducted a public hearing on May 28, 1997, to adopt the 1997 Intended Use Plan. The state of South Dakota submitted an Operating Agreement and Capitalization Grant application for FFY 1997 in August of that year and received EPA approval on September 23, 1997. South Dakota's Drinking Water SRF program was the fourth in the nation to be approved by EPA.

CAPITALIZATION GRANTS

Since 1997, South Dakota's Drinking Water SRF program has received federal capitalization grants totaling \$121,064,100. In order to receive each of the capitalization grants, the federal grant must be matched with state funds equal to at least 20 percent of each grant. To meet this requirement, state appropriations as well as revenue bonds have provided the required \$24,212,812 state matching funds. Exhibit III shows the total amount of capitalization grants and state match by year. In addition to the base capitalization grant, the program received \$19,500,000 in American Recovery and Reinvestment Act funds, for which no match was required.

STATE MATCHING FUNDS

The Safe Drinking Water Act amendments allowed states to defer the state match of the 1997 capitalization grant until September 30, 1999. South Dakota deferred its match until program bonds were issued in 1998. For the 1998 capitalization grant, the source of the state match had to be identified at the time of the grant application in December 1997. The 1997 state appropriation of \$1,424,260 was utilized to match the 1998 capitalization grant.

In June 1998, \$6,450,000 in program bonds were issued. This bond issue was insured by Ambac Assurance Corporation and was rated Aaa by Moody's Investors Services, Inc. The Series 1998A bonds were issued to provide \$2,511,760 to match the 1997 federal capitalization grant, \$1,492,760 to match the 1999 federal capitalization grant, and \$1,551,400 to match the 2000 federal capitalization grant. The balance was used to match a portion of the 2001 federal capitalization grant.

The entire program was upgraded to a Aa3 rating by Moody's in June 1998 and to Aa1 in August 2001.

In October 2001, \$5,270,000 in revenue bonds were issued. These funds provided the required state match for 2001, 2002, and 2003 capitalization grants.

Revenue bonds were issued in July 2004. State match bonds for grant years 2004, 2005, and 2006 amounted to \$5,001,620. The 2004 bond issue was rated AAA by Standard and Poor's and Aaa by Moody's.

The South Dakota Conservancy District closed its Series 2005 bond issue for the State Revolving Fund programs in October 2005. The 2005 bond issue was rated AAA by Standard and Poor's and Aaa by Moody's, the highest ratings assigned by each agency. These ratings were based upon the programs' strength and did not involve bond insurance. The par amount of the tax-exempt revenue bonds issued in October 2005 was \$50,000,000. State match bonds were issued for grant year 2007 and amounted to \$1,670,000. The True Interest Cost was 4.36 percent and the Net Interest Cost was 4.47 percent.

The South Dakota Conservancy District closed its Series 2008 bond issue for the State Revolving Fund programs in March 2008. This was a multi-modal variable rate issue, which was a first for the District. The 2008 bond issue was rated AAA/A-1+ by Standard and Poor's and Aaa/VMIG by Moody's. These ratings are the highest long-term and short-term ratings, respectively, assigned by each agency. These ratings were based on the programs' strength and do not involve bond insurance. The par amount of the tax-exempt revenue bonds issued in March 2008 was \$40,000,000. The bonds were originally set with a semi-annual rate mode which can be changed at the discretion of the Conservancy District. The initial interest rate was 2.35% effective until August 1, 2008. The Conservancy District chose to retain the semi-annual rate mode, and the new interest rate was 1.90 percent effective until February 1, 2009. The Drinking Water program utilized \$4,887,600 of proceeds for 2008-2010 match and \$13,000,000 for leveraged loans. The remaining proceeds were allocated to the Clean Water SRF program.

LEVERAGED PROGRAM BONDS AND NOTES

Leveraged funds issued in July 2004 for new loans amounted to \$22,503,662.

In October 2005, an additional \$14,500,000 of leveraged bonds were issued to provide additional loan funds. Subsequently, \$7,500,000 of leveraged bond proceeds were transferred to the Clean Water SRF program. See Table 6.

In March 2008, the Series 2008 bond issue provided \$13,000,000 in leveraged funds for the Drinking Water SRF program.

In August 2009, the Series 2009 Bond Anticipation Notes provided \$18,221,624 in leveraged funds for the Drinking Water SRF program.

TRANSFERS BETWEEN PROGRAMS

In federal fiscal years 2002 and 2003, because of the demand on the Drinking Water program, the Clean Water SRF capitalization grants and state match were transferred to the Drinking Water SRF program (see Table 6). These grants amounted to \$12,978,600, with a corresponding state match of \$2,595,720. In 2006, \$7,500,000 of the Series 2005 Drinking Water bond proceeds were transferred to the Clean Water program to meet demand.

Table 6
Transfers between Clean Water SRF and Drinking Water SRF Programs

From	To	Grant Year	Capitalization Grant	State Match	Lev. Series	Bonds Transferred	Total
Clean Water SRF	Drinking Water SRF	2002	\$6,510,800	\$1,302,160			\$7,182,960
Clean Water SRF	Drinking Water SRF	2003	\$6,467,800	\$1,293,560			\$7,761,360
Drinking Water SRF	Clean Water SRF				2005	\$7,500,000	\$7,500,000

OTHER FUNDS

The Drinking Water SRF program is intended to revolve in perpetuity. As borrowers repay their loans, the principal repayments are used to pay debt serviced on leveraged bonds. Excess repayments are then available to be loaned out to other communities. The first use of principal repayment for a loan was in 1999. The interest repaid by borrowers and investment earnings are dedicated to pay debt service on state match bonds. The excess interest (unrestricted cumulative interest) is then available to be loaned out to other communities. When the federal capitalization grants cease, all loans will be made from these sources. The first loan from unrestricted cumulative excess interest earnings was made in 2008.

TRUSTEE

The First National Bank in Sioux Falls has been the trustee since the onset of the program in 1997. The trustee manages and invests all funds and accounts for the Drinking Water SRF program, issues amortization schedules, disburses loan funds, and receives all loan repayments.

BOND COUNSEL

Alzheimer & Gray served as bond counsel for the Series 1998A and Series 2001 Drinking Water State Revolving Fund Program Bonds. In July 2003, Alzheimer & Gray law firm dissolved, and Perkins Coie LLP was retained to serve as bond counsel.

UNDERWRITER

Piper Jaffray served as underwriter for the Series 1998A Drinking Water State Revolving Fund Program Bonds. Dougherty and Company served as underwriter for the Series 2001 bonds. UBS Financial Services served as underwriter for the Series 2004 and Series 2005 State Revolving Fund Program Bonds. Wachovia Bank, National Association was selected as underwriter and remarketing agent for the Series 2008 bonds. Piper Jaffray & Company was

selected through a competitive bid process as the underwriter for the Series 2009 Bond Anticipation Notes.

FINANCIAL ADVISOR

In September 2003, Public Financial Management (PFM) was retained to perform financial analyses of the SRF programs. PFM designed a comprehensive program cash flow model that assessed financial impacts of transfers between the Clean Water and Drinking Water programs, maintenance of SRF funds in perpetuity, short- and long-term effects of refunding some or all of the District's outstanding debt, financial impacts of leveraging the Drinking Water SRF program, and financial impacts of various methods by which required state matching funds may be provided.

EPA REGION VIII

Region VIII of the Environmental Protection Agency oversees the Drinking Water State Revolving Fund Loan program. EPA assists the state in securing capitalization grants and guides the Conservancy District in its administration of the program.

DRINKING WATER
STATE REVOLVING FUND
LOAN PORTFOLIO

FIGURE 4
Drinking Water State Revolving Fund Loans

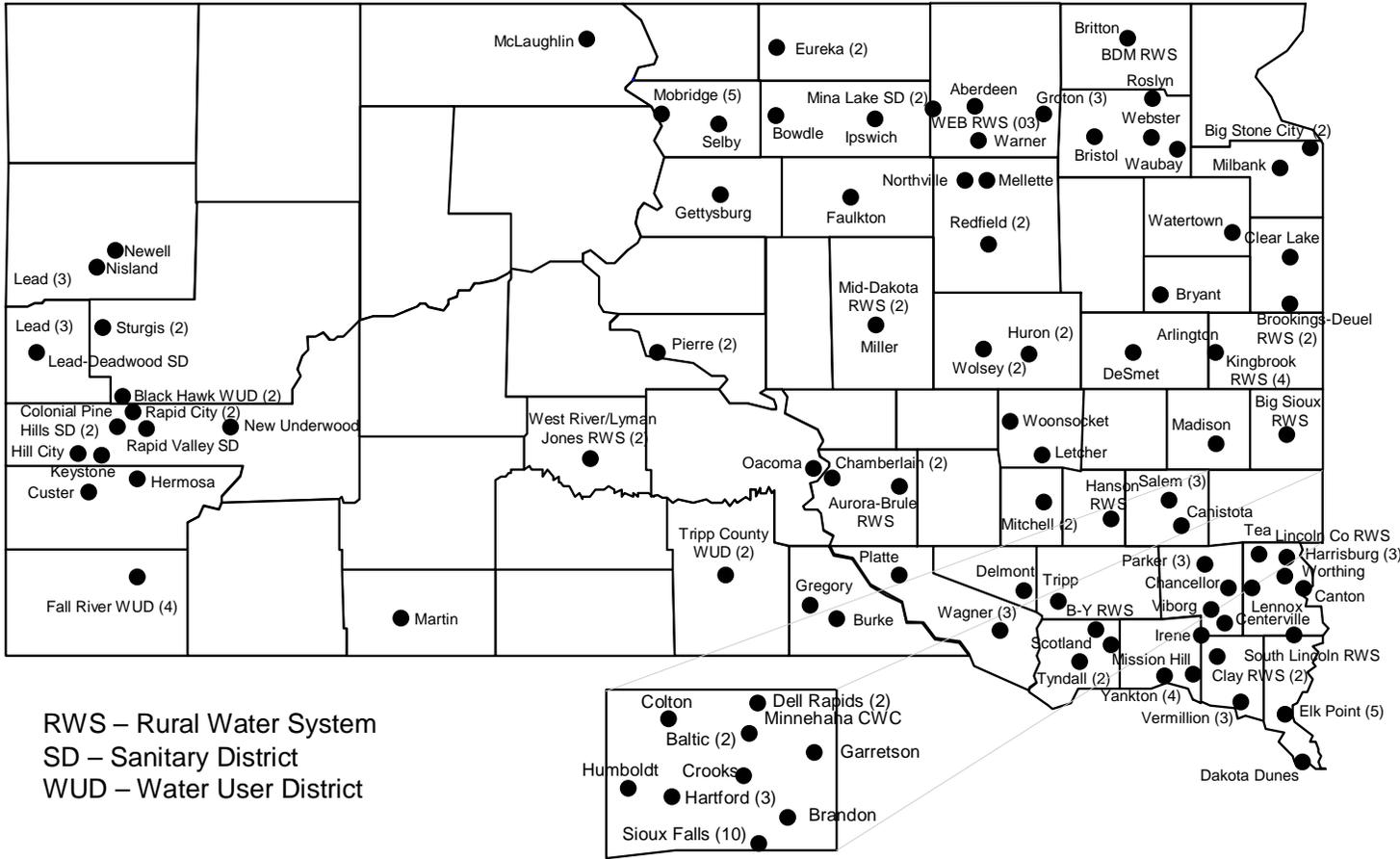


Table 7
State of South Dakota
Drinking Water State Revolving Fund Loan Program Portfolio

Active Drinking Water SRF Loans

Sponsor	Binding Commitment Date	Rate	Term (years)	Binding Commitment Amount	Final Loan Amount
Aberdeen (DW-01A)	03/28/2003	3.5%	20	\$9,460,000	\$9,460,000
Aberdeen (DW-01B)	01/08/2004	3.5%	20	\$7,300,000	\$7,024,258
Aberdeen (DW-02) - ARRA	07/23/2009	2.25%	10	\$1,750,000	\$1,750,000
Arlington (DW-01) - ARRA	06/25/2009	0%	-	\$100,000	\$100,000
Aurora-Brule RWS (DW-01) - ARRA	03/27/2009	0%	-	\$500,000	\$500,000
Baltic (DW-01)	06/27/2002	3.5%	20	\$250,000	\$250,000
Baltic (DW-02) - ARRA	06/25/2009	2.25%	10	\$165,000	\$165,000
BDM RWS (DW-01)	04/12/2002	3.5%	20	\$536,000	\$280,251
Big Stone City (DW-01)	07/22/1998	5.25%	20	\$600,000	\$570,000
Big Stone City (DW-02)	06/26/2003	3.5%	20	\$240,000	\$139,873
Black Hawk WUD (DW-01)	03/26/1998	5.25%	20	\$500,000	\$500,000
Black Hawk WUD (DW-02)	01/03/2008	3.25%	20	\$1,142,000	\$1,142,000
Bowdle (DW-01) - ARRA	06/25/2009	0%	-	\$150,000	\$150,000
Brandon (DW-01)	11/13/1998	4.75%	15	\$1,950,000	\$1,877,375
Britton (DW-01)	04/25/2001	4.5%	20	\$320,000	\$320,000
Brookings-Deuel RWS (DW-01)	01/06/2005	3.25%	30	\$1,200,000	\$1,002,464
Brookings-Deuel RWS (DW-02)	06/23/2005	3.25%	30	\$1,750,000	\$1,750,000
Bryant (DW-01)	01/13/2000	3.0%	30	\$142,000	\$142,000
Burke (DW-01)	01/05/2006	2.5%	30	\$115,600	\$115,600
Canistota (DW-01) - ARRA	03/27/2009	3.0%	30	\$426,460	\$426,460
Canton (DW-01)	01/10/2003	3.5%	20	\$500,000	\$500,000
Centerville (DW-01)	03/25/2004	3.25%	30	\$870,000	\$870,000
Chamberlain (DW-01)	03/27/2008	3.25%	20	\$276,500	\$276,500
Chamberlain (DW-02) - ARRA	08/26/2009	3.0%	20	\$1,000,000	\$1,000,000
Chancellor (DW-01)	09/22/2005	3.25%	30	\$230,000	\$205,948
Clay RWS (DW-01)	06/23/2005	3.25%	30	\$4,331,000	\$4,331,000
Clay RWS (DW-02) - ARRA	06/25/2009	3.0%	30	\$846,300	\$846,300
Clear Lake (DW-01)	12/10/1998	3.0%	30	\$565,000	\$540,637
Colonial Pine Hills Sanitary District (DW-01)	01/31/2002	3.5%	20	\$659,000	\$636,108
Colonial Pine Hills Sanitary District (DW-02) - ARRA	07/23/2009	3.0%	20	\$1,003,608	\$1,003,608
Colton (DW-01)	06/27/2002	3.5%	30	\$681,720	\$632,455
Corson Village Sanitary District (DW-01) - ARRA	07/23/2009	3.0%	20	\$552,865	\$552,865
Crooks (DW-01)	06/25/2004	3.25%	20	\$302,900	\$133,510
Custer (DW-01)	01/10/2003	3.5%	20	\$800,000	\$800,000
Dakota Dunes CID (DW-01)	06/27/2002	3.5%	20	\$908,000	\$508,000
Dell Rapids (DW-01)	03/28/2003	3.5%	20	\$621,000	\$621,000
Dell Rapids (DW-02)	01/05/2006	3.25%	20	\$162,263	\$162,263
Delmont (DW-01)	06/26/2008	2.5%	30	\$185,000	\$185,000
DeSmet (DW-01) - ARRA	08/26/2009	2.25%	30	\$258,000	\$258,000
Elk Point (DW-01)	01/31/2002	3.5%	20	\$220,000	\$220,000
Elk Point (DW-02)	06/25/2004	3.25%	20	\$570,000	\$570,000

Sponsor	Binding Commitment Date	Rate	Term (years)	Binding Commitment Amount	Final Loan Amount
Elk Point (DW-03)	06/22/2006	3.25%	20	\$218,000	\$218,000
Elk Point (DW-04)	06/26/2008	3.25%	20	\$564,000	\$564,000
Elk Point (DW-05)	07/23/2009	3.0%	20	\$1,179,500	\$1,179,500
Eureka (DW-01)	09/28/2006	0%	10	\$135,000	\$133,681
Eureka (DW-02) - ARRA	06/25/2009	0%	-	\$200,000	\$200,000
Fall River Water Users District (DW-01)	12/09/1999	3.0%	30	\$759,000	\$759,000
Fall River WUD (DW-02)	11/09/2001	2.5%	30	\$400,000	\$260,958
Fall River WUD (DW-03) - ARRA	03/27/2009	0%	-	\$612,000	\$612,000
Fall River WUD (DW-04) - ARRA	06/25/2009	0%	-	\$750,000	\$750,000
Faulton (DW-01) - ARRA	03/27/2009	0%	-	\$500,000	\$500,000
Garretson (DW-01)	06/27/2002	3.5%	30	\$1,261,060	\$1,102,147
Gregory (DW-01)	04/12/2002	2.5%	30	\$380,000	\$347,580
Groton (DW-01)	03/28/2003	3.5%	20	\$440,000	\$440,000
Groton (DW-02)	06/25/2004	3.25%	20	\$365,900	\$308,945
Groton (DW-03) - ARRA	06/25/2009	0%	-	\$272,000	\$272,000
Hanson RWS (DW-01) - ARRA	08/26/2009	0%	-	\$840,000	\$840,000
Harrisburg (DW-01)	10/12/2000	5.0%	20	\$525,000	\$525,000
Harrisburg (DW-02)	03/30/2007	3.25%	20	\$1,714,327	\$1,291,925
Harrisburg (DW-03)	09/25/2008	3.25%	20	\$2,090,000	\$2,090,000
Hartford (DW-02)	01/10/2003	3.5%	20	\$800,957	\$800,957
Hartford (DW-03)	01/06/2005	3.25%	20	\$1,123,556	\$1,123,556
Hermosa (DW-01)	12/10/1998	5.0%	20	\$300,000	\$300,000
Hill City (DW-01) - ARRA	08/26/2009	3.0%	30	\$402,200	\$402,200
Humboldt (DW-01)	06/22/2006	3.25%	20	\$520,000	\$481,773
Huron (DW-01)	06/27/2002	3.5%	20	\$4,000,000	\$4,000,000
Huron (DW-02) - ARRA	08/26/2009	3.0%	20	\$619,684	\$619,684
Ipswich (DW-01) - ARRA	06/25/2009	3.0%	30	\$1,245,000	\$1,245,000
Keystone (DW-01)	03/25/2004	3.25%	20	\$762,000	\$630,212
Kingbrook RWS (DW-01)	04/13/2000	0%	30	\$475,000	\$474,204
Kingbrook RWS (DW-02)	01/06/2005	3.25%	30	\$2,115,000	\$2,115,000
Kingbrook RWS (DW-03)	03/30/2005	3.25%	20	\$3,324,000	\$3,136,677
Kingbrook RWS (DW-04)	06/22/2006	3.25%	20	\$2,350,000	\$2,315,622
Lead (DW-01)	07/27/2000	4.5%	10	\$192,800	\$192,800
Lead (DW-02)	01/06/2005	3.25%	30	\$205,800	\$192,549
Lead (DW-03) - ARRA	08/26/2009	3.0%	20	\$1,020,000	\$1,020,000
Lennox (DW-01)	07/16/2004	3.25%	30	\$2,000,000	\$2,000,000
Letcher (DW-01)	08/26/2009	2.25%	30	\$200,000	\$200,000
Lincoln County Rural Water (DW-01)	01/31/2002	3.5%	20	\$1,200,000	\$1,079,170
Martin (DW-01)	09/25/2003	2.5%	30	\$920,000	\$917,901
McLaughlin (DW-01)	06/25/2004	2.5%	30	\$350,000	\$350,000
Mellette (DW-01) - ARRA	08/27/2009	2.25%	30	\$271,780	\$271,780
Mid-Dakota RWS (DW-01)	03/27/2009	2.0%	3	\$12,000,000	\$12,000,000
Mid-Dakota RWS (DW-02) - ARRA	03/27/2009	0%	-	\$1,000,000	\$1,000,000
Milbank (DW-01)	09/22/2005	2.5%	30	\$4,741,000	\$4,460,294
Miller (DW-01)	01/03/2008	2.5%	10	\$255,200	\$255,200
Mina Lake San Dist (DW-01)	11/13/1998	5.0%	20	\$255,200	\$255,200
Mina Lake San Dist (DW-02) - ARRA	06/25/2009	3.0%	20	\$567,390	\$567,390
Minnehaha CWC (DW-01)	06/27/2002	3.5%	20	\$6,500,000	\$6,022,816
Mitchell (DW-01)	10/12/2000	4.5%	20	\$6,000,000	\$2,850,115
Mitchell (DW-02) - ARRA	08/26/2009	3.0%	20	\$2,360,000	\$2,360,000
Mobridge (DW-03)	09/28/2006	2.5%	30	\$213,500	\$213,500

Sponsor	Binding Commitment Date	Rate	Term (years)	Binding Commitment Amount	Final Loan Amount
Mobridge (DW-04)	06/28/2007	2.5%	30	\$90,000	\$62,442
Mobridge (DW-05) - ARRA	06/25/2009	0%	-	\$500,000	\$500,000
New Underwood - ARRA	06/25/2009	3%	20	\$175,500	\$175,000
Newell (DW-01) - ARRA	08/26/2009	2.25%	30	\$645,500	\$645,500
Nisland (DW-01)	12/13/2001	0%	30	\$350,000	\$350,000
Northville (DW-01) - ARRA	07/23/2009	3%	20	\$203,460	\$203,460
Parker (DW-01)	09/23/2004	3.25%	20	\$730,000	\$730,000
Parker (DW-02)	06/22/2006	3.25%	20	\$300,000	\$209,541
Parker (DW-03) - ARRA	03/27/2009	3.0%	20	\$554,200	\$554,200
Pierre (DW-01)	01/31/2002	3.5%	15	\$1,094,200	\$988,188
Pierre (DW-02)	09/25/2003	3.5%	15	\$1,832,900	\$1,832,900
Platte (DW-01)	06/25/2004	2.5%	10	\$400,000	\$293,134
Rapid City (DW-01)	11/14/2003	3.5%	20	\$3,500,000	\$3,500,000
Rapid City (DW-02)	07/23/2009	3.0%	20	\$6,000,000	\$6,000,000
Rapid Valley Sanitary District (DW-01) - ARRA	06/25/2009	0%	-	\$682,000	\$682,000
Redfield (DW-01)	04/25/2001	4.5%	20	\$85,000	\$85,000
Redfield (DW-02)	06/23/2005	2.5%	30	\$342,755	\$342,755
Roslyn (DW-01) - ARRA	06/25/2009	0%	-	\$500,000	\$500,000
Salem (DW-01)	03/28/2003	3.5%	10	\$126,921	\$118,540
Salem (DW-02)	06/23/2005	3.25%	20	\$348,540	\$328,966
Salem (DW-03)	06/28/2007	3.25%	30	\$1,345,000	\$1,345,000
Scotland (DW-01)	03/28/2003	2.5%	30	\$340,000	\$235,172
Selby (DW-01) - ARRA	06/25/2009	0%	-	\$100,000	\$100,000
Sioux Falls (DW-01)	07/22/1998	4.5%	10	\$7,022,000	\$6,496,745
Sioux Falls (DW-02)	01/11/2001	4.5%	10	\$2,750,000	\$2,348,168
Sioux Falls (DW-03)	04/12/2002	3.5%	10	\$7,930,000	\$7,930,000
Sioux Falls (DW-04)	01/10/2003	3.5%	10	\$5,279,000	\$279,599
Sioux Falls (DW-05)	07/16/2004	2.5%	10	\$12,749,000	\$10,828,766
Sioux Falls (DW-06)	01/03/2008	2.5%	10	\$17,848,000	\$12,848,000
Sioux Falls (DW-07)	01/03/2008	2.5%	10	\$2,200,000	\$2,200,000
Sioux Falls (DW-08)	01/03/2008	2.5%	10	\$2,705,600	\$2,705,600
Sioux Falls (DW-09) - ARRA	03/27/2009	2.25%	10	\$3,578,750	\$3,578,750
Sioux Falls (DW-10) - ARRA	03/27/2009	2.25%	10	\$7,606,900	\$7,606,900
South Lincoln RWS (DW-01)	01/10/2003	3.5%	20	\$2,000,000	\$2,000,000
Sturgis (DW-02) - ARRA	08/26/2009	2.25%	10	\$863,000	\$863,000
Tea (DW-01)	03/30/2007	3.25%	20	\$2,263,723	\$2,263,723
Tripp (DW-01)	07/26/2001	2.5%	30	\$291,000	\$225,656
Tripp County WUD (DW-01)	11/14/2002	2.5%	30	\$3,500,000	\$3,500,000
Tripp County WUD (DW-02)	11/14/2002	0%	30	\$148,000	\$131,469
Tyndall (DW-01)	07/27/2000	2.5%	10	\$300,000	\$300,000
Tyndall (DW-02)	11/09/2001	2.5%	30	\$861,000	\$861,000
Vermillion (DW-01)	05/13/1999	5.0%	20	\$942,000	\$795,338
Vermillion (DW-02)	06/27/2002	3.5%	20	\$1,510,000	\$1,507,552
Vermillion (DW-03)	09/22/2005	2.5%	20	\$3,772,500	\$3,693,216
Viborg (DW-01)	03/27/2008	3.25%	20	\$249,775	\$104,491
Wagner (DW-01)	06/22/2006	0%	30	\$750,000	\$750,000
Wagner (DW-02)	06/28/2007	0%	30	\$175,000	\$175,000
Warner (DW-01) - ARRA	03/27/2009	0%	-	\$400,000	\$400,000
Watertown (DW-01)	03/27/2008	3.25%	20	\$23,760,000	\$23,760,000
Waubay (DW-01)	03/31/2006	2.5%	30	\$750,000	\$750,000

Sponsor	Binding Commitment Date	Rate	Term (years)	Binding Commitment Amount	Final Loan Amount
Webster (DW-01)	04/12/2002	3.5%	20	\$330,000	\$318,828
West River/Lyman Jones RWS (DW-01)	10/12/2001	2.5%	30	\$340,000	\$340,000
West River/Lyman Jones RWS (DW-02)	03/30/2005	3.25%	30	\$8,000,000	\$7,943,023
Wolsey (DW-01)	06/23/2005	3.25%	20	\$263,000	\$227,950
Wolsey (DW-02)	09/27/2007	3.25%	20	\$162,300	\$162,300
Woonsocket (DW-01)	08/27/2009	3.0%	30	\$595,000	\$595,000
Worthing (DW-01)	06/26/2003	3.5%	20	\$288,000	\$288,000
Yankton (DW-01)	11/09/2001	3.5%	20	\$3,460,000	\$3,460,000
Yankton (DW-02)	06/28/2007	3.25%	20	\$1,100,000	\$1,100,000
Yankton (DW-03) - ARRA	03/27/2009	3.0%	20	\$3,000,000	\$3,000,000
Yankton (DW-04) - ARRA	03/27/2009	3.0%	20	\$2,200,000	\$2,200,000
Total of Active Loans (Open or in Repayment)				\$267,825,594	\$247,086,683

Drinking Water SRF Loans Paid in Full

Sponsor	Binding Commitment Date	Rate	Term (years)	Binding Commitment Amount	Final Loan Amount
Gettysburg (DW-01)	06/14/2001	4.5%	20	\$565,000	\$565,000
Hartford (DW-01)	04/13/2000	5.0%	20	\$185,000	\$185,000
Irene (DW-01)	06/22/2000	5.0%	20	\$145,000	\$127,126
Lead-Deadwood San Dist (DW-01)	06/24/1998	5.25%	20	\$2,700,000	\$2,683,957
Madison (DW-01)	05/14/1998	5.0%	15	\$2,372,000	\$2,372,000
Mobridge (DW-01)	03/26/1998	5.25%	20	\$965,000	\$965,000
Mobridge (DW-02)	07/22/1998	5.25%	20	\$355,000	\$352,207
Sturgis (DW-01)	01/08/1998	5.0%	15	\$700,000	\$478,377
Total of Loans Paid in Full				\$7,987,000	\$7,728,667

GRAND TOTAL **\$275,812,594** **\$254,815,350**

Table 8
State of South Dakota
Drinking Water State Revolving Fund Loans Deobligated in Full or Rescinded by Board

Sponsor	Binding Commitment Date	Rate	Term (years)	Binding Commitment Amount	Final Loan Amount
Big Sioux CWS (DW-01)	03/31/2006	3.25%	20	\$831,000	\$0
Bon Homme - Yankton WUD - ARRA	06/25/2009	0%	-	\$300,000	\$0
Bristol (DW-01)	04/25/2001	4.5%	20	\$139,000	\$0
Mission Hill (DW-01)	06/26/2008	3.25%	20	\$250,000	\$0
Oacoma (DW-01) - ARRA	03/27/2009	3.0%	20	\$1,414,800	\$0
Wagner (DW-03) - ARRA	07/23/2009	0%	30	\$275,000	\$0
WEB WDA (DW-01)	03/26/1998	5.25%	20	\$1,110,000	\$0
WEB WDA (DW-02)	10/11/2001	2.5%	30	\$137,450	\$0
WEB WDA (DW-03)	03/31/2006	3.25%	20	\$3,950,000	\$0

FIGURE 5
Drinking Water SRF Interest Rates
By Percent of Loan Portfolio
(\$254.8 Million)

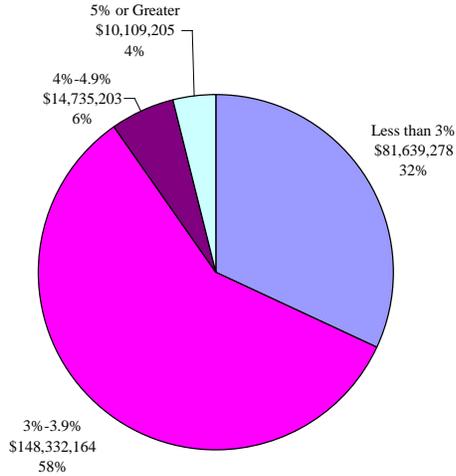
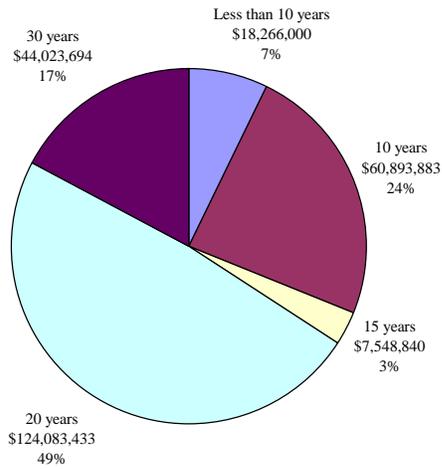


FIGURE 6
Drinking Water SRF Loan Terms
By Percent of Loan Portfolio
(\$254.8 Million)



DRINKING WATER SRF PROJECT DESCRIPTIONS

ABERDEEN – The city of Aberdeen received an \$8,460,000 loan at 3.5 percent for 20 years. This loan was the first installment of the city’s \$14,460,000 project to improve the water treatment plant. Total project costs increased to \$18,700,000, and the city received the second installment of its loan in 2004 in the amount of \$8,300,000. The city’s second loan was for \$1,750,000 to replace water meters. This loan is at 2.25 percent for 10 years and includes \$175,000 of principal forgiveness through the American Recovery and Reinvestment Act of 2009 (ARRA).

ARLINGTON - The city of Arlington received a \$100,000 loan with 100 percent principal forgiveness through ARRA. The loan was to replace water lines on Birch and 1st Streets.

AURORA-BRULE RURAL WATER SYSTEM - The Aurora-Brule Rural Water System received a \$500,000 loan with 100 percent principal forgiveness through ARRA. The loan was to construct a new raw water intake and associated piping.

BALTIC – The city of Baltic received a \$250,000 loan for replacement of existing cast iron pipe with PVC water mains. The loan is at 3.5 percent for 20 years. Baltic’s second loan was for \$165,000 to replace water meters. This loan is at 2.25 percent for 10 years and includes \$16,500 of principal forgiveness through ARRA.

BDM RURAL WATER SYSTEM – The system received a loan in the amount of \$536,000 for expansion of the system to the city of Britton, SD. The loan is at 3.5 percent for 20 years.

BIG SIOUX COMMUNITY WATER SYSTEM – Big Sioux received a loan in the amount of \$831,000 for clearwell and water storage improvements. The loan is at 3.25 percent for 20 years.

BIG STONE CITY – The city of Big Stone City utilized a \$600,000 loan to construct a 100,000-gallon elevated water storage tank. The project also included the installation of a water main to connect the tank to the existing distribution system, and the refinancing of debt incurred to connect to the Ortonville, Minnesota regional water treatment plant. The 20-year loan is at 5.25 percent. The city received its second loan in the amount of \$240,000 at 3.5 percent for 20 years to fund improvements to the water distribution system.

BLACK HAWK WATER USER DISTRICT – The Black Hawk Water User District received a loan for \$500,000. This loan financed a new well, pump house construction, installation of chlorination and fluoridation equipment, a 48,000-gallon water storage reservoir, and approximately 7,000 feet of new water lines. This loan is at 5.25 percent for 20 years. The second loan, in the amount of \$1,142,000 at 3.25 percent for 20 years, financed an 815,000-gallon, ground storage reservoir and a transmission line to improve service to Summerset

BON HOMME-YANKTON WATER USER DISTRICT - The Bon Homme-Yankton Water User District received a \$300,000 loan with 100 percent principal forgiveness through ARRA. The loan was to construct a new raw water intake; however, due to inability of the project to meet ARRA deadlines, the loan was deobligated in full at the district’s request.

BOWDLE - The city of Bowdle received a \$150,000 loan with 100 percent principal forgiveness through ARRA. The loan was to replace water lines in various locations throughout the city.

BRANDON – Brandon received a loan for \$1,950,000 at 4.75 percent for 15 years. This project consists of constructing a new water treatment plant and upgrading the current distribution system.

BRISTOL – The town of Bristol received a loan in the amount of \$139,000 at 4.5 percent interest for 20 years. The project involves construction of a new elevated storage tank as well as replacement of an underground storage tank. This will allow the town to discontinue renting railroad land where the current low level tank is located and to eliminate its existing pumping station that pressurizes the distribution system. The town deobligated the loan when it received an alternative financing package from Rural Development.

BRITTON – The city of Britton received a loan in the amount of \$320,000 to replace and make improvements to approximately 30 blocks of water main throughout the city. The project involves replacing 50-year-old cast iron pipes, much of which has completely deteriorated due to rust and scale build-up. The loan is at 4.5 percent interest for 20 years.

BROOKINGS-DEUEL RURAL WATER SYSTEM – Brookings-Deuel RWS received two Drinking Water SRF loans in FFY 2005. The first loan, in the amount of \$1,200,000 at 3.25 percent for 30 years, increases the treatment capacity of the Bruce water treatment plant. The second loan, in the amount of \$1,750,000 at 3.25 percent for 30 years, makes improvements to the distribution system and extends water to the community of Astoria.

BRYANT – The city of Bryant received a \$142,000 loan to help replace lead service lines and asbestos cement water mains throughout the city. The loan is at 3.0 percent interest for a term of 30 years.

BURKE – Burke's first loan, in the amount of \$115,600 at the disadvantaged rate of 2.5 percent for 30 years, funded the drinking water portion of the Franklin Street Utilities Replacement project.

CANISTOTA - The city of Canistota received a \$426,460 loan at 3.0 percent for 30 years to replace the water line on Ash Street. The loan includes \$313,960 of principal forgiveness through ARRA.

CANTON -- Canton utilized its first loan in the amount of \$500,000 at 3.5 percent for 20 years to fund utility improvements in conjunction with South Dakota Department of Transportation reconstruction of US 18.

CENTERVILLE – Centerville received its first Drinking Water SRF loan in the amount of \$870,000 to construct water distribution system improvements. The loan is at 3.25 percent for 30 years.

CHAMBERLAIN – The city of Chamberlain obtained its first Drinking Water SRF loan in the amount of \$276,500 at 3.25 percent for 20 years to upgrade chemical feed and control systems and to make renovations to its water treatment plant. The city's second loan was for \$1,000,000 to replace water mains and appurtenances at nine locations throughout the city. This loan is at 2.25 percent for 10 years and includes \$300,000 of principal forgiveness through ARRA.

CHANCELLOR – Chancellor's first Drinking Water SRF loan for \$230,000 at 3.25 percent for 30 years will provide water distribution system improvements.

CLAY RURAL WATER SYSTEM – Clay RWS's first Drinking Water SRF loan will expand the system to southern Union County. The loan is for \$4,331,000 at 3.25 percent for 30 years. The system's second loan was for \$846,300 to construct two new wells, replace the Garfield Booster Station with an above ground pumping station, replace variable frequency drives on pumps, and miscellaneous

improvements to the SCADA system. This loan is at 3.0 percent for 20 years and includes \$700,000 of principal forgiveness through ARRA.

CLEAR LAKE – Clear Lake received a loan in the amount of \$565,000. This loan qualifies for the disadvantaged rate and term of 3.0 percent for 30 years. This project consists of constructing a new 300,000-gallon water tower and installation of 2,700 LF of 10-inch water main to connect the tower with the water distribution system.

COLONIAL PINE HILLS SANITARY DISTRICT – Colonial Pine Hills proposes to improve its water distribution system with a \$659,000 loan at 3.5 percent for 20 years. The district's second loan was for \$1,003,608 to construct a new well and well-house to replace a well that currently experience high radionuclide levels and construct a line to connect the well to the distribution system. This loan is at 3.0 percent for 20 years and includes \$250,000 of principal forgiveness through ARRA.

COLTON – The city of Colton will connect to the Minnehaha Community Water Corporation with a loan in the amount of \$681,720 at 3.5 percent for 30 years. The loan will be used for an elevated storage tank, water lines, wells, and new water treatment plant.

CORSON VILLAGE SANITARY DISTRICT - The Corson Village Sanitary District received its first Drinking Water SRF loan in the amount of \$552,865 to replace its distribution system and connect to the city of Brandon. This loan is at 3.0 percent for 20 years and includes \$497,579 of principal forgiveness through ARRA.

CROOKS – Crooks will construct a second connection to Minnehaha Community Water Corporation's distribution system and replace high service pumps to improve capacity. The loan, in the amount of \$302,900, is at 3.25 percent for 20 years.

CUSTER - Custer received an \$800,000 loan at 3.5 percent for 20 years to replace transmission and distribution water lines within the business district in conjunction with a South Dakota DOT project.

DAKOTA DUNES COMMUNITY IMPROVEMENT DISTRICT – Dakota Dunes will connect its water supply with the city of Sioux City, Iowa, with its \$908,000 loan at 3.5 percent for 20 years. This project includes construction of a line beneath the Big Sioux River connecting the city of Sioux City's distribution system with Dakota Dunes and the cost to upsize water mains in Sioux City to provide the additional capacity necessary to serve Dakota Dunes.

DELL RAPIDS - Dell Rapids constructed various distribution system improvements with its first \$621,000 loan at 3.5 percent for 20 years. The city's second loan, in the amount of \$162,263 at 3.25 percent for 20 years, financed the drinking water portion of the 4th Street Utility Improvements project.

DELMONT - Delmont received its first Drinking Water SRF loan to loop lines within the distribution system to improve water quality. The \$185,000 loan has a 2.5 percent interest rate with a 30-year term.

DESMET - The city of DeSmet received its first Drinking Water SRF loan to replace water mains on 3rd Street from Highway 25 to Prairie Avenue. The loan is for \$258,000 at 2.25 percent for 30 years and includes \$25,800 of principal forgiveness through ARRA.

ELK POINT – Elk Point received its first loan in the amount of \$220,000 at 3.5 percent for 20 years for water main replacement in conjunction with its Pearl Street Utility Improvement project. Its second loan, in the amount of \$570,000 at 3.25 percent for 20 years, will fund an upgrade to the city's water treatment plant. The city received a \$218,000 loan at 3.25 percent for 20 years, to fund the drinking water portion

of the utility systems improvements. The fourth SRF loan awarded to Elk Point funded water line replacement on Clay and Washington Streets. This loan was for \$150,000 at 3.25 percent for 20 years. The city's fifth loan was for \$1,179,500 to replace approximately 18 blocks of water main on Main Street in conjunction with a South Dakota Department of Transportation project to reconstruct the I-90 business loop. This loan is at 3.0 percent for 20 years and includes \$660,520 of principal forgiveness through ARRA.

EUREKA - Eureka utilized a \$135,000 loan at zero percent interest for ten years to replace water meters and implement a computer-generated water meter reading system. The city's second loan was in the amount of \$200,000 with 100 percent principal forgiveness through ARRA. The loan was to replace old water mains throughout the city and loop additional lines, as well as the installation of a SCADA system and variable frequency drives on the pump house pump.

FALL RIVER WATER USERS DISTRICT – The Fall River Water Users District received a \$759,000 loan at 3 percent interest for 30 years. This loan will help finance the construction of the Fall River Rural Water System to include supply, storage, and distribution. Fall River's second SRF loan in the amount of \$400,000 at 2.5 percent for 30 years was used for initial construction of the rural water system in Fall River County. Fall River's third and fourth loans were for \$612,000 and \$750,000, respectively, each with 100 percent principal forgiveness through ARRA. The third loan was to construct additional lines to serve additional users including the town of Buffalo Gap and to construct a well house and associated lines to connect the well to the system. The fourth loan upgraded main distribution lines throughout the system to supply a larger volume of water to meet demand.

FAULKTON - The city of Faulkton received a \$500,000 loan with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009. The loan was to replace water lines in various locations throughout the city; loop all dead-end lines 4 inches and larger; replace all water meters; and purchase a standby generator.

GARRETSON – The city of Garretson will connect to the Minnehaha CWC with its \$1,261,060 loan at 3.5 percent for 30 years. The loan will be used for water lines, wells, and a new water treatment plant.

GETTYSBURG – The city of Gettysburg received a \$565,000 loan at 4.5 percent interest for 20 years to replace and relocate water lines within the city.

GREGORY – The city of Gregory received \$380,000 for the construction of a new steel reservoir and a new booster station. The terms of the loan are 2.5 percent for 30 years.

GROTON - Groton's first loan in the amount of \$440,000 at 3.5 percent for 20 years funded replacement of water main in conjunction with its Main Street Utility Project. Its second loan, in the amount of \$365,900 at 3.25 percent for 20 years, will fund additional waterline replacement. The city's third loan was in the amount of \$272,000 with 100 percent principal forgiveness through ARRA. The loan was to replace water meters.

HANSON RURAL WATER SYSTEM - The Hanson Rural Water System received a \$840,000 loan with 100 percent principal forgiveness through ARRA. The loan was to replace the current 70,000-gallon elevated water storage tank located in Ethan with a new 200,000-gallon water storage tank to be used by Ethan residents and surrounding residents on the Hanson RWS.

HARRISBURG – The city of Harrisburg received its first loan in the amount of \$525,000 at 5.0 percent interest for 20 years to abandon its existing wells and water treatment plant, construct a connection to the Lincoln County RWS, construct an elevated water storage tank, and loop a line to ensure uninterrupted

water service. The city's second loan, in the amount of \$1,714,327 at 3.25 percent for 20 years, funded an emergency connection to the Lewis and Clark Rural Water System. Harrisburg's third loan is for \$2,090,000 at 3.25 for 20 years to construct a 750,000-gallon water tower, demolish the existing standpipe and an abandoned 30,000-gallon water tower, and install miscellaneous piping.

HARTFORD – Hartford received a \$185,000 loan at 5 percent interest for 20 years. This project will replace water distribution lines throughout the city. With its second loan in the amount of \$800,957 at 3.5 percent for 20 years, Hartford replaced aging cast iron water mains. Hartford's third loan, in the amount of \$1,123,556 at 3.25 percent for 20 years, will improve the water supply by providing a second connection to the Minnehaha Community Water Corporation.

HERMOSA – Hermosa received a loan for \$300,000 at 5.0 percent for 20 years. This project will replace water distribution lines.

HILL CITY – Hill City's first Drinking Water SRF loan is for \$402,200 to install water mains to loop two long dead-end water mains. This loan is at 3.0 percent for 20 years and includes \$241,320 of principal forgiveness through ARRA.

HUMBOLDT – The city of Humboldt's first loan, in the amount of \$412,300 at 3.25 percent for 20 years, funded water supply and distribution system improvements.

HURON – Huron received a loan in the amount of \$4,000,000 at 3.5 percent for 20 years to fund the construction of a new water treatment facility, water tower improvements, and water meter replacement. The city's second loan is for \$619,684 at 3.0 percent for 20 years and includes \$122,500 of principal forgiveness through ARRA. The purpose of this loan is to replace approximately 14,500 feet of cast iron water main in various locations through out the distribution system.

IPSWICH - The city of Ipswich received a \$1,245,000 loan to replace an elevated water tower and two underground water tanks with a new 150,000-gallon elevated water storage tank, replace water meters and install a radio read system, and purchase a standby generator and variable frequency drives for the city pumps. The loan is at 3.0 percent for 30 years and includes \$933,750 of principal forgiveness through ARRA.

IRENE – The city of Irene received a 5.0 percent interest loan for 20 years in the amount of \$145,000. The project is to replace water main along SD Highway 46.

KEYSTONE – Keystone used its first loan, in the amount of \$762,000 at 3.25 percent for 20 years, to build a 187,000 gallon reservoir, to close the loop on one-third of the town's system, and to install a pumping station.

KINGBROOK RWS – The Kingbrook Rural Water System received a loan in the amount of \$475,000. at zero percent interest for 30 years. The project being financed hooked up the city of Carthage and upgraded its distribution system and storage tank. Kingbrook RWS took over the system and provided individual service. Kingbrook's second loan, in the amount of \$2,115,000 at 3.25 percent for 30 years, provided additional capacity within the system and provided service to Ramona and the Badger area. The third loan of \$3,324,000 at 3.25 percent for 20 years expanded the distribution system to allow 250 additional connections to the system. Kingbrook's fourth loan, \$2,350,000 at 3.25 percent for 20 years, continued with the improvements to the system's distribution system.

LEAD – Lead received a \$192,800 loan at 4.5 percent interest for 10 years. This loan helped replace water lines beneath a portion of US Highway 85 in conjunction with the South Dakota Department of

Transportation roadway reconstruction project. Lead's second Drinking Water SRF loan, in the amount of \$205,800 at 3.25 percent for 30 years, completed water main improvements associated with the Highway 85 project. The city's third loan will replace water main on Lower May, South Main, and West Addie Streets and will be accomplished in conjunction with the separation of combined sewer mains on these streets. The loan is for \$1,020,000 at 3.0 percent for 20 years and includes \$387,600 of principal forgiveness through ARRA.

LEAD-DEADWOOD SANITARY DISTRICT – The Lead-Deadwood Sanitary District received a \$2,683,957, 5.25 percent, 20-year loan to refinance their Series 1994 General Obligation Bond issue. The Series 1994 bonds were originally issued to finance the construction of a new water treatment plant in Lead.

LENNOX – Lennox's first loan, in the amount of \$2,000,000 at 3.25 percent for 30 years, will fund two wells, an elevated water storage reservoir, water main replacement and new lines.

LINCOLN COUNTY RURAL WATER SYSTEM – The RWS received a loan in the amount of \$1,200,000 at 3.5 percent for 20 years to fund storage improvements.

MADISON – Madison received a loan for \$2,372,000 to refinance their Series 1995 Bonds. The Series 1995 Bonds were originally issued to finance the rehabilitation of the treatment facility and the construction of three new wells. This loan is at 5.0 percent for 15 years.

MARTIN —Martin corrected undersized water lines and water supply issues with a \$920,000 loan at 2.5 percent for 30 years.

McLAUGHLIN – Improvements to McLaughlin's water distribution system in conjunction with a South Dakota Department of Transportation project were funded with a \$350,000 loan at 2.5 percent for 30 years.

MELLETTE – The town of Mellette received its first SRF loan in the amount of \$271,780 at 3.0 percent for 30 years to install approximately nine blocks of new PVC water main and appurtenances. The loan includes \$244,602 of principal forgiveness through ARRA.

MID-DAKOTA RURAL WATER SYSTEM - The Mid-Dakota Rural Water System received its first two loans for projects to increase the production capacity of the water treatment plant and to construct an underground pumping station and a two million-gallon elevated water reservoir. The first loan for \$12,000,000 at 2.00 percent for three years will provide interim financing for all the projects. The second loan is in the amount of \$1,000,000 loan with 100 percent principal forgiveness through ARRA and will partially fund the pumping station and elevated water reservoir.

MILBANK – Milbank secured a \$4,741,000 loan at 2.5 percent for 30 years to replace raw water transmission lines.

MILLER - The city of Miller was awarded a loan in the amount of \$255,200 at 2.5 percent for 10 years to replace water meters throughout the city.

MINA LAKE SANITARY DISTRICT – Mina Lake Sanitary District received a loan for \$255,200 at an interest rate of 5.0 percent for 20 years. This loan is for the construction of a 150,000-gallon water tower. The district's second loan was for \$567,390 to replace undersized water mains, construct approximately 11,400 feet of new water main to improve pressure, and upgrade existing water meters. This loan is at 3.0 percent for 20 years and includes \$283,695 of principal forgiveness through ARRA.

MINNEHAHA COMMUNITY WATER CORPORATION – Minnehaha Community Water Corporation received a loan in the amount of \$6,500,000 at 3.5 percent for 20 years to expand its rural water system to the communities of Colton and Garretson. The loan was used for water lines, an elevated water storage tank, wells, and a new water treatment plant.

MISSION HILL – Mission Hill’s first SRF loan, in the amount of \$250,000 at 3.25 percent for 20 years, was for construction of a new water tower and installation of new water lines to loop dead-end lines. The loan was deobligated in full at the request of the city.

MITCHELL – The city of Mitchell received a \$6,000,000 loan at 4.5 percent interest for 20 years to connect to the B-Y Rural Water System by constructing a water pipeline from Lesterville west and north to Mitchell. The project involves 61 miles of pipe, two pumping stations, a water storage reservoir, a meter station and appurtenances. The city’s second SRF loan will be used to construct a 1,000,000-gallon elevated water storage tank to replace a water tower built in 1928. The \$2,360,000 loan, at 3.0 percent for 20 years, includes \$354,000 of principal forgiveness through ARRA.

MOBRIDGE – The city of Mobridge received two loans in the amounts of \$965,000 and \$355,000 to finance water treatment plant upgrades. Both loans are at 5.25 percent for 20 years. The city undertook a water line extension project along Lake Front Drive to provide water to new users and to loop the system. The project was funded with two loans in the amounts of \$213,500 and \$90,000 both at 2.50 percent for 30 years. The city’s fifth loan was in the amount of \$500,000 loan with 100 percent principal forgiveness through ARRA. The loan was to make improvements to the raw water intake.

NEW UNDERWOOD - The city of New Underwood was awarded a \$175,500 loan to partially fund the construction of a water treatment facility to address radium and gross alpha contamination at its water source. The loan is at 3.0 percent for 20 years and includes \$70,200 of principal forgiveness through ARRA.

NEWELL - Newell was awarded a \$645,000 loan to partially fund projects to drill a new well, construct a well house; and replace water main and a water tower that was constructed in 1919. This loan is at 2.25 percent for 30 years and includes \$322,500 of principal forgiveness through ARRA.

NISLAND – Nisland received a \$350,000 loan at zero percent interest for 30 years to fund the reconstruction of its water distribution system.

NORTHVILLE – The town of Northville was awarded a \$203,460 loan for the replacement of water meters throughout the town, replacement and looping of water lines, and service pump improvements. This loan is at 3.0 percent for 20 years and includes \$162,768 of principal forgiveness through ARRA.

OACOMA - Oacoma received a \$1,414,800 Drinking water SRF loan to construct a new water reservoir and associated piping. The loan was at 3.0 percent for 20 years and included \$321,480 of principal forgiveness through ARRA. The city subsequently declined the loan due to a change in project scope which made the ARRA deadlines unattainable.

PARKER – Parker’s first loan, in the amount of \$730,000 at 3.25 percent for 20 years, was used to replace cast iron water mains in various locations in the city. The city’s second loan, in the amount of \$300,000 at 3.25 percent for 20 years, funded the second phase of the water line replacement project. Parker was awarded a third loan in the amount of \$554,200 to continue replacing its water distribution system. This loan is at 3.0 percent for 20 years and includes \$452,100 of principal forgiveness through ARRA.

PIERRE – The city of Pierre will use a \$1,094,200 loan at 3.5 percent for 15 years to fund a well field expansion. The loan funded construction of new wells, well houses, and water distribution lines. Pierre’s second drinking water loan, \$1,832,900 at 3.5 percent for 15 years, funded construction of a new storage tank to create a third pressure zone within the city.

PLATTE – Platte will replace cast iron water mains with its first drinking water loan of \$400,000 at 2.5 percent for 10 years.

RAPID CITY – Rapid City’s first drinking water loan is for \$3,500,000 at 3.5 percent for 20 years. This loan will finance a new water tank and transmission main in the southwest edge of the city.

RAPID VALLEY SANITARY DISTRICT – The Rapid Valley Sanitary District received a \$682,000 loan with 100 percent principal forgiveness through ARRA. The loan was to install a third microfiltration skid to increase plant production from 2 to 3 MGD, allowing the district to serve two small existing sanitary districts east of Rapid City.

REDFIELD – The city of Redfield received a loan in the amount of \$85,000 at an interest rate of 4.5 percent for 20 years. The loan will finance the replacement of water lines located under US Hwy 212 and 281. The project involves construction of approximately 4,900 feet of pipe, service lines, and appurtenances and will replace brittle asbestos cement or cast iron pipes that are fifty to eighty years old. Redfield received a second loan, in the amount of \$342,755 at 2.5 percent for 30 years, to fund water line replacement on South Main Street and Sixth Avenue.

ROSLYN - The city of Roslyn received a \$500,000 loan with 100 percent principal forgiveness through ARRA. The loan was to replace water mains throughout the city and construct a new 50,000-gallon water storage tank.

SALEM -- Salem received a loan of \$126,921 at 3.5 percent for 10 years to fund water distribution improvements in the city. Salem’s second loan, in the amount of \$348,540 at 3.25 percent for 20 years, funded water distribution system improvements in 2005. The city’s third loan, in the amount of \$1,345,000 at 3.25 percent for 30 years, is for a microfiltration pretreatment system with a nanofiltration softening system in a new water treatment facility and the installation of a new well.

SCOTLAND —Scotland replaced water mains in conjunction with reconstruction of Main Street with its \$340,000 loan at 2.5 percent for 30 years.

SELBY - The city of Selby received a \$100,000 loan with 100 percent principal forgiveness through ARRA. The loan will partially fund the second phase of the city’s water main replacement project.

SIoux FALLS – The city of Sioux Falls received a loan in the amount of \$7,022,000 at an interest rate of 4.5 percent for 10 years to finance central pressure zone improvements. The city’s second loan allowed the city to continue with drinking water facility improvements with a loan for \$2,750,000 at 4.5 percent interest for 10 years. Its third loan, at 3.5 percent for ten years, was in the amount of \$7,930,000 for drinking water facilities improvements and water distribution line replacement. The city’s fourth drinking water loan, \$5,279,000 at 3.5 percent for 10 years, funded the replacement of aging equipment and water main and the improvement of operational efficiency, maintenance space, and pressure zones. Sioux Falls’ fifth drinking water loan is in the amount of \$12,749,000 at 2.5 percent for 10 years. This loan financed improvements to the water treatment plant, improvements to the West Pump Station, replacement of water mains, and upgrade of elevated finish tanks and collector wells. In 2008, Sioux Falls received three additional Drinking Water SRF loans, each at 2.5 percent for 10 years. The city’s

sixth loan, for \$17,848,000, is for the construction of a new backwash basin and additional filters to improve operational efficiencies in the treatment plant. The seventh loan is to upgrade a vertical well to a horizontal collector well to increase production capacity and is for \$2,200,000. The eighth loan, in the amount of \$2,705,600, will replace water mains in two areas and replace valves at several locations. Sioux Falls' ninth loan in the amount of \$3,578,750 will replace three vertical water supply wells with a new horizontal collector well and rehabilitate an existing horizontal well. The city's tenth loan in the amount of \$7,606,900 involves water main and valve replacement at various locations and the upgrade of a pumping station. Loans 9 and 10 each had an interest rate of 2.25 percent, a 10-year term and included 10 percent principal forgiveness through ARRA.

SOUTH LINCOLN RWS — A \$2,000,000 loan at 3.5 percent for 20 years funded South Lincoln RWS's pipeline, well and pumping improvements. In addition, new facilities were constructed to provide connection of South Lincoln's system to the Lewis and Clark RWS.

STURGIS – Sturgis received a loan for \$700,000 at 5.0 percent interest for 15 years. This loan financed the replacement of approximately 7,800 feet of water main in conjunction with a South Dakota Department of Transportation roadway reconstruction project. The city's second loan, \$863,000 at 2.25 percent for 10 years, is to replace water lines in the Murray addition and includes \$86,300 of principal forgiveness through ARRA.

TEA - Tea received a loan in the amount of \$1,714,327 at 3.25 percent for 20 years for an emergency connection to the Lewis and Clark Rural Water System.

TRIPP – The city of Tripp received a loan for \$291,000 at 2.5 percent interest for 30 years to complete the city's on-going water main rehabilitation project. The project involves approximately 8,100 feet of pipe, service connections, valves, fire hydrants and appurtenances to replace 70 year old cast iron water mains.

TRIPP COUNTY WUD — Tripp County Water Users District was awarded two loans in 2003. The first loan, \$3,500,000 at 2.5 percent for 30 years, funded expansion of the TCWUD into Gregory County and absorbed the East Gregory Rural Water System. The second loan, \$148,000 at zero percent interest for 30 years, allowed the District to assume the water distribution system at Wood.

TYNDALL – Tyndall received a loan for \$300,000 at 2.5 percent interest for 10 years. This loan will finance the installation of approximately 2,800 feet of water main to enhance the overall efficiency of the distribution system by looping areas of the community that are currently dead ends. Tyndall received a second loan in the amount of \$861,000 to fund connection to the B-Y Rural Water System. This loan is at 2.5 percent interest for 30 years.

VERMILLION – Vermillion received a loan for \$942,000 at 5.0 percent interest for 20 years. This loan is being used to construct lime sludge disposal lagoons. Vermillion's second loan, \$1,510,000 at 3.5 percent interest for 20 years, will fund water treatment plant improvements. Vermillion's third Drinking Water SRF loan, in the amount of \$3,772,500 at 2.5 percent for 20 years, will fund phase 3 improvements to the water treatment plant.

VIBORG - The city of Viborg's first SRF loan is to replace water distribution lines and loop lines at various locations in the city. The loan amount is \$249,775 with an interest rate of 3.25 percent and a term of 20 years.

WAGNER – Wagner received its first Drinking Water SRF loan in the amount of \$750,000 at the disadvantaged rate of zero percent interest for 30 years to make improvements to its water tower and

replace water lines. The city's second loan replaced water utilities along North Park Street and North Street and is in the amount of \$175,000 at the disadvantaged rate of zero percent interest for 30 years. The city's third loan in the amount of \$275,000 was for the replacement of water lines on South Park Street. This loan was at 3.0 percent for 20 years and included \$55,000 of principal forgiveness through ARRA. The city chose to deobligate the loan in full on August 24, 2009, and seek other funding for the project.

WARNER - The city of Warner received a \$400,000 loan with 100 percent principal forgiveness through ARRA. The loan will partially fund improvements to the city's water storage capabilities.

WATERTOWN - Watertown's first Drinking Water SRF loan will be used to develop a new well field and expand the city water treatment plant in order to discontinue using the Lake Kampeska water source and treatment facility and replace a standpipe with a new 2 million gallon standpipe. The loan is for \$23,760,000 at 3.25 percent interest and a 20-year term.

WAUBAY - The city of Waubay's first loan, in the amount of \$750,000 at the disadvantaged rate of 2.5 percent for 30 years, funded phase 1 of the city's drinking water distribution system improvements.

WEB - WEB Water Development Association, Inc. received a loan for \$1,110,000 at 5.0 percent interest for 15 years. The project would have allowed WEB to extend service to approximately 200 additional rural homes and farms and provide additional water service to four existing bulk users. The Board of Water and Natural Resources rescinded this loan on May 13, 1999. WEB applied for and received a \$137,450 loan at 2.5 percent interest for 30 years to improve water service in the community of Glenham by replacing the town's water distribution system. This loan was rescinded on June 27, 2003. WEB was awarded its third Drinking Water SRF loan in the amount of \$3,950,000 at 3.25 percent for 20 years to increase the capacity of its water treatment plant. The award was contingent upon a specific loan closing date, which was not met, and the application was withdrawn at WEB's request.

WEBSTER - The city of Webster received a \$330,000 loan at 3.5 percent interest for 20 years to fund replacement of cast iron water mains with PVC pipe and replacement of water services and fire hydrants.

WEST RIVER/LYMAN-JONES RURAL WATER SYSTEM - WR/LJ received a loan in the amount of \$340,000 at 2.5 percent for 30 years to fund water main replacement in the town of Reliance. WR/LJ's second loan, in the amount of \$8,000,000 at 3.25 percent for 30 years, will fund phase 1 of the construction of the north loop pipeline to provide service to Stanley and Haakon counties.

WOLSEY - Wolsey's first Drinking Water SRF loan, \$263,000 at 3.25 percent for 20 years, funded a waterline replacement project. The city's second loan, in the amount of \$162,300 at 3.25 percent for 20 years, funded water line replacement in conjunction with the South Dakota Department of Transportation's reconstruction of Highway 14/281.

WOONSOCKET - Woonsocket received its first Drinking Water SRF loan to replace water line under Highway 34. The loan is in the amount of \$595,000 at 3.0 percent for 20 years and includes \$416,500 of principal forgiveness through ARRA.

WORTHING - Worthing received its first loan in the amount of \$288,000 at 3.5 percent for 20 years for improvements to the city's water distribution system.

YANKTON - Yankton utilized a \$3,460,000 loan for line replacement and water treatment plant improvements to include a new disinfection system. The loan is at 3.5 percent for 20 years. The city

secured a second loan in the amount of \$1,100,000 at 3.25 percent for 20 years to install a high pressure area pump station and transmission lines. Yankton's third loan in the amount of \$3,000,000 will fund 12 water main replacement projects and two water tower rehabilitation projects. The city received its fourth loan in the amount of \$2,200,000 to drill two wells on the Nebraska side of the Missouri River and construct a raw water transmission line from the wells to the existing water treatment plant on the South Dakota shore. These loans have an interest rate of 3.0 percent, a 20-year term and included 10 percent principal forgiveness through ARRA.

EXHIBITS I -- VIII
DRINKING WATER SRF
STATUS REPORTS

EXHIBIT I
Recipients by Population Category
Federal Fiscal Year 2009

Recipient	Fewer than 10,000	10,000 and Greater	Binding Commitment Date	Rate/Term
Aberdeen (DW-02)		\$1,750,000	07/23/2009	2.25%/10
Arlington (DW-01)	\$100,000		06/25/2009	0%/0
Aurora-Brule RWS (DW-01)	\$500,000		03/27/2009	0%/0
Baltic (DW-02)	\$165,000		06/25/2009	2.25%/10
Bowdle (DW-01)	\$150,000		06/25/2009	0%/0
B-Y-Water District (DW-01) *		\$300,000	03/27/2009	0%/0
Canistota (DW-01)	\$426,460		03/27/2009	3.0%/30
Chamberlain (DW-02)	\$1,000,000		08/26/2009	3.0%/20
Clay RWS (DW-02)	\$846,300		06/25/2009	3.0%/20
Colonial Pine Hills Sanitary District (DW-02)	\$1,003,608		07/23/2009	3.0%/20
Corson Village Sanitary District (DW-01)	\$552,865		07/23/2009	3.0%/20
DeSmet (DW-01)	\$258,000		08/26/2009	2.25%/30
Elk Point (DW-05)	\$1,179,500		07/23/2009	3.0%/20
Eureka (DW-02)	\$200,000		06/25/2009	0%/0
Fall River Water Users District (DW-03)	\$612,000		03/27/2009	0%/0
Fall River Water Users District (DW-04)	\$750,000		06/25/2009	0%/0
Faulton (DW-01)	\$500,000		03/27/2009	0%/0
Groton (DW-03)	\$272,000		06/25/2009	0%/0
Hanson RWS (DW-01)	\$840,000		08/26/2009	3.0%/20
Hill City (DW-01)	\$402,200		08/26/2009	3.0%/30
Huron (DW-02)		\$619,684	08/26/2009	3.0%/20
Ipswich (DW-01)	\$1,245,000		06/25/2009	3.0%/30
Lead (DW-03)	\$1,020,000		08/26/2009	3.0%/20
Letcher (DW-01)	\$200,000		08/26/2009	2.25%/30
Mellette (DW-01)	\$271,780		08/27/2009	3.0%/30
Mid-Dakota RWS (DW-01)		\$12,000,000	03/27/2009	2.0%/3
Mid-Dakota RWS (DW-02)		\$1,000,000	03/27/2009	0%/0
Mina Lake San Dist (DW-02)	\$567,390		06/25/2009	3.0%/20
Mitchell (DW-02)		\$2,360,000	08/26/2009	3.0%/20
Mobridge (DW-05)	\$500,000		06/25/2009	0%/0
New Underwood (DW-01)	\$175,500		06/25/2009	3.0%/20
Newell (DW-01)	\$645,500		08/26/2009	2.25%/30
Northville (DW-01)	\$203,460		07/23/2009	3.0%/20
Oacoma (DW-01) *	\$1,414,800		03/27/2009	3.0%/20
Parker (DW-03)	\$554,200		03/27/2009	3.0%/20
Rapid City (DW-02)		\$6,000,000	07/23/2009	3.0%/20
Rapid Valley San Dist (DW-01)	\$682,000		06/25/2009	0%/0
Roslyn (DW-01)	\$500,000		06/25/2009	0%/0
Selby (DW-01)	\$100,000		06/25/2009	0%/0
Sioux Falls (DW-09)		\$3,578,750	03/27/2009	2.25%/10
Sioux Falls (DW-10)		\$7,606,900	03/27/2009	2.25%/10
Sturgis (DW-02)	\$863,000		08/26/2009	2.25%/10
Wagner (DW-03) *	\$275,000		07/23/2009	0%/30
Warner (DW-01)	\$400,000		03/27/2009	0%/0
Woonsocket (DW-01)	\$595,000		08/27/2009	3.0%/30

Recipient	Fewer than 10,000	10,000 and Greater	Binding Commitment Date	Rate/ Term
Yankton (DW-03)		\$3,000,000	03/27/2009	3.0%/20
Yankton (DW-04)		\$2,200,000	03/27/2009	3.0%/20
TOTAL	\$19,970,563	\$40,415,334		

* Rescinded at the request of the borrower prior to September 30, 2009

EXHIBIT II
Assistance Provided by Needs Categories
Federal Fiscal Year 2009

Recipient	Trans/Dist	Treatment	Storage	Source
Aberdeen (DW-02)	\$1,750,000			
Arlington (DW-01)	\$100,000			
Aurora-Brule RWS (DW-01)				\$500,000
Baltic (DW-02)	\$165,000			
Bowdle (DW-01)	\$150,000			
B-Y Water District (DW-01) *				\$300,000
Canistota (DW-01)	\$426,460			
Chamberlain (DW-02)	\$1,000,000			
Clay RWS (DW-02)	\$612,690	\$98,884		\$134,726
Colonial Pine Hills Sanitary District (DW-02)	\$337,395	\$383,738		\$282,475
Corson Village Sanitary District (DW-01)	\$552,865			
DeSmet (DW-01)	\$258,000			
Elk Point (DW-05)	\$1,179,500			
Eureka (DW-02)	\$200,000			
Fall River Water Users District (DW-03)	\$412,000			\$200,000
Fall River Water Users District (DW-04)	\$750,000			
Faulkton (DW-01)	\$500,000			
Groton (DW-03)	\$272,000			
Hanson RWS (DW-01)			\$840,000	
Hill City (DW-01)	\$402,200			
Huron (DW-02)	\$619,684			
Ipswich (DW-01)	\$349,000		\$896,000	
Lead (DW-03)	\$1,020,000			
Letcher (DW-01)	\$200,000			
Mellette (DW-01)	\$271,780			
Mid-Dakota RWS (DW-01)		\$12,000,000		
Mid-Dakota RWS (DW-02)			\$1,000,000	
Mina Lake San Dist (DW-02)	\$567,390			
Mitchell (DW-02)			\$2,360,000	
Mobridge (DW-05)				\$500,000
New Underwood (DW-01)		\$175,500		
Newell (DW-01)	\$93,500		\$390,000	\$162,000
Northville (DW-01)	\$203,460			

Recipient	Trans/Dist	Treatment	Storage	Source
Oacoma (DW-01) *			\$1,414,800	
Parker (DW-03)	\$554,200			
Rapid City (DW-02)		\$6,000,000		
Rapid Valley San Dist (DW-01)		\$682,000		
Roslyn (DW-01)	\$310,000		\$190,000	
Selby (DW-01)	\$100,000			
Sioux Falls (DW-09)				\$3,578,750
Sioux Falls (DW-10)	\$7,606,900			
Sturgis (DW-02)	\$863,000			
Wagner (DW-03) *	\$275,000			
Warner (DW-01)	\$50,468		\$349,532	
Woonsocket (DW-01)	\$595,000			
Yankton (DW-03)	\$3,000,000			
Yankton (DW-04)				\$2,200,000
TOTAL	\$25,474,492	\$19,340,122	\$7,440,665	\$7,857,951

* Rescinded at the request of the borrower prior to September 30, 2009

EXHIBIT III Source of SRF Funds

Fiscal Year	Capitalization Grant Award	State Match	Leveraged Funds	Total
1997	\$12,558,800	\$2,511,760		\$15,070,560
1998	\$7,121,300	\$1,424,260		\$8,545,560
1999	\$7,463,800	\$1,492,760		\$8,956,560
2000	\$7,757,000	\$1,551,400		\$9,308,400
2001	\$7,789,100	\$1,557,820		\$9,346,920
2002	\$14,563,300	\$2,912,660		\$17,475,960
2003	\$14,471,900	\$2,894,380		\$17,366,280
2004	\$8,303,100	\$1,660,620	\$22,503,662	\$32,467,382
2005	\$8,285,500	\$1,657,100		\$9,942,600
2006	\$8,229,300	\$1,645,860	\$7,000,414	\$16,875,574
2007	\$8,229,000	\$1,645,800		\$9,874,800
2008	\$8,146,000	\$1,629,200	\$13,000,000	\$22,775,200
2009	\$8,146,000	\$1,629,200	\$18,221,624	\$27,996,824
ARRA	\$19,500,000			\$19,500,000
TOTAL	\$140,564,100	\$24,212,820	\$60,725,700	\$225,502,620

EXHIBIT IV
Drinking Water SRF Disbursements
October 1, 2008 to September 30, 2009

LOAN DISBURSEMENTS

Date	Borrower Name	State Funds	Federal Funds	Stimulus Forgiveness Funds	Stimulus Non-Forgive Funds	UCE/ Repayment Funds	Leveraged Funds	Total Disbursements
10/16/08	Harrisburg (DW-02)	\$0.00	\$99,692.00	\$0.00	\$0.00	\$0.00	\$0.00	\$99,692.00
10/17/08	Elk Point (DW-03)	\$0.00	\$0.00	\$0.00	\$0.00	\$8,724.00	\$0.00	\$8,724.00
10/17/08	Sioux Falls (DW-05)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$312,080.00	\$312,080.00
10/17/08	Sioux Falls (DW-06)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$89,004.00	\$89,004.00
10/17/08	Sioux Falls (DW-07)	\$0.00	\$0.00	\$0.00	\$0.00	\$3,665.00	\$0.00	\$3,665.00
10/17/08	Sioux Falls (DW-08)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$628,788.00	\$628,788.00
10/24/08	Harrisburg (DW-02)	\$0.00	\$84,653.00	\$0.00	\$0.00	\$0.00	\$0.00	\$84,653.00
10/27/08	Black Hawk WUD (DW02)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$207,271.00	\$207,271.00
10/27/08	Parker (DW-02)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$34,929.00	\$34,929.00
10/27/08	Salem (DW-03)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$43,412.00	\$43,412.00
10/27/08	Viborg (DW-01)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$43,755.00	\$43,755.00
10/27/08	Wagner (DW-01)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$69,952.00	\$69,952.00
11/06/08	Parker (DW-02)	\$54,362.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$54,362.00
11/14/08	Kingbrook RWS (DW-04)	\$0.00	\$321,983.00	\$0.00	\$0.00	\$0.00	\$0.00	\$321,983.00
11/20/08	Black Hawk WUD (DW02)	\$7,868.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,868.00
11/20/08	Black Hawk WUD (DW02)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$92,729.00	\$92,729.00
11/20/08	Elk Point (DW-04)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$77,572.00	\$77,572.00
11/20/08	Sioux Falls (DW-08)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$467,028.00	\$467,028.00
11/25/08	Sioux Falls (DW-06)	\$75,000.00	\$29,927.00	\$0.00	\$0.00	\$0.00	\$0.00	\$104,927.00
11/25/08	Sioux Falls (DW-07)	\$120,000.00	\$36,517.00	\$0.00	\$0.00	\$0.00	\$0.00	\$156,517.00
11/25/08	Wagner (DW-01)	\$50,000.00	\$1,708.00	\$0.00	\$0.00	\$0.00	\$0.00	\$51,708.00
11/28/08	Salem (DW-03)	\$10,805.00	\$49,700.00	\$0.00	\$0.00	\$0.00	\$0.00	\$60,505.00
11/28/08	Elk Point (DW-03)	\$0.00	\$0.00	\$0.00	\$0.00	\$1,323.00	\$0.00	\$1,323.00
11/28/08	Viborg (DW-01)	\$0.00	\$0.00	\$0.00	\$0.00	\$24,705.00	\$0.00	\$24,705.00
11/28/08	Watertown (DW-01)	\$79,821.00	\$370,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$449,821.00
12/03/08	Elk Point (DW-04)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,958.00	\$6,958.00
12/03/08	Miller (DW-01)	\$0.00	\$0.00	\$0.00	\$0.00	\$42,961.00	\$0.00	\$42,961.00
12/03/08	Watertown (DW-01)	\$4,498.00	\$20,900.00	\$0.00	\$0.00	\$0.00	\$0.00	\$25,398.00
12/03/08	Yankton (DW-02)	\$111,732.00	\$449,100.00	\$0.00	\$0.00	\$0.00	\$0.00	\$560,832.00
12/10/08	Black Hawk WUD (DW02)	\$31,020.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$31,020.00
12/17/08	Brookings-Deuel (DW-02)	\$0.00	\$126,302.00	\$0.00	\$0.00	\$0.00	\$0.00	\$126,302.00
12/17/08	Kingbrook RWS (DW-04)	\$0.00	\$190,982.00	\$0.00	\$0.00	\$0.00	\$0.00	\$190,982.00

Date	Borrower Name	State Funds	Federal Funds	Stimulus Forgiveness Funds	Stimulus Non-Forgive Funds	UCE/ Repayment Funds	Leveraged Funds	Total Disbursements
12/17/08	Milbank (DW-01)	\$51,975.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$51,975.00
12/17/08	Sioux Falls (DW-06)	\$2,504.00	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$102,504.00
12/17/08	Sioux Falls (DW-07)	\$394.00	\$478,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$478,394.00
12/17/08	Sioux Falls (DW-08)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$254,509.00	\$254,509.00
12/17/08	Viborg (DW-01)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$21,204.00	\$21,204.00
12/17/08	Wolsey (DW-02)	\$66,910.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$66,910.00
12/23/08	Elk Point (DW-04)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$27,136.00	\$27,136.00
12/24/08	Salem (DW-03)	\$25,632.00	\$130,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$155,632.00
01/08/09	Miller (DW-01)	\$0.00	\$0.00	\$0.00	\$0.00	\$16,099.00	\$0.00	\$16,099.00
01/12/09	Wolsey (DW-02)	-\$8,422.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$8,422.00
01/15/09	Sioux Falls (DW-06)	\$20,623.00	\$120,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$140,623.00
01/15/09	Sioux Falls (DW-07)	\$16,996.00	\$80,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$96,996.00
01/15/09	Sioux Falls (DW-08)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,436.00	\$1,436.00
01/15/09	Watertown (DW-01)	\$8,385.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8,385.00
01/22/09	Parker (DW-02)	\$23,834.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$23,834.00
01/26/09	Salem (DW-03)	\$97,792.00	\$175,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$272,792.00
01/26/09	Salem (DW-03)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,000.00	\$100,000.00
01/29/09	Black Hawk WUD (DW02)	\$10,292.00	\$46,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$56,292.00
01/29/09	Miller (DW-01)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$38,512.00	\$38,512.00
02/11/09	Delmont (DW-01)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$18,000.00	\$18,000.00
02/11/09	Salem (DW-03)	\$48,841.00	\$250,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$298,841.00
02/19/09	Sioux Falls (DW-06)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$81,411.00	\$81,411.00
02/19/09	Sioux Falls (DW-07)	\$3,230.00	\$135,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$138,230.00
02/19/09	Sioux Falls (DW-08)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,349.00	\$2,349.00
02/19/09	Watertown (DW-01)	\$3,938.00	\$10,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$13,938.00
02/25/09	Elk Point (DW-03)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$25,539.00	\$25,539.00
02/26/09	Black Hawk WUD (DW02)	\$25,438.00	\$106,088.00	\$0.00	\$0.00	\$0.00	\$0.00	\$131,526.00
02/26/09	Black Hawk WUD (DW02)	\$25,198.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$25,198.00
02/26/09	Brookings-Deuel (DW-02)	\$0.00	\$172,753.00	\$0.00	\$0.00	\$0.00	\$0.00	\$172,753.00
03/11/09	Chamberlain (DW-01)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$101,302.00	\$101,302.00
03/11/09	Delmont (DW-01)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,500.00	\$4,500.00
03/18/09	Salem (DW-03)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$117,536.00	\$117,536.00
03/18/09	Watertown (DW-01)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$16,736.00	\$16,736.00
03/26/09	Sioux Falls (DW-06)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$114,348.00	\$114,348.00
03/26/09	Sioux Falls (DW-07)	\$3,073.00	\$90,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$93,073.00
03/26/09	Sioux Falls (DW-08)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$42,931.00	\$42,931.00
04/01/09	Black Hawk WUD (DW02)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$156,610.00	\$156,610.00
04/13/09	Delmont (DW-01)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,050.00	\$5,050.00
04/15/09	Watertown (DW-01)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$18,948.00	\$18,948.00
04/22/09	Chamberlain (DW-01)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$16,313.00	\$16,313.00

Date	Borrower Name	State Funds	Federal Funds	Stimulus Forgiveness Funds	Stimulus Non-Forgive Funds	UCE/ Repayment Funds	Leveraged Funds	Total Disbursements
04/22/09	Sioux Falls (DW-06)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$121,398.00	\$121,398.00
04/22/09	Sioux Falls (DW-07)	\$2,640.00	\$60,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$62,640.00
04/29/09	Miller (DW-01)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$15,396.00	\$15,396.00
05/06/09	Elk Point (DW-04)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$972.00	\$972.00
05/13/09	Delmont (DW-01)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,568.00	\$1,568.00
05/13/09	Sioux Falls (DW-06)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$29,848.00	\$29,848.00
05/13/09	Sioux Falls (DW-07)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$191,252.00	\$191,252.00
05/13/09	Sioux Falls (DW-08)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,800.00	\$1,800.00
05/13/09	Wolsey (DW-02)	\$59,630.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$59,630.00
05/20/09	Vermillion (DW-03)	\$10,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,000.00
05/20/09	Watertown (DW-01)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$13,629.00	\$13,629.00
06/01/09	Chamberlain (DW-01)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$158,885.00	\$158,885.00
06/04/09	Delmont (DW-01)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$14,708.00	\$14,708.00
06/04/09	Viborg (DW-01)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$14,827.00	\$14,827.00
06/10/09	Black Hawk WUD (DW02)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$200,920.00	\$200,920.00
06/10/09	Miller (DW-01)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$44,493.00	\$44,493.00
06/18/09	Sioux Falls (DW-06)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,599.00	\$10,599.00
06/18/09	Sioux Falls (DW-07)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$289,705.00	\$289,705.00
06/18/09	Sioux Falls (DW-08)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$146,523.00	\$146,523.00
06/18/09	Watertown (DW-01)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$34,265.00	\$34,265.00
06/24/09	Sioux Falls (DW-10)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$310,741.00	\$310,741.00
06/24/09	Yankton (DW-02)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$70,173.00	\$70,173.00
07/08/09	Watertown (DW-01)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$56,150.00	\$56,150.00
07/14/09	Sioux Falls (DW-10)	\$0.00	\$0.00	\$32,750.00	\$0.00	\$0.00	\$0.00	\$32,750.00
07/14/09	Sioux Falls (DW-09)	\$0.00	\$0.00	\$857.00	\$0.00	\$0.00	\$0.00	\$857.00
07/14/09	Sioux Falls (DW-09)	\$0.00	\$0.00	\$7,720.00	\$0.00	\$0.00	\$0.00	\$7,720.00
07/22/09	Harrisburg (DW-03)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$369,476.00	\$369,476.00
07/22/09	Miller (DW-01)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,371.00	\$3,371.00
07/22/09	Sioux Falls (DW-06)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$14,316.00	\$14,316.00
07/22/09	Sioux Falls (DW-07)	\$23,622.00	\$200,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$223,622.00
07/22/09	Sioux Falls (DW-08)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,701.00	\$5,701.00
07/22/09	Sioux Falls (DW-10)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$448,410.00	\$448,410.00
07/27/09	Sioux Falls (DW-09)	\$0.00	\$0.00	\$7,225.00	\$0.00	\$0.00	\$0.00	\$7,225.00
07/27/09	Sioux Falls (DW-09)	\$0.00	\$0.00	\$803.00	\$0.00	\$0.00	\$0.00	\$803.00
07/27/09	Sioux Falls (DW-10)	\$0.00	\$0.00	\$47,662.00	\$0.00	\$0.00	\$0.00	\$47,662.00
07/29/09	Black Hawk WUD (DW02)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$45,197.00	\$45,197.00
07/29/09	Delmont (DW-01)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$62,712.00	\$62,712.00
07/29/09	Redfield (DW-02)	\$1,693.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,693.00
08/05/09	Elk Point (DW-04)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$271,104.00	\$271,104.00
08/05/09	Redfield (DW-02)	\$43,605.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$43,605.00

Date	Borrower Name	State Funds	Federal Funds	Stimulus Forgiveness Funds	Stimulus Non-Forgive Funds	UCE/ Repayment Funds	Leveraged Funds	Total Disbursements
08/19/09	Redfield (DW-02)	\$65,398.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$65,398.00
08/19/09	Watertown (DW-01)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$177,678.00	\$177,678.00
08/28/09	Sioux Falls (DW-06)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$182,283.00	\$182,283.00
08/28/09	Sioux Falls (DW-07)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$94,586.00	\$94,586.00
08/28/09	Sioux Falls (DW-08)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,560.00	\$1,560.00
08/28/09	Sioux Falls (DW-09)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20,679.00	\$20,679.00
08/28/09	Sioux Falls (DW-10)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$690,789.00	\$690,789.00
09/01/09	Sioux Falls (DW-09)	\$0.00	\$0.00	\$9,770.00	\$0.00	\$0.00	\$0.00	\$9,770.00
09/01/09	Sioux Falls (DW-09)	\$0.00	\$0.00	\$67,247.00	\$0.00	\$0.00	\$0.00	\$67,247.00
09/01/09	Sioux Falls (DW-10)	\$0.00	\$0.00	\$75,934.00	\$0.00	\$0.00	\$0.00	\$75,934.00
09/09/09	Elk Point (DW-04)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$31,307.00	\$31,307.00
09/09/09	Miller (DW-01)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,388.00	\$6,388.00
09/16/09	Watertown (DW-01)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$208,541.00	\$208,541.00
09/22/09	Sioux Falls (DW-10)	\$0.00	\$0.00	\$44,435.00	\$0.00	\$0.00	\$0.00	\$44,435.00
09/24/09	Sioux Falls (DW-08)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$104.00	\$104.00
09/24/09	Sioux Falls (DW-06)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$168,203.00	\$168,203.00
09/24/09	Sioux Falls (DW-07)	\$4,225.00	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$104,225.00
09/24/09	Sioux Falls (DW-07)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$46,008.00	\$46,008.00
09/24/09	Sioux Falls (DW-10)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$399,914.00	\$399,914.00
09/24/09	Redfield (DW-02)	\$65,838.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$65,838.00
		\$1,248,390.00	\$4,034,305.00	\$294,403.00	\$0.00	\$97,477.00	\$8,214,027.00	\$13,888,602.00

SET-ASIDE DISBURSEMENTS

Date	Payee	Cost of Issuance	Admin Federal	Set-aside Federal	State Admin Restricted	State Admin Discretionary	Total Payment
10/27/08	SD - Admin	\$0.00	\$8,800.00	\$0.00	\$0.00	\$0.00	\$8,800.00
10/27/08	SD - Tech Assist	\$0.00	\$0.00	\$16,800.00	\$0.00	\$0.00	\$16,800.00
10/27/08	SD - Local Assist	\$0.00	\$0.00	\$22,300.00	\$0.00	\$0.00	\$22,300.00
10/27/08	SD-Planning Dist Grants	\$0.00	\$0.00	\$0.00	\$12,500.00	\$0.00	\$12,500.00
11/17/08	Perkins Coie	\$0.00	\$35,970.00	\$0.00	\$0.00	\$0.00	\$35,970.00
11/12/08	SD - Admin	\$0.00	\$25,500.00	\$0.00	\$0.00	\$0.00	\$25,500.00
11/12/08	SD - Tech Assist	\$0.00	\$0.00	\$12,000.00	\$0.00	\$0.00	\$12,000.00
11/12/08	SD-Planning Dist Grants	\$0.00	\$0.00	\$0.00	\$2,500.00	\$0.00	\$2,500.00
12/12/08	First National Bank	\$0.00	\$24,445.00	\$0.00	\$0.00	\$0.00	\$24,445.00
12/17/08	SD - Admin	\$0.00	\$10,600.00	\$0.00	\$0.00	\$0.00	\$10,600.00
12/17/08	SD - Tech Assist	\$0.00	\$0.00	\$11,400.00	\$0.00	\$0.00	\$11,400.00

Date	Payee	Cost of Issuance	Admin Federal	Set-aside Federal	State Admin Restricted	State Admin Discretionary	Total Payment
12/17/08	SD-Planning Dist Grants	\$0.00	\$0.00	\$0.00	\$5,000.00	\$0.00	\$5,000.00
01/08/09	Public Financial Mgmt	\$0.00	\$6,713.00	\$0.00	\$0.00	\$0.00	\$6,713.00
01/15/09	SD - Admin	\$0.00	\$17,900.00	\$0.00	\$0.00	\$0.00	\$17,900.00
01/15/09	SD - Tech Assist	\$0.00	\$0.00	\$6,000.00	\$0.00	\$0.00	\$6,000.00
01/15/09	SD-Planning Dist Grants	\$0.00	\$0.00	\$0.00	\$2,500.00	\$0.00	\$2,500.00
02/19/09	SD - Admin	\$0.00	\$23,100.00	\$0.00	\$0.00	\$0.00	\$23,100.00
02/19/09	SD - Tech Assist	\$0.00	\$0.00	\$34,400.00	\$0.00	\$0.00	\$34,400.00
03/20/09	SD - Admin	\$0.00	\$24,000.00	\$0.00	\$0.00	\$0.00	\$24,000.00
03/20/09	SD - Tech Assist	\$0.00	\$0.00	\$32,200.00	\$0.00	\$0.00	\$32,200.00
03/20/09	SD-Planning Dist Grants	\$0.00	\$0.00	\$0.00	\$5,000.00	\$0.00	\$5,000.00
04/13/09	Moody's	\$0.00	\$0.00	\$0.00	\$2,931.00	\$0.00	\$2,931.00
04/22/09	SD - Admin	\$0.00	\$11,000.00	\$0.00	\$0.00	\$0.00	\$11,000.00
04/22/09	SD - Tech Assist	\$0.00	\$0.00	\$14,500.00	\$0.00	\$0.00	\$14,500.00
05/20/09	SD - Admin	\$0.00	\$21,200.00	\$0.00	\$0.00	\$0.00	\$21,200.00
05/20/09	SD - Tech Assist	\$0.00	\$0.00	\$12,400.00	\$0.00	\$0.00	\$12,400.00
05/20/09	SD-Planning Dist Grants	\$0.00	\$0.00	\$0.00	\$5,000.00	\$0.00	\$5,000.00
06/01/09	Perkins Coie	\$0.00	\$32,944.00	\$0.00	\$0.00	\$0.00	\$32,944.00
06/01/09	Perkins Coie	\$0.00	\$2,528.00	\$0.00	\$0.00	\$0.00	\$2,528.00
06/18/09	First National Bank	\$0.00	\$25,238.00	\$0.00	\$0.00	\$0.00	\$25,238.00
06/24/09	SD - Admin	\$0.00	\$18,100.00	\$0.00	\$0.00	\$0.00	\$18,100.00
06/24/09	SD - Tech Assist	\$0.00	\$0.00	\$15,280.00	\$0.00	\$0.00	\$15,280.00
06/24/09	SD - Tech Assist	\$0.00	\$0.00	\$16,200.00	\$0.00	\$0.00	\$16,200.00
07/30/09	SD - Admin	\$0.00	\$33,000.00	\$0.00	\$0.00	\$0.00	\$33,000.00
07/30/09	SD-Planning Dist Grants	\$0.00	\$0.00	\$0.00	\$7,500.00	\$0.00	\$7,500.00
08/27/09	SD - Admin	\$0.00	\$30,400.00	\$0.00	\$0.00	\$0.00	\$30,400.00
08/27/09	SD - Tech Assist	\$0.00	\$0.00	\$29,400.00	\$0.00	\$0.00	\$29,400.00
08/27/09	SD-Planning Dist Grants	\$0.00	\$0.00	\$0.00	\$27,500.00	\$0.00	\$27,500.00
09/09/09	FNB	\$1,473.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,473.00
09/09/09	Standard & Poor's	\$4,254.91	\$0.00	\$0.00	\$0.00	\$0.00	\$4,254.91
09/09/09	Perkins Coie	\$22,911.00	\$0.00	\$0.00	\$0.00	\$0.00	\$22,911.00
09/24/09	SD - Admin	\$0.00	\$11,100.00	\$0.00	\$0.00	\$0.00	\$11,100.00
09/24/09	SD-Planning Dist Grants	\$0.00	\$0.00	\$0.00	\$37,500.00	\$0.00	\$37,500.00
Total Admin/Set-Aside Disbursements		\$28,638.91	\$362,538.00	\$222,880.00	\$107,931.00	\$0.00	\$721,987.91

TOTAL OF ALL DWSRF DISBURSEMENTS

\$14,610,589.91

Disbursements to the State of SD reflect reimbursements for disbursements made through the state accounting system. These reimbursements are for payroll expenses, overhead costs, loan administration grants and planning grants. These reimbursements are rounded and do not reflect expenses as incurred during the year. Expenses reimbursed also may be from a prior fiscal year. See Financial Statements for expenses incurred on an accrual basis.

EXHIBIT V
Letter of Credit Analysis
Projected Draws vs. Actual Draws
Federal Fiscal Year 2009

Quarter	Projected Draws	Actual Loan Draws	Actual Set-Aside Draws	Difference
1 st	\$1,700,000	\$2,489,464	\$167,815	(\$957,279)
2 nd	\$1,700,000	\$1,184,841	\$144,313	\$370,846
3 rd	\$1,866,100	\$260,000	\$169,390	\$1,436,610
4 th	\$2,296,100	\$100,000	\$103,900	\$2,092,200
	\$7,562,100	\$4,034,305	\$585,418	\$2,942,377

Letter of Credit Draws
Federal Fiscal Year 2009

Draw #	Date	Loan	Admin	Tech Asst	Local Asst	ARRA	Total
0735	10/15/08	\$99,692	\$0	\$0	\$0	\$0	\$99,692
0736	10/23/08	\$84,653	\$8,800	\$16,800	\$22,300	\$0	\$132,553
0737	11/13/08	\$321,983	\$0	\$0	\$0	\$0	\$321,983
0738	11/14/08	\$0	\$61,470	\$12,000	\$0	\$0	\$73,470
0739	11/24/08	\$68,152	\$0	\$0	\$0	\$0	\$68,152
0740	11/26/08	\$419,700	\$0	\$0	\$0	\$0	\$419,700
0741	12/02/08	\$470,000	\$0	\$0	\$0	\$0	\$470,000
0742	12/11/08	\$0	\$24,445	\$0	\$0	\$0	\$24,445
0743	12/16/08	\$895,284	\$10,600	\$11,400	\$0	\$0	\$917,284
0744	12/23/08	\$130,000	\$0	\$0	\$0	\$0	\$130,000
0745	01/07/09	\$0	\$6,713	\$0	\$0	\$0	\$6,713
0746	01/14/09	\$200,000	\$17,900	\$6,000	\$0	\$0	\$223,900
0747	01/23/09	\$175,000	\$0	\$0	\$0	\$0	\$175,000
0748	01/28/09	\$46,000	\$0	\$0	\$0	\$0	\$46,000
0750	02/10/09	\$250,000	\$0	\$0	\$0	\$0	\$250,000
0751	02/18/09	\$145,000	\$23,100	\$34,400	\$0	\$0	\$202,500
0752	02/25/09	\$278,841	\$0	\$0	\$0	\$0	\$278,841
0753	03/19/09	\$0	\$24,000	\$32,200	\$0	\$0	\$56,200
0754	03/25/09	\$90,000	\$0	\$0	\$0	\$0	\$90,000
0755	04/21/09	\$60,000	\$11,000	\$14,500	\$0	\$0	\$85,500
0758	05/19/09	\$0	\$21,200	\$12,400	\$0	\$0	\$33,600
0759	05/29/09	\$0	\$35,472	\$0	\$0	\$0	\$35,472
0760	06/17/09	\$0	\$25,238	\$0	\$0	\$0	\$25,238
0761	06/23/09	\$0	\$18,100	\$31,480	\$0	\$0	\$49,580
0001	07/15/09	\$0	\$0	\$0	\$0	\$41,327	\$41,327
0763	07/21/09	\$200,000	\$0	\$0	\$0	\$0	\$200,000

Draw #	Date	Loan	Admin	Tech Asst	Local Asst	ARRA	Total
0002	07/28/09	\$0	\$0	\$0	\$0	\$55,690	\$55,690
0764	07/29/09	\$0	\$33,000	\$0	\$0	\$0	\$33,000
0768	08/26/09	\$0	\$30,400	\$29,400	\$0	\$0	\$59,800
0003	09/02/09	\$0	\$0	\$0	\$0	\$152,951	\$152,951
0006	09/22/09	\$0	\$0	\$0	\$0	\$44,435	\$44,435
0771	09/23/09	\$100,000	\$11,100	\$0	\$0	\$0	\$111,100
		\$4,034,305	\$362,538	\$200,580	\$22,300	\$294,403	\$879,821

EXHIBIT VI
Environmental Review and Land Purchase Information
Federal Fiscal Year 2009

Recipient	Environmental Assessment Class	Environmental Assessment Publication Date	Land Purchase w/ SRF?
Aberdeen (DW-02)	CATEX	07/17/2009	No
Arlington (DW-01)	CATEX	07/29/2009	No
Aurora-Brule RWS (DW-01)	FNSI Amendment	07/15/2009	No
Baltic (DW-02)	CATEX	06/17/2009	No
Bowdle (DW-01)	FNSI Amendment	08/27/2009	No
Canistota (DW-01)	CATEX	06/04/2009	No
Chamberlain (DW-02)	CATEX	08/12/2009	No
Clay RWS (DW-02)	CATEX	06/04/2009	No
Colonial Pine Hills Sanitary District (DW-02)	CATEX	07/11/2009	No
Corson Village Sanitary District (DW-01)	CATEX	07/22/2009	No
DeSmet (DW-01)	CATEX	08/12/2009	No
Elk Point (DW-05)	CATEX	07/23/2009	No
Eureka (DW-02)	FNSI	10/08/2009	No
Fall River Water Users District (DW-03)	FNSI	06/23/2009	No
Fall River Water Users District (DW-04)	CATEX	11/03/2009	No
Faulkton (DW-01)	CATEX	09/09/2009	No
Groton (DW-03)	CATEX	08/10/2009	No
Hanson RWS (DW-01)	CATEX	08/13/2009	No
Hill City (DW-01)	CATEX	08/19/2009	No
Huron (DW-02)	CATEX	08/07/2009	No
Ipswich (DW-01)	CATEX	06/17/2009	No
Lead (DW-03)	CATEX	08/24/2009	No
Letcher (DW-01) *			No
Mellette (DW-01)	CATEX	08/05/2009	No
Mid-Dakota RWS (DW-01)	FNSI	03/04/2009	No
Mid-Dakota RWS (DW-02)	FNSI	09/02/2009	No
Mina Lake San Dist (DW-02)	CATEX	08/26/2009	No
Mitchell (DW-02)	CATEX	08/19/2009	No
Mobridge (DW-05)	FNSI	08/18/2009	No
New Underwood (DW-01)	FNSI Amendment	07/18/2009	No
Newell (DW-01)	CATEX	08/19/2009	No
Northville (DW-01)	CATEX	08/12/2009	No
Oacoma (DW-01) *			No

Recipient	Environmental Assessment Class	Environmental Assessment Publication Date	Land Purchase w/ SRF?
Parker (DW-03)	CATEX	08/06/2009	No
Rapid City (DW-02)	FNSI	07/16/2009	No
Rapid Valley San Dist (DW-01)	FNSI	09/30/2009	No
Roslyn (DW-01)	CATEX	08/17/2009	No
Selby (DW-01)	CATEX	09/17/2009	No
Sioux Falls (DW-09)	CATEX	12/19/2008	No
Sioux Falls (DW-10)	CATEX	12/12/2008	No
Sturgis (DW-02)	CATEX	08/05/2009	No
Wagner (DW-03)	CATEX	07/22/2009	No
Warner (DW-01)	CATEX	09/19/2009	No
Woonsocket (DW-01)	CATEX	08/06/2009	No
Yankton (DW-03)	CATEX	03/24/2009	No
Yankton (DW-04)	FNSI	In Process	No

*Projects did not proceed with environmental during FFY 2009

EXHIBIT VII
DWSRF Loan Transactions by Borrower
September 30, 2009

Borrower	Maximum Committed Amount	ARRA Prin. Forgive Adv.	ARRA Stimulus Adv.	State Adv.	Federal Adv.	Recycled Loans	Leveraged Loans	Total Advances	Principal Repayments	Loan Balance
Aberdeen (DW-01A)	\$9,460,000	\$0	\$0	\$1,611,628	\$5,212,008	\$2,636,364	\$0	\$9,460,000	\$1,125,830.97	\$8,334,169.03
Aberdeen (DW-01B)	\$7,024,258	\$0	\$0	\$953,745	\$830,686	\$0	\$5,239,827	\$7,024,258	\$817,079.76	\$6,207,178.24
Arlington (DW-01)	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00
Baltic (DW-01)	\$250,000	\$0	\$0	\$75,038	\$174,962	\$0	\$0	\$250,000	\$52,415.41	\$197,584.59
BDM RWS (DW-01)	\$280,251	\$0	\$0	\$0	\$280,251	\$0	\$0	\$280,251	\$60,380.28	\$219,870.72
Big Stone City (DW-01)	\$570,000	\$0	\$0	\$0	\$570,000	\$0	\$0	\$570,000	\$214,209.79	\$355,790.21
Big Stone City (DW-02)	\$139,873	\$0	\$0	\$99,873	\$40,000	\$0	\$0	\$139,873	\$20,878.27	\$118,994.73
Black Hawk WUD (DW-01)	\$500,000	\$0	\$0	\$109,624	\$390,376	\$0	\$0	\$500,000	\$181,776.86	\$318,223.14
Black Hawk WUD (DW-02)	\$1,142,000	\$0	\$0	\$99,816	\$152,088	\$0	\$814,770	\$1,066,674	\$0.00	\$1,066,674.00
Bowdle (DW-01)	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00
Brandon (DW-01)	\$1,877,375	\$0	\$0	\$0	\$1,877,375	\$0	\$0	\$1,877,375	\$1,031,293.95	\$846,081.05
Britton (DW-01)	\$320,000	\$0	\$0	\$2,854	\$317,146	\$0	\$0	\$320,000	\$86,649.12	\$233,350.88
Brookings-Deuel RWS (DW-01)	\$1,002,464	\$0	\$0	\$0	\$860,281	\$142,183	\$0	\$1,002,464	\$46,157.98	\$956,306.02
Brookings-Deuel RWS (DW-02)	\$1,750,000	\$0	\$0	\$0	\$1,750,000	\$0	\$0	\$1,750,000	\$46,233.57	\$1,703,766.43
Bryant (DW-01)	\$142,000	\$0	\$0	\$8,038	\$133,962	\$0	\$0	\$142,000	\$25,024.22	\$116,975.78
Burke (DW-01)	\$115,600	\$0	\$0	\$0	\$0	\$0	\$115,600	\$115,600	\$6,682.71	\$108,917.29
Canistota (DW-01)	\$426,460	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00

Borrower	Maximum Committed Amount	ARRA Prin. Forgive Adv.	ARRA Stimulus Adv.	State Adv.	Federal Adv.	Recycled Loans	Leveraged Loans	Total Advances	Principal Repayments	Loan Balance
Canton (DW-01)	\$500,000	\$0	\$0	\$121,979	\$378,021	\$0	\$0	\$500,000	\$89,080.90	\$410,919.10
Centerville (DW-01)	\$870,000	\$0	\$0	\$146,573	\$174,754	\$548,673	\$0	\$870,000	\$87,895.61	\$782,104.39
Chamberlain (DW-01)	\$276,500	\$0	\$0	\$0	\$0	\$0	\$276,500	\$276,500	\$2,467.35	\$274,032.65
Chancellor (DW-01)	\$205,948	\$0	\$0	\$0	\$0	\$0	\$205,948	\$205,948	\$9,482.80	\$196,465.20
Clay RWS (DW-01)	\$4,331,000	\$0	\$0	\$0	\$4,331,000	\$0	\$0	\$4,331,000	\$176,473.77	\$4,154,526.23
Clay RWS (DW-02)	\$846,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00
Clear Lake (DW-01)	\$540,637	\$0	\$0	\$0	\$540,637	\$0	\$0	\$540,637	\$115,671.67	\$424,965.33
Colonial Pine Hills SD (DW-01)	\$636,108	\$0	\$0	\$185,726	\$450,382	\$0	\$0	\$636,108	\$168,212.49	\$467,895.51
Colton (DW-01)	\$632,455	\$0	\$0	\$0	\$632,455	\$0	\$0	\$632,455	\$69,868.97	\$562,586.03
Crooks (DW-01)	\$133,510	\$0	\$0	\$0	\$133,510	\$0	\$0	\$133,510	\$16,516.10	\$116,993.90
Custer (DW-01)	\$800,000	\$0	\$0	\$159,437	\$508,821	\$131,742	\$0	\$800,000	\$170,383.70	\$629,616.30
Dakota Dunes (DW-01)	\$508,000	\$0	\$0	\$25,393	\$96,429	\$255,140	\$0	\$376,962	\$299,823.11	\$77,138.89
Dell Rapids (DW-01)	\$621,000	\$0	\$0	\$150,059	\$470,941	\$0	\$0	\$621,000	\$106,923.61	\$514,076.39
Dell Rapids (DW-02)	\$162,263	\$0	\$0	\$0	\$0	\$0	\$162,263	\$162,263	\$15,020.58	\$147,242.42
Delmont (DW-01)	\$185,000	\$0	\$0	\$0	\$0	\$0	\$106,538	\$106,538	\$0.00	\$106,538.00
Elk Point (DW-01)	\$220,000	\$0	\$0	\$30,181	\$189,819	\$0	\$0	\$220,000	\$55,503.87	\$164,496.13
Elk Point (DW-02)	\$570,000	\$0	\$0	\$0	\$0	\$0	\$570,000	\$570,000	\$63,100.73	\$506,899.27
Elk Point (DW-03)	\$218,000	\$0	\$0	\$0	\$0	\$86,590	\$25,539	\$112,129	\$2,951.93	\$109,177.07
Elk Point (DW-04)	\$564,000	\$0	\$0	\$0	\$0	\$0	\$415,049	\$415,049	\$0.00	\$415,049.00
Eureka (DW-01)	\$133,681	\$0	\$0	\$0	\$0	\$0	\$133,681	\$133,681	\$26,736.24	\$106,944.76

Borrower	Maximum Committed Amount	ARRA Prin. Forgive Adv.	ARRA Stimulus Adv.	State Adv.	Federal Adv.	Recycled Loans	Leveraged Loans	Total Advances	Principal Repayments	Loan Balance
Fall River WUD (DW-01)	\$759,000	\$0	\$0	\$0	\$759,000	\$0	\$0	\$759,000	\$136,282.31	\$622,717.69
Fall River WUD (DW-02)	\$260,958	\$0	\$0	\$24,064	\$236,894	\$0	\$0	\$260,958	\$39,552.17	\$221,405.83
Garretson (DW-01)	\$1,102,147	\$0	\$0	\$0	\$1,102,147	\$0	\$0	\$1,102,147	\$121,550.43	\$980,596.57
Gettysburg (DW-01)	\$565,000	\$0	\$0	\$0	\$565,000	\$0	\$0	\$565,000	\$565,000.00	\$0.00
Gregory (DW-01)	\$347,580	\$0	\$0	\$35,106	\$312,474	\$0	\$0	\$347,580	\$57,138.19	\$290,441.81
Groton (DW-01)	\$440,000	\$0	\$0	\$228,152	\$211,848	\$0	\$0	\$440,000	\$74,137.01	\$365,862.99
Groton (DW-02)	\$308,945	\$0	\$0	\$0	\$0	\$0	\$308,945	\$308,945	\$36,574.83	\$272,370.17
Harrisburg (DW-01)	\$525,000	\$0	\$0	\$20,074	\$504,926	\$0	\$0	\$525,000	\$145,318.39	\$379,681.61
Harrisburg (DW-02)	\$1,291,925	\$0	\$0	\$0	\$1,291,925	\$0	\$0	\$1,291,925	\$33,252.07	\$1,258,672.93
Harrisburg (DW-03)	\$2,090,000	\$0	\$0	\$0	\$0	\$0	\$369,476	\$369,476	\$0.00	\$369,476.00
Hartford (DW-01)	\$185,000	\$0	\$0	\$0	\$185,000	\$0	\$0	\$185,000	\$185,000.00	\$0.00
Hartford (DW-02)	\$800,957	\$0	\$0	\$371,588	\$429,369	\$0	\$0	\$800,957	\$149,137.97	\$651,819.03
Hartford (DW-03)	\$1,123,556	\$0	\$0	\$0	\$450,629	\$672,927	\$0	\$1,123,556	\$103,847.11	\$1,019,708.89
Hermosa (DW-01)	\$300,000	\$0	\$0	\$0	\$300,000	\$0	\$0	\$300,000	\$109,779.67	\$190,220.33
Humboldt (DW-01)	\$481,773	\$0	\$0	\$0	\$481,773	\$0	\$0	\$481,773	\$26,324.30	\$455,448.70
Huron (DW-01)	\$4,000,000	\$0	\$0	\$734,473	\$0	\$3,265,527	\$0	\$4,000,000	\$733,968.43	\$3,266,031.57
Irene (DW-01)	\$127,126	\$0	\$0	\$0	\$127,126	\$0	\$0	\$127,126	\$127,126.00	\$0.00
Keystone (DW-01)	\$630,212	\$0	\$0	\$407,390	\$222,822	\$0	\$0	\$630,212	\$76,040.05	\$554,171.95
Kingbrook RWS (DW-01)	\$474,204	\$0	\$0	\$0	\$474,204	\$0	\$0	\$474,204	\$117,480.51	\$356,723.49
Kingbrook RWS (DW-02)	\$2,115,000	\$0	\$0	\$0	\$0	\$2,115,000	\$0	\$2,115,000	\$178,185.88	\$1,936,814.12
Kingbrook RWS (DW-03)	\$3,136,677	\$0	\$0	\$0	\$3,136,677	\$0	\$0	\$3,136,677	\$290,360.42	\$2,846,316.58
Kingbrook RWS (DW-04)	\$2,315,622	\$0	\$0	\$0	\$2,315,622	\$0	\$0	\$2,315,622	\$74,645.08	\$2,240,976.92
Lead (DW-01)	\$192,800	\$0	\$0	\$110,440	\$82,360	\$0	\$0	\$192,800	\$115,324.98	\$77,475.02

Borrower	Maximum Committed Amount	ARRA Prin. Forgive Adv.	ARRA Stimulus Adv.	State Adv.	Federal Adv.	Recycled Loans	Leveraged Loans	Total Advances	Principal Repayments	Loan Balance
Lead (DW-02)	\$192,549	\$0	\$0	\$0	\$0	\$0	\$192,549	\$192,549	\$15,145.46	\$177,403.54
Lead-Deadwood SD (DW-01)	\$2,683,957	\$0	\$0	\$1,812	\$2,682,145	\$0	\$0	\$2,683,957	\$2,683,957.00	\$0.00
Lennox (DW-01)	\$2,000,000	\$0	\$0	\$0	\$0	\$0	\$2,000,000	\$2,000,000	\$92,088.99	\$1,907,911.01
Lincoln County RWS (DW-01)	\$1,079,170	\$0	\$0	\$0	\$1,079,170	\$0	\$0	\$1,079,170	\$181,833.09	\$897,336.91
Madison (DW-01)	\$2,372,000	\$0	\$0	\$0	\$2,372,000	\$0	\$0	\$2,372,000	\$2,372,000.00	\$0.00
Martin (DW-01)	\$917,901	\$0	\$0	\$212,005	\$705,896	\$0	\$0	\$917,901	\$83,131.42	\$834,769.58
McLaughlin (DW-01)	\$350,000	\$0	\$0	\$0	\$0	\$0	\$350,000	\$350,000	\$26,553.05	\$323,446.95
Milbank (DW-01)	\$4,460,294	\$0	\$0	\$1,506,323	\$300,000	\$0	\$2,653,971	\$4,460,294	\$100,635.25	\$4,359,658.75
Miller (DW-01)	\$255,200	\$0	\$0	\$0	\$0	\$59,060	\$108,160	\$167,220	\$0.00	\$167,220.00
Mina Lake S&W Dist (DW-01)	\$255,200	\$0	\$0	\$110,253	\$144,947	\$0	\$0	\$255,200	\$84,583.91	\$170,616.09
Minnehaha CWC (DW-01)	\$6,022,816	\$0	\$0	\$0	\$6,022,816	\$0	\$0	\$6,022,816	\$1,141,324.36	\$4,881,491.64
Mitchell (DW-01)	\$2,850,115	\$0	\$0	\$603,583	\$2,246,532	\$0	\$0	\$2,850,115	\$543,978.45	\$2,306,136.55
Mobridge (DW-01)	\$965,000	\$0	\$0	\$0	\$965,000	\$0	\$0	\$965,000	\$965,000.00	\$0.00
Mobridge (DW-02)	\$352,207	\$0	\$0	\$0	\$352,207	\$0	\$0	\$352,207	\$352,207.00	\$0.00
Mobridge (DW-03)	\$213,500	\$0	\$0	\$213,500	\$0	\$0	\$0	\$213,500	\$7,312.87	\$206,187.13
Mobridge (DW-04)	\$62,442	\$0	\$0	\$62,442	\$0	\$0	\$0	\$62,442	\$1,776.76	\$60,665.24
Nisland (DW-01)	\$350,000	\$0	\$0	\$170,757	\$179,243	\$0	\$0	\$350,000	\$67,083.41	\$282,916.59
Parker (DW-01)	\$730,000	\$0	\$0	\$0	\$0	\$0	\$730,000	\$730,000	\$74,287.12	\$655,712.88
Parker (DW-02)	\$209,541	\$0	\$0	\$174,612	\$0	\$0	\$34,929	\$209,541	\$5,581.47	\$203,959.53
Pierre (DW-01)	\$988,188	\$0	\$0	\$130,882	\$857,306	\$0	\$0	\$988,188	\$383,607.53	\$604,580.47
Pierre (DW-02)	\$1,832,900	\$0	\$0	\$380,409	\$1,452,491	\$0	\$0	\$1,832,900	\$399,289.51	\$1,433,610.49

Borrower	Maximum Committed Amount	ARRA Prin. Forgive Adv.	ARRA Stimulus Adv.	State Adv.	Federal Adv.	Recycled Loans	Leveraged Loans	Total Advances	Principal Repayments	Loan Balance
Platte (DW-01)	\$293,134	\$0	\$0	\$0	\$0	\$0	\$293,134	\$293,134	\$94,399.97	\$198,734.03
Rapid City (DW-01)	\$3,500,000	\$0	\$0	\$110,096	\$2,685,946	\$0	\$0	\$2,796,042	\$110,077.37	\$2,685,964.63
Rapid Valley SD (DW-01)	\$682,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00
Redfield (DW-01)	\$85,000	\$0	\$0	\$85,000	\$0	\$0	\$0	\$85,000	\$29,720.72	\$55,279.28
Redfield (DW-02)	\$342,755	\$0	\$0	\$176,534	\$0	\$0	\$0	\$176,534	\$0.00	\$176,534.00
Salem (DW-01)	\$118,540	\$0	\$0	\$46,420	\$72,120	\$0	\$0	\$118,540	\$54,119.48	\$64,420.52
Salem (DW-02)	\$328,966	\$0	\$0	\$328,966	\$0	\$0	\$0	\$328,966	\$27,294.91	\$301,671.09
Salem (DW-03)	\$1,345,000	\$0	\$0	\$184,926	\$619,706	\$0	\$540,368	\$1,345,000	\$6,660.48	\$1,338,339.52
Scotland (DW-01)	\$235,172	\$0	\$0	\$106,542	\$128,630	\$0	\$0	\$235,172	\$23,628.33	\$211,543.67
Sioux Falls (DW-01)	\$6,496,745	\$0	\$0	\$3,879,001	\$2,617,744	\$0	\$0	\$6,496,745	\$5,706,633.31	\$790,111.69
Sioux Falls (DW-02)	\$2,348,168	\$0	\$0	\$6,101	\$2,342,067	\$0	\$0	\$2,348,168	\$1,404,575.60	\$943,592.40
Sioux Falls (DW-03)	\$7,930,000	\$0	\$0	\$1,333,874	\$6,596,126	\$0	\$0	\$7,930,000	\$3,839,952.89	\$4,090,047.11
Sioux Falls (DW-04)	\$279,599	\$0	\$0	\$48,399	\$231,200	\$0	\$0	\$279,599	\$114,069.61	\$165,529.39
Sioux Falls (DW-05)	\$10,828,766	\$0	\$0	\$0	\$0	\$0	\$10,828,766	\$10,828,766	\$2,573,446.20	\$8,255,319.80
Sioux Falls (DW-06)	\$12,848,000	\$0	\$0	\$98,127	\$249,927	\$0	\$1,003,462	\$1,351,516	\$0.00	\$1,351,516.00
Sioux Falls (DW-07)	\$2,200,000	\$0	\$0	\$174,180	\$1,179,517	\$26,282	\$766,807	\$2,146,786	\$0.00	\$2,146,786.00
Sioux Falls (DW-08)	\$2,705,600	\$0	\$0	\$0	\$0	\$0	\$2,065,685	\$2,065,685	\$0.00	\$2,065,685.00
Sioux Falls (DW-09)	\$3,578,750	\$11,430	\$82,192	\$0	\$0	\$0	\$20,679	\$114,301	\$0.00	\$114,301.00
Sioux Falls (DW-10)	\$7,606,900	\$200,781	\$0	\$0	\$0	\$0	\$1,849,854	\$2,050,635	\$0.00	\$2,050,635.00
South Lincoln RWS (DW-01)	\$2,000,000	\$0	\$0	\$0	\$2,000,000	\$0	\$0	\$2,000,000	\$269,154.10	\$1,730,845.90
Sturgis (DW-01)	\$478,377	\$0	\$0	\$0	\$478,377	\$0	\$0	\$478,377	\$478,377.00	\$0.00
Tea (DW-01)	\$2,263,723	\$0	\$0	\$0	\$2,263,723	\$0	\$0	\$2,263,723	\$123,690.86	\$2,140,032.14
Tripp (DW-01)	\$225,656	\$0	\$0	\$15,391	\$210,265	\$0	\$0	\$225,656	\$34,201.65	\$191,454.35
Tripp County WUD (DW-01)	\$3,500,000	\$0	\$0	\$653,794	\$2,846,206	\$0	\$0	\$3,500,000	\$409,088.47	\$3,090,911.53

Borrower	Maximum Committed Amount	ARRA Prin. Forgive Adv.	ARRA Stimulus Adv.	State Adv.	Federal Adv.	Recycled Loans	Leveraged Loans	Total Advances	Principal Repayments	Loan Balance
Tripp County WUD (DW-02)	\$131,469	\$0	\$0	\$38,286	\$93,183	\$0	\$0	\$131,469	\$20,816.02	\$110,652.98
Tyndall (DW-01)	\$300,000	\$0	\$0	\$0	\$300,000	\$0	\$0	\$300,000	\$233,874.65	\$66,125.35
Tyndall (DW-02)	\$861,000	\$0	\$0	\$180,885	\$680,115	\$0	\$0	\$861,000	\$85,749.42	\$775,250.58
Vermillion (DW-01)	\$795,338	\$0	\$0	\$0	\$726,511	\$68,827	\$0	\$795,338	\$272,746.40	\$522,591.60
Vermillion (DW-02)	\$1,507,552	\$0	\$0	\$305,729	\$1,201,823	\$0	\$0	\$1,507,552	\$301,567.83	\$1,205,984.17
Vermillion (DW-03)	\$3,693,216	\$0	\$0	\$98,204	\$35,413	\$0	\$3,559,599	\$3,693,216	\$248,266.05	\$3,444,949.95
Viborg (DW-01)	\$104,491	\$0	\$0	\$0	\$0	\$24,705	\$79,786	\$104,491	\$0.00	\$104,491.00
Wagner (DW-01)	\$750,000	\$0	\$0	\$469,439	\$2,833	\$0	\$277,728	\$750,000	\$18,750.00	\$731,250.00
Wagner (DW-02)	\$175,000	\$0	\$0	\$175,000	\$0	\$0	\$0	\$175,000	\$8,749.98	\$166,250.02
Watertown (DW-01)	\$23,760,000	\$0	\$0	\$96,642	\$400,900	\$0	\$525,947	\$1,023,489	\$0.00	\$1,023,489.00
Waubay (DW-01)	\$750,000	\$0	\$0	\$0	\$0	\$0	\$750,000	\$750,000	\$12,724.59	\$737,275.41
Webster (DW-01)	\$318,828	\$0	\$0	\$122,503	\$196,325	\$0	\$0	\$318,828	\$73,588.27	\$245,239.73
WR/Lyman Jones (DW-01)	\$340,000	\$0	\$0	\$59,092	\$280,908	\$0	\$0	\$340,000	\$53,765.04	\$286,234.96
WR/Lyman Jones (DW-02)	\$7,943,023	\$0	\$0	\$0	\$7,943,023	\$0	\$0	\$7,943,023	\$7,943,023.00	\$0.00
Wolsey (DW-01)	\$227,950	\$0	\$0	\$227,950	\$0	\$0	\$0	\$227,950	\$16,317.98	\$211,632.02
Wolsey (DW-02)	\$162,300	\$0	\$0	\$118,118	\$0	\$0	\$35,913	\$154,031	\$0.00	\$154,031.00
Worthing (DW-01)	\$288,000	\$0	\$0	\$171,421	\$116,579	\$0	\$0	\$288,000	\$46,050.63	\$241,949.37
Yankton (DW-01)	\$3,460,000	\$0	\$0	\$913,361	\$2,546,639	\$0	\$0	\$3,460,000	\$753,128.01	\$2,706,871.99
Yankton (DW-02)	\$1,100,000	\$0	\$0	\$111,732	\$449,100	\$0	\$306,628	\$867,460	\$7,740.79	\$859,719.21
Yankton (DW-03)	\$3,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00
TOTAL (124 loans)	\$212,810,163	\$212,211	\$82,192	\$19,613,542	\$92,540,359	\$10,033,020	\$37,718,101	\$160,199,425	\$43,664,078.38	\$116,535,346.62

EXHIBIT VIII
Projected Principal and Interest Payments
Federal Fiscal Year 2010

Borrower	Principal	Interest	Admin Surcharge	Total
Aberdeen (DW-01A)	\$372,855	\$204,888	\$81,950	\$659,693
Aberdeen (DW-01B)	\$277,697	\$152,598	\$61,035	\$491,330
Baltic (DW-01)	\$10,657	\$4,841	\$1,936	\$17,434
BDM (DW-01)	\$11,859	\$5,387	\$2,154	\$19,400
Big Stone City (DW-01)	\$20,750	\$11,124	\$2,616	\$34,490
Big Stone City (DW-02)	\$4,309	\$2,204	\$882	\$7,395
Black Hawk WUD (DW-01)	\$17,961	\$9,955	\$2,341	\$30,258
Black Hawk WUD (DW-02)	\$0	\$38,513	\$11,549	\$50,062
Brandon (DW-01)	\$137,952	\$29,808	\$7,948	\$175,708
Britton (DW-01)	\$10,354	\$6,388	\$1,825	\$18,567
Brookings Deuel RWS (DW-01)	\$21,619	\$23,708	\$7,110	\$52,437
Brookings Deuel RWS (DW-02)	\$36,983	\$42,254	\$12,671	\$91,907
Bryant (DW-01)	\$2,808	\$2,611	\$0	\$5,419
Burke (DW-01)	\$2,792	\$2,134	\$533	\$5,459
Canton (DW-01)	\$20,777	\$10,080	\$4,032	\$34,888
Centerville (DW-01)	\$15,200	\$14,571	\$4,370	\$34,141
Chamberlain (DW-01)	\$7,523	\$5,092	\$1,527	\$14,142
Chancellor (DW-01)	\$3,318	\$3,663	\$1,099	\$8,080
Clay RWS (DW-01)	\$92,649	\$103,010	\$30,891	\$226,550
Clear Lake (DW-01)	\$11,033	\$9,479	\$0	\$20,512
Colonial Pine Hills (DW-01)	\$21,114	\$8,642	\$3,457	\$33,212
Colton (DW-01)	\$10,882	\$10,481	\$4,192	\$25,555
Crooks (DW-01)	\$5,673	\$2,872	\$861	\$9,406
Custer (DW-01)	\$34,185	\$15,351	\$6,140	\$55,676
Dakota Dunes (DW-01)	\$24,750	\$1,698	\$679	\$27,128
Dell Rapids (DW-01)	\$25,452	\$12,615	\$5,046	\$43,113
Dell Rapids (DW-02)	\$6,357	\$3,622	\$1,086	\$11,065
Delmont (DW-01)	\$1,808	\$2,329	\$582	\$4,718
Elk Point (DW-01)	\$9,711	\$4,022	\$1,609	\$15,342
Elk Point (DW-02)	\$22,728	\$12,462	\$3,737	\$38,927
Elk Point (DW-03)	\$4,227	\$2,690	\$807	\$7,724
Eureka (DW-01)	\$13,368	\$0	\$0	\$13,368
Fall River (DW-01)	\$20,003	\$18,458	\$0	\$38,461
Fall River (DW-02)	\$6,920	\$5,471	\$0	\$12,390

Borrower	Principal	Interest	Admin Surcharge	Total
Garretson (DW-01)	\$18,967	\$18,269	\$7,307	\$44,543
Gregory (DW-01)	\$6,980	\$5,402	\$0	\$12,383
Groton (DW-01)	\$18,114	\$9,669	\$2,900	\$30,683
Groton (DW-02)	\$12,450	\$6,694	\$2,007	\$21,151
Harrisburg (DW-01)	\$17,203	\$11,220	\$2,805	\$31,228
Harrisburg (DW-02)	\$47,888	\$31,024	\$9,303	\$88,215
Hartford (DW-02)	\$26,840	\$12,055	\$4,822	\$43,716
Hartford (DW-03)	\$32,844	\$18,917	\$5,673	\$57,434
Hermosa (DW-01)	\$10,875	\$5,599	\$1,400	\$17,873
Humboldt (DW-01)	\$13,649	\$8,456	\$2,536	\$24,641
Huron (DW-01)	\$172,358	\$80,048	\$32,017	\$284,424
Keystone (DW-01)	\$25,330	\$13,620	\$4,084	\$43,034
Kingbrook RWS (DW-01)	\$11,891	\$0	\$0	\$11,891
Kingbrook RWS (DW-02)	\$36,055	\$36,094	\$10,824	\$82,974
Kingbrook RWS (DW-03)	\$91,790	\$52,803	\$15,835	\$160,427
Kingbrook RWS (DW-04)	\$64,812	\$41,619	\$12,481	\$118,912
Lead (DW-01)	\$20,912	\$2,440	\$697	\$24,049
Lead (DW-02)	\$4,359	\$4,395	\$1,318	\$10,072
Lennox (DW-01)	\$43,131	\$47,300	\$14,185	\$104,616
Lincoln County RWS (DW-01)	\$44,428	\$22,020	\$8,808	\$75,256
Martin (DW-01)	\$22,808	\$20,657	\$0	\$43,464
McLaughlin (DW-01)	\$8,612	\$8,006	\$0	\$16,618
Milbank (DW-01)	\$103,782	\$86,419	\$21,605	\$211,806
Miller (DW-01)	\$7,408	\$4,530	\$1,133	\$13,071
Mina Lake San Dist (DW-01)	\$8,907	\$5,030	\$1,258	\$15,194
Minnehaha CWC (DW-01)	\$252,122	\$119,693	\$47,874	\$419,689
Mitchell (DW-01)	\$117,237	\$67,876	\$22,625	\$207,739
Mobridge (DW-03)	\$5,029	\$4,086	\$1,022	\$10,137
Mobridge (DW-04)	\$1,462	\$1,202	\$301	\$2,965
Nisland (DW-01)	\$8,750	\$0	\$0	\$8,750
Parker (DW-01)	\$21,547	\$12,162	\$3,647	\$37,356
Parker (DW-02)	\$5,899	\$3,788	\$1,136	\$10,823
Pierre (DW-01)	\$48,065	\$11,037	\$4,415	\$63,517
Pierre (DW-02)	\$108,826	\$34,828	\$13,930	\$157,585
Platte (DW-01)	\$28,519	\$3,762	\$940	\$33,221
Rapid City (DW-01)	\$105,204	\$66,171	\$26,467	\$197,842
Redfield (DW-01)	\$3,019	\$1,425	\$407	\$4,851
Redfield (DW-02)	\$2,995	\$2,953	\$738	\$6,686
Salem (DW-01)	\$12,002	\$1,499	\$599	\$14,100

Borrower	Principal	Interest	Admin Surcharge	Total
Salem (DW-02)	\$12,784	\$7,423	\$2,226	\$22,434
Salem (DW-03)	\$27,187	\$33,208	\$9,959	\$70,354
Scotland (DW-01)	\$5,933	\$5,233	\$0	\$11,166
Sioux Falls (DW-01)	\$790,112	\$17,381	\$4,965	\$812,458
Sioux Falls (DW-02)	\$254,692	\$29,715	\$8,489	\$292,896
Sioux Falls (DW-03)	\$805,720	\$94,754	\$37,899	\$938,374
Sioux Falls (DW-04)	\$27,785	\$3,880	\$1,552	\$33,217
Sioux Falls (DW-05)	\$1,093,014	\$156,951	\$39,238	\$1,289,203
Sioux Falls (DW-06)	\$73,245	\$40,925	\$10,231	\$124,401
Sioux Falls (DW-07)	\$97,468	\$57,940	\$14,485	\$169,893
Sioux Falls (DW-08)	\$183,525	\$39,797	\$9,949	\$233,271
South Lincoln RWS (DW-01)	\$85,696	\$42,474	\$16,989	\$145,159
Tea (DW-01)	\$85,861	\$52,706	\$15,806	\$154,372
Tripp (DW-01)	\$5,984	\$4,731	\$0	\$10,714
Tripp County WUD (DW-01)	\$89,014	\$76,443	\$0	\$165,457
Tripp County WUD (DW-02)	\$4,382	\$0	\$0	\$4,382
Tyndall (DW-01)	\$24,412	\$1,088	\$0	\$25,499
Tyndall (DW-02)	\$16,044	\$14,436	\$0	\$30,480
Vermillion (DW-01)	\$28,105	\$15,399	\$3,850	\$47,354
Vermillion (DW-02)	\$47,524	\$22,317	\$8,926	\$78,768
Vermillion (DW-03)	\$112,861	\$51,112	\$12,778	\$176,751
Viborg (DW-01)	\$3,775	\$4,107	\$1,232	\$9,114
Wagner (DW-01)	\$25,000	\$0	\$0	\$25,000
Wagner (DW-02)	\$5,833	\$0	\$0	\$5,833
Watertown (DW-01)	\$0	\$37,171	\$11,147	\$48,318
Waubay (DW-01)	\$17,340	\$14,616	\$3,654	\$35,611
Webster (DW-01)	\$13,830	\$6,002	\$2,401	\$22,233
Wolsey (DW-01)	\$8,805	\$5,209	\$1,562	\$15,576
Wolsey (DW-02)	\$0	\$5,854	\$1,756	\$7,610
Worthing (DW-01)	\$8,945	\$4,481	\$1,792	\$15,218
Yankton (DW-01)	113,985.80	\$50,047	\$20,017	\$184,050
Yankton (DW-02)	\$23,605	\$14,832	\$5,933	\$44,370
Total FFY10	\$6,971,810	\$2,576,025	\$798,595	\$10,346,430

EXHIBITS IX -- XI

DRINKING WATER SRF

FINANCIAL STATEMENTS
(Unaudited)

EXHIBIT IX
DENR Drinking Water State Revolving Fund
Statement of Net Assets
6/30/2009

	SETASIDES			ADMIN SURCHARGE	LOANS	TOTAL	
	STATE ADMIN	TECHNICAL ASSISTANCE	LOCAL ASSISTANCE				TOTAL SETASIDES
Assets							
Current Assets:							
Cash and Cash Equivalents	(\$35,902.11)	(\$78.53)	\$0.00	(\$35,980.64)	\$5,174,592.77	\$24,642,140.31	\$29,780,752.44
Restricted Cash and Cash Equivalents						\$531,484.62	\$531,484.62
Due from Federal Government	\$158,771.94	\$29,422.28	\$0.00	\$188,194.22			\$188,194.22
Due from Other Governments				\$0.00	\$128,020.54		\$128,020.54
Deferred Charges	\$9,981.24			\$9,981.24		\$31,939.46	\$41,920.70
Accrued Interest Receivable	\$0.01			\$0.01	\$2,096.26	\$1,017,886.43	\$1,019,982.70
Loans Receivable				\$0.00		\$6,859,210.75	\$6,859,210.75
Total Current Assets	\$132,851.08	\$29,343.75	\$0.00	\$162,194.83	\$5,304,709.57	\$33,082,661.57	38,549,565.97
Noncurrent Assets:							
Investments						\$28,721,018.48	\$28,721,018.48
Restricted Investments						\$419,250.00	\$419,250.00
Deferred Charges	\$79,056.95			\$79,056.95		\$463,745.69	\$542,802.64
Loans Receivable						\$108,082,476.89	\$108,082,476.89
Total Assets	\$211,908.03	\$29,343.75	\$0.00	\$241,251.78	\$5,304,709.57	\$170,769,152.63	176,315,113.98
Liabilities							
Current Liabilities:							
Accounts Payable	\$63,645.01	\$29,343.75	\$0.00	\$92,988.76	\$67,500.00		\$160,488.76
Cost of Issuance Payable						\$2,923.00	\$2,923.00
Accrued Liabilities	\$12,018.64			\$12,018.64			\$12,018.64
Compensated Absences Payable	\$22,537.01			\$22,537.01			\$22,537.01
Accrued Interest Payable				\$0.00		\$881,776.35	\$881,776.35
Bonds Payable - net of unamortized premium and discount	(\$5,080.55)			(\$5,080.55)		\$1,863,901.32	\$1,858,820.77
Total Current Liabilities	\$93,120.11	\$29,343.75	\$0.00	\$122,463.86	\$67,500.00	\$2,748,600.67	2,938,564.53

	SETASIDES			ADMIN SURCHARGE	LOANS	TOTAL
	STATE ADMIN	TECHNICAL ASSISTANCE	LOCAL ASSISTANCE			
Noncurrent Liabilities:						
Compensated Absences Payable	\$20,066.03					\$20,066.03
Bonds Payable - net of unamortized premium and discount	(\$40,240.74)				\$57,504,891.33	\$57,464,650.59
Total Liabilities	\$72,945.40	\$29,343.75	\$0.00	\$102,289.15	\$67,500.00	\$60,423,281.15
Net Assets						
Restricted				\$0.00	\$950,734.62	\$950,734.62
Unrestricted	\$138,962.63	\$0.00	\$0.00	\$138,962.63	\$5,237,209.57	\$109,564,926.01
Total Net Assets	\$ 138,962.63	\$0.00	\$0.00	\$ 138,962.63	\$ 5,237,209.57	\$ 110,515,660.63

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

EXHIBIT X
DENR Drinking Water State Revolving Fund
Statement Of Revenues, Expenses, And Changes In Fund Net Assets
For the Fiscal Year Ended June 30, 2009

	SETASIDES			TOTAL SETASIDES	ADMIN SURCHARGE	LOANS	TOTAL
	STATE ADMIN	TECHNICAL ASSISTANCE	LOCAL ASSISTANCE				
Operating Revenues:							
Loan Interest Income				\$0.00		\$2,799,029.31	\$2,799,029.31
Federal Capitalization Grants	\$368,634.98	\$210,304.50	\$0.00	\$578,939.48		\$4,558,244.00	\$5,137,183.48
Other Income				\$0.00	\$897,235.87		\$897,235.87
Total Operating Revenue	\$368,634.98	\$210,304.50	-	\$578,939.48	\$897,235.87	\$7,357,273.31	\$8,833,448.66
Operating Expenses:							
Administrative Expenses							
Personal Services	\$150,499.61			\$150,499.61			\$150,499.61
Employee Benefits	\$29,962.0			\$29,962.02			\$29,962.02
Travel	\$8,474.32			\$8,474.32			\$8,474.32
Contractual	\$148,231.05	\$312.50		\$148,543.55	\$112,500.00	(\$13,022.84) *	\$248,020.71
Supplies	\$903.93			\$903.93			\$903.93
Grants		\$209,992.00		\$209,992.00			\$209,992.00
Other	\$3,319.14			\$3,319.14			\$3,319.14
Total Administrative Expenses	\$341,390.07	\$210,304.50	\$0.0	\$551,694.57	\$112,500.00	(\$13,022.84)	\$651,171.73
Interest Expense	\$5,080.55			\$5,080.55		\$2,174,265.70	\$2,179,346.25
Servicer Expense						\$35,679.95	\$35,679.95
Arbitrage Rebate						\$345,853.53	\$345,853.53
Bond Issuance Expense	\$9,981.24			\$9,981.24		\$31,939.46	\$41,920.70
Total Operating Expenses	\$356,451.86	\$210,304.50	\$0.00	\$566,756.36	\$112,500.00	\$2,574,715.80	\$3,253,972.16
Operating Income (Loss)	\$12,183.12	-		\$12,183.12	\$784,735.87	\$4,782,557.51	\$5,579,476.50

	SETASIDES			TOTAL SETASIDES	ADMIN SURCHARGE	LOANS	TOTAL
	STATE ADMIN	TECHNICAL ASSISTANCE	LOCAL ASSISTANCE				
Nonoperating Revenue (Expenses):							
Investment Income	\$0.55			\$0.55	\$76,745.02	\$1,703,624.77	\$1,780,370.34
Income (Loss) Before Transfers	\$12,183.67	-	\$0.00	\$12,183.67	\$861,480.89	\$6,486,182.28	\$7,359,846.8
Transfers:							
Transfer In				\$0.00			\$0.00
Transfer Out	(\$22,675.91)			(\$22,675.91)			(\$22,675.91)
Change in Net Assets	(\$10,492.24)	-	\$0.00	(\$10,492.24)	\$861,480.89	\$6,486,182.28	\$7,337,170.93
Net Assets at Beginning of Year	\$149,454.87	\$0.00	\$0.00	\$149,454.87	\$4,375,728.68	\$104,029,478.35	\$108,554,661.90
Net Assets at End of Year	\$138,962.63	\$0.00	\$0.00	\$138,962.63	\$5,237,209.57	\$110,515,660.63	\$115,891,832.83

* This was actually a refund from a vendor of an overpayment we made last year. The South Dakota Department of Legislative Audit recommended that we just credit the expenses this year instead of doing a prior year correction, since it was immaterial.

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

EXHIBIT XI
DENR Drinking Water State Revolving Fund
Statement Of Cash Flows
For the Fiscal Year Ended June 30, 2009

	SETASIDES			TOTAL SETASIDES	ADMIN SURCHARGE	LOANS	TOTAL
	STATE ADMIN	TECHNICAL ASSISTANCE	LOCAL ASSISTANCE				
Cash Flows from Operating Activities:							
Receipts for Loan Repayments						\$10,024,622.41	\$10,024,622.41
Receipts for Interest Income on Loans						\$2,954,185.19	\$2,954,185.19
Receipts for Surcharge Interest on Loans					\$947,704.89		\$947,704.89
Receipts for Administering Program	\$353,338.00	\$208,966.00	\$22,300.00	\$584,604.00		\$4,558,244.00	\$5,142,848.00
Payments to Loan Recipients						(\$12,492,023.00)	(\$12,492,023.00)
Servicing Payments						(\$35,679.95)	(\$35,679.95)
Arbitrage Rebate						(\$345,853.53)	(\$345,853.53)
Payments for Employee Services	(\$186,974.41)			(\$186,974.41)			(\$186,974.41)
Payments for Contractual Services	(\$151,094.53)			(\$151,094.53)	(\$57,500.00)	\$13,022.84	(\$195,571.69)
Other Payments	(\$12,569.75)	(\$207,432.00)	(\$22,224.00)	(\$242,225.75)			(\$242,225.75)
Net Cash Provided (Used) by Operating Activities	\$2,699.31	\$1,534.00	\$76.00	\$4,309.31	\$890,204.89	\$4,676,517.96	\$5,571,032.16
Cash Flows from Noncapital Financing Activities:							
Bond Issuance Costs Paid						(\$31,570.00)	(\$31,570.00)
Transfers Out	(\$22,675.91)			(\$22,675.91)			(\$22,675.91)
Principal Payments on Bonds						(\$1,745,000.00)	(\$1,745,000.00)
Interest Payments on Bonds and Notes						(\$2,312,117.83)	(\$2,312,117.83)
Net Cash Provided (Used) by Noncapital Financing Activities	(22,675.91)	-		(22,675.91)	-	(4,088,687.83)	(4,111,363.74)
Cash Flows from Investing Activities:							
Interest on Investments	\$0.59			\$0.59	\$75,355.93	\$1,755,897.67	\$1,831,254.19
Proceeds from Sale of Investment Securities					\$4,659,748.58	\$43,229,884.50	\$47,889,633.08
Purchase of Investment Securities					(\$495,139.79)	(\$20,997,765.20)	(\$21,492,904.99)
Net Cash Provided (Used) by Investing Activities	\$0.59	\$0.00	\$0.00	\$0.59	\$4,239,964.72	\$23,988,016.97	\$28,227,982.28

	SETASIDES			ADMIN SURCHARGE	LOANS	TOTAL	
	STATE ADMIN	TECHNICAL ASSISTANCE	LOCAL ASSISTANCE				TOTAL SETASIDES
Net Increase (Decrease) in Cash and Cash Equivalents	(19,976.01)	\$1,534.00	\$76.00	(\$18,366.01)	\$5,130,169.61	\$24,575,847.10	\$29,687,650.70
Cash and Cash Equivalents at Beginning of Year	(\$15,926.10)	(\$1,612.53)	(76.00)	(\$17,614.63)	\$44,423.16	\$597,777.83	\$624,586.36
Cash and Cash Equivalents at End of Year	(\$35,902.11)	\$(78.53)	\$0.00	(\$35,980.64)	\$5,174,592.77	\$25,173,624.93	\$30,312,237.06

Reconciliation of Operating Income to Net

Cash Provided (Used) by Operating Activities

Operating Income (Loss) \$12,183.12 \$12,183.12 \$784,735.87 \$4,782,557.51 \$5,579,476.50

Adjustments to Reconcile Net Income to Net Cash

Provided (Used) by Operating Activities:

Interest Expense \$5,080.55 \$5,080.55 \$2,174,265.70 \$2,179,346.25

Amortization of Bond Issuance Cost \$9,981.24 \$9,981.24 \$31,939.46 \$41,920.70

Assets: (Increase)/Decrease

Loans Receivable (\$2,467,400.59) (\$2,467,400.59)

Accounts Receivable \$13,022.84 \$13,022.84

Accrued Interest Receivable on Loans \$155,155.88 \$155,155.88

Due from Federal Government (\$15,296.98) (\$1,338.50) \$22,300.00 \$5,664.52 \$5,664.52

Due from Other Governments \$50,469.02 \$50,469.02

Liabilities: Increase/(Decrease)

Accounts Payable (\$2,735.84) \$2,872.50 (\$22,224.00) (\$22,087.34) \$55,000.00 (\$13,022.84) \$19,889.82

Accrued Employee Benefits (\$5,676.09) (\$5,676.09) (\$5,676.09)

Accrued Liabilities (\$836.69) (\$836.69) (\$836.69)

Total Adjustments (\$9,483.81) \$1,534.00 \$76.00 (\$7,873.81) \$105,469.02 (\$106,039.55) (\$8,444.34)

Net Cash Provided by Operations \$2,699.31 \$1,534.00 \$76.00 \$4,309.31 \$890,204.89 \$4,676,517.96 \$5,571,032.16

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

**Drinking Water State Revolving Fund
Notes To The Financial Statements
June 30, 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Authorizing Legislation

The Drinking Water State Revolving Fund (DWSRF) Loan Program was federally authorized by the Safe Drinking Water Act Amendments of 1996. The state authorized the loan program in 1994 in anticipation of federal action. The Environmental Protection Agency (EPA) developed final guidance for the Drinking Water State Revolving Fund on February 28, 1997. The South Dakota Conservancy District, acting in its capacity as the Board of Water and Natural Resources, conducted a public hearing on April 15, 1997 to adopt formal administrative rules for the program. The Department of Environment and Natural Resources performs all of the functions of the South Dakota Conservancy District, except for quasi-legislative, quasi-judicial, advisory, and special budgetary functions, which are performed by the District acting in its capacity as the Board of Water and Natural Resources. The DWSRF is a low interest loan program to finance drinking water projects. 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 Drinking Water State Revolving Fund is a part of the State of South Dakota and, as such, the accompanying financial statements are included in the Comprehensive Annual Financial Report of the State of South Dakota.

B. Fund Accounting

The DWSRF is accounted for as an enterprise fund. An enterprise fund is a proprietary fund type used to report an activity for which a fee is charged to external users for goods or services.

C. Basis of Accounting

The DWSRF follows the accrual basis of accounting. This method of accounting recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows. The DWSRF follows all Governmental Accounting Standards Board (GASB) pronouncements and those Financial Accounting Standards Boards Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins that were issued on or before November 30, 1989, except those that conflict with a GASB pronouncement.

D. Cash and Cash Equivalents

For purposes of the accompanying statement of net assets and statement of cash flows all highly liquid investments with original maturities of 90 days or less are considered to cash equivalents.

E. Investments

Investments are reported at fair value. Unrealized gains and losses due to fluctuations in market value are included in investment income.

F. Deferred Charges

Issuance costs, discounts, and premiums on bonds are amortized using the straight line method over the life of the bonds to which they relate.

G. Reserves

The bond indentures provide that certain reserve accounts be established. The reserves as of June 30, 2009 consist of an Investment Agreement at 5.07% with AIG Matched Funding Corp due August 1, 2025 totaling \$419,250. The reserves are reported as restricted assets in the financial statements.

In addition, \$531,485 is invested in a Money Market Fund described in note 2 below.

H. Restricted Resources

When both restricted and unrestricted resources are available for use, it is the DWSRF's policy to use restricted resources first, and then unrestricted resources as they are needed.

I. Revenue and Expense Recognition

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering items in connection with an enterprise fund's principal ongoing operations. The DWSRF records all revenues derived from interest on loans, and federal capitalization grants as operating revenues since these revenues are generated from the DWSRF's daily operations needed to carry out its purpose. Operating expenses include interest expense on bonds, grants and subsidies, and contractual service expenses related to the administration of the DWSRF program.

J. Federal Capitalization Grant

Federal capitalization grants reported as operating income in the statement of revenues, expenses, and changes in fund net assets is a federally funded loan program. Information about the program is as follows:

CFDA Number:	66.468
Federal Agency	Water Management Division
Program:	Drinking Water State Revolving Fund
State Agency:	Environment & Natural Resources
Expenditures:	\$115,541,728
Outstanding Loans:	\$114,941,688
Current Year	
Administrative Expense:	\$600,040
Loan Disbursement:	\$12,492,023

2. CASH AND INVESTMENTS

Cash and Cash Equivalents consisted of a Goldman Sachs Financial Square Treasury Obligation Fund (mutual fund) through March 31, 2009 and was rated "AAAm" by Standard and Poor's Rating Group. The fund paid on average approximately 0.74% for the period ending March 31, 2009. As of March 30, 2009 the Goldman Sachs Funds were transferred to a money market Taxable of Trust Institutional Now Account. The fund paid a constant 0.5%. This fund is not rated, but it is FDIC insured.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the Drinking Water State Revolving Fund's investments may not be returned. At June 30, 2009, \$29,140,268 of guaranteed investment contracts were uninsured and unregistered, with the securities held by its trust department, but not in the DWSRF's name.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The maturities of the investments are listed below.

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Guaranteed Investment Contract	8/01/2025	\$25,016,687
Guaranteed Investment Contract	8/01/2026	<u>4,123,581</u>
		<u>\$29,140,268</u>

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the DWSRF. The South Dakota State Revolving Fund Master Trust Indenture requires any investment agreement to be with a guarantor whose long-term rating category is no lower than the two highest long-term rating categories. The investment is rated by Moody's Investors Service.

<u>Moody's Rating</u>	<u>Fair Value</u>
A3	<u>\$ 29,140,268</u>

This guarantor's rating is below the acceptable rating category (i.e., below Moody's Aa3). This investment has been fully collateralized with government securities in accordance with the provisions of Guaranteed Investment Contracts.

3. LOANS RECEIVABLE

Loans receivable consists of loans made to local governments through a loan agreement. In order for a local government to receive a loan, evidence must be shown that the principal and interest of the loan will be repaid. Loans made from the DWSRF may be made at or below market interest rates and shall be fully amortized within twenty years, unless the loan is to a Disadvantaged Community, in which case the loan must be amortized within 30 years. Interest rates are reduced for those loans with shorter amortization periods.

4. LONG-TERM DEBT

Revenue Bonds

The bond issues outstanding as of June 30, 2009 are as follows:

<u>Issue</u>	<u>Interest Rate</u>	<u>Maturity Through</u>	<u>Principal Balance</u>
Series 1998A			
Serial Bonds	4.5%-4.9%	2012	\$1,290,000
Term Bonds	5.0%	2019	2,960,000
Series 2001			
Serial Bonds	4%-5%	2014	1,445,000
Term Bonds	5.0%	2022	2,700,000
Series 2004			
Leveraged Serial Bonds	3.0%-5.25%	2025	19,870,000
St. Match Serial Bonds	3.0%-5.25%	2025	4,415,000
Series 2005			
Leveraged Serial Bonds	3.25%-5.0%	2026	6,365,000
St. Match Serial Bonds	3.25%-5.0%	2026	1,525,000
Series 2008			
Leveraged Term Bonds	2.35% (a)	2029	13,110,000
St. Match Term Bonds	2.35% (a)	2029	<u>4,930,000</u>

Issue	Interest Rate	Maturity Through	Principal Balance
Total			<u>58,610,000</u>
Less: Unamortized Original Issue Discount			(67,099)
Add: Unamortized Premium			<u>780,570</u>
Total Net of Amortization			<u>\$59,323,471</u>

a) Variable rates can be adjusted at any favorable interval. The rate is determined and reset by Wachovia Bank, National Association as Remarketing Agent.

Future bond payments and future interest payments remaining as of June 30, 2009 are as follows:

Year Ended June 30,	Principal	Interest	Total Principal And Interest
2010	\$1,815,000	\$2,618,035	\$4,433,035
2011	2,495,000	2,534,065	5,029,065
2012	2,595,000	2,431,941	5,026,941
2013	2,720,000	2,322,188	5,042,188
2014	2,830,000	2,206,145	5,036,145
2015-2019	16,005,000	8,988,277	24,993,277
2020-2024	17,495,000	4,911,535	22,406,535
2025-2029	11,405,000	1,179,270	12,584,270
2030	<u>1,250,000</u>	<u>27,125</u>	<u>1,277,125</u>
TOTAL	<u>\$58,610,000</u>	<u>\$27,218,581</u>	<u>\$85,828,581</u>

Interest for the Series 2008 bond issue is a variable rate, so the future bond interest payments are an estimate due to the fact that we do not know what the future 2008 interest payments will be.

Changes in long-term liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds	\$61,112,292	\$6,857	\$1,795,678	\$59,323,471	\$ 1,858,820
Compensated Absences	48,279	12,666	18,342	42,603	22,537
Long-Term Liabilities	<u>\$61,160,571</u>	<u>\$19,523</u>	<u>\$1,814,020</u>	<u>\$59,366,074</u>	<u>\$ 1,881,357</u>

5. COMMITMENTS

As of June 30, 2009, the DWSRF had loan commitments with political subdivisions worth \$56,509,239.

6. RETIREMENT PLAN

The Department of Environment and Natural Resources participates in the South Dakota Retirement System (SDRS), a cost-sharing, multiple-employer defined benefit pension plan established to provide retirement, disability, and survivor benefits for employees of the State and its political subdivisions. Authority for establishing, administering and amending plan provisions is found in SDCL 3-12. The SDRS issues a

publicly available financial report that includes financial statements, footnote disclosures, and required supplementary information. That report may be obtained by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

Employees are required by state statute to contribute 6 percent of their salary to the plan. State statute also requires the employer to contribute an amount equal to the employee's contribution. The right to receive retirement benefits vests after three years of credited service. The DWSRF contributions to the SDRS for the fiscal years ended June 30, 2009, 2008, and 2007, were \$10,322.14, \$11,075.87, and \$10,212.45, respectively, equal to the required contributions each year.

7. ANNUAL AND SICK LEAVE ACCRUAL

All employees earn annual leave. Upon termination, employees are eligible to receive compensation for their accrued annual leave balances. At June 30, 2009, a liability existed for accumulated annual leave calculated at the employee's June 30, 2009, pay rate in the amount of \$18,493. Employees who have been continuously employed by the State of South Dakota for at least seven years prior to the date of their retirement, voluntary resignation or death will receive payment for one-fourth of their accumulated sick leave balance. This payment is not to exceed the sum of twelve weeks of employee's annual compensation. At June 30, 2009, a liability existed for accumulated sick leave, calculated at each employee's June 30, 2009, pay rate in the amount of \$24,110. The total leave liability of \$42,603 at June 30, 2009 is shown as a liability on the balance sheet.

8. PUBLIC ENTITY POOL FOR LIABILITY

The Department of Environment and Natural Resources is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Department is uninsured for property loss. The Department participates in the various programs administered by the State of South Dakota. These risk management programs are funded through assessments charged to participating entities. The risk management programs include; 1) coverage for risks associated with automobile liability and general tort liability (including public officials' errors and omissions liability, medical malpractice liability, law enforcement liability, and products liability) through the State's Public Entity Pool for Liability Fund, 2) coverage of employee medical claims through the State's health insurance program, 3) coverage for unemployment benefits through the State's Workers' Compensation Fund, and, 4) coverage for workers' compensation benefits through the State's Workers' Compensation Fund. Financial information relative to the self-insurance funds administered by the State is presented in the State of South Dakota Comprehensive Annual Financial Report.

9. SUBSEQUENT EVENTS

The State Revolving Fund Program Bond Anticipation Notes, Series 2009, were marketed through a competitive sale process on August 12, 2009. Five bids were received, and the lowest cost to the state was paid by Piper Jaffray. The par amount for the Drinking Water portion of the issue was \$18,000,000. With a bid premium, the total bond proceeds were \$18,264,240. The issue was closed on August 26, 2009. With the premium, less \$42,616 in Cost of Issuance expenses, the bond proceeds deposited into the Clean Water loan funds totaled \$18,221,624.

ADDENDUM A
FEDERAL FISCAL YEAR 2010
INTENDED USE PLAN

**SOUTH DAKOTA
DRINKING WATER STATE REVOLVING FUND
FISCAL YEAR 2010 INTENDED USE PLAN**

INTRODUCTION

The Safe Drinking Water Act Amendments of 1996 and South Dakota Codified Law 46A-1-60.1 to 46A-1-60.3, inclusive, authorize the South Dakota Drinking Water State Revolving Fund (SRF) program. Program rules are established in Administrative Rules of South Dakota chapter 74:05:11.

The state of South Dakota proposes to adopt the following Intended Use Plan (IUP) for the federal fiscal year 2010 as required under Section 1452(b) of the Safe Drinking Water Act and ARSD 74:05:11:03. The IUP describes how the state intends to use the Drinking Water SRF to meet the objectives of the Safe Drinking Water Act and further the goal of protecting public health. A public hearing was held on November 6, 2009, to review the 2010 Intended Use Plan and receive comments. The IUP reflects the results of this review.

The IUP includes the following:

- Priority list of projects;
- Short- and long-term goals;
- Criteria and method of fund distribution;
- Funds transferred between the Drinking Water SRF and the Clean Water SRF;
- Financial status;
- Description and amount of non-Drinking Water SRF (set-aside) activities; and
- Disadvantaged community subsidies.

PRIORITY LIST OF PROJECTS

A project must be on the project priority list, Attachment I, to be eligible for a loan. This list was developed from the State Water Plan and includes projects that did not designate Drinking Water SRF loans as a funding source.

Projects may be added to the project priority list at any meeting of the Board of Water and Natural Resources if the action is included on the agenda at the time it is posted.

Priority ratings are based on the project priority system established in ARSD 74:05:11:06. The general objective of the priority system is to assure projects that address compliance or health concerns, meet certain affordability criteria, or regionalize facilities receive priority for funding.

GOALS, OBJECTIVES, AND ENVIRONMENTAL RESULTS

The long-term goals of the Drinking Water SRF are to fully capitalize the fund, ensure that the state's drinking water supplies remain safe and affordable, ensure that systems are operated and maintained, and promote economic well-being.

The specific long-term objectives of the program are:

1. To maintain a permanent, self-sustaining SRF program that will serve in perpetuity as a financing source for drinking water projects and source water quality protection measures. This will necessitate that the amount of capitalization grant

funds for non-Drinking Water SRF activities are reviewed annually to assure adequate cash flow to maintain the fund.

2. To fulfill the requirements of pertinent federal, state, and local laws and regulations governing safe drinking water activities, while providing the state and local project sponsors with maximum flexibility and decision making authority regarding such activities.

The short-term goal of the SRF is to fully capitalize the fund.

The specific short-term objectives of the program are:

1. To assist systems in replacing aging infrastructure.
2. To assist systems in maintaining and upgrading its water treatment capabilities to ensure compliance with the Safe Drinking Water Act.
3. To promote regionalization and consolidations of water systems, where mutually beneficial, as a practical means of addressing financial, managerial, and technical capacity.
4. To ensure the technical integrity of Drinking Water SRF projects through the review of planning, design plans and specifications, and construction activities;
5. To ensure the financial integrity of the Drinking Water SRF program through the review of the financial impacts of the set-asides and disadvantaged subsidies and individual loan applications and the ability for repayment;

6. To obtain maximum capitalization of the funds for the state in the shortest time possible while taking advantage of the provisions for disadvantaged communities and supporting the non-Drinking Water SRF activities.

Environmental Results

Beginning January 1, 2005, states were required to establish program activity measures (outcomes) in its Intended Use Plan to receive the federal capitalization grant. Progress related to the measures is to be reported in the following annual report.

For fiscal year 2010, the specific measures are:

1. In fiscal year 2009, the fund utilization rate, as measured by the percentage of executed loans to funds available, was 96.7 percent, which is well above the national average of 88 percent. For fiscal year 2010, the goal of the Drinking Water SRF program is to maintain the fund utilization rate at or above 90 percent.
2. In fiscal year 2009, the rate at which projects progressed as measured by disbursements as a percent of assistance provided was 62.9 percent, which was lower than the goal of 80%. For fiscal year 2010, the goal is to increase the construction pace above 80 percent.
3. For fiscal year 2010, the goal of the Drinking Water SRF program is to fund 18 loans, totaling \$17 million.
4. For fiscal year 2010, it is estimated that 13 projects will initiate operations.
5. For fiscal year 2010, it is estimated that 12 Small Community Planning Grants will be awarded to small systems to evaluate the system's infrastructure needs.

6. For fiscal year 2010, it is estimated that the South Dakota Association of Rural Water Systems will provide 1,500 hours of technical assistance to small systems.

CRITERIA AND METHOD OF FUND DISTRIBUTION

Projects will be funded based on their assigned priority as set forth on the Project Priority list. Projects with the highest ranking that have submitted a complete State Revolving Fund loan application and demonstrated adequate financial, managerial, and technical capacity to receive the loan shall be funded before any lower ranked projects. Projects on the priority list may be bypassed if they have not demonstrated readiness to proceed by submitting a loan application. The next highest priority project that has submitted an application will be funded. The state shall exert reasonable effort to assure that the higher priority projects on the priority list are funded.

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

Table 1 - Drinking Water SRF Interest Rates				
	Up to 3 Yrs	Up to 10 Yrs	Up to 20 Yrs	Up to 30 Yrs
<u>Interim Rate</u>				
Interest Rate	2.00%			
Admin.				
Surcharge	<u>0.00%</u>			
Total	2.00%			
<u>Base Rate</u>				
Interest Rate		2.75%	2.50%	
Admin.				
Surcharge		<u>0.50%</u>	<u>0.50%</u>	
Total		2.25%	3.00%	
<u>Disadvantaged Rate - 100% of MHI</u>				
Interest Rate				2.50%
Admin.				
Surcharge				<u>0.50%</u>
Total				3.00%
<u>Disadvantaged Rate - 80% of MHI</u>				
Interest Rate				1.75%
Admin.				
Surcharge				<u>0.50%</u>
Total				2.25%
<u>Disadvantaged Rate - 60% of MHI</u>				
Interest Rate				0.00%
Admin.				
Surcharge				<u>0.00%</u>
Total				0.00%

The interest rates for fiscal year 2010 are summarized in Table 1. Information regarding disadvantaged eligibility and subsidy level criteria can be found in the disadvantaged community subsidies section. The rates were last adjusted in February 2009.

The interest rate includes an administrative surcharge as identified in Table 1. The primary purpose of the surcharge is to provide a pool of funds to be used for administrative purposes after the state ceases to receive capitalization grants. The administrative surcharge is also available for other purposes, as determined eligible by EPA and at the discretion of the Board of Water and Natural Resources and department.

As of September 30, 2009, \$4.94 million of administrative surcharge funds are available.

Beginning in fiscal year 2005, administrative surcharge funds were provided to the planning districts to defray expenses resulting from SRF application preparation and project administration. Reimbursement is \$7,500 per approved loan with payments made in \$2,500 increments as certain milestones are met. Based on increased loan demand due to the American Recovery and Reinvestment Act of 2009, the allocation for this purpose will be increased from \$150,000 to \$250,000 in fiscal year 2010.

A joint powers agreement was executed between the department and the planning districts to manage requirements of the American Recovery and Reinvestment Act (ARRA) of 2009. The planning districts will be reimbursed \$1,000 per project to oversee compliance with the Davis-Bacon wage rate verification and certification. The planning districts will be reimbursed an additional \$500 per project to provide payroll information to comply with ARRA job creation and retention reporting.

A requirement of the program is that a minimum of 15 percent of all dollars credited to the fund be used to provide loan assistance to small systems that serve fewer than 10,000 persons. Since the inception of the program, loans totaling nearly \$89.1 million have been made to systems meeting this population

threshold, or 33.8 percent of the \$263.6 million of total funds available for loan. Attachment II – List of Projects to be funded in Fiscal Year 2010 identifies nearly \$17.0 million in projects, all for systems serving less than 10,000; therefore, the state expects to continue to exceed the 15 percent threshold.

Water systems must demonstrate the technical, managerial, and financial capability to operate a water utility before it can receive a loan.

The distribution methods and criteria are designed to provide affordable assistance to the borrower with maximum flexibility while providing for the long-term viability of the fund.

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

The Safe Drinking Water Act Amendments of 1996 and subsequent Congressional action allows states to transfer an amount equal to 33 percent of its Drinking Water SRF capitalization grant to the Clean Water SRF or an equivalent amount from the Clean Water SRF to the Drinking Water SRF. States can also transfer state match, investment earnings, or principal and interest repayments between SRF programs and may transfer a previous year's allocation at any time.

South Dakota transferred \$15,574,320 from the Clean Water SRF program in past years. In fiscal year 2006, \$7.5 million of leveraged bond proceeds was transferred from the Drinking Water SRF program to the Clean Water SRF program. With the 2010 capitalization grant, the ability exists to transfer up to \$24.6 million from the Clean Water SRF program to the Drinking Water SRF program. Up to \$32.7 million could be

transferred from the Drinking Water SRF Program to the Clean Water SRF program. Table 2 (page 9) itemizes the amount of funds transferred between the programs and the amount of funds available to be transferred.

No transfers are anticipated in fiscal year 2010.

FINANCIAL STATUS

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

Capitalization Grants/State Match: Federal capitalization grants are provided to the state annually. These funds must be matched by the state at a ratio of 5 to 1. The fiscal year 2010 capitalization grant is expected to be \$13,725,000 which requires \$2,745,000 in state match. Bond proceeds will be used to match 2010 capitalization grant funds. The bonding authority for this program is established in SDCL 46A-1-60.1.

Leveraged Bonds: The South Dakota Conservancy District has the ability to issue additional bonds above that required for state match, known as leveraged bonds. To date, \$60.7 million in leveraged bonds have been issued for the Drinking Water SRF program. It is anticipated that no additional leveraged bonds will be required in 2010.

Borrowers’ Principal Repayments: The principal repaid by the loan borrowers is used to make semi-annual leveraged bond payments. Any excess principal is available for loans. It is estimated that \$6.3 million in principal repayments will be available for loans in fiscal year 2010.

Interest Earnings: The interest repaid by the loan borrowers, as well as interest earned on investments, is dedicated to make semi-

annual state match bond payments. Any excess interest is available for loans. It is estimated that \$3.5 million in interest earnings will be available for loans in fiscal year 2010.

As of September 30, 2009, 168 loans totaling \$254,815,850 have been made.

At the beginning of fiscal year 2010, \$8,796,154 is available for loan. The attached project priority list identifies more than \$29.7 million in potential loans. With the 2010 capitalization grant, state match, leveraged bonds, excess interest earnings, and repayments, approximately \$34.2 million will be available to loan. This information is provided in Attachment III, Drinking Water SRF Funding Status.

Funds will be allocated to the set-aside activities in the amounts indicated below. All remaining funds will be used to fund projects on the project priority list. A more detailed description of the activities can be found in the section pertaining to set-asides and the attachments.

Administration	\$549,000
Small System Technical Assistance	\$274,500
Total for set-asides	\$823,500

A conservative approach to set-asides and subsidized loans has been taken to assure achieving the goals of developing a permanent, self-sustaining SRF program. Future demand on the program will influence the allocation of funds to set-asides and loan subsidies.

With the adoption of the amended and restated Master Indenture in 2004, the Clean Water and Drinking Water SRF programs are cross-collateralized. This allows the board to pledge excess revenues on deposit in the Drinking Water SRF program to act as

additional security for bonds secured by excess revenues on deposit in the Clean Water SRF program, and vice versa.

The Safe Drinking Water Act included three provisions that call for a withholding of Drinking Water SRF grant funds where states fail to implement three necessary programmatic requirements. These provisions were assuring the technical, financial and managerial capacity of new water systems, developing a strategy to address the capacity of existing systems, and developing an operator certification program that complies with EPA guidelines. The State of South Dakota continues to meet the requirements of these provisions and will not be subject to withholding of funds.

DESCRIPTION AND AMOUNT OF NON-PROJECT ACTIVITIES (SET-ASIDES)

The Safe Drinking Water Act authorizes states to provide funding for certain non-project activities provided that the amount of that funding does not exceed certain ceilings. Unused funds in the non-Drinking Water SRF will be banked for future use, where allowable, or transferred to the project loan account at the discretion of the State and with concurrence from the EPA Regional Administrator.

The following sections identify what portions of the capitalization grant will be used for non-Drinking Water SRF activities and describe how the funds will be used.

Administration. Four percent of the fiscal year capitalization grant (\$549,000) will be allocated to administer the Drinking Water SRF program. This is the maximum allowed for this purpose.

Specific activities to be funded are: staff salary, benefits, travel, and overhead;

retaining of bond counsel, bond underwriter, financial advisor, and trustee; and other costs to administer the program.

Unused administrative funds will be banked to assure a source of funds not dependent on state general funds.

Small system technical assistance. Two percent of the capitalization grant (\$274,500) will be allocated to provide technical assistance to public water systems serving 10,000 or fewer. This is the maximum allowed for this purpose.

The objective of this set-aside is to bring non-complying systems into compliance and improve operations of water systems.

In fiscal year 1997, the board contracted with the South Dakota Association of Rural Water Systems to help communities evaluate the technical, managerial, and financial capability of its water utilities. These contracts have been renewed annually. The contract will be amended to allow the continuation of assistance activities. The South Dakota Association of Rural Water Systems has been allocated \$803,316 in set-aside funds. The Rural Water Association provides such on-site assistance as leak detection, consumer confidence reports, water audits, board oversight and review, treatment plant operations, operator certification, and rate analysis. Contracts to date have provided approximately 12,660 hours of on-site small system technical assistance.

To promote proactive planning within small communities, the Small Community Planning Grant program was initiated in fiscal year 2001. The systems are reimbursed 80 percent of the cost of an engineering study, with the maximum grant amount for any project being \$6,000. Grants are available only for communities with a population of 2,500 or less.

The board also provides additional grants for studies incorporating a rate analysis using Rate Maker software. Reimbursement for performing a rate analysis is 80 percent of costs up to a maximum of \$1,600.

To assure available funds to support the existing small system technical assistance endeavors, \$274,500 from the fiscal year 2010 capitalization grant will be allocated to this set-aside. Unused funds from previous years' set-aside for small system technical assistance are banked for use in future years. Currently, \$116,486 remains from previous years' allocations to be used for the purposes described above.

State program management. The state may use up to 10 percent of its allotment to (1) administer the state PWSS program; (2) administer or provide technical assistance through water protection programs, including the Class V portion of the Underground Injection Control program; (3) develop and implement a capacity development strategy; and (4) develop and implement an operator certification program. A dollar-for-dollar match of capitalization funds must be provided for these activities.

No funds will be set-aside for these activities in federal fiscal year 2010.

Local assistance and other state programs. The state can fund other activities to assist development and implementation of local drinking water protection activities. Up to 15 percent of the capitalization grant may be used for the activities specified below, but not more than 10 percent can be used for any one activity. The allowable activities for this set-aside are: (1) assistance to a public water system to acquire land or a conservation easement for source water protection; (2) assistance to a community water system to implement voluntary, incentive-based source

water quality protection measures; (3) to provide funding to delineate and assess source water protection areas; (4) to support the establishment and implementation of a wellhead protection program; and (5) to provide funding to a community water system to implement a project under the capacity development strategy.

No funds will be set-aside for these activities in federal fiscal year 2010.

DISADVANTAGED COMMUNITY SUBSIDIES

Communities that meet the disadvantaged eligibility criteria described below may receive additional subsidies. This includes communities that will meet the disadvantaged criteria as a result of the project.

Definition. To be eligible for loan subsidies a community must meet the following criteria:

- (1) for municipalities and sanitary districts:
 - (a) the median household income is below the state-wide median household income; and
 - (b) the monthly residential water bill is \$20 or more for 5,000 gallons usage; or
- (2) for other community water systems:
 - (a) the median household income is below the state-wide median household income; and
 - (b) the monthly water bill for rural households is \$50 or more for 7,000 gallons usage.

The source of income statistics will be the most recent federal census or statistically valid information supplied by the applicant.

Affordability criteria used to determine subsidy amount. Loans given to disadvantaged communities may have a term up to 30 years or the expected life of the project, whichever is less. Disadvantaged communities below the statewide median household income, but at or greater than 80 percent, are eligible to extend the term of the loan up to 30 years. Disadvantaged communities below 80 percent of the statewide median household income, but at or greater than 60 percent may receive up to a two percentage point reduction in interest rates. See Table 1 on page 3 for the disadvantaged interest rate for fiscal year 2010. Disadvantaged communities with a median household income less than 60 percent of the statewide median household income may receive a zero percent loan.

Amount of capitalization grant to be made available for providing additional subsidies. Additional subsidies in the form of principal forgiveness or negative interest rates are not authorized under the program rules.

Identification of systems to receive subsidies and the amount. Systems that are eligible to receive disadvantaged community rates and terms are identified in Attachment I and Attachment II.

Table 2 - Amounts Available to Transfer between State Revolving Fund Programs

Year	DWSRF Capitalization Grant	Amount Available for Transfer	Banked Transfer Ceiling	Amount Transferred from CWSRF to DWSRF	Amount Transferred from DWSRF to CWSRF	Transfer Description	CWSRF Funds Available to Transfer	DWSRF Funds Available to Transfer
1997	\$12,558,800	\$4,144,404	\$4,144,404				\$4,144,404	\$4,144,404
1998	\$7,121,300	\$2,350,029	\$6,494,433				\$6,494,433	\$6,494,433
1999	\$7,463,800	\$2,463,054	\$8,957,487				\$8,957,487	\$8,957,487
2000	\$7,757,000	\$2,559,810	\$11,517,297				\$11,517,297	\$11,517,297
2001	\$7,789,100	\$2,570,403	\$14,087,700				\$14,087,700	\$14,087,700
2002	\$8,052,500	\$2,657,325	\$16,745,025	\$7,812,960		CW Cap Grant/Match	\$8,932,065	\$16,745,025
2003	\$8,004,100	\$2,641,353	\$19,386,378	\$7,761,360		CW Cap Grant/Match	\$3,812,058	\$19,386,378
2004	\$8,303,100	\$2,740,023	\$22,126,401				\$6,552,081	\$22,126,401
2005	\$8,352,500	\$2,756,325	\$24,882,726				\$9,308,406	\$24,882,726
2006	\$8,229,300	\$2,715,669	\$27,598,395		\$7,500,000	Leveraged Bonds	\$12,024,075	\$20,098,395
2007	\$8,229,000	\$2,715,570	\$30,313,965				\$14,739,645	\$22,813,965
2008	\$8,146,000	\$2,688,180	\$33,002,145				\$17,427,825	\$25,502,145
2009	\$8,146,000	\$2,688,180	\$35,690,325				\$20,116,005	\$32,719,575
2010 (est.)	\$13,725,000	\$4,429,250	\$40,219,575				\$24,645,255	\$32,719,575

ATTACHMENT I

PROJECT PRIORITY LIST

Attachment I is a comprehensive list of projects that are eligible for Drinking Water SRF loans. This list was developed from State Water Plan applications. Inclusion on the list carries no obligations to the Drinking Water SRF program. Attachment II lists those projects expected to be funded in fiscal year 2010.

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
168	South Lincoln Rural Water System	C462441-02	<i>Problem:</i> the pumps in the Chancellor booster station are not efficient due to modifications to the system, and specific areas of substandard pressure within the system have been identified. <i>Project:</i> install new motors with variable frequency drives at the Chancellor booster station and construct 5 miles of additional pipeline to increase pressures.	\$365,000	3.00%, 20 yrs	13,013	
165	Fort Pierre	C462049-01	<i>Problem:</i> the water supply pumping system is outdated and wastes significant energy as well as contributes to cavitation and air entrainment. <i>Project:</i> install variable frequency drives and a magnetic flow meter to minimize pump cycling.	\$135,000	2.25%, 10 yrs	1,991	
153	Piedmont	C462462-01	<i>Problem:</i> water for the recently incorporated municipality is supplied by private wells which are being affected by on-site septic systems. <i>Project:</i> construct approximately 4,500 feet of 12-inch line to connect to the Black Hawk Water User District system and a distribution network.	\$1,100,000	3.00%, 20 yrs	300	
125	Mid-Dakota Rural Water System	C462430-03	<i>Problem:</i> the distribution system within the system's authorized service area has not been completed. <i>Project:</i> extension of approximately 14.3 miles of 1-1/2 to 4-inch pipeline to serve areas in the western portion of the Crow Creek Indian Reservation.	\$300,000	3.00%, 30 yrs	32,000	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
125	Mid-Dakota Rural Water System	C462430-04	<i>Problem:</i> the distribution system within the system's authorized service area has not been completed. <i>Project:</i> extension of approximately 36 miles of 1-1/2 to 6-inch pipeline to serve areas in the northwestern portion of Sanborn County	\$780,000	3.00%, 30 yrs	32,000	Yes
125	Mid-Dakota Rural Water System	C462430-05	<i>Problem:</i> the distribution system within the system's authorized service area has not been completed. <i>Project:</i> extension of approximately 23 miles of 1-1/2 to 4-inch pipeline to serve areas in the southwestern portion of Clark County.	\$662,000	3.00%, 30 yrs	32,000	Yes
110	Rapid City	C462014-02	<i>Problem:</i> the Jackson Springs Gallery, which supplied about one-half of the city's water, was determined to be Groundwater Under the Direct Influence of Surface Water and the existing surface water treatment facility, constructed in 1961 and expanded in 1979, has exceeded its useful life. <i>Project:</i> construction of an 8 MGD treatment plant at Jackson Springs and a 36 MGD surface water treatment plant to replace the existing facility.	\$6,000,000	3.00%, 20 yrs	59,607	
107	Sturgis	C462068-03	<i>Problem:</i> the system experiences turbidity issues when well #1 is in operation and the various components of the supply system are old, deteriorating and in need of replacement. <i>Project:</i> install a new well to replace well #1, underground valve pits, pressure reducing valves, and a booster pump pit, install a booster station, upgrade the SCADA system and chemical feed systems, repair security fences, and install new pitless adapters.,	\$1,900,000	3.00%, 20 yrs	6,442	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
95	Wagner	C462209-03	<i>Problem:</i> portions of the city's water distribution system cast iron that is almost 100 years old and in poor condition. <i>Project:</i> install approximately 2,770 of PVC water main to replace the existing cast iron lines on south Park and intersecting streets.	\$440,000	0%, 30 yrs	1,675	Yes
93	Faith	C462249-01	<i>Problem:</i> the city is served by a regional water system; however, the city has been required to implement water restriction due to unavailability of water from the regional supplier. <i>Project:</i> construct a new well to provide additional water.	\$825,000	2.00%, 30 yrs	489	Yes
93	Letcher	C462358-01	<i>Problem:</i> the town is experiencing nearly 50 percent water loss. <i>Project:</i> install approximately 16,800 feet of PVC water main to replace the entire distribution system.	\$660,000	2.25%, 30 yrs	201	Yes
88	White Lake	C462261-01	<i>Problem:</i> the distribution system contains several dead-end lines. <i>Project:</i> install approximately 4,200 feet of 6- and 8-inch PVC water main to loop the distribution system.	\$290,000	2.25%, 30 yrs	405	Yes
58	Green Valley Sanitary District	C462251-01	<i>Problem:</i> most residences in the district are served by individual shallow wells for water use and septic systems for wastewater treatment. High groundwater levels and poorly operating septic tanks have led to water quality problems. <i>Project:</i> construct a distribution system and connect to the Rapid City system.	\$500,000	3.00%, 20 yrs	768	
34	Plankinton	C462110-01	<i>Problem:</i> the distribution system includes sections of asbestos cement pipe and has several dead end lines, and the water tank is over 90 years old. <i>Project:</i> Replace approximately 1,800 feet of asbestos cement pipe with PVC pipe, install an additional 7,800 feet of PVC pipe to loop dead end lines, replace water meters, and construct a new 100,000-gallon water tower.	\$1,000,000	3.00%, 30 yrs	601	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
33	Watertown	C462029-02	<i>Problem:</i> water main on Kemp Avenue is over 50 years old and experiencing numerous breaks and dead end lines exist in the vicinity. <i>Project:</i> replace approximately 2,800 feet of 6- and 10-inch line on Kemp Avenue with 12-inch PVC line and install approximately 7,150 feet of various sized lines to loop dead end lines.	\$716,000	3.00%, 20 yrs	20,237	Yes
30	Parker	C462026-04	<i>Problem:</i> the existing storage capacity is less than the peak day demand. <i>Project:</i> construct a new 250,000-gallon elevated water storage reservoir.	\$450,000	3.00%, 20 yrs	1,031	
21	Box Elder	C462003-01	<i>Problem:</i> the city's three wells are unable to meet peak domestic demand and portions of the distribution system are asbestos-cement and undersized PVC pipe. <i>Project:</i> develop one additional well and replace the asbestos-cement and undersized PVC pipe within the distribution system.	\$2,000,000	3.00%, 30 yrs	2,841	Yes
21	Hot Springs	C462040-02	<i>Problem:</i> the city's raw water pumping system does not have capacity to provide adequate water in the event one of the two pumping stations is out of commission, and the storage capacity is less than a peak day. <i>Project:</i> install a new well and pump house and construct a new 3-million gallon water tower.	\$2,400,000	2.25%, 30 yrs	4,129	Yes
21	Winner	C462123-01	<i>Problem:</i> areas within the city experience inadequate pressures due to undersized lines and inadequate water levels in the existing storage tanks, the existing wells cannot keep the storage tanks filled during peak water demand periods, and the city cannot monitor the well and pumping system. <i>Project:</i> replace or install approximately 10,750 feet of water line, relocate an existing water tank or construct a new tank, and install telemetry and a SCADA system.	\$3,250,000	2.25%, 30 yrs	3,137	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
19	Springfield	C461071-01	<i>Problem:</i> the raw water intake gets plugged by submerged vegetation in the Missouri River. <i>Project:</i> construct a horizontal well to replace the raw water intake.	\$180,000	3.00%, 30 yrs	792	Yes
18	Oacoma	C462289-01	<i>Problem:</i> due to the elevations of the city's water storage reservoirs, insufficient pressure occurs in certain locations. <i>Project:</i> construct a 140,000-gallon elevated water storage reservoir and relocate an existing storage reservoir.	\$1,414,800	3.00%, 20 yrs	390	
11	Hot Springs	C462040-01	<i>Problem:</i> a significant portion of the city's water mains are 75 to 100 years old and in poor condition. <i>Project:</i> replace approximately 15,000 feet of water lines.	\$1,500,000	2.25%, 30 yrs	4,129	Yes
11	Lead	C462007-03	<i>Problem:</i> much of the city's water main is old and in poor condition. <i>Project:</i> replace 4,475 feet of water line within portions of the city.	\$200,000	3.00%, 30 yrs	3,028	Yes
11	Sisseton	C462053-01	<i>Problem:</i> portions of the city's water main are old cast iron that is experiencing corrosion. <i>Project:</i> replace approximately 6,400 feet of water line within the city.	\$723,000	3.00%, 20 yrs	2,572	
9	Wall	C462033-01	<i>Problem:</i> the city's water distribution system is old and in poor condition. <i>Project:</i> install approximately 1,450 feet of PVC water main to replace the existing lines on Main Street from 5 th Avenue to 7 th Avenue.	\$230,000	3.00%, 20 yrs	818	
8	Emery	C462248-01	<i>Problem:</i> the city's water distribution system is old and in poor condition. <i>Project:</i> install approximately 1,350 feet of PVC water main to replace the existing lines on Third and Main Streets.	\$200,000	3.00%, 30 yrs	439	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
8	Gayville	C462250-01	<i>Problem:</i> much of the existing distribution system consists of cast iron water mains that were installed in 1910. <i>Project:</i> install approximately 17,100 feet of PVC water mains to replace the cast iron mains and loop several dead-end lines.	\$275,000	3.00%, 20 yrs	418	
6	Redfield	C462182-03	<i>Problem:</i> the water line on 1 st Street is old and in need of replacement. <i>Project:</i> install approximately 1,125 feet of 6- and 10- inch PVC pipe	\$280,000	2.25%, 30 yrs	2,897	Yes
5	Lemmon	C462015-01	<i>Problem:</i> the system experiences inconsistent water pressure. <i>Project:</i> construction of a pressure boosting facility to provide constant water pressure.	\$185,000	2.25%, 20 yrs	1,398	Yes
5	Tyndall	C462131-03	<i>Problem:</i> the city's elevated storage tower is over 100 years old and in need of significant repairs. <i>Project:</i> construct a new 150,000-gallon elevated storage reservoir.	\$650,000	3.00%, 20 yrs	1,239	
3	Terry Valley Trojan	C462455-01	<i>Problem:</i> security for the well head and controls are unacceptable. <i>Project:</i> construct a well house and security fencing, improve the access road to the well, and other miscellaneous improvements.	\$100,000	3.00%, 20 yrs	325	

ATTACHMENT II - LIST OF PROJECTS TO BE FUNDED IN FISCAL YEAR 2010

Priority Points	Loan Recipient	Project Number	Loan Amount	Funding Date	Expected Funding Source
LOANS EXPECTED					
107	Sturgis	C462068-03	\$1,900,000	March 2009	2009
168	South Lincoln Rural Water System	C462441-02	\$365,000	June 2009	2010
88	White Lake	C462261-01	\$290,000	June 2009	Repayments/UCE
30	Parker	C462026-04	\$450,000	June 2009	Repayments/UCE
19	Springfield	C462289-01	\$180,000	June 2009	Repayments/UCE
11	Hot Springs	C462040-01	\$1,500,000	June 2009	Repayments/UCE
11	Sisseton	C462053-01	\$723,000	June 2009	Repayments/UCE
9	Wall	C462033-01	\$230,000	June 2009	Repayments/UCE
8	Emery	C462248-01	\$200,000	June 2009	Repayments/UCE
8	Gayville	C462250-01	\$275,000	June 2009	Repayments/UCE
6	Redfield	C462182-03	\$280,000	June 2009	Repayments/UCE
5	Lemmon	C462015-01	\$185,000	June 2009	Repayments/UCE
153	Piedmont	C462462-01	\$1,100,000	September 2009	Repayments/UCE
34	Plankinton	C462110-01	\$1,000,000	September 2009	2010
21	Box Elder	C462003-01	\$2,000,000	September 2009	2010
21	Hot Springs	C462040-02	\$2,400,000	September 2009	2010
21	Winner	C462123-01	\$3,250,000	September 2009	2010
5	Tyndall	C462131-03	\$650,000	September 2009	Repayments/UCE

