

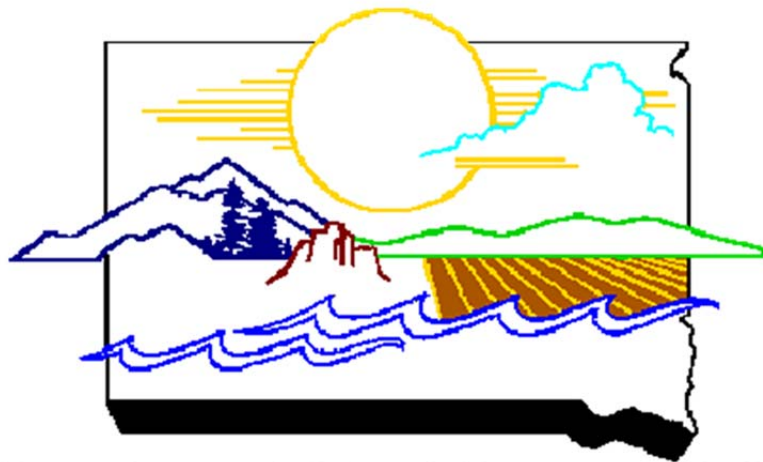
THE SOUTH DAKOTA CONSERVANCY DISTRICT

DRINKING WATER STATE REVOLVING FUND

ANNUAL REPORT

FEDERAL FISCAL YEAR 2011

October 1, 2010 - September 30, 2011



Protecting South Dakota's Tomorrow ... Today

**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 2011

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

2011

ANNUAL REPORT

INTRODUCTION

The State of South Dakota herewith submits its Annual Report for Federal Fiscal Year (FFY) 2011 (October 1, 2010 through September 30, 2011). 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 2011 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 2011 activities. The next section addresses the *Goals and Environmental Results* the State of South Dakota identified in its 2011 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 2011 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, X, and 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 2012*. 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 \$9,418,000 for FFY 2011. These funds were matched by \$1,883,600 in state-issued revenue bonds and were supplemented by accumulated loan repayments, leveraged bonds, and interest earnings.

DRINKING WATER SRF LOANS

The Conservancy District approved 23 loans to 22 entities totaling \$35,729,817. A breakdown of the loans made during FFY 2011 is detailed in Table 1.

**Table 1
Drinking Water Loans
Federal Fiscal Year 2011**

| Recipient | Project Description | Assistance Amount | Rate % | Term Years |
|-----------------------------|--|----------------------|-----------|---------------|
| Box Elder (DW-01) | Ghere Reservoir and Well Project | \$3,562,950 | 3.0% | 20 |
| Butte Meade SWD (DW-01) | Water Meter Replacement/Billing System Upgrade | \$396,700 | 2.25% | 10 |
| Clay RWS (DW-04) | Lime Sludge Lagoon and Automatic Meter Reading | \$1,369,758 | 2.0% | 3 |
| Colton (DW-02) | 5 th Street Water System Improvements | \$191,100 | 3.0% | 20 |
| Doland (DW-01) | Line Replacement and New Water Tank | \$1,762,200 | 3.0% | 30 |
| Faulkton (DW-02) | US Highway 212 Water Line Replacement | \$511,725 | 3.0% | 30 |
| Gayville (DW-01) | Water Distribution Improvements | \$900,000 | 3.0% | 30 |
| Gregory (DW-02) | Distribution System and Pump House Improvements | \$685,080 | 2.25% | 30 |
| McLaughlin (DW-02) | Water System Improvements | \$4,151,050 | 2.25% | 30 |
| Menno (DW-01) | Water Meter Replacement | \$157,000 | 2.25% | 10 |
| Mid-Dakota RWS (DW-03) | Add-On User Expansion/Svc Crow Creek Reservation | \$2,979,054 | 3.0% | 30 |
| Montrose (DW-01) | Water Distribution Improvements | \$893,000 | 3.0% | 30 |
| Piedmont (DW-01) | Water Supply and Distribution System Phase 2 | \$1,404,000 | 3.0% | 20 |
| Pierpont (DW-01) | Ground Storage and Booster Pump | \$551,200 | 3.0% | 30 |
| Plankinton (DW-01) | Comprehensive Water System Upgrades | \$1,765,000 | 3.0% | 30 |
| Sioux Falls (DW-11) | 2011 Water Main and Valve Replacement Projects | \$4,000,000 | 2.25% | 10 |
| South Lincoln RWS (DW-02) | Individual Service to Fairview | \$476,500 | 3.0% | 30 |
| Sturgis (DW-03) | Drinking Water System Improvements | \$3,460,000 | 2.0% | 3 |
| TM RWD (DW-01) | Southeast Service Area 2011 Improvements | \$1,084,750 | 3.0% | 30 |
| TM RWD (DW-02) | Southeast Service Area 2011 Improvements | \$1,398,750 | -- | -- |
| Trail West San Dist (DW-01) | Acquisition and System Upgrades of TW Water Co. | \$1,651,000 | 3.0% | 20 |
| Vermillion (DW-04) | Water Tower Project | \$1,532,000 | 2.25% | 30 |
| Viborg (DW-02) | SD Highway 19 Water Main Improvements | \$847,000 | 3.0% | 30 |
| TOTAL | | \$35,729,817 | | |

Disbursements from the program during FFY 2011 totaled \$34,131,538.01. This total includes loan disbursements of \$33,233,223 to the various loan recipients with the balance going for set-aside purposes. See Exhibit IV for a breakdown of all disbursements during FFY 2011.

Since the program was initiated in 1997, 201 loans have been awarded with 10 loans subsequently being rescinded or deobligated in full. The projects associated with 129 loans are

fully constructed or essentially complete and in operation. The following 23 projects initiated operations this past year:

| | | |
|---------------------------------|--------------------------|--------------------------------------|
| Aberdeen (DW-02) | Aurora-Brule RWS (DW-01) | Bowdle (DW-01) |
| Canistota (DW-01) | Chamberlain (DW-02) | Colonial Pine Hills San Dist (DW-02) |
| Corson Village San Dist (DW-01) | Delmont (DW-02) | Faulkton (DW-01) |
| Faulkton (DW-02) | Groton (DW-03) | Hanson RWS (DW-01) |
| Huron (DW-02) | Mellette (DW-01) | Mina Lake San Dist (DW-02) |
| Mitchell (DW-02) | Newell (DW-01) | Northville (DW-01) |
| Roslyn (DW-01) | Selby (DW-01) | Sioux Falls (DW-09) |
| Sioux Falls DW-10 | Warner (DW-01) | |

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 <http://denr.sd.gov/formsprogram.aspx#Funding>.

The Drinking Water Facilities Funding 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.

ADDITIONAL SUBSIDY

The fiscal year 2010 and 2011 federal appropriation bills for the State Revolving Fund programs extended several of the requirements initially set forth in the American Recovery and Reinvestment Act of 2009. These requirements included 1) applying Davis-Bacon wage rates to all awards executed after October 30, 2009; 2) requiring that up to 20 percent of each capitalization grant be utilized for "green" projects; and 3) requiring that a portion of each capitalization grant be made available as additional subsidy.

The Board chose to use principal forgiveness as the method to provide the additional subsidy. Municipalities and sanitary districts were required to have monthly residential water rates of at least \$25 (based on 5,000 gallons usage) to be eligible to receive principal forgiveness. Other applicants were required to have monthly residential water rates of at least \$55 (based on 7,000 gallons usage) to be eligible to receive principal forgiveness.

Table 2 summarizes the amounts of principal forgiveness provided through the 2010 and 2011 capitalization grants.

Table 2
Principal Forgiveness Awarded by Capitalization Grant

| Federal Fiscal Year | Principal Forgiveness | |
|-------------------------------|-----------------------|---------------------|
| | Minimum | Maximum |
| 2010 | \$4,071,900 | \$13,573,000 |
| 2011 | \$2,825,400 | \$9,418,000 |
| | <u>\$6,897,300</u> | <u>\$22,991,000</u> |
| Awarded in 2010 | | (\$1,490,000) |
| Awarded in 2011 | | <u>(12,809,030)</u> |
| Principal Forgiveness Balance | | \$8,691,970 |

Table 3 recaps the projects awarded principal forgiveness in federal fiscal years 2011.

Table 3
FFY 2011 Drinking Water SRF Loans Additional Subsidy Awarded

| Sponsor | Total Assistance Amount | Principal Forgiveness Awarded |
|-----------------------------|--------------------------------|--------------------------------------|
| Box Elder (DW-01) | \$3,562,950 | \$356,295 |
| Butte Mead SWD (DW-01) | \$396,700 | \$85,000 |
| Clay RWS (DW-04) | \$1,369,758 | \$0 |
| Colton (DW-02) | \$191,100 | \$91,100 |
| Doland (DW-01) | \$1,762,200 | \$1,375,000 |
| Faulkton (DW-02) | \$511,725 | \$395,905 |
| Gayville (DW-01) | \$900,000 | \$480,000 |
| Gregory (DW-02) | \$685,080 | \$185,080 |
| McLaughlin (DW-02) | \$4,151,050 | \$3,180,050 |
| Menno (DW-01) | \$157,000 | \$39,250 |
| Mid-Dakota RWS (DW-03) | \$2,979,054 | \$450,000 |
| Montrose (DW-01) | \$893,000 | \$593,000 |
| Piedmont (DW-01) | \$1,404,000 | \$804,000 |
| Pierpont (DW-01) | \$551,200 | \$413,400 |
| Plankinton (DW-01) | \$1,765,000 | \$1,009,000 |
| Sioux Falls (DW-11) | \$4,000,000 | \$0 |
| South Lincoln RWS (DW-02) | \$476,500 | \$244,500 |
| Sturgis (DW-03) | \$3,460,000 | \$0 |
| TM RWD (DW-01) | \$1,084,750 | \$0 |
| TM RWD (DW-02) | \$1,398,750 | \$1,398,750 |
| Trail West San Dist (DW-01) | \$1,651,000 | \$825,500 |
| Vermillion (DW-04) | \$1,532,000 | \$153,200 |
| Viborg (DW-02) | \$847,000 | \$730,000 |
| TOTAL | \$35,729,817 | \$12,809,030 |

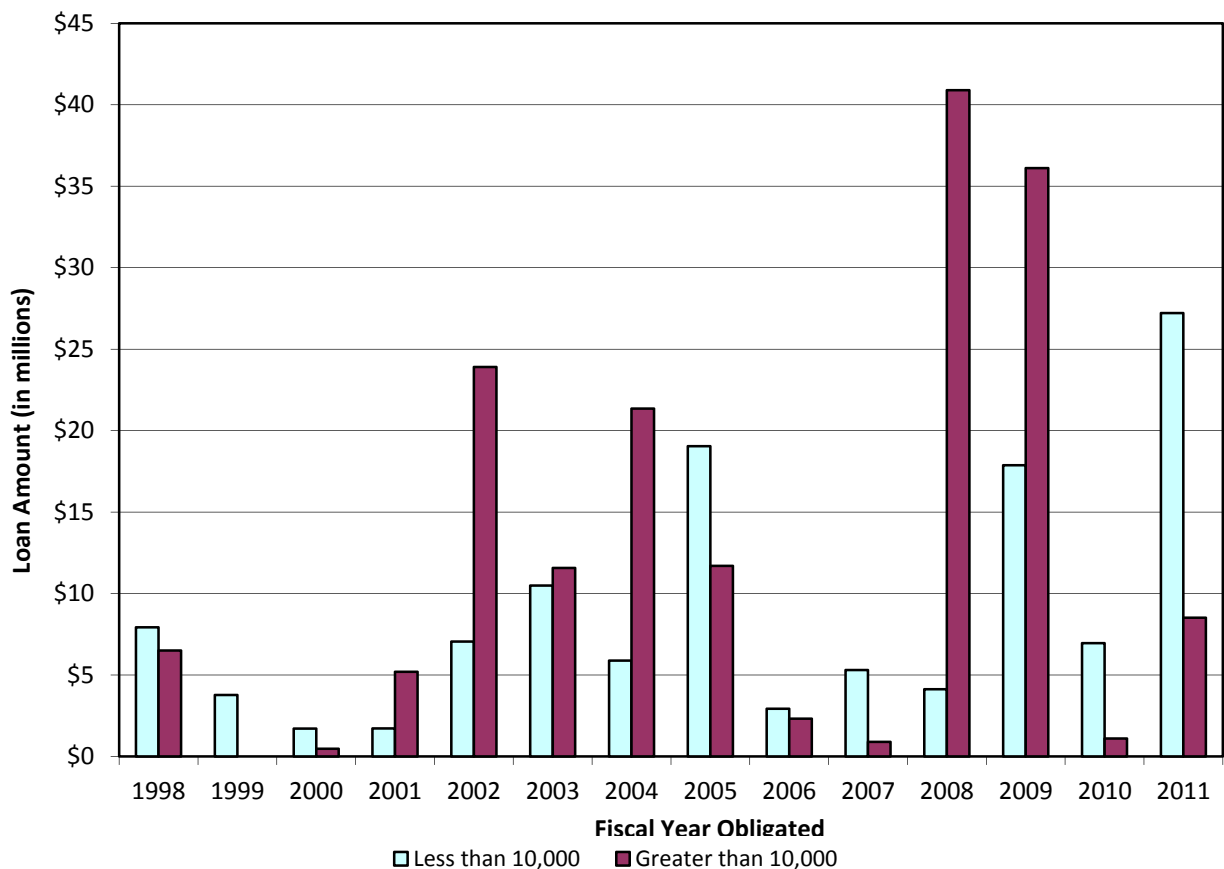
REPAYMENTS

One hundred twenty-three (123) loans are currently in repayment, and 14 loans have been repaid in full. In addition, 13 borrowers were awarded 100 percent principal forgiveness loans and drew all their funds by September 30, 2011, and those loans were forgiven. Repayments equaled \$25,296,998 in FFY 2011 and consisted of \$20,851,253 in principal, \$3,426,538 in interest, and \$1,019,207 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 2011, \$27,218,763 or 76 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 \$121,998,764 in loan assistance. Of the total funds available to loan, this represents 42 percent. Figure 1 shows loans awarded to small systems for FFY 1998 through 2011.

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



BYPASSED PROJECTS

Table 4 identifies the higher ranked projects on the FFY 2011 priority list that did not receive an SRF loan; these projects 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 2011.

Table 4
Status of High Priority Projects Bypassed in 2011

| Rank/Priority Points | Community/ Public Water System | Reason for Bypassing |
|-----------------------------|---|--|
| 1/316 | Edgemont | The project is still in the planning stage |
| 9/142 | Longview Sanitary District | The project is still in the planning stage |
| 10/133 | Randall Community Water District | Other funding sources are being considered to fund this project |
| 11/127 | Woodland Hills Homeowners Assn. | The project is still in the planning stage. |
| 13/125 | Mid-Dakota Rural Water System | Several projects for Mid-Dakota were placed on the project priority list. Other projects were prioritized by the sponsor and funded instead. |
| 14/125 | Mid-Dakota Rural Water System | Several projects for Mid-Dakota were placed on the project priority list. Other projects were prioritized by the sponsor and funded instead. |

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.

The interest rates for loans approved in FFY 2011 were 2.25 percent for loans with a term of 10 years or less and 3 percent for loans with a term up to 20 years. For interim financing of eligible projects, the interest rate is 2.0 percent for a three-year term. 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. Disadvantaged communities qualify for 3 percent loans for 30 years if their median household income (MHI) is 80 percent to 100 percent of the statewide MHI. Municipalities, other community water systems, and sanitary districts must have an MHI below 80 percent of the statewide MHI to be eligible for an interest rate of 2.25 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 \$25 for 5,000 gallons usage for municipalities and sanitary districts and \$55 for 7,000 gallons usage for other community water systems.

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 2011 Drinking Water SRF disbursements. Table 5 recaps the cumulative Drinking Water SRF set-aside status.

**Table 5
Drinking Water SRF Set-Aside Status**

| Set-Aside | Allotment 1997-2010 | Allotment 2011 | Transfer to Loan Fund | Obligated as of 9/30/11 | Balance |
|-----------------------------------|--------------------------------|---------------------------|----------------------------------|------------------------------------|--------------------|
| Administration | \$4,866,340 | \$376,720 | \$0 | \$4,432,700 | \$810,360 |
| Small System Tech Assistance | 1,819,288 | 188,360 | 0 | 1,778,942 | \$228,706 |
| State Program Mgmt | 20,000 | 0 | 15,700 | 4,300 | \$0 |
| Local Assistance/Other | 1,555,880 | 0 | 1,284,674 | 271,206 | \$0 |
| Small System Tech Assistance—ARRA | 390,000 | 0 | 0 | 390,000 | \$0 |
| TOTAL | \$8,651,508 | \$565,080 | \$1,300,374 | \$6,877,148 | \$1,039,066 |

- **Administration**

Four percent of the 2011 capitalization grant (\$376,720) was allocated to administer the Drinking Water SRF program. Specific activities funded from this set-aside include the following:

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

During FFY 2011, \$334,052 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 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 \$8,000. 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 6 provides a list of the small community public water systems that received awards in 2011 through the Small Community Planning Grant program.

Table 6
Small System Technical Assistance
FFY 2011

| Sponsor | Project Description | Amount Obligated |
|-----------------------------------|----------------------------------|-------------------------|
| Beresford | Water Rate Study | \$1,600 |
| Clear Lake | Water System Improvements Study | \$6,000 |
| Doland | Water System Improvements Study | \$6,000 |
| Dupree | Water System Improvements Study | \$8,000 |
| Eagle Butte | Water Systems Improvement Study | \$6,000 |
| Irene | Water Systems Study | \$6,000 |
| Lennox | Water Systems Improvements Study | \$8,000 |
| Mansfield Water Users Association | Water System Improvements Study | \$4,800 |
| Peever | Water System Improvements Study | \$6,000 |
| Powder House Pass CID | Water Systems Study of Options | \$8,000 |
| South Shore | Water System Improvements Study | \$6,000 |
| Trail West Sanitary District | Water System Study of Options | \$8,000 |
| TOTAL | | \$74,400 |

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 2011, the Association has provided nearly 15,746 hours of on-site small system technical 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 2011. This amounted to \$188,360 and is intended to be used for planning grants and technical assistance activities as needed.

Work was completed on the water system energy audits undertaken with the \$390,000 Small System Technical Assistance set-aside funding made through the American Recovery and Reinvestment Act of 2009. Activities included energy audit presentations at several in-state conferences, one national conference, five

energy audit workshops, and completion of a web-based resource center. A hard bound manual summarizing the project was also produced for distribution to interested parties.

- **State Program Management**

This set-aside was not utilized in FFY 2011.

- **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 (MAP). This allows MAP to work with all sizes of community water systems to improve technical, financial, and managerial capacity. In FFY 2011, MAP conducted 22 capacity assessments in conjunction with the Department's Drinking Water program and seven follow-up visits based upon the results of the capacity assessment reports. There was no additional set-aside in FFY 2011.

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 joint powers agreements 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 provide \$1,000 per project for Davis-Bacon wage rate verification and certification. In FFY 2011, an additional \$200,000 was allocated for the planning districts' joint powers agreements.

GOALS AND ENVIRONMENTAL RESULTS

The following goals were developed for the FFY 2011 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, 2011, South Dakota had provided loans totaling \$292,527,899. At the end of the year, South Dakota has made binding commitments to fully utilize all but \$2,147,925 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, 2011, South Dakota had made binding commitments to fully utilize all but \$2,147,925 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 201 loans to 116 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 \$2,397,648 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 2011, the goal of the Drinking Water SRF program was to maintain the fund utilization rate at or above 90 percent.

As of September 30, 2011, the state had made loans totaling \$292,527,899. The amount of funds (capitalization grants, state match, leveraged bonds, repayments, and interest earnings) totaled \$307,250,140. This results in a fund utilization rate of 95.2percent.

2. For fiscal year 2011, the goal was to increase the construction pace above 80 percent.

As of September 30, 2011, \$240,023,996 had been disbursed to loan recipients, and loans totaling \$292,527,899 had been awarded. This results in a construction pace of 82.1 percent.

3. For fiscal year 2011, the goal of the Drinking Water SRF program was to fund 15 loans, totaling \$18.1 million.

In fiscal year 2011, 23 loans totaling \$35,729,817 were awarded.

4. For fiscal year 2011, it was estimated that 30 projects would initiate operations.

Twenty-three projects initiated operation in fiscal year 2011.

5. For fiscal year 2011, it was estimated that 12 Small Community Planning Grants would be awarded to small systems to evaluate the system's infrastructure needs.

In fiscal year 2011, 12 Small Community Planning Grants were awarded to small systems to evaluate infrastructure needs.

6. For fiscal year 2011, it was estimated that the South Dakota Association of Rural Water Systems would provide 1,500 hours of technical assistance to small systems.

The South Dakota Association of Rural Water Systems provided 1,515 hours of technical assistance to small systems in fiscal year 2011.

DETAILS OF ACTIVITIES

FUND FINANCIAL STATUS

Sources of Funds: During FFY 2011, funding from the following sources was made available for award under the Drinking Water SRF program:

| | |
|---------------------------------------|---------------------|
| FFY 2011 federal capitalization grant | \$9,418,000 |
| FFY 2011 state match | 1,883,600 |
| Principal repayments * | 15,188,585 |
| Interest payments * | 3,941,970 |
| Total | \$30,432,155 |

* 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 23 binding commitments totaling \$35,729,817. Exhibit I details the Drinking Water SRF binding commitments made during FFY 2011. 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. In state fiscal year 2011 (July 1, 2010-June 30, 2011)

these revenues totaled \$31,852,763. Fund expenses included administration expenditures, interest payable on bonds, and the amortization of each bond's issuance costs. These expenses totaled \$8,961,615. Additionally, \$10,000,000 was transferred to the Clean Water SRF program, and \$27,174 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 2011.

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 2010 (July 1, 2009, through June 30, 2010), and the audit report was issued on January 28, 2011. 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 March 2011, and there was one recommendation from the visit, to increase the fund use rate to meet or exceed the national average in FY 2011. Region VIII conducted visits to the DENR offices in February and July 2011 to monitor Recovery Act progress and compliance.

ASSISTANCE ACTIVITY

Exhibits I through VIII illustrate the assistance activity of the Drinking Water SRF in FFY 2011 and projected cash flows for FFY 2012.

- | | |
|-------------|--|
| Exhibit I | Recipients by population category that received Drinking Water SRF loans during FFY 2011. |
| 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 2011. 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 2011. |

Exhibit VII The cumulative report showing loan transactions by borrower through September 30, 2011.

Exhibit VIII The projected principal and interest payments for FFY 2012.

FIGURE 2
Binding Commitments by Year

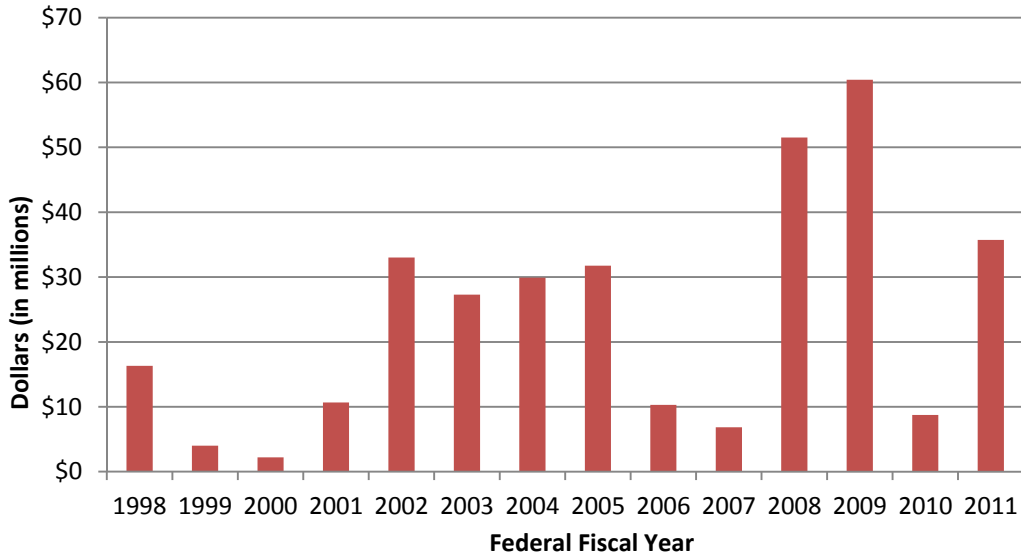
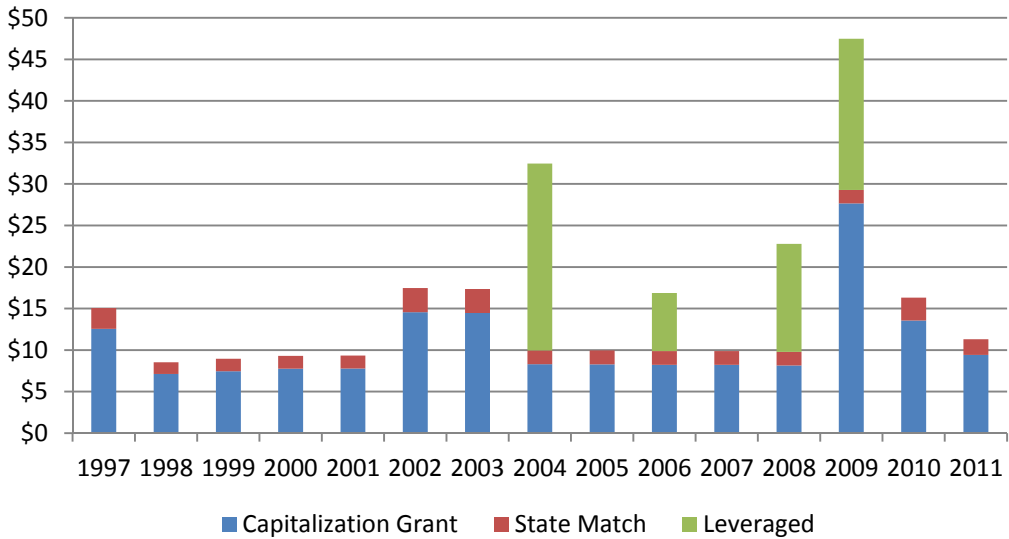


FIGURE 3
Source of State Revolving Funds by Year



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 grant conditions are 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 4 percent WBE. The actual MBE/WBE participation achieved during FFY 2011 was 0.05 percent MBE and 7.37 percent WBE.

2. The state must provide a minimum of 30 percent in additional subsidies to eligible recipients.

At least 44.6 percent of the FY 2010 capitalization grant was provided as additional subsidy, and this percentage rose to 74.1 percent for the FY 2011 grant.

3. The state must make a timely and concerted solicitation for projects that address green infrastructure, water or energy efficiency improvements or other environmentally innovative activities in an amount equal to at least 20 percent of the capitalization grant.

Green reserve projects comprised 21.4 percent of the FY 2010 capitalization grant and 38.7 percent of the FY 2011 capitalization grant.

4. Davis-Bacon Wage Rate Requirements

The state contracts with the six planning districts to monitor Davis-Bacon wage rate requirements for all entities with the exception of Sioux Falls, which provides its own reporting.

2012 INTENDED USE PLAN

The Annual Report contains the 2012 Intended Use Plan as approved by the Board of Water and Natural Resources on November 10, 2011, 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 \$163,555,100. 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, SRF administrative surcharge fees, and revenue bonds have provided the required \$28,811,020 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.

The first program bonds were issued for state match purposes in June 1998. To date, \$23,279,720 in state match bonds have been issued for state match. Table 7 recaps the state match bond issues.

Table 7
Drinking Water State Revolving Fund Program
Bond and Note Issues

| Series | Drinking Water SRF | | | True Interest Cost | Bond Ratings | |
|--------|---------------------|---------------------|---------------------|--------------------|--------------|-------|
| | Match | Refund | Leveraged | | Moody's | S & P |
| 1998 | \$6,450,000 | | | 4.85% | Aa3 | |
| 2001 | \$5,270,000 | | | 4.87% | Aa1 | |
| 2004 | \$5,001,620 | | \$22,503,662 | 4.48% | Aaa | AAA |
| 2005 | \$1,670,500 | | \$7,000,000 | 4.36% | Aaa | AAA |
| 2008 | \$4,887,600 | | \$13,000,000 | ** | VMIG 1 | A-1+ |
| 2009* | | | \$18,221,624 | 0.584% | MIG-1 | SP-1+ |
| 2010* | | \$18,221,624 | | 0.35% | MIG-1 | SP-1+ |
| 2010A | | \$12,801,699 | | 3.394% | | |
| 2010B | | \$26,447,224 | | 3.588% | Aaa | AAA |
| | <u>\$23,279,720</u> | <u>\$57,470,547</u> | <u>\$60,725,286</u> | | | |

* Bond Anticipation Notes

** Multi-modal variable rate issue

Initial Pricing March 2008: 2.35% in effect until August 1, 2008

Rate Reset on August 1, 2008: 1.90% in effect until February 1, 2009

Rate Reset on February 1, 2009: 1.00% in effect until August 1, 2009

Rate Reset on August 1, 2009: 0.70% in effect until February 1, 2010

Rate Reset on February 1, 2010: 0.34% in effect until August 1, 2010

Rate Reset on August 1, 2010: 0.40% in effect until February 1, 2011 redemption date

LEVERAGED PROGRAM BONDS AND NOTES

The Conservancy District has the ability to issue revenue bonds and notes above the amount required for state match to leverage additional funds for the programs. Leveraged bonds for the Drinking Water SRF program were issued in 2004, 2005, and 2008. The Series 2005 bonds initially provided \$14,500,000 of leveraged funds for the Drinking Water SRF program. Subsequently, the District transferred \$7,500,000 of leveraged bond proceeds to the Clean Water SRF program (see Table 7).

In August 2009, the Series 2009 Bond Anticipation Notes provided \$18,221,624 in leveraged funds for the program. The cumulative amount of leveraged bonds and notes for the Drinking Water SRF program is \$60.725 million. Table 7 recaps the state leveraged bonds and notes.

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 8). 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, and in 2011, \$10,000,000 of repayment funds were transferred to the Clean Water program.

Table 8
Transfers between Clean Water SRF and Drinking Water SRF Programs

| From | To | Grant Year | Capitalization Grant | State Match | Lev. Series | Bonds/ Repayment 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 |
| Drinking Water SRF | Clean Water SRF | | | | | \$10,000,000 | \$10,000,000 |

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 service 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, and JP Morgan Securities L.L.C was chosen through a competitive bid process as the underwriter for the Series 2010 Bond Anticipation Notes.

In October 2010, a request for proposals was circulated for investment banking services. Three firms were retained to provide investment banking services through December 2013. For the 2010 Series Bonds, J.P. Morgan served as the book running senior manager and Piper Jaffray & Co. and Wells Fargo Bank, N.A. served as co-senior manager and co-manager, respectively.

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.

In April 2011, a request for proposals was circulated for the State Revolving Fund programs' financial advisor, and Public Financial Management was again retained.

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

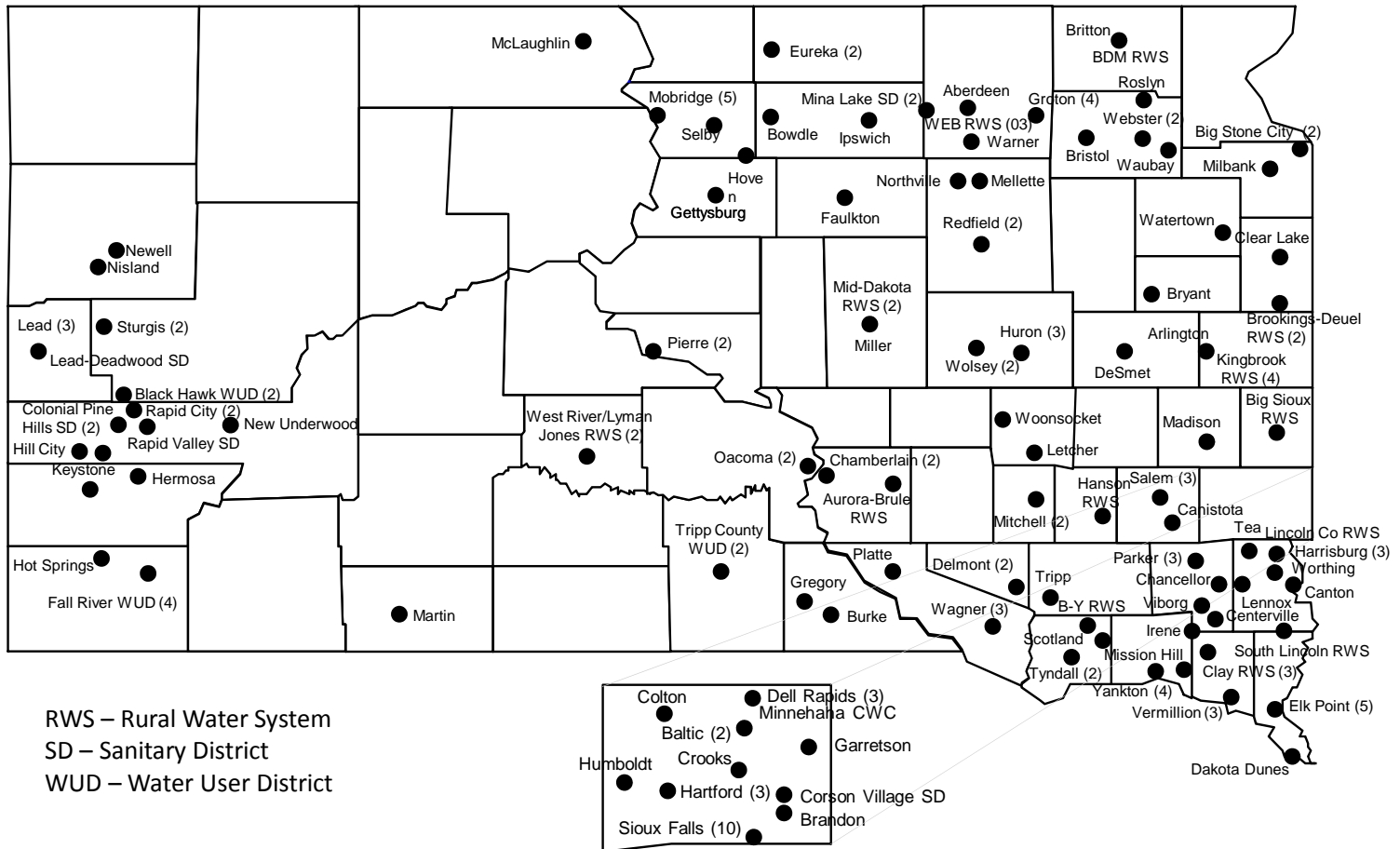


Table 9
State of South Dakota
Drinking Water State Revolving Fund Loan Program Portfolio

Active Drinking Water SRF Loans

| Sponsor | Binding Commitment Date | Rate | Term (years) | Original 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) | 07/23/2009 | 2.25% | 10 | \$1,750,000 | \$1,330,118 |
| 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 | \$163,446 |
| 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 | \$1,066,674 |
| Box Elder (DW-01) | 03/25/2011 | 3.0% | 20 | \$3,562,950 | \$3,562,950 |
| 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 Rural Water System (DW-01) | 01/06/2005 | 3.25% | 30 | \$1,200,000 | \$1,002,464 |
| Brookings-Deuel Rural Water System (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 |
| Butte-Meade Sanitary Water District | 06/24/2011 | 2.25% | 10 | \$396,700 | \$396,700 |
| 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) | 09/26/2009 | 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% | 20 | \$846,300 | \$844,968 |
| Clay RWS (DW-03) | 06/24/2010 | 3.0% | 30 | \$2,208,000 | \$2,208,000 |
| Clay RWS (DW-04) | 09/22/2011 | 2.0% | 3 | \$1,369,758 | \$1,369,758 |
| Clear Lake (DW-01) | 12/10/1998 | 3.0% | 30 | \$565,000 | \$540,637 |
| Colonial Pine Hills San Dist (DW-01) | 01/31/2002 | 3.5% | 20 | \$659,000 | \$636,108 |
| Colonial Pine Hills San Dist (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 |
| Colton (DW-02) | 03/25/2011 | 3.0% | 20 | \$191,100 | \$191,100 |
| Corson Village Sanitary District (DW-01) ARRA | 07/23/2009 | 3.0% | 20 | \$601,735 | \$581,364 |
| 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 | \$376,962 |
| 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 |
| Dell Rapids (DW-03) | 09/24/2011 | 3.0% | 20 | \$531,835 | \$531,835 |
| Delmont (DW-01) | 06/26/2008 | 2.5% | 30 | \$185,000 | \$158,461 |
| DeSmet (DW-01) ARRA | 08/26/2009 | 2.25% | 30 | \$258,000 | \$258,000 |
| Doland (DW-01) | 06/24/2011 | 3.0% | 30 | \$1,762,200 | \$1,762,200 |
| 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 |
| Elk Point (DW-03) | 06/22/2006 | 3.25% | 20 | \$218,000 | \$114,441 |
| Elk Point (DW-04) | 06/26/2008 | 3.25% | 20 | \$564,000 | \$539,449 |

| Sponsor | Binding | | Term (years) | Original | Final Loan |
|---|--------------------|-------|-----------------|---------------------------------|-------------|
| | Commitment Date | Rate | | Binding Commitment Amount | |
| Elk Point (DW-05) ARRA | 07/23/2009 | 3.0% | 20 | \$1,179,500 | \$798,040 |
| Eureka (DW-01) | 09/28/2006 | 0% | 10 | \$135,000 | \$133,681 |
| Fall River Water Users District (DW-01) | 12/09/1999 | 3.0% | 30 | \$759,000 | \$759,000 |
| Fall River Water Users District (DW-02) | 11/09/2001 | 2.5% | 30 | \$400,000 | \$260,958 |
| Faulton (DW-02) | 01/07/2011 | 3.0% | 30 | \$511,725 | \$511,725 |
| Garretson (DW-01) | 06/27/2002 | 3.5% | 30 | \$1,261,060 | \$1,102,147 |
| Gayville (DW-01) | 11/30/2010 | 3.0% | 30 | \$900,000 | \$900,000 |
| Gregory (DW-01) | 04/12/2002 | 2.5% | 30 | \$380,000 | \$347,580 |
| Gregory (DW-02) | 01/07/2011 | 2.25% | 30 | \$685,080 | \$685,080 |
| 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 | \$241,083 |
| Hanson Rural Water System (DW-01) ARRA | 08/26/2009 | 3.0% | 20 | \$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 | \$1,753,441 |
| 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 | \$336,903 |
| Hot Springs (DW-01) | 09/24/2010 | 3.0% | 20 | \$1,636,000 | \$1,636,000 |
| Hoven (DW-01) | 09/24/2010 | 0% | - | \$750,000 | \$750,000 |
| 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% | 30 | \$619,684 | \$478,407 |
| Huron (DW-03) | 09/24/2010 | 3.0% | 30 | \$1,098,900 | \$1,098,900 |
| 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 |
| McLaughlin (DW-02) | 06/24/2011 | 2.25% | 30 | \$4,151,050 | \$4,151,050 |
| Mellette (DW-01) ARRA | 08/27/2009 | 3.0% | 30 | \$271,780 | \$271,780 |
| Menno (DW-01) | 09/22/2011 | 2.25% | 10 | \$157,000 | \$157,000 |
| Mid-Dakota RWS (DW-03) | 06/24/2011 | 3.0% | 30 | \$2,979,054 | \$2,979,054 |
| 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 | \$225,389 |
| 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 |
| Mobridge (DW-04) | 06/28/2007 | 2.5% | 30 | \$90,000 | \$62,442 |
| Montrose (DW-01) | 03/25/2011 | 3.0% | 30 | \$893,000 | \$893,000 |

| Sponsor | Binding | | Term (years) | Original | Final Loan |
|---------------------------------|--------------------|-------|-----------------|---------------------------------|--------------|
| | Commitment Date | Rate | | Binding Commitment Amount | |
| New Underwood (DW-01) ARRA | 06/25/2009 | 3.0% | 20 | \$175,500 | \$169,299 |
| Newell (DW-01) ARRA | 08/26/2009 | 2.25% | 30 | \$829,500 | \$829,500 |
| Nisland (DW-01) | 12/13/2001 | 0% | 30 | \$350,000 | \$350,000 |
| Northville (DW-01) ARRA | 07/23/2009 | 3.0% | 20 | \$203,460 | \$203,460 |
| Oacoma (DW-02) | 08/10/2010 | 2.25% | 10 | \$1,351,300 | \$1,351,300 |
| 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 |
| Piedmont (DW-01) | 03/25/2011 | 3.0% | 20 | \$1,404,000 | \$1,404,000 |
| Pierpont (DW-01) | 06/24/2011 | 3.0% | 30 | \$551,200 | \$551,200 |
| 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 |
| Plankinton (DW-01) | 06/24/2011 | 3.0% | 30 | \$1,765,000 | \$1,765,000 |
| Platte (DW-01) | 06/25/2004 | 2.5% | 10 | \$400,000 | \$293,134 |
| Rapid City (DW-02) | 07/23/2009 | 3.0% | 20 | \$6,000,000 | \$6,000,000 |
| Redfield (DW-01) | 04/25/2001 | 4.5% | 20 | \$85,000 | \$85,000 |
| Redfield (DW-02) | 06/23/2005 | 2.5% | 30 | \$342,755 | \$228,823 |
| 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-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 | \$2,088,645 |
| Sioux Falls (DW-09) ARRA | 03/27/2009 | 2.25% | 10 | \$3,578,750 | \$2,678,738 |
| Sioux Falls (DW-10) ARRA | 03/27/2009 | 2.25% | 10 | \$7,606,900 | \$7,606,900 |
| Sioux Falls (DW-11) | 01/07/2011 | 2.25% | 10 | \$4,000,000 | \$4,000,000 |
| South Lincoln RWS (DW-01) | 01/10/2003 | 3.5% | 20 | \$2,000,000 | \$2,000,000 |
| South Lincoln RWS (DW-02) | 01/07/2011 | 3.0% | 30 | \$476,500 | \$476,500 |
| Sturgis (DW-02) ARRA | 08/26/2009 | 2.25% | 10 | \$863,000 | \$608,417 |
| Sturgis (DW-03) | 06/24/2011 | 3.0% | 3 | \$3,460,000 | \$3,460,000 |
| Tea (DW-01) | 03/30/2007 | 3.25% | 20 | \$2,263,723 | \$2,263,723 |
| TM Rural Water District (DW-01) | 06/24/2011 | 3.0% | 30 | \$1,084,750 | \$1,084,750 |
| TM Rural Water District (DW-02) | 06/24/2011 | 0% | - | \$1,398,750 | \$1,398,750 |
| Trail West San. Dist. (DW-01) | 09/22/2011 | 3.0% | 20 | \$1,651,000 | \$1,651,000 |
| 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-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 |
| Vermillion (DW-04) | 03/25/2011 | 2.25% | 30 | \$1,532,000 | \$1,532,000 |
| Viborg (DW-01) | 03/27/2008 | 3.25% | 20 | \$249,775 | \$104,491 |
| Viborg (DW-02) | 11/30/2010 | 3.0% | 30 | \$847,000 | \$847,000 |
| Wagner (DW-01) | 06/22/2006 | 0% | 30 | \$750,000 | \$750,000 |
| Wagner (DW-02) | 06/28/2007 | 0% | 30 | \$175,000 | \$175,000 |
| 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 | | | Original | Final Loan |
|---|-----------------|-------|--------------|---------------------------|----------------------|
| | Commitment Date | Rate | Term (years) | Binding Commitment Amount | |
| Webster (DW-01) | 04/12/2002 | 3.5% | 20 | \$330,000 | \$318,828 |
| Webster (DW-02) | 09/24/2010 | 2.25% | 10 | \$387,400 | \$387,400 |
| 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) ARRA | 08/27/2009 | 3.0% | 30 | \$720,000 | \$720,000 |
| 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 | \$896,975 |
| 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) | | | | \$274,820,716 | \$250,780,356 |

Closed Drinking Water SRF Loans

| Sponsor | Binding | | | Original | Final Loan |
|--|-----------------|-------|--------------|---------------------------|---------------------|
| | Commitment Date | Rate | Term (years) | Binding Commitment Amount | |
| 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 |
| Bowdle (DW-01) ARRA | 06/25/2009 | 0% | - | \$150,000 | \$150,000 |
| Delmont (DW-02) | 09/24/2010 | 0% | - | \$90,000 | \$90,000 |
| Eureka (DW-02) ARRA | 06/25/2009 | 0% | - | \$200,000 | \$200,000 |
| Fall River Water Users District (DW-03) ARRA | 03/27/2009 | 0% | - | \$612,000 | \$612,000 |
| Fall River Water Users District (DW-04) ARRA | 06/25/2009 | 0% | - | \$750,000 | \$750,000 |
| Faulton (DW-01) ARRA | 03/27/2009 | 0% | - | \$500,000 | \$500,000 |
| 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 |
| Mid-Dakota RWS (DW-01) | 03/27/2009 | 2.0% | 3 | \$12,000,000 | \$9,455,108 |
| Mid-Dakota RWS (DW-02) ARRA | 03/27/2009 | 0% | - | \$1,000,000 | \$1,000,000 |
| 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 |
| Mobridge (DW-05) ARRA | 06/25/2009 | 0% | - | \$500,000 | \$500,000 |
| Rapid City (DW-01) | 11/14/2003 | 3.5% | 20 | \$3,500,000 | \$3,500,000 |
| Rapid Valley San. Dist. (DW-01) ARRA | 06/25/2009 | 0% | - | \$682,000 | \$682,000 |
| Roslyn (DW-01) ARRA | 06/25/2009 | 0% | - | \$500,000 | \$500,000 |
| Sioux Falls (DW-01) | 07/22/1998 | 4.5% | 10 | \$7,022,000 | \$6,496,745 |
| Sturgis (DW-01) | 01/08/1998 | 5.0% | 15 | \$700,000 | \$478,377 |
| Tyndall (DW-01) | 07/27/2000 | 2.5% | 10 | \$300,000 | \$300,000 |
| Warner (DW-01) ARRA | 03/27/2009 | 0% | - | \$400,000 | \$400,000 |
| 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 |
| TOTAL | | | | \$45,133,000 | \$41,747,543 |

Grand Total of Loans Open or in Repayment

\$319,953,716

\$292,527,899

Table 10
State of South Dakota
Drinking Water State Revolving Fund Loans Deobligated in Full or Rescinded by Board

| Sponsor | Binding Commitment Date | Rate | Term (years) | Original 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 |
| Groton (DW-04) | 09/24/2010 | 2.25% | 10 | \$703,000 | \$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 |
| Total of Loans Deobligated or Rescinded | | | | \$9,110,250 | \$0 |
| GRAND TOTAL OF ALL LOANS | | | | \$329,063,966 | \$292,527,899 |

FIGURE 5
Drinking Water SRF Interest Rates By Percent of Loan Portfolio
(\$329.06 Million)

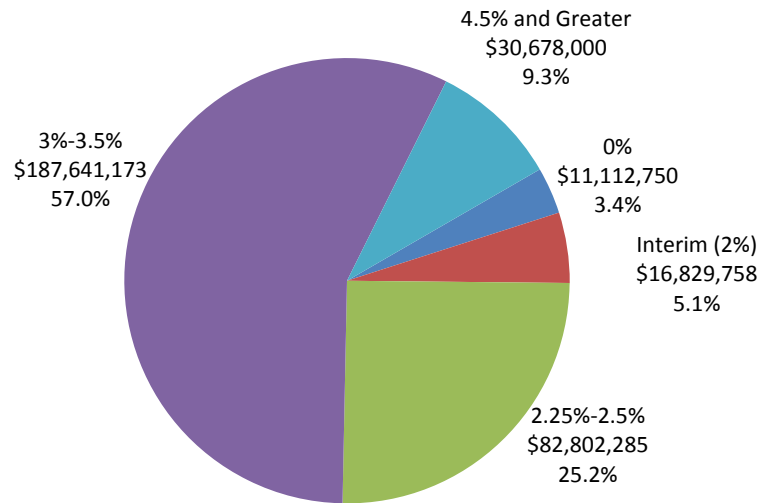
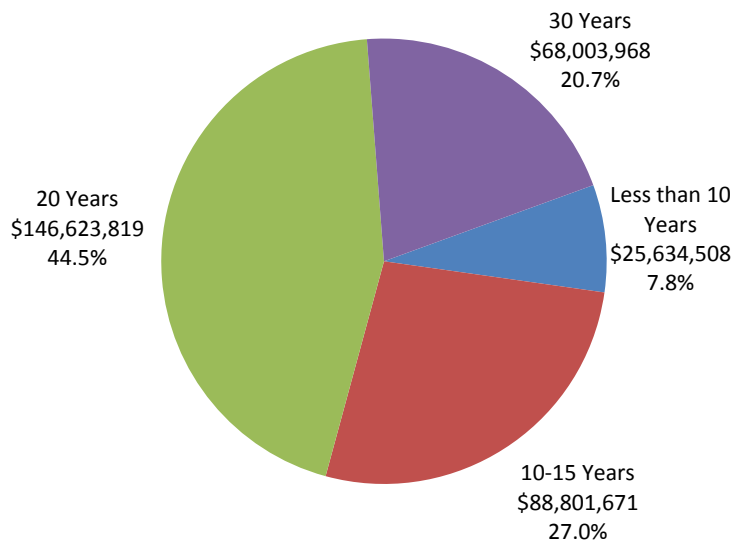


FIGURE 6
Drinking Water SRF Loan Terms By Percent of Loan Portfolio
(\$329.06 Million)



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. Aberdeen received a \$1,750,000 loan with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009 to replace water meters throughout the city. The loan was awarded at 2.25 percent for ten years.

ARLINGTON - The city of Arlington received a \$100,000 loan with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009. 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 the American Recovery and Reinvestment Act of 2009. 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 was at 3.5 percent for 20 years. Baltic's second loan was for \$165,000 to replace water meters. This loan was at 2.25 percent for 10 years and included \$16,500 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

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 was 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 was 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 was 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 was at 5.25 percent for 20 years. The second loan, in the amount of \$1,142,000 loan 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 the American Recovery and Reinvestment Act (ARRA) of 2009. 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 the American Recovery and Reinvestment Act of 2009. The loan was to replace water lines in various locations throughout the city.

BOX ELDER – The city of Box Elder’s First Drinking Water SRF loan was to develop a new well and construct a water reservoir and pipe lines to connect to the existing water distribution system. The \$3,562,950 loan was at 3 percent of 20 years and included \$356,295 in principal forgiveness.

BRANDON – Brandon received a loan for \$1,950,000 at 4.75 percent for 15 years. This project consisted 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 involved construction of a new elevated storage tank as well as replacement of an underground storage tank. This would 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 loan was deobligated at the town’s request.

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 involved replacing 50 year old cast iron pipes, much of which had completely deteriorated due to rust and scale build-up. The loan was 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, increased 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, made improvements to the distribution system and extended water to the community of Astoria.

BRYANT – The city of Bryant received a \$142,000 loan to replace lead service lines and asbestos cement water mains throughout the city. The loan was at 3 percent interest for a term of 30 years.

BUTTE-MEADE SANITARY WATER DISTRICT – The Butte Meade Sanitary Water District received a \$396,700 Drinking Water SRF loan at 2.25 percent for 10 years to install new water meters and an automatic read system. The loan included \$85,000 of principal forgiveness.

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 included \$313,960 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

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 DOT 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 was 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. Chamberlain’s second loan was for \$1,000,000 and was used to replace water mains and appurtenances at nine locations within the city. This loan was at 3.0 percent for 20 years and included \$300,000 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

CHANCELLOR – Chancellor’s first drinking water SRF loan for \$230,000 at 3.25 percent for 30 years provided water distribution system improvements.

CLAY RURAL WATER SYSTEM – Clay RWS’s first drinking water SRF loan expanded the system to southern Union County. The loan was 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 was at 3.0 percent for 20 years and included \$700,000 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. Clay Rural Water was awarded its third loan in the amount of \$2,208,000 at 3 percent for 30 years and included \$500,000 of principal forgiveness. The loan funded the construction of several loops in the distribution system, improvements to the Spink Reservoir, upgrading the interconnection with the city of Beresford, installing a new booster station, and adding about 80 new users. This loan was at 3.0 percent for 20 years and included \$250,000 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. Clay RWS was awarded a fourth loan in the amount of \$1,369,758 at the interim rate of 2 percent for three years to fund construction of a lime sludge lagoon and installation of an automatic meter reading system.

CLEAR LAKE – Clear Lake received a loan in the amount of \$565,000. This loan qualified for the disadvantaged rate and term of 3 percent for 30 years. This project consisted of constructing a new 300,000-gallon water tower and installation of a 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 improved its water distribution system with a \$659,000 loan at 3.5 percent for 20 years. The district’s second loan in the amount of \$1,003,608 was used to construct a new well, well-house, and distribution line to replace a well that currently experiences high radionuclide levels.

COLTON – The city of Colton connected to the Minnehaha Community Water Corporation with a loan in the amount of \$681,720 at 3.5 percent for 30 years. The loan was used for an elevated storage tank, water lines, wells, and new water treatment plant. The city received its second loan to replace water lines as part of a utility replacement project on 5th Street. The loan was for \$191,100 at 3 percent for 20 years and included \$91,100 of principal forgiveness.

CORSON VILLAGE SANITARY DISTRICT – Corson Village received its first Drinking Water SRF loan to replace the water distribution system and connect to the city of Brandon. The \$601,735 loan (3 percent for 20 years) included \$541,562 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

CROOKS – Crooks constructed a second connection to Minnehaha Community Water Corporation’s distribution system and replaced high service pumps to improve capacity. The loan, in the amount of \$302,900, was 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 connected its water supply with the city of Sioux City, Iowa, with its \$908,000 loan at 3.5 percent for 20 years. This project included 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. A third loan in the amount of \$531,835 at 3 percent for 20 years was awarded to install water lines on 15th Street.

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. The community’s second loan, \$90,000 with 100% as principal forgiveness, was to install new water meters and an automatic read system.

DESMET - DeSmet used its first SRF loan to replace cast iron water mains with PVC water mains on 3rd Street from Highway 25 to Prairie Avenue. The \$258,000 loan, at 2.25 percent for 30 years, included \$25,800 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

DOLAND – Doland was awarded its first Drinking Water SRF loan to replace cast iron water lines throughout the town and to construct a new elevated storage tank. The loan amount was \$1,762,200 at 3 percent for 30 years and included \$1,375,000 of principal forgiveness.

ELK POINT – Elk Point received its first loan in the amount of \$220,000 for water main replacement in conjunction with its Pearl Street Utility Improvement project at 3.5 percent for 20 years. Its second loan, in the amount of \$570,000 at 3.25 percent for 20 years, funded an upgrade to the city’s water treatment plant. The city received its third loan in the amount of \$218,000 at 3.25 percent for 20 years, to fund the drinking water portion of the utility systems improvements. The fourth SRF loan awarded to fund water line replacement on Clay and Washington Streets. This loan was for \$564,000 at 3.25 percent for 20 years. The city’s fifth loan was to replace the water main on Main Street in conjunction with a highway reconstruction project. The loan amount was \$1,179,500 at 3 percent for 20 years and included \$660,520 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

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 loan with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009. The loan was used 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 financed the construction of the Fall River Rural Water System to include supply, storage, and distribution. Fall River’s second Drinking Water 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 the American Recovery and Reinvestment Act of 2009. 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 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. The city’s second loan involves construction of water line along US Highway 212. The loan was for \$511,725 at 3 percent for 30 years and included \$395,905 of principal forgiveness.

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

GAYVILLE – Gayville was awarded its first Drinking Water SRF loan in the amount of \$900,000 with \$480,000 of principal forgiveness. The rate and term of the loan were 3 percent for 30 years, and the loan was used to replace the cast iron water lines within the community.

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 were 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, funded additional waterline replacement. The city’s third loan was in the amount of \$272,000 with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009. The loan was to replace water meters. Groton’s fourth loan in the amount of \$703,000, with \$150,000 principal forgiveness was to replace the city’s elevated water storage tank, water pumps and approximately five blocks of water mains. The city chose to deobligate the loan in its entirety.

HANSON RURAL WATER SYSTEM – The Hanson Rural Water System was awarded its first Drinking Water SRF loan in the amount of \$840,000 at 3 percent for 20 years and included \$588,000 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. The rural water system replaced an elevated water storage tank located in Ethan with a new 200,000-gallon water storage tank used by Ethan residents and surrounding residents in the Hanson RWS.

HARRISBURG – The city of Harrisburg received its first loan in the amount of \$525,000 at 5 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 - \$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 was for \$2,090,000 at 3.25 for 20 years to construct a 750,000-gallon water tower, to demolish the existing standpipe and an abandoned 30,000-gallon water tower, and to install miscellaneous piping.

HARTFORD – Hartford received a \$185,000 loan at 5 percent interest for 20 years. This project replaced 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, funded improvements to the water supply by providing a second connection to the Minnehaha Community Water Corporation.

HERMOSA – Hermosa received a loan for \$300,000. This loan was at 5 percent for 20 years. This project replaced water distribution lines.

HILL CITY – The city of Hill City received its first Drinking Water SRF loan in the amount of \$402,200 at 3 percent for 30 years and included \$241,320 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. The project involved looping dead-end lines and replacing a water line that freezes due to insufficient cover.

HOT SPRINGS – Hot Springs' first Drinking Water SRF loan was for \$1,636,000 at 3 percent for 20 years to replace water lines in various areas of the city.

HOVEN – The town of Hoven received a \$750,000 loan with 100 percent principal forgiveness to replace all water meters with new remote read meters, replace all cast iron pipes within the distribution system, construct a 180,000-gallon ground water storage tank, and rehabilitate an existing tank.

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 was used to replace approximately 14,500 feet of 6 inch and 12 inch water main. The loan was for \$619,684 at 3.0 percent for 20 years and included \$122,500 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. A third loan - \$1,098,900 at 3 percent for 30 years - was awarded for the construction of an elevated water storage reservoir.

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 was at 3.0 percent for 30 years and included \$933,750 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

IRENE – The city of Irene received a 5 percent interest loan for 20 years in the amount of \$145,000. The project replaced 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. This loan was at 0 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 SRF loan replaced water mains on Lower May, South Main, and West Addie Streets in conjunction with a project to separate combined sanitary and storm sewer mains. The \$1,020,000 loan, at 3 percent for 20 years, included \$387,600 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

LEAD-DEADWOOD SANITARY DISTRICT – The Lead-Deadwood Sanitary District received a \$2,683,957, 5.25 percent, 20-year loan to refinance its 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, funded two wells, an elevated water storage reservoir, water main replacement and new lines.

LETCHER – Letcher received its first SRF loan to assist in financing the replacement of the town’s water distribution system. The loan amount was \$200,000 at 2.25 percent for 30 years.

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 its 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 was at 5 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 an SDDOT project were funded with a \$350,000 loan at 2.5 percent for 30 years. The city’s second loan was used to replace water lines throughout the city and construct a new storage tank. The loan was for \$4,151,050 at 2.25 percent of 30 years and included \$3,180,050 of principal forgiveness.

MELLETTTE - The town of Mellette received a loan for \$271,780 to replace nine blocks of water main and install gate valves and fire hydrants. The loan was at 3 percent for 30 years and included \$244,602 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

MENNO – The city of Menno received a loan for \$157,000 at 2.25 percent for 10 years to replace water meters throughout the city.

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 3 years provided interim financing for those projects. The second loan was in the amount of \$1,000,000 with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009 and partially funded the pumping station and elevated water reservoir. A third loan in the amount of \$2,979,054 was awarded to extend service to new users within the Mid-Dakota service area to include users on the Crow Creek Reservation. The rate and term of the loan were 3 percent for 30 years and included \$450,000 of principal forgiveness.

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 percent for 20 years. This loan was 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 was at 3.0 percent for 20 years and included \$283,695 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

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 was awarded to construct a new water tower and install new water lines to loop dead-end lines. The loan, in the amount of \$250,000 at 3.25 percent for 20 years, 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 involved 61 miles of pipe, two pumping stations, a water storage reservoir, a meter station and appurtenances. The city's second Drinking Water SRF loan was 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 percent for 20 years, included \$354,000 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

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 were 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 the American Recovery and Reinvestment Act of 2009. The loan was to make improvements to the raw water intake.

MONTROSE – Montrose received its first Drinking Water SRF loan to replace all 4-inch water main within the distribution system and various hydrants and gate valves. The loan amount was \$893,000 (3 percent for 30 years) and included \$593,000 of principal forgiveness.

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 was at 3.0 percent for 20 years and included \$70,200 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

NEWELL - The city of Newell received a loan for \$829,000 to drill a new well, construct a new well house, controls, and chlorination equipment; replace old water main, and replace a water tower. The loan was at 2.25 percent for 30 years and included \$322,750 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

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

NORTHVILLE – Northville received a \$203,460 loan to replace water meters throughout the town, replace and loop water lines, and make improvements to a service pump. The loan was at 3.0 percent for 20 years and included \$162,768 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

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 the American Recovery and Reinvestment Act of 2009. The loan was deobligated due to a change in project scope which prevented the city from meeting ARRA deadlines. The city was awarded a second loan for \$1,351,300 at 2.25 percent for 10 years to proceed with the revised water storage project.

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 was at 3.0 percent for 20 years and included \$452,100 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

PIEDMONT – Piedmont's first loan, in the amount of \$1,404,000, was awarded to extend its distribution system to residences within the town utilizing individual wells as a water source. The loan's term were 3 percent for 20 years and included \$804,000 of principal forgiveness.

PIERPONT – Pierpont received a loan in the amount of \$551,200 at 3 percent for 30 years to replace the existing high service pump and pressure tank. The loan included \$413,400 in principal forgiveness.

PIERRE – The city of Pierre used 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.

PLANKINTON – The city of Plankinton was awarded its first Drinking Water SRF loan to construct a new storage tower, replace portions of the distribution system, and loop dead-end lines. The loan was for \$1,765,000 at 3 percent for 30 years and included \$1,009,000 of principal forgiveness.

PLATTE – Platte replaced 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 was for \$3,500,000 at 3.5 percent for 20 years. This loan financed a new water tank and transmission main in the southwest edge of the city. Rapid City was awarded its second loan for engineering services and the purchase of membranes at the Jackson Springs Water Treatment Plant. The loan amount was \$6,000,000 at 3 percent for 20 years.

RAPID VALLEY SANITARY DISTRICT – The Rapid Valley Sanitary District received a \$682,000 loan with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009. 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 financed the replacement of water lines located under US Hwy 212 and 281. The project involved construction of approximately 4,900 feet of pipe, services lines, and appurtenances and replaced brittle asbestos cement or 50 to 80 year-old cast iron pipes. 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 the American Recovery and Reinvestment Act of 2009. 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, was 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 the American Recovery and Reinvestment Act of 2009. The loan partially funded 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 was 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, was for the construction of a new backwash basin and additional filters to improve operational efficiencies in the treatment plant. The seventh loan was to upgrade a vertical well to a horizontal collector well to increase production capacity and was for \$2,200,000. The eighth loan, in the amount of \$2,705,600, replaced water mains in two areas and replaced valves at several locations. Sioux Falls' ninth loan in the amount of \$3,578,750 replaced three vertical water supply wells with a new horizontal collector well and the rehabilitate an existing horizontal well. The city's tenth loan in the amount of \$7,606,900 involved 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 the American Recovery and Reinvestment Act of 2009. The eleventh loan award to Sioux Falls was for \$4,000,000 at 2.5 percent for 10 years to replace water mains and valves in various locations.

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 Regional Water System. The South Lincoln system was awarded its second loan to provide individual service to the residents of Fairfield by extending a water line to the town and replacing the town's distribution system. The loan was for \$476,500 at 3 percent for 30 years and included \$244,500 of principal forgiveness.

STURGIS – Sturgis received a loan for \$700,000 at 5 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 second loan awarded to Sturgis was to upgrade the water distribution system serving the Murray Addition. The \$863,000 loan was at 2.25 percent for 10 years and included \$86,300 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. Sturgis' third Drinking Water SRF loan, in the amount of \$3,460,000, was for systemwide drinking water improvements and was funded with an interim loan at 2 percent for 3 years.

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 Regional Water System.

TM RURAL WATER DISTRICT – The TM Rural Water District receive two loans to provide service to new users within its southeast service area and improve service to Viborg and Hurley by providing storage for these communities. The loans are for \$1,084,750 at 3 percent for 30 years and \$1,398,750 with 100 percent as principal forgiveness.

TRAIL WEST SANITARY DISTRICT – Trail West Sanitary District received a \$1,651,000 Drinking Water SRF loan at 3 percent for 20 years for acquisition and upgrades of a privately owned 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 involved 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 financed 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 were 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 was at 2.5 percent interest for 30 years.

VERMILLION – Vermillion received a loan for \$942,000 at 5 percent interest for 20 years. This loan was used to construct lime sludge disposal lagoons. Vermillion’s second loan, \$1,510,000 at 3.5 percent interest for 20 years, funded 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, funded phase 3 improvements to the water treatment plant. The city received its fourth loan to replace a water tower. The loan was for \$1,532,000 at 2.25 percent for 30 years and included \$153,200 of principal forgiveness.

VIBORG - The city of Viborg’s first SRF loan was to replace water distribution lines and loop lines at various locations in the city. The loan amount was \$249,775 with an interest rate of 3.25 percent and a term of 20 years. Viborg funded water main improvements in conjunction with Highway 19 reconstruction project with its second loan. The \$847,000 loan had a 3 percent interest rate, a 30-year term, and included \$730,000 of principal forgiveness.

WAGNER – Wagner received its first drinking water 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, in the amount of \$175,000 at the disadvantaged rate of zero percent interest for 30 years, replaced water utilities along North Park St. and North Street. Wagner was awarded its third loan to replace water line on South Park Street. The \$275,000 loan was at 0 percent for 30 years and included \$55,000 of principal forgiveness through the American Recovery and Reinvestment Act of 2009; this loan was rescinded at the city’s request.

WARNER - The city of Warner received a \$400,000 loan with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009. The loan partially funded improvements to the city’s water storage capabilities.

WATERTOWN - Watertown’s first Drinking Water SRF loan was 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 was for \$23,760,000 at 3.25 percent interest for 20 years.

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 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. Webster’s second loan was for \$387,400 at 2.25 percent for 10 years to install new water meters and an automatic read system. The loan included \$150,000 of principal forgiveness.

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, funded 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 SDDOT’s reconstruction of Highway 14/281.

WOONSOCKET — Woonsocket was awarded its first SRF loan in the amount of \$720,000 to replace and loop of water lines primarily along Highway 34. The loan had an interest rate of 3.0 percent, a 30-year term and included \$416,500 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

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 was 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 funded 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 had an interest rate of 3.0 percent, a 20-year term and included 10 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009.

EXHIBITS I -- VIII

DRINKING WATER SRF

STATUS REPORTS

EXHIBIT I
Recipients by Population Category
Federal Fiscal Year 2011

| Sponsor | Fewer than 10,000 | 10,000 and Greater | Binding Commitment Date | Rate | Term (yrs) |
|--------------------------------------|------------------------------|-------------------------------|--|-------------|-------------------|
| Box Elder (DW-01) | \$3,562,950 | | 03/25/2011 | 3.0% | 20 |
| Butte Meade SWD (DW-01) | \$396,700 | | 06/24/2011 | 2.25% | 10 |
| Clay RWS (DW-04) | \$1,369,758 | | 09/22/2011 | 2.0% | 3 |
| Colton (DW-02) | \$191,100 | | 03/25/2011 | 3.0% | 20 |
| Doland (DW-01) | \$1,762,200 | | 06/24/2011 | 3.0% | 30 |
| Faulkton (DW-02) | \$511,725 | | 01/07/2011 | 3.0% | 30 |
| Gayville (DW-01) | \$900,000 | | 11/30/2010 | 3.0% | 30 |
| Gregory (DW-02) | \$685,080 | | 01/07/2011 | 2.25% | 30 |
| McLaughlin (DW-02) | \$4,151,050 | | 06/24/2011 | 2.25% | 30 |
| Menno (DW-01) | \$157,000 | | 09/22/2011 | 2.25% | 10 |
| Mid-Dakota RWS (DW-03) | | \$2,979,054 | 06/24/2011 | 3.0% | 30 |
| Montrose (DW-01) | \$893,000 | | 03/25/2011 | 3.0% | 30 |
| Piedmont (DW-01) | \$1,404,000 | | 03/25/2011 | 3.0% | 20 |
| Pierpont (DW-01) | \$551,200 | | 06/24/2011 | 3.0% | 30 |
| Plankinton (DW-01) | \$1,765,000 | | 06/24/2011 | 3.0% | 30 |
| Sioux Falls (DW-11) | | \$4,000,000 | 01/07/2011 | 2.25% | 10 |
| South Lincoln RWS (DW-02) | \$476,500 | | 01/07/2011 | 3.0% | 30 |
| Sturgis (DW-03) | \$3,460,000 | | 06/24/2011 | 2.0% | 3 |
| TM RWD (DW-01) | \$1,084,750 | | 06/24/2011 | 3.0% | 30 |
| TM RWD (DW-02) | \$1,398,750 | | 06/24/2011 | 0% | 0 |
| Trail West Sanitary District (DW-01) | \$1,651,000 | | 09/22/2011 | 3.0% | 20 |
| Vermillion (DW-04) | | \$1,532,000 | 03/25/2011 | 2.25% | 30 |
| Viborg (DW-02) | \$847,000 | | 11/30/2010 | 3.0% | 30 |
| TOTAL | \$27,218,763 | \$8,511,054 | | | |

EXHIBIT II
Assistance Provided by Needs Categories
Federal Fiscal Year 2011

| Sponsor | Treatment | Transmission/ Distribution | Source | Storage | Purchase |
|-------------------------|------------------|---------------------------------------|---------------|----------------|-----------------|
| Box Elder (DW-01) | | \$1,181,870 | \$1,028,390 | \$1,352,690 | |
| Butte Meade SWD (DW-01) | | \$396,700 | | | |
| Clay RWS (DW-04) | \$638,496 | \$731,262 | | | |
| Colton (DW-02) | | \$191,100 | | | |
| Doland (DW-01) | | \$875,700 | | \$886,500 | |
| Faulkton (DW-02) | | \$441,725 | | | |

| Sponsor | Treatment | Transmission/ Distribution | Source | Storage | Purchase |
|--------------------------------------|--------------------|---------------------------------------|--------------------|--------------------|------------------|
| Gayville (DW-01) | | \$900,000 | | | |
| Gregory (DW-02) | \$375,636 | \$309,444 | | | |
| McLaughlin (DW-02) | | \$2,585,000 | \$400,000 | \$1,166,050 | |
| Menno (DW-01) | | \$157,000 | | | |
| Mid-Dakota RWS (DW-03) | | \$2,979,054 | | | |
| Montrose (DW-01) | | \$893,000 | | | |
| Piedmont (DW-01) | | \$1,404,000 | | | |
| Pierpont (DW-01) | | \$551,200 | | | |
| Plankinton (DW-01) | | \$917,800 | | \$847,200 | |
| Sioux Falls (DW-11) | | \$4,000,000 | | | |
| South Lincoln RWS (DW-02) | | \$476,500 | | | |
| Sturgis (DW-03) | | \$1,688,071 | \$1,574,154 | \$197,775 | |
| TM RWD (DW-01) | | \$1,084,750 | | | |
| TM RWD (DW-02) | | \$1,398,750 | | | |
| Trail West Sanitary District (DW-01) | \$125,000 | \$966,000 | \$10,000 | | \$550,000 |
| Vermillion (DW-04) | | | | \$1,532,000 | |
| Viborg (DW-02) | | \$847,000 | | | |
| TOTAL | \$1,139,132 | \$24,975,926 | \$3,012,544 | \$5,982,215 | \$550,000 |

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 |
| 2010 | \$13,573,000 | \$2,714,600 | | \$16,287,600 |
| 2011 | \$9,418,000 | \$1,883,600 | | \$11,301,600 |
| TOTAL | \$163,555,100 | \$28,811,020 | \$60,725,700 | \$253,091,820 |

EXHIBIT IV
Drinking Water SRF Disbursements
October 1, 2010 to September 30, 2011

LOAN DISBURSEMENTS
BASE PROGRAM

| Date | Borrower Name | State Funds | Federal Funds | Repayments | Interest/Earnings | Leveraged | Total Disbursement |
|----------|-----------------------------|--------------|----------------|------------|-------------------|----------------|--------------------|
| 10/13/10 | Chamberlain (DW-02) | \$173,156.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$173,156.00 |
| 10/13/10 | Colonial Pine Hills (DW-02) | \$206,267.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$206,267.00 |
| 10/13/10 | Harrisburg (DW-03) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$36,288.00 | \$36,288.00 |
| 10/13/10 | Lead (DW-03) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$29,022.00 | \$29,022.00 |
| 10/13/10 | Sturgis (DW-02) | \$95,104.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$95,104.00 |
| 10/14/10 | Clay RWS (DW-03) | \$0.00 | \$39,532.00 | \$0.00 | \$0.00 | \$0.00 | \$39,532.00 |
| 10/14/10 | Mid-Dakota RWS (DW-01) | \$0.00 | \$1,309,761.00 | \$0.00 | \$0.00 | \$0.00 | \$1,309,761.00 |
| 10/14/10 | Watertown (DW-01) | \$286,596.00 | \$288,075.00 | \$0.00 | \$0.00 | \$0.00 | \$574,671.00 |
| 10/14/10 | Watertown (DW-01) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$268,786.00 | \$268,786.00 |
| 10/21/10 | Aberdeen (DW-02) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$155,680.00 | \$155,680.00 |
| 10/21/10 | Canistota (DW-01) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$29,407.00 | \$29,407.00 |
| 10/21/10 | DeSmet (DW-01) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$57,244.00 | \$57,244.00 |
| 10/21/10 | Newell (DW-01) | \$136,624.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$136,624.00 |
| 10/22/10 | Clay RWS (DW-02) | \$0.00 | \$24,259.00 | \$0.00 | \$0.00 | \$0.00 | \$24,259.00 |
| 10/22/10 | Mid-Dakota RWS (DW-01) | \$0.00 | \$522,061.00 | \$0.00 | \$0.00 | \$0.00 | \$522,061.00 |
| 10/22/10 | Sioux Falls (DW-06) | \$0.00 | \$257,096.00 | \$0.00 | \$0.00 | \$0.00 | \$257,096.00 |
| 10/22/10 | Sioux Falls (DW-10) | \$0.00 | \$367,435.00 | \$0.00 | \$0.00 | \$0.00 | \$367,435.00 |
| 10/28/10 | Harrisburg (DW-03) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$133,157.00 | \$133,157.00 |
| 10/28/10 | Hill City (DW-01) | \$95,583.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$95,583.00 |
| 10/28/10 | Yankton (DW-03) | \$5,231.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$5,231.00 |
| 10/28/10 | Yankton (DW-04) | \$0.00 | \$208,202.00 | \$0.00 | \$0.00 | \$0.00 | \$208,202.00 |
| 10/28/10 | Yankton (DW-04) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$200,000.00 | \$200,000.00 |
| 11/05/10 | Baltic (DW-02) | \$22,668.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$22,668.00 |
| 11/05/10 | Mina Lake SD (DW-02) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$29,831.00 | \$29,831.00 |
| 11/05/10 | Sturgis (DW-02) | \$2,503.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$2,503.00 |
| 11/05/10 | Watertown (DW-01) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,724,879.00 | \$1,724,879.00 |
| 11/12/10 | Canistota (DW-01) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$72,608.00 | \$72,608.00 |
| 11/12/10 | Clay RWS (DW-03) | \$0.00 | \$12,829.00 | \$0.00 | \$0.00 | \$0.00 | \$12,829.00 |
| 11/12/10 | Lead (DW-03) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$7,879.00 | \$7,879.00 |
| 11/12/10 | Mid-Dakota RWS (DW-01) | \$0.00 | \$132,296.00 | \$0.00 | \$0.00 | \$0.00 | \$132,296.00 |
| 11/17/10 | Sioux Falls (DW-08) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | (\$14,838.00) | (\$14,838.00) |

| Date | Borrower Name | State Funds | Federal Funds | Repayments | Interest/Earnings | Leveraged | Total Disbursement |
|----------|-----------------------------|--------------|---------------|------------|-------------------|----------------|--------------------|
| 11/19/10 | Sioux Falls (DW-06) | \$303,486.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$303,486.00 |
| 11/19/10 | Sioux Falls (DW-10) | \$588,658.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$588,658.00 |
| 11/24/10 | Newell (DW-01) | \$25,110.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$25,110.00 |
| 11/24/10 | Newell (DW-01) | \$0.00 | \$0.00 | \$0.00 | \$10,723.00 | \$0.00 | \$10,723.00 |
| 11/24/10 | Sturgis (DW-02) | \$17,420.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$17,420.00 |
| 12/03/10 | Chamberlain (DW-02) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$187,567.00 | \$187,567.00 |
| 12/03/10 | Clay RWS (DW-03) | \$0.00 | \$17,270.00 | \$0.00 | \$0.00 | \$0.00 | \$17,270.00 |
| 12/03/10 | Colonial Pine Hills (DW-02) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$100,005.00 | \$100,005.00 |
| 12/03/10 | DeSmet (DW-01) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$28,235.00 | \$28,235.00 |
| 12/03/10 | Mid-Dakota RWS (DW-01) | \$0.00 | \$337,373.00 | \$0.00 | \$0.00 | \$0.00 | \$337,373.00 |
| 12/09/10 | Lead (DW-03) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$108,272.00 | \$108,272.00 |
| 12/09/10 | Mid-Dakota RWS (DW-01) | \$0.00 | \$412,262.00 | \$0.00 | \$0.00 | \$0.00 | \$412,262.00 |
| 12/09/10 | Mina Lake SD (DW-02) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$44,536.00 | \$44,536.00 |
| 12/09/10 | Watertown (DW-01) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,147,841.00 | \$1,147,841.00 |
| 12/17/10 | Colonial Pine Hills (DW-02) | \$2,894.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$2,894.00 |
| 12/17/10 | Colonial Pine Hills (DW-02) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$74,149.00 | \$74,149.00 |
| 12/17/10 | DeSmet (DW-01) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$18,105.00 | \$18,105.00 |
| 12/17/10 | Harrisburg (DW-03) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$9,592.00 | \$9,592.00 |
| 12/17/10 | Mitchell (DW-02) | \$0.00 | \$0.00 | \$0.00 | \$13,694.00 | \$0.00 | \$13,694.00 |
| 12/17/10 | Newell (DW-01) | \$0.00 | \$0.00 | \$0.00 | \$44,577.00 | \$0.00 | \$44,577.00 |
| 12/17/10 | Sioux Falls (DW-06) | \$0.00 | \$583,415.00 | \$0.00 | \$0.00 | \$0.00 | \$583,415.00 |
| 12/17/10 | Sioux Falls (DW-10) | \$0.00 | \$201,373.00 | \$0.00 | \$0.00 | \$0.00 | \$201,373.00 |
| 12/17/10 | Sioux Falls (DW-10) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$208,195.00 | \$208,195.00 |
| 12/17/10 | Sioux Falls (DW-10) | \$0.00 | \$0.00 | \$6,587.00 | \$0.00 | \$0.00 | \$6,587.00 |
| 01/04/11 | Huron (DW-02) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$287,692.00 | \$287,692.00 |
| 01/04/11 | Lead (DW-03) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$32,045.00 | \$32,045.00 |
| 01/04/11 | Mina Lake SD (DW-02) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$55,428.00 | \$55,428.00 |
| 01/05/11 | Hanson RWS (DW-01) | \$0.00 | \$45,232.00 | \$0.00 | \$0.00 | \$0.00 | \$45,232.00 |
| 01/05/11 | Mid-Dakota RWS (DW-01) | \$0.00 | \$455,291.00 | \$0.00 | \$0.00 | \$0.00 | \$455,291.00 |
| 01/13/11 | Baltic (DW-02) | \$23,079.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$23,079.00 |
| 01/13/11 | Canistota (DW-01) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$2,000.00 | \$2,000.00 |
| 01/13/11 | Clay RWS (DW-03) | \$0.00 | \$54,582.00 | \$0.00 | \$0.00 | \$0.00 | \$54,582.00 |
| 01/13/11 | Watertown (DW-01) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$936,319.00 | \$936,319.00 |
| 01/13/11 | Yankton (DW-03) | \$0.00 | \$23,151.00 | \$0.00 | \$0.00 | \$0.00 | \$23,151.00 |
| 01/13/11 | Yankton (DW-03) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$277,691.00 | \$277,691.00 |
| 01/13/11 | Yankton (DW-04) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$60,000.00 | \$60,000.00 |
| 01/13/11 | Yankton (DW-04) | \$0.00 | \$4,813.00 | \$0.00 | \$0.00 | \$0.00 | \$4,813.00 |
| 01/26/11 | Elk Point (DW-05) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$68,974.00 | \$68,974.00 |
| 01/26/11 | Mid-Dakota RWS (DW-01) | \$0.00 | \$10,000.00 | \$0.00 | \$0.00 | \$0.00 | \$10,000.00 |
| 01/26/11 | Sioux Falls (DW-06) | \$0.00 | \$357,543.00 | \$0.00 | \$0.00 | \$0.00 | \$357,543.00 |

| Date | Borrower Name | State Funds | Federal Funds | Repayments | Interest/Earnings | Leveraged | Total Disbursement |
|----------|------------------------|-------------|---------------|--------------|-------------------|----------------|--------------------|
| 01/26/11 | Sioux Falls (DW-10) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$59,193.00 | \$59,193.00 |
| 02/03/11 | Harrisburg (DW-03) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$2,099.00 | \$2,099.00 |
| 02/09/11 | Clay RWS (DW-03) | \$0.00 | \$134,322.00 | \$0.00 | \$0.00 | \$0.00 | \$134,322.00 |
| 02/09/11 | Rapid City (DW-02) | \$0.00 | \$11,883.00 | \$0.00 | \$0.00 | \$0.00 | \$11,883.00 |
| 02/09/11 | Rapid City (DW-02) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$34,185.00 | \$34,185.00 |
| 02/09/11 | Watertown (DW-01) | \$0.00 | \$0.00 | \$123,217.00 | \$0.00 | \$0.00 | \$123,217.00 |
| 02/09/11 | Watertown (DW-01) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$513,481.00 | \$513,481.00 |
| 02/18/11 | Corson Village (DW-01) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$34,245.00 | \$34,245.00 |
| 02/18/11 | Harrisburg (DW-03) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$97,923.00 | \$97,923.00 |
| 02/18/11 | Ipswich (DW-01) | \$0.00 | \$0.00 | \$9,093.00 | \$0.00 | \$0.00 | \$9,093.00 |
| 02/18/11 | Lead (DW-03) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$11,571.00 | \$11,571.00 |
| 02/18/11 | Sioux Falls (DW-06) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$285,695.00 | \$285,695.00 |
| 02/18/11 | Sioux Falls (DW-06) | \$0.00 | \$112,242.00 | \$0.00 | \$0.00 | \$0.00 | \$112,242.00 |
| 02/23/11 | Mina Lake SD (DW-02) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$853.00 | \$853.00 |
| 02/23/11 | Sioux Falls (DW-10) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$109,113.00 | \$109,113.00 |
| 02/23/11 | Sioux Falls (DW-11) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$78,797.00 | \$78,797.00 |
| 03/17/11 | Harrisburg (DW-03) | \$0.00 | \$0.00 | \$6,314.00 | \$0.00 | \$0.00 | \$6,314.00 |
| 03/17/11 | Ipswich (DW-01) | \$0.00 | \$0.00 | \$39,954.00 | \$0.00 | \$0.00 | \$39,954.00 |
| 03/17/11 | Sioux Falls (DW-06) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$406,754.00 | \$406,754.00 |
| 03/17/11 | Sioux Falls (DW-10) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$108,321.00 | \$108,321.00 |
| 03/17/11 | Sioux Falls (DW-11) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$28,352.00 | \$28,352.00 |
| 03/17/11 | Watertown (DW-01) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$857,915.00 | \$857,915.00 |
| 03/31/11 | Mina Lake SD (DW-02) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$345.00 | \$345.00 |
| 03/31/11 | Mina Lake SD (DW-02) | \$0.00 | \$0.00 | \$1,261.00 | \$0.00 | \$0.00 | \$1,261.00 |
| 04/06/11 | Clay RWS (DW-03) | \$0.00 | \$65,177.00 | \$0.00 | \$0.00 | \$0.00 | \$65,177.00 |
| 04/06/11 | Watertown (DW-01) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,000,000.00 | \$1,000,000.00 |
| 04/06/11 | Watertown (DW-01) | \$0.00 | \$0.00 | \$248,715.00 | \$0.00 | \$0.00 | \$248,715.00 |
| 04/20/11 | Ipswich (DW-01) | \$0.00 | \$0.00 | \$64,503.00 | \$0.00 | \$0.00 | \$64,503.00 |
| 04/20/11 | Mitchell (DW-02) | \$0.00 | \$0.00 | \$0.00 | \$58,870.00 | \$0.00 | \$58,870.00 |
| 04/20/11 | Sioux Falls (DW-06) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$257,641.00 | \$257,641.00 |
| 04/20/11 | Sioux Falls (DW-10) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$76,966.00 | \$76,966.00 |
| 04/20/11 | Sioux Falls (DW-11) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$37,128.00 | \$37,128.00 |
| 05/11/11 | Clay RWS (DW-03) | \$0.00 | \$106,378.00 | \$0.00 | \$0.00 | \$0.00 | \$106,378.00 |
| 05/11/11 | Clay RWS (DW-03) | \$0.00 | \$218,622.00 | \$0.00 | \$0.00 | \$0.00 | \$218,622.00 |
| 05/11/11 | Mellette (DW-01) | \$6,261.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$6,261.00 |
| 05/11/11 | Newell (DW-01) | \$0.00 | \$0.00 | \$0.00 | \$66,739.00 | \$0.00 | \$66,739.00 |
| 05/11/11 | Rapid City (DW-02) | \$0.00 | \$0.00 | \$0.00 | \$59,040.00 | \$0.00 | \$59,040.00 |
| 05/11/11 | Rapid City (DW-02) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$14,838.00 | \$14,838.00 |
| 05/11/11 | Yankton (DW-03) | \$0.00 | \$231,744.00 | \$0.00 | \$0.00 | \$0.00 | \$231,744.00 |
| 05/12/11 | Watertown (DW-01) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$886,042.00 | \$886,042.00 |

| Date | Borrower Name | State Funds | Federal Funds | Repayments | Interest/Earnings | Leveraged | Total Disbursement |
|----------|---------------------|-------------|---------------|--------------|-------------------|--------------|--------------------|
| 05/19/11 | Clay RWS (DW-03) | \$0.00 | \$449.00 | \$0.00 | \$0.00 | \$0.00 | \$449.00 |
| 05/19/11 | Ipswich (DW-01) | \$0.00 | \$0.00 | \$1,580.00 | \$0.00 | \$0.00 | \$1,580.00 |
| 05/19/11 | Sioux Falls (DW-06) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$359,987.00 | \$359,987.00 |
| 05/19/11 | Sioux Falls (DW-10) | \$1,962.00 | \$40,000.00 | \$0.00 | \$0.00 | \$0.00 | \$41,962.00 |
| 05/19/11 | Sioux Falls (DW-11) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$5,723.00 | \$5,723.00 |
| 05/19/11 | Sioux Falls (DW-11) | \$0.00 | \$0.00 | \$3,044.00 | \$0.00 | \$0.00 | \$3,044.00 |
| 05/25/11 | Yankton (DW-03) | \$6,890.00 | \$30,000.00 | \$0.00 | \$0.00 | \$0.00 | \$36,890.00 |
| 05/25/11 | Yankton (DW-03) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$173,684.00 | \$173,684.00 |
| 06/09/11 | Aberdeen (DW-02) | \$0.00 | \$0.00 | \$18,211.00 | \$0.00 | \$0.00 | \$18,211.00 |
| 06/09/11 | Clay RWS (DW-03) | \$0.00 | \$164,479.00 | \$0.00 | \$0.00 | \$0.00 | \$164,479.00 |
| 06/09/11 | Dell Rapids (DW-03) | \$2,639.00 | \$30,000.00 | \$0.00 | \$0.00 | \$0.00 | \$32,639.00 |
| 06/09/11 | Hanson RWS (DW-01) | \$0.00 | \$12,169.00 | \$0.00 | \$0.00 | \$0.00 | \$12,169.00 |
| 06/09/11 | Mitchell (DW-02) | \$0.00 | \$0.00 | \$0.00 | \$26,133.00 | \$0.00 | \$26,133.00 |
| 06/09/11 | Watertown (DW-01) | \$0.00 | \$0.00 | \$524,602.00 | \$0.00 | \$0.00 | \$524,602.00 |
| 06/22/11 | Newell (DW-01) | \$0.00 | \$0.00 | \$0.00 | \$36,135.00 | \$0.00 | \$36,135.00 |
| 06/22/11 | Sioux Falls (DW-06) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$180,230.00 | \$180,230.00 |
| 06/22/11 | Sioux Falls (DW-06) | \$0.00 | \$0.00 | \$0.00 | \$182,971.00 | \$0.00 | \$182,971.00 |
| 06/22/11 | Sioux Falls (DW-10) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,407.00 | \$1,407.00 |
| 06/22/11 | Sioux Falls (DW-10) | \$658.00 | \$40,000.00 | \$0.00 | \$0.00 | \$0.00 | \$40,658.00 |
| 06/22/11 | Sioux Falls (DW-11) | \$0.00 | \$0.00 | \$36,707.00 | \$0.00 | \$0.00 | \$36,707.00 |
| 06/22/11 | Viborg (DW-02) | \$0.00 | \$53,232.00 | \$0.00 | \$0.00 | \$0.00 | \$53,232.00 |
| 06/22/11 | Viborg (DW-02) | \$0.00 | \$0.00 | \$8,523.00 | \$0.00 | \$0.00 | \$8,523.00 |
| 06/28/11 | Elk Point (DW-05) | \$0.00 | \$0.00 | \$34,557.00 | \$0.00 | \$0.00 | \$34,557.00 |
| 06/28/11 | Ipswich (DW-01) | \$0.00 | \$0.00 | \$4,414.00 | \$0.00 | \$0.00 | \$4,414.00 |
| 06/28/11 | Mitchell (DW-02) | \$0.00 | \$0.00 | \$0.00 | \$114,490.00 | \$0.00 | \$114,490.00 |
| 07/08/11 | Clay RWS (DW-03) | \$0.00 | \$355,403.00 | \$0.00 | \$0.00 | \$0.00 | \$355,403.00 |
| 07/08/11 | Watertown (DW-01) | \$0.00 | \$0.00 | \$949,726.00 | \$0.00 | \$0.00 | \$949,726.00 |
| 07/15/11 | Dell Rapids (DW-03) | \$0.00 | \$2,361.00 | \$0.00 | \$0.00 | \$0.00 | \$2,361.00 |
| 07/15/11 | Dell Rapids (DW-03) | \$0.00 | \$0.00 | \$113,478.00 | \$0.00 | \$0.00 | \$113,478.00 |
| 07/15/11 | Delmont (DW-02) | \$0.00 | \$13,916.00 | \$0.00 | \$0.00 | \$0.00 | \$13,916.00 |
| 07/15/11 | Hanson RWS (DW-01) | \$0.00 | \$17,041.00 | \$0.00 | \$0.00 | \$0.00 | \$17,041.00 |
| 07/15/11 | Oacoma (DW-02) | \$0.00 | \$0.00 | \$111,962.00 | \$0.00 | \$0.00 | \$111,962.00 |
| 07/20/11 | Ipswich (DW-01) | \$0.00 | \$0.00 | \$1,038.00 | \$0.00 | \$0.00 | \$1,038.00 |
| 07/20/11 | Mitchell (DW-02) | \$0.00 | \$0.00 | \$0.00 | \$159,965.00 | \$0.00 | \$159,965.00 |
| 07/20/11 | Sioux Falls (DW-06) | \$0.00 | \$0.00 | \$0.00 | \$386,774.00 | \$0.00 | \$386,774.00 |
| 07/20/11 | Sioux Falls (DW-10) | \$0.00 | \$0.00 | \$249.00 | \$0.00 | \$0.00 | \$249.00 |
| 07/20/11 | Sioux Falls (DW-11) | \$0.00 | \$0.00 | \$89,327.00 | \$0.00 | \$0.00 | \$89,327.00 |
| 08/04/11 | Viborg (DW-02) | \$0.00 | \$7,302.00 | \$0.00 | \$0.00 | \$0.00 | \$7,302.00 |
| 08/04/11 | Viborg (DW-02) | \$0.00 | \$0.00 | \$1,168.00 | \$0.00 | \$0.00 | \$1,168.00 |
| 08/12/11 | Clay RWS (DW-03) | \$0.00 | \$292,349.00 | \$0.00 | \$0.00 | \$0.00 | \$292,349.00 |

| Date | Borrower Name | State Funds | Federal Funds | Repayments | Interest/Earnings | Leveraged | Total Disbursement |
|---------------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|------------------------|
| 08/12/11 | Dell Rapids (DW-03) | \$0.00 | \$0.00 | \$89,663.00 | \$0.00 | \$0.00 | \$89,663.00 |
| 08/12/11 | Oacoma (DW-02) | \$0.00 | \$0.00 | \$392,406.00 | \$0.00 | \$0.00 | \$392,406.00 |
| 08/15/11 | Watertown (DW-01) | \$0.00 | \$0.00 | \$690,550.00 | \$0.00 | \$0.00 | \$690,550.00 |
| 08/19/11 | Aberdeen (DW-02) | \$0.00 | \$0.00 | \$37,828.00 | \$0.00 | \$0.00 | \$37,828.00 |
| 08/19/11 | Lead (DW-03) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$14,717.00 | \$14,717.00 |
| 08/19/11 | Lead (DW-03) | \$0.00 | \$0.00 | \$0.00 | \$13,228.00 | \$0.00 | \$13,228.00 |
| 08/19/11 | Mina Lake SD (DW-02) | \$0.00 | \$0.00 | \$34,258.00 | \$0.00 | \$0.00 | \$34,258.00 |
| 08/19/11 | Sioux Falls (DW-06) | \$0.00 | \$0.00 | \$0.00 | \$73,699.00 | \$0.00 | \$73,699.00 |
| 08/19/11 | Sioux Falls (DW-10) | \$6,561.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$6,561.00 |
| 08/19/11 | Sioux Falls (DW-11) | \$0.00 | \$0.00 | \$177,754.00 | \$0.00 | \$0.00 | \$177,754.00 |
| 08/19/11 | Yankton (DW-03) | \$10,324.00 | \$300,000.00 | \$0.00 | \$0.00 | \$0.00 | \$310,324.00 |
| 08/26/11 | Viborg (DW-02) | \$0.00 | \$80,510.00 | \$0.00 | \$0.00 | \$0.00 | \$80,510.00 |
| 08/26/11 | Viborg (DW-02) | \$0.00 | \$0.00 | \$12,890.00 | \$0.00 | \$0.00 | \$12,890.00 |
| 09/12/11 | Mina Lake SD (DW-02) | \$0.00 | \$0.00 | \$7,823.00 | \$0.00 | \$0.00 | \$7,823.00 |
| 09/13/11 | Watertown (DW-01) | \$0.00 | \$0.00 | \$2,069,943.00 | \$0.00 | \$0.00 | \$2,069,943.00 |
| 09/15/11 | Clay RWS (DW-03) | \$0.00 | \$275,254.00 | \$0.00 | \$0.00 | \$0.00 | \$275,254.00 |
| 09/15/11 | Faulkton DW-02 | \$0.00 | \$91,510.00 | \$0.00 | \$0.00 | \$0.00 | \$91,510.00 |
| 09/15/11 | Faulkton DW-02 | \$0.00 | \$0.00 | \$26,720.00 | \$0.00 | \$0.00 | \$26,720.00 |
| 09/23/11 | Dell Rapids (DW-03) | \$0.00 | \$0.00 | \$54,646.00 | \$0.00 | \$0.00 | \$54,646.00 |
| 09/23/11 | Oacoma (DW-02) | \$0.00 | \$0.00 | \$196,072.00 | \$0.00 | \$0.00 | \$196,072.00 |
| 09/23/11 | Sioux Falls (DW-11) | \$0.00 | \$0.00 | \$410,101.00 | \$0.00 | \$0.00 | \$410,101.00 |
| 09/23/11 | Viborg (DW-02) | \$0.00 | \$17,959.00 | \$0.00 | \$0.00 | \$0.00 | \$17,959.00 |
| 09/23/11 | Viborg (DW-02) | \$0.00 | \$0.00 | \$2,875.00 | \$0.00 | \$0.00 | \$2,875.00 |
| 09/26/11 | Sioux Falls (DW-10) | \$0.00 | \$3,463.00 | \$0.00 | \$0.00 | \$0.00 | \$3,463.00 |
| 09/28/11 | Delmont (DW-02) | \$0.00 | \$76,084.00 | \$0.00 | \$0.00 | \$0.00 | \$76,084.00 |
| 09/28/11 | Lead (DW-03) | \$0.00 | \$0.00 | \$0.00 | \$16,898.00 | \$0.00 | \$16,898.00 |
| 09/28/11 | Newell (DW-01) | \$0.00 | \$0.00 | \$0.00 | \$20,245.00 | \$0.00 | \$20,245.00 |
| Total Base Program | | \$2,019,674.00 | \$8,447,700.00 | \$6,601,759.00 | \$1,284,181.00 | \$12,013,794.00 | \$30,367,108.00 |

**LOAN DISBURSEMENTS
ARRA PROGRAM**

| Date | Borrower Name | Total Disbursement |
|---|----------------------------|------------------------|
| 10/07/10 | Hanson RWS (DW-01) | \$138,282.00 |
| 10/13/10 | Elk Point (DW-05) | \$58,240.00 |
| 10/13/10 | Lead (DW-03) | \$17,031.00 |
| 10/13/10 | Mitchell (DW-02) | \$95,145.00 |
| 10/18/10 | Ipswich (DW-01) | \$131,099.00 |
| 10/18/10 | Rapid Valley San Dist (01) | \$169,675.00 |
| 10/20/10 | Canistota (DW-01) | \$83,280.00 |
| 10/20/10 | Sioux Falls (DW-09) | \$255,744.00 |
| 10/27/10 | Hill City (DW-01) | \$241,320.00 |
| 10/27/10 | Woonsocket (DW-01) | \$15,092.00 |
| 11/03/10 | Mellette (DW-01) | \$49,744.00 |
| 11/03/10 | Mina Lake SD (DW-02) | \$28,771.00 |
| 11/03/10 | Warner (DW-01) | \$255,208.00 |
| 11/12/10 | Lead (DW-03) | \$89,347.00 |
| 11/12/10 | Northville (DW-01) | \$53,212.00 |
| 11/19/10 | Ipswich (DW-01) | \$99,370.00 |
| 11/19/10 | Sioux Falls (DW-09) | \$121,744.00 |
| 12/01/10 | Corson Village (DW-01) | \$117,814.00 |
| 12/01/10 | Elk Point (DW-05) | \$43,915.00 |
| 12/01/10 | Groton (DW-03) | \$36,718.00 |
| 12/15/10 | Ipswich (DW-01) | \$70,023.00 |
| 12/15/10 | Mitchell (DW-02) | \$62,752.00 |
| 12/15/10 | Sioux Falls (DW-09) | \$10,233.00 |
| 12/23/10 | Hanson RWS (DW-01) | \$9,070.00 |
| 01/03/11 | Elk Point (DW-05) | \$22,239.00 |
| 01/03/11 | Groton (DW-03) | \$20,610.00 |
| 01/20/11 | Elk Point (DW-05) | \$191,772.00 |
| 01/20/11 | Ipswich (DW-01) | \$38,410.00 |
| 01/20/11 | Sioux Falls (DW-09) | \$3,788.00 |
| 01/25/11 | Northville (DW-01) | \$17,542.00 |
| 01/26/11 | Groton (DW-03) | \$385.00 |
| 02/15/11 | Corson Village (DW-01) | \$53,771.00 |
| 02/15/11 | Ipswich (DW-01) | \$12,329.00 |
| 02/15/11 | Sioux Falls (DW-09) | \$1,197.00 |
| 03/15/11 | Sioux Falls (DW-09) | \$2,732.00 |
| 05/02/11 | Mellette (DW-01) | \$105,100.00 |
| 06/07/11 | Aberdeen (DW-02) | \$120,016.00 |
| 07/28/11 | Northville (DW-01) | \$4,637.00 |
| 08/25/11 | Woonsocket (DW-01) | \$16,830.00 |
| 09/23/11 | Lead (DW-03) | \$1,928.00 |
| Total ARRA Program | | \$2,866,115.00 |
| Total Loan Disbursements (Base Program and ARRA) | | \$33,233,223.00 |

SET-ASIDE DISBURSEMENTS

| Date | Payee | Cost of Issuance | Admin Federal | Set-Aside Federal | ARRA Tech Asst | State Admin |
|-------------|-------------------------|-------------------------|----------------------|--------------------------|-----------------------|--------------------|
| 10/22/10 | SD - Admin | \$0.00 | \$23,000.00 | \$0.00 | \$0.00 | \$0.00 |
| 10/22/10 | SD - Tech Assist | \$0.00 | \$0.00 | \$20,000.00 | \$0.00 | \$0.00 |
| 10/22/10 | SD-Planning Dist Grants | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$27,500.00 |
| 10/22/10 | SD-Davis-Bacon | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,750.00 |
| 11/12/10 | Moody's | \$4,247.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 11/19/10 | Perkins Coie | \$22,524.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 11/19/10 | SD-ARRA Tech Asst | \$0.00 | \$0.00 | \$0.00 | \$24,600.00 | \$0.00 |
| 11/22/10 | SD - Admin | \$0.00 | \$22,800.00 | \$0.00 | \$0.00 | \$0.00 |
| 11/22/10 | SD - Tech Assist | \$0.00 | \$0.00 | \$9,200.00 | \$0.00 | \$0.00 |
| 11/22/10 | SD-Planning Dist Grants | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$9,250.00 |
| 11/22/10 | SD-Davis-Bacon | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$3,000.00 |
| 12/09/10 | FNB | \$0.00 | \$29,325.00 | \$0.00 | \$0.00 | \$0.00 |
| 12/17/10 | SD - Admin | \$0.00 | \$20,200.00 | \$0.00 | \$0.00 | \$0.00 |
| 12/17/10 | SD - Tech Assist | \$0.00 | \$0.00 | \$10,000.00 | \$0.00 | \$0.00 |
| 12/17/10 | SD - State Program | \$0.00 | \$0.00 | \$4,700.00 | \$0.00 | \$0.00 |
| 12/17/10 | SD-Planning Dist Grants | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$5,000.00 |
| 12/17/10 | SD-Davis-Bacon | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$750.00 |
| 12/20/10 | SD-ARRA Tech Asst | \$0.00 | \$0.00 | \$0.00 | \$57,000.00 | \$0.00 |
| 01/13/11 | FNB | \$1,862.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 01/13/11 | Public Financial Mgmt | \$12,621.98 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 01/13/11 | Standard & Poor's | \$15,596.49 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 01/13/11 | Grant Thornton LLP | \$1,034.25 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 01/13/11 | ImageMaster LLC | \$1,176.56 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 01/25/11 | SD - Admin | \$0.00 | \$23,400.00 | \$0.00 | \$0.00 | \$0.00 |
| 01/25/11 | SD - Tech Assist | \$0.00 | \$0.00 | \$16,000.00 | \$0.00 | \$0.00 |
| 01/25/11 | SD-Planning Dist Grants | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$7,500.00 |
| 02/09/11 | SD - Admin | \$0.00 | \$21,800.00 | \$0.00 | \$0.00 | \$0.00 |
| 02/09/11 | SD - State Program | \$0.00 | \$0.00 | \$1,200.00 | \$0.00 | \$0.00 |
| 02/09/11 | SD-Planning Dist Grants | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$7,500.00 |
| 02/09/11 | SD-Davis-Bacon | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$750.00 |
| 02/17/11 | Perkins Coie | \$26,316.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 03/16/11 | SD - Admin | \$0.00 | \$18,600.00 | \$0.00 | \$0.00 | \$0.00 |
| 03/16/11 | SD - Tech Assist | \$0.00 | \$0.00 | \$15,120.00 | \$0.00 | \$0.00 |
| 03/16/11 | SD - Tech Assist | \$0.00 | \$0.00 | \$4,800.00 | \$0.00 | \$0.00 |
| 03/16/11 | SD-Davis-Bacon | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$750.00 |
| 04/08/11 | SD - Admin | \$0.00 | \$4,781.00 | \$0.00 | \$0.00 | \$0.00 |
| 04/08/11 | SD - Admin | \$0.00 | \$27,000.00 | \$0.00 | \$0.00 | \$0.00 |
| 04/08/11 | SD-Planning Dist Grants | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$43,250.00 |
| 04/08/11 | SD-Davis-Bacon | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$8,000.00 |
| 05/06/11 | Public Financial Mgmt | \$1,034.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 05/19/11 | SD - Admin | \$0.00 | \$29,000.00 | \$0.00 | \$0.00 | \$0.00 |
| 05/19/11 | SD - Tech Assist | \$0.00 | \$0.00 | \$36,000.00 | \$0.00 | \$0.00 |
| 05/19/11 | SD - State Program | \$0.00 | \$0.00 | \$4,700.00 | \$0.00 | \$0.00 |
| 05/19/11 | SD-Planning Dist Grants | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$25,000.00 |
| 05/19/11 | SD-Davis-Bacon | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,750.00 |
| 06/09/11 | Moody's | \$13,400.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 06/21/11 | SD - Admin | \$0.00 | \$8,500.00 | \$0.00 | \$0.00 | \$0.00 |
| 06/21/11 | SD - Tech Assist | \$0.00 | \$0.00 | \$4,800.00 | \$0.00 | \$0.00 |
| 06/21/11 | SD-Planning Dist Grants | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$2,500.00 |
| 06/23/11 | FNB | \$0.00 | \$29,000.00 | \$0.00 | \$0.00 | \$0.00 |
| 06/23/11 | FNB | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$112.50 |
| 07/27/11 | SD - Admin | \$0.00 | \$31,100.00 | \$0.00 | \$0.00 | \$0.00 |
| 07/27/11 | SD-Planning Dist Grants | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$10,000.00 |
| 07/27/11 | SD-Davis-Bacon | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$750.00 |

| Draw # | Date | Loan | Admin | Tech Asst | Local Asst | ARRA | | Total |
|--------|----------|--------------------|------------------|------------------|-----------------|-----------------|--------------------|---------------------|
| | | | | | | Tech Asst | ARRA Loan | |
| 0067 | 11/15/10 | \$0 | \$0 | \$0 | \$0 | \$0 | \$142,559 | \$142,559 |
| 0606 | 11/19/10 | \$0 | \$0 | \$0 | \$0 | \$24,600 | \$0 | \$24,600 |
| 0068 | 11/22/10 | \$0 | \$0 | \$0 | \$0 | \$0 | \$221,114 | \$221,114 |
| 0817 | 11/22/10 | \$0 | \$22,800 | \$9,200 | \$0 | \$0 | \$0 | \$32,000 |
| 0069 | 12/02/10 | \$0 | \$0 | \$0 | \$0 | \$0 | \$198,447 | \$198,447 |
| 0818 | 12/02/10 | \$354,643 | \$0 | \$0 | \$0 | \$0 | \$0 | \$354,643 |
| 0818 | 12/08/10 | \$412,262 | \$29,325 | \$0 | \$0 | \$0 | \$0 | \$441,587 |
| 0070 | 12/16/10 | \$0 | \$0 | \$0 | \$0 | \$0 | \$143,008 | \$143,008 |
| 0820 | 12/16/10 | \$784,788 | \$20,200 | \$10,000 | \$4,700 | \$0 | \$0 | \$819,688 |
| 0607 | 12/20/10 | \$0 | \$0 | \$0 | \$0 | \$57,000 | \$0 | \$57,000 |
| 0073 | 12/23/10 | \$0 | \$0 | \$0 | \$0 | \$0 | \$9,070 | \$9,070 |
| 0074 | 01/04/11 | \$0 | \$0 | \$0 | \$0 | \$0 | \$42,849 | \$42,849 |
| 0821 | 01/04/11 | \$500,523 | \$0 | \$0 | \$0 | \$0 | \$0 | \$500,523 |
| 0822 | 01/12/11 | \$420,237 | \$0 | \$0 | \$0 | \$0 | \$0 | \$420,237 |
| 0823 | 01/13/11 | (\$337,691) | \$0 | \$0 | \$0 | \$0 | \$0 | (\$337,691) |
| 0075 | 01/21/11 | \$0 | \$0 | \$0 | \$0 | \$0 | \$233,970 | \$233,970 |
| 0824 | 01/24/11 | \$0 | \$23,400 | \$16,000 | \$0 | \$0 | \$0 | \$39,400 |
| 0076 | 01/25/11 | \$0 | \$0 | \$0 | \$0 | \$0 | \$17,542 | \$17,542 |
| 0825 | 01/25/11 | \$367,543 | \$0 | \$0 | \$0 | \$0 | \$0 | \$367,543 |
| 0077 | 01/27/11 | \$0 | \$0 | \$0 | \$0 | \$0 | \$385 | \$385 |
| 0827 | 02/08/11 | \$146,205 | \$21,800 | \$0 | \$1,200 | \$0 | \$0 | \$169,205 |
| 0079 | 02/16/11 | \$0 | \$0 | \$0 | \$0 | \$0 | \$67,297 | \$67,297 |
| 0828 | 02/17/11 | \$112,242 | \$0 | \$0 | \$0 | \$0 | \$0 | \$112,242 |
| 0830 | 03/15/11 | \$0 | \$18,600 | \$19,920 | \$0 | \$0 | \$0 | \$38,520 |
| 0082 | 03/16/11 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,732 | \$2,732 |
| 0831 | 04/05/11 | \$65,177 | \$0 | \$0 | \$0 | \$0 | \$0 | \$65,177 |
| 0832 | 04/07/11 | \$0 | \$31,781 | \$0 | \$0 | \$0 | \$0 | \$31,781 |
| 0085 | 05/03/11 | \$0 | \$0 | \$0 | \$0 | \$0 | \$105,100 | \$105,100 |
| 0834 | 05/10/11 | \$556,744 | \$0 | \$0 | \$0 | \$0 | \$0 | \$556,744 |
| 0835 | 05/18/11 | \$70,449 | \$29,000 | \$36,000 | \$4,700 | \$0 | \$0 | \$140,149 |
| 0087 | 06/08/11 | \$0 | \$0 | \$0 | \$0 | \$0 | \$120,016 | \$120,016 |
| 0836 | 06/08/11 | \$206,648 | \$0 | \$0 | \$0 | \$0 | \$0 | \$206,648 |
| 0837 | 06/20/11 | \$0 | \$8,500 | \$4,800 | \$0 | \$0 | \$0 | \$13,300 |
| 0838 | 06/21/11 | \$93,232 | \$0 | \$0 | \$0 | \$0 | \$0 | \$93,232 |
| 0839 | 06/22/11 | \$0 | \$29,000 | \$0 | \$0 | \$0 | \$0 | \$29,000 |
| 0840 | 07/07/11 | \$355,403 | \$0 | \$0 | \$0 | \$0 | \$0 | \$355,403 |
| 0841 | 07/14/11 | \$33,318 | \$0 | \$0 | \$0 | \$0 | \$0 | \$33,318 |
| 0843 | 07/26/11 | \$0 | \$31,100 | \$0 | \$0 | \$0 | \$0 | \$31,100 |
| 0090 | 07/29/11 | \$0 | \$0 | \$0 | \$0 | \$0 | \$4,637 | \$4,637 |
| 0844 | 08/03/11 | \$7,302 | \$0 | \$0 | \$0 | \$0 | \$0 | \$7,302 |
| 0846 | 08/11/11 | \$292,349 | \$0 | \$0 | \$0 | \$0 | \$0 | \$292,349 |
| 0847 | 08/12/11 | \$0 | \$19,100 | \$31,500 | \$5,300 | \$0 | \$0 | \$55,900 |
| 0848 | 08/18/11 | \$300,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$300,000 |
| 0849 | 08/25/11 | \$80,510 | \$0 | \$0 | \$0 | \$0 | \$0 | \$80,510 |
| 0092 | 08/26/11 | \$0 | \$0 | \$0 | \$0 | \$0 | \$16,830 | \$16,830 |
| 0851 | 09/14/11 | \$366,764 | \$0 | \$0 | \$0 | \$0 | \$0 | \$366,764 |
| 0851 | 09/20/11 | \$0 | \$20,000 | \$8,000 | \$0 | \$0 | \$0 | \$28,000 |
| 0853 | 09/22/11 | \$17,959 | \$0 | \$0 | \$0 | \$0 | \$0 | \$17,959 |
| 0854 | 09/23/11 | (\$17,959) | \$0 | \$0 | \$0 | \$0 | \$0 | (\$17,959) |
| 0854 | 09/23/11 | \$21,422 | \$0 | \$0 | \$0 | \$0 | \$0 | \$21,422 |
| 0094 | 09/26/11 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,928 | \$1,928 |
| 0855 | 09/27/11 | \$76,084 | \$6,446 | \$0 | \$0 | \$0 | \$0 | \$82,530 |
| | | \$8,447,700 | \$334,052 | \$155,420 | \$15,900 | \$81,600 | \$2,866,115 | \$11,900,787 |

EXHIBIT VI
Environmental Review and Land Purchase Information

Completed During Federal Fiscal Year 2011

| Recipient | Environmental Assessment Class | Environmental Assessment Publication Date | Land Purchase w/ SRF? |
|---------------------------|---------------------------------------|--|------------------------------|
| Box Elder (DW-01) | FNSI Amend. | 03/05/2011 | No |
| Clay RWS (DW-04) | CATEX | 09/30/2011 | No |
| Colton (DW-02) | CATEX | 07/21/2011 | No |
| Faulkton (DW-02) | CATEX Amend. | 07/20/2011 | No |
| Gayville (DW-01) | CATEX | 07/29/2011 | No |
| Gregory (DW-02) | CATEX | 12/01/2010 | No |
| Menno (DW-01) | CATEX | 09/29/2011 | No |
| Mid-Dakota RWS (DW-03) | FNSI | 09/23/2011 | No |
| Montrose (DW-01) | CATEX | 03/25/2011 | No |
| Piedmont (DW-01) | FNSI | 04/11/2011 | No |
| Pierpont (DW-01) | CATEX | 08/15/2011 | No |
| Plankinton (DW-01) | CATEX | 07/14/2011 | No |
| Sioux Falls (DW-11) | CATEX | 11/19/2010 | No |
| South Lincoln RWS (DW-02) | CATEX | 07/05/2011 | No |
| Sturgis (DW-03) | CATEX Amend. | 07/13/2011 | No |
| Vermillion (DW-04) | CATEX | 12/24/2010 | No |
| Viborg (DW-02) | CATEX | 12/16/2010 | No |

Awarded During Federal Fiscal Year 2011 and Still Pending

| Recipient | Environmental Assessment Class | Land Purchase w/ SRF? |
|-----------------------------|---------------------------------------|------------------------------|
| Butte Meade SWD (DW-01) | CATEX | No |
| Doland (DW-01) | CATEX | No |
| McLaughlin (DW-02) | CATEX | No |
| TM RWD (DW-01) | CATEX | No |
| TM RWD (DW-02) | CATEX | No |
| Trail West San Dist (DW-01) | CATEX | No |

EXHIBIT VII
DWSRF Loan Transactions by Borrower
Status as of September 30, 2011

| Borrower | Committed Amount | ARRA Advance | Federal Advance | State Advance | Recycled Advance | Leveraged Advance | Total Advances | Principal Forgiven | Principal Repayments | Loan Balance |
|-----------------------------|-------------------------|---------------------|------------------------|----------------------|-------------------------|--------------------------|-----------------------|---------------------------|-----------------------------|---------------------|
| Aberdeen (DW-01A) | \$9,460,000 | \$0 | \$5,212,008 | \$1,611,628 | \$2,636,364 | \$0 | \$9,460,000 | \$0 | \$1,884,763.01 | \$7,575,236.99 |
| Aberdeen (DW-01B) | \$7,024,258 | \$0 | \$830,686 | \$953,745 | \$0 | \$5,239,827 | \$7,024,258 | \$0 | \$1,382,322.19 | \$5,641,935.81 |
| Aberdeen (DW-02) | \$1,330,118 | \$1,118,399 | \$0 | \$0 | \$56,039 | \$155,680 | \$1,330,118 | \$133,012 | \$0.00 | \$1,197,106.00 |
| Arlington (DW-01) | \$100,000 | \$100,000 | \$0 | \$0 | \$0 | \$0 | \$100,000 | \$100,000 | \$0.00 | \$0.00 |
| Aurora-Brule RWS (DW-01) | \$500,000 | \$500,000 | \$0 | \$0 | \$0 | \$0 | \$500,000 | \$500,000 | \$0.00 | \$0.00 |
| Baltic (DW-01) | \$250,000 | \$0 | \$174,962 | \$75,038 | \$0 | \$0 | \$250,000 | \$0 | \$74,107.57 | \$175,892.43 |
| Baltic (DW-02) | \$163,446 | \$16,500 | \$0 | \$146,946 | \$0 | \$0 | \$163,446 | \$16,345 | \$0.00 | \$147,101.00 |
| BDM RWS (DW-01) | \$280,251 | \$0 | \$280,251 | \$0 | \$0 | \$0 | \$280,251 | \$0 | \$84,519.16 | \$195,731.84 |
| Big Stone City (DW-01) | \$570,000 | \$0 | \$570,000 | \$0 | \$0 | \$0 | \$570,000 | \$0 | \$271,344.47 | \$298,655.53 |
| Big Stone City (DW-02) | \$139,873 | \$0 | \$40,000 | \$99,873 | \$0 | \$0 | \$139,873 | \$0 | \$32,623.97 | \$107,249.03 |
| Black Hawk WUD (DW-01) | \$500,000 | \$0 | \$390,376 | \$109,624 | \$0 | \$0 | \$500,000 | \$0 | \$231,280.23 | \$268,719.77 |
| Black Hawk WUD (DW-02) | \$1,066,674 | \$0 | \$152,088 | \$99,816 | \$0 | \$814,770 | \$1,066,674 | \$0 | \$48,372.06 | \$1,018,301.94 |
| Bowdle (DW-01) | \$150,000 | \$150,000 | \$0 | \$0 | \$0 | \$0 | \$150,000 | \$150,000 | \$0.00 | \$0.00 |
| Brandon (DW-01) | \$1,877,375 | \$0 | \$1,877,375 | \$0 | \$0 | \$0 | \$1,877,375 | \$0 | \$1,313,868.33 | \$563,506.67 |
| Britton (DW-01) | \$320,000 | \$0 | \$317,146 | \$2,854 | \$0 | \$0 | \$320,000 | \$0 | \$111,359.87 | \$208,640.13 |
| Brookings-Deuel RWS (DW-01) | \$1,002,464 | \$0 | \$860,281 | \$0 | \$142,183 | \$0 | \$1,002,464 | \$0 | \$90,106.71 | \$912,357.29 |
| Brookings-Deuel RWS (DW-02) | \$1,750,000 | \$0 | \$1,750,000 | \$0 | \$0 | \$0 | \$1,750,000 | \$0 | \$121,416.08 | \$1,628,583.92 |
| Bryant (DW-01) | \$142,000 | \$0 | \$133,962 | \$8,038 | \$0 | \$0 | \$142,000 | \$0 | \$32,653.13 | \$109,346.87 |
| Burke (DW-01) | \$115,600 | \$0 | \$0 | \$0 | \$0 | \$115,600 | \$115,600 | \$0 | \$12,336.89 | \$103,263.11 |
| Canistota (DW-01) | \$426,460 | \$313,960 | \$0 | \$0 | \$8,485 | \$104,015 | \$426,460 | \$313,960 | \$581.35 | \$111,918.65 |

| Borrower | Committed Amount | ARRA Advance | Federal Advance | State Advance | Recycled Advance | Leveraged Advance | Total Advances | Principal Forgiven | Principal Repayments | Loan Balance |
|--------------------------------|-------------------------|---------------------|------------------------|----------------------|-------------------------|--------------------------|-----------------------|---------------------------|-----------------------------|---------------------|
| Canton (DW-01) | \$500,000 | \$0 | \$378,021 | \$121,979 | \$0 | \$0 | \$500,000 | \$0 | \$131,371.35 | \$368,628.65 |
| Centerville (DW-01) | \$870,000 | \$0 | \$174,754 | \$146,573 | \$548,673 | \$0 | \$870,000 | \$0 | \$129,264.09 | \$740,735.91 |
| Chamberlain (DW-01) | \$276,500 | \$0 | \$0 | \$0 | \$0 | \$276,500 | \$276,500 | \$0 | \$20,309.32 | \$256,190.68 |
| Chamberlain (DW-02) | \$1,000,000 | \$300,000 | \$0 | \$344,992 | \$0 | \$228,712 | \$873,704 | \$262,111 | \$0.00 | \$611,593.00 |
| Chancellor (DW-01) | \$205,948 | \$0 | \$0 | \$0 | \$0 | \$205,948 | \$205,948 | \$0 | \$18,511.73 | \$187,436.27 |
| Clay RWS (DW-01) | \$4,331,000 | \$0 | \$4,331,000 | \$0 | \$0 | \$0 | \$4,331,000 | \$0 | \$364,820.34 | \$3,966,179.66 |
| Clay RWS (DW-02) | \$844,968 | \$700,000 | \$144,968 | \$0 | \$0 | \$0 | \$844,968 | \$698,789 | \$2,536.94 | \$143,642.06 |
| Clay RWS (DW-03) | \$2,208,000 | \$0 | \$1,810,956 | \$0 | \$0 | \$0 | \$1,810,956 | \$411,087 | \$0.00 | \$1,399,869.00 |
| Clear Lake (DW-01) | \$540,637 | \$0 | \$540,637 | \$0 | \$0 | \$0 | \$540,637 | \$0 | \$145,650.27 | \$394,986.73 |
| Colonial Pine Hills SD (DW-01) | \$636,108 | \$0 | \$450,382 | \$185,726 | \$0 | \$0 | \$636,108 | \$0 | \$225,765.74 | \$410,342.26 |
| Colonial Pine Hills SD (DW-02) | \$1,003,608 | \$250,000 | \$0 | \$345,000 | \$0 | \$408,608 | \$1,003,608 | \$250,000 | \$13,870.30 | \$739,737.70 |
| Colton (DW-01) | \$632,455 | \$0 | \$632,455 | \$0 | \$0 | \$0 | \$632,455 | \$0 | \$99,531.03 | \$532,923.97 |
| Corson Village (DW-01) | \$581,364 | \$541,562 | \$0 | \$0 | \$0 | \$39,802 | \$581,364 | \$523,227 | \$533.02 | \$57,603.98 |
| Crooks (DW-01) | \$133,510 | \$0 | \$133,510 | \$0 | \$0 | \$0 | \$133,510 | \$0 | \$28,048.09 | \$105,461.91 |
| Custer (DW-01) | \$800,000 | \$0 | \$508,821 | \$159,437 | \$131,742 | \$0 | \$800,000 | \$0 | \$239,968.55 | \$560,031.45 |
| Dakota Dunes (DW-01) | \$376,962 | \$0 | \$96,429 | \$25,393 | \$255,140 | \$0 | \$376,962 | \$0 | \$350,201.34 | \$26,760.66 |
| Dell Rapids (DW-01) | \$621,000 | \$0 | \$470,941 | \$150,059 | \$0 | \$0 | \$621,000 | \$0 | \$158,730.93 | \$462,269.07 |
| Dell Rapids (DW-02) | \$162,263 | \$0 | \$0 | \$0 | \$0 | \$162,263 | \$162,263 | \$0 | \$27,943.58 | \$134,319.42 |
| Dell Rapids (DW-03) | \$531,835 | \$0 | \$32,361 | \$2,639 | \$257,787 | \$0 | \$292,787 | \$0 | \$0.00 | \$292,787.00 |
| Delmont (DW-01) | \$158,461 | \$0 | \$0 | \$0 | \$0 | \$158,461 | \$158,461 | \$0 | \$5,733.42 | \$152,727.58 |
| Delmont (DW-02) | \$90,000 | \$0 | \$90,000 | \$0 | \$0 | \$0 | \$90,000 | \$90,000 | \$0.00 | \$0.00 |
| DeSmet (DW-01) | \$258,000 | \$25,800 | \$0 | \$93,002 | \$0 | \$139,198 | \$258,000 | \$25,800 | \$2,727.85 | \$229,472.15 |
| Elk Point (DW-01) | \$220,000 | \$0 | \$189,819 | \$30,181 | \$0 | \$0 | \$220,000 | \$0 | \$75,269.93 | \$144,730.07 |
| Elk Point (DW-02) | \$570,000 | \$0 | \$0 | \$0 | \$0 | \$570,000 | \$570,000 | \$0 | \$109,304.99 | \$460,695.01 |
| Elk Point (DW-03) | \$114,441 | \$0 | \$0 | \$0 | \$88,902 | \$25,539 | \$114,441 | \$0 | \$11,594.99 | \$102,846.01 |

| Borrower | Committed Amount | ARRA Advance | Federal Advance | State Advance | Recycled Advance | Leveraged Advance | Total Advances | Principal Forgiven | Principal Repayments | Loan Balance |
|------------------------|-------------------------|---------------------|------------------------|----------------------|-------------------------|--------------------------|-----------------------|---------------------------|-----------------------------|---------------------|
| Elk Point (DW-04) | \$539,449 | \$0 | \$0 | \$0 | \$0 | \$539,449 | \$539,449 | \$0 | \$0.00 | \$539,449.00 |
| Elk Point (DW-05) | \$798,040 | \$660,520 | \$0 | \$0 | \$34,557 | \$102,963 | \$798,040 | \$446,902 | \$0.00 | \$351,138.00 |
| Eureka (DW-01) | \$133,681 | \$0 | \$0 | \$0 | \$0 | \$133,681 | \$133,681 | \$0 | \$53,472.48 | \$80,208.52 |
| Eureka (DW-02) | \$200,000 | \$200,000 | \$0 | \$0 | \$0 | \$0 | \$200,000 | \$200,000 | \$0.00 | \$0.00 |
| Fall River WUD (DW-01) | \$759,000 | \$0 | \$759,000 | \$0 | \$0 | \$0 | \$759,000 | \$0 | \$176,894.66 | \$582,105.34 |
| Fall River WUD (DW-02) | \$260,958 | \$0 | \$236,894 | \$24,064 | \$0 | \$0 | \$260,958 | \$0 | \$53,566.54 | \$207,391.46 |
| Fall River WUD (DW-03) | \$612,000 | \$612,000 | \$0 | \$0 | \$0 | \$0 | \$612,000 | \$612,000 | \$0.00 | \$0.00 |
| Fall River WUD (DW-04) | \$750,000 | \$750,000 | \$0 | \$0 | \$0 | \$0 | \$750,000 | \$750,000 | \$0.00 | \$0.00 |
| Faulkton (DW-01) | \$500,000 | \$500,000 | \$0 | \$0 | \$0 | \$0 | \$500,000 | \$500,000 | \$0.00 | \$0.00 |
| Faulkton (DW-02) | \$511,725 | \$0 | \$91,510 | \$0 | \$26,720 | \$0 | \$118,230 | \$91,510 | \$0.00 | \$26,720.00 |
| Garretson (DW-01) | \$1,102,147 | \$0 | \$1,102,147 | \$0 | \$0 | \$0 | \$1,102,147 | \$0 | \$173,251.98 | \$928,895.02 |
| Gayville (DW-01) | \$900,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0.00 | \$0.00 |
| Gettysburg (DW-01) | \$565,000 | \$0 | \$565,000 | \$0 | \$0 | \$0 | \$565,000 | \$0 | \$565,000.00 | \$0.00 |
| Gregory (DW-01) | \$347,580 | \$0 | \$312,474 | \$35,106 | \$0 | \$0 | \$347,580 | \$0 | \$73,631.02 | \$273,948.98 |
| Groton (DW-01) | \$440,000 | \$0 | \$211,848 | \$228,152 | \$0 | \$0 | \$440,000 | \$0 | \$111,007.73 | \$328,992.27 |
| Groton (DW-02) | \$308,945 | \$0 | \$0 | \$0 | \$0 | \$308,945 | \$308,945 | \$0 | \$61,883.51 | \$247,061.49 |
| Groton (DW-03) | \$241,083 | \$187,531 | \$0 | \$0 | \$0 | \$0 | \$187,531 | \$187,531 | \$0.00 | \$0.00 |
| Hanson RWS (DW-01) | \$840,000 | \$588,000 | \$121,015 | \$0 | \$0 | \$0 | \$709,015 | \$496,310 | \$0.00 | \$212,705.00 |
| Harrisburg (DW-01) | \$525,000 | \$0 | \$504,926 | \$20,074 | \$0 | \$0 | \$525,000 | \$0 | \$192,656.36 | \$332,343.64 |
| Harrisburg (DW-02) | \$1,291,925 | \$0 | \$1,291,925 | \$0 | \$0 | \$0 | \$1,291,925 | \$0 | \$130,602.65 | \$1,161,322.35 |
| Harrisburg (DW-03) | \$1,753,441 | \$0 | \$0 | \$259,438 | \$6,314 | \$1,487,689 | \$1,753,441 | \$0 | \$29,515.33 | \$1,723,925.67 |
| Hartford (DW-01) | \$185,000 | \$0 | \$185,000 | \$0 | \$0 | \$0 | \$185,000 | \$0 | \$185,000.00 | \$0.00 |
| Hartford (DW-02) | \$800,957 | \$0 | \$429,369 | \$371,588 | \$0 | \$0 | \$800,957 | \$0 | \$222,299.04 | \$578,657.96 |
| Hartford (DW-03) | \$1,123,556 | \$0 | \$450,629 | \$0 | \$672,927 | \$0 | \$1,123,556 | \$0 | \$193,343.80 | \$930,212.20 |
| Hermosa (DW-01) | \$300,000 | \$0 | \$300,000 | \$0 | \$0 | \$0 | \$300,000 | \$0 | \$139,704.96 | \$160,295.04 |
| Hill City (DW-01) | \$336,903 | \$241,320 | \$0 | \$95,583 | \$0 | \$0 | \$336,903 | \$202,141 | \$696.40 | \$134,065.60 |
| Hot Springs (DW-01) | \$1,636,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0.00 | \$0.00 |

| Borrower | Committed Amount | ARRA Advance | Federal Advance | State Advance | Recycled Advance | Leveraged Advance | Total Advances | Principal Forgiven | Principal Repayments | Loan Balance |
|----------------------------|-------------------------|---------------------|------------------------|----------------------|-------------------------|--------------------------|-----------------------|---------------------------|-----------------------------|---------------------|
| Humboldt (DW-01) | \$481,773 | \$0 | \$481,773 | \$0 | \$0 | \$0 | \$481,773 | \$0 | \$63,471.77 | \$418,301.23 |
| Huron (DW-01) | \$4,000,000 | \$0 | \$0 | \$734,473 | \$3,265,527 | \$0 | \$4,000,000 | \$0 | \$1,084,797.32 | \$2,915,202.68 |
| Huron (DW-02) | \$478,407 | \$122,500 | \$50,000 | \$18,215 | \$0 | \$287,692 | \$478,407 | \$94,724 | \$3,517.69 | \$380,165.31 |
| Huron (DW-03) | \$1,098,900 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0.00 | \$0.00 |
| Ipswich (DW-01) | \$1,245,000 | \$933,750 | \$0 | \$0 | \$120,582 | \$21,222 | \$1,075,554 | \$806,665 | \$0.00 | \$268,889.00 |
| Irene (DW-01) | \$127,126 | \$0 | \$127,126 | \$0 | \$0 | \$0 | \$127,126 | \$0 | \$127,126.00 | \$0.00 |
| Keystone (DW-01) | \$630,212 | \$0 | \$222,822 | \$407,390 | \$0 | \$0 | \$630,212 | \$0 | \$127,533.85 | \$502,678.15 |
| Kingbrook RWS (DW-01) | \$474,204 | \$0 | \$474,204 | \$0 | \$0 | \$0 | \$474,204 | \$0 | \$149,189.23 | \$325,014.77 |
| Kingbrook RWS (DW-02) | \$2,115,000 | \$0 | \$0 | \$0 | \$2,115,000 | \$0 | \$2,115,000 | \$0 | \$276,312.86 | \$1,838,687.14 |
| Kingbrook RWS (DW-03) | \$3,136,677 | \$0 | \$3,136,677 | \$0 | \$0 | \$0 | \$3,136,677 | \$0 | \$540,172.94 | \$2,596,504.06 |
| Kingbrook RWS (DW-04) | \$2,315,622 | \$0 | \$2,315,622 | \$0 | \$0 | \$0 | \$2,315,622 | \$0 | \$251,036.59 | \$2,064,585.41 |
| Lead (DW-01) | \$192,800 | \$0 | \$82,360 | \$110,440 | \$0 | \$0 | \$192,800 | \$0 | \$163,727.78 | \$29,072.22 |
| Lead (DW-02) | \$192,549 | \$0 | \$0 | \$0 | \$0 | \$192,549 | \$192,549 | \$0 | \$25,155.50 | \$167,393.50 |
| Lead (DW-03) | \$1,020,000 | \$195,579 | \$0 | \$0 | \$30,126 | \$300,000 | \$525,705 | \$199,767 | \$0.00 | \$325,938.00 |
| Lead-Deadwood SD (DW-01) | \$2,683,957 | \$0 | \$2,682,145 | \$1,812 | \$0 | \$0 | \$2,683,957 | \$0 | \$2,683,957.00 | \$0.00 |
| Lennox (DW-01) | \$2,000,000 | \$0 | \$0 | \$0 | \$0 | \$2,000,000 | \$2,000,000 | \$0 | \$179,770.34 | \$1,820,229.66 |
| Lincoln County RWS (DW-01) | \$1,079,170 | \$0 | \$1,079,170 | \$0 | \$0 | \$0 | \$1,079,170 | \$0 | \$272,264.54 | \$806,905.46 |
| Madison (DW-01) | \$2,372,000 | \$0 | \$2,372,000 | \$0 | \$0 | \$0 | \$2,372,000 | \$0 | \$2,372,000.00 | \$0.00 |
| Martin (DW-01) | \$917,901 | \$0 | \$705,896 | \$212,005 | \$0 | \$0 | \$917,901 | \$0 | \$129,322.65 | \$788,578.35 |
| McLaughlin (DW-01) | \$350,000 | \$0 | \$0 | \$0 | \$0 | \$350,000 | \$350,000 | \$0 | \$43,995.16 | \$306,004.84 |
| Mellette (DW-01) | \$271,780 | \$244,602 | \$0 | \$8,211 | \$0 | \$0 | \$252,813 | \$227,531 | \$0.00 | \$25,282.00 |
| Mid-Dakota RWS (DW-01) | \$9,455,108 | \$0 | \$9,455,108 | \$0 | \$0 | \$0 | \$9,455,108 | \$0 | \$9,455,108.00 | \$0.00 |
| Mid-Dakota RWS (DW-02) | \$1,000,000 | \$1,000,000 | \$0 | \$0 | \$0 | \$0 | \$1,000,000 | \$1,000,000 | \$0.00 | \$0.00 |
| Mid-Dakota RWS (DW-03) | \$2,979,054 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0.00 | \$0.00 |
| Milbank (DW-01) | \$4,460,294 | \$0 | \$300,000 | \$1,506,323 | \$0 | \$2,653,971 | \$4,460,294 | \$0 | \$622,246.46 | \$3,838,047.54 |

| Borrower | Committed Amount | ARRA Advance | Federal Advance | State Advance | Recycled Advance | Leveraged Advance | Total Advances | Principal Forgiven | Principal Repayments | Loan Balance |
|----------------------------|-------------------------|---------------------|------------------------|----------------------|-------------------------|--------------------------|-----------------------|---------------------------|-----------------------------|---------------------|
| Miller (DW-01) | \$225,389 | \$0 | \$0 | \$0 | \$59,495 | \$165,894 | \$225,389 | \$0 | \$28,000.09 | \$197,388.91 |
| Mina Lake S&W Dist (DW-01) | \$255,200 | \$0 | \$144,947 | \$110,253 | \$0 | \$0 | \$255,200 | \$0 | \$109,093.25 | \$146,106.75 |
| Mina Lake S&W Dist (DW-02) | \$567,390 | \$283,695 | \$0 | \$0 | \$43,342 | \$158,695 | \$485,732 | \$242,866 | \$0.00 | \$242,866.00 |
| Minnehaha CWC (DW-01) | \$6,022,816 | \$0 | \$6,022,816 | \$0 | \$0 | \$0 | \$6,022,816 | \$0 | \$1,654,509.27 | \$4,368,306.73 |
| Mitchell (DW-01) | \$2,850,115 | \$0 | \$2,246,532 | \$603,583 | \$0 | \$0 | \$2,850,115 | \$0 | \$783,212.89 | \$2,066,902.11 |
| Mitchell (DW-02) | \$2,360,000 | \$1,311,799 | \$0 | \$0 | \$373,152 | \$0 | \$1,684,951 | \$252,742 | \$0.00 | \$1,432,209.00 |
| Mobridge (DW-01) | \$965,000 | \$0 | \$965,000 | \$0 | \$0 | \$0 | \$965,000 | \$0 | \$965,000.00 | \$0.00 |
| Mobridge (DW-02) | \$352,207 | \$0 | \$352,207 | \$0 | \$0 | \$0 | \$352,207 | \$0 | \$352,207.00 | \$0.00 |
| Mobridge (DW-03) | \$213,500 | \$0 | \$0 | \$213,500 | \$0 | \$0 | \$213,500 | \$0 | \$17,498.48 | \$196,001.52 |
| Mobridge (DW-04) | \$62,442 | \$0 | \$0 | \$62,442 | \$0 | \$0 | \$62,442 | \$0 | \$4,737.29 | \$57,704.71 |
| Mobridge (DW-05) | \$500,000 | \$500,000 | \$0 | \$0 | \$0 | \$0 | \$500,000 | \$500,000 | \$0.00 | \$0.00 |
| Newell (DW-01) | \$829,500 | \$322,750 | \$0 | \$184,000 | \$178,419 | \$0 | \$685,169 | \$342,584 | \$0.00 | \$342,585.00 |
| New Underwood (DW-01) | \$169,299 | \$70,200 | \$0 | \$0 | \$0 | \$99,099 | \$169,299 | \$67,719 | \$931.31 | \$100,648.69 |
| Nisland (DW-01) | \$350,000 | \$0 | \$179,243 | \$170,757 | \$0 | \$0 | \$350,000 | \$0 | \$90,416.77 | \$259,583.23 |
| Northville (DW-01) | \$203,460 | \$134,426 | \$0 | \$0 | \$0 | \$4,340 | \$138,766 | \$111,012 | \$0.00 | \$27,754.00 |
| Oacoma (DW-01) | \$1,351,300 | \$0 | \$0 | \$0 | \$700,440 | \$0 | \$700,440 | \$0 | \$0.00 | \$700,440.00 |
| Parker (DW-01) | \$730,000 | \$0 | \$0 | \$0 | \$0 | \$730,000 | \$730,000 | \$0 | \$125,390.28 | \$604,609.72 |
| Parker (DW-02) | \$209,541 | \$0 | \$0 | \$174,612 | \$0 | \$34,929 | \$209,541 | \$0 | \$19,571.45 | \$189,969.55 |
| Parker (DW-03) | \$554,200 | \$452,100 | \$0 | \$0 | \$0 | \$102,100 | \$554,200 | \$452,116 | \$2,829.33 | \$99,254.67 |
| Pierre (DW-01) | \$988,188 | \$0 | \$857,306 | \$130,882 | \$0 | \$0 | \$988,188 | \$0 | \$514,625.04 | \$473,562.96 |
| Pierre (DW-02) | \$1,832,900 | \$0 | \$1,452,491 | \$380,409 | \$0 | \$0 | \$1,832,900 | \$0 | \$620,801.29 | \$1,212,098.71 |
| Platte (DW-01) | \$293,134 | \$0 | \$0 | \$0 | \$0 | \$293,134 | \$293,134 | \$0 | \$152,157.14 | \$140,976.86 |
| Rapid City (DW-01) | \$3,500,000 | \$0 | \$2,985,946 | \$188,878 | \$0 | \$325,176 | \$3,500,000 | \$0 | \$3,500,000.00 | \$0.00 |
| Rapid City (DW-02) | \$6,000,000 | \$0 | \$511,883 | \$88,117 | \$59,040 | \$1,149,261 | \$1,808,301 | \$0 | \$0.00 | \$1,808,301.00 |
| Rapid Valley SD (DW-01) | \$682,000 | \$682,000 | \$0 | \$0 | \$0 | \$0 | \$682,000 | \$682,000 | \$0.00 | \$0.00 |

| Borrower | Committed Amount | ARRA Advance | Federal Advance | State Advance | Recycled Advance | Leveraged Advance | Total Advances | Principal Forgiven | Principal Repayments | Loan Balance |
|---------------------------|-------------------------|---------------------|------------------------|----------------------|-------------------------|--------------------------|-----------------------|---------------------------|-----------------------------|---------------------|
| Redfield (DW-01) | \$85,000 | \$0 | \$0 | \$85,000 | \$0 | \$0 | \$85,000 | \$0 | \$58,001.95 | \$26,998.05 |
| Redfield (DW-02) | \$228,823 | \$0 | \$50,000 | \$178,823 | \$0 | \$0 | \$228,823 | \$0 | \$9,947.22 | \$218,875.78 |
| Roslyn (DW-01) | \$500,000 | \$500,000 | \$0 | \$0 | \$0 | \$0 | \$500,000 | \$500,000 | \$0.00 | \$0.00 |
| Salem (DW-01) | \$118,540 | \$0 | \$72,120 | \$46,420 | \$0 | \$0 | \$118,540 | \$0 | \$78,549.40 | \$39,990.60 |
| Salem (DW-02) | \$328,966 | \$0 | \$0 | \$328,966 | \$0 | \$0 | \$328,966 | \$0 | \$53,283.40 | \$275,682.60 |
| Salem (DW-03) | \$1,345,000 | \$0 | \$619,706 | \$184,926 | \$0 | \$540,368 | \$1,345,000 | \$0 | \$61,929.86 | \$1,283,070.14 |
| Scotland (DW-01) | \$235,172 | \$0 | \$128,630 | \$106,542 | \$0 | \$0 | \$235,172 | \$0 | \$35,643.77 | \$199,528.23 |
| Selby (DW-01) | \$100,000 | \$91,896 | \$0 | \$0 | \$0 | \$0 | \$91,896 | \$91,896 | \$0.00 | \$0.00 |
| Sioux Falls (DW-01) | \$6,496,745 | \$0 | \$2,617,744 | \$3,879,001 | \$0 | \$0 | \$6,496,745 | \$0 | \$6,496,745.00 | \$0.00 |
| Sioux Falls (DW-02) | \$2,348,168 | \$0 | \$2,342,067 | \$6,101 | \$0 | \$0 | \$2,348,168 | \$0 | \$1,925,616.61 | \$422,551.39 |
| Sioux Falls (DW-03) | \$7,930,000 | \$0 | \$6,596,126 | \$1,333,874 | \$0 | \$0 | \$7,930,000 | \$0 | \$5,479,966.31 | \$2,450,033.69 |
| Sioux Falls (DW-04) | \$279,599 | \$0 | \$231,200 | \$48,399 | \$0 | \$0 | \$279,599 | \$0 | \$170,625.87 | \$108,973.13 |
| Sioux Falls (DW-05) | \$10,828,766 | \$0 | \$0 | \$0 | \$0 | \$10,828,766 | \$10,828,766 | \$0 | \$4,787,057.13 | \$6,041,708.87 |
| Sioux Falls (DW-06) | \$12,848,000 | \$0 | \$3,010,443 | \$841,180 | \$643,444 | \$5,355,514 | \$9,850,581 | \$0 | \$698,053.88 | \$9,152,527.12 |
| Sioux Falls (DW-07) | \$2,200,000 | \$0 | \$1,179,517 | \$174,180 | \$26,282 | \$820,021 | \$2,200,000 | \$0 | \$296,084.52 | \$1,903,915.48 |
| Sioux Falls (DW-08) | \$2,088,645 | \$0 | \$1,388 | \$4,980 | \$0 | \$2,082,277 | \$2,088,645 | \$0 | \$376,832.77 | \$1,711,812.23 |
| Sioux Falls (DW-09) | \$2,678,738 | \$2,196,783 | \$20,000 | \$3,804 | \$0 | \$458,151 | \$2,678,738 | \$267,874 | \$107,819.27 | \$2,303,044.73 |
| Sioux Falls (DW-10) | \$7,606,900 | \$760,690 | \$1,002,271 | \$722,218 | \$10,530 | \$3,305,000 | \$5,800,709 | \$580,070 | \$216,073.41 | \$5,004,565.59 |
| Sioux Falls (DW-11) | \$4,000,000 | \$0 | \$0 | \$0 | \$716,933 | \$150,000 | \$866,933 | \$0 | \$0.00 | \$866,933.00 |
| South Lincoln RWS (DW-01) | \$2,000,000 | \$0 | \$2,000,000 | \$0 | \$0 | \$0 | \$2,000,000 | \$0 | \$443,584.54 | \$1,556,415.46 |
| South Lincoln RWS (DW-02) | \$476,500 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0.00 | \$0.00 |
| Sturgis (DW-01) | \$478,377 | \$0 | \$478,377 | \$0 | \$0 | \$0 | \$478,377 | \$0 | \$478,377.00 | \$0.00 |
| Sturgis (DW-02) | \$608,417 | \$86,300 | \$0 | \$492,307 | \$0 | \$29,810 | \$608,417 | \$60,841 | \$24,559.58 | \$523,016.42 |
| Tea (DW-01) | \$2,263,723 | \$0 | \$2,263,723 | \$0 | \$0 | \$0 | \$2,263,723 | \$0 | \$298,236.98 | \$1,965,486.02 |
| Tripp (DW-01) | \$225,656 | \$0 | \$210,265 | \$15,391 | \$0 | \$0 | \$225,656 | \$0 | \$46,320.19 | \$179,335.81 |
| Tripp County WUD (DW-01) | \$3,500,000 | \$0 | \$2,846,206 | \$653,794 | \$0 | \$0 | \$3,500,000 | \$0 | \$589,362.74 | \$2,910,637.26 |
| Tripp County WUD (DW-02) | \$131,469 | \$0 | \$93,183 | \$38,286 | \$0 | \$0 | \$131,469 | \$0 | \$29,580.66 | \$101,888.34 |
| Tyndall (DW-01) | \$300,000 | \$0 | \$300,000 | \$0 | \$0 | \$0 | \$300,000 | \$0 | \$300,000.00 | \$0.00 |
| Tyndall (DW-02) | \$861,000 | \$0 | \$680,115 | \$180,885 | \$0 | \$0 | \$861,000 | \$0 | \$129,209.41 | \$731,790.59 |

| Borrower | Committed Amount | ARRA Advance | Federal Advance | State Advance | Recycled Advance | Leveraged Advance | Total Advances | Principal Forgiven | Principal Repayments | Loan Balance |
|------------------------|-------------------------|---------------------|------------------------|----------------------|-------------------------|--------------------------|-----------------------|---------------------------|-----------------------------|----------------------|
| Vermillion (DW-01) | \$795,338 | \$0 | \$726,511 | \$0 | \$68,827 | \$0 | \$795,338 | \$0 | \$350,085.29 | \$445,252.71 |
| Vermillion (DW-02) | \$1,507,552 | \$0 | \$1,201,823 | \$305,729 | \$0 | \$0 | \$1,507,552 | \$0 | \$431,111.66 | \$1,076,440.34 |
| Vermillion (DW-03) | \$3,693,216 | \$0 | \$35,413 | \$98,204 | \$0 | \$3,559,599 | \$3,693,216 | \$0 | \$553,980.84 | \$3,139,235.16 |
| Viborg (DW-01) | \$104,491 | \$0 | \$0 | \$0 | \$24,705 | \$79,786 | \$104,491 | \$0 | \$7,675.06 | \$96,815.94 |
| Viborg (DW-02) | \$847,000 | \$0 | \$159,003 | \$0 | \$25,456 | \$0 | \$184,459 | \$159,003 | \$0.00 | \$25,456.00 |
| Wagner (DW-01) | \$750,000 | \$0 | \$2,833 | \$469,439 | \$0 | \$277,728 | \$750,000 | \$0 | \$68,750.00 | \$681,250.00 |
| Wagner (DW-02) | \$175,000 | \$0 | \$0 | \$175,000 | \$0 | \$0 | \$175,000 | \$0 | \$20,416.62 | \$154,583.38 |
| Warner (DW-01) | \$400,000 | \$400,000 | \$0 | \$0 | \$0 | \$0 | \$400,000 | \$400,000 | \$0.00 | \$0.00 |
| Watertown (DW-01) | \$23,760,000 | \$0 | \$6,648,778 | \$1,451,222 | \$4,606,753 | \$11,053,247 | \$23,760,000 | \$0 | \$408,784.63 | \$23,351,215.37 |
| Waubay (DW-01) | \$750,000 | \$0 | \$0 | \$0 | \$0 | \$750,000 | \$750,000 | \$0 | \$47,842.90 | \$702,157.10 |
| Webster (DW-01) | \$318,828 | \$0 | \$196,325 | \$122,503 | \$0 | \$0 | \$318,828 | \$0 | \$101,738.24 | \$217,089.76 |
| Webster (DW-02) | \$387,400 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0.00 | \$0.00 |
| WR/Lyman Jones (DW-01) | \$340,000 | \$0 | \$280,908 | \$59,092 | \$0 | \$0 | \$340,000 | \$0 | \$340,000.00 | \$0.00 |
| WR/Lyman Jones (DW-02) | \$7,943,023 | \$0 | \$7,943,023 | \$0 | \$0 | \$0 | \$7,943,023 | \$0 | \$7,943,023.00 | \$0.00 |
| Wolsey (DW-01) | \$227,950 | \$0 | \$0 | \$227,950 | \$0 | \$0 | \$227,950 | \$0 | \$34,216.96 | \$193,733.04 |
| Wolsey (DW-02) | \$162,300 | \$0 | \$4,067 | \$118,118 | \$0 | \$35,913 | \$158,098 | \$0 | \$5,712.29 | \$152,385.71 |
| Woonsocket (DW-01) | \$720,000 | \$222,099 | \$0 | \$0 | \$0 | \$0 | \$222,099 | \$155,469 | \$0.00 | \$66,630.00 |
| Worthing (DW-01) | \$288,000 | \$0 | \$116,579 | \$171,421 | \$0 | \$0 | \$288,000 | \$0 | \$70,433.71 | \$217,566.29 |
| Yankton (DW-01) | \$3,460,000 | \$0 | \$2,546,639 | \$913,361 | \$0 | \$0 | \$3,460,000 | \$0 | \$1,063,837.06 | \$2,396,162.94 |
| Yankton (DW-02) | \$896,975 | \$0 | \$449,100 | \$111,732 | \$0 | \$336,143 | \$896,975 | \$0 | \$73,929.79 | \$823,045.21 |
| Yankton (DW-03) | \$3,000,000 | \$136,375 | \$864,895 | \$427,688 | \$0 | \$451,375 | \$1,880,333 | \$85,555 | \$0.00 | \$1,794,778.00 |
| Yankton (DW-04) | \$2,200,000 | \$220,000 | \$1,013,015 | \$441,985 | \$0 | \$525,000 | \$2,200,000 | \$220,000 | \$36,442.27 | \$1,943,557.73 |
| | \$265,562,361 | \$18,623,136 | \$117,271,193 | \$25,471,371 | \$17,933,886 | \$60,724,410 | \$240,023,996 | \$14,461,159 | \$72,476,998 | \$153,085,839 |

EXHIBIT VIII
Projected Principal and Interest Payments
Federal Fiscal Year 2012

| Borrower | Principal | Interest | Admin Surcharge | Total |
|-----------------------------|------------------|-----------------|----------------------------|--------------|
| Aberdeen (DW-01A) | \$399,768 | \$185,664 | \$74,260 | \$659,693 |
| Aberdeen (DW-01B) | \$297,742 | \$138,280 | \$55,308 | \$491,330 |
| Aberdeen (DW-02) | \$80,765 | \$38,544 | \$11,011 | \$130,319 |
| Baltic (DW-01) | \$11,426 | \$4,291 | \$1,716 | \$17,434 |
| Baltic (DW-02) | \$13,270 | \$2,488 | \$711 | \$16,468 |
| BDM (DW-01) | \$12,715 | \$4,775 | \$1,910 | \$19,400 |
| Big Stone City (DW-01) | \$23,010 | \$9,278 | \$2,182 | \$34,470 |
| Big Stone City (DW-02) | \$4,620 | \$1,982 | \$793 | \$7,395 |
| Black Hawk WUD (DW-01) | \$19,936 | \$8,356 | \$1,965 | \$30,258 |
| Black Hawk WUD (DW-02) | \$40,132 | \$25,086 | \$7,523 | \$72,741 |
| Brandon (DW-01) | \$151,615 | \$19,021 | \$5,071 | \$175,708 |
| Britton (DW-01) | \$15,014 | \$7,107 | \$2,030 | \$24,152 |
| Brookings Deuel RWS (DW-01) | \$23,065 | \$22,596 | \$6,776 | \$52,437 |
| Brookings Deuel RWS (DW-02) | \$39,456 | \$40,351 | \$12,101 | \$91,908 |
| Bryant (DW-01) | \$2,980 | \$2,438 | \$0 | \$5,419 |
| Burke (DW-01) | \$2,935 | \$2,043 | \$511 | \$5,489 |
| Canistota (DW-01) | \$2,369 | \$2,776 | \$555 | \$5,700 |
| Canton (DW-01) | \$22,277 | \$9,009 | \$3,603 | \$34,888 |
| Centerville (DW-01) | \$16,217 | \$13,789 | \$4,135 | \$34,141 |
| Chamberlain (DW-01) | \$10,658 | \$6,306 | \$1,891 | \$18,856 |
| Chamberlain (DW-02) | \$16,948 | \$35,207 | \$7,043 | \$59,198 |
| Chancellor (DW-01) | \$3,539 | \$3,493 | \$1,047 | \$8,080 |
| Clay RWS (DW-01) | \$98,846 | \$98,243 | \$29,461 | \$226,550 |
| Clay RWS (DW-02) | \$3,129 | \$3,555 | \$711 | \$7,396 |
| Clay RWS (DW-03) | \$0 | \$46,934 | \$9,389 | \$56,323 |
| Clear Lake (DW-01) | \$11,712 | \$8,800 | \$0 | \$20,512 |
| Colonial Pine Hills (DW-01) | \$22,638 | \$7,553 | \$3,021 | \$33,212 |
| Colonial Pine Hills (DW-02) | \$21,198 | \$13,738 | \$2,748 | \$37,684 |
| Colton (DW-01) | \$11,667 | \$9,920 | \$3,968 | \$25,555 |
| Corson Village (DW-01) | \$2,172 | \$1,420 | \$284 | \$3,876 |
| Crooks (DW-01) | \$6,052 | \$2,580 | \$774 | \$9,406 |
| Custer (DW-01) | \$36,659 | \$13,584 | \$5,433 | \$55,676 |
| Dakota Dunes (DW-01) | \$26,761 | \$422 | \$169 | \$27,352 |
| Dell Rapids (DW-01) | \$27,290 | \$11,303 | \$4,521 | \$43,113 |
| Dell Rapids (DW-02) | \$6,782 | \$3,295 | \$988 | \$11,065 |
| Delmont (DW-01) | \$3,771 | \$3,026 | \$757 | \$7,554 |
| DeSmet (DW-01) | \$5,548 | \$3,980 | \$1,137 | \$10,665 |
| Elk Point (DW-01) | \$10,412 | \$3,521 | \$1,408 | \$15,342 |
| Elk Point (DW-02) | \$24,248 | \$11,293 | \$3,386 | \$38,927 |
| Elk Point (DW-03) | \$4,611 | \$2,528 | \$758 | \$7,898 |
| Elk Point (DW-04) | \$19,970 | \$12,937 | \$3,880 | \$36,787 |
| Elk Point (DW-05) | \$9,731 | \$27,161 | \$5,433 | \$42,325 |
| Eureka (DW-01) | \$1,368 | \$0 | \$0 | \$1,368 |
| Fall River (DW-01) | \$21,235 | \$17,226 | \$0 | \$38,461 |
| Fall River (DW-02) | \$7,274 | \$5,117 | \$0 | \$12,390 |
| Garretson (DW-01) | \$20,336 | \$17,291 | \$6,916 | \$44,543 |
| Gregory (DW-01) | \$9,753 | \$6,758 | \$0 | \$16,510 |
| Groton (DW-01) | \$19,422 | \$8,664 | \$2,598 | \$30,683 |
| Groton (DW-02) | \$13,282 | \$6,053 | \$1,815 | \$21,151 |
| Hanson RWS (DW-01) | \$6,552 | \$27,377 | \$5,477 | \$39,406 |

| Borrower | Principal | Interest | Admin Surcharge | Total |
|----------------------------|------------------|-----------------|----------------------------|--------------|
| Harrisburg (DW-01) | \$19,000 | \$9,782 | \$2,445 | \$31,228 |
| Harrisburg (DW-02) | \$51,090 | \$28,560 | \$8,565 | \$88,215 |
| Harrisburg (DW-03) | \$64,459 | \$42,502 | \$12,746 | \$119,707 |
| Hartford (DW-02) | \$28,777 | \$10,671 | \$4,268 | \$43,716 |
| Hartford (DW-03) | \$35,083 | \$17,225 | \$5,165 | \$57,474 |
| Hermosa (DW-01) | \$12,011 | \$4,690 | \$1,172 | \$17,873 |
| Hill City (DW-01) | \$2,838 | \$3,325 | \$665 | \$6,828 |
| Humboldt (DW-01) | \$14,562 | \$7,753 | \$2,325 | \$24,641 |
| Huron (DW-01) | \$184,799 | \$71,162 | \$28,463 | \$284,424 |
| Huron (DW-02) | \$14,337 | \$9,370 | \$1,874 | \$25,581 |
| Ipswich (DW-01) | \$4,200 | \$35,070 | \$7,016 | \$46,285 |
| Keystone (DW-01) | \$27,024 | \$12,316 | \$3,693 | \$43,034 |
| Kingbrook RWS (DW-01) | \$11,891 | \$0 | \$0 | \$11,891 |
| Kingbrook RWS (DW-02) | \$38,467 | \$34,239 | \$10,268 | \$82,974 |
| Kingbrook RWS (DW-03) | \$97,929 | \$48,080 | \$14,418 | \$160,427 |
| Kingbrook RWS (DW-04) | \$69,147 | \$38,285 | \$11,481 | \$118,912 |
| Lead (DW-01) | \$17,248 | \$613 | \$175 | \$18,037 |
| Lead (DW-02) | \$3,502 | \$3,117 | \$935 | \$7,554 |
| Lead (DW-03) | \$5,998 | \$19,166 | \$3,834 | \$28,998 |
| Lennox (DW-01) | \$46,016 | \$45,081 | \$13,519 | \$104,616 |
| Lincoln County RWS (DW-01) | \$47,635 | \$19,730 | \$7,891 | \$75,256 |
| Martin (DW-01) | \$23,973 | \$19,491 | \$0 | \$43,464 |
| McLaughlin (DW-01) | \$9,053 | \$7,566 | \$0 | \$16,618 |
| Mellette (DW-01) | \$262 | \$6,968 | \$1,991 | \$9,221 |
| Milbank (DW-01) | \$126,379 | \$68,341 | \$17,085 | \$211,806 |
| Miller (DW-01) | \$21,111 | \$3,790 | \$948 | \$25,849 |
| Mina Lake San Dist (DW-01) | \$9,837 | \$4,286 | \$1,071 | \$15,194 |
| Mina Lake San Dist (DW-02) | \$8,933 | \$21,839 | \$4,369 | \$35,141 |
| Minnehaha CWC (DW-01) | \$270,321 | \$106,694 | \$42,675 | \$419,689 |
| Mitchell (DW-01) | \$126,951 | \$60,591 | \$20,197 | \$207,739 |
| Mitchell (DW-02) | \$26,523 | \$68,004 | \$13,604 | \$108,131 |
| Mobridge (DW-03) | \$5,286 | \$3,881 | \$970 | \$10,137 |
| Mobridge (DW-04) | \$1,537 | \$1,143 | \$286 | \$2,965 |
| New Underwood (DW-01) | \$3,796 | \$2,481 | \$496 | \$6,773 |
| Newell (DW-01) | \$4,024 | \$17,360 | \$4,960 | \$26,344 |
| Nisland (DW-01) | \$8,750 | \$0 | \$0 | \$8,750 |
| Northville (DW-01) | \$510 | \$5,062 | \$1,013 | \$6,585 |
| Parker (DW-01) | \$30,528 | \$14,832 | \$4,448 | \$49,808 |
| Parker (DW-02) | \$8,357 | \$4,672 | \$1,401 | \$14,430 |
| Parker (DW-03) | \$3,872 | \$2,258 | \$677 | \$6,807 |
| Pierre (DW-01) | \$51,534 | \$8,559 | \$3,423 | \$63,517 |
| Pierre (DW-02) | \$116,682 | \$29,217 | \$11,686 | \$157,585 |
| Platte (DW-01) | \$29,976 | \$2,596 | \$649 | \$33,221 |
| Rapid City (DW-02) | \$54,017 | \$106,371 | \$21,279 | \$181,667 |
| Redfield (DW-01) | \$3,302 | \$1,205 | \$344 | \$4,851 |
| Redfield (DW-02) | \$4,091 | \$3,263 | \$816 | \$8,170 |
| Salem (DW-01) | \$12,868 | \$880 | \$352 | \$14,100 |
| Salem (DW-02) | \$13,639 | \$6,766 | \$2,029 | \$22,434 |
| Salem (DW-03) | \$29,006 | \$31,810 | \$9,539 | \$70,354 |
| Scotland (DW-01) | \$6,236 | \$4,930 | \$0 | \$11,166 |
| Sioux Falls (DW-02) | \$278,538 | \$11,168 | \$3,190 | \$292,896 |
| Sioux Falls (DW-03) | \$863,879 | \$53,212 | \$21,283 | \$938,374 |
| Sioux Falls (DW-04) | \$29,791 | \$2,447 | \$979 | \$33,217 |
| Sioux Falls (DW-05) | \$1,148,875 | \$112,262 | \$28,066 | \$1,289,203 |
| Sioux Falls (DW-06) | \$929,640 | \$166,905 | \$41,726 | \$1,138,271 |
| Sioux Falls (DW-07) | \$203,629 | \$36,559 | \$9,140 | \$249,328 |

| Borrower | Principal | Interest | Admin Surcharge | Total |
|---------------------------|--------------------|--------------------|----------------------------|---------------------|
| Sioux Falls (DW-08) | \$195,783 | \$32,775 | \$8,194 | \$236,753 |
| Sioux Falls (DW-09) | \$219,965 | \$38,868 | \$11,104 | \$269,936 |
| Sioux Falls (DW-10) | \$477,105 | \$84,304 | \$24,084 | \$585,493 |
| South Lincoln RWS (DW-01) | \$91,881 | \$38,056 | \$15,221 | \$145,159 |
| Sturgis (DW-02) | \$49,953 | \$8,827 | \$2,522 | \$61,302 |
| Tea (DW-01) | \$91,603 | \$48,289 | \$14,481 | \$154,372 |
| Tripp (DW-01) | \$6,290 | \$4,425 | \$0 | \$10,714 |
| Tripp County WUD (DW-01) | \$93,563 | \$71,893 | \$0 | \$165,457 |
| Tripp County WUD (DW-02) | \$4,382 | \$0 | \$0 | \$4,382 |
| Tyndall (DW-02) | \$16,864 | \$13,616 | \$0 | \$30,480 |
| Vermillion (DW-01) | \$31,042 | \$13,050 | \$3,262 | \$47,354 |
| Vermillion (DW-02) | \$50,954 | \$19,867 | \$7,946 | \$78,768 |
| Vermillion (DW-03) | \$118,629 | \$46,498 | \$11,624 | \$176,751 |
| Viborg (DW-01) | \$4,028 | \$2,383 | \$715 | \$7,126 |
| Wagner (DW-01) | \$25,000 | \$0 | \$0 | \$25,000 |
| Wagner (DW-02) | \$5,833 | \$0 | \$0 | \$5,833 |
| Watertown (DW-01) | \$869,702 | \$587,368 | \$176,142 | \$1,633,212 |
| Waubay (DW-01) | \$18,227 | \$13,907 | \$3,477 | \$35,611 |
| Webster (DW-01) | \$14,828 | \$5,289 | \$2,116 | \$22,233 |
| Wolsey (DW-01) | \$9,394 | \$4,756 | \$1,426 | \$15,576 |
| Wolsey (DW-02) | \$5,900 | \$3,755 | \$1,126 | \$10,781 |
| Woonsocket (DW-01) | \$2,795 | \$11,241 | \$2,249 | \$16,285 |
| Worthing (DW-01) | \$9,591 | \$4,020 | \$1,608 | \$15,218 |
| Yankton (DW-01) | \$122,213 | \$44,170 | \$17,667 | \$184,050 |
| Yankton (DW-02) | \$26,053 | \$14,180 | \$5,671 | \$45,904 |
| Yankton (DW-03) | \$52,107 | \$72,287 | \$14,461 | \$138,855 |
| Yankton (DW-04) | \$55,695 | \$30,939 | \$12,375 | \$99,009 |
| Total FFY12 | \$9,593,978 | \$3,630,068 | \$1,046,259 | \$14,270,305 |

EXHIBITS IX -- XI

DRINKING WATER SRF

FINANCIAL STATEMENTS
(Unaudited)

EXHIBIT IX
DENR Drinking Water State Revolving Fund
Statement of Net Assets
6/30/2011

| | SETASIDES | | | Admin Surcharge | Loans | Total | |
|--------------------------------------|---------------------|-------------------------|---------------------|---------------------|-----------------------|-------------------------|-------------------------|
| | State Admin | Technical Assistance | Local Assistance | | | | Total Setasides |
| Assets | | | | | | | |
| Current Assets: | | | | | | | |
| Cash and Cash Equivalents | (\$37,094.55) | (\$184.64) | (\$57.50) | (\$37,336.69) | \$6,642,630.70 | \$18,829,067.60 | \$25,434,361.61 |
| Restricted Cash and Cash Equivalents | | | | | | \$10,647.56 | \$10,647.56 |
| Due from Federal Government | \$222,170.84 | \$59,563.39 | \$5,322.50 | \$287,056.73 | | | \$287,056.73 |
| Due from Other Governments | | | | \$0.00 | \$219,861.69 | | \$219,861.69 |
| Deferred Charges | | | | \$0.00 | | \$37,013.57 | \$37,013.57 |
| Accrued Interest Receivable | \$0.00 | | | \$0.00 | \$3.25 | \$1,706,083.96 | \$1,706,087.21 |
| Loans Receivable | | | | \$0.00 | | \$13,075,530.44 | \$13,075,530.44 |
| Total Current Assets | \$185,076.29 | \$59,378.75 | \$5,265.00 | \$249,720.04 | \$6,862,495.64 | \$33,658,343.13 | \$40,770,558.81 |
| Noncurrent Assets: | | | | | | | |
| Investments | | | | | | \$38,070,440.16 | \$38,070,440.16 |
| Restricted Investments | | | | | | \$419,250.00 | \$419,250.00 |
| Deferred Charges | | | | | | \$510,176.82 | \$510,176.82 |
| Loans Receivable | | | | | | \$139,095,942.65 | \$139,095,942.65 |
| Total Assets | \$185,076.29 | \$59,378.75 | \$5,265.00 | \$249,720.04 | \$6,862,495.64 | \$211,754,152.76 | \$218,866,368.44 |

| | SETASIDES | | | Admin Surcharge | Loans | Total |
|---|---------------------|-------------------------|---------------------|---------------------|-----------------------|-------------------------|
| | State Admin | Technical Assistance | Local Assistance | | | |
| Liabilities | | | | | | |
| Current Liabilities: | | | | | | |
| Accounts Payable | \$137,235.50 | \$59,378.75 | \$5,265.00 | \$201,879.25 | \$38,000.00 | \$239,879.25 |
| Cost of Issuance Payable | | | | | \$13,870.52 | \$13,870.52 |
| Accrued Liabilities | \$11,709.60 | | | \$11,709.60 | | \$11,709.60 |
| Compensated Absences Payable | \$22,255.61 | | | \$22,255.61 | | \$22,255.61 |
| Accrued Interest Payable | | | | \$0.00 | \$1,545,309.59 | \$1,545,309.59 |
| Notes Payable | | | | | | \$0.00 |
| Bonds Payable - net of unamortized premium and discount | \$0.00 | | | \$0.00 | \$2,965,454.12 | \$2,965,454.12 |
| Total Current Liabilities | \$171,200.71 | \$59,378.75 | \$5,265.00 | \$235,844.46 | \$38,000.00 | \$4,798,478.69 |
| Noncurrent Liabilities: | | | | | | |
| Compensated Absences Payable | \$19,823.44 | | | \$19,823.44 | | \$19,823.44 |
| Bonds Payable - net of unamortized premium and discount | | | | | \$69,166,164.92 | \$69,166,164.92 |
| Total Liabilities | \$191,024.15 | \$59,378.75 | \$5,265.00 | \$255,667.90 | \$38,000.00 | \$73,690,799.15 |
| Net Assets | | | | | | |
| Restricted | | | | \$0.00 | \$429,897.56 | \$429,897.56 |
| Unrestricted | (\$5,947.86) | \$0.00 | \$0.00 | (\$5,947.86) | \$6,824,495.64 | \$137,633,456.05 |
| Total Net Assets | (\$5,947.86) | \$0.00 | \$0.00 | (\$5,947.86) | \$6,824,495.64 | \$138,063,353.61 |

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, 2011

| | SETASIDES | | | | Admin Surcharge | Loans | Total |
|--------------------------------------|----------------------|-------------------------|---------------------|----------------------|-----------------------|------------------------|------------------------|
| | State Admin | Technical Assistance | Local Assistance | Total Setasides | | | |
| Operating Revenues: | | | | | | | |
| Loan Interest Income | | | | \$0.00 | | \$3,509,799.74 | \$3,509,799.74 |
| Federal Capitalization Grants | \$420,910.01 | \$357,106.12 | \$15,922.50 | \$793,938.63 | | \$26,251,669.00 | \$27,045,607.63 |
| Other Income | | | | \$0.00 | \$1,034,033.81 | | \$1,034,033.81 |
| Bond Premium | | | | \$0.00 | \$0.00 | \$263,321.80 | \$263,321.80 |
| Total Operating Revenue | \$420,910.01 | \$357,106.12 | \$15,922.50 | \$793,938.63 | \$1,034,033.81 | \$30,024,790.54 | \$31,852,762.98 |
| Operating Expenses: | | | | | | | |
| Administrative Expenses | | | | | | | |
| Personal Services | \$161,205.06 | | | \$161,205.06 | | | \$161,205.06 |
| Employee Benefits | \$33,789.91 | | | \$33,789.91 | | | \$33,789.91 |
| Travel | \$9,268.42 | | | \$9,268.42 | | | \$9,268.42 |
| Contractual | \$186,990.77 | \$319,106.12 | \$15,922.50 | \$522,019.39 | \$196,250.00 | | \$718,269.39 |
| Supplies | \$903.98 | | | \$903.98 | | | \$903.98 |
| Grants | | \$38,000.00 | | \$38,000.00 | | | \$38,000.00 |
| Grants ARRA | | | | | | \$7,998,481.00 | \$7,998,481.00 |
| Other | \$1,697.63 | | | \$1,697.63 | | | \$1,697.63 |
| Total Administrative Expenses | \$393,855.77 | \$357,106.12 | \$15,922.50 | \$766,884.39 | \$196,250.00 | \$7,998,481.00 | \$8,961,615.39 |
| Interest Expense | \$40,240.74 | | | \$40,240.74 | | \$2,871,216.17 | \$2,911,456.91 |
| Servicer Expense | | | | | | \$26,394.25 | \$26,394.25 |
| Bond Issuance Expense | \$79,056.95 | | | \$79,056.95 | | (\$15,810.08) | \$63,246.87 |
| Total Operating Expenses | \$513,153.46 | \$357,106.12 | \$15,922.50 | \$886,182.08 | \$196,250.00 | \$10,880,281.34 | \$11,962,713.42 |
| Operating Income (Loss) | (\$92,243.45) | \$0.00 | | (\$92,243.45) | \$837,783.81 | \$19,144,509.20 | \$19,890,049.56 |

| | SETASIDES | | | | Admin Surcharge | Loans | Total |
|---|---------------------|-------------------------|---------------------|---------------------|-----------------------|-------------------------|-------------------------|
| | State Admin | Technical Assistance | Local Assistance | Total Setasides | | | |
| Nonoperating Revenue (Expenses): | | | | | | | |
| Investment Income | | | | \$0.00 | \$256.61 | \$1,986,822.84 | \$1,987,079.45 |
| Income (Loss) Before Transfers | (\$92,243.45) | \$0.00 | \$0.00 | (\$92,243.45) | \$838,040.42 | \$21,131,332.04 | \$21,877,129.01 |
| Transfers: | | | | | | | |
| Transfer In | | | | \$0.00 | | | \$0.00 |
| Transfer Out | (\$27,174.32) | | | (\$27,174.32) | | (\$10,000,000.00) | (\$10,027,174.32) |
| Change in Net Assets | (\$119,417.77) | \$0.00 | \$0.00 | (\$119,417.77) | \$838,040.42 | \$11,131,332.04 | \$11,849,954.69 |
| Net Assets at Beginning of Year | \$113,469.91 | \$0.00 | \$0.00 | \$113,469.91 | \$5,986,455.22 | \$126,932,021.57 | \$133,031,946.70 |
| Net Assets at End of Year | (\$5,947.86) | \$0.00 | \$0.00 | (\$5,947.86) | \$6,824,495.64 | \$138,063,353.61 | \$144,881,901.39 |

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, 2011

| | SETASIDES | | | | Admin Surcharge | Loans | Total |
|---|----------------|-------------------------|---------------------|--------------------|--------------------|-------------------|-------------------|
| | State Admin | Technical Assistance | Local Assistance | Total Setasides | | | |
| Cash Flows from Operating Activities: | | | | | | | |
| Receipts for Loan Repayments | | | | | | \$27,828,527.03 | \$27,828,527.03 |
| Receipts for Interest Income on Loans | | | | | | \$3,283,381.43 | \$3,283,381.43 |
| Receipts for Surcharge Interest on Loans | | | | | \$981,481.02 | | \$981,481.02 |
| Receipts for Administering Program | \$349,540.00 | \$452,220.00 | \$10,600.00 | \$812,360.00 | | \$26,251,669.00 | \$27,064,029.00 |
| Receipts for BAN's Premium | | | | | | \$263,321.80 | \$263,321.80 |
| Payments to Loan Recipients | | | | | | (\$44,460,847.00) | (\$44,460,847.00) |
| Servicing Payments | | | | | | (\$26,394.25) | (\$26,394.25) |
| Ban's Issuance Costs Paid | | | | | | (\$32,257.80) | (\$32,257.80) |
| Payments for Employee Services | (\$200,996.28) | | | (\$200,996.28) | | | (\$200,996.28) |
| Payments for Contractual Services | (\$118,741.00) | (\$356,924.20) | (\$10,657.50) | (\$486,322.70) | (\$163,750.00) | | (\$650,072.70) |
| Payments for Grants | | (\$44,000.00) | | (\$44,000.00) | | (\$7,998,481.00) | (\$8,042,481.00) |
| Other Payments | (\$13,191.76) | | | (\$13,191.76) | | | (\$13,191.76) |
| Net Cash Provided (Used) by Operating Activities | \$16,610.96 | \$51,295.80 | (\$57.50) | \$67,849.26 | \$817,731.02 | \$5,108,919.21 | \$5,994,499.49 |
| Cash Flows from Noncapital Financing Activities: | | | | | | | |
| Bond Issue Cost Paid | | | | | | (\$229,106.43) | (\$229,106.43) |
| BAN Receipts | | | | | | \$17,780,000.00 | \$17,780,000.00 |
| BAN Payments | | | | | | (\$35,780,000.00) | (\$35,780,000.00) |
| Bond Receipts | | | | | | \$38,506,617.35 | \$38,506,617.35 |
| Bond Payments | | | | | | (\$21,055,000.00) | (\$21,055,000.00) |
| Transfers Out | (\$27,174.32) | | | (\$27,174.32) | | (\$10,000,000.00) | (\$10,027,174.32) |
| Principal Payments on Bonds | | | | | | (\$2,495,000.00) | (\$2,495,000.00) |
| Interest Payments on Bonds and Notes | | | | | | (\$2,364,476.01) | (\$2,364,476.01) |
| Net Cash Provided (Used) by Noncapital Financing Activities | (\$27,174.32) | \$0.00 | | (\$27,174.32) | \$0.00 | (\$15,636,965.09) | (\$15,664,139.41) |

| | SETASIDES | | | | Admin Surcharge | Loans | Total |
|---|----------------|-------------------------|---------------------|--------------------|--------------------|-------------------|-------------------|
| | State Admin | Technical Assistance | Local Assistance | Total Setasides | | | |
| Cash Flows from Investing Activities: | | | | | | | |
| Interest on Investments | \$0.00 | | | \$0.00 | \$291.28 | \$1,806,174.34 | \$1,806,465.62 |
| Proceeds from Sale of Investment Securities | | | | | | \$30,657,481.01 | \$30,657,481.01 |
| Purchase of Investment Securities | | | | | | (\$33,623,946.06) | (\$33,623,946.06) |
| Net Cash Provided (Used) by Investing Activities | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$291.28 | (\$1,160,290.71) | (\$1,159,999.43) |
| Net Increase (Decrease) in Cash and Cash Equivalents | (\$10,563.36) | \$51,295.80 | (\$57.50) | \$40,674.94 | \$818,022.30 | (\$11,688,336.59) | (\$10,829,639.35) |
| Cash and Cash Equivalents at Beginning of Year | (\$26,531.19) | (\$51,480.44) | \$0.00 | (\$78,011.63) | \$5,824,608.40 | \$30,528,051.75 | \$36,274,648.52 |
| Cash and Cash Equivalents at End of Year | (\$37,094.55) | (\$184.64) | (\$57.50) | (\$37,336.69) | \$6,642,630.70 | \$18,839,715.16 | \$25,445,009.17 |
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities | | | | | | | |
| Operating Income (Loss) | (\$92,243.45) | \$0.00 | | (\$92,243.45) | \$837,783.81 | \$19,144,509.20 | \$19,890,049.56 |
| Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operating Activities: | | | | | | | |
| Interest Expense | \$40,240.74 | | | \$40,240.74 | | \$2,871,216.17 | \$2,911,456.91 |
| Amortization of Bond Issuance Cost | \$79,056.95 | | | \$79,056.95 | | (\$48,067.88) | \$30,989.07 |
| Assets: (Increase)/Decrease | | | | | | | |
| Loans Receivable | | | | | | (\$16,632,319.97) | (\$16,632,319.97) |
| Accrued Interest Receivable on Loans | | | | | | (\$226,418.31) | (\$226,418.31) |
| Due from Federal Government | (\$71,370.01) | \$95,113.88 | (\$5,322.50) | \$18,421.37 | | | \$18,421.37 |
| Due from Other Governments | | | | | (\$52,552.79) | | (\$52,552.79) |
| Liabilities: Increase/(Decrease) | | | | | | | |
| Accounts Payable | \$66,928.04 | (\$43,818.08) | \$5,265.00 | \$28,374.96 | \$32,500.00 | | \$60,874.96 |
| Accrued Employee Benefits | (\$6,531.13) | | | (\$6,531.13) | | | (\$6,531.13) |
| Accrued Liabilities | \$529.82 | | | \$529.82 | | | \$529.82 |
| Total Adjustments | \$108,854.41 | \$51,295.80 | (\$57.50) | \$160,092.71 | (\$20,052.79) | (\$14,035,589.99) | (\$13,895,550.07) |
| Net Cash Provided by Operations | \$16,610.96 | \$51,295.80 | (\$57.50) | \$67,849.26 | \$817,731.02 | \$5,108,919.21 | \$5,994,499.49 |

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

**SOUTH DAKOTA BOARD OF WATER
AND NATURAL RESOURCES
DRINKING WATER STATE REVOLVING FUND
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011**

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 Board of Water and Natural Resources, acting in its capacity as the South Dakota Conservancy District, 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 Board acting in its capacity as the Conservancy District. 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, 2011 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, \$10,647.56 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: | Environmental Protection Agency |
| Program: | Drinking Water State Revolving Fund |
| State Agency: | Environment & Natural Resources |
| Expenditures: | \$152,943,038 |
| Outstanding Loans: | \$152,171,473 |
| Current Year | |
| Administrative Expense: | \$771,565 |
| Loan Disbursement: | \$44,460,847 |

2. CASH AND INVESTMENTS

Cash and Cash Equivalents consisted of a Goldman Sachs Financial Square Treasury Obligation Fund (money market fund) and the South Dakota Cash Flow Fund. The Goldman Sachs Fund was rated "AAAm" by Standard and Poor's Rating Group. The fund paid .01% for the period 7/01/2010 – 6/30/2011. The South Dakota Conservancy District Investment Policy adopted pursuant to the Master Trust Indenture authorizes the investment of up to 20 percent of funds in the South Dakota Cash Flow Fund which is an unrated fund. The fund paid 3.37% for state fiscal year 2011. Funds were invested for the period 1/5/2011 to 6/30/2011.

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, 2011, \$38,489,690 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 | \$ 30,690,568 |
| Guaranteed Investment Contract | 8/01/2026 | \$ <u>7,799,122</u> |
| | | \$ <u>38,489,690</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> |
|-----------------------|----------------------|
| Baa1 | \$ <u>38,489,690</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. These fully collateralized investments have a fair value that equates to contract value.

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, 2011 are as follows:

| <u>Issue</u> | <u>Interest Rate</u> | <u>Maturity Through</u> | <u>Principal Balance</u> |
|----------------------------|----------------------|-------------------------|--------------------------|
| Series 2001 | | | |
| Serial Bonds | 4% - 5% | 2014 | 1,005,000 |
| Term Bonds | 0.05 | 2022 | 2,700,000 |
| Series 2004 | | | |
| Leveraged Serial Bonds | 3.0% - 5.25% | 2025 | 18,225,000 |
| St. Match Serial Bonds | 3.0% - 5.25% | 2025 | 4,050,000 |
| Series 2005 | | | |
| Leveraged Serial Bonds | 3.25% - 5.0% | 2026 | 5,860,000 |
| St. Match Serial Bonds | 3.25% - 5.0% | 2026 | 1,405,000 |
| Series 2010AB | | | |
| Build America Bonds (BABs) | | | |
| Leveraged Term Bonds | 4.084% - 5.646% | 2031 | 12,665,000 |
| Tax Exempt Bonds | | | |
| Leveraged Term Bonds | 2.000% - 5.125% | 2030 | 16,640,000 |
| St. Match Term Bonds | 2.000% - 5.125% | 2030 | 7,370,000 |

| Issue | Interest Rate | Maturity Through | Principal Balance |
|--|------------------|---------------------|----------------------|
| Total | | | 69,920,000 |
| Less: Unamortized Deferred Amount of Refunding | | | (232,392) |
| Less: Unamortized Original Issue Discount | | | (18,223) |
| Add: Unamortized Premium | | | 2,462,234 |
| Total Net of Amortization | | | \$72,131,619 |

Future bond payments and future interest payments remaining as of June 30, 2011 are as follows:

| Year Ended June 30, | Principal | Interest | Total Principal and Interest |
|------------------------|---------------------|----------------------|---------------------------------|
| 2012 | 2,845,000 | 3,447,871 | 6,292,871 |
| 2013 | 3,440,000 | 3,169,438 | 6,609,438 |
| 2014 | 3,590,000 | 3,014,538 | 6,604,538 |
| 2015 | 3,740,000 | 2,849,945 | 6,589,945 |
| 2016 | 3,895,000 | 2,673,678 | 6,568,678 |
| 2017-2021 | 20,995,000 | 10,447,325 | 31,442,325 |
| 2022-2026 | 20,990,000 | 5,413,224 | 26,403,224 |
| 2027-2031 | <u>10,425,000</u> | <u>1,215,942</u> | <u>11,640,942</u> |
| TOTAL | <u>\$69,920,000</u> | <u>\$ 32,231,961</u> | <u>\$102,151,961</u> |

Changes in long-term liabilities

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|--------------------------|----------------------|---------------------|---------------------|---------------------|------------------------|
| Revenue Bonds | \$57,464,651 | \$38,561,161 | \$23,894,193 | \$72,131,619 | \$ 2,965,454 |
| Compensated Absences | <u>48,610</u> | <u>12,921</u> | <u>19,452</u> | <u>42,079</u> | <u>22,256</u> |
| Long-Term Liabilities | <u>\$57,513,261</u> | <u>\$38,574,082</u> | <u>\$23,913,645</u> | <u>\$72,173,698</u> | <u>\$ 2,987,710</u> |

5. COMMITMENTS

As of June 30, 2011, the DWSRF had loan commitments with political subdivisions worth \$31,160,467.

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, 2011, 2010, and 2009, were \$11,170.96, \$11,979.46, and \$10,322.14, 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, 2011, a liability existed for accumulated annual leave calculated at the employee's June 30, 2011 pay rate in the amount of \$18,995. 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, 2011, a liability existed for accumulated sick leave, calculated at each employee's June 30, 2011, pay rate in the amount of \$23,084. The total leave liability of \$42,079 at June 30, 2011 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. BONDING ACTIVITY IN SFY 2011

The \$17,780,000 in proceeds of the Series 2010 Bond Anticipation Notes (BANs), together with other available funds, were used to pay the redemption price of the District's \$18,000,000 Series 2009 BANs which was due on September 10, 2010. The \$36,675,000 in proceeds of the Series 2010 Bonds, together with other available funds, will be used by the District to refund the \$17,780,000 BANs Series 2010 in September 2011 and to refund the \$21,055,000 principal amount of Bonds issued by the District in 1998 and 2008. Additionally, a portion of the 2010 BANs and Bonds were used to pay costs of issuance.

ADDENDUM A

FEDERAL FISCAL YEAR 2012

INTENDED USE PLAN

**SOUTH DAKOTA
DRINKING WATER STATE REVOLVING FUND
FISCAL YEAR 2012 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 2011 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 10, 2011, to review the 2012 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 and 74:05:11:06.01. 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.
3. For fiscal year 2012, the goal of the Drinking Water SRF program is to fund 19 loans, totaling \$22.1 million.
 4. For fiscal year 2012, it is estimated that 29 projects will initiate operations.
 5. For fiscal year 2012, 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 2012, 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.

The interest rates for fiscal year 2012 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

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 2012, the specific measures are:

1. In fiscal year 2011, the fund utilization rate, as measured by the percentage of executed loans to funds available, was 95.2 percent, which exceeded the national average and our target goal of 90 percent. For fiscal year 2012, the goal of the Drinking Water SRF program is to maintain the fund utilization rate at or above 90 percent.
2. In fiscal year 2011, the rate at which projects progressed as measured by disbursements as a percent of assistance provided was 82.1 percent, which exceeded the goal of 80%. For fiscal year 2012, the goal is to maintain the construction pace at or above 80 percent.

department. It is estimated that approximately \$1.9 million will be used as state match for the fiscal year 2012 capitalization grant.

As of September 30, 2011, \$6.5 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.

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

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

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 \$122 million have been made to systems meeting this population threshold, or 39.7 percent of the \$307.25 million of total funds available for loan. Attachment II – List of Projects to be funded in Fiscal Year 2012 identifies more than \$23.4 million in projects, of which approximately \$22.4 million is 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 and 2011, \$7.5 million of leveraged bond proceeds and \$10 million of repayments, respectively were transferred from the Drinking Water SRF program to the Clean Water SRF program. With the 2012 capitalization grant, the ability exists to transfer up to \$30.8 million from the Clean Water SRF program to the Drinking Water SRF program. Nearly \$28.9 million could be transferred from the Drinking Water SRF Program to the Clean Water SRF program. Table 3 (page 10) itemizes the amount of funds transferred between the programs and the amount of funds available to be transferred.

No transfers are anticipated in 2012.

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 2012 capitalization grant is expected to be \$9,418,000 which requires \$1,883,600 in state match. Administrative surcharge will be used to match 2012 capitalization grant funds.

In fiscal year 2012, the South Dakota Drinking Water SRF program will draw cash from Federal grants to pay for project and administrative expenses at a ratio of 83.33 percent federal to 16.67 percent of state match funds. This ratio may be adjusted throughout the year with additional federal funds spent, due to the program having spent state match prior to drawing federal funds, so the program could remain in

compliance with the Tax Increase Prevention and Reconciliation Act. Leveraged bond proceeds will be spent on project expenses with a zero percent federal proportionate share.

Leveraged Bonds: The South Dakota Conservancy District has the ability to issue additional bonds above that required for state match, known as leveraged bonds. 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 2012.

Borrowers' Principal Repayments: The principal repaid by the loan borrowers is used to make semi-annual leveraged bond payments. Any excess principal is available for loans. It is estimated that \$8.5 million in principal repayments will be available for loans in fiscal year 2012.

Interest Earnings: The interest repaid by the loan borrowers, as well as interest earned on investments, is dedicated to make semi-annual state match bond payments. Any excess interest is available for loans. It is estimated that \$3.6 million in interest earnings will be available for loans in fiscal year 2012.

As of September 30, 2011, 200 loans totaling \$292,527,899 have been made.

At the beginning of fiscal year 2012, \$14,722,241 is available for loan. With the 2012 capitalization grant, state match, leveraged bonds, excess interest earnings, and repayments, approximately \$37.4 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 | \$376,720 |
| Small System Technical Assistance | \$188,360 |
| Local Assistance and Other State Programs | \$550,000 |
| Total for set-asides | \$1,115,080 |

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.

Additional Subsidy - Principal Forgiveness

The 2010 and 2011 Drinking Water SRF appropriations mandated that not less than 30 percent of the funds made available for Drinking Water SRF capitalization grants shall be used by the State to provide additional subsidy to eligible recipients. Additional subsidy may be in the form of forgiveness of principal, negative interest loans, or grants (or any combination of these).

Additional subsidy will be provided in the form of principal forgiveness. Municipalities and sanitary districts must have a minimum rate of \$25 per month based on 5,000 gallons usage or a flat rate to qualify for principal forgiveness. Other applicants must have a minimum rate of \$55 per month based on 7,000 gallons usage or a flat rate to qualify for principal forgiveness.

When determining the amount of principal forgiveness, the Board of Water and Natural Resources may consider the following decision-making factors, which are set forth in alphabetical order:

- (1) Annual utility operating budgets;

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

Table 2 summarizes the amounts of principal forgiveness provided through the 2010 and 2011 capitalization grants.

Table 2 – Principal Forgiveness Awarded

| FFY | Principal Forgiveness | |
|-------------------------------|-----------------------|----------------|
| | Minimum | Maximum |
| 2010 | \$4,071,900 | \$13,573,000 |
| 2011 | \$2,825,400 | \$9,418,000 |
| | \$6,897,300 | \$22,991,000 |
| Awarded in 2010 | | (\$1,490,000) |
| Awarded in 2011 | | (\$12,809,030) |
| Principal Forgiveness Balance | | \$8,691,970 |

Although the availability of principal forgiveness for the upcoming year is unknown, it is anticipated that the 2012 capitalization grant will include the ability to award principal forgiveness. Attachment II - List of Projects to be Funded in FY 2011 identifies \$1,962,800 in potential principal forgiveness.

Green Project Reserve

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

categories of projects are the components of the Green Project Reserve.

To meet the Green Project Reserve requirement, the South Dakota Drinking Water SRF program needed to provide at least \$2,714,600 and \$2,545,000 from the 2010 and 2011 capitalization grants, respectively, to qualifying projects. Sufficient funds have been awarded to qualifying projects to meet the 2010 and 2011 Green Project Reserve requirement.

It is anticipated that the Green Project Reserve requirement will carry forward with the 2012 capitalization grant. It is anticipated that the Green Project Reserve requirement will be reduced to 10 percent of the 2012 capitalization grant. Attachment II - List of Projects to be Funded in FY 2012 identifies \$1,696,520 of potential projects or project components that may count towards the Green Project Reserve. This is sufficient to meet the expected 10 percent threshold for the 2012 capitalization grant. If the Green Project Reserve amount cannot be achieved, the department must attempt to identify additional qualifying projects, or a waiver can be requested. To obtain a waiver it must be demonstrated that sufficient effort was taken to solicit eligible projects.

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 (\$376,720) 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 (\$188,360) 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 periodically to allow the continuation of assistance activities. 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.

To promote proactive planning within small communities, the Small Community Planning Grant program was initiated in fiscal year 2001. Communities are reimbursed 80 percent of the cost of an engineering study, with the maximum grant amount for any study being \$8,000.

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, \$188,360 from the fiscal year 2012 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, \$225,706 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 2012.

Local assistance and other state programs. Up to \$550,000 will be allocated for the capacity development activities described below.

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.

Energy audits for several small systems were conducted using the two percent small system technical assistance set-aside available from the Drinking Water ARRA allocation. It is intended to use the local assistance set-aside to conduct additional energy audits for systems serving more than 10,000.

The Board of Water and Natural Resources and the department encourage regional approaches to address small system compliance. To encourage the consolidation of systems, local assistance set-aside funds will be reserved to study the feasibility of consolidation where such potential exists.

In 2008, the Midwest Assistance Program (MAP) began assisting small communities that received an SRF loan and recommendations were made in the capacity assessment to improve the technical, financial, or managerial capacity of the system. In

addition, the Midwest Assistance Program has assisted in the review of capacity assessments required as part of the Drinking Water SRF loan applications. The DENR and the Midwest Assistance Program will continue the partnership in FY 2012.

A total of \$550,000 will be set-aside for the activities described above in federal fiscal year 2012.

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 \$25 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 \$55 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 2012. 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 subsidy as mandated under recent capitalization grants is provided as described previously. Additional subsidies in the form of principal forgiveness or negative interest rates specifically for disadvantaged communities 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 3 - Amounts Available to Transfer between State Revolving Fund Programs

| Year | DWSRF Capitalization Grant | Amount Available for Transfer | Banked Transfer Ceiling | Amount Transferred from CWSRF to DWSRF | Amount Transferred from DWSRF to CWSRF | Transfer Description | CWSRF Funds Available to Transfer | DWSRF Funds Available to Transfer |
|-------------|-----------------------------------|--------------------------------------|--------------------------------|---|---|-----------------------------|--|--|
| 1997 | \$12,558,800 | \$4,144,404 | \$4,144,404 | | | | \$4,144,404 | \$4,144,404 |
| 1998 | \$7,121,300 | \$2,350,029 | \$6,494,433 | | | | \$6,494,433 | \$6,494,433 |
| 1999 | \$7,463,800 | \$2,463,054 | \$8,957,487 | | | | \$8,957,487 | \$8,957,487 |
| 2000 | \$7,757,000 | \$2,559,810 | \$11,517,297 | | | | \$11,517,297 | \$11,517,297 |
| 2001 | \$7,789,100 | \$2,570,403 | \$14,087,700 | | | | \$14,087,700 | \$14,087,700 |
| 2002 | \$8,052,500 | \$2,657,325 | \$16,745,025 | \$7,812,960 | | CW Cap Grant/Match | \$8,932,065 | \$16,745,025 |
| 2003 | \$8,004,100 | \$2,641,353 | \$19,386,378 | \$7,761,360 | | CW Cap Grant/Match | \$3,812,058 | \$19,386,378 |
| 2004 | \$8,303,100 | \$2,740,023 | \$22,126,401 | | | | \$6,552,081 | \$22,126,401 |
| 2005 | \$8,352,500 | \$2,756,325 | \$24,882,726 | | | | \$9,308,406 | \$24,882,726 |
| 2006 | \$8,229,300 | \$2,715,669 | \$27,598,395 | | \$7,500,000 | Leveraged Bonds | \$12,024,075 | \$20,098,395 |
| 2007 | \$8,229,000 | \$2,715,570 | \$30,313,965 | | | | \$14,739,645 | \$22,813,965 |
| 2008 | \$8,146,000 | \$2,688,180 | \$33,002,145 | | | | \$17,427,825 | \$25,502,145 |
| 2009 | \$8,146,000 | \$2,688,180 | \$35,690,325 | | | | \$20,116,005 | \$28,190,325 |
| 2010 | \$13,573,000 | \$4,479,090 | \$40,169,415 | | | | \$24,595,095 | \$32,669,415 |
| 2011 | \$9,418,000 | \$3,107,940 | \$43,277,355 | | \$10,000,000 | Repayments | \$27,703,035 | \$25,777,355 |
| 2012 (est.) | \$9,418,000 | \$3,107,940 | \$46,385,295 | | | | \$30,810,975 | \$28,885,295 |

ATTACHMENT I

PROJECT PRIORITY LIST

Attachment I is a comprehensive list of projects that are eligible for 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 2012.

| Priority Points | Community/ Public Water System | Project Number | Project Description | Est. Loan Amount | Expected Loan Rate & Term | Pop. Served | Dis-advan-taged |
|-----------------|-----------------------------------|----------------|---|------------------|---------------------------|-------------|-----------------|
| 316 | Edgemont | C462216-01 | <i>Problem:</i> the town's water supply is four free flowing wells that are exceeding the maximum contaminant level for Gross Alpha and the towns distribution system and underground concrete reservoirs are old and in poor condition. <i>Project:</i> re-case the existing wells, construct a new storage reservoir and water treatment system, and replace and reconfigure the distribution system to bring water from all four wells to the new storage reservoir. | \$2,500,000 | 2.25%, 30 years | 867 | Yes |
| 170 | McLaughlin | C462233-02 | <i>Problem:</i> over ½ of the distribution system is old cast iron and asbestos cement pipe that is in poor condition; one of the two water towers is over 100 years old and is in poor condition, portions of the town experience low pressures, and two of the city's five wells are in poor condition. <i>Project:</i> replace the cast iron and asbestos cement pipe, construct a new water tower, loop dead-end lines and connect to the Standing Rock Rural Water System. | \$3,640,000 | 2.25%, 30 years | 955 | Yes |
| 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. | \$2,133,000 | 3.00%, 20 years | 250 | |

| Priority Points | Community/ Public Water System | Project Number | Project Description | Est. Loan Amount | Expected Loan Rate & Term | Pop. Served | Dis-advan- taged |
|-----------------|-----------------------------------|---------------------------------|---|-------------------------------|---|-------------|---------------------|
| 150 | Butte-Meade Sanitary District | C462190-01 | <i>Problem:</i> the district's meters are old and becoming obsolete. <i>Project:</i> replace approximately 810 water meters and install an automatic meter reading system. | \$300,000 | 2.25%, 10 years | 2,000 | |
| 149 | Newell | C462109-02 and C462109-03 | <i>Problem:</i> portions of the distribution system consist of asbestos cement water lines that are in need of replacement and the city's meters are old and outdated. <i>Project:</i> replace approximately 7,500 feet of line and 300 water meters and install an automatic meter reading system. | \$252,300 and \$852,400 | 1.25%, 10 years and 2.25%, 30 years | 646 | Yes |
| 149 | Viborg | C462240-03 | <i>Problem:</i> the city's meters are old and outdated. <i>Project:</i> replace approximately 400 water meters and install an automatic meter reading system. | \$254,500 | 2.25%, 10 years | 832 | Yes |
| 145 | Lennox | C462105-02 and C462105-03 | <i>Problem:</i> portions of the distribution system consist of cast iron and asbestos cement water lines that are old and prone to breaking and the city utilizes a manual read meter system. <i>Project:</i> replace approximately 3,700 feet of cast iron and asbestos cement water lines with PVC lines, retrofit about 875 meters with electronic remote transmitters, and install an automatic meter reading system. | \$793,450 and \$322,450 | 3.00%, 30 years and 2.25%, 10 years | 2,037 | Yes |
| 142 | Longview Sanitary District | C462463-01 | <i>Problem:</i> the sanitary district consists of residences served by individual shallow wells that are inadequate and a small community water system with an inadequate water source. <i>Project:</i> construct a distribution system and connect to the Rapid City system. | \$2,700,000 | 3.00%, 20 years | 180 | |
| 137 | Mansfield Water User Association | C462-472-01 | <i>Problem:</i> the system's water lines are undersized and experiencing excessive water loss. <i>Project:</i> replace lines and have each user served individually by the WEB Rural Water | \$106,500 | 3.00%, 20 years | 76 | |

| Priority Points | Community/ Public Water System | Project Number | Project Description | Est. Loan Amount | Expected Loan Rate & Term | Pop. Served | Dis-advantaged |
|-----------------|---------------------------------------|---------------------------------|---|---------------------------------|---|-------------|----------------|
| 127 | Woodland Hills Homeowners Association | C462469-01 | System. <i>Problem:</i> the distribution system is unmetered, leaking excessively and experiencing freezing problems due to inadequate burial depth. <i>Project:</i> Install water meters and replace the distribution system. | \$1,215,000 | 3.00%, 20 years | 250 | |
| 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 years | 32,000 | Yes |
| 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 years | 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 years | 32,000 | Yes |
| 125 | Mid-Dakota Rural Water System | C462430-06 | <i>Problem:</i> additional users within the system's service area have requested to be connected to the rural water system. <i>Project:</i> install pipe and water services throughout the system's service area to supply as many as 200 users with rural water. | \$670,000 | 3.00%, 30 years | 32,000 | Yes |
| 109 | Wilmot | C462077-01 and C462077-02 | <i>Problem:</i> the distribution system includes approximately 5,300 feet of 4-inch cast iron lines that are old and undersized and 2,700 feet of small diameter lines (1-1/2 inches or less), | \$1,634,350 and \$347,470 | 2.25%, 30 years and 1.25%, 10 years | 543 | Yes |

| Priority Points | Community/ Public Water System | Project Number | Project Description | Est. Loan Amount | Expected Loan Rate & Term | Pop. Served | Dis-advantaged |
|-----------------|---|---------------------------------|--|-----------------------------------|---|-------------|--------------------------------|
| 107 | Madison | C462024-02 and C462024-03 | the city's meters are old and outdated, and the water towers is 100 years old and is undersized. <i>Project:</i> install approximately 8,000 feet of PVC line to replace the 4-inch cast iron and small diameter lines, replace 270 water meters and install an automatic meter reading system, and erect a new 100,000-gallon water tower. <i>Problem:</i> levels of volatile organic compounds (VOCs) exceeding the maximum contaminant level have been detected in the city's treated water. <i>Project:</i> install an ozone generator to address the VOCs and make other improvements at the water treatment plant to include a new ground storage reservoir and clearwell, ammonia feed equipment, and piping modifications. | \$2,830,000 and \$1,741,100 | 3.00%, 30 years and 3.00%, 20 years | 6,540 | Yes |
| 96 | Tri-County Water/Mni Waste' Water Company | C462438-01 | <i>Problem:</i> areas within the rural water system experience low pressures. <i>Project:</i> construct a 250,000-gallon elevated water storage tank. | \$200,000 | 2.25%, 30 years | 3,175 | Yes (Pending rate increase) |
| 85 | Mid-Dakota Rural Water System | C462430-07 | <i>Problem:</i> due to a flood-related line break in the Redfield Service Area, many users experienced low pressure and volumes for a period. <i>Project:</i> construct a new 150,000-gallon elevated storage tank to serve the Redfield Service Area enhance the reliability in this area. | \$819,000 | 3.00%, 30 years | 32,000 | Yes |
| 84 | Faulkton | C462217-02 | <i>Problem:</i> most of the city's water main consists of old, undersized cast iron that is in poor condition. <i>Project:</i> replace approximately 3,500 feet of water line under US Highway 212 in conjunction with a DOT project. | \$441,725 | 3.00%, 30 years | 785 | Yes |
| 82 | TM Rural Water District | C462429-01 | <i>Problem:</i> two of the district's bulk water users – Hurley and Viborg – have old water towers | \$2,483,500 | 3.00%, 20 years | 5,890 | |

| Priority Points | Community/ Public Water System | Project Number | Project Description | Est. Loan Amount | Expected Loan Rate & Term | Pop. Served | Dis-advan-taged |
|-----------------|-----------------------------------|----------------|--|------------------|---------------------------|-------------|--------------------------------|
| 82 | Tripp Water Users District | C462434-02 | that need to be replaced. <i>Project:</i> construct approximately 9.5 miles of water lines to upgrade the connection to an underutilized 300,000-gallon elevated tower owned by the TM Rural Water District. <i>Problem:</i> the water tower serving the community of Fairfax and nearby rural users is old and in disrepair. <i>Project:</i> construct a new 100,000-gallon water tower. | \$836,000 | 3.00%, 30 years | 8,353 | Yes (Pending rate increase) |
| 80 | Fort Pierre | C462049-01 | <i>Problem:</i> the two well pumps periodically stop which causes hammering and surging events that put stress on the water lines and portions of the distribution system is old cast iron and asbestos cement pipe that is in poor condition. <i>Project:</i> install variable frequency drives on the well pumps and replace approximately 3,100 feet of cast iron and asbestos cement pipe. | \$357,000 | 3.00%, 20 years | 1,991 | |
| 76 | Dell Rapids | C462064-04 | <i>Problem:</i> the city's meters are obsolete and unserviceable. <i>Project:</i> replace approximately 650 water meters, refurbish approximately 500 meters and install an automatic meter reading system. | \$363,600 | 2.25%, 10 years | 3,115 | |
| 74 | Colman | C462144-01 | <i>Problem:</i> the city's meters are obsolete and unserviceable. <i>Project:</i> replace approximately 370 water meters and install an automatic meter reading system | \$200,000 | 2.25%, 10 years | 572 | |
| 74 | Colton | C462135-03 | <i>Problem:</i> the city's meters are old and outdated. <i>Project:</i> replace approximately 325 water meters and install an automatic meter reading system. | \$210,700 | 2.25%, 10 years | 662 | |
| 64 | Centerville | C462215-02 | <i>Problem:</i> the city's uses a manual read meter system and wishes to upgrade to an automatic meter reading system. <i>Project:</i> install electronic remote transmitters to existing water | \$92,200 | 2.25%, 10 years | 882 | |

| Priority Points | Community/ Public Water System | Project Number | Project Description | Est. Loan Amount | Expected Loan Rate & Term | Pop. Served | Dis-advantaged |
|-----------------|-----------------------------------|----------------|---|------------------|---------------------------|-------------|-----------------------|
| 64 | Menno | C462136-01 | meters, replace defective water meters, and install an automatic meter reading system. <i>Problem:</i> the city's meters are old and outdated. <i>Project:</i> replace approximately 390 water meters and install an automatic meter reading system. | \$110,000 | 2.25%, 10 years | 729 | Yes |
| 51 | Mobridge | C462016-06 | <i>Problem:</i> the distribution system includes approximately 45,300 feet of 4-inch cast iron lines that are old and undersized, one of the water towers is 100 years old and undersized and the other is in need of rehabilitation. <i>Project:</i> replace the 4-inch cast iron lines with PVC, erect a new 500,000-gallon water tower, and rehabilitate the other tower. | \$4,500,000 | 2.25%, 30 years | 3,574 | Yes |
| 34 | Colman | C462144-02 | <i>Problem:</i> the city's water lines are old and experiencing breaks and excessive water loss and the water tower is old and undersized. <i>Project:</i> replace approximately 12,800 feet of water line and install a 100,000-gallon elevated water tank. | \$2,100,000 | 3.00%, 30 years | 572 | Yes |
| 23 | Hisega Meadows Water, Inc. | C462468-01 | <i>Problem:</i> the water system's distribution system is old, undersized, and has long dead-end lines. <i>Project:</i> install approximately 14,500 feet of 4- and 6-inch PVC water lines and appurtenances to replace and loop the distribution system. | \$1,489,000 | 3.00%, 20 years | 486 | |
| 23 | Trail West Sanitary District | C462471-01 | <i>Problem:</i> the distribution system serving the Trail West Sanitary District is owned by a private water company and is undersized and poorly constructed. <i>Project:</i> acquire the water system and replace the distribution system. | \$1,400,000 | 3.00%, 20 years | 206 | |
| 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 | \$2,000,000 | 3.00%, 30 years | 2,841 | Yes (Pending rate) |

| Priority Points | Community/ Public Water System | Project Number | Project Description | Est. Loan Amount | Expected Loan Rate & Term | Pop. Served | Dis-advantaged |
|-----------------|-----------------------------------|----------------|--|------------------|---------------------------|-------------|--------------------------------|
| | | | and undersized PVC pipe. <i>Project:</i> develop one additional wells and replace the asbestos-cement and undersized PVC pipe within the distribution system. | | | | increase) |
| 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 years | 3,137 | Yes |
| 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. | \$329,000 | 3.00%, 30 years | 792 | Yes (Pending rate increase) |
| 18 | Doland | C462050-01 | <i>Problem:</i> the city's water tower is old and in poor conditions and over 75% of the distribution system consists of cast iron and asbestos concrete water lines that over 50 years old and in poor condition. <i>Project:</i> replace the water tower, replace cast iron and asbestos concrete water lines, and loop dead end lines. | \$2,600,000 | 3.00%, 30 years | 297 | Yes |
| 10 | Beresford | C462187-01 | <i>Problem:</i> the city's water distribution system is old and in poor condition and the city wishes to connect to the Lewis and Clark Regional Water System. <i>Project:</i> install approximately 5,000 feet of PVC water main to replace a portion of the existing lines and install an additional 1,550 to connect to the Lewis and Clark Regional | \$961,000 | 3.00%, 30 years | 2,006 | Yes |

| Priority Points | Community/ Public Water System | Project Number | Project Description | Est. Loan Amount | Expected Loan Rate & Term | Pop. Served | Dis-advan- tagged |
|-----------------|-----------------------------------|----------------|---|------------------|---|-------------|--------------------------------|
| 8 | Aberdeen | C462072-03 | Water System. <i>Problem:</i> the intake at the water treatment plant has problems due to aging and silting. <i>Project:</i> replace the intake structure. | \$1,045,000 | 3.00%, 20 years | 24,658 | |
| 4 | Baltic | C462223-03 | <i>Problem:</i> the city's water lines are old and experiencing water loss. <i>Project:</i> install about 1,900 feet of water line and appurtenances in under Elm Avenue. | \$318,600 | 3.00%, 20 years | 811 | |
| 4 | New Underwood | C462257-02 | <i>Problem:</i> the city's elevated storage tank is located over ½ mile outside city limits and connects to the distribution system with one 6-inch line, which is inadequately sized and provides no back-up delivery method. <i>Project:</i> construct a parallel 10-inch line to connect the elevated storage tank to the distribution system. | \$280,000 | 3.00%, 30 years | 616 | Yes (Pending rate increase) |
| 4 | Worthing | C462047-02 | <i>Problem:</i> portions of the city's distribution system consist of 4-inch asbestos cement pipe which is undersized. <i>Project:</i> install approximately 1,600 feet of PVC lines to replace the 4-inch asbestos cement pipe, | \$280,100 | 3.00%, 20 years | 585 | |
| 2 | Pierpont | C462076-01 | <i>Problem:</i> the town's pressure tank, installed in 1905, and the high pressure pump system and controls have reached the end of its useful life. <i>Project:</i> install a new booster pump station with a ground storage tank and generator. | \$551,200 | 3.00%, 20 years * booster station not eligible for extended term | 122 | Yes * |

ATTACHMENT II – LIST OF PROJECTS TO BE FUNDED IN FISCAL YEAR 2012

| Priority Points | Loan Recipient | Project Number | Assistance Amount | Principal Forgiveness ¹ | Funding Date | Expected Funding Source |
|-----------------|---|---------------------------------|-------------------|------------------------------------|--------------|-------------------------|
| | <i>Green Project Reserve Information</i> | | | | | |
| LOANS EXPECTED | | | | | | |
| 76 | Dell Rapids | C462064-04 | \$363,600 | \$36,360 | Jan. 2011 | 2011 |
| | <i>GPR Project Type: Water Efficiency (Categorical)</i> <i>GPR Amount: \$363,600</i> | | | | | |
| 74 | Colton | C462135-02 | \$210,700 | \$105,350 | Jan. 2011 | 2011 |
| | <i>GPR Project Type: Water Efficiency (Categorical)</i> <i>GPR Amount: \$210,700</i> | | | | | |
| 149 | Newell | C462109-02 and C462109-03 | \$1,104,700 | \$110,500 | Mar. 2012 | 2011 |
| | <i>GPR Project Type: Water Efficiency (Categorical)</i> <i>GPR Amount: \$252,300</i> | | | | | |
| 145 | Lennox | C462105-02 and C462105-03 | \$1,115,900 | \$223,180 | Mar. 2012 | 2011/2012 |
| | <i>GPR Project Type: Water Efficiency (Categorical)</i> <i>GPR Amount: \$322,450</i> | | | | | |
| 109 | Wilmot | C462077-01 and C462077-02 | \$1,981,820 | \$198,180 | Mar. 2012 | 2012 |
| | <i>GPR Project Type: Water Efficiency (Categorical)</i> <i>GPR Amount: \$347,470</i> | | | | | |
| 107 | Madison | C462024-02 and C462024-03 | \$4,571,100 | \$457,110 | Mar. 2012 | 2012 |
| 74 | Colman | C462144-01 and C462144-02 | \$2,300,000 | \$230,000 | Mar. 2012 | 2012 |
| | <i>GPR Project Type: Water Efficiency (Categorical)</i> <i>GPR Amount: \$200,000</i> | | | | | |
| 82 | Tripp Water Users District | C462434-02 | \$836,000 | -0- | June 2012 | 2012 |
| 19 | Springfield | C462071-01 | \$329,000 | -0- | June 2012 | 2012 |
| 10 | Beresford | C462187-01 | \$961,000 | \$96,100 | June 2012 | 2012/Repayments |
| 8 | Aberdeen | C462072-03 | \$1,045,000 | -0- | June 2012 | Repayments |

| Priority Points | Loan Recipient | Project Number | Assistance Amount | Principal Forgiveness ¹ | Funding Date | Expected Funding Source |
|-----------------|--|----------------|-------------------|------------------------------------|--------------|-------------------------|
| | <i>Green Project Reserve Information</i> | | | | | |
| 4 | Baltic | C462223-03 | \$318,600 | -0- | June 2012 | Repayments |
| 4 | Worthing | C462047-02 | \$280,100 | \$56,020 | June 2012 | Repayments |
| 51 | Mobridge | C462016-06 | \$4,500,000 | \$450,000 | Sept. 2012 | Repayments |
| 21 | Winner | C462123-01 | \$3,250,000 | -0- | Sept. 2012 | Repayments |
| 4 | New Underwood | C462257-02 | \$280,000 | -0- | Sept. 2012 | Repayments |

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

**ATTACHMENT III
PROGRAM FUNDING STATUS**

Fiscal Years 1997 - 2011

| | |
|--|----------------------------|
| Capitalization Grants | \$131,076,500 |
| State Match | \$26,215,300 |
| ARRA Grant | \$19,500,000 |
| Set-Asides | (\$7,916,164) |
| Transfer of FY 2002 & 2003 Clean Water Capitalization Grant and State Match | \$15,574,320 |
| Transfer of DWSRF Repayments | (\$10,000,000) |
| Leveraged Bonds | \$60,725,699 |
| Excess Interest as of September 30, 2010 | \$22,427,604 |
| Excess Principal Repayments as of Sept. 30, 2011 | <u>\$49,646,881</u> |
| Total Funds Dedicated to Loan | \$307,250,140 |
| Loans made through September 30, 2011 | <u>(\$292,527,899)</u> |
| Balance of funds as of September 30, 2011 | \$14,722,241 |

Fiscal Year 2012 Projections

| | |
|--|--------------------------------|
| Capitalization Grants | \$9,418,000 |
| State Match | \$1,883,600 |
| Set-Asides | (\$1,115,080) |
| Projected Excess Principal Repayments | \$8,500,000 |
| Projected Unrestricted Interest Earnings | \$4,000,000 |
| Arbitrage Rebate Liability | -0- |
| Projected Fiscal Year 2012 Loan Sub-total | <u>\$22,686,520</u> |
| Total Funds Available for Loans | <u><u>\$37,408,761</u></u> |
| Loan Amount Identified on Attachment II - List of Projects to be Funded in Fiscal Year 2012 | <u><u>\$23,445,520</u></u> |

| Administrative Surcharge Funds Available as of September 30, 2011 | |
|--|--------------------|
| Program Income | \$1,479,359 |
| Non-Program Income | <u>\$5,027,336</u> |
| Total | <u>\$6,506,695</u> |

