

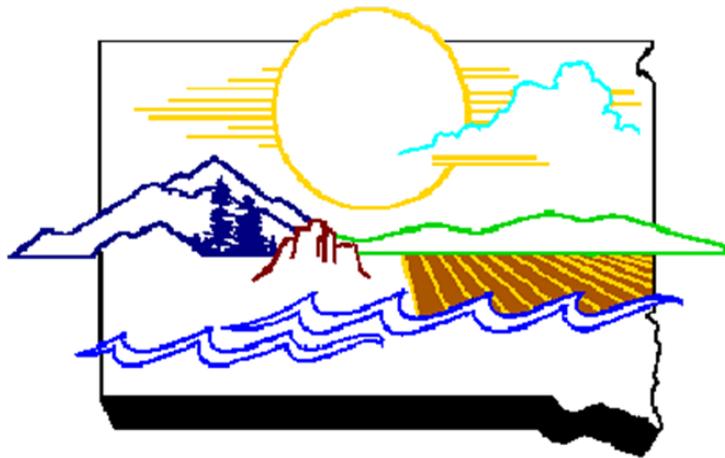
**THE SOUTH DAKOTA CONSERVANCY DISTRICT**

**DRINKING WATER STATE REVOLVING FUND**

**ANNUAL REPORT**

**FEDERAL FISCAL YEAR 2013**

**October 1, 2012 - September 30, 2013**



*Protecting South Dakota's Tomorrow ... Today*

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



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**THE SOUTH DAKOTA CONSERVANCY DISTRICT**

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**FEDERAL FISCAL YEAR 2013**

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**Department of Environment and Natural Resources**  
**Division of Financial and Technical Assistance**  
**523 East Capitol Avenue**  
**Pierre, South Dakota 57501-3181**  
**PHONE: (605) 773-4216      FAX: (605) 773-4068**



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**THE SOUTH DAKOTA CONSERVANCY DISTRICT  
BOARD MEMBERS**

BRAD JOHNSON, CHAIRMAN  
Watertown  
Member since 2003

GENE JONES, JR., VICE-CHAIRMAN  
Sioux Falls  
Member since 2002

DON ROUNDS, SECRETARY  
Pierre  
Member since 2003

TODD BERNHARD  
Fort Pierre  
Member since 2010

PAUL GNIRK  
New Underwood  
Member since 2009

PAUL GOLDHAMMER  
Wall  
Member since 2010

JACKIE LANNING  
Brookings  
Member since 2011

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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**

**2013**

**ANNUAL REPORT**

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## INTRODUCTION

The State of South Dakota herewith submits its Annual Report for Federal Fiscal Year (FFY) 2013 (October 1, 2012 through September 30, 2013). 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 2013 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 2013 activities. The next section addresses the *Goals and Environmental Results* the State of South Dakota identified in its 2013 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 2013 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 2014*. The primary purpose of the Intended Use Plan is to outline the proposed use of the funds available to the Drinking Water SRF program.

## EXECUTIVE SUMMARY

The South Dakota Drinking Water SRF program received a federal capitalization grant of \$8,421,000 for FFY 2013. These funds were matched by \$1,684,200 in state-issued revenue bonds and were supplemented by loan repayments and interest earnings.

### DRINKING WATER SRF LOANS

The Conservancy District approved ten loans to ten entities totaling \$27,859,000. A breakdown of the loans made during FFY 2013 is detailed in Table 1.

**Table 1**  
**Drinking Water Loans**  
**Federal Fiscal Year 2013**

<b>Recipient</b>	<b>Project Description</b>	<b>Assistance Amount</b>	<b>Rate %</b>	<b>Term Years</b>
Bonesteel (DW-01)	Water Infrastructure Upgrades	\$2,043,000	2.25%	30
Colman (DW-03)	Ph. 2/3 Water Mains and Tower Replacement	\$1,600,000	3.0%	30
Eagle Butte (DW-03)	Willow Street Water System Improvements	\$490,000	0%	30
Grant-Roberts RWS (DW-01)	Milbank Service Area Improvements	\$4,500,000	3.0%	30
Spearfish (DW-01)	West Zone Water Tank and Main Project	\$3,254,000	2.25%	10
Tabor (DW-01)	Distribution System Improvements	\$1,530,000	3.0%	30
White Lake (DW-01)	Main Street Water Utility Upgrades	\$362,000	2.25%	30
Winner (DW-01)	Chlorine Building Replacement	\$450,000	2.25%	30
Woodland Hills San. Dist. (DW-01)	Ph. 1 Water System Improvements	\$780,000	3.0%	20
Yankton (DW-05)	Ph. 1 Water Supply New Collector Well	\$12,850,000	3.0%	30
<b>TOTAL</b>		<b>\$27,859,000</b>		

Disbursements from the program during FFY 2013 totaled \$19,652,403. This total includes loan disbursements of \$18,940,097 to the various loan recipients with the balance going for set-aside and administrative purposes. See Exhibit IV for a breakdown of all disbursements during FFY 2013.

Since the program was initiated in 1997, 237 loans have been awarded to 131 entities with 14 loans subsequently being rescinded or deobligated in full. The projects associated with 167 loans are fully constructed or essentially complete and in operation. The following 13 projects initiated operations this past year:

Clay RWS (DW-03)	Oacoma (DW-02)
Gregory (DW-02)	Sioux Falls (DW-06)
Ipswich (DW-01)	Viborg (DW-02)
Lead (DW-03)	Webster (DW-02)
Menno (DW-01)	Woonsocket (DW-01)
Mid-Dakota RWS (DW-01)	Yankton (DW-04)
Mid-Dakota RWS (DW-02)	

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

Since fiscal year 2010 federal appropriation bills for the SRF programs have 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 the 2010 and 2011 capitalization grants be utilized for "green" projects; and 3) requiring that a portion of each capitalization grant be made available as additional subsidy.

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

Table 2 summarizes the amounts of principal forgiveness provided through the 2010-2013 capitalization grants. Table 3 recaps the projects awarded principal forgiveness in FFY 2013.

**Table 2**  
**Principal Forgiveness Awarded by Capitalization Grant**

FFY	Principal Forgiveness	
	Minimum	Maximum
2010	\$4,071,900	\$13,573,000
2011	\$2,825,400	\$9,418,000
2012	\$1,795,000	\$2,692,500
2013	\$1,684,200	\$2,526,300
2014 (est.)	\$1,684,200	\$2,526,300
	\$12,060,700	\$30,736,100
Awarded from 2010 grant		\$13,508,650
Awarded from 2011 grant		\$8,712,633
Awarded from 2012 grant		\$182,000
Awarded from 2013 grant		\$1,000,000

**Table 3**  
**FFY 2013 Drinking Water SRF Loans Awarded Additional Subsidy**

<b>Sponsor</b>	<b>Total Assistance Amount</b>	<b>Principal Forgiveness Awarded</b>
Bonesteel (DW-01)	\$2,043,000	\$1,543,000
Colman (DW-03)	\$1,600,000	\$968,000
Eagle Butte (DW-03)	\$490,000	\$392,000
Tabor (DW-01)	\$1,530,000	\$700,000
White Lake (DW-01)	\$362,000	\$85,000
Woodland Hills San. Dist. (DW-01)	\$780,000	\$480,000
Yankton (DW-05)	\$12,850,000	\$1,000,000
<b>TOTAL</b>	<b>\$19,655,000</b>	<b>\$5,168,000</b>

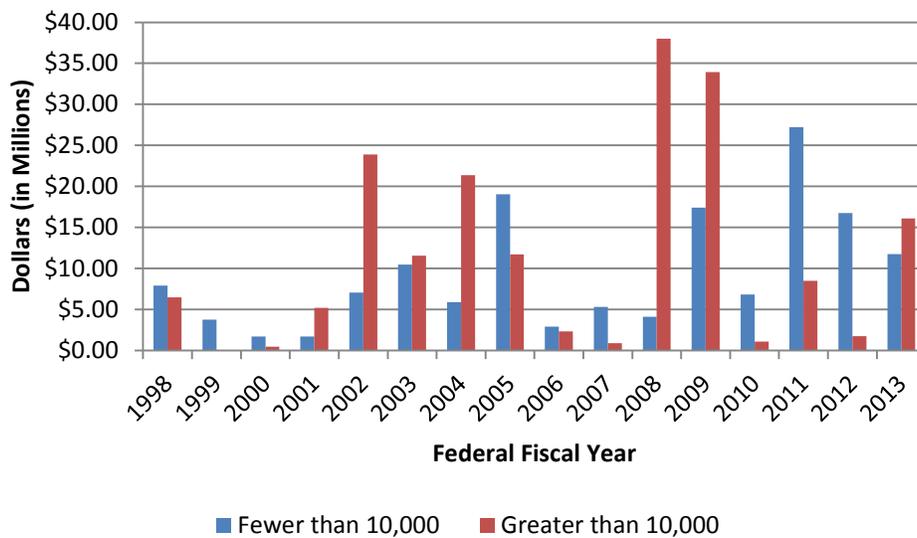
**REPAYMENTS**

One-hundred forty-six (146) loans are currently in repayment, and 36 loans have been repaid in full. In addition, 15 borrowers were awarded 100 percent principal forgiveness loans and drew all their funds by September 30, 2013, and those loans were forgiven. Repayments equaled \$14,010,346 in FFY 2013 and consisted of \$9,837,880 in principal, \$3,266,555 in interest, and \$905,911 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 2013, \$11,755,000 or 42 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 \$144,494,593 in loan assistance. Of the total funds available to loan, this represents 40 percent. Figure 1 shows loans awarded to small systems for FFY 1998 through 2013.

**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 2013 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 2013.

**Table 4**  
**Status of High Priority Projects Bypassed in 2013**

<b>Rank/Priority Points</b>	<b>Community/ Public Water System</b>	<b>Reason for Bypassing</b>
1/316	Edgemont	The project is still in the planning stage
2/243	Kingbrook Rural Water System	Application is being reviewed
3/230	Valley View Estates Homeowners Association	The project is still in the planning stage
4/202	University Estates Homeowners Association	The project is still in the planning stage
5/161	Sioux Rural Water System	The project is still in the planning stage
7/142	Longview Sanitary District	The project is still in the planning stage
9/125	Twin Brooks	The project was funded with other sources
10/109	Wilmot	The project is still in the planning stage
11/104	Wessington Springs	The project is still in the planning stage
14/86	Lead	The project is still in the planning stage
15/82	Tripp County Water Users District	The project is still in the planning stage

**INTEREST RATES**

In February 2009, the board set rates at 2.25 percent for loans with a term of 10 years or less and 3 percent for loans with a term greater than 10 years up to 20 years. The term of each loan is at the discretion of the borrower provided that the proposed repayment source produces the required debt service coverage and does not exceed the useful life of the facilities being financed.

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. Since February 2009, 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 for up to 20 years or 1.25 percent for up to 10 years, 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 to qualify for disadvantaged rates. The disadvantaged rate of 1.25 percent for up to 10 years for communities with an MHI between 60 percent and 80 percent of the statewide MHI was established by the board in November 2011.

**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 2013 Drinking Water SRF disbursements. Table 5 recaps the cumulative Drinking Water SRF set-aside status.

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

<b>Set-Aside</b>	<b>Allotment 1997-2012</b>	<b>Allotment 2013</b>	<b>Transfer to Loan Fund</b>	<b>Obligated as of 9/30/12</b>	<b>Balance</b>
Administration	\$5,602,060	\$349,166	\$0	\$5,495,940	\$455,286
Small System Tech Assistance	\$2,187,148	\$174,584	\$0	\$2,132,313	\$229,419
State Program Management	\$20,000	\$0	\$15,700	\$4,300	\$0
Local Assistance/Other	\$2,105,880	\$0	\$1,284,674	\$585,541	\$235,665
Small System Tech Assistance—ARRA	\$390,000	\$0	\$0	\$390,000	\$0
<b>TOTAL</b>	<b>\$10,305,088</b>	<b>\$523,752</b>	<b>\$1,300,374</b>	<b>\$8,608,094</b>	<b>\$920,370</b>

- **Administration**

Four percent of the 2013 capitalization grant \$349,166 was allocated to administer the Drinking Water SRF program. Specific activities funded from this set-aside include the following:

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

During FFY 2013, \$601,056 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 2013 through the Small Community Planning Grant program.

**Table 6**  
**Small System Technical Assistance**  
**FFY 2013**

<b>Sponsor</b>	<b>Project Description</b>	<b>Amount Obligated</b>
Conde	Water System Improvements Study	\$6,000
Geddes	Water System Improvements Study	\$8,000
Hermosa	Water Source/Treatment Study	\$6,800
Onida	Water System Improvements Study	\$8,000
Sisseton	Water System Improvements Study	\$8,000
Stickney	Water System Improvements Study	\$8,000
University Estates Homeowners Assoc.	Water System Improvements Study	\$7,360
Valley Springs	Drinking Water Rate Analysis	\$1,600
Valley View Estates Homeowners Assoc.	Water System Improvements Study	\$8,000
Westport	Water System Improvements Study	\$8,000
<b>TOTAL</b>		<b>\$69,760</b>

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 2013, the Association has provided nearly 18,750 hours of on-site small system technical assistance.

To ensure continued technical assistance for South Dakota communities, the maximum allowable allocation of two percent of the capitalization grant was set aside in FFY 2013. This amounted to \$174,584 and is intended to be used for planning grants and technical assistance activities as needed.

- **State Program Management**

This set-aside was not utilized in FFY 2013.

- **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 2013, MAP conducted nine capacity assessments in conjunction with the Department's Drinking Water program. In

FFY 2012, \$550,000 (6.1 percent of the capitalization grant) was set aside to extend the contract with MAP for technical, financial, and managerial capacity evaluations and to fund water treatment facility energy audits for facilities serving more than 10,000 people. These activities continued through FFY 2013.

#### **ADMINISTRATIVE SURCHARGE**

The board continued to provide assistance for 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 2013, an additional \$100,000 was allocated for the planning districts' joint powers agreements.

#### **BOND ISSUE**

No bonds were issued in FY 2013.

### **GOALS AND ENVIRONMENTAL RESULTS**

The following goals were developed for the FFY 2013 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, 2013, South Dakota had provided loans totaling \$327,776,108. At the end of the year, South Dakota has made binding commitments to fully utilize all but \$9,171,316 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, 2013, South Dakota had made binding commitments to fully utilize all but \$9,171,316 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 237 loans to 131 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 \$2,361,732 to be used to provide technical assistance to public water systems serving 10,000 people or less. Additionally, \$821,206 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 2013, the goal of the Drinking Water SRF program was to maintain the fund utilization rate at or above 90 percent.**

As of September 30, 2013, the state had made loans totaling \$327,776,108. The amount of funds (capitalization grants, state match, leveraged bonds, repayments, and interest earnings) totaled \$356,873,360. This results in a fund utilization rate of 91.8 percent.

- 2. For fiscal year 2013, the goal was to increase the construction pace above 80 percent.**

As of September 30, 2013, \$280,541,714 had been disbursed to loan recipients, and loans totaling \$327,776,108 had been awarded. This results in a construction pace of 85.6 percent.

- 3. For fiscal year 2013, the goal of the Drinking Water SRF program was to fund 15 loans, totaling \$30 million.**

In fiscal year 2013, ten loans totaling \$27,859,000 were awarded.

- 4. For fiscal year 2013, it was estimated that 34 projects would initiate operations.**

Fourteen projects initiated operation in fiscal year 2013.

- 5. For fiscal year 2013, 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 2013, 11 Small Community Planning Grants were awarded to small systems to evaluate infrastructure needs.

**6. For fiscal year 2013, 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 1,500 hours of technical assistance to small systems in fiscal year 2013.

**DETAILS OF ACTIVITIES**

**FUND FINANCIAL STATUS**

**Sources of Funds:** During FFY 2013, funding from the following sources was made available for award under the Drinking Water SRF program:

FFY 2013 federal capitalization grant	\$8,729,198
FFY 2013 state match	\$1,745,840
Principal repayments *	\$5,046,342
Interest payments *	\$4,110,195
<b>Total</b>	<b>\$19,631,575</b>

\* 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 ten binding commitments totaling \$27,859,000 Exhibit I details the Drinking Water SRF binding commitments made during FFY 2013. Figure 2 shows binding commitments by year since 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 2013 (July 1, 2012-June 30, 2013) these revenues totaled \$13,701,770.45. Fund expenses included administration expenditures, interest payable on bonds, and the amortization of each bond's issuance costs. These expenses totaled \$10,332,304.20. \$25,837.85 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 2013.

**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 2012 (July 1, 2010, through June 30, 2012), and the audit report was issued on January 14, 2013. The audit did not contain any written findings or recommendations.

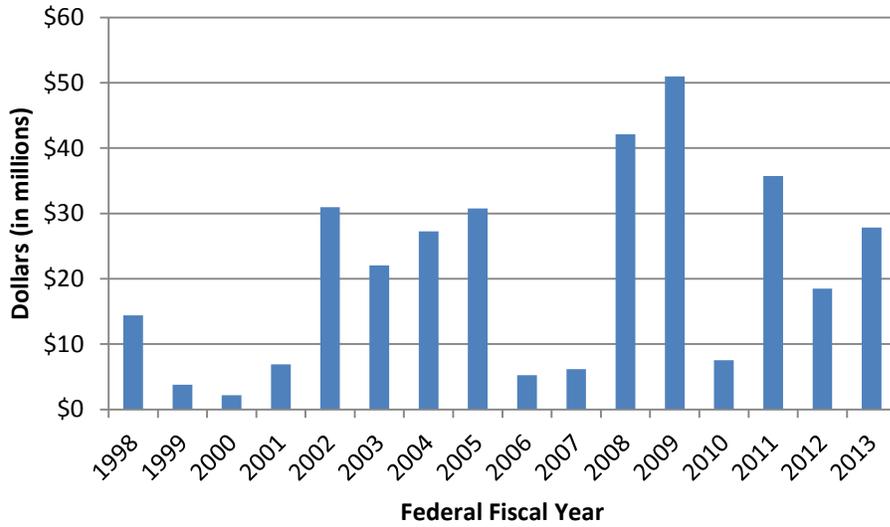
Region VIII conducted its annual oversight review of the South Dakota Drinking Water SRF program. Final reports for EPA's annual and Recovery Act reviews were received in August 2013, and there were no recommendations. EPA issued an addendum to its annual review on September 20, 2013, that identified three improper payments based on EPA's revised interpretation of its proportionality guidance. After a discussion between DENR and Region VIII, South Dakota will spend all state match first followed by 100 percent federal.

**ASSISTANCE ACTIVITY**

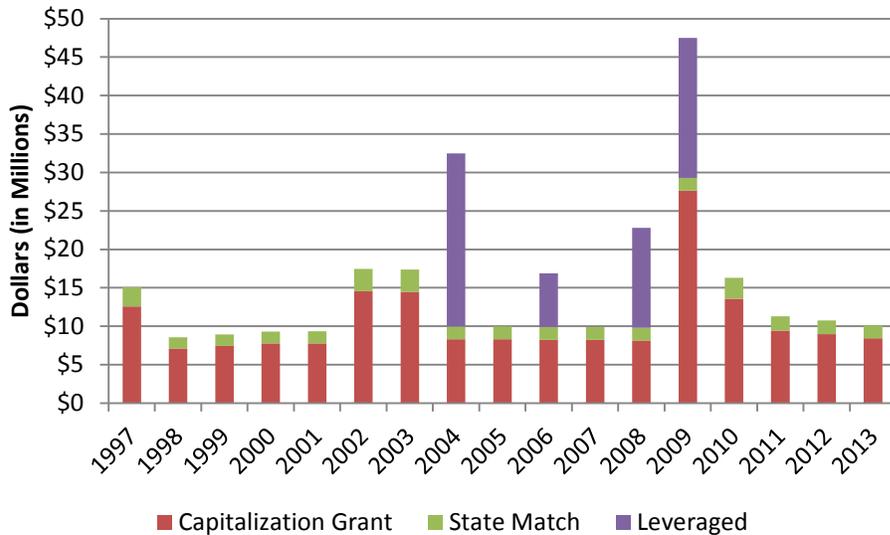
Exhibits I through VIII illustrate the assistance activity of the Drinking Water SRF in FFY 2013 and projected principal and interest payments for FFY 2013.

- |              |  |
|--------------|--|
| Exhibit I    | Recipients by population category that received Drinking Water SRF loans during FFY 2013.  |
| 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 loan draws and administrative disbursements for FFY 2013.  |
| Exhibit V    | The estimated and actual cash disbursement schedule from the federal Letter of Credit for FFY 2013. 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 2013.   |
| Exhibit VII  | The cumulative report showing loan transactions by borrower through September 30, 2013.  |
| Exhibit VIII | The projected principal and interest payments for FFY 2014.  |

**FIGURE 2**  
**Binding Commitments by Year**



**FIGURE 3**  
**Source of New State Revolving Funds by Year**



**PROVISIONS OF THE OPERATING AGREEMENT/CONDITIONS OF THE GRANT**

The State of South Dakota agreed to 25 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 2013 was 0.06 percent MBE and 9.84 percent WBE.

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

The state is allowed to award additional subsidy between \$8.7 million and \$25.7 million for the 2010-2013 capitalization grants. Through FFY 2013, \$23,403,283 has been awarded in additional subsidy.

As a result of the state attempting to maximize the use of additional subsidy available in prior year capitalization grants, the reporting requirements for additional subsidy awarded with the fiscal year 2012 capitalization grant were not met.

3. 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.

4. Reporting subawards as required by the Federal Financial Accountability and Transparency Act (FFATA)

The state did not meet the reporting requirement of FFATA due to a misunderstanding of the reporting deadline and limited guidance regarding reporting projects as Green Project Reserve components or additional subsidy. These issues have been resolved, and the reporting requirements should be met in the future.

**2014 INTENDED USE PLAN**

The Annual Report contains the 2013 Intended Use Plan as approved by the Board of Water and Natural Resources on January 10, 2014 and is shown on page A1.



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**SOUTH DAKOTA**

**DRINKING WATER**

**STATE REVOLVING FUND**

**LOAN PROGRAM HISTORY**

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## **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 17 base federal capitalization grants totaling \$161,759,298. 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 \$32,351,860 state matching funds. Exhibit III shows the total amount of capitalization grants and state match by year. In addition to the base capitalization grants, 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	Match	Refund	Leveraged	True Interest	Bond Ratings	
				Cost	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%	Aaa	AAA
2010B		\$26,447,224		3.588%		
2012A		\$29,991,648		2.416%	Aaa	AAA
2012B		\$3,537,954		2.822	Aaa	AAA
	\$23,279,720	\$87,462,249	\$60,725,286			

\* 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 8).

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 8 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**

<b>From</b>	<b>To</b>	<b>Date of Transfer</b>	<b>Capitalization Grant</b>	<b>State Match</b>	<b>Bonds/ Repayment Transferred</b>	<b>Total</b>
Clean Water SRF	Drinking Water SRF	09/2002	\$6,510,800	\$1,302,160		\$7,182,960
Clean Water SRF	Drinking Water SRF	05/2003	\$6,467,800	\$1,293,560		\$7,761,360
Drinking Water SRF	Clean Water SRF	03/2006			\$7,500,000	\$7,500,000
Drinking Water SRF	Clean Water SRF	05/2011			\$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. Perkins Coie served as bond counsel for the Series 2004, 2005, 2008, 2010, and 2012 bond issues and 2009 and 2010 bond anticipation notes.

## **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 Securities, N.A. served as co-senior manager and co-manager, respectively. For the Series 2012 bonds, Wells Fargo Securities served as lead underwriter, with Piper Jaffray and Company and JP Morgan serving as co-managers.

## **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.

## **INVESTMENT MANAGER**

The Board of Water and Natural Resources authorized distribution of a Request for Proposals for an Investment Manager for the SRF programs in January 2013. On March 11, 2013, the board selected PFM Asset Management as the investment manager, which will direct the investment of certain SRF program funds.

## **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.

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**DRINKING WATER**

**STATE REVOLVING FUND**

**LOAN PORTFOLIO**

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

**Active Drinking Water SRF Loans**

<b>Sponsor</b>	<b>Binding Commitment Date</b>	<b>Rate</b>	<b>Term (years)</b>	<b>Original Binding Commitment Amount</b>	<b>Final Award Amount</b>
Aberdeen (DW-02)	07/23/2009	2.25%	10	\$1,750,000	\$1,330,118
Aberdeen (DW-03)	06/29/2012	3.0%	20	\$1,040,000	\$1,040,000
Baltic (DW-01)	06/27/2002	3.5%	20	\$250,000	\$250,000
Baltic (DW-02)	06/25/2009	2.25%	10	\$165,000	\$163,446
Baltic (DW-03)	03/30/2012	3.0%	20	\$457,000	\$457,000
BDM RWS (DW-01)	04/12/2002	3.5%	20	\$536,000	\$280,251
Beresford (DW-01)	03/30/2012	3.0%	30	\$916,040	\$916,040
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
Bonesteel (DW-01)	03/28/2013	2.25%	30	\$2,043,000	\$2,043,000
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 RWS (DW-01)	01/06/2005	3.25%	30	\$1,200,000	\$1,002,464
Brookings-Deuel RWS (DW-02)	06/23/2005	3.25%	30	\$1,750,000	\$1,750,000
Bryant (DW-01)	01/13/2000	3.0%	30	\$142,000	\$142,000
Burke (DW-01)	01/05/2006	2.5%	30	\$115,600	\$115,600
Butte-Meade San./Water Dist. (DW-01)	06/24/2011	2.25%	10	\$396,700	\$257,668
Canistota (DW-01)	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)	08/26/2009	3.0%	20	\$1,000,000	\$873,704
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)	06/25/2009	3.0%	20	\$846,300	\$844,968
Clay RWS (DW-03)	06/24/2010	3.0%	30	\$2,208,000	\$2,205,570
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
Colman (DW-01)	03/30/2012	2.25%	10	\$182,000	\$182,000
Colman (DW-02)	03/30/2012	3.0%	30	\$439,008	\$439,008
Colman (DW-03)	03/28/2013	3.0%	30	\$1,600,000	\$1,600,000
Colonial Pine Hills San. Dist. (DW-01)	01/31/2002	3.5%	20	\$659,000	\$636,108
Colonial Pine Hills San. Dist. (DW-02)	07/23/2009	3.0%	20	\$1,003,608	\$1,003,608
Colonial Pine Hills San. Dist. (DW-03)	06/29/2012	3.0%	20	\$705,000	\$705,000
Colton (DW-01)	06/27/2002	3.5%	30	\$681,720	\$632,455
Colton (DW-02)	03/25/2011	3.0%	20	\$191,100	\$181,156
Colton (DW-03)	01/05/2012	2.25%	10	\$210,740	\$210,740
Corson Village San. Dist. (DW-01)	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
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)	09/24/2010	3.0%	20	\$531,835	\$428,698

Sponsor	Binding		Term (years)	Original	Final Award
	Commitment Date	Rate		Binding Commitment Amount	
Dell Rapids (DW-04)	01/05/2012	2.25%	10	\$300,000	\$300,000
Dell Rapids (DW-05)	06/29/2012	3.0%	20	\$897,000	\$897,000
Delmont (DW-01)	06/26/2008	2.5%	30	\$185,000	\$158,461
DeSmet (DW-01)	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
Dupree (DW-01)	09/27/2012	2.25%	30	\$163,500	\$163,500
Eagle Butte (DW-01)	09/27/2012	0%	10	\$593,000	\$593,000
Eagle Butte (DW-02)	09/27/2012	0%	30	\$1,244,000	\$1,244,000
Eagle Butte (DW-03)	03/28/2013	0%	30	\$490,000	\$490,000
Elk Point (DW-01)	01/31/2002	3.5%	20	\$220,000	\$220,000
Elk Point (DW-02)	06/25/2004	3.25%	20	\$570,000	\$570,000
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
Elk Point (DW-05)	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 WUD (DW-01)	12/09/1999	3.0%	30	\$759,000	\$759,000
Fall River WUD (DW-02)	11/09/2001	2.5%	30	\$400,000	\$260,958
Faulton (DW-02)	01/07/2011	3.0%	30	\$511,725	\$499,185
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
Grant-Roberts RWS (DW-01)	03/28/2013	3.0%	30	\$4,500,000	\$4,500,000
Gregory (DW-01)	04/12/2002	2.5%	30	\$380,000	\$347,580
Gregory (DW-02)	01/07/2011	2.25%	30	\$685,080	\$551,691
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
Hanson RWS (DW-01)	08/26/2009	3.0%	20	\$840,000	\$754,341
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)	08/26/2009	3.0%	30	\$402,200	\$336,903
Hisega Meadows Water, Inc. (DW-01)	06/29/2012	3.0%	20	\$487,500	\$487,500
Hot Springs (DW-01)	09/24/2010	3.0%	20	\$1,636,000	\$1,636,000
Hoven (DW-01)	09/24/2010	0%	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)	08/26/2009	3.0%	20	\$619,684	\$478,407
Huron (DW-03)	09/24/2010	3.0%	30	\$1,098,900	\$1,098,900
Ipswich (DW-01)	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-02)	01/06/2005	3.25%	30	\$205,800	\$192,549
Lead (DW-03)	08/26/2009	3.0%	20	\$1,020,000	\$784,987
Lennox (DW-01)	07/16/2004	3.25%	30	\$2,000,000	\$2,000,000
Lennox (DW-02)	03/30/2012	3.0%	20	\$712,431	\$712,431
Lincoln County RWS (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

Sponsor	Binding		Term (years)	Original	Final Award
	Commitment Date	Rate		Binding Commitment Amount	
Mellette (DW-01)	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
Mid-Dakota RWS (DW-04)	06/29/2012	3.0%	30	\$719,962	\$719,000
Milbank (DW-01)	09/22/2005	2.5%	30	\$4,741,000	\$4,460,294
Miller (DW-01)	01/03/2008	2.5%	10	\$255,200	\$225,389
Mina Lake San Dist (DW-01)	11/13/1998	5.0%	20	\$255,200	\$255,200
Mina Lake San Dist (DW-02)	06/25/2009	3.0%	20	\$567,390	\$490,398
Minnehaha Comm. Water Corp. (DW-01)	06/27/2002	3.5%	20	\$6,500,000	\$6,022,816
Mitchell (DW-01)	10/12/2000	4.0%	20	\$6,000,000	\$2,850,115
Mitchell (DW-02)	08/26/2009	3.0%	20	\$2,360,000	\$1,956,237
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
Mobridge (DW-06)	06/29/2012	2.25%	30	\$1,212,000	\$1,212,000
Montrose (DW-01)	03/25/2011	3.0%	30	\$893,000	\$862,825
New Underwood (DW-01)	06/25/2009	3.0%	20	\$175,500	\$169,299
Newell (DW-01)	08/26/2009	2.25%	30	\$829,500	\$714,774
Newell (DW-02)	03/30/2012	1.25%	10	\$266,250	\$266,250
Niche San. Dist. (DW-01)	06/29/2012	2.25%	30	\$315,000	\$315,000
Nisland (DW-01)	12/13/2001	0%	30	\$350,000	\$350,000
Northville (DW-01)	07/23/2009	3.0%	20	\$203,460	\$186,804
Oacoma (DW-02)	08/10/2010	2.25%	10	\$1,351,300	\$1,061,416
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)	03/27/2009	3.0%	20	\$554,200	\$554,200
Perkins County RWS (DW-01)	06/29/2012	0%	0	\$131,000	\$131,000
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	\$544,908
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
Rapid Valley San. Dist. (DW-02)	09/27/2012	3.0%	20	\$500,000	\$500,000
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-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
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	\$9,938,849
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)	03/27/2009	2.25%	10	\$3,578,750	\$2,678,738
Sioux Falls (DW-10)	03/27/2009	2.25%	10	\$7,606,900	\$5,819,138
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
Spearfish (DW-01)	01/04/2013	2.25%	10	\$3,254,000	\$3,254,000
Sturgis (DW-02)	08/26/2009	2.25%	10	\$863,000	\$608,417
Sturgis (DW-03)	06/24/2011	2.0%	3	\$3,460,000	\$3,460,000
Sturgis (DW-04)	03/30/2012	3.0%	20	\$2,200,000	\$2,200,000

Sponsor	Binding		Term (years)	Original	Final Award
	Commitment	Rate		Binding	
	Date			Commitment	Amount
Tabor (DW-01)	03/28/2013	3.0%	30	\$1,530,000	\$1,530,000
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%	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
Tri-County Water Assn (DW-01)	03/30/2012	0%	0	\$200,000	\$200,000
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	2.5%	30	\$148,000	\$131,469
Tripp (DW-01)	07/26/2001	3.0%	20	\$291,000	\$225,656
Tyndall (DW-02)	11/09/2001	2.5%	30	\$861,000	\$861,000
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%	20	\$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
Webster (DW-01)	04/12/2002	3.5%	20	\$330,000	\$318,828
Webster (DW-02)	09/24/2010	2.25%	10	\$387,400	\$277,522
White Lake (DW-01)	03/28/2013	2.25%	30	\$362,000	\$362,000
Winner (DW-01)	06/28/2013	2.25%	30	\$450,000	\$450,000
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
Woodland Hills San. Dist. (DW-01)	06/28/2013	3.0%	20	\$780,000	\$780,000
Woonsocket (DW-01)	08/27/2009	3.0%	30	\$720,000	\$720,000
Worthing (DW-01)	06/26/2003	3.5%	20	\$288,000	\$288,000
Worthing (DW-02)	03/30/2012	3.0%	20	\$301,227	\$301,227
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)	03/27/2009	3.0%	20	\$3,000,000	\$3,000,000
Yankton (DW-04)	03/27/2009	3.0%	20	\$2,200,000	\$2,200,000
Yankton (DW-05)	09/27/2013	3.0%	30	\$12,850,000	\$12,850,000
<b>Total of Active Loans (Open or in Repayment)</b>				<b>\$294,620,653</b>	<b>\$265,381,184</b>

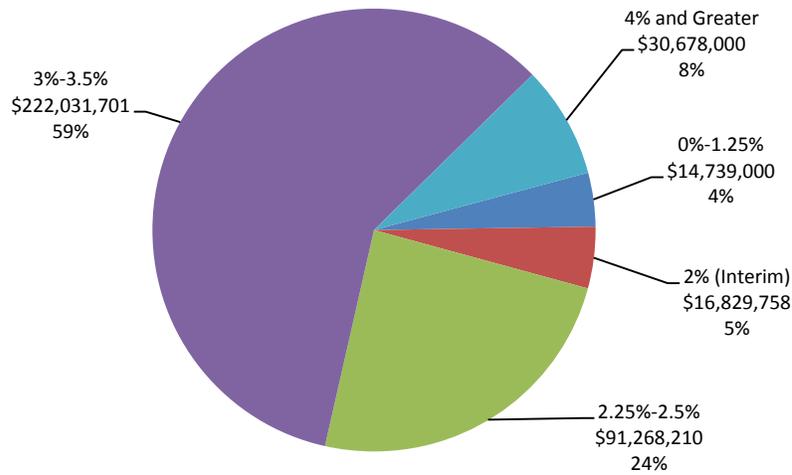
## Fully Repaid Drinking Water SRF Loans

Sponsor	Binding Commitment Date	Rate	Term (years)	Original Binding Commitment Amount	Final Award 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
Arlington (DW-01)	06/25/2009	0%	0	\$100,000	\$100,000
Aurora-Brule RWS (DW-01)	03/27/2009	0%	0	\$500,000	\$500,000
Bowdle (DW-01)	06/25/2009	0%	0	\$150,000	\$150,000
Dakota Dunes CID (DW-01)	06/27/2002	3.5%	20	\$908,000	\$376,962
Delmont (DW-02)	09/24/2010	0%	0	\$90,000	\$90,000
Eureka (DW-02)	06/25/2009	0%	0	\$200,000	\$200,000
Fall River WUD (DW-03)	03/27/2009	0%	0	\$612,000	\$612,000
Fall River WUD (DW-04)	06/25/2009	0%	0	\$750,000	\$750,000
Faulkton (DW-01)	03/27/2009	0%	0	\$500,000	\$500,000
Gettysburg (DW-01)	06/14/2001	4.5%	20	\$565,000	\$565,000
Groton (DW-03)	06/25/2009	0%	0	\$272,000	\$231,315
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 (DW-01)	07/27/2000	4.5%	10	\$192,800	\$192,800
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)	03/27/2009	0%	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)	06/25/2009	0%	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)	06/25/2009	0%	0	\$682,000	\$682,000
Roslyn (DW-01)	06/25/2009	0%	0	\$500,000	\$500,000
Salem (DW-01)	03/28/2003	3.5%	10	\$126,921	\$118,540
Selby (DW-01)	06/25/2009	0%	0	\$100,000	\$100,000
Sioux Falls (DW-01)	07/22/1998	4.5%	10	\$7,022,000	\$6,496,745
Sioux Falls (DW-02)	01/11/2001	4.5%	10	\$2,750,000	\$2,348,168
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
Vermillion (DW-01)	05/13/1999	5.0%	20	\$942,000	\$795,338
Warner (DW-01)	03/27/2009	0%	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
<b>Total of Loans Paid in Full</b>				<b>\$67,184,721</b>	<b>\$62,394,924</b>
<b>GRAND TOTAL</b>				<b>\$361,805,374</b>	<b>\$327,776,108</b>

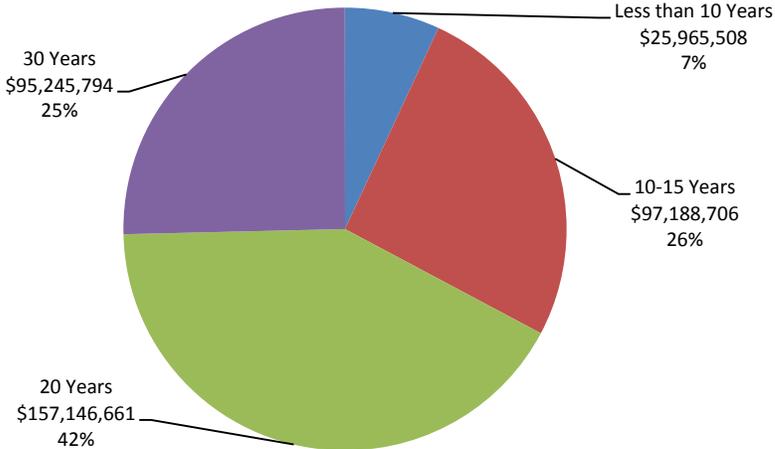
**Table 10**  
**State of South Dakota**  
**Drinking Water State Revolving Fund Loans Deobligated in Full or Rescinded by Board**

<b>Sponsor</b>	<b>Binding Commitment Date</b>	<b>Rate</b>	<b>Term (years)</b>	<b>Original Binding Commitment Amount</b>	<b>Final Loan Amount</b>
Big Sioux CWS (DW-01)	03/31/2006	3.25%	20	\$831,000	\$0
Bristol (DW-01)	04/25/2001	4.5%	20	\$139,000	\$0
B-Y Water District (DW-01)	06/25/2009	0%	0	\$300,000	\$0
Centerville (DW-02)	03/30/2012	2.25%	10	\$116,685	\$0
Groton (DW-04)	09/24/2010	2.25%	10	\$703,000	\$0
Letcher (DW-01)	08/26/2009	2.25%	30	\$200,000	\$0
Madison (DW-02)	03/30/2012	3.0%	15	\$3,464,360	\$0
Mission Hill (DW-01)	06/26/2008	3.25%	20	\$250,000	\$0
Oacoma (DW-01)	03/27/2009	3.0%	20	\$1,414,800	\$0
Tripp County WUD (DW-03)	06/29/2012	0%	30	\$850,000	\$0
Wagner (DW-03)	07/23/2009	0%	30	\$275,000	\$0
WEB Water Dev. Assn (DW-01)	03/26/1998	5.25%	20	\$1,110,000	\$0
WEB Water Dev. Assn. (DW-02)	10/11/2001	2.5%	30	\$137,450	\$0
WEB Water Dev. Assn. (DW-03)	03/31/2006	3.25%	20	\$3,950,000	\$0
<b>Total of Loans Deobligated or Rescinded</b>				<b>\$13,741,295</b>	<b>\$0</b>

**FIGURE 5**  
**Drinking Water SRF Interest Rates By Percent of Loan Portfolio**  
**(\$375.55 Million)**



**FIGURE 6**  
**Drinking Water SRF Loan Terms By Percent of Loan Portfolio**  
**(\$375.55 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 \$175,000 of 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. The city's third loan, in the amount of \$1,040,000 at 3 percent for 20 years, was awarded to replace the Elm River raw water intake for the water treatment facility.

**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 1<sup>st</sup> 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. The city's third loan was awarded to replace aging water and sewer lines on Elm Avenue, Jans Circle, Richards Circle, and Bonnies Circle. The loan was for \$457,000 at 3 percent for 20 years.

**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.

**BERESFORD** - The city of Beresford received its first loan to repair aging water lines in various areas in the city and install new lines to provide looping in the system and connect to the Lewis & Clark Regional Water System. The loan was for \$916,040 at 3 percent for 30 years and included \$458,020 of principal forgiveness.

**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. This loan was rescinded at the borrower's request.

**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.

**BONESTEEL**—Bonesteel received its first Drinking Water SRF loan to eliminate all 4- to 8-inch cast iron pipe in the distribution system and install new hydrants, service lines, and valves. A radio read water metering system was also installed. The loan amount was \$2,043,000 at 2.25 percent for 30 years and included \$1,543,000 in principal forgiveness.

**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 a low level tank was located and would 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 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. 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 help 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 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. The city received a second loan in the amount of \$116,685 at 2.25 percent for 10 years to replace meters and upgrade to a remote reading system; this loan was subsequently deobligated in full at the city’s request.

**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 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 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, an upgrade to the interconnection with the city of Beresford, installation of a new booster station, and added about 80 new users. Clay Rural Water received a \$1,379,758 interim loan to replace aging water meters, install an automatic meter reading system, and construct three new lime sludge lagoons. The interim loan was for three years at 2 percent interest.

**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 2,700 LF of 10-inch water main that connected the tower with the water distribution system.

**COLMAN** – The city of Colman received its first two Drinking Water SRF loans in 2012. The first loan, in the amount of \$182,000 at 2.25 percent for 10 years, was to replace water meters and install an automatic reading system. Colman’s second loan was for \$439,008 at 3 percent for 30 years to replace water lines and provided looping of the distribution system. The third loan was awarded in 2013 to

replace water lines, loop the distribution system, and replace an old water storage tank. The loan amount was \$1,600,000 at 3 percent for 30 years and included \$968,000 in principal forgiveness.

**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 experienced high radionuclide levels. This loan was at 3 percent for 20 years and included \$250,000 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. A third loan was awarded to finance the installation of a microfiltration water treatment unit and 2,000 feet of associated transmission lines. The loan amount was \$705,000 at 3 percent for 20 years.

**COLTON** – The city of Colton used a loan in the amount of \$681,720 at 3.5 percent for 30 years to connect to the Minnehaha Community Water Corporation. 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 5<sup>th</sup> Street. The loan was for \$191,100 at 3 percent for 20 years and included \$91,100 of principal forgiveness. Colton’s third loan was used to replace water meters and install an automatic reading system. The loan amount was \$210,740 at 2.25 percent for 10 years and included \$52,685 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 4<sup>th</sup> 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 15<sup>th</sup> Street. Dell Rapids received two additional loans in 2012. A \$300,000 loan (2.25 percent for 10 years) was awarded to replace water meters and included \$30,000 of principal forgiveness. The second loan financed the replacement of waterlines on 15th Street, Garfield Avenue, State Avenue and at the Big Sioux River Crossing. The loan amount was \$897,000 at 3 percent for 20 years and included \$250,000 in principal forgiveness.

**DELMONT** - Delmont received its first Drinking Water SRF loan to loop lines within the distribution system to improve water quality. The \$185,000 loan had 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.

**DUPREE**—The city of Dupree was awarded a Drinking Water SRF loan of \$163,500 to replace approximately eight blocks of water main. The terms of the loan were at the disadvantaged rate of 2.25 percent for 30 years and included \$100,000 in principal forgiveness.

**EAGLE BUTTE**—Eagle Butte's first Drinking Water SRF loan was awarded in the amount of \$593,000 at zero percent interest for 10 years. The loan funded an automatic meter reading system and was awarded with \$474,400 in principal forgiveness. Eagle Butte's second Drinking Water SRF loan was awarded to replace aging water mains and improve service in an area of the community. The loan amount was \$1,244,000 at zero percent interest for 30 years and was awarded with \$995,200 in principal forgiveness. Eagle Butte's third loan was in the amount of \$490,000 at zero percent for 30 years and was used to replace water lines on Willow Street; this loan received \$392,000 in 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 Elk Point funded 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 helped finance 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 involved 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 to construct 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.

**GRANT-ROBERTS RURAL WATER SYSTEM**—The Grant-Roberts Rural Water System received a \$4,500,000 loan for the construction of water main and a water storage reservoir to improve service and add new customers in the Milbank Service Area. The project also included the installation of satellite read meters and a SCADA telemetry system. The terms of the loan were 3 percent for 30 years.

**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 this 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 to be used by Ethan residents and surrounding residents on the Hanson system.

**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 Regional 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, demolish the existing standpipe and an abandoned 30,000-gallon water tower, and install miscellaneous piping.

**HARTFORD** – Hartford received a \$185,000 loan at 5 percent interest for 20 years. This project 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 froze due to insufficient cover.

**HISEGA MEADOWS WATER, INC.** – The first Drinking Water SRF loan awarded to Hisega Meadows was used for the installation of 5,100 feet of 6-inch PVC line and other appurtenances to replace the sub-standard distribution system. The loan amount was \$487,500 at 3 percent for 20 years and included \$250,000 of principal forgiveness.

**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 percent for 20 years and included \$122,500 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. A third loan, for \$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 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 its first loan in the amount of \$475,000. This loan was at zero percent interest for 30 years. The project 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. The city’s second loan involved replacing about 2,200 feet of cast iron water main and upgrading the existing water meters with remote read meters. The loan amount was \$712,431 at 3 percent for 20 years and included \$400,000 of principal forgiveness.

**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 issued to finance the rehabilitation of the water treatment facility and the construction of three new wells. This loan was at 5 percent for 15 years. Madison’s second loan involved upgrades and

modifications to the water treatment plant to address volatile organic compounds in the raw water source. The loan amount was \$3,464,360 at 3 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 its first Drinking Water SRF loan for the replacement of its water meters with remote reading water meters and the installation of an automatic meter reading system. The loan was for \$157,000 at 2.25 percent for 10 years and included \$39,250 of principal forgiveness.

**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 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 the loan included \$450,000 of principal forgiveness. Mid-Dakota was awarded a fourth loan for \$719,000 at 3 percent for 30 years to construct a 150,000-gallon elevated water storage tank for the Redfield service area.

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

**MITCHELL** – The city of Mitchell received a \$6,000,000 loan at 4.5 percent interest for 20 years to connect to the B-Y Rural Water System by constructing a water pipeline from Lesterville west and north to Mitchell. The project 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 its first 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 the city's third and fourth 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. Mobridge's sixth loan was used to construct a 600,000-gallon water tower and make improvements to an existing 500,000-gallon water tower. The loan was for \$1,212,000 at 2.25 percent for 30 years.

**MONTROSE** – Montrose received its first Drinking Water SRF loan to replace all 4-inch water mains 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 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. The city's second loan was used to replace the water meters and install a drive-by remote reading system. The loan was in the amount of \$266,250 at 1.25 percent for 10 years and included \$166,250 of principal forgiveness.

**NICHE SANITARY DISTRICT** – A \$315,000 loan was awarded to the Niche Sanitary District to replace the undersized water distribution lines with 6-inch PVC lines, install individual service lines and meters to each user, and connect to the Black Hawk Water Users District. At project completion, the Black Hawk Water Users District would take ownership of the system and supply water to the sanitary district residents as individual users. The loan was awarded at 2.25 percent for 30 years and included \$225,000 of principal forgiveness.

**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 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 percent for 20 years and included \$321,480 of principal forgiveness through the American Recovery and Reinvestment Act of 2009; this 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 percent for 20 years and included \$452,100 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**PERKINS COUNTY RURAL WATER SYSTEM** – A \$131,000 Drinking Water SRF loan was awarded the Perkins County Rural Water System to construct a booster station along Highway 75. The loan was awarded as 100 percent principal forgiveness.

**PIEDMONT** – Piedmont extended its distribution system to residences within the town utilizing individual wells as a water source. The town’s first loan was for \$1,404,000 at 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 used 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. Rapid Valley Sanitary District was awarded its second Drinking Water SRF loan to replace a storage tank that has structural deficiencies. The amount of the loan was \$500,000, and the terms of the loan were 3 percent for 20 years.

**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 cast iron pipes that were fifty to eighty years old. Redfield received a second loan, in the amount of \$342,755 at 2.5 percent for 30 years, to fund water line replacement on South Main Street and Sixth Avenue.

**ROSLYN** - The city of Roslyn received a \$500,000 loan with 100 percent principal forgiveness through 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 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 rehabilitated 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 Fairview by extending a water line to the town and replace the town's distribution system. The loan was for \$476,500 at 3 percent for 30 years and included \$244,500 of principal forgiveness.

**SPEARFISH**—The city of Spearfish was awarded its first Drinking Water SRF loan to construct a two-million gallon ground level water storage tank, install 16-inch water main to connect the tank to the distribution system, and add water level control valves at two existing storage tanks. The loan was for \$3,254,000 at 3 percent for 20 years.

**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. The city's third loan was awarded to provide interim financing for upgrades to pressure reducing valves, the SCADA system, a booster pump, and well house and the replacement of a well and water lines. The loan was for \$3,460,000 at 2 percent for three years. Sturgis received its fourth loan, \$2,200,000 at 3 percent for 20 years, to replace water lines beneath Lazelle Street.

**TABOR**—Tabor's first Drinking Water SRF loan was in the amount of \$1,530,000 at 3 percent for 30 years and included \$700,000 of principal forgiveness. The loan was used for the replacement of cast iron water main with PVC pipe, rehabilitation of the pump station, and a leak detection survey.

**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 were for \$1,084,750 at 3 percent for 30 years and \$1,398,750 with 100 percent principal forgiveness.

**TRAIL WEST SANITARY DISTRICT** – The Trail West Sanitary District received a loan of \$1,651,000 to install water meters and approximately 7,500 feet of 4-inch water main, rehabilitate existing wells, and construct an iron removal treatment system. The loan was at 3 percent for 20 years and included \$637,860 of principal forgiveness.

**TRI-COUNTY WATER ASSOCIATION** – The Tri-County Water Association received a \$200,000 loan, awarded as 100 percent principal forgiveness, to construct an elevated water storage tank.

**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 WATER USERS DISTRICT** — 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 district into Gregory County and the assimilation of 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. Tripp County WUD received a third loan in the amount of \$850,000, awarded t 3 percent for 20 years, to construct an elevated water storage tank near Fairfax.

**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 are currently dead ends. Tyndall received a second loan in the amount of \$861,000 to fund a 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 a 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 Street and North Street. Wagner was awarded its third loan to replace water lines on South Park Street. The \$275,000 loan was at zero 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 and a 20-year term.

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

**WEB** – WEB Water Development Association, Inc. received a loan for \$1,110,000 at 5 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 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.

**WHITE LAKE**—White Lake received its first Drinking Water SRF loan in the amount of \$362,000 at 2.25 percent for 30 years to replace aging water lines on Main Street. This loan included \$85,000 in principal forgiveness.

**WINNER**—Winner’s first Drinking Water SRF loan, \$350,000 at 2.25 percent for 30 years, funded construction of a new chlorine building and included new pumps, piping, and chlorine equipment.

**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.

**WOODLAND HILLS SANITARY DISTRICT**—Woodland Hills Sanitary District received a loan in the amount of \$780,000 at 3 percent for 20 years for phase 1 improvements to its water system. This loan also included \$480,000 principal forgiveness.

**WOONSOCKET** — Woonsocket was awarded its first SRF loan in the amount of \$720,000 to replace and loop water lines primarily along Highway 34. The loan had an interest rate of 3 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. The city’s second loan in the amount of \$301,227

financed the replacement of approximately 1,600 feet of water main on Second and Juniper Streets. The loan was at 3 percent for 20 years and included \$200,000 of principal forgiveness.

**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 percent, a 20-year term and included 10 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009. Yankton’s fifth Drinking Water SRF loan, in the amount \$12,850,000 at 3 percent for 30 years was awarded to construct a new collector well. This loan was awarded with \$1,000,000 principal forgiveness.

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**EXHIBITS I -- VIII**

**DRINKING WATER SRF**

**STATUS REPORTS**

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**EXHIBIT I**  
**Recipients by Population Category**  
**Federal Fiscal Year 2013**

<b>Sponsor</b>	<b>Fewer than 10,000</b>	<b>10,000 and Greater</b>	<b>Binding Commitment Date</b>	<b>Rate</b>	<b>Term</b>
Bonesteel (DW-01)	\$2,043,000		03/28/2013	2.25%	30
Colman (DW-03)	\$1,600,000		03/28/2013	3.0%	30
Eagle Butte (DW-03)	\$490,000		03/28/2013	0.0%	30
Grant-Roberts RWS (DW-01)	\$4,500,000		03/28/2013	3.0%	30
Spearfish (DW-01)		\$3,254,000	01/04/2013	2.25%	10
Tabor (DW-01)	\$1,530,000		03/28/2013	3.0%	30
White Lake (DW-01)	\$362,000		03/28/2013	2.25%	30
Winner (DW-01)	\$450,000		06/28/2013	2.25%	30
Woodland Hills San. Dist. (DW-01)	\$780,000		06/28/2013	3.0%	20
Yankton (DW-05)		\$12,850,000	09/27/2013	3.0%	30
<b>TOTAL</b>	<b>\$11,755,000</b>	<b>\$16,104,000</b>			

**EXHIBIT II**  
**Assistance Provided by Needs Categories**  
**Federal Fiscal Year 2013**

<b>Sponsor</b>	<b>Treatment</b>	<b>Transmission/ Distribution</b>	<b>Source</b>	<b>Storage</b>
Bonesteel (DW-01)		\$2,043,000		
Colman (DW-03)		\$900,000		\$700,000
Eagle Butte (DW-03)		\$490,000		
Grant-Roberts RWS (DW-01)		\$3,740,000		\$760,000
Spearfish (DW-01)		\$794,135		\$2,459,865
Tabor (DW-01)		\$1,530,000		
White Lake (DW-01)		\$362,000		
Winner (DW-01)	\$450,000			
Woodland Hills San. Dist. (DW-01)		\$748,000		\$32,000
Yankton (DW-05)			\$12,850,000	
	<b>\$450,000</b>	<b>\$10,607,135</b>	<b>\$12,850,000</b>	<b>\$3,951,865</b>

**EXHIBIT III**  
**Source of SRF Funds**

<b>Fiscal Year</b>	<b>Capitalization Grant Award</b>	<b>State Match</b>	<b>Leveraged Funds</b>	<b>Total</b>
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
2012	\$8,975,000	\$1,795,000		\$10,770,000
2013	\$8,729,198	\$1,745,840		\$10,475,038
<b>TOTAL</b>	<b>\$181,259,298</b>	<b>\$32,351,860</b>	<b>\$60,725,700</b>	<b>\$274,336,858</b>

\* Includes transfers from Clean Water SRF of \$6,510,800 from the 2002 Clean Water SRF capitalization grant and \$1,302,160 Clean Water state match and \$6,467,800 from the 2003 Clean Water SRF capitalization grant and \$1,293,560 Clean Water state match.

**EXHIBIT IV**  
**Drinking Water SRF Disbursements**  
**October 1, 2012 to September 30, 2013**

**LOAN DISBURSEMENTS**  
**BASE PROGRAM**

<b>Date</b>	<b>Borrower Name</b>	<b>State Funds</b>	<b>Federal Funds</b>	<b>Repayments</b>	<b>Interest/ Earnings</b>	<b>Leveraged</b>	<b>Total Disbursements</b>
10/04/12	Dell Rapids (DW-03)	\$0	\$0	\$2,093	\$0	\$0	\$2,093
10/04/12	Plankinton (DW-01)	\$43,354	\$150,000	\$0	\$0	\$0	\$193,354
10/04/12	Plankinton (DW-01)	\$0	\$0	\$148,175	\$0	\$0	\$148,175
10/04/12	Sturgis (DW-04)	\$0	\$0	\$0	\$282,604	\$0	\$282,604
10/04/12	TM Rural Water Dist (DW-01)	\$0	\$0	\$251,595	\$0	\$0	\$251,595
10/04/12	TM Rural Water Dist (DW-02)	\$0	\$307,506	\$0	\$0	\$0	\$307,506
10/12/12	Worthing (DW-02)	\$2,514	\$70,000	\$0	\$0	\$0	\$72,514
10/18/12	Doland (DW-01)	\$7,068	\$20,000	\$0	\$0	\$0	\$27,068
10/18/12	Doland (DW-01)	\$0	\$0	\$7,590	\$0	\$0	\$7,590
10/18/12	Hot Springs (DW-01)	\$0	\$0	\$86,744	\$0	\$0	\$86,744
10/18/12	McLaughlin (DW-02)	\$7,207	\$80,000	\$0	\$0	\$0	\$87,207
10/18/12	McLaughlin (DW-02)	\$0	\$0	\$26,492	\$0	\$0	\$26,492
10/18/12	Menno (DW-01)	\$0	\$29,107	\$0	\$0	\$0	\$29,107
10/18/12	Menno (DW-01)	\$0	\$0	\$0	\$117,750	\$0	\$117,750
10/18/12	Mid-Dakota RWS (DW-03)	\$0	\$27,396	\$0	\$0	\$0	\$27,396
10/18/12	Mid-Dakota RWS (DW-04)	\$0	\$338,720	\$0	\$0	\$0	\$338,720
10/18/12	Montrose (DW-01)	\$9,216	\$30,000	\$0	\$0	\$0	\$39,216
10/18/12	Montrose (DW-01)	\$0	\$0	\$19,756	\$0	\$0	\$19,756
10/18/12	Pierpont (DW-01)	\$25,426	\$120,000	\$0	\$0	\$0	\$145,426
10/18/12	Pierpont (DW-01)	\$0	\$0	\$48,475	\$0	\$0	\$48,475
10/18/12	Plankinton (DW-01)	\$654	\$125,000	\$0	\$0	\$0	\$125,654
10/18/12	Plankinton (DW-01)	\$0	\$0	\$90,525	\$0	\$0	\$90,525
10/18/12	Trail West (DW-01)	\$0	\$0	\$0	\$8,345	\$0	\$8,345
10/26/12	Baltic (DW-03)	\$0	\$0	\$0	\$6,670	\$0	\$6,670
10/26/12	Box Elder (DW-01)	\$0	\$9,350	\$0	\$0	\$0	\$9,350

Date	Borrower Name	State Funds	Federal Funds	Repayments	Interest/ Earnings	Leveraged	Total Disbursements
10/26/12	Box Elder (DW-01)	\$0	\$0	\$84,152	\$0	\$0	\$84,152
10/26/12	Sioux Falls (DW-11)	\$0	\$0	\$85,809	\$0	\$0	\$85,809
10/26/12	Worthing (DW-02)	\$0	\$28,940	\$0	\$0	\$0	\$28,940
11/02/12	Clay RWS (DW-04)	\$0	\$135,663	\$0	\$0	\$0	\$135,663
11/02/12	TM Rural Water Dist (DW-01)	\$0	\$0	\$98,659	\$0	\$0	\$98,659
11/02/12	TM Rural Water Dist (DW-02)	\$0	\$120,582	\$0	\$0	\$0	\$120,582
11/08/12	Colton DW-02)	\$0	\$21,257	\$0	\$0	\$0	\$21,257
11/08/12	Colton DW-02)	\$0	\$0	\$23,307	\$0	\$0	\$23,307
11/08/12	Piedmont (DW-01)	\$0	\$95,624	\$0	\$0	\$0	\$95,624
11/08/12	Piedmont (DW-01)	\$0	\$0	\$71,258	\$0	\$0	\$71,258
11/20/12	Box Elder (DW-01)	\$0	\$11,525	\$0	\$0	\$0	\$11,525
11/20/12	Box Elder (DW-01)	\$0	\$0	\$103,727	\$0	\$0	\$103,727
11/20/12	Doland (DW-01)	\$0	\$179,269	\$0	\$0	\$0	\$179,269
11/20/12	Doland (DW-01)	\$0	\$0	\$50,269	\$0	\$0	\$50,269
11/20/12	Gregory (DW-02)	\$0	\$15,878	\$0	\$0	\$0	\$15,878
11/20/12	Gregory (DW-02)	\$0	\$0	\$42,715	\$0	\$0	\$42,715
11/20/12	Pierpont (DW-01)	\$0	\$50,347	\$0	\$0	\$0	\$50,347
11/20/12	Pierpont (DW-01)	\$0	\$0	\$16,783	\$0	\$0	\$16,783
11/20/12	Sturgis (DW-03)	\$0	\$0	\$829,975	\$0	\$0	\$829,975
11/20/12	Sturgis (DW-04)	\$0	\$0	\$0	\$295,915	\$0	\$295,915
11/21/12	Baltic (DW-03)	\$0	\$0	\$0	\$72,185	\$0	\$72,185
11/21/12	McLaughlin (DW-02)	\$20,409	\$37,959	\$0	\$0	\$0	\$58,368
11/21/12	McLaughlin (DW-02)	\$0	\$273,075	\$0	\$0	\$0	\$273,075
11/21/12	McLaughlin (DW-02)	\$0	\$0	\$100,686	\$0	\$0	\$100,686
11/21/12	Plankinton (DW-01)	\$0	\$148,688	\$0	\$0	\$0	\$148,688
11/21/12	Plankinton (DW-01)	\$0	\$0	\$111,255	\$0	\$0	\$111,255
11/21/12	Sioux Falls (DW-11)	\$0	\$0	\$1,934	\$0	\$0	\$1,934
11/21/12	South Lincoln (DW-02)	\$0	\$46,297	\$0	\$0	\$0	\$46,297
11/28/12	Niche Sanitary Dist (DW-01)	\$0	\$18,448	\$0	\$0	\$0	\$18,448
12/07/12	Clay RWS (DW-04)	\$0	\$5,174	\$0	\$0	\$0	\$5,174
12/07/12	Gayville (DW-01)	\$0	\$7,914	\$0	\$0	\$0	\$7,914
12/07/12	Gayville (DW-01)	\$0	\$0	\$8,029	\$0	\$0	\$8,029
12/07/12	Hot Springs (DW-01)	\$0	\$0	\$234,569	\$0	\$0	\$234,569

Date	Borrower Name	State Funds	Federal Funds	Repayments	Interest/ Earnings	Leveraged	Total Disbursements
12/07/12	Huron (DW-03)	\$0	\$0	\$592,073	\$0	\$0	\$592,073
12/07/12	Mid-Dakota RWS (DW-04)	\$0	\$93,485	\$0	\$0	\$0	\$93,485
12/07/12	TM Rural Water Dist (DW-01)	\$0	\$0	\$85,038	\$0	\$0	\$85,038
12/07/12	TM Rural Water Dist (DW-02)	\$0	\$103,935	\$0	\$0	\$0	\$103,935
12/12/12	Gregory (DW-02)	\$0	\$17,941	\$0	\$0	\$0	\$17,941
12/12/12	Gregory (DW-02)	\$0	\$0	\$48,261	\$0	\$0	\$48,261
12/12/12	Niche Sanitary Dist (DW-01)	\$0	\$12,820	\$0	\$0	\$0	\$12,820
12/21/12	Butte-Meade SWD (DW-01)	\$0	\$0	\$22,560	\$0	\$0	\$22,560
12/21/12	Gregory (DW-02)	\$1,857	\$0	\$0	\$0	\$0	\$1,857
12/21/12	Gregory (DW-02)	\$0	\$0	\$4,994	\$0	\$0	\$4,994
12/21/12	McLaughlin (DW-02)	\$52,750	\$0	\$0	\$0	\$0	\$52,750
12/21/12	McLaughlin (DW-02)	\$0	\$0	\$16,025	\$0	\$0	\$16,025
12/21/12	Pierpont (DW-01)	\$24,612	\$0	\$0	\$0	\$0	\$24,612
12/21/12	Pierpont (DW-01)	\$0	\$0	\$8,203	\$0	\$0	\$8,203
12/21/12	Plankinton (DW-01)	\$77,957	\$0	\$0	\$0	\$0	\$77,957
12/21/12	Plankinton (DW-01)	\$0	\$0	\$58,331	\$0	\$0	\$58,331
12/26/12	Sturgis (DW-04)	\$0	\$0	\$0	\$312,309	\$0	\$312,309
12/28/12	Baltic (DW-03)	\$0	\$0	\$0	\$80,595	\$0	\$80,595
12/28/12	Sturgis (DW-03)	\$0	\$0	\$311,951	\$0	\$0	\$311,951
12/28/12	Trail West (DW-01)	\$74,762	\$0	\$0	\$0	\$0	\$74,762
12/28/12	Trail West (DW-01)	\$0	\$0	\$0	\$121,852	\$0	\$121,852
01/09/13	Doland (DW-01)	\$71,816	\$0	\$0	\$0	\$0	\$71,816
01/09/13	Doland (DW-01)	\$0	\$0	\$20,138	\$0	\$0	\$20,138
01/09/13	TM Rural Water Dist (DW-01)	\$0	\$0	\$83,878	\$0	\$0	\$83,878
01/09/13	TM Rural Water Dist (DW-02)	\$0	\$102,519	\$0	\$0	\$0	\$102,519
01/09/13	Vermillion (DW-04)	\$42,987	\$0	\$0	\$0	\$0	\$42,987
01/09/13	Vermillion (DW-04)	\$0	\$0	\$386,891	\$0	\$0	\$386,891
01/10/13	Trail West (DW-01)	\$29,823	\$0	\$0	\$0	\$0	\$29,823
01/10/13	Trail West (DW-01)	\$0	\$0	\$0	\$38,578	\$0	\$38,578
01/18/13	Clay RWS (DW-04)	\$0	\$14,455	\$0	\$0	\$0	\$14,455
01/18/13	Mid-Dakota RWS (DW-04)	\$0	\$10,000	\$0	\$0	\$0	\$10,000
01/18/13	Niche Sanitary Dist (DW-01)	\$10,578	\$0	\$0	\$0	\$0	\$10,578
01/24/13	Baltic (DW-03)	\$0	\$0	\$0	\$48,304	\$0	\$48,304

Date	Borrower Name	State Funds	Federal Funds	Repayments	Interest/ Earnings	Leveraged	Total Disbursements
01/24/13	McLaughlin (DW-02)	\$855	\$0	\$0	\$0	\$0	\$855
01/24/13	McLaughlin (DW-02)	\$0	\$0	\$260	\$0	\$0	\$260
01/24/13	Plankinton (DW-01)	\$64,777	\$0	\$0	\$0	\$0	\$64,777
01/24/13	Plankinton (DW-01)	\$0	\$0	\$48,471	\$0	\$0	\$48,471
01/24/13	Sturgis (DW-04)	\$0	\$0	\$0	\$178,727	\$0	\$178,727
01/28/13	Sturgis (DW-03)	\$0	\$0	\$153,796	\$0	\$0	\$153,796
01/30/13	Doland (DW-01)	\$70,989	\$0	\$0	\$0	\$0	\$70,989
01/30/13	Doland (DW-01)	\$7,987	\$0	\$0	\$0	\$0	\$7,987
01/30/13	Doland (DW-01)	\$0	\$0	\$22,145	\$0	\$0	\$22,145
01/30/13	Montrose (DW-01)	\$9,608	\$0	\$0	\$0	\$0	\$9,608
01/30/13	Montrose (DW-01)	\$0	\$0	\$4,840	\$0	\$0	\$4,840
01/31/13	Trail West (DW-01)	\$13,578	\$0	\$0	\$0	\$0	\$13,578
01/31/13	Trail West (DW-01)	\$0	\$0	\$0	\$17,565	\$0	\$17,565
02/07/13	Butte-Meade SWD (DW-01)	\$0	\$0	\$55,602	\$0	\$0	\$55,602
02/07/13	Clay RWS (DW-04)	\$0	\$21,105	\$0	\$0	\$0	\$21,105
02/07/13	TM Rural Water Dist (DW-01)	\$0	\$0	\$3,593	\$0	\$0	\$3,593
02/07/13	TM Rural Water Dist (DW-02)	\$0	\$4,391	\$0	\$0	\$0	\$4,391
02/15/13	Niche Sanitary Dist (DW-01)	\$2,901	\$0	\$0	\$0	\$0	\$2,901
02/15/13	Rapid City (DW-02)	\$132,887	\$750,000	\$0	\$0	\$0	\$882,887
02/15/13	Vermillion (DW-04)	\$1,818	\$10,000	\$0	\$0	\$0	\$11,818
02/15/13	Vermillion (DW-04)	\$0	\$0	\$106,358	\$0	\$0	\$106,358
02/21/13	Colton DW-02)	\$330	\$0	\$0	\$0	\$0	\$330
02/21/13	Colton DW-02)	\$0	\$0	\$9,457	\$0	\$0	\$9,457
02/22/13	McLaughlin (DW-02)	\$34,738	\$10,552	\$0	\$0	\$0	\$45,290
02/22/13	South Lincoln (DW-02)	\$0	\$27,763	\$0	\$0	\$0	\$27,763
02/26/13	Pierpont (DW-01)	\$9,472	\$0	\$0	\$0	\$0	\$9,472
02/26/13	Pierpont (DW-01)	\$0	\$0	\$3,158	\$0	\$0	\$3,158
03/07/13	Piedmont (DW-01)	\$31,854	\$50,000	\$0	\$0	\$0	\$81,854
03/07/13	Piedmont (DW-01)	\$0	\$0	\$60,999	\$0	\$0	\$60,999
03/07/13	Trail West (DW-01)	\$0	\$7,565	\$0	\$0	\$0	\$7,565
03/07/13	Trail West (DW-01)	\$0	\$0	\$0	\$9,784	\$0	\$9,784
03/07/13	Worthing (DW-02)	\$2,423	\$5,000	\$0	\$0	\$0	\$7,423
03/14/13	McLaughlin (DW-02)	\$50,153	\$56,000	\$0	\$0	\$0	\$106,153

Date	Borrower Name	State Funds	Federal Funds	Repayments	Interest/ Earnings	Leveraged	Total Disbursements
03/14/13	McLaughlin (DW-02)	\$0	\$0	\$32,247	\$0	\$0	\$32,247
03/14/13	Mid-Dakota RWS (DW-03)	\$0	\$760	\$0	\$0	\$0	\$760
03/14/13	Niche Sanitary Dist (DW-01)	\$0	\$4,425	\$0	\$0	\$0	\$4,425
03/14/13	Piedmont (DW-01)	\$43,494	\$75,000	\$0	\$0	\$0	\$118,494
03/14/13	Piedmont (DW-01)	\$0	\$0	\$88,301	\$0	\$0	\$88,301
03/27/13	Colton DW-02)	\$0	\$3,128	\$0	\$0	\$0	\$3,128
03/27/13	Doland (DW-01)	\$12,880	\$25,000	\$0	\$0	\$0	\$37,880
03/27/13	Doland (DW-01)	\$0	\$0	\$10,622	\$0	\$0	\$10,622
03/27/13	Pierpont (DW-01)	\$1,481	\$4,445	\$0	\$0	\$0	\$5,926
03/27/13	Plankinton (DW-01)	\$0	\$6,825	\$0	\$0	\$0	\$6,825
03/27/13	Plankinton (DW-01)	\$0	\$0	\$5,106	\$0	\$0	\$5,106
03/27/13	TM Rural Water Dist (DW-01)	\$0	\$0	\$340	\$0	\$0	\$340
03/27/13	TM Rural Water Dist (DW-02)	\$0	\$415	\$0	\$0	\$0	\$415
04/22/13	Niche Sanitary Dist (DW-01)	\$2,211	\$881	\$0	\$0	\$0	\$3,092
04/23/13	Dupree (DW-01)	\$14,780	\$9,371	\$0	\$0	\$0	\$24,151
04/25/13	Clay RWS (DW-04)	\$0	\$85,656	\$0	\$0	\$0	\$85,656
04/25/13	Doland (DW-01)	\$59,311	\$0	\$0	\$0	\$0	\$59,311
04/26/13	Hisega Meadows (DW-01)	\$0	\$19,288	\$0	\$0	\$0	\$19,288
05/03/13	Clay RWS (DW-04)	\$0	\$20,778	\$0	\$0	\$0	\$20,778
05/03/13	Sturgis (DW-03)	\$0	\$0	\$707,781	\$0	\$0	\$707,781
05/03/13	Sturgis (DW-04)	\$0	\$0	\$0	\$205,232	\$0	\$205,232
05/08/13	Niche Sanitary Dist (DW-01)	\$932	\$2,340	\$0	\$0	\$0	\$3,272
05/08/13	Trail West (DW-01)	\$0	\$9,814	\$0	\$0	\$0	\$9,814
05/13/13	South Lincoln (DW-02)	\$0	\$24,850	\$0	\$0	\$0	\$24,850
05/15/13	Trail West (DW-01)	\$0	\$0	\$0	\$12,696	\$0	\$12,696
05/17/13	McLaughlin (DW-02)	\$4,500	\$140,188	\$0	\$0	\$0	\$144,688
05/17/13	McLaughlin (DW-02)	\$0	\$0	\$43,954	\$0	\$0	\$43,954
05/17/13	TM Rural Water Dist (DW-01)	\$0	\$0	\$765	\$0	\$0	\$765
05/17/13	TM Rural Water Dist (DW-02)	\$164	\$771	\$0	\$0	\$0	\$935
05/17/13	Vermillion (DW-04)	\$431	\$2,029	\$0	\$0	\$0	\$2,460
05/17/13	Vermillion (DW-04)	\$0	\$0	\$22,140	\$0	\$0	\$22,140
05/17/13	Worthing (DW-02)	\$2,473	\$11,626	\$0	\$0	\$0	\$14,099
05/17/13	Worthing (DW-02)	\$0	\$0	\$7,134	\$0	\$0	\$7,134

Date	Borrower Name	State Funds	Federal Funds	Repayments	Interest/ Earnings	Leveraged	Total Disbursements
05/23/13	Niche Sanitary Dist (DW-01)	\$10,271	\$48,286	\$0	\$0	\$0	\$58,557
05/23/13	Trail West (DW-01)	\$7,305	\$34,345	\$0	\$0	\$0	\$41,650
06/12/13	Clay RWS (DW-04)	\$0	\$5,880	\$0	\$0	\$0	\$5,880
06/12/13	Doland (DW-01)	\$36,349	\$140,203	\$0	\$0	\$0	\$176,552
06/12/13	Doland (DW-01)	\$0	\$0	\$49,507	\$0	\$0	\$49,507
06/13/13	Hisega Meadows (DW-01)	\$786	\$3,698	\$0	\$0	\$0	\$4,484
06/17/13	Box Elder (DW-01)	\$2,597	\$12,212	\$0	\$0	\$0	\$14,809
06/17/13	Box Elder (DW-01)	\$0	\$0	\$133,277	\$0	\$0	\$133,277
06/20/13	McLaughlin (DW-02)	\$70,798	\$93,766	\$0	\$0	\$0	\$164,564
06/20/13	McLaughlin (DW-02)	\$0	\$0	\$49,991	\$0	\$0	\$49,991
06/20/13	Niche Sanitary Dist (DW-01)	\$0	\$94,955	\$0	\$0	\$0	\$94,955
06/20/13	TM Rural Water Dist (DW-01)	\$0	\$0	\$36,376	\$0	\$0	\$36,376
06/20/13	TM Rural Water Dist (DW-02)	\$0	\$84,537	\$0	\$0	\$0	\$84,537
06/20/13	TM Rural Water Dist (DW-02)	\$0	\$0	\$30,707	\$0	\$0	\$30,707
06/20/13	Vermillion (DW-04)	\$0	\$22,760	\$0	\$0	\$0	\$22,760
06/20/13	Vermillion (DW-04)	\$0	\$0	\$2,529	\$0	\$0	\$2,529
06/20/13	Yankton (DW-03)	\$0	\$36,823	\$0	\$0	\$0	\$36,823
06/26/13	Rapid City (DW-02)	\$19,988	\$93,997	\$0	\$0	\$0	\$113,985
06/27/13	Rapid City (DW-02)	\$0	\$0	\$0	\$991,833	\$0	\$991,833
07/03/13	Baltic (DW-03)	\$0	\$0	\$0	\$46,038	\$0	\$46,038
07/11/13	McLaughlin (DW-02)	\$52,127	\$77,011	\$0	\$0	\$0	\$129,138
07/11/13	McLaughlin (DW-02)	\$0	\$0	\$39,230	\$0	\$0	\$39,230
07/11/13	Yankton (DW-03)	\$0	\$153,281	\$0	\$0	\$0	\$153,281
07/12/13	Dupree (DW-01)	\$0	\$11,680	\$0	\$0	\$0	\$11,680
07/12/13	Vermillion (DW-04)	\$0	\$3,086	\$0	\$0	\$0	\$3,086
07/12/13	Vermillion (DW-04)	\$0	\$0	\$27,776	\$0	\$0	\$27,776
07/17/13	Eagle Butte (DW-01)	\$0	\$0	\$0	\$35,520	\$0	\$35,520
07/18/13	Clay RWS (DW-04)	\$0	\$58,697	\$0	\$0	\$0	\$58,697
07/18/13	Doland (DW-01)	\$25,677	\$233,379	\$0	\$0	\$0	\$259,056
07/18/13	Doland (DW-01)	\$0	\$0	\$72,642	\$0	\$0	\$72,642
07/18/13	Trail West (DW-01)	\$0	\$0	\$0	\$7,698	\$0	\$7,698
07/18/13	Trail West (DW-01)	\$0	\$9,957	\$0	\$0	\$0	\$9,957
07/19/13	Hisega Meadows (DW-01)	\$0	\$4,256	\$0	\$0	\$0	\$4,256

Date	Borrower Name	State Funds	Federal Funds	Repayments	Interest/ Earnings	Leveraged	Total Disbursements
07/19/13	Lennox (DW-02)	\$54,291	\$69,660	\$0	\$0	\$0	\$123,951
07/24/13	Niche Sanitary Dist (DW-01)	\$9,933	\$46,698	\$0	\$0	\$0	\$56,631
07/24/13	Sturgis (DW-03)	\$0	\$0	\$225,061	\$0	\$0	\$225,061
07/24/13	Trail West (DW-01)	\$10,043	\$47,220	\$0	\$0	\$0	\$57,263
07/24/13	Trail West (DW-01)	\$0	\$0	\$0	\$74,075	\$0	\$74,075
07/24/13	Worthing (DW-02)	\$798	\$3,748	\$0	\$0	\$0	\$4,546
07/24/13	Worthing (DW-02)	\$0	\$0	\$2,301	\$0	\$0	\$2,301
07/25/13	Dell Rapids (DW-05)	\$0	\$0	\$0	\$215,049	\$0	\$215,049
07/25/13	Sturgis (DW-04)	\$0	\$0	\$0	\$345,699	\$0	\$345,699
08/01/13	Baltic (DW-03)	\$0	\$0	\$0	\$96,768	\$0	\$96,768
08/01/13	Plankinton (DW-01)	\$15,618	\$45,691	\$0	\$0	\$0	\$61,309
08/01/13	Plankinton (DW-01)	\$0	\$0	\$45,875	\$0	\$0	\$45,875
08/01/13	Trail West (DW-01)	\$7,479	\$0	\$0	\$0	\$0	\$7,479
08/01/13	Trail West (DW-01)	\$0	\$0	\$0	\$9,675	\$0	\$9,675
08/02/13	Colman (DW-01)	\$0	\$62,895	\$0	\$0	\$0	\$62,895
08/08/13	Yankton (DW-03)	\$12,889	\$60,600	\$0	\$0	\$0	\$73,489
08/09/13	Vermillion (DW-04)	\$1,790	\$8,413	\$0	\$0	\$0	\$10,203
08/09/13	Vermillion (DW-04)	\$0	\$0	\$91,822	\$0	\$0	\$91,822
08/16/13	McLaughlin (DW-02)	\$33,955	\$141,618	\$0	\$0	\$0	\$175,573
08/16/13	McLaughlin (DW-02)	\$0	\$0	\$53,336	\$0	\$0	\$53,336
08/16/13	TM Rural Water Dist (DW-01)	\$0	\$0	\$966	\$0	\$0	\$966
08/16/13	TM Rural Water Dist (DW-02)	\$0	\$1,246	\$0	\$0	\$0	\$1,246
08/16/13	Trail West (DW-01)	\$0	\$16,769	\$0	\$0	\$0	\$16,769
08/16/13	Trail West (DW-01)	\$0	\$0	\$0	\$21,690	\$0	\$21,690
08/16/13	Worthing (DW-02)	\$0	\$0	\$15,881	\$0	\$0	\$15,881
08/19/13	Dell Rapids (DW-05)	\$0	\$0	\$0	\$207,846	\$0	\$207,846
08/26/13	Doland (DW-01)	\$0	\$121,584	\$0	\$0	\$0	\$121,584
08/26/13	Doland (DW-01)	\$0	\$0	\$34,094	\$0	\$0	\$34,094
08/26/13	Niche Sanitary Dist (DW-01)	\$19,343	\$27,978	\$0	\$0	\$0	\$47,321
08/26/13	Plankinton (DW-01)	\$12,470	\$0	\$0	\$0	\$0	\$12,470
08/26/13	Plankinton (DW-01)	\$0	\$0	\$9,330	\$0	\$0	\$9,330
08/30/13	Piedmont (DW-01)	\$0	\$7,013	\$0	\$0	\$0	\$7,013
08/30/13	Piedmont (DW-01)	\$0	\$0	\$6,084	\$0	\$0	\$6,084

Date	Borrower Name	State Funds	Federal Funds	Repayments	Interest/ Earnings	Leveraged	Total Disbursements
09/03/13	Hisega Meadows (DW-01)	\$0	\$8,174	\$0	\$0	\$0	\$8,174
09/03/13	Lennox (DW-02)	\$26,785	\$110,731	\$0	\$0	\$0	\$137,516
09/06/13	Clay RWS (DW-04)	\$0	\$1,982	\$0	\$0	\$0	\$1,982
09/06/13	Mid-Dakota RWS (DW-04)	\$0	\$55,888	\$0	\$0	\$0	\$55,888
09/06/13	Worthing (DW-02)	\$8,661	\$0	\$0	\$0	\$0	\$8,661
09/16/13	Dell Rapids (DW-05)	\$0	\$0	\$0	\$60,046	\$0	\$60,046
09/16/13	Vermillion (DW-04)	\$0	\$0	\$141,400	\$0	\$0	\$141,400
09/20/13	McLaughlin (DW-02)	\$41,266	\$126,238	\$0	\$0	\$0	\$167,504
09/20/13	Mid-Dakota RWS (DW-04)	\$0	\$43,200	\$0	\$0	\$0	\$43,200
09/23/13	Beresford (DW-01)	\$0	\$0	\$0	\$166,837	\$0	\$166,837
09/23/13	Dupree (DW-01)	\$0	\$7,375	\$0	\$0	\$0	\$7,375
09/27/13	Baltic (DW-03)	\$0	\$0	\$0	\$17,820	\$0	\$17,820
09/27/13	Doland (DW-01)	\$10,784	\$50,698	\$0	\$0	\$0	\$61,482
09/27/13	Doland (DW-01)	\$0	\$0	\$17,240	\$0	\$0	\$17,240
09/27/13	Plankinton (DW-01)	\$5,269	\$24,771	\$0	\$0	\$0	\$30,040
09/27/13	Plankinton (DW-01)	\$0	\$0	\$22,477	\$0	\$0	\$22,477
09/27/13	Worthing (DW-02)	\$2,024	\$9,515	\$0	\$0	\$0	\$11,539
09/27/13	Worthing (DW-02)	\$0	\$0	\$5,839	\$0	\$0	\$5,839
<b>Total Base Program</b>		<b>\$1,579,313</b>	<b>\$6,571,354</b>	<b>\$6,683,725</b>	<b>\$4,105,705</b>	<b>\$0</b>	<b>\$18,940,097</b>

**SET-ASIDE DISBURSEMENTS**

Date	Payee	Cost of Issuance	Admin Federal	Set-Aside Federal	State Admin	Total Payment
10/26/2012	SD - Admin	\$0	\$13,700	\$0	\$0	\$13,700
10/26/2012	SD - Tech Assist	\$0	\$0	\$20,760	\$0	\$20,760
10/26/2012	SD - Tech Assist	\$0	\$0	\$29,200	\$0	\$29,200
10/26/2012	SD - State Program	\$0	\$0	\$10,700	\$0	\$10,700
10/26/2012	SD - State Program	\$0	\$0	\$9,200	\$0	\$9,200
10/26/2012	SD-Planning Dist Grants	\$0	\$0	\$0	\$15,000	\$15,000
10/26/2012	SD-Davis-Bacon	\$0	\$0	\$0	\$1,250	\$1,250
11/21/2012	SD - Admin	\$0	\$26,900	\$0	\$0	\$26,900

Date	Payee	Cost of Issuance	Admin Federal	Set-Aside Federal	State Admin	Total Payment
11/21/2012	SD - Tech Assist	\$0	\$0	\$6,100	\$0	\$6,100
11/21/2012	SD-Planning Dist Grants	\$0	\$0	\$0	\$17,500	\$17,500
11/21/2012	SD-Davis-Bacon	\$0	\$0	\$0	\$2,250	\$2,250
12/20/2012	SD - Admin	\$0	\$33,600	\$0	\$0	\$33,600
12/20/2012	SD - State Program	\$0	\$0	\$19,100	\$0	\$19,100
12/20/2012	SD-Planning Dist Grants	\$0	\$0	\$0	\$15,000	\$15,000
12/20/2012	SD-Davis-Bacon	\$0	\$0	\$0	\$2,000	\$2,000
12/20/2012	FNB	\$0	\$34,000	\$0	\$0	\$34,000
01/24/2013	SD - Admin	\$0	\$10,600	\$0	\$0	\$10,600
01/24/2013	SD - Tech Assist	\$0	\$0	\$22,000	\$0	\$22,000
01/24/2013	SD-Planning Dist Grants	\$0	\$0	\$0	\$12,500	\$12,500
01/24/2013	SD-Davis-Bacon	\$0	\$0	\$0	\$1,000	\$1,000
02/22/2013	SD - Admin	\$0	\$21,700	\$0	\$0	\$21,700
02/22/2013	SD - State Program	\$0	\$0	\$64,000	\$0	\$64,000
02/22/2013	SD - Tech Assist	\$0	\$0	\$50,000	\$0	\$50,000
02/22/2013	SD-Planning Dist Grants	\$0	\$0	\$0	\$5,000	\$5,000
02/22/2013	SD-Davis-Bacon	\$0	\$0	\$0	\$2,250	\$2,250
03/27/2013	SD - Admin	\$0	\$34,900	\$0	\$0	\$34,900
03/27/2013	SD - Tech Assist	\$0	\$0	\$10,000	\$0	\$10,000
03/27/2013	SD-Planning Dist Grants	\$0	\$0	\$0	\$5,000	\$5,000
03/27/2013	SD-Davis-Bacon	\$0	\$0	\$0	\$1,000	\$1,000
04/22/2013	SD - Admin	\$0	\$27,000	\$0	\$0	\$27,000
04/22/2013	SD - Tech Assist	\$0	\$0	\$18,000	\$0	\$18,000
04/22/2013	SD-Planning Dist Grants	\$0	\$0	\$0	\$7,500	\$7,500
05/17/2013	PFM	\$0	\$5,015	\$0	\$0	\$5,015
05/23/2013	SD - Admin	\$0	\$21,900	\$0	\$0	\$21,900
05/23/2013	SD - Tech Assist	\$0	\$0	\$16,000	\$0	\$16,000
05/23/2013	SD - State Program	\$0	\$0	\$4,700	\$0	\$4,700
05/23/2013	SD-Planning Dist Grants	\$0	\$0	\$0	\$15,000	\$15,000
06/21/2013	SD - Admin	\$0	\$22,490	\$0	\$0	\$22,490
06/21/2013	SD - Admin	\$0	\$9,410	\$0	\$0	\$9,410
06/21/2013	SD - Tech Assist	\$0	\$0	\$11,600	\$0	\$11,600
06/21/2013	SD-Planning Dist Grants	\$0	\$0	\$0	\$5,000	\$5,000
06/20/2013	FNB	\$0	\$33,210	\$0	\$0	\$33,210

Date	Payee	Cost of Issuance	Admin Federal	Set-Aside Federal	State Admin	Total Payment
07/26/2013	SD - Admin	\$0	\$10,610	\$0	\$0	\$10,610
07/26/2013	SD-Planning Dist Grants	\$0	\$0	\$0	\$10,000	\$10,000
07/26/2013	SD-Davis-Bacon	\$0	\$0	\$0	\$1,000	\$1,000
08/21/2013	SD - Admin	\$0	\$19,500	\$0	\$0	\$19,500
08/21/2013	SD - Tech Assist	\$0	\$0	\$20,000	\$0	\$20,000
08/21/2013	SD - State Program	\$0	\$0	\$4,000	\$0	\$4,000
08/21/2013	SD-Planning Dist Grants	\$0	\$0	\$0	\$10,000	\$10,000
08/21/2013	SD-Davis-Bacon	\$0	\$0	\$0	\$2,500	\$2,500
08/21/2013	SD-Oper Cert	\$0	\$0	\$0	\$7,000	\$7,000
09/23/2013	SD - Admin	\$0	\$29,800	\$0	\$0	\$29,800
09/23/2013	SD - Tech Assist	\$0	\$0	\$5,460	\$0	\$5,460
09/23/2013	SD - Tech Assist	\$0	\$0	\$21,900	\$0	\$21,900
09/24/2013	SD-Planning Dist Grants	\$0	\$0	\$0	\$5,000	\$5,000
09/24/2013	SD-Davis-Bacon	\$0	\$0	\$0	\$500	\$500
<b>Total Admin/Set-aside Disbursements</b>		<b>\$0</b>	<b>\$354,335</b>	<b>\$342,720</b>	<b>\$143,250</b>	<b>\$840,305</b>

**TOTAL OF ALL DWSRF DISBURSEMENTS**

**\$19,780,402**

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

**EXHIBIT V**  
**Letter of Credit Analysis**  
**Grant Payment Schedule vs. Actual Draws**  
**Federal Fiscal Year 2013**

Quarter	Grant Payment Schedule	Actual Loan Draws	Actual Set-Aside Draws	Difference
1 <sup>st</sup>	\$16,388,577	\$2,731,900	\$203,260	\$13,453,417
2 <sup>nd</sup>	\$1,495,367	\$1,189,348	\$213,200	\$92,819
3 <sup>rd</sup>	\$1,495,367	\$999,054	\$169,325	\$326,988
4 <sup>th</sup>	\$2,898,867	\$1,651,052	\$111,270	\$1,136,545
	<b>\$22,278,178</b>	<b>\$6,571,354</b>	<b>\$697,055</b>	<b>\$15,009,769</b>

**Letter of Credit Draws**  
**Federal Fiscal Year 2013**

Draw #	Date	Loan	Admin	Tech Asst	Local Asst	Total
0906	10/03/12	\$457,506	\$0	\$0	\$0	\$457,506
0907	10/11/12	\$70,000	\$0	\$0	\$0	\$70,000
0908	10/17/12	\$770,223	\$0	\$0	\$0	\$770,223
0909	10/25/12	\$38,290	\$13,700	\$49,960	\$19,900	\$121,850
0910	11/01/12	\$256,245	\$0	\$0	\$0	\$256,245
0911	11/07/12	\$116,881	\$0	\$0	\$0	\$116,881
0912	11/19/13	\$257,019	\$0	\$0	\$0	\$257,019
0913	11/20/12	\$506,019	\$26,900	\$6,100	\$0	\$539,019
0914	11/27/12	\$18,448	\$0	\$0	\$0	\$18,448
0915	12/06/13	\$210,508	\$0	\$0	\$0	\$210,508
0916	12/11/12	\$30,761	\$0	\$0	\$0	\$30,761
0917	12/19/12	\$0	\$67,600	\$0	\$19,100	\$86,700
0919	01/08/13	\$102,519	\$0	\$0	\$0	\$102,519
0920	01/17/13	\$24,455	\$0	\$0	\$0	\$24,455
0921	01/23/13	\$0	\$10,600	\$22,000	\$0	\$32,600
0922	02/06/13	\$25,496	\$0	\$0	\$0	\$25,496
0923	02/14/13	\$760,000	\$0	\$0	\$0	\$760,000
0924	02/21/13	\$38,315	\$21,700	\$50,000	\$64,000	\$174,015
0925	03/06/13	\$62,565	\$0	\$0	\$0	\$62,565
0926	03/13/13	\$136,185	\$0	\$0	\$0	\$136,185
0927	03/26/13	\$39,813	\$34,900	\$10,000	\$0	\$84,713
0929	04/19/13	\$10,252	\$27,000	\$18,000	\$0	\$55,252
0930	04/24/13	\$104,944	\$0	\$0	\$0	\$104,944
0931	05/02/13	\$20,778	\$0	\$0	\$0	\$20,778
0932	05/07/13	\$12,154	\$0	\$0	\$0	\$12,154
0933	05/16/13	\$154,614	\$5,015	\$0	\$0	\$159,629
0934	05/22/13	\$82,631	\$21,900	\$16,000	\$4,700	\$125,231

Draw #	Date	Loan	Admin	Tech Asst	Local Asst	Total
0935	05/29/13	\$24,850	\$0	\$0	\$0	\$24,850
0936	06/11/13	\$149,781	\$0	\$0	\$0	\$149,781
0937	06/14/13	\$12,212	\$0	\$0	\$0	\$12,212
0938	06/19/13	\$332,841	\$65,110	\$11,600	\$0	\$409,551
0939	06/25/13	\$93,997	\$0	\$0	\$0	\$93,997
0940	07/10/13	\$245,058	\$0	\$0	\$0	\$245,058
0941	07/07/13	\$375,949	\$0	\$0	\$0	\$375,949
0942	07/23/13	\$97,666	\$0	\$0	\$0	\$97,666
0943	07/25/13	\$0	\$10,610	\$0	\$0	\$10,610
0944	07/31/13	\$108,586	\$0	\$0	\$0	\$108,586
0945	08/07/13	\$69,013	\$0	\$0	\$0	\$69,013
0946	08/15/13	\$159,633	\$0	\$0	\$0	\$159,633
0947	08/20/13	\$0	\$19,500	\$20,000	\$4,000	\$43,500
0948	08/23/13	\$149,562	\$0	\$0	\$0	\$149,562
0949	08/29/13	\$125,918	\$0	\$0	\$0	\$125,918
0950	09/05/13	\$57,870	\$0	\$0	\$0	\$57,870
0952	09/19/13	\$176,813	\$0	\$0	\$0	\$176,813
0953	09/20/13	\$0	\$29,800	\$27,360	\$0	\$57,160
0954	09/26/13	\$84,984	\$0	\$0	\$0	\$84,984
		<b>\$6,571,354</b>	<b>\$354,335</b>	<b>\$231,020</b>	<b>\$111,700</b>	<b>\$7,268,409</b>

**EXHIBIT VI  
Environmental Review and Land Purchase Information**

**Completed During Federal Fiscal Year 2013**

Recipient	Environmental Assessment Class	Environmental Assessment Publication Date	Land Purchase w/ SRF?
Bonesteel (DW-01)	CATEX	06/27/2013	No
Spearfish (DW-01)	CATEX	02/02/2013	No
Tabor (DW-01)	CATEX	05/20/2013	No
White Lake (DW-01)	CATEX	05/22/2013	No
Winner (DW-01)	CATEX	07/17/2013	No
Woodland Hills San. Dist. (DW-01)	CATEX	07/17/2013	No

**Awarded During Federal Fiscal Year 2013 and Still Pending**

Recipient	Environmental Assessment Class	Land Purchase w/ SRF?
Colman (DW-03)	CATEX	No
Eagle Butte (DW-03)	CATEX	No
Grant-Roberts RWS (DW-01)	CATEX	No
Yankton (DW-05)	FNSI	No

**EXHIBIT VII**  
**DWSRF Loan Transactions by Borrower**  
**Status as of September 30, 2013**

<b>Borrower</b>	<b>Maximum Committed Amount</b>	<b>ARRA Advance</b>	<b>Federal Advance</b>	<b>State Advance</b>	<b>Recycled Advance</b>	<b>Leveraged Advance</b>	<b>Total Advances</b>	<b>Principal Forgiven</b>	<b>Principal Repayments</b>	<b>Loan Balance</b>
Aberdeen (DW-01A)	\$9,460,000	\$0	\$5,212,008	\$1,611,628	\$2,636,364	\$0	\$9,460,000	\$0	\$9,460,000.00	\$0.00
Aberdeen (DW-01B)	\$7,024,258	\$0	\$830,686	\$953,745	\$0	\$5,239,827	\$7,024,258	\$0	\$7,024,258.00	\$0.00
Aberdeen (DW-02)	\$1,330,118	\$1,118,399	\$0	\$0	\$56,039	\$155,680	\$1,330,118	\$133,012	\$190,586.85	\$1,006,519.15
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	\$97,365.50	\$152,634.50
Baltic (DW-02)	\$163,446	\$16,500	\$0	\$146,946	\$0	\$0	\$163,446	\$16,345	\$26,840.75	\$120,260.25
Baltic (DW-03)	\$457,000	\$0	\$0	\$0	\$400,993	\$0	\$400,993	\$0	\$0.00	\$400,993.00
BDM RWS (DW-01)	\$280,251	\$0	\$280,251	\$0	\$0	\$0	\$280,251	\$0	\$110,400.42	\$169,850.58
Beresford (DW-01)	\$916,040	\$0	\$0	\$0	\$166,837	\$0	\$166,837	\$83,418	\$0.00	\$83,419.00
Big Stone City (DW-01)	\$570,000	\$0	\$570,000	\$0	\$0	\$0	\$570,000	\$0	\$326,467.69	\$243,532.31
Big Stone City (DW-02)	\$139,873	\$0	\$40,000	\$99,873	\$0	\$0	\$139,873	\$0	\$43,594.89	\$96,278.11
Black Hawk WUD (DW-01)	\$500,000	\$0	\$390,376	\$109,624	\$0	\$0	\$500,000	\$0	\$279,040.78	\$220,959.22
Black Hawk WUD (DW-02)	\$1,066,674	\$0	\$152,088	\$99,816	\$0	\$814,770	\$1,066,674	\$0	\$129,955.91	\$936,718.09
Bonesteel (DW-01)	\$2,043,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00

<b>Borrower</b>	<b>Maximum Committed Amount</b>	<b>ARRA Advance</b>	<b>Federal Advance</b>	<b>State Advance</b>	<b>Recycled Advance</b>	<b>Leveraged Advance</b>	<b>Total Advances</b>	<b>Principal Forgiven</b>	<b>Principal Repayments</b>	<b>Loan Balance</b>
Bowdle (DW-01)	\$150,000	\$150,000	\$0	\$0	\$0	\$0	\$150,000	\$150,000	\$0.00	\$0.00
Box Elder (DW-01)	\$3,562,950	\$0	\$182,776	\$2,597	\$1,947,590	\$0	\$2,132,963	\$213,296	\$0.00	\$1,919,667.00
Brandon (DW-01)	\$1,877,375	\$0	\$1,877,375	\$0	\$0	\$0	\$1,877,375	\$0	\$1,624,429.91	\$252,945.09
Britton (DW-01)	\$320,000	\$0	\$317,146	\$2,854	\$0	\$0	\$320,000	\$0	\$142,074.90	\$177,925.10
Brookings-Deuel RWS (DW-01)	\$1,002,464	\$0	\$860,281	\$0	\$142,183	\$0	\$1,002,464	\$0	\$136,994.68	\$865,469.32
Brookings-Deuel RWS (DW-02)	\$1,750,000	\$0	\$1,750,000	\$0	\$0	\$0	\$1,750,000	\$0	\$201,626.72	\$1,548,373.28
Bryant (DW-01)	\$142,000	\$0	\$133,962	\$8,038	\$0	\$0	\$142,000	\$0	\$39,712.95	\$102,287.05
Burke (DW-01)	\$115,600	\$0	\$0	\$0	\$0	\$115,600	\$115,600	\$0	\$18,280.06	\$97,319.94
Butte Meade SWD (DW-01)	\$257,668	\$0	\$54,340	\$30,660	\$172,668	\$0	\$257,668	\$55,398	\$9,072.10	\$193,197.90
Canistota (DW-01)	\$426,460	\$313,960	\$0	\$0	\$8,485	\$104,015	\$426,460	\$313,960	\$5,391.90	\$107,108.10
Canton (DW-01)	\$500,000	\$0	\$378,021	\$121,979	\$0	\$0	\$500,000	\$0	\$176,714.39	\$323,285.61
Centerville (DW-01)	\$870,000	\$0	\$174,754	\$146,573	\$548,673	\$0	\$870,000	\$0	\$167,724.83	\$702,275.17
Chamberlain (DW-01)	\$276,500	\$0	\$0	\$0	\$0	\$276,500	\$276,500	\$0	\$41,976.90	\$234,523.10
Chamberlain (DW-02)	\$873,704	\$300,000	\$0	\$344,992	\$0	\$228,712	\$873,704	\$262,111	\$40,144.75	\$571,448.25
Chancellor (DW-01)	\$205,948	\$0	\$0	\$0	\$0	\$205,948	\$205,948	\$0	\$28,144.49	\$177,803.51

Borrower	Maximum Committed Amount	ARRA Advance	Federal Advance	State Advance	Recycled Advance	Leveraged Advance	Total Advances	Principal Forgiven	Principal Repayments	Loan Balance
Clay RWS (DW-01)	\$4,331,000	\$0	\$4,331,000	\$0	\$0	\$0	\$4,331,000	\$0	\$565,763.30	\$3,765,236.70
Clay RWS (DW-02)	\$844,968	\$700,000	\$144,968	\$0	\$0	\$0	\$844,968	\$698,789	\$8,890.38	\$137,288.62
Clay RWS (DW-03)	\$2,205,570	\$0	\$2,205,570	\$0	\$0	\$0	\$2,205,570	\$500,000	\$56,878.81	\$1,648,691.19
Clay RWS (DW-04)	\$1,369,758	\$0	\$1,031,446	\$0	\$0	\$0	\$1,031,446	\$0	\$0.00	\$1,031,446.00
Clear Lake (DW-01)	\$540,637	\$0	\$540,637	\$0	\$0	\$0	\$540,637	\$0	\$177,475.51	\$363,161.49
Colman (DW-01)	\$182,000	\$0	\$62,895	\$0	\$0	\$0	\$62,895	\$0	\$0.00	\$62,895.00
Colman (DW-02)	\$439,008	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00
Colonial Pine Hills SD (DW-01)	\$636,108	\$0	\$450,382	\$185,726	\$0	\$0	\$636,108	\$0	\$287,473.28	\$348,634.72
Colonial Pine Hills SD (DW-02)	\$1,003,608	\$250,000	\$0	\$345,000	\$0	\$408,608	\$1,003,608	\$250,000	\$71,471.52	\$682,136.48
Colonial Pine Hills SD (DW-03)	\$705,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00
Colton (DW-01)	\$632,455	\$0	\$632,455	\$0	\$0	\$0	\$632,455	\$0	\$131,334.16	\$501,120.84
Colton (DW-02)	\$181,156	\$0	\$84,305	\$9,923	\$86,928	\$0	\$181,156	\$86,411	\$0.00	\$94,745.00
Colton (DW-03)	\$210,740	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00
Corson Village (DW-01)	\$581,364	\$541,562	\$0	\$0	\$0	\$39,802	\$581,364	\$523,227	\$4,943.57	\$53,193.43
Crooks (DW-01)	\$133,510	\$0	\$133,510	\$0	\$0	\$0	\$133,510	\$0	\$40,351.32	\$93,158.68
Custer (DW-01)	\$800,000	\$0	\$508,821	\$159,437	\$131,742	\$0	\$800,000	\$0	\$314,591.27	\$485,408.73
Dakota Dunes (DW-01)	\$376,962	\$0	\$96,429	\$25,393	\$255,140	\$0	\$376,962	\$0	\$376,962.00	\$0.00
Dell Rapids (DW-01)	\$621,000	\$0	\$470,941	\$150,059	\$0	\$0	\$621,000	\$0	\$214,277.80	\$406,722.20
Dell Rapids (DW-02)	\$162,263	\$0	\$0	\$0	\$0	\$162,263	\$162,263	\$0	\$41,730.86	\$120,532.14
Dell Rapids (DW-03)	\$428,698	\$0	\$32,361	\$2,639	\$393,698	\$0	\$428,698	\$0	\$11,879.83	\$416,818.17

<b>Borrower</b>	<b>Maximum Committed Amount</b>	<b>ARRA Advance</b>	<b>Federal Advance</b>	<b>State Advance</b>	<b>Recycled Advance</b>	<b>Leveraged Advance</b>	<b>Total Advances</b>	<b>Principal Forgiven</b>	<b>Principal Repayments</b>	<b>Loan Balance</b>
Dell Rapids (DW-04)	\$300,000	\$0	\$30,000	\$0	\$270,000	\$0	\$300,000	\$30,000	\$18,215.94	\$251,784.06
Dell Rapids (DW-05)	\$897,000	\$0	\$0	\$0	\$482,941	\$0	\$482,941	\$134,740	\$0.00	\$348,201.00
Delmont (DW-01)	\$158,461	\$0	\$0	\$0	\$0	\$158,461	\$158,461	\$0	\$13,371.43	\$145,089.57
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	\$13,950.45	\$218,249.55
Doland (DW-01)	\$1,762,200	\$0	\$838,844	\$302,861	\$303,515	\$0	\$1,445,220	\$1,128,716	\$0.00	\$316,504.00
Dupree (DW-01)	\$163,500	\$0	\$28,426	\$14,780	\$0	\$0	\$43,206	\$26,442	\$0.00	\$16,764.00
Eagle Butte (DW-01)	\$593,000	\$0	\$0	\$0	\$35,520	\$0	\$35,520	\$28,416	\$0.00	\$7,104.00
Eagle Butte (DW-02)	\$1,244,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00
Elk Point (DW-01)	\$220,000	\$0	\$189,819	\$30,181	\$0	\$0	\$220,000	\$0	\$96,462.74	\$123,537.26
Elk Point (DW-02)	\$570,000	\$0	\$0	\$0	\$0	\$570,000	\$570,000	\$0	\$158,599.33	\$411,400.67
Elk Point (DW-03)	\$114,441	\$0	\$0	\$0	\$88,902	\$25,539	\$114,441	\$0	\$20,969.51	\$93,471.49
Elk Point (DW-04)	\$539,449	\$0	\$0	\$0	\$0	\$539,449	\$539,449	\$0	\$55,156.01	\$484,292.99
Elk Point (DW-05)	\$798,040	\$660,520	\$0	\$0	\$34,557	\$102,963	\$798,040	\$446,902	\$33,429.24	\$317,708.76
Eureka (DW-01)	\$133,681	\$0	\$0	\$0	\$0	\$133,681	\$133,681	\$0	\$80,208.72	\$53,472.28
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	\$220,008.68	\$538,991.32
Fall River WUD (DW-02)	\$260,958	\$0	\$236,894	\$24,064	\$0	\$0	\$260,958	\$0	\$68,297.15	\$192,660.85
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

Borrower	Maximum Committed Amount	ARRA Advance	Federal Advance	State Advance	Recycled Advance	Leveraged Advance	Total Advances	Principal Forgiven	Principal Repayments	Loan Balance
Faulkton (DW-01)	\$500,000	\$500,000	\$0	\$0	\$0	\$0	\$500,000	\$500,000	\$0.00	\$0.00
Faulkton (DW-02)	\$499,185	\$0	\$358,020	\$28,349	\$112,816	\$0	\$499,185	\$386,369	\$2,358.33	\$110,457.67
Garretson (DW-01)	\$1,102,147	\$0	\$1,102,147	\$0	\$0	\$0	\$1,102,147	\$0	\$221,543.13	\$880,603.87
Gayville (DW-01)	\$900,000	\$0	\$411,485	\$77,450	\$411,065	\$0	\$900,000	\$480,000	\$4,357.02	\$415,642.98
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	\$95,920.97	\$251,659.03
Gregory (DW-02)	\$551,691	\$0	\$137,650	\$11,858	\$402,183	\$0	\$551,691	\$149,508	\$4,724.75	\$397,458.25
Groton (DW-01)	\$440,000	\$0	\$211,848	\$228,152	\$0	\$0	\$440,000	\$0	\$150,539.85	\$289,460.15
Groton (DW-02)	\$308,945	\$0	\$0	\$0	\$0	\$308,945	\$308,945	\$0	\$88,884.79	\$220,060.21
Groton (DW-03)	\$231,315	\$231,315	\$0	\$0	\$0	\$0	\$231,315	\$231,315	\$0.00	\$0.00
Hanson RWS (DW-01)	\$754,341	\$588,000	\$166,341	\$0	\$0	\$0	\$754,341	\$528,038	\$15,491.92	\$210,811.08
Harrisburg (DW-01)	\$525,000	\$0	\$504,926	\$20,074	\$0	\$0	\$525,000	\$0	\$238,117.31	\$286,882.69
Harrisburg (DW-02)	\$1,291,925	\$0	\$1,291,925	\$0	\$0	\$0	\$1,291,925	\$0	\$234,463.92	\$1,057,461.08
Harrisburg (DW-03)	\$1,753,441	\$0	\$0	\$259,438	\$6,314	\$1,487,689	\$1,753,441	\$0	\$160,554.41	\$1,592,886.59
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	\$300,741.00	\$500,216.00
Hartford (DW-03)	\$1,123,556	\$0	\$450,629	\$0	\$672,927	\$0	\$1,123,556	\$0	\$288,825.93	\$834,730.07
Hermosa (DW-01)	\$300,000	\$0	\$300,000	\$0	\$0	\$0	\$300,000	\$0	\$172,757.02	\$127,242.98
Hill City (DW-01)	\$336,903	\$241,320	\$0	\$95,583	\$0	\$0	\$336,903	\$202,141	\$7,203.75	\$127,558.25

Borrower	Maximum Committed Amount	ARRA Advance	Federal Advance	State Advance	Recycled Advance	Leveraged Advance	Total Advances	Principal Forgiven	Principal Repayments	Loan Balance
Hisega Meadows (DW-01)	\$487,500	\$0	\$35,416	\$786	\$0	\$0	\$36,202	\$18,571	\$0.00	\$17,631.00
Hot Springs (DW-01)	\$1,636,000	\$0	\$0	\$0	\$1,636,000	\$0	\$1,636,000	\$0	\$45,335.88	\$1,590,664.12
Hoven (DW-01)	\$750,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00
Humboldt (DW-01)	\$481,773	\$0	\$481,773	\$0	\$0	\$0	\$481,773	\$0	\$103,103.62	\$378,669.38
Huron (DW-01)	\$4,000,000	\$0	\$0	\$734,473	\$3,265,527	\$0	\$4,000,000	\$0	\$1,460,949.63	\$2,539,050.37
Huron (DW-02)	\$478,407	\$122,500	\$50,000	\$18,215	\$0	\$287,692	\$478,407	\$94,724	\$32,625.77	\$351,057.23
Huron (DW-03)	\$1,098,900	\$0	\$0	\$0	\$592,073	\$0	\$592,073	\$0	\$0.00	\$592,073.00
Ipswich (DW-01)	\$1,245,000	\$933,750	\$0	\$0	\$290,028	\$21,222	\$1,245,000	\$933,750	\$11,053.06	\$300,196.94
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	\$189,592.15	\$440,619.85
Kingbrook RWS (DW-01)	\$474,204	\$0	\$474,204	\$0	\$0	\$0	\$474,204	\$0	\$176,934.36	\$297,269.64
Kingbrook RWS (DW-02)	\$2,115,000	\$0	\$0	\$0	\$2,115,000	\$0	\$2,115,000	\$0	\$367,542.64	\$1,747,457.36
Kingbrook RWS (DW-03)	\$3,136,677	\$0	\$3,136,677	\$0	\$0	\$0	\$3,136,677	\$0	\$772,426.49	\$2,364,250.51
Kingbrook RWS (DW-04)	\$2,315,622	\$0	\$2,315,622	\$0	\$0	\$0	\$2,315,622	\$0	\$415,029.80	\$1,900,592.20
Lead (DW-01)	\$192,800	\$0	\$82,360	\$110,440	\$0	\$0	\$192,800	\$0	\$192,800.00	\$0.00
Lead (DW-02)	\$192,549	\$0	\$0	\$0	\$0	\$192,549	\$192,549	\$0	\$33,461.04	\$159,087.96
Lead (DW-03)	\$784,987	\$387,600	\$0	\$0	\$97,387	\$300,000	\$784,987	\$298,295	\$26,711.56	\$459,980.44
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

Borrower	Maximum Committed Amount	ARRA Advance	Federal Advance	State Advance	Recycled Advance	Leveraged Advance	Total Advances	Principal Forgiven	Principal Repayments	Loan Balance
Lennox (DW-01)	\$2,000,000	\$0	\$0	\$0	\$0	\$2,000,000	\$2,000,000	\$0	\$273,315.73	\$1,726,684.27
Lennox (DW-02)	\$712,431	\$0	\$180,391	\$81,076	\$0	\$0	\$261,467	\$146,944	\$0.00	\$114,523.00
Lincoln County RWS (DW-01)	\$1,079,170	\$0	\$1,079,170	\$0	\$0	\$0	\$1,079,170	\$0	\$369,223.49	\$709,946.51
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	\$177,874.61	\$740,026.39
McLaughlin (DW-01)	\$350,000	\$0	\$0	\$0	\$0	\$350,000	\$350,000	\$0	\$62,328.70	\$287,671.30
McLaughlin (DW-02)	\$4,151,050	\$0	\$1,250,428	\$411,956	\$384,039	\$0	\$2,046,423	\$1,569,606	\$0.00	\$476,817.00
Mellette (DW-01)	\$271,780	\$244,602	\$16,573	\$10,605	\$0	\$0	\$271,780	\$244,602	\$838.14	\$26,339.86
Menno (DW-01)	\$157,000	\$0	\$39,250	\$0	\$117,750	\$0	\$157,000	\$39,250	\$5,281.25	\$112,468.75
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	\$2,979,054	\$0	\$0	\$0	\$2,979,054	\$605,000	\$20,471.95	\$2,353,582.05
Mid-Dakota RWS (DW-04)	\$719,000	\$0	\$541,293	\$0	\$0	\$0	\$541,293	\$0	\$0.00	\$541,293.00
Milbank (DW-01)	\$4,460,294	\$0	\$300,000	\$1,506,323	\$0	\$2,653,971	\$4,460,294	\$0	\$1,381,378.13	\$3,078,915.87
Miller (DW-01)	\$225,389	\$0	\$0	\$0	\$59,495	\$165,894	\$225,389	\$0	\$76,251.22	\$149,137.78
Mina Lake S&W Dist (DW-01)	\$255,200	\$0	\$144,947	\$110,253	\$0	\$0	\$255,200	\$0	\$136,163.46	\$119,036.54
Mina Lake S&W Dist (DW-02)	\$490,398	\$283,695	\$0	\$0	\$48,008	\$158,695	\$490,398	\$245,199	\$16,089.52	\$229,109.48

Borrower	Maximum Committed Amount	ARRA Advance	Federal Advance	State Advance	Recycled Advance	Leveraged Advance	Total Advances	Principal Forgiven	Principal Repayments	Loan Balance
Minnehaha CWC (DW-01)	\$6,022,816	\$0	\$6,022,816	\$0	\$0	\$0	\$6,022,816	\$0	\$2,204,736.74	\$3,818,079.26
Mitchell (DW-01)	\$2,850,115	\$0	\$2,246,532	\$603,583	\$0	\$0	\$2,850,115	\$0	\$1,042,269.51	\$1,807,845.49
Mitchell (DW-02)	\$1,956,237	\$1,322,243	\$0	\$0	\$633,994	\$0	\$1,956,237	\$293,436	\$92,202.75	\$1,570,598.25
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	\$28,204.65	\$185,295.35
Mobridge (DW-04)	\$62,442	\$0	\$0	\$62,442	\$0	\$0	\$62,442	\$0	\$7,849.06	\$54,592.94
Mobridge (DW-05)	\$500,000	\$500,000	\$0	\$0	\$0	\$0	\$500,000	\$500,000	\$0.00	\$0.00
Mobridge (DW-06)	\$1,212,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00
Montrose (DW-01)	\$862,825	\$0	\$364,632	\$209,146	\$289,047	\$0	\$862,825	\$573,778	\$1,493.68	\$287,553.32
Newell (DW-01)	\$714,774	\$322,750	\$0	\$184,000	\$208,024	\$0	\$714,774	\$322,750	\$13,804.46	\$378,219.54
Newell (DW-02)	\$266,250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00
New Underwood (DW-01)	\$169,299	\$70,200	\$0	\$0	\$0	\$99,099	\$169,299	\$67,719	\$9,633.79	\$91,946.21
Niche San District (DW-01)	\$315,000	\$0	\$256,831	\$56,169	\$0	\$0	\$313,000	\$223,795	\$0.00	\$89,205.00
Nisland (DW-01)	\$350,000	\$0	\$179,243	\$170,757	\$0	\$0	\$350,000	\$0	\$113,750.13	\$236,249.87
Northville (DW-01)	\$186,804	\$172,536	\$0	\$0	\$9,928	\$4,340	\$186,804	\$149,443	\$2,024.39	\$35,336.61
Oacoma (DW-02)	\$1,061,416	\$0	\$0	\$0	\$1,061,416	\$0	\$1,061,416	\$0	\$47,606.04	\$1,013,809.96
Parker (DW-01)	\$730,000	\$0	\$0	\$0	\$0	\$730,000	\$730,000	\$0	\$187,450.79	\$542,549.21
Parker (DW-02)	\$209,541	\$0	\$0	\$174,612	\$0	\$34,929	\$209,541	\$0	\$36,561.11	\$172,979.89

Borrower	Maximum Committed Amount	ARRA Advance	Federal Advance	State Advance	Recycled Advance	Leveraged Advance	Total Advances	Principal Forgiven	Principal Repayments	Loan Balance
Parker (DW-03)	\$554,200	\$452,100	\$0	\$0	\$0	\$102,100	\$554,200	\$452,100	\$10,691.71	\$91,408.29
Perkins County RWS (DW-01)	\$131,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00
Piedmont (DW-01)	\$1,404,000	\$0	\$677,637	\$126,363	\$600,000	\$0	\$1,404,000	\$804,000	\$0.00	\$600,000.00
Pierpont (DW-01)	\$544,908	\$0	\$305,414	\$104,748	\$134,746	\$0	\$544,908	\$408,681	\$703.97	\$135,523.03
Pierre (DW-01)	\$988,188	\$0	\$857,306	\$130,882	\$0	\$0	\$988,188	\$0	\$637,000.24	\$351,187.76
Pierre (DW-02)	\$1,832,900	\$0	\$1,452,491	\$380,409	\$0	\$0	\$1,832,900	\$0	\$858,302.16	\$974,597.84
Plankinton (DW-01)	\$1,765,000	\$0	\$500,975	\$220,099	\$539,545	\$0	\$1,260,619	\$721,074	\$0.00	\$539,545.00
Platte (DW-01)	\$293,134	\$0	\$0	\$0	\$0	\$293,134	\$293,134	\$0	\$212,866.15	\$80,267.85
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	\$1,355,880	\$240,992	\$1,849,322	\$1,149,261	\$4,595,455	\$0	\$160,572.03	\$4,434,882.97
Rapid Valley SD (DW-01)	\$682,000	\$682,000	\$0	\$0	\$0	\$0	\$682,000	\$682,000	\$0.00	\$0.00
Redfield (DW-01)	\$85,000	\$0	\$0	\$85,000	\$0	\$0	\$85,000	\$0	\$47,058.51	\$37,941.49
Redfield (DW-02)	\$228,823	\$0	\$50,000	\$178,823	\$0	\$0	\$228,823	\$0	\$21,029.59	\$207,793.41
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	\$118,540.00	\$0.00
Salem (DW-02)	\$328,966	\$0	\$0	\$328,966	\$0	\$0	\$328,966	\$0	\$81,009.97	\$247,956.03
Salem (DW-03)	\$1,345,000	\$0	\$619,706	\$184,926	\$0	\$540,368	\$1,345,000	\$0	\$120,895.58	\$1,224,104.42

Borrower	Maximum Committed Amount	ARRA Advance	Federal Advance	State Advance	Recycled Advance	Leveraged Advance	Total Advances	Principal Forgiven	Principal Repayments	Loan Balance
Scotland (DW-01)	\$235,172	\$0	\$128,630	\$106,542	\$0	\$0	\$235,172	\$0	\$48,273.28	\$186,898.72
Selby (DW-01)	\$100,000	\$100,000	\$0	\$0	\$0	\$0	\$100,000	\$100,000	\$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	\$2,348,168.00	\$0.00
Sioux Falls (DW-03)	\$7,930,000	\$0	\$6,596,126	\$1,333,874	\$0	\$0	\$7,930,000	\$0	\$7,238,358.67	\$691,641.33
Sioux Falls (DW-04)	\$279,599	\$0	\$231,200	\$48,399	\$0	\$0	\$279,599	\$0	\$231,264.47	\$48,334.53
Sioux Falls (DW-05)	\$10,828,766	\$0	\$0	\$0	\$0	\$10,828,766	\$10,828,766	\$0	\$7,113,800.25	\$3,714,965.75
Sioux Falls (DW-06)	\$9,938,849	\$0	\$3,010,443	\$841,180	\$730,424	\$5,356,802	\$9,938,849	\$0	\$2,671,836.03	\$7,267,012.97
Sioux Falls (DW-07)	\$2,200,000	\$0	\$1,179,517	\$174,180	\$26,282	\$820,021	\$2,200,000	\$0	\$708,481.37	\$1,491,518.63
Sioux Falls (DW-08)	\$2,088,645	\$0	\$1,388	\$4,980	\$0	\$2,082,277	\$2,088,645	\$0	\$773,340.15	\$1,315,304.85
Sioux Falls (DW-09)	\$2,678,738	\$2,196,783	\$20,000	\$3,804	\$0	\$458,151	\$2,678,738	\$267,874	\$552,739.77	\$1,858,124.23
Sioux Falls (DW-10)	\$5,819,138	\$760,690	\$1,020,700	\$722,218	\$10,530	\$3,305,000	\$5,819,138	\$581,914	\$1,184,394.46	\$4,052,829.54
Sioux Falls (DW-11)	\$4,000,000	\$0	\$0	\$0	\$3,850,000	\$150,000	\$4,000,000	\$0	\$179,405.81	\$3,820,594.19
South Lincoln RWS (DW-01)	\$2,000,000	\$0	\$2,000,000	\$0	\$0	\$0	\$2,000,000	\$0	\$630,605.66	\$1,369,394.34
South Lincoln RWS (DW-02)	\$476,500	\$0	\$476,500	\$0	\$0	\$0	\$476,500	\$244,500	\$1,197.33	\$230,802.67
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	\$125,600.02	\$421,975.98
Sturgis (DW-03)	\$3,460,000	\$0	\$0	\$0	\$3,058,692	\$0	\$3,058,692	\$0	\$0.00	\$3,058,692.00
Sturgis (DW-04)	\$2,200,000	\$0	\$0	\$0	\$1,620,486	\$0	\$1,620,486	\$0	\$0.00	\$1,620,486.00
Tea (DW-01)	\$2,263,723	\$0	\$2,263,723	\$0	\$0	\$0	\$2,263,723	\$0	\$484,456.53	\$1,779,266.47
TM Rural Water (DW-01)	\$1,084,750	\$0	\$15,750	\$0	\$1,039,259	\$0	\$1,055,009	\$0	\$0.00	\$1,055,009.00
TM Rural Water (DW-02)	\$1,398,750	\$0	\$1,329,434	\$164	\$30,707	\$0	\$1,360,305	\$1,360,305	\$0.00	\$0.00

Borrower	Maximum Committed Amount	ARRA Advance	Federal Advance	State Advance	Recycled Advance	Leveraged Advance	Total Advances	Principal Forgiven	Principal Repayments	Loan Balance
Trail West (DW-01)	\$1,651,000	\$0	\$425,748	\$181,574	\$634,919	\$0	\$1,242,241	\$541,617	\$0.00	\$700,624.00
Tripp (DW-01)	\$225,656	\$0	\$210,265	\$15,391	\$0	\$0	\$225,656	\$0	\$59,058.07	\$166,597.93
Tripp County WUD (DW-01)	\$3,500,000	\$0	\$2,846,206	\$653,794	\$0	\$0	\$3,500,000	\$0	\$778,850.38	\$2,721,149.62
Tripp County WUD (DW-02)	\$131,469	\$0	\$93,183	\$38,286	\$0	\$0	\$131,469	\$0	\$38,345.30	\$93,123.70
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	\$174,890.53	\$686,109.47
Vermillion (DW-01)	\$795,338	\$0	\$726,511	\$0	\$68,827	\$0	\$795,338	\$0	\$795,338.00	\$0.00
Vermillion (DW-02)	\$1,507,552	\$0	\$1,201,823	\$305,729	\$0	\$0	\$1,507,552	\$0	\$570,006.18	\$937,545.82
Vermillion (DW-03)	\$3,693,216	\$0	\$35,413	\$98,204	\$0	\$3,559,599	\$3,693,216	\$0	\$875,319.96	\$2,817,896.04
Vermillion (DW-04)	\$1,532,000	\$0	\$46,288	\$47,026	\$778,916	\$0	\$872,230	\$87,223	\$0.00	\$785,007.00
Viborg (DW-01)	\$104,491	\$0	\$0	\$0	\$24,705	\$79,786	\$104,491	\$0	\$15,863.42	\$88,627.58
Viborg (DW-02)	\$847,000	\$0	\$452,695	\$277,305	\$117,000	\$0	\$847,000	\$730,000	\$1,827.45	\$115,172.55
Wagner (DW-01)	\$750,000	\$0	\$2,833	\$469,439	\$0	\$277,728	\$750,000	\$0	\$118,750.00	\$631,250.00
Wagner (DW-02)	\$175,000	\$0	\$0	\$175,000	\$0	\$0	\$175,000	\$0	\$32,083.26	\$142,916.74
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	\$2,213,800.42	\$21,546,199.58
Waubay (DW-01)	\$750,000	\$0	\$0	\$0	\$0	\$750,000	\$750,000	\$0	\$84,756.01	\$665,243.99
Webster (DW-01)	\$318,828	\$0	\$196,325	\$122,503	\$0	\$0	\$318,828	\$0	\$131,920.12	\$186,907.88
Webster (DW-02)	\$277,522	\$0	\$108,796	\$0	\$168,726	\$0	\$277,522	\$107,678	\$15,321.44	\$154,522.56

<b>Borrower</b>	<b>Maximum Committed Amount</b>	<b>ARRA Advance</b>	<b>Federal Advance</b>	<b>State Advance</b>	<b>Recycled Advance</b>	<b>Leveraged Advance</b>	<b>Total Advances</b>	<b>Principal Forgiven</b>	<b>Principal Repayments</b>	<b>Loan Balance</b>
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
White Lake (DW-01)	\$362,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00
Winner (DW-01)	\$450,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00
Wolsey (DW-01)	\$227,950	\$0	\$0	\$227,950	\$0	\$0	\$227,950	\$0	\$53,313.01	\$174,636.99
Wolsey (DW-02)	\$162,300	\$0	\$4,067	\$122,320	\$0	\$35,913	\$162,300	\$0	\$17,961.78	\$144,338.22
Woodland Hills (DW-01)	\$780,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00
Woonsocket (DW-01)	\$720,000	\$416,500	\$0	\$0	\$303,500	\$0	\$720,000	\$416,500	\$9,505.80	\$293,994.20
Worthing (DW-01)	\$288,000	\$0	\$116,579	\$171,421	\$0	\$0	\$288,000	\$0	\$93,208.41	\$194,791.59
Worthing (DW-02)	\$301,227	\$0	\$162,502	\$18,893	\$31,155	\$0	\$212,550	\$141,133	\$0.00	\$71,417.00
Yankton (DW-01)	\$3,460,000	\$0	\$2,546,639	\$913,361	\$0	\$0	\$3,460,000	\$0	\$1,396,973.60	\$2,063,026.40
Yankton (DW-02)	\$896,975	\$0	\$449,100	\$111,732	\$0	\$336,143	\$896,975	\$0	\$144,833.88	\$752,141.12
Yankton (DW-03)	\$3,000,000	\$136,375	\$1,204,267	\$440,577	\$0	\$451,375	\$2,232,594	\$89,590	\$138,505.68	\$2,004,498.32
Yankton (DW-04)	\$2,200,000	\$220,000	\$1,013,015	\$441,985	\$0	\$525,000	\$2,200,000	\$220,000	\$187,781.42	\$1,792,218.58
	<b>\$301,812,108</b>	<b>\$19,110,000</b>	<b>\$132,048,212</b>	<b>\$27,857,514</b>	<b>\$40,800,290</b>	<b>\$60,725,698</b>	<b>\$280,541,714</b>	<b>\$26,080,246</b>	<b>\$105,796,694.41</b>	<b>\$148,664,773.59</b>

**EXHIBIT VIII**  
**Projected Principal and Interest Payments**  
**Federal Fiscal Year 2014**

<b>Borrower</b>	<b>Principal</b>	<b>Interest</b>	<b>Admin Surcharge</b>	<b>Total</b>
Aberdeen (DW02)	\$112,314	\$16,929	\$4,775	\$134,018
Baltic (DW01)	\$12,251	\$3,680	\$1,503	\$17,434
Baltic (DW02)	\$13,879	\$2,020	\$570	\$16,468
Baltic (DW03)	\$3,676	\$65,272	\$13,369	\$82,317
BDM RWS (DW01)	\$13,633	\$4,095	\$1,672	\$19,400
Big Stone City (DW01)	\$33,833	\$9,095	\$3,032	\$45,960
Big Stone City (DW02)	\$6,576	\$2,332	\$952	\$9,860
Black Hawk WUD (DW01)	\$29,314	\$8,272	\$2,757	\$40,344
Black Hawk WUD (DW02)	\$42,816	\$23,042	\$6,883	\$72,741
Box Elder (DW01)	\$53,197	\$112,927	\$23,130	\$189,253
Brandon (DW01)	\$166,632	\$7,170	\$1,906	\$175,708
Britton (DW01)	\$16,420	\$6,031	\$1,701	\$24,152
Brookings-Deuel RWS (DW01)	\$24,607	\$21,429	\$6,401	\$52,437
Brookings-Deuel RWS (DW02)	\$42,095	\$38,356	\$11,457	\$91,908
Bryant (DW01)	\$4,203	\$3,022	\$0	\$7,225
Burke (DW01)	\$3,085	\$1,923	\$481	\$5,489
Butte-Meade SWD (DW01)	\$13,723	\$2,543	\$717	\$16,983
Canistota (DW01)	\$2,515	\$2,644	\$541	\$5,700
Canton (DW01)	\$23,677	\$7,960	\$3,251	\$34,888
Centerville (DW01)	\$22,976	\$17,360	\$5,186	\$45,522
Chamberlain (DW01)	\$11,371	\$5,763	\$1,721	\$18,856
Chamberlain (DW02)	\$23,900	\$14,007	\$2,869	\$40,777
Chancellor (DW01)	\$3,746	\$3,337	\$997	\$8,080
Clay RWS (DW01)	\$105,456	\$93,242	\$27,852	\$226,550
Clay RWS (DW02)	\$3,314	\$3,388	\$694	\$7,396
Clay RWS (DW03)	\$37,246	\$40,706	\$8,337	\$86,289
Clay RWS (DW04)	\$0	\$20,629	\$0	\$20,629
Clear Lake (DW01)	\$12,341	\$8,171	\$0	\$20,512
Colonial Pine Hills San. Dist. (DW01)	\$24,061	\$6,497	\$2,654	\$33,212
Colonial Pine Hills San. Dist. (DW02)	\$22,336	\$12,739	\$2,609	\$37,684
Colton (DW01)	\$12,401	\$9,339	\$3,815	\$25,555
Colton (DW02)	\$2,626	\$7,926	\$1,623	\$12,175
Corson Village San. Dist. (DW01)	\$2,306	\$1,303	\$267	\$3,876
Crooks (DW01)	\$6,457	\$2,271	\$678	\$9,406

<b>Borrower</b>	<b>Principal</b>	<b>Interest</b>	<b>Admin Surcharge</b>	<b>Total</b>
Custer (DW01)	\$39,199	\$11,699	\$4,778	\$55,676
Dell Rapids (DW01)	\$29,259	\$9,836	\$4,018	\$43,113
Dell Rapids (DW02)	\$7,236	\$2,949	\$881	\$11,065
Dell Rapids (DW03)	\$16,260	\$10,228	\$2,095	\$28,583
Dell Rapids (DW04)	\$12,315	\$10,753	\$3,033	\$26,101
Delmont (DW01)	\$3,964	\$2,872	\$718	\$7,554
DeSmet (DW01)	\$5,803	\$3,792	\$1,070	\$10,665
Doland (DW01)	\$1,636	\$46,764	\$9,578	\$57,977
Elk Point (DW01)	\$11,163	\$2,967	\$1,212	\$15,342
Elk Point (DW02)	\$25,870	\$10,054	\$3,003	\$38,927
Elk Point (DW03)	\$4,920	\$2,293	\$685	\$7,898
Elk Point (DW04)	\$21,306	\$11,921	\$3,561	\$36,787
Elk Point (DW05)	\$14,037	\$7,781	\$1,594	\$23,411
Eureka (DW01)	\$13,368	\$0	\$0	\$13,368
Fall River WUD (DW01)	\$22,543	\$15,918	\$0	\$38,461
Fall River WUD (DW02)	\$7,645	\$4,745	\$0	\$12,390
Faulton (DW02)	\$2,430	\$26,899	\$5,509	\$34,838
Garretson (DW01)	\$28,946	\$21,615	\$8,829	\$59,390
Gayville (DW01)	\$8,912	\$47,936	\$9,818	\$66,667
Gregory (DW01)	\$7,664	\$4,719	\$0	\$12,383
Gregory (DW02)	\$9,610	\$16,989	\$4,792	\$31,391
Groton (DW01)	\$20,824	\$7,000	\$2,859	\$30,683
Groton (DW02)	\$14,170	\$5,375	\$1,605	\$21,151
Hanson RWS (DW01)	\$8,841	\$5,167	\$1,058	\$15,066
Harrisburg (DW01)	\$27,809	\$11,062	\$2,766	\$41,637
Harrisburg (DW02)	\$54,507	\$25,955	\$7,753	\$88,215
Harrisburg (DW03)	\$68,770	\$39,221	\$11,715	\$119,707
Hartford (DW02)	\$30,587	\$9,430	\$3,700	\$43,716
Hartford (DW03)	\$37,128	\$15,666	\$4,680	\$57,474
Hermosa (DW01)	\$13,102	\$3,817	\$954	\$17,873
Hill City (DW01)	\$2,251	\$2,382	\$488	\$5,121
Hot Springs (DW01)	\$46,018	\$29,705	\$6,084	\$81,808
Humboldt (DW01)	\$15,411	\$7,107	\$2,123	\$24,641
Huron (DW01)	\$198,139	\$61,262	\$25,023	\$284,424
Huron (DW02)	\$15,220	\$8,600	\$1,761	\$25,581
Huron (DW03)	\$12,377	\$27,241	\$5,579	\$45,197
Ipswich (DW01)	\$6,866	\$7,411	\$1,518	\$15,795
Keystone (DW01)	\$21,536	\$8,270	\$2,470	\$32,276
Kingbrook RWS (DW01)	\$15,854	\$0	\$0	\$15,854

<b>Borrower</b>	<b>Principal</b>	<b>Interest</b>	<b>Admin Surcharge</b>	<b>Total</b>
Kingbrook RWS (DW02)	\$54,499	\$43,222	\$12,911	\$110,632
Kingbrook RWS (DW03)	\$138,744	\$57,872	\$17,286	\$213,903
Kingbrook RWS (DW04)	\$97,967	\$46,649	\$13,934	\$158,550
Lead (DW02)	\$4,962	\$3,935	\$1,175	\$10,072
Lead (DW03)	\$18,901	\$11,278	\$2,310	\$32,489
Lennox (DW01)	\$49,093	\$42,753	\$12,770	\$104,616
Lennox (DW02)	\$1,050	\$6,733	\$1,379	\$9,162
Lincoln County RWS (DW01)	\$51,073	\$17,170	\$7,013	\$75,256
Martin (DW01)	\$25,199	\$18,266	\$0	\$43,464
McLaughlin (DW01)	\$9,515	\$7,103	\$0	\$16,618
McLaughlin (DW02)	\$2,793	\$51,631	\$14,563	\$68,987
Mellette (DW01)	\$595	\$650	\$133	\$1,378
Menno (DW01)	\$5,341	\$5,133	\$1,448	\$11,921
Mid-Dakota RWS (DW03)	\$50,063	\$162,351	\$33,253	\$245,667
Mid-Dakota RWS (DW04)	\$2,794	\$24,238	\$4,964	\$31,996
Milbank (DW01)	\$136,102	\$60,563	\$15,141	\$211,806
Miller (DW01)	\$16,591	\$2,237	\$559	\$19,387
Mina Lake San Dist (DW01)	\$10,731	\$3,571	\$893	\$15,194
Mina Lake San Dist (DW02)	\$7,107	\$4,279	\$876	\$12,261
Minnehaha Community Water Corp. (DW01)	\$289,833	\$92,198	\$37,658	\$419,689
Mitchell (DW01)	\$137,470	\$52,702	\$17,567	\$207,739
Mitchell (DW02)	\$64,538	\$38,509	\$7,887	\$110,934
Mobridge (DW03)	\$5,557	\$3,664	\$916	\$10,137
Mobridge (DW04)	\$1,615	\$1,080	\$270	\$2,965
Montrose (DW01)	\$4,549	\$37,562	\$7,693	\$49,804
New Underwood (DW01)	\$3,011	\$1,717	\$352	\$5,079
Newell (DW01)	\$9,584	\$6,575	\$1,854	\$18,014
Niche San. Dist. (DW01)	\$2,110	\$7,022	\$1,981	\$11,112
Nisland (DW01)	\$8,750	\$0	\$0	\$8,750
Northville (DW01)	\$1,452	\$866	\$177	\$2,496
Oacoma (DW02)	\$96,829	\$17,158	\$4,839	\$118,827
Parker (DW01)	\$32,570	\$13,274	\$3,965	\$49,808
Parker (DW02)	\$8,916	\$4,246	\$1,268	\$14,430
Parker (DW03)	\$4,111	\$2,238	\$458	\$6,807
Piedmont (DW01)	\$11,043	\$58,304	\$11,942	\$81,289
Pierpont (DW01)	\$1,424	\$22,297	\$4,567	\$28,287
Pierre (DW01)	\$73,353	\$8,048	\$3,287	\$84,689
Pierre (DW02)	\$124,019	\$23,832	\$9,734	\$157,585
Plankinton (DW01)	\$2,788	\$48,700	\$14,547	\$66,035

<b>Borrower</b>	<b>Principal</b>	<b>Interest</b>	<b>Admin Surcharge</b>	<b>Total</b>
Platte (DW01)	\$31,508	\$1,370	\$342	\$33,221
Rapid City (DW02)	\$105,686	\$109,448	\$22,417	\$237,551
Redfield (DW01)	\$3,571	\$999	\$282	\$4,851
Redfield (DW02)	\$4,274	\$3,117	\$779	\$8,170
Salem (DW02)	\$14,551	\$6,069	\$1,813	\$22,434
Salem (DW03)	\$30,946	\$30,345	\$9,064	\$70,354
Scotland (DW01)	\$6,555	\$4,611	\$0	\$11,166
Sioux Falls (DW03)	\$926,235	\$8,619	\$3,520	\$938,374
Sioux Falls (DW04)	\$31,941	\$906	\$370	\$33,217
Sioux Falls (DW05)	\$1,207,592	\$65,289	\$16,322	\$1,289,203
Sioux Falls (DW06)	\$1,042,832	\$137,560	\$34,390	\$1,214,781
Sioux Falls (DW07)	\$214,036	\$28,233	\$7,058	\$249,328
Sioux Falls (DW08)	\$205,789	\$24,771	\$6,193	\$236,753
Sioux Falls (DW09)	\$230,060	\$31,103	\$8,773	\$269,936
Sioux Falls (DW10)	\$501,794	\$67,840	\$19,134	\$588,768
Sioux Falls (DW11)	\$364,906	\$64,661	\$18,238	\$447,805
South Lincoln RWS (DW01)	\$98,514	\$33,118	\$13,527	\$145,159
South Lincoln RWS (DW02)	\$4,868	\$5,702	\$1,168	\$11,737
Sturgis (DW02)	\$52,246	\$7,063	\$1,992	\$61,302
Sturgis (DW03)	\$0	\$61,174	\$0	\$61,174
Sturgis (DW04)	\$14,857	\$67,936	\$13,915	\$96,707
Tea (DW01)	\$97,729	\$43,615	\$13,028	\$154,372
TM Rural Water District (DW01)	\$16,478	\$54,116	\$11,084	\$81,678
Trail West San. Dist. (DW01)	\$25,984	\$54,243	\$11,110	\$91,337
Tripp (DW01)	\$6,611	\$4,103	\$0	\$10,714
Tripp County WUD (DW01)	\$98,345	\$67,112	\$0	\$165,457
Tripp County WUD (DW02)	\$4,382	\$0	\$0	\$4,382
Tyndall (DW02)	\$17,616	\$12,864	\$0	\$30,480
Vermillion (DW02)	\$54,159	\$17,473	\$7,137	\$78,768
Vermillion (DW03)	\$123,918	\$36,984	\$15,850	\$176,751
Vermillion (DW04)	\$23,523	\$21,616	\$6,097	\$51,235
Viborg (DW01)	\$4,297	\$2,178	\$651	\$7,126
Viborg (DW02)	\$2,501	\$2,845	\$583	\$5,928
Wagner (DW01)	\$25,000	\$0	\$0	\$25,000
Wagner (DW02)	\$5,833	\$0	\$0	\$5,833
Watertown (DW01)	\$966,084	\$530,189	\$158,368	\$1,654,641
Waubay (DW01)	\$19,158	\$13,162	\$3,290	\$35,611
Webster (DW01)	\$15,898	\$4,498	\$1,837	\$22,233
Webster (DW02)	\$15,669	\$2,609	\$736	\$19,014

<b>Borrower</b>	<b>Principal</b>	<b>Interest</b>	<b>Admin Surcharge</b>	<b>Total</b>
Wolsey (DW01)	\$10,022	\$4,277	\$1,278	\$15,576
Wolsey (DW02)	\$6,472	\$3,552	\$1,061	\$11,084
Woonsocket (DW01)	\$6,637	\$7,259	\$1,487	\$15,383
Worthing (DW01)	\$13,651	\$4,714	\$1,926	\$20,291
Worthing (DW02)	\$1,314	\$7,208	\$1,476	\$9,998
Yankton (DW01)	\$129,898	\$38,447	\$15,704	\$184,050
Yankton (DW02)	\$27,571	\$14,116	\$4,217	\$45,904
Yankton (DW03)	\$50,058	\$36,590	\$7,494	\$94,142
Yankton (DW04)	\$58,685	\$33,469	\$6,855	\$99,009
<b>Total FFY14</b>	<b>\$10,299,376</b>	<b>\$3,919,613</b>	<b>\$1,013,847</b>	<b>\$15,232,836</b>



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**EXHIBITS IX -- XI**

**DRINKING WATER SRF**

**FINANCIAL STATEMENTS**  
**(Unaudited)**

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**EXHIBIT IX**  
**DENR Drinking Water State Revolving Fund**  
**Statement of Net Assets**  
**6/30/2013**

**Assets**

Current Assets:

Cash and Cash Equivalents	\$15,917,576.74
Due from Federal Government	227,804.54
Due from Other Governments	188,421.48
Deferred Charges	28,216.73
Accrued Interest Receivable	1,875,044.11
Loans Receivable	10,334,138.25
<b>Total Current Assets</b>	<u>28,571,201.85</u>

Noncurrent Assets:

Investments	53,485,499.31
Deferred Charges	415,885.35
Loans Receivable	138,413,161.89
<b>Total Noncurrent Assets:</b>	<u>192,314,546.55</u>

**Total Assets**

220,885,748.40

**Liabilities**

Current Liabilities:

Accounts Payable	166,078.00
Cost of Issuance Payable	-
Accrued Liabilities	11,815.42
Compensated Absences Payable	24,390.02
Accrued Interest Payable	936,264.02
Arbitrage Payable	113,867.83
Notes Payable	0.00
Bonds Payable - net of unamortized premium and discount	4,228,402.70
<b>Total Current Liabilities</b>	<u>5,480,817.99</u>

Noncurrent Liabilities:

Compensated Absences Payable	21,318.42
Arbitrage Payable	4,219.54
Bonds Payable - net of unamortized premium and discount	60,502,620.82
<b>Total Noncurrent Liabilities</b>	<u>60,528,158.78</u>

**Total Liabilities**

66,008,976.77

**Net Assets**

Restricted For Debt Service	0.00
Unrestricted	154,876,771.63
	<u>154,876,771.63</u>

**Total Net Assets**

\$154,876,771.63

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

**EXHIBIT X**  
**DENR Drinking Water State Revolving Fund**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**For the Fiscal Year Ended June 30, 2013**

<b>Operating Revenues:</b>		
Loan Interest Income		\$3,392,330.22
Federal Capitalization Grants		9,380,251.38
Other Income		929,188.85
Total Operating Revenue		<u>13,701,770.45</u>
<b>Operating Expenses:</b>		
Administrative Expenses		
Personal Services	170,344.97	
Employee Benefits	38,766.20	
Travel	10,875.06	
Contractual	559,992.81	
Supplies	1,002.67	
Grants	54,238.41	
Other	<u>1,705.41</u>	
Total Administrative Expenses		836,925.53
Grant Expense		6,913,248.00
Interest Expense		2,435,826.20
Arbitrage Rebate		118,087.37
Other Expenses		-
Bond Issuance Expense		<u>28,217.10</u>
Total Operating Expenses		<u>10,332,304.20</u>
Operating Income (Loss)		3,369,466.25
<b>Nonoperating Revenue (Expenses):</b>		
Other Income		224,834.16
Investment Income		2,562,871.91
Investment Expense		<u>(5,245.84)</u>
Income (Loss) Before Transfers		6,151,926.48
<b>Transfers:</b>		
Transfer In		
Transfer Out		<u>(25,837.85)</u>
Change in Net Assets		6,126,088.63
Net Assets at Beginning of Year		<u>148,750,683.00</u>
<b>Net Assets at End of Year</b>		<u><u>\$154,876,771.63</u></u>

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, 2013**

**Cash Flows from Operating Activities:**

Receipts for Loan Repayments	\$16,564,557.85	
Receipts for Interest Income on Loans	3,243,301.12	
Receipts for Surcharge Interest on Loans	908,409.92	
Receipts for Administering Program	9,431,076.00	
Arbitrage Payment	-	
COI Expense	-	
Payments to Loan Recipients	(24,795,598.00)	
Payments for Employee Services	(219,593.94)	
Payments for Contractual Services	(580,238.81)	
Payment for Grants	(6,982,048.00)	
Other Payments	(13,583.14)	
	<hr/>	
Net Cash Provided (Used) by Operating Activities		(2,443,717.00)

**Cash Flows from Nonoperating Activities**

Other Income		224,834.16
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**Cash Flows from Noncapital Financing Activities:**

Bond Issue Cost Paid	(51,615.07)	
Bond Payments	-	
Bond Receipts		
Transfers Out	(25,837.85)	
Principal Payments on Bonds	(4,050,000.00)	
Interest Payments on Bonds	(2,121,655.05)	
	<hr/>	
Net Cash Provided (Used) by Noncapital Financing Activities		(6,249,107.97)

**Cash Flows from Investing Activities:**

Interest on Investments	2,394,850.14	
Proceeds from Sale of Investment Securities	5,651,914.78	
Purchase of Investment Securities	(8,770,503.80)	
	<hr/>	
Net Cash Provided (Used) by Investing Activities		(723,738.88)

Net Increase (Decrease) in Cash and Cash Equivalents		(9,191,729.69)
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Cash and Cash Equivalents at Beginning of Year		<hr/> 25,109,306.43
Cash and Cash Equivalents at End of Year		<hr/> <hr/> \$15,917,576.74

**Reconciliation of Operating Income to Net****Cash Provided (Used) by Operating Activities**

Operating Income (Loss) \$3,369,466.25

**Adjustments to Reconcile Net Income to Net Cash****Provided (Used) by Operating Activities:**

Interest Expense 2,435,826.20

Amortization of Bond Issuance Cost 28,217.10

**Assets: (Increase)/Decrease**

Loans Receivable (8,231,040.15)

Accrued Interest Receivable on Loans (149,029.10)

Due from Federal Government 50,824.62

Due from Other Governments (20,778.93)

**Liabilities: Increase/(Decrease)**

Accounts Payable (34,807.59)

Accrued Employee Benefits (8,219.48)

Accrued Liabilities (2,263.29)

Arbitrage 118,087.37

Total Adjustments (5,813,183.25)

Net Cash Provided by Operations \$(2,443,717.00)

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, 2013**

**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 be 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. 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.

H. 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
Expenses:	\$149,508,604
Outstanding Loans:	\$148,747,300
Current Year	
Administrative Expense:	\$761,304
Loan Disbursement:	\$24,795,598

**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 less than .01% for the period 7/01/2012 – 6/30/2013. 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 portfolio which is an unrated fund. The fund paid 1.47% for state fiscal year 2013.

Management of the State's internal investment pool is the statutory responsibility of the South Dakota Investment Council (SDIC). The investment policy and required risk disclosures for the State's internal investment pool are presented in the audit report of the South Dakota Investment Council, which can be obtained by contacting the Department of Legislative Audit, 427 South Chapelle, c/o 500 East Capitol, Pierre, South Dakota 57501.

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, 2013, \$53,485,499 of guaranteed investment contracts was 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	\$42,570,314
Guaranteed Investment Contract	8/01/2026	<u>10,915,185</u>
		<u>\$53,485,499</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	\$53,485,499

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, 2013 are as follows:

<u>Issue</u>	<u>Interest Rate</u>	<u>Maturity Through</u>	<u>Principal Balance</u>
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	14,710,000
St Match Term Bonds	2.000%-5.125%	2030	6,340,000
Series 2012AB			
Taxable Revenue Bonds			
State Match	0.25%-3.183%	2027	5,480,000
Leveraged	0.25%-3.183%	2027	24,175,000
Revenue Bonds			
State Match	2.00%-5.00%	2023	2,500,000
Total			65,870,000
			Less: Unamortized Deferred Amount of Refunding (3,040,867)
			Add: Unamortized Bond Premium <u>1,901,890</u>

Total Net of Amortization

\$64,731,023

Future bond payments and future interest payments remaining as of June 30, 2013 are as follows:

Year Ended June 30,	Principal	Interest	Total Principal and Interest
2014	4,380,000	2,196,904	6,576,904
2015	4,475,000	2,088,284	6,563,284
2016	4,475,000	1,969,107	6,544,107
2017	4,685,000	1,844,186	6,529,186
2018	4,825,000	1,707,348	6,532,348
2019-2023	21,895,000	6,474,392	28,369,392
2024-2028	15,465,000	3,022,472	18,487,472
2029-2033	<u>5,570,000</u>	<u>376,181</u>	<u>5,946,181</u>
TOTAL	<u>\$65,870,000</u>	<u>\$19,678,874</u>	<u>\$85,548,874</u>

Changes in long-term liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds	\$69,920,000	\$0	\$(4,050,000)	\$65,870,000	\$4,380,000
Less: Bond Discount	(0)		0	(0)	(0)
Add: Bond Premium	2,013,956		(112,066)	1,901,890	112,066
Less: Deferred Amount of Refunding	(3,304,530)		263,663	(3,040,867)	(263,663)
Total	68,629,426	0	(3,898,403)	64,731,023	4,228,403
Compensated Absences	53,928	13,844	(22,064)	45,708	24,390
Long-Term Liabilities	<u>\$68,683,354</u>	<u>\$13,844</u>	<u>\$(3,920,467)</u>	<u>\$64,776,731</u>	<u>\$ 4,252,793</u>

## 5. COMMITMENTS

As of June 30, 2013, the DWSRF had loan commitments with political subdivisions worth \$21,763,607.

## 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, 2013, 2012, and 2011, were \$11,824.35, \$12,102.65, and \$11,170.96, 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, 2013, a liability existed for accumulated annual leave calculated at the employee's June 30, 2013 pay rate in the amount of \$20,432. 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, 2013, a liability existed for accumulated sick leave, calculated at each employee's June 30, 2013, pay rate in the amount of \$25,277. The total leave liability of \$45,709 at June 30, 2013 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.



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**ADDENDUM A**

**FEDERAL FISCAL YEAR 2013**

**INTENDED USE PLAN**

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**SOUTH DAKOTA  
DRINKING WATER STATE REVOLVING FUND  
FISCAL YEAR 2014 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 2014 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 7, 2013, to review the 2014 Intended Use Plan and receive comments. The IUP reflects the results of this review.

The 2014 capitalization grant estimate used in the IUP is based on last year's allocation.

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.

#### 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 2014, the specific measures are:

1. In fiscal year 2013, the fund utilization rate, as measured by the percentage of executed loans to funds available, was 91.8 percent, which exceeded the target goal of 90 percent. For fiscal year 2014, the goal of the Drinking Water SRF program is to maintain the fund utilization rate at or above 90 percent.
2. In fiscal year 2013, the rate at which projects progressed as measured by disbursements as a percent of assistance provided was 85.6 percent, which met the goal of 80 percent. For fiscal year 2014, the goal is to maintain the construction pace at 80 percent or higher.
3. For fiscal year 2014, the goal of the Drinking Water SRF program is to fund 20 loans, totaling \$39.8 million.

4. For fiscal year 2014, it is estimated that 31 projects will initiate operations.
5. For fiscal year 2014, 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 2014, 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 2014 are summarized in Table 1. Information regarding disadvantaged eligibility and subsidy level criteria can be found in the disadvantaged community subsidies section. The 10-year disadvantaged rate was established in November 2011. The other rates were last adjusted in February 2009.

	Up to 3 Yrs	Up to 10 Yrs	Up to 20 Yrs	Up to 30 Yrs
<u>Interim Rate</u>				
Interest Rate	2.00%			
Admin. Surcharge	<u>0.00%</u>			
Total	2.00%			
<u>Base Rate</u>				
Interest Rate		2.75%	2.50%	
Admin. Surcharge		<u>0.50%</u>	<u>0.50%</u>	
Total		2.25%	3.00%	
<u>Disadvantaged Rate - 100% of MHI</u>				
Interest Rate				2.50%
Admin. Surcharge				<u>0.50%</u>
Total				3.00%
<u>Disadvantaged Rate - 80% of MHI</u>				
Interest Rate		1.00%		1.75%
Admin. Surcharge		<u>0.25%</u>		<u>0.50%</u>
Total		1.25%		2.25%
<u>Disadvantaged Rate - 60% of MHI</u>				
Interest Rate				0.00%
Admin. Surcharge				<u>0.00%</u>
Total				0.00%

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 the department.

As of September 30, 2013, \$2.27 million of administrative surcharge funds are available.

It is estimated that approximately \$1.68 million will be used as state match for the fiscal year 2014 capitalization grant.

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

In fiscal year 2014, \$75,000 of administrative surcharge funds will be used for operator certification training.

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 144.4 million have been made to systems meeting this population threshold, or 40.4 percent of the 357.0 million of total funds available for loan. Attachment II – List of Projects to be funded in Fiscal Year 2014 identifies more than \$40.6 million in projects, of which approximately \$17.5 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 to the Drinking 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 2014 capitalization grant, the ability exists to transfer up to \$36.1 million from the Clean Water SRF program to the Drinking Water SRF program. More than \$34.2 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 expected in fiscal year 2014.

### **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 2014 capitalization grant is expected to be \$8,421,000 which requires \$1,684,000 in state match. Administrative surcharge will be used to match the 2014 capitalization grant.

In fiscal year 2014, the South Dakota Drinking Water SRF program will draw cash from state match funds prior to drawing federal capitalization grants, to the extent possible. Due to private activity concerns associated with tax-exempt bonds, certain loans must draw 100 percent federal funds.. Leveraged bond proceeds will be spent on project expenses with a zero percent federal proportionate share.

Leveraged Bonds: The South Dakota Conservancy District has the ability to issue additional bonds above that required for state match, known as leveraged bonds. 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 2014.

Borrowers' Principal Repayments: The principal repaid by the loan borrowers is used to make semi-annual leveraged bond payments. Any excess principal is available for loans. It is estimated that \$5.75 million in principal repayments will become available for loans in fiscal year 2014.

Interest Earnings: The interest repaid by the loan borrowers, as well as interest earned on investments, is dedicated to make semi-annual state match bond payments. Any excess interest is available for loans. It is estimated that \$4.0 million in interest earnings will become available for loans in fiscal year 2014.

As of September 30, 2013, 237 loans totaling \$327,776,108 have been made.

At the beginning of fiscal year 2014, \$29,219,459 is available for loan. With the 2014 capitalization grant, state match, leveraged bonds, excess interest earnings, and repayments, approximately \$48.3 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	\$336,840
Small System Technical Assistance	\$168,420
<b>Total for set-asides</b>	<b>\$505,260</b>

A conservative approach to set-asides 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. The 2012 and 2013 capitalization grants mandated additional subsidy be provided in an amount not less than 20 percent, but not more than 30 percent, of the capitalization grant. 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 to qualify for principal forgiveness. Other applicants must have a minimum rate of \$55 per month based on 7,000 gallons usage or a 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 to date.

Table 2 – Principal Forgiveness Status

FFY	Principal Forgiveness	
	Minimum	Maximum
2010	\$4,071,900	\$13,573,000
2011	\$2,825,400	\$9,418,000
2012	\$1,795,000	\$2,692,500
2013	\$1,684,200	\$2,526,300
2014 (est.)	\$1,684,200	\$2,526,300
	\$12,060,700	\$30,736,100

Awarded from 2010 grant	\$13,508,650
Awarded from 2011 grant	\$8,712,633
Awarded from 2012 grant	\$182,000
Awarded from 2013 grant	\$1,000,000

It is anticipated that the 2014 capitalization grant will include the ability to award principal forgiveness. Attachment II - List of Projects to be Funded in FY 2014 identifies \$1,822,000 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.

Sufficient funds have been awarded to qualifying projects to meet the 2010 and 2011 Green Project Reserve requirement. The 2012 and 2013 capitalization grants were not subject to the Green Project Reserve requirement.

It is anticipated that the Green Project Reserve requirement will be reinstated with the 2014 capitalization grant but will be reduced to 10 percent of the 2014 capitalization grant. Attachment II - List of Projects to be Funded in FY 2014 identifies \$1,361,000 of potential projects or project components that count towards the Green Project Reserve. This is sufficient to meet the expected 10 percent threshold for the 2013 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 (\$336,840) 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 (\$168,420) 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, \$168,420 from the fiscal year 2014 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, \$229,418 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 2014.

Local assistance and other state programs. The state can fund other activities to assist development and implementation of local drinking water protection activities. Up to 15 percent of the capitalization grant may be used for the activities specified below, but not more than 10 percent can be used for any one activity. The allowable activities for this set-aside are: (1) assistance to a public water system to acquire land or a conservation easement for source water protection; (2) assistance to a community water system to implement voluntary, incentive-based source water quality protection measures; (3) to

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

No funds will be set-aside for these activities in federal fiscal year 2014. There remains \$235,665 from prior years' allocations. It is anticipated that a portion of these funds will be used by the Midwest Assistance Program (MAP). Since 2008, MAP has been 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 as needed.

## **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 2014. 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. Disadvantaged communities are eligible for additional subsidy in the form of principal forgiveness.

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**

<b>Year</b>	<b>DWSRF Capitalization Grant</b>	<b>Amount Available for Transfer</b>	<b>Banked Transfer Ceiling</b>	<b>Amount Transferred from CWSRF to DWSRF</b>	<b>Amount Transferred from DWSRF to CWSRF</b>	<b>Transfer Description</b>	<b>CWSRF Funds Available to Transfer</b>	<b>DWSRF Funds Available to Transfer</b>
1997	\$12,558,800	\$4,144,404	\$4,144,404				\$4,144,404	\$4,144,404
1998	\$7,121,300	\$2,350,029	\$6,494,433				\$6,494,433	\$6,494,433
1999	\$7,463,800	\$2,463,054	\$8,957,487				\$8,957,487	\$8,957,487
2000	\$7,757,000	\$2,559,810	\$11,517,297				\$11,517,297	\$11,517,297
2001	\$7,789,100	\$2,570,403	\$14,087,700				\$14,087,700	\$14,087,700
2002	\$8,052,500	\$2,657,325	\$16,745,025	\$7,812,960		CW Cap Grant/Match	\$8,932,065	\$16,745,025
2003	\$8,004,100	\$2,641,353	\$19,386,378	\$7,761,360		CW Cap Grant/Match	\$3,812,058	\$19,386,378
2004	\$8,303,100	\$2,740,023	\$22,126,401				\$6,552,081	\$22,126,401
2005	\$8,352,500	\$2,756,325	\$24,882,726				\$9,308,406	\$24,882,726
2006	\$8,229,300	\$2,715,669	\$27,598,395		\$7,500,000	Leveraged Bonds	\$12,024,075	\$20,098,395
2007	\$8,229,000	\$2,715,570	\$30,313,965				\$14,739,645	\$22,813,965
2008	\$8,146,000	\$2,688,180	\$33,002,145				\$17,427,825	\$25,502,145
2009	\$8,146,000	\$2,688,180	\$35,690,325				\$20,116,005	\$28,190,325
2010	\$13,573,000	\$4,479,090	\$40,169,415				\$24,595,095	\$32,669,415
2011	\$9,418,000	\$3,107,940	\$43,277,355		\$10,000,000	Repayments	\$27,703,035	\$25,777,355
2012	\$8,975,000	\$2,961,750	\$46,189,605				\$30,615,285	\$28,689,605
2013	\$8,421,000	\$2,788,930	\$48,968,353				\$33,394,215	\$31,468,535
2014 (est.)	\$8,421,000	\$2,788,930	\$48,968,353				\$36,173,145	\$34,247,465

## 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 2014.

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.	\$4,930,000	2.25%, 30 years	867	Yes
243	Kingbrook Rural Water System	C462432-05	<i>Problem:</i> the town of Sinai is struggling to operate its water system due to lack of maintenance and the inability to find a full-time operator. <i>Project:</i> construct four miles of 12-inch water main and one mile of 2-inch main to reroute demand so service can be provided to Sinai and install approximately 14,750 feet of 2- to 6-inch water mains, 68 meter pits and appurtenances within Sinai to provide individual service from the Kingbrook Rural Water System.	\$1,290,000	3.00%, 20 years	13,000	
210	Rapid City	C462014-03	<i>Problem:</i> there are several small water systems adjacent to Rapid City that have water quality (primarily concerning radionuclides) and water quantity issues, as well as distribution systems that are in poor condition. <i>Project:</i> connect the	\$8,233,000	3.00%, 20 years	500	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
202	University Estates Homeowner's Association	C462477-01	small systems as part of a project that Rapid City is undertaking to extend a second water line to the regional airport, and reconstruct distribution systems where needed. <i>Problem:</i> the unmetered water distribution system is experiencing excessive water loss. <i>Project:</i> replace water mains and services lines, install meters, and construct a new 8-inch line to connect to the Brookings Municipal Utilities system.	\$655,000	3.00%, 20 years	202	
161	Sioux Rural Water System	C462433-01	<i>Problem:</i> the peak day usage has exceeded the design capacity of the system's two water treatment plants and is near the firm capacity of the wells supplying the system. <i>Project:</i> expand the capacity of the two water treatment plants, add two new wells, and install new lines to provide looping in several areas.	\$4,730,000	3.00%, 20 yrs	5,414	
148	Geddes	C462274-01	<i>Problem:</i> the city's meters are old and need to be replaced. <i>Project:</i> replace approximately 160 water meters and install an automatic meter reading system.	\$151,000	1.25%, 10 years	208	Yes (Pending rate increase)
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	
86	Lead	C462007-04	<i>Problem:</i> the city's distribution system is old and in poor condition. <i>Project:</i> replace nearly 2,800 feet of water main in conjunction with a DOT project.	\$520,000	2.25%, 30 years	3,124	Yes
84	Alcester	C462212-01	<i>Problem:</i> much of the city's water mains are cast iron that is in need of replacement. <i>Project:</i> replace approximately 9,000 feet of cast iron water main.	\$1,478,000	3.00%, 30 yrs	807	Yes

<b>Priority Points</b>	<b>Community/ Public Water System</b>	<b>Project Number</b>	<b>Project Description</b>	<b>Est. Loan Amount</b>	<b>Expected Loan Rate &amp; Term</b>	<b>Pop. Served</b>	<b>Dis-advan-taged</b>
84	Canistota	C462226-02	<i>Problem:</i> much of the existing cast iron water mains are corroded with interior encrustations reducing the effective diameter of the mains. <i>Project:</i> replace approximately 3,800 feet of water main.	1,090,000	3.00%, 30 yrs	656	Yes
82	Tripp County Water Users District	C462434-04	<i>Problem:</i> increased demand for potable water within the district's service area has resulted in insufficient flows within the system. <i>Project:</i> install approximately 134 miles of various sized lines, replace or upgrade 15 pump stations and construct two new water storage towers.	\$10,000,000	2.25%, 30 years	8,350	Yes
80	Wagner	C462209-04	<i>Problem:</i> the water line under Front Street is undersized and does not provide a sufficient water supply to users in the area. <i>Project:</i> replace approximately 800 feet of water lines.	\$175,000	0%, 30 years	1,675	Yes
77	Big Sioux Rural Water System	C462439-02	<i>Problem:</i> the water system is experiencing unacceptable water loss throughout the system. <i>Project:</i> install a water management system involving a magnetic flow meter and radio transmitter at each service and three fixed base towers.	\$900,000	3.00%, 15 years	8,000	
75	Yankton	C462038-06	<i>Problem:</i> the oldest of the city's two water treatment plants, constructed in 1929, has gotten to the point where it is no longer feasible to use. <i>Project:</i> construct a new water treatment plant.	\$214,000,000	3.00%, 20 years	14,454	Yes
74	Humboldt	C462254-02	<i>Problem:</i> the city's meters are obsolete and unserviceable. <i>Project:</i> replace approximately 300 water meters and install an automatic meter reading system.	\$210,000	2.25%, 10 years	581	
73	Ethan	C462272-01	<i>Problem:</i> the city uses a manual read meter system and wishes to upgrade to an automatic meter reading system. electronic remote transmitters to existing water meters and install an automatic meter reading system.	\$100,000	2.25%, 10 years	335	
72	Westport	C462409-01	<i>Problem:</i> the city's meters are old and in need	\$100,000	2.25%, 10 years	133	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
57	Kranzburg	C462351-01	of replacement. <i>Project:</i> replace approximately 130 water meters, install an automatic meter reading system, and correct other minor deficiencies in the distribution system.. <i>Problem:</i> the distribution system consists primarily of 2-inch copper and polyethylene lines in need of replacement. <i>Project:</i> install a new distribution system and turn the operation of the system over to Sioux Rural Water.	\$1,311,000	3.00%, 20 years	172	
38	Emery	C462248-01	<i>Problem:</i> the distribution system consists primarily of old cast iron lines and very few of the valves on the mainline or service lines are operable. <i>Project:</i> install approximately 16,600 feet of PVC line to replace the cast iron lines, install 73 gate valves, and 157 service lines.	\$1,962,000	2.25%, 30 years	439	Yes
28	Stickney	C462185-01	<i>Problem:</i> approximately one-half of the distribution system consists of asbestos concrete pipe that is in need of replacement and the water meters are outdated. <i>Project:</i> replace approximately 14,000 feet of asbestos concrete pipe with PVC and replace water meters.	\$2,172,000	3.00%, 30 years	284	Yes
26	Lead-Deadwood Sanitary District	C462002-02	<i>Problem:</i> the Peake Ditch raw water source has limited use due to a landslide that damaged a portion of the water line. <i>Project:</i> abandon approximately 17,200 feet of the existing line and replace it with approximately 16,600 feet of new HDPE line.	\$1,061,000	3.00%, 20 years	4,556	
21	Canton	C462039-02	<i>Problem:</i> the city has two wells that can no longer be used due to non-operational equipment and other wells are experiencing decreasing capacity, and the high service pumps that fill the water tower are in need of replacement. <i>Project:</i> install two new wells and replace the high service pumps.	\$1,741,000	3.00%, 20 years	3,057	
21	Hot Springs	C462040-02	<i>Problem:</i> the city's raw water pumping system	\$3,850,000	2.25%, 30 years	4,129	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
21	Mobridge	C462016-07	does not have capacity to provide adequate water in the event one of the two pumping stations is out of commission, the storage capacity is less than a peak day, and the system does not have adequate well supply. <i>Project:</i> install a new well and pump house, construct a new 3-million gallon water tower, and develop a new Madison well. <i>Problem:</i> one of the water towers is 100 years old and undersized and the other is in need of rehabilitation. <i>Project:</i> erect a new 500,000-gallon water tower, and rehabilitate the other tower.	\$400,000	2.25%, 30 years	3,574	Yes
20	North Sioux City	C462009-01	<i>Problem:</i> the existing 750,000-gallon elevated storage tank lacks the capacity to meet the city's peak daily demand of 1,000,000 gallons. <i>Project:</i> construct a 500,000-gallon ground storage reservoir with pumps, pump building, and other necessary appurtenances.	\$1,361,500	3.00%, 20 years	2,288	
18	Bristol	C462244-02	<i>Problem:</i> approximately 40 percent of the city's distribution system consists of cast iron and asbestos cement pipe that is old and in need of replacement. <i>Project:</i> install approximately 11,000 feet of PVC pipe to replace the cast iron and asbestos cement pipe and loop dead ends.	\$1,978,800	3.00%, 30 years	377	Yes
10	Beresford	C462187-03	<i>Problem:</i> the water line under Highway 46 consists of old cast iron and asbestos cement pipe in need of replacement. <i>Project:</i> replace approximately 4,900 feet of water line in conjunction with a DOT project.	\$490,000	3.00%, 30 years	2006	Yes
10	Elk Point	C462059-06	<i>Problem:</i> the water line under Rose Street consists of old ductile iron pipe that is susceptible to corrosion. <i>Project:</i> replace the ductile line with approximately 2,500 feet of PVC pipe.	\$1,500,000	3.00%, 20 years	1,963	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
10	Miller	C462128-02	<i>Problem:</i> a portion of the city's distribution system consists of asbestos cement pipe that is experiencing excessive breaks. <i>Project:</i> replace approximately 53,000 feet of asbestos cement pipe with PVC pipe.	\$6,300,000	3.00%, 30 years	1,489	Yes (Pending rate increase)
9	Arlington	C462213-02	<i>Problem:</i> a portion of the town's distribution system consists of cast iron pipe that needs to be replaced. <i>Project:</i> replace approximately 1,800 feet of cast iron pipe with PVC pipe.	\$349,400	3.00%, 30 years	992	Yes
9	Highmore	C462106-01	<i>Problem:</i> the SD DOT has informed the city that it needs to relocate or lower water lines along Highway 47 to accommodate storm sewer being installed as part of a highway reconstruction project. <i>Project:</i> replace approximately 1,760 feet of water line to provide adequate separation between the water lines and storm sewer.	\$235,000	3.00%, 30 years	795	Yes
8	Irene	C462255-02	<i>Problem:</i> a portion of the town's distribution system consists of undersized cast iron pipe. <i>Project:</i> replace 13 blocks of 4-inch cast iron lines with 6 PVC pipes.	\$1,796,000	3.00%, 30 years	420	Yes
8	Tabor	C462259-01	<i>Problem:</i> a portion of the town's distribution system consists of cast iron pipe that is experiencing excessive breaks, and pumps are undersized to provide peak hourly flows above minimum recommended pressures. <i>Project:</i> replace the cast iron lines with approximately 6,200 feet of PVC pipes and install new pumps with variable frequency drives.	\$1,530,000	3.00%, 30 years	423	Yes
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	\$280,000	3.00%, 30 years	616	Yes

<b>Priority Points</b>	<b>Community/ Public Water System</b>	<b>Project Number</b>	<b>Project Description</b>	<b>Est. Loan Amount</b>	<b>Expected Loan Rate &amp; Term</b>	<b>Pop. Served</b>	<b>Dis-advan-taged</b>
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elevated storage tank to the distribution system.

**ATTACHMENT II – LIST OF PROJECTS TO BE FUNDED IN FISCAL YEAR 2014**

Priority Points	Loan Recipient	Project Number	Assistance Amount	Principal Forgiveness <sup>1</sup>	Funding Date	Expected Funding Source
	<i>Green Project Reserve</i>					
LOANS EXPECTED						
243	Kingbrook Rural Water System	C462432-05	\$1,290,000	-0-	Jan. 2014	2013
21	Mobridge	C462016-07	\$400,000	-0-	Jan. 2014	2013
161	Sioux Rural Water System	C462433-01	\$4,730,000	\$400,000	March 2014	2013
148	Geddes	C462274-01	\$151,000	\$15,100	March 2014	2013
	<i>GPR Project Type: Water Efficiency (Categorical) GPR Amount: \$151,000</i>					
84	Alcester	C462212-01	\$1,478,000	\$150,000	March 2014	2013
84	Canistota	C462226-02	1,090,000	\$110,000	March 2014	2013
80	Wagner	C462209-04	\$175,000	-0-	March 2014	2014
77	Big Sioux Rural Water System	C462439-02	\$900,000	-0-	March 2014	2014
	<i>GPR Project Type: Water Efficiency (Categorical) GPR Amount: \$900,000</i>					
74	Humboldt	C462254-02	\$210,000	\$21,000	March 2014	2014
	<i>GPR Project Type: Water Efficiency (Categorical) GPR Amount: \$210,000</i>					
26	Lead-Deadwood Sanitary District	C462002-02	\$1,061,000	-0-	March 2014	2014
9	Arlington	C462213-02	\$349,400	\$35,000	March 2014	2014
9	Highmore	C462106-01	\$235,000	\$23,500	March 2014	2014
73	Ethan	C462272-01	\$100,000	\$10,000	June 2014	2014
	<i>GPR Project Type: Water Efficiency (Categorical) GPR Amount: \$100,000</i>					
20	North Sioux City	C462009-01	\$1,361,500	-0-	June 2014	2014
10	Beresford	C462187-03	\$490,000	\$49,000	June 2014	2014
10	Elk Point	C462059-06	\$1,500,000	150,000	June 2014	2014
210	Rapid City	C462014-03	\$8,233,000	\$823,000	Sept. 2014	2014
202	University Estates Homeowner's Assoc.	C462477-01	\$655,000	\$100,000	Sept. 2014	2014

Priority Points	Loan Recipient	Project Number	Assistance Amount	Principal Forgiveness <sup>1</sup>	Funding Date	Expected Funding Source
	<i>Green Project Reserve</i>					
86	Lead	C462007-04	\$520,000	\$100,000	Sept. 2014	2014
75	Yankton	C462038-05	\$14,000,000	\$500,000	Sept. 2014	2014/Repayments
21	Canton	C462039-02	\$1,741,000	\$100,000	Sept. 2014	Repayments

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

**ATTACHMENT III  
PROGRAM FUNDING STATUS**

**Fiscal Years 1997 - 2013**

Capitalization Grants	\$148,780,698	
State Match	\$29,756,140	
ARRA Grant	\$19,500,000	
Set-Asides	(\$9,528,416)	
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, 2013	\$30,473,934	
Excess Principal as of Sept. 30, 2013	\$71,713,192	
Total Funds Dedicated to Loan		356,995,567
Loans made through September 30, 2013		<u>(\$327,776,108)</u>
Balance of funds as of September 30, 2013		\$29,219,459

**Fiscal Year 2014 Projections**

Capitalization Grants	\$8,421,000	
State Match	\$1,684,200	
Set-Asides	(\$505,260)	
Projected Excess Principal Repayments	\$5,750,000	
Projected Unrestricted Interest Earnings	\$4,000,000	
Arbitrage Rebate Liability	(100,000)	
Projected Fiscal Year 2014 Loan Sub-total	<u>\$19,124,940</u>	
Total Funds Available for Loans		<u>\$48,344,399</u>
Loan Amount Identified on Attachment II - List of Projects to be Funded in Fiscal Year 2014		<u><u>\$40,669,900</u></u>

<b>Administrative Surcharge Funds Available as of September 30, 2013</b>	
Program Income	\$1,482,587
Non-Program Income	\$783,675
Total	\$2,266,262