



**DRINKING WATER STATE REVOLVING FUND
ANNUAL REPORT**

**FEDERAL FISCAL YEAR 1999
October 1, 1998 – September 30, 1999**

Department of Environment and Natural Resources

THE SOUTH DAKOTA CONSERVANCY DISTRICT

DRINKING WATER STATE REVOLVING FUND

ANNUAL REPORT

**FEDERAL FISCAL YEAR 1999
October 1, 1998 – September 30, 1999**

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

GREGG GREENFIELD, CHAIRMAN
Sioux Falls
Member since 1996

STEVE LOWRIE, VICE-CHAIRMAN
Watertown
Member since 1985

DALE KENNEDY, SECRETARY
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Member since 1985

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Member since 1994

JERRY KLEINSASSER
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Member since 1996

ROGER LARSEN
Sioux Falls
Member since 1997

JOHN LOUCKS
Rapid City
Member since 1989

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

1999

ANNUAL REPORT

I. INTRODUCTION

The State of South Dakota herewith submits its Annual Report for Federal Fiscal Year (FFY) 1999 (October 1, 1998 to September 30, 1999). 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 1999 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 initiation of the Drinking Water SRF program and the FFY 1999 activities. The next section addresses the *Goals and Objectives* the state of South Dakota identified in its 1999 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 1999, 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 VII provide detailed financial and environmental program information. Exhibits VIII through XII are the unaudited financial statements of the Drinking Water SRF program prepared by personnel of the Department of Environment and Natural Resources. Finally, Addendum I is the *Intended Use Plan for Federal Fiscal Year 2000*. The primary purpose of the Intended Use Plan is to outline the proposed use of the funds made available to the Drinking Water SRF program.

II. EXECUTIVE SUMMARY

The South Dakota Drinking Water SRF Program received a federal capitalization grant of \$7,463,800 for FFY 1999. These funds were matched by \$1,492,760 in state issued revenue bonds.

Drinking Water SRF Loans

Five communities entered into binding commitments with the conservancy district totaling \$4,012,200 in loans for the construction of drinking water projects. A breakdown of the loans made during FFY 1999 are detailed in Table 1. On a cumulative basis, we have obligated a total of 14 loans, one of which was rescinded in FFY 1999. A list of all the binding commitments and a brief description of each project can be found in the loan portfolio section.

**TABLE 1
DRINKING WATER LOANS
FEDERAL FISCAL YEAR 1999**

Recipient	Project Description	Assistance	
		Amount	Rate, Term
Brandon (DW-01)	Water treatment/distribution upgrade	\$1,950,000	5%, 20
Clear Lake (DW-01)	Water storage improvements	\$565,000	3%, 30
Hermosa (DW-01)	Water system improvement	\$300,000	5%, 20
Mina Lake San. Dist (DW-01)	Water tower	\$255,200	5%, 20
Vermillion (DW-01)	Lime sludge disposal	\$942,000	5%, 20
TOTAL		\$4,012,200	

Disbursements from the program during FFY 1999 totaled \$7,215,507. This total includes loan disbursements of \$6,989,066 to the various recipients. See Exhibit V for a breakdown of all cash draws and the project and administration activity for which they were made. The following four projects initiated operation this past year: Big Stone City (01), Mobridge (01), Mobridge (02), and Vermillion (01).

Drinking Water SRF program forms are incorporated into 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 required by EPA's Drinking Water SRF guidance. The Drinking Water SRF application form was revised in August of 1999, concurrent with the annual review and update of the planning process document.

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

Interest Rates

The Drinking Water SRF interest rates for FFY 1999 are 4.5% for a 10-year term, 4.75% for a 15-year term, and 5.0% for a 20-year term. The Board retained these rates for FFY 2000.

Communities seeking a Drinking Water SRF loan that meet the disadvantaged community criteria may receive a loan at an interest rate two percentage points below that for other

recipients. Additionally, the maximum allowable repayment period can be extended to 30 years for disadvantaged communities. To be eligible for the disadvantaged rate and term, municipalities and sanitary districts must have a median household income below 80 percent of the statewide median household income and a monthly residential water bill of at least \$20 for 5,000 gallons usage. Rural water systems must have a median household income below 80 percent of the state-wide median household income and a monthly water bill for rural households which exceeds \$50 for 7,000 gallons usage to be eligible.

Non-Drinking Water SRF 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 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. Table 2 recaps the Drinking Water SRF cumulative set-aside status.

- Administration

Four percent of the 1999 capitalization grant, or \$298,552 was allocated to administer the Drinking Water SRF program. Specific activities funded from this set-aside are staff salary, benefits, travel, and overhead; bond counsel, bond underwriter, and trustee expenses; and other costs to administer the program. During FFY 1999, \$226,441 was drawn for administrative expenses.

- Small system technical assistance

An allocation of \$125,000 in FFY 1999 was made to provide technical assistance to public water systems serving 10,000 people or less. The objective of this set-aside is to bring non-complying systems into compliance, to improve operations of water systems, and to facilitate small systems' access to the Drinking Water SRF program. With prior years' technical assistance set-asides, we have contracted with five planning districts and the South Dakota Association of Rural Water Systems to provide technical assistance. In FFY 1999, \$59,609.17 was drawn for technical assistance.

- Operator Certification

Operator certification training activities were allotted \$20,000 in 1997. In the fall of 1997, proposals were requested from organizations to provide supplemental operator certification training. A contract for the supplemental training was awarded to the South Dakota Association of Rural Water Systems (The Association). The Association will provide the additional dollar for dollar match required under this set-aside category. During FFY 1999, \$3,900 was drawn for supplemental operator certification training.

- Local Assistance and other state programs-Source Water Assessment Program

The Department of Environment and Natural Resources did not expend any 1997 set-aside funds (\$1,255,880) during FFY 1999 to delineate and assess source water protection areas. Source water activities conducted during FFY 1999 using other funding sources included the following:

- Completed a Global Positioning System Location Survey of all public water supply wellheads/intakes, pretreatment facilities, treatment plants, pumping facilities, storage facilities, and entry points.
- Completed a Potential Contaminant Source Inventory Field Survey at all non-sensitive public water supply systems.
- Developed source water delineation, inventory, and susceptibility analysis methods to be used in South Dakota.
- Participated in five conference calls with EPA and other Region VIII states to discuss source water issues.
- Held two Technical Advisory Committee meetings, two Citizen Advisory Committee meetings, and two public meetings to gather input on the proposed Source Water Assessment Plan.
- Presented source water information at six workshops and seminars across the state including members of the SD Water Congress, SD Association of Rural Water, SD Planners Association, and American Water Works Association.
- Submitted South Dakota's proposed Source Water Assessment and Protection Plan to EPA in February 1999.

TABLE 2: DWSRF SET-ASIDE STATUS

<u>Set-Aside</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>Total Amount Obligated</u>	<u>Available To Obligate</u>
Administration	\$ 502,352.00	\$ 284,852.00	\$298,552.00	\$622,870.36	\$462,885.64
Small System Tech. Assist.	100,000.00	25,000.00	125,000.00	100,000.00	150,000.00
State Program Mgmt.	20,000.00	0.00	0.00	20,000.00	0.00
Local Assist. & Other State Programs	1,255,880.00	0.00	0.00	1,255,880.00	0.00
TOTALS	\$1,878,232.00	\$ 309,852.00	\$423,552.00	\$1,998,750.36	\$612,885.64

III. GOALS AND OBJECTIVES

The following goals were developed for the FFY 1999 Intended Use Plan. Our short-term goals support the implementation of the program's long-term goals. Our long-term goals provide a framework that guide our management decisions for the Drinking Water SRF program.

- A. Progress Toward Short Term Goal
GOAL: To fully capitalize the fund.

As of September 30, 1999, South Dakota has made binding commitments equal to all but \$9,693,671 of its total capitalization awards and associated state matching funds.

- B. Progress Toward Long Term Goals
GOAL: To fully capitalize the fund.

The state has received and fully obligated the 1997 capitalization grant and the associated state matching funds. As of September 30, 1999, the state has obligated all but \$1,160,663 of the 1998 capitalization grant and the associated state matching funds and has all of the 1999 capitalization

grant and the associated state matching funds available to obligate (\$8,956,560 less set-asides of \$423,552, or \$8,533,008).

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

The state has awarded 14 loans to 12 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 \$250,000 to be used to provide technical assistance to public water systems serving 10,000 people or less; and has set aside \$20,000 to supplement the existing operator certification program. Additionally, \$1,255,880 has been set aside to provide funding to delineate and assess source water protection areas.

IV. DETAILS OF ACTIVITIES

A. Fund Financial Status

1. Binding Commitments

In order to provide financial assistance for drinking water projects, the state entered into five binding commitments totaling \$4,012,200. Exhibit I details the Drinking Water SRF binding commitments made during FFY 1999.

2. Sources of Funds

During FFY 1999, the state was awarded a federal capitalization grant totaling \$7,463,800. State match totaling \$1,492,760 was provided. Exhibit III and Figure 1 show the annual allocation and source of Drinking Water SRF funds.

3. Revenues and Expenses

Fund revenues consisted of interest earned on loans to communities, cash and investments, the special reserve account, and administrative expense surcharge payments received from each borrower. These earnings totaled \$893,554.32. Fund expenses included administration expenditures, interest payable on bonds, and the amortization of each bond issuance's costs. These totaled \$605,162.74. The Statement of Income and Retained Earnings is shown on Exhibit XI.

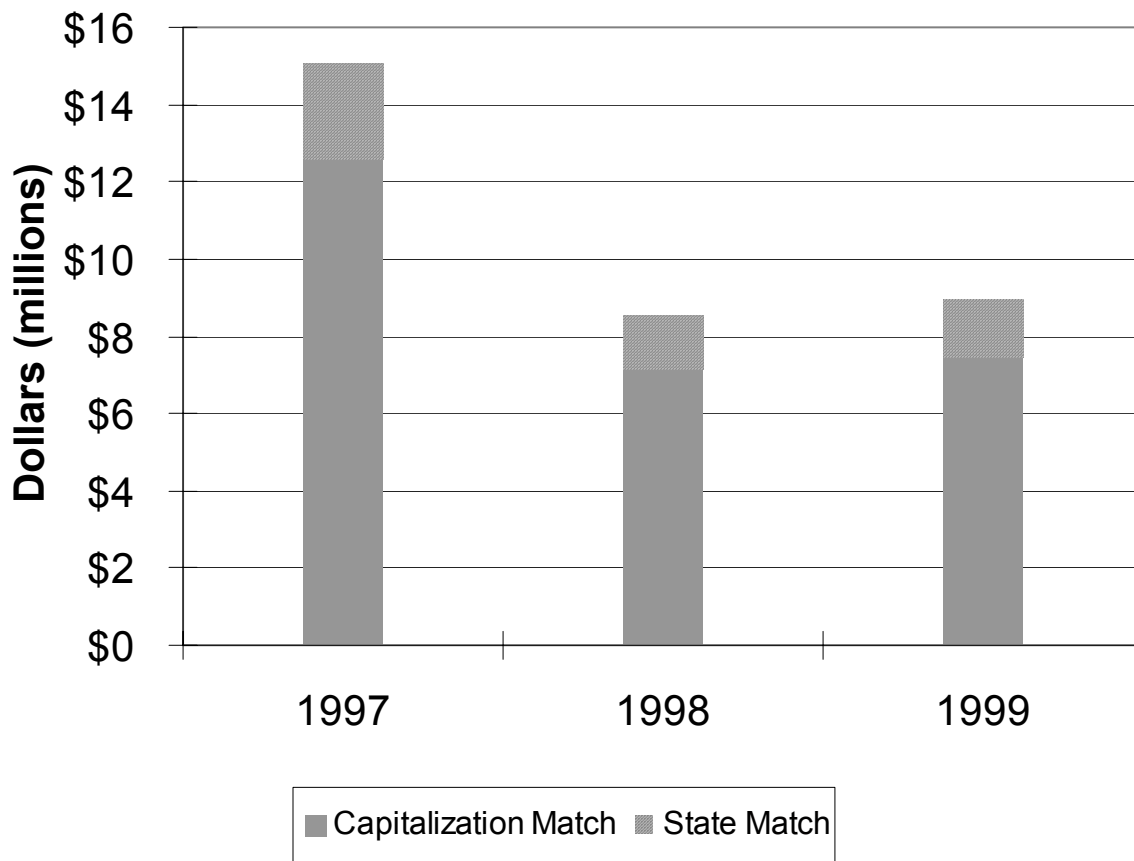
4. Disbursements and Guarantees

There were no loan guarantees during FFY 1999.

5. EPA Site Review

In April 1999, EPA Region VIII conducted a site review of the South Dakota Drinking Water SRF program. The final report has not yet been issued.

FIGURE 1
SRF CAPITALIZATION GRANTS AND STATE MATCH



B. Assistance Activity

Exhibits I through VII illustrate the assistance activity of the Drinking Water SRF in FFY 1999.

Exhibit I shows those recipients that received Drinking Water SRF loans during FFY 1999.

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

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

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

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

Exhibit VI lists the estimated and actual cash disbursement schedule from the federal Letter of Credit for FFY 1999. The estimated schedule was agreed upon by the state and EPA in the 1999 Capitalization Grant Agreement.

Exhibit VII lists the environmental review and land purchase information for the loans made in FFY 1999.

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

The state of South Dakota agreed to 22 conditions in the Operating Agreement and Capitalization Grant Agreement. The following 20 conditions have been met and need no further description:

- Enact Legislation to Establish Drinking Water SRF
- Comply With All Applicable State Statutes and Regulations
- Allocate Adequate Personnel and Resources to DW SRF Program
- Agreement to Accept Payments
- Cash Draws for Drinking Water SRF Program Separate
- Provide State Match
- Deposit of All Funds into Drinking Water SRF Account
- Establish Fiscal Controls and Accounting Procedures in Accordance With Generally Accepted Accounting Principles
- Annual Audit
- Loan Covenants
- Timely and Expeditious Use of Funds
- Project Priority List Additions and Modifications
- Annual Revision of the Intended Use Plan
- Reports on the Actual Use of Funds
- Conduct Environmental Reviews
- Set-Asides Will Be Identified Each Year
- Compliance with Specific Title I Requirements
 - Authority to Ensure New Systems Demonstrate Technical, Managerial, and Financial Capability
 - Funds Provided Only to Systems with Technical, Managerial, and Financial Capability
 - Operator Certification
- Privately-Owned Systems May Receive Funding
- Disadvantaged Communities
- Transfers Between Clean Water SRF Program and Drinking Water SRF Program

The following two 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 Submittal of MBE/WBE Utilization Report.

The state and EPA have agreed on "fair share" goals for the first and second quarters of 6% MBE and 2% WBE. These goals were negotiated to 1% MBE and 3% WBE for the third and fourth quarters. The actual MBE/WBE participation achieved for FFY 1999 was 0.62% MBE and 0.49% WBE.

2. 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.

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

V. PROGRAM CHANGES

A. 2000 Intended Use Plan

The Annual Report contains the 2000 Intended Use Plan as approved by the Board of Water and Natural Resources on November 18, 1999. The 2000 Intended Use Plan is included in the Annual Report as Addendum I starting on page 43.

SOUTH DAKOTA
DRINKING WATER STATE
REVOLVING FUND LOAN
PROGRAM HISTORY



Initiation of the Program

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

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

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

Capitalization Grant and State Matching Funds

Since 1997 South Dakota's Drinking Water SRF Program received federal capitalization grants totaling \$27,143,900. These funds were matched by \$1,424,260 in state appropriations and \$4,004,520 in state issued revenue bonds. Exhibit III shows the amount of federal capitalization grants and state match by year.

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

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

Principal Repayment Loans

The Drinking Water SRF program is intended to last in perpetuity. As borrowers repay their loans, the principal repayments are then available to be loaned out to other communities. When federal capitalization grants are discontinued, all loans will be made from the principal repayments of other borrowers. A portion of the Vermillion loan was a principal repayment loan.

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 was hired as bond counsel for the Series 1998A Drinking Water State Revolving Fund Program Bonds.

Underwriter

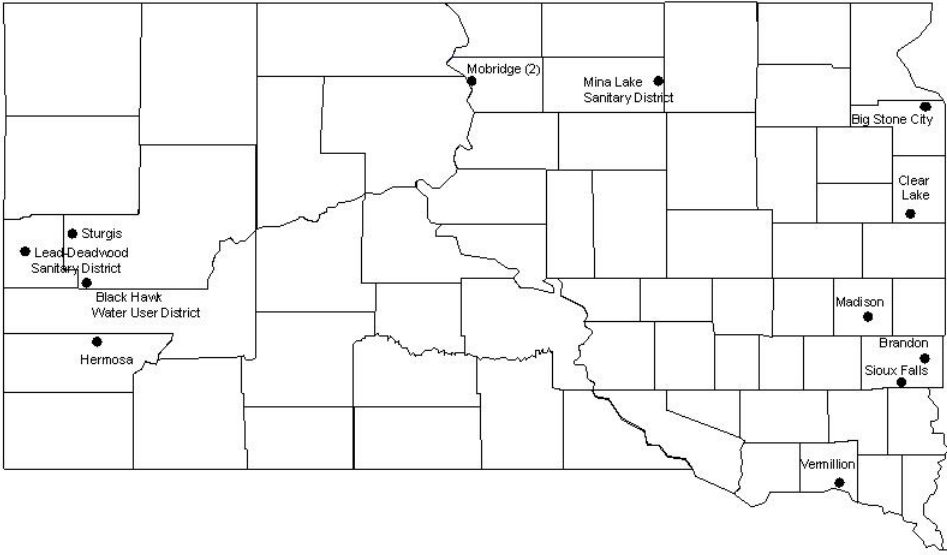
Piper Jaffray was hired as underwriter for the Series 1998A Drinking Water State Revolving Fund Program Bonds.

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.

LOAN PORTFOLIO

Drinking Water State Revolving Fund Loans



**TABLE 3: STATE OF SOUTH DAKOTA
DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

RECIPIENT	BINDING COMMITMENT DATE	RATE, TERM	BINDING COMMITMENT AMOUNT	ACTUAL LOAN AMOUNT
Big Stone City	07/22/98	5.25%, 20	\$600,000	\$600,000
Black Hawk WUD	03/26/98	5.25%, 20	\$500,000	\$500,000
Brandon	11/13/98	5.00%, 20	\$1,950,000	\$1,950,000
Clear Lake	12/10/98	3.00%, 30	\$565,000	\$565,000
Hermosa	12/10/98	5.00%, 20	\$300,000	\$300,000
Lead-Deadwood Sanitary District	06/24/98	5.25%, 20	\$2,700,000	\$2,683,957
Madison	05/14/98	5.00%, 15	\$2,372,000	\$2,372,000
Mina Lake San. Dist.	11/13/98	5.00%, 20	\$255,200	\$255,200
Mobridge (01)	03/26/98	5.25%, 20	\$965,000	\$965,000
Mobridge (02)	07/22/98	5.25%, 20	\$355,000	\$355,000
Sioux Falls	07/22/98	4.50%, 10	\$7,022,000	\$7,022,000
Sturgis	01/08/98	5.00%, 15	\$700,000	\$700,000
Vermillion	05/13/99	5.00%, 20	\$942,000	\$942,000
TOTAL 13 Loans, 12 Entities			\$19,226,200	\$19,210,157

PROJECT DESCRIPTIONS

Loans approved during federal fiscal year 1999 are designated by the year 1999 written directly beside the loan recipients' name.

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

BLACK HAWK WATER USER DISTRICT – The Black Hawk Water User District received a loan for \$500,000. This loan financed a new well, pump house construction, installation of chlorination and fluoridation equipment, a 48,000-gallon water storage reservoir, and approximately 7,000 feet of new water lines. This loan is at 5.25% for 20 years.

BRANDON (1999) – Brandon received a loan for \$1,950,000 at 5.0% for 20 years. This project consists of constructing a new water treatment plant and upgrading the current distribution system.

CLEAR LAKE (1999) – Clear Lake received a loan in the amount of \$565,000. This loan qualifies for the disadvantaged rate and term of 3.0% for 30 years. This project consists of constructing a new 300,000-gallon water tower and installation of a 2,700 LF of 10-inch water main to connect the tower with the water distribution system.

HERMOSA (1999) – Hermosa received a loan for \$300,000. This loan is at 5.0% for 20 years. This project will replace water distribution lines.

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

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

MINA LAKE SANITARY DISTRICT (1999) – Mina Lake Sanitary District received a loan for \$255,200 at an interest rate of 5.0% for 20 years. This loan is for the construction of a 150,000-gallon water tower.

MOBRIDGE - The city of Mobridge received two loans in the amounts of \$965,000 and \$355,000 to finance water treatment plant upgrades. Both loans are at 5.25% for 20 years.

SIoux FALLS – The city of Sioux Falls has received a loan in the amount of \$7,022,000 at an interest rate of 4.5% for 10 years. The loan will finance central pressure zone improvements with the construction of a new water tower, and booster pumps at a booster station. The city will upgrade the water treatment plant with new filter valves, piping, and wall sleeves in the filter

gallery. Two water mains will be upgraded to provide additional water pressure to the existing city pressure zones. The upgrades will allow the city to serve an area recently annexed and an adjacent public water supply that has experienced water quality problems.

STURGIS – Sturgis received a loan for \$700,000 at 5.0% 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.

VERMILLION (1999) – Vermillion received a loan for \$942,000 at 5.0% interest for 20 years. This loan is being used to construct lime sludge disposal lagoons.

WEB – WEB Water Development Association, Inc. received a loan for \$1,110,000 at 5.0% interest for 15 years. The project includes the installation of 116,640 feet of new PVC pipe and necessary appurtenances such as valves and pressure regulators. The project will allow 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.

FIGURE 3
STATE REVOLVING FUND
INTEREST RATES BY % OF LOAN
PORTFOLIO (\$19.2 M)

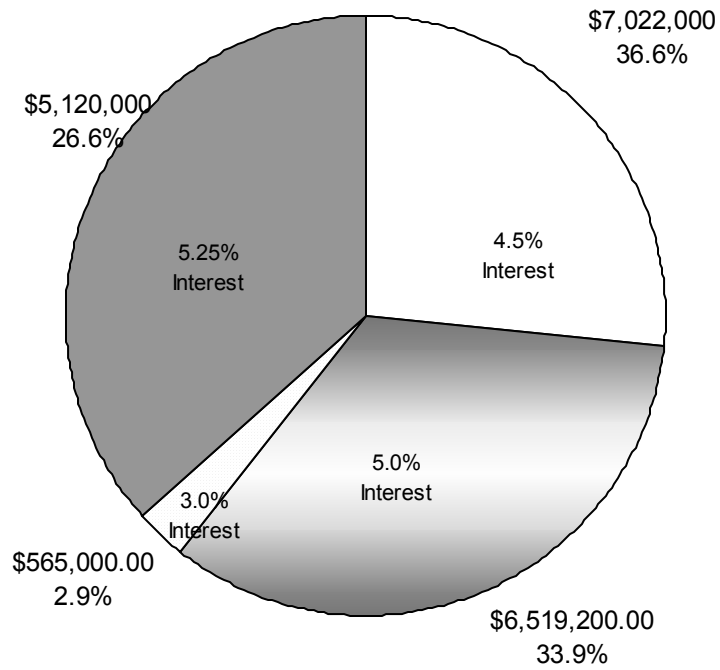
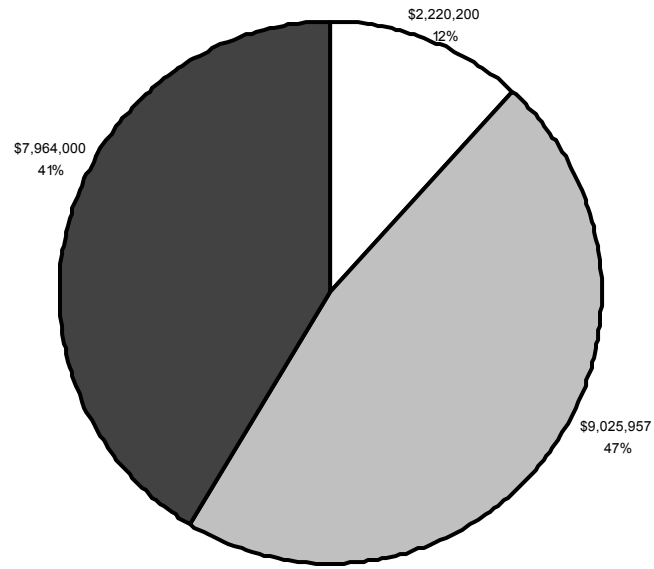


FIGURE 4
SMALL SYSTEMS FUNDED BY % OF LOAN
(\$19.2 M)



Service Population

□ 3300 and Below ■ 3301 to 10,000 ■ 10,001 and above

EXHIBITS I-VII

DRINKING WATER SRF

STATUS REPORTS

EXHIBIT I
PROJECTS RECEIVING SRF ASSISTANCE
FEDERAL FISCAL YEAR 1999

Recipient	Assistance Amount	Binding Commitment Date	Rate, Term
Brandon (DW-01)	\$1,950,000	11/13/98	5%, 20
Clear Lake (DW-01)	\$565,000	12/10/98	3%, 30
Hermosa (DW-01)	\$300,000	12/10/98	5%, 20
Mina Lake San. Dist. (DW-01)	\$255,200	11/13/98	5%, 20
Vermillion (DW-01)	\$942,000	05/13/99	5%, 20

EXHIBIT II
SRF NEEDS CATEGORIES
FEDERAL FISCAL YEAR 1999

I II III IV

Recipient	Project No.	Trans/Dist	Treatment	Storage	Source
Brandon (DW-01)	C462032-01		\$1,785,000		\$165,000
Clear Lake (DW-01)	C462037-01			\$565,000	
Hermosa (DW-01)	C462278-01	\$300,000			
Mina Lake San. Dist. (DW-01)	C462287-01			\$255,200	
Vermillion (DW-01)	C462022-01		\$942,000		
TOTAL		\$300,000	\$2,727,000	\$820,200	\$165,000

EXHIBIT III
ALLOCATION AND SOURCE OF SRF FUNDS

Fiscal Year	Capitalization		
	Grant Award	State Match	Total
1997	\$12,558,800	\$2,511,760	\$15,070,560
1998	\$7,121,300	\$1,424,260	\$8,545,560
1999	\$7,463,800	\$1,492,760	\$8,956,560
TOTAL	\$27,143,900	\$5,428,780	\$32,572,680

EXHIBIT IV
OBLIGATIONS FOR FFY 1997-1999
CAPITALIZATION GRANTS, PRINCIPAL REPAYMENTS,
AND DEOBLIGATED FUNDS

1. Projects utilizing 1997 SRF funds:

Project	Loan Amount	Board Action	Balance
1997 Capitalization Grant & State Match			\$15,070,560
1. Set-Asides	\$1,878,232		\$13,192,328
2. Sturgis (DW-01)	\$700,000	01/08/98	\$12,492,328
3. Black Hawk WUD (DW-01)	\$500,000	03/26/98	\$11,992,328
4. Mobridge (DW-01)	\$965,000	03/26/98	\$11,027,328
5. WEB (DW-01)	\$1,110,000	03/26/98	\$9,917,328
6. Madison (DW-01)	\$2,372,000	05/13/98	\$7,545,328
7. Lead-Deadwood (DW-01)	\$2,700,000	06/24/98	\$4,845,328
8. Big Stone City (DW-01)	\$600,000	07/22/98	\$4,245,328
9. Mobridge (DW-02)	\$355,000	07/22/98	\$3,890,328
10. Sioux Falls (DW-01) *	\$3,890,328	07/22/98	0

* Remainder of \$7,022,000 loan (\$3,131,672) is out of 1998 funds

2. Projects utilizing 1998 SRF funds:

Project	Loan Amount	Board Action	Balance
1998 Capitalization Grant & State Match			\$8,545,560
1. Set-Asides	\$309,852		\$8,235,708
2. Sioux Falls (DW-01) *	\$3,131,672	07/22/98	\$5,104,036
3. Brandon (DW-01)	\$1,950,000	11/13/98	\$3,154,036
4. Mina Lake San Dist (DW-01)	\$255,200	11/13/98	\$2,898,836
5. Clear Lake (DW-01)	\$565,000	12/10/98	\$2,333,836
6. Hermosa (DW-01)	\$300,000	12/10/98	\$2,033,836
7. Vermillion (DW-01) **	\$873,173	05/13/99	\$1,160,663

* Remainder of \$7,022,000 loan (\$3,890,328) is out of 1997 funds

** Remainder of \$942,000 loan (\$68,827) is out of repayment funds

3. Projects utilizing 1999 SRF funds:

Project	Loan Amount	Board Action	Balance
1999 Capitalization Grant & State Match			\$8,956,560
1. Set-Asides	\$423,552		\$8,533,008

4. Projects utilizing deobligated funds:

Project	Loan Amount	Board Action	Balance
1997-1999 Deobligated Funds			\$1,126,043

5. Projects utilizing repayment funds:

Project	Loan Amount	Board Action	Balance
1997-1999 Repayments			\$182,030
1. Vermillion (DW-01)	\$68,827	05/13/99	\$113,203

**Note - All breakdowns listed in 1 through 4 are used for planning purposes only and do not reflect the actual source of payments. As payments are processed, oldest funds are expended first.

EXHIBIT V
 DRINKING WATER STATE REVOLVING FUND CASH DRAWS
 OCTOBER 1, 1998 TO SEPTEMBER 30, 1999

DISBURSEMENT NUMBER	DATE	RECIPIENT	OTHER FUNDS	STATE MATCH FUNDS	FEDERAL FUNDS	PAYMENT AMOUNT	
99A-01	11/05/98	State of South Dakota *	\$0.00	\$0.00	\$60,541.00	\$60,541.00	
99-01	11/05/98	Big Stone City (DW 01)	\$0.00	\$0.00	\$291,425.00	\$291,425.00	
99A-02	12/10/98	First National Bank/Sioux Falls**	\$0.00	\$0.00	\$1,875.00	\$1,875.00	
99-02	12/30/98	Black Hawk WUD (DW 01)	\$0.00	\$0.00	\$31,435.00	\$31,435.00	
99-03	02/25/99	Mobridge (DW 01)	\$0.00	\$0.00	\$39,211.00	\$39,211.00	
99-04	03/11/99	Mobridge (DW 01)	\$0.00	\$0.00	\$208,004.00	\$208,004.00	
99A-03	03/11/99	State of South Dakota *	\$0.00	\$0.00	\$39,800.00	\$39,800.00	
99-05	04/01/99	Brandon (DW 01)	\$0.00	\$0.00	\$431,354.00	\$431,354.00	
99-06	04/01/99	Mobridge (DW 01)	\$0.00	\$0.00	\$297,363.00	\$297,363.00	
99-07	04/22/99	Clear Lake (DW 01)	\$0.00	\$0.00	\$24,950.00	\$24,950.00	
99-08	04/29/99	Mobridge (DW 01)	\$0.00	\$0.00	\$220,513.00	\$220,513.00	
99-09	05/05/99	Brandon (DW 01)	\$0.00	\$0.00	\$368,617.00	\$368,617.00	
99-10	05/24/99	Black Hawk WUD (DW 01)	\$0.00	\$0.00	\$16,956.00	\$16,956.00	
99-11	05/27/99	Clear Lake (DW 01)	\$0.00	\$0.00	\$5,400.00	\$5,400.00	
99A-04	05/28/99	State of South Dakota *	\$0.00	\$0.00	\$41,600.00	\$41,600.00	
99-12	06/10/99	Hermosa (DW 01)	\$0.00	\$0.00	\$4,166.00	\$4,166.00	
99A-05	06/10/99	First National Bank/Sioux Falls**	\$0.00	\$0.00	\$4,125.00	\$4,125.00	
99-13	06/17/99	Sioux Falls (DW 01)	\$0.00	\$751,599.00	\$0.00	\$751,599.00	
99-14	06/17/99	Mobridge (DW 01)	\$0.00	\$0.00	\$154,477.00	\$154,477.00	
99-15	06/17/99	Black Hawk WUD (DW 01)	\$0.00	\$0.00	\$163,890.00	\$163,890.00	
99-16	06/17/99	Brandon (DW 01)	\$0.00	\$0.00	\$408,175.00	\$408,175.00	
99-17	06/17/99	Hermosa (DW 01)	\$0.00	\$0.00	\$1,969.00	\$1,969.00	
99-18	06/24/99	Sturgis (DW 01)	\$0.00	\$0.00	\$105,367.00	\$105,367.00	
99-19	06/24/99	Sioux Falls (DW 01)	\$0.00	\$442,439.00	\$0.00	\$442,439.00	
99A-06	07/06/99	State of South Dakota *	\$0.00	\$0.00	\$15,500.00	\$15,500.00	
99-20	07/19/99	Clear Lake (DW 01)	\$0.00	\$0.00	\$44,894.00	\$44,894.00	
99-21	07/22/99	Mobridge (DW 01)	\$0.00	\$0.00	\$45,432.00	\$45,432.00	
99-22	07/22/99	Mobridge (DW 02)	\$0.00	\$0.00	\$78,624.00	\$78,624.00	
99-23	07/22/99	Mina Lake SD (DW 01)	\$0.00	\$0.00	\$55,409.00	\$55,409.00	
99-24	07/29/99	Mina Lake SD (DW 01)	\$0.00	\$0.00	\$21,765.00	\$21,765.00	
99-25	07/29/99	Mobridge (DW 02)	\$0.00	\$0.00	\$160,896.00	\$160,896.00	
99-26	07/29/99	Black Hawk WUD (DW 01)	\$0.00	\$0.00	\$116,245.00	\$116,245.00	
99-27	08/05/99	Brandon (DW 01)	\$0.00	\$0.00	\$510,730.00	\$510,730.00	
99-28	08/05/99	Vermillion (DW 01)	\$68,827.00	\$0.00	\$216,688.00	\$285,515.00	
99-29	08/12/99	Clear Lake (DW 01)	\$0.00	\$0.00	\$27,039.00	\$27,039.00	
99-30	08/13/99	Hermosa (DW 01)	\$0.00	\$0.00	\$10,078.00	\$10,078.00	
99A-07	08/18/99	Alzheimer & Gray **	\$0.00	\$0.00	\$14,000.00	\$14,000.00	
99-31	08/26/99	Mina Lake SD (DW 01)	\$0.00	\$110,253.00	\$0.00	\$110,253.00	
99-32	08/26/99	Black Hawk WUD (DW 01)	\$0.00	\$109,624.00	\$0.00	\$109,624.00	
99-33	09/09/99	Vermillion (DW 01)	\$0.00	\$0.00	\$208,410.00	\$208,410.00	
99-34	09/09/99	Sioux Falls (DW 01)	\$0.00	\$964,618.00	\$0.00	\$964,618.00	
99-35	09/09/99	Sturgis (DW 01)	\$0.00	\$0.00	\$43,283.00	\$43,283.00	
99-36	09/16/99	Big Stone City (DW 01)	\$0.00	\$0.00	\$228,941.00	\$228,941.00	
99A-08	09/29/99	State of South Dakota *	\$0.00	\$0.00	\$49,000.00	\$49,000.00	
TOTALS					\$2,378,533.00	\$4,768,147.00	\$7,215,507.00

Administration*	\$206,441.00
Contracts **	\$20,000.00
Loan Disbursements	\$6,989,066.00
	<u>\$7,215,507.00</u>

**EXHIBIT VI
LETTER OF CREDIT
PROJECTED VS. ACTUAL DRAWS
FFY 1999**

QUARTER	PROJECTED DRAWS	ACTUAL DRAWS	DIFFERENCE
1ST	\$2,215,000	\$385,276	\$1,829,724
2ND	\$620,000	\$287,015	\$332,985
3RD	\$1,635,000	\$2,248,922	(\$613,922)
4TH	\$3,630,000	\$1,846,934	\$1,783,066
TOTAL	\$8,100,000	\$4,768,147	\$3,331,853

**EXHIBIT VII
ENVIRONMENTAL REVIEW AND
LAND PURCHASE INFORMATION**

Loan Recipient	Environmental Assessment Class	Environmental Assessment Publication Date	Land Purchase w/ SRF?
Brandon (DW-01)	FNSI	02/11/98	No
Clear Lake (DW-01)	CATEX	12/09/98	No
Hermosa (DW-01)	CATEX	12/17/98	No
Mina Lake San. Dist. (DW-01)	CATEX	11/04/98	No
Vermillion (DW-01)	FNSI	04/30/99	Yes *

* Drinking Water SRF repayments

EXHIBITS VIII - XII
DRINKING WATER SRF
FINANCIAL STATEMENTS
(Unaudited)

Exhibit VIII
Loan Participants
September 30,1999 (unaudited)

Customer Name	Rate/ Term	Loan Amount	Other Advances	State Advances	Federal Advances	Total Advances	Repayment Amounts	Loan Balances
Big Stone City	5.25%, 20	\$600,000	\$0	\$0	\$520,366	\$520,366	\$0	\$520,366
Black Hawk WUD	5.25%, 20	\$500,000	\$0	\$109,624	\$328,526	\$438,150	\$0	\$438,150
Brandon	5.00%, 20	\$1,950,000	\$0	\$0	\$1,718,876	\$1,718,876	\$0	\$1,718,876
Clear Lake	3.00%, 30	\$565,000	\$0	\$0	\$102,283	\$102,283	\$0	\$102,283
Hermosa	5.00%, 20	\$300,000	\$0	\$0	\$16,213	\$16,213	\$0	\$16,213
Lead-Deadwood San Dist	5.25%, 20	\$2,683,957	\$0	\$1,812	\$2,682,145	\$2,683,957	\$100,683	\$2,583,274
Madison	5.00%, 15	\$2,372,000	\$0	\$0	\$2,372,000	\$2,372,000	\$81,348	\$2,290,652
Mina Lake San Dist	5.00%, 20	\$255,200	\$0	\$110,253	\$77,174	\$187,427	\$0	\$187,427
Mobridge (01)	5.25%, 20	\$965,000	\$0	\$0	\$965,000	\$965,000	\$0	\$965,000
Mobridge (02)	5.25%, 20	\$355,000	\$0	\$0	\$239,520	\$239,520	\$0	\$239,520
Sioux Falls	4.50%, 10	\$7,022,000	\$0	\$2,158,656	\$0	\$2,158,656	\$0	\$2,158,656
Sturgis	5.00%, 15	\$700,000	\$0	\$0	\$148,650	\$148,650	\$0	\$148,650
Vermillion	5.00%, 20	\$942,000	\$68,827	\$0	\$425,098	\$493,925	\$0	\$493,925
SRF PROGRAM TOTAL		\$19,210,157	\$68,827	\$2,380,345	\$9,595,851	\$12,045,023	\$182,031	\$11,862,992

EXHIBIT IX
 Projected Cash Flow Worksheet
 For 10/01/99 through 09/03/2000 (unaudited)

Customer Name	(Unaudited) Amount of Quarterly or Monthly Pymt	Total figured from From Quarterly or Monthly Pymt	Principal	Interest	Admin Surcharge
Big Stone City Initial Loan Amort Date 11/15/99	\$12,159	\$68,759	\$17,477	\$38,462	\$12,820
Black Hawk WUD Initial Loan Amort Date 01/01/99	\$10,133	\$42,016	\$10,851	\$23,374	\$7,791
Brandon Initial Loan Amort Date 01/01/00	\$40,218	\$125,396	\$39,849	\$67,537	\$18,010
Clear Lake Initial Loan Amort Date 09/30/99	\$0	\$0	\$0	\$0	\$0
Hermosa Initial Loan Amort Date 03/01/00	\$5,953	\$6,678	\$2,204	\$3,579	\$895
Lead-Deadwood San Dist	\$53,921	\$215,684	\$81,652	\$100,524	\$33,508
Madison	\$56,430	\$225,719	\$113,288	\$84,323	\$28,108
Mina Lake San Dist Initial Loan Amort Date 10/01/00	\$0	\$11,370	\$0	\$9,096	\$2,274
Mobridge (01) Initial Loan Amort Date 07/01/99	\$23,339	\$93,356	\$43,541	\$37,361	\$12,454
Mobridge (02) Initial Loan Amort Date 07/01/99	\$5,066	\$30,004	\$15,199	\$11,104	\$3,701
Sioux Falls Initial Loan Amort Date 07/01/00	\$48,251	\$206,498	\$61,738	\$112,591	\$32,169
Sturgis Initial Loan Amort Date 10/01/99	\$16,653	\$66,612	\$32,209	\$25,801	\$8,602
Vermillion Initial Loan Amort Date 07/01/00	\$0	\$0	\$0	\$0	\$0
SRF PROGRAM TOTAL		\$1,092,092	\$418,008	\$513,752	\$160,332

EXHIBIT X
DENR DRINKING WATER STATE REVOLVING FUND
BALANCE SHEET
September 30, 1999

	<u>1999</u>	<u>1998</u>
ASSETS:		
Cash and Cash Equivalents (Note 2)	\$642,994.80	\$89,966.00
Investments (Notes 3 and 4)	\$5,211,024.67	\$7,747,649.00
Loans Receivable (Exhibit VIII)	\$11,862,992.45	\$5,055,957.00
Federal LOC Commitment less Cash	\$16,939,803.00	\$14,244,150.00
Draws		
Accrued Interest Receivable	\$177,381.87	\$31,873.00
Due from Other Governments	\$38,619.82	\$10,624.00
Deferred Charges	\$281,152.21	\$296,214.00
	\$35,153,968.82	\$27,476,433.00
TOTAL ASSETS	\$35,153,968.82	\$27,476,433.00
 LIABILITIES AND FUND EQUITY:		
Liabilities:		
Accounts Payable	\$10,062.50	\$0.00
Bonds Payable (Note 5)	\$6,450,000.00	\$6,450,000.00
Cost of Issuance Payable	\$0.00	\$59,475.00
Accrued Admin Payable	\$0.00	\$75,980.00
Accrued Interest Payable	\$50,736.67	\$0.00
	\$6,510,799.17	\$6,585,455.00
Total Liabilities	\$6,510,799.17	\$6,585,455.00
Fund Equity:		
Contributions from EPA (Note 6)	\$27,143,900.00	\$19,680,100.00
Retained Earnings	\$75,009.65	(\$213,382.00)
Contributed Capital	\$1,424,260.00	\$1,424,260.00
	\$28,643,169.65	\$20,890,978.00
Total Fund Equity	\$28,643,169.65	\$20,890,978.00
TOTAL LIABILITIES AND FUND EQUITY	\$35,153,968.82	\$27,476,433.00

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

Exhibit XI
DENR DRINKING WATER STATE REVOLVING FUND
STATEMENT OF INCOME AND RETAINED EARNINGS
For the Fiscal Year Ended September 30, 1999

	<u>1999</u>	<u>1998</u>
Operating Revenues:		
Interest Income	\$273,539.76	\$49,415.00
Investment Income	\$524,934.27	\$43,388.00
Other Income	\$95,080.29	\$16,471.00
	<hr/>	<hr/>
Total Operating Revenue	\$893,554.32	\$109,274.00
	<hr/>	<hr/>
Operating Expenses:		
Administrative Expenses (Note 7)	\$243,682.60	\$206,996.00
Interest Expense	\$346,418.35	\$59,475.00
Bond Issuance Expense	\$9,981.24	\$3,327.00
Bond Discount Expense	\$5,080.55	\$1,694.00
	<hr/>	<hr/>
Total Operating Expenses	\$605,162.74	\$271,492.00
	<hr/>	<hr/>
Net Income from Operations	\$288,391.58	(\$162,218.00)
	<hr/>	<hr/>
Fund Equity, Beginning	(\$213,381.93)	(\$51,164.00)
	<hr/>	<hr/>
RETAINED EARNINGS, ENDING	\$75,009.65	(\$213,382.00)
	<hr/> <hr/>	<hr/> <hr/>

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

Exhibit XII
DENR DRINKING WATER STATE REVOLVING FUND
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended September 30, 1999

	<u>1999</u>	<u>1998</u>
Cash flows form operating activities:		
Net Income	\$288,391.58	(\$126,173.58)
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Investment Income	(\$586,456.66)	(\$43,388.00)
Amortization of bond issuance cost	\$9,981.24	\$3,327.00
Amortization of bond discount	\$5,080.55	\$1,694.00
Assets: (Increase)/Decrease		
Loans Receivable	(\$6,807,035.45)	(\$5,055,957.00)
Accrued Interest Receivable on Loans	(\$83,986.48)	(\$31,873.00)
Federal LOC Commitment less Cash Draws	(\$2,695,653.00)	(\$1,685,350.00)
Deferred Bond Issuance Costs	\$0.00	(\$301,235.00)
Due from Other Governments	(\$27,995.82)	(\$10,624.00)
Liabilities: Increase/(Decrease)		
Accounts Payable	\$10,062.50	
Bond Issuance	\$0.00	\$6,450,000.00
Accrued Interest payable	(\$25,243.33)	
Cost of Issuance Payable	(\$59,475.00)	\$59,475.00
Due to Other Funds	\$0.00	\$24,816.00
	\$9,972,329.87)	(\$715,288.58)
Net cash provided by operations		
Cash flows from noncapital financing activities:		
Unamortized Bond Issuance Costs	\$0.00	\$0.00
Unamortized Bond Discount Costs	\$0.00	\$0.00
Proceeds from sale of Bonds	\$0.00	\$0.00
Payment to Escrow Agent for Defeased Bonds	\$0.00	\$0.00
Contributions from State	\$0.00	\$1,424,260.00
Contributions from EPA	\$7,463,800.00	\$7,121,300.00
	\$7,463,800.00	\$8,545,560.00
Net cash provided by noncapital financing activities		
Cash Flows from Investing Activities:		
Interest on Investments	\$524,934.27	\$43,388.00
Net (Purchase/Sale) of Investment Securities	\$2,536,624.33	(\$7,747,649.00)
	\$3,061,558.60	(\$7,704,261.00)
Increase in Investments		
Net Decrease in cash and cash equivalents	\$553,028.73	\$126,010.42
Cash and cash equivalents at beginning of year	\$89,966.00	\$0.00
Cash and cash equivalents at year end	\$642,994.73	\$126,010.42

NOTES TO FINANCIAL STATEMENTS

The financial information contained on the Loan Participants; Projected Cash Flow Worksheet; Balance Sheets; Revenues, Expenses and Changes in Retained Earnings; and Cash Flows in Exhibits VIII through XII of the Drinking Water SRF Biennial Report is unaudited and prepared by personnel of the Department of Environment and Natural Resources, Division of Financial and Technical Assistance. The format for these statements is generally consistent with guidelines provided by EPA personnel.

Cash and Cash Equivalents consists of a Goldman Sachs Financial Square Treasury Obligation Fund rated "AAAm" by Standard and Poors, which paid on average approximately 4.81% for the year ending September 30, 1998.

Investments consist of an Investment Agreement at 5.56% with CDC Funding Corporation due August 1, 2008 totaling \$4,665,968.

Reserve Accounts consist primarily of an Investment Agreement at 5.56% with CDC Funding Corporation due August 1, 2008 totaling \$545,056.

Bonds outstanding plus principal and interest payments on the bond issue is due as follows:

	<u>Bonds Outstanding</u>	<u>February 1, 2000</u>	<u>August 1, 2000</u>
Series 1998 Bonds			
Principal	6,450,000		205,000
Interest		152,210	152,210
Total	6,450,000	152,210	357,210

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

September 30	
1997	12,558,800
1998	7,121,300
1999	7,463,800
Total	27,143,900

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

Year Ending 09/30/99	Cumulative Total
-------------------------	---------------------

State of South Dakota	223,683	464,530
First National Bank	6,000	8,813
Alzheimer & Gray	14,000	28,500
Other	0	0
Total	243,683	501,843

ADDENDUM I
FEDERAL FISCAL YEAR 2000
INTENDED USE PLAN

**SOUTH DAKOTA
DRINKING WATER STATE REVOLVING FUND
FY 2000 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 program. Program rules are established in Administrative Rules of South Dakota chapter 74:05:11. A public hearing was held on April 15, 1997, to approve the Drinking Water SRF rules and receive comments.

The state of South Dakota proposes to adopt the following Intended Use Plan (IUP) for the federal fiscal year 2000 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 State Revolving Fund 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 18, 1999, to review the 2000 Intended Use Plan and receive comments. The IUP reflects the results of this review.

The IUP includes the following:

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

PRIORITY LIST OF PROJECTS

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

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

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

Attachment II is a list of those projects from which the department expects to receive applications. The estimated funding dates are only estimates and should not be interpreted as deadlines or that the loan funds have been reserved. Projects with a later expected funding date may receive loans prior to those projects with an earlier date based on time of submittal of its funding application. Any project that is listed on the project priority list but is not listed on Attachment II, will be moved to Attachment II upon submittal of an application. Attachment II will be revised as projects are added. These revisions will not require approval by the Board of Water and Natural Resources.

**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.

The SRF program provides loans at the following rates for communities that are not considered disadvantaged: 4.5 percent for 10-year loans, 4.75 percent for 15-year loans, and 5.00 percent for 20-year loans. Loan rates and terms for disadvantaged communities are in the disadvantaged community subsidies section. Rates are reviewed annually and are set to be competitive with other funding agencies and to keep pace with inflation. The rate and term of a loan is at the discretion of the project sponsor provided the proposed repayment source produces sufficient coverage.

A one-percent administrative surcharge is included in the interest rate. This surcharge will be used for staff salary, benefits, travel, and overhead. Additionally,

this surcharge may be used for retaining of bond counsel, bond underwriter, and trustee. The administrative surcharge shall be waived for loans made to disadvantaged communities.

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.

FINANCIAL STATUS

Based on the most current information, the Drinking Water SRF loan program will receive a capitalization grant of \$7,757,000 for federal fiscal year 2000. Bonds have been secured to provide for the required state match of \$1,551,400. The bonding authority for this program is established in SDCL 46A-1-60.1.

As of November 1, 1999, thirteen loans totaling \$19,210,157 have been made.

The department will allocate funds 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	\$310,280
Total for set-asides	\$310,280

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

The department has received three previous capitalization grants totaling \$27,143,900 and has provided the required state match of \$5,428,780. Of this amount, \$2,611,636 was allocated to set-aside activities as follows: \$1,085,756 for administration, \$250,000 for small system technical assistance, \$20,000 for state program management – operator certification, and \$1,255,880 for source water assessment and delineation.

With the 2000 capitalization grant, the South Dakota Drinking Water SRF program will have dedicated \$39,071,497 for loans to qualifying public water systems. Of this amount, \$10,864,090 is available

for loan as of November 1999. When the state receives the FY 2000 capitalization grant, approximately \$9.0 million of additional funds will be available to loan. This amount is based on the best available information at this time. This information is provided in Attachment III, Drinking Water SRF Funding Status. The attached project priority list identifies \$44.6 million of potential loans. Projects can be amended to the project priority list at any Board of Water and Natural Resources meeting.

Moderate demand is expected on the program for calendar year 2000.

The department does not intend to leverage funds at this time. The department is taking a conservative approach to set-asides and subsidized loans 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.

SHORT- AND LONG-TERM GOALS AND OBJECTIVES

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 be reviewed annually by approved financial advisors 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 ensure the technical integrity of Drinking Water SRF projects through the review of planning, design plans and specifications, and construction activities;
2. 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;
3. To ensure compliance with all pertinent federal, state, and local safe drinking water rules and regulations; and
4. 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.

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

At the Governor's discretion, the state may transfer up to 33 percent of the Drinking Water SRF capitalization grant to the Clean Water SRF or an equivalent amount from the Clean Water SRF to the Drinking Water SRF. The state does not anticipate transferring funds in 2000.

DESCRIPTION AND AMOUNT OF NON-DRINKING WATER SRF 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 capitalization grant, or \$310,280 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, and trustee; and other costs to establish and administer the program.

Small system technical assistance. The objective of this set-aside is to bring non-complying systems into compliance and improve operations of water systems. Specific activities to be conducted are facility evaluations and on-site training covering all aspects of water treatment and distribution systems.

The department requested proposals from interested organizations for this activity in 1997. The board contracted with the South Dakota Rural Water Association and the five Planning Districts to help communities evaluate the technical, managerial, and financial capability of their water utility. It is anticipated that the \$250,000 in set-aside funds allocated previously to this activity will be sufficient to provide continuation of the activities initiated by the previous contract awards.

No funds will be set-aside for these activities in federal fiscal year 2000. Unused funds from the set-aside for small system technical assistance will be banked for use in future years.

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.

The department requested proposals from interested organizations for supplemental operator training in 1997. The board contracted with the South Dakota Rural Water Association to assist operators that were having difficulty becoming certified. It is anticipated that the \$20,000 in set-aside funds allocated previously to this activity will be sufficient to provide continuation of the activities initiated by the previous contract awards.

No funds will be set-aside for these activities in federal fiscal year 2000.

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) 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. The set-aside to delineate and assess source water protection areas was available only in federal fiscal year 1997. At that time \$1,255,880 was set-aside for this activity. These funds are available for four years for this activity.

No funds will be set-aside for these activities in federal fiscal year 2000.

DISADVANTAGED COMMUNITY SUBSIDIES

Communities seeking a Drinking Water SRF loan 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 80 percent of the state-wide median household income; and
 - (b) the monthly residential water bill is \$20 or more for 5000 gallons usage; or

- (2) for rural water systems:
 - (a) the median household income is below 80 percent of the state-wide median household income; and
 - (b) the monthly water bill for rural households is \$50 or more for 7000 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. The Board of Water and Natural Resources, through the rule-making process has provided for a two-percentage point reduction in interest rates as subsidies for disadvantaged communities. Zero-percent interest loans are available for disadvantaged communities with a median household income less than 60 percent of the statewide median household income. Disadvantaged communities may extend the loan term up to 30 years or the expected life of the project, whichever is less.

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

Identification of systems to receive subsidies and their amount. Systems that are eligible to receive subsidies are identified in Attachment I and Attachment II.

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 that are expected to be funded in FY 2000.

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
188	Carthage or Kingbrook RWS	C462268-01 or C462432-01	<i>Problem:</i> the city's water has occurrences of high sodium, sulfate, iron and manganese, and the cast iron and asbestos cement distribution system experiences leaks and breaks. <i>Project:</i> replace 8,300 feet of water mains.	\$185,000	0%, 30 Yrs.	221	Yes
170	Sioux RWS	C462433-01	<i>Problem:</i> the community of Estelline and nearby rural residences have water quality or quantity problems. <i>Project:</i> the installation of 140 miles of pipeline and three finished water storage reservoirs to provide Estelline and 150 rural residences with water from the Sioux Rural Water System.	\$1,250,000	3%, 30 yrs.	1,148	Yes
162	Randall CWS	C462435-01	<i>Problem:</i> rural users on individual wells located at the edge of the rural water system wish to be connected to a safe, reliable source. <i>Project:</i> install approximately 90,000 feet of PVC water pipe, a pneumatic pump station, and reducing valve.	\$280,000	0%, 30 yrs.	45	Yes
139	Garretson	C462063-01	<i>Problem:</i> the drinking water violates radium standards. <i>Project:</i> connect to nearby rural water system or construct treatment facility.	\$1,500,000	5%, 20 yrs.	924	
131	B-Y RWS (NW Hutchinson County Expansion)	C462431-02	<i>Problem:</i> the communities of Tripp, Scotland, and Dimock and nearby rural residences have water quality or quantity problems. <i>Project:</i> the	\$1,500,000	5%, 20 yrs.	3,650	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
130	B-Y RWS (Bon Homme Expansion)	C462431-01	installation of 145 miles of pipeline to provide Tripp, Scotland, Dimock, and 175 rural residences with water from the B-Y Rural Water System. <i>Problem:</i> the community of Tyndall and nearby rural residences have water quality or quantity problems. <i>Project:</i> the installation of 127 miles of pipeline to provide Tyndall and 127 rural residences with water from the B-Y Rural Water System.	\$1,300,000	5%, 20 yrs.	1,328	
128	Bryant	C462121-01	<i>Problem:</i> much of the existing distribution system is about 90 years old, which includes some lead service lines, and is experiencing numerous breaks and leaks. <i>Project:</i> replace lines and service lines.	\$140,000	3%, 30 yrs.	374	Yes
124	Summit	C462296-01	<i>Problem:</i> the community's shallow well produces water of marginal quality and the water tower is old and need of replacement. <i>Project:</i> connect to a rural water system by installing approximately 8.5 miles of 4-inch line and two pumping stations, as well as installing meters at each service within the community.	\$500,000	0%, 30 yrs.	267	Yes
121	Tripp County WUD	C462434-01	<i>Problem:</i> the communities of Gregory, Burke, Herrick, and St. Charles and nearby rural residences have water quality or quantity problems. <i>Project:</i> the installation of 88 miles of pipeline to provide Gregory, Burke, Herrick, St. Charles, and 92 rural residences with water from the Tripp County Water Users District.	\$2,400,000	3%, 30 yrs.	2,509	Yes
99	Waubay	C462025-01	<i>Problem:</i> the water system is experiencing system wide problems such as high levels of iron, manganese, and fluoride, aging cast iron mains, and deterioration of a pump house <i>Project:</i> connect to a rural water system, install	\$600,000	3%, 30 yrs.	647	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- taged
98	B-Y RWS (Treatment Plant Expansion)	C462431-03	18,3000 feet of 6- and 8-inch PVC mains. To replace cast iron mains, and replace the pump house. <i>Project:</i> the existing water treatment plant, constructed in 1978-79, will exceed its design peak day demand due to proposed expansion. <i>Project:</i> expand the capacity of the raw water intake and the water treatment plant.	\$3,900,000	5%, 20 yrs.	12,500	
95	Harrisburg	C462065-01	<i>Problem:</i> the existing system is at or near capacity due to growth within the community and the resulting increased water use. <i>Project:</i> connect to rural water system, construct 300,000 gallon elevated storage tower, and loop lines within system.	\$400,000	5%, 20 yrs.	727	
94	Canistota	C462226-01	<i>Problem:</i> the city is experiencing an increase in breaks in its 70-year-old, cast iron water mains,; additionally due to the lack of inoperable valves, large portions of the system must be without water to repair breaks, <i>Project:</i> this project will replace approximately 18,700 feet of cast iron lines with 6-and 8-inch PVC lines, replace 250 service lines, and install 115 valves.	\$750,000	3%, 30 yrs.	608	Yes
92	Kingbrook RWS	C462432-02	<i>Problem:</i> rural individual well users in Fedora area seek to connect to safe, reliable water source. <i>Project:</i> extend approximately 40 miles of pipeline to serve rural users.	\$300,000	5%, 20 yrs.	115	
87	Wentworth	C462004-01	<i>Problem:</i> the town is experiencing excessive water loss due to old, deteriorating lines. <i>Project:</i> replace approximately 6,600 feet of water main and appurtenances.	\$100,000	5%, 20 yrs.	181	
81	Aurora-Brule RWS	C462425-01	<i>Problem:</i> the three high lift pumps and the backwash pump within the treatment facility are undersized and have met or exceeded the normal	\$500,000	5%, 20 yrs.	3,500	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
81	Big Sioux RWS	C462439-01	pump life. <i>Project:</i> replace the pumps. <i>Problem:</i> areas around Wentworth and Lake Madison are experiencing low pressure problems, which will only be exacerbated with service to a proposed ethanol plant nearby. <i>Project:</i> construction of a 500,000 gallon storage tank, 1,500 feet of 10-inch line, 18,500 feet of 8-inch line, 8,000 feet of 6-inch line and appurtenances.	\$500,000	5%, 20 yrs	681	
69	Big Stone City	C462224-02	<i>Problem:</i> Existing cast iron water mains are deteriorating and experiencing an above-normal amount of breaks <i>Project:</i> replace approximately 4,400 feet of water mains, 9 fire hydrants, 44 service lines and appurtenances.	\$400,000	5%, 20 yrs	669	
65	Tyndall	C462131-01	<i>Problem:</i> water mains are old and deteriorating. <i>Project:</i> replace 2,450 feet of 6- and 8-inch PVC watermain, valves hydrants and appurtenances.	\$100,000	3%, 30 yrs.	1,201	Yes
64	Centerville	C462215-01	<i>Problem:</i> portions of the community is served by undersized cast iron mains that are deteriorating. <i>Project:</i> install 38,000 feet of 6-inch PVC water mains to replace existing mains, 88 valves, 45 hydrants, and 300 service lines.	\$1,700,000	5%, 20 yrs.	887	
61	Flandreau	C462125-01	<i>Problem:</i> the city's water source has been designated as "ground water under the influence of surface water," one of the three wells is inoperable, and the existing supply is high in iron and manganese. <i>Project:</i> connect to a rural water system, including construction of a new well to be part of an existing rural water system and pipeline, pumps and other necessary appurtenances.	700,000	5%, 20 yrs	2,311	
59	Lake Preston	C462011-01	<i>Problem:</i> water lines are old and deteriorating. <i>Project:</i> replace cast iron lines with PVC lines	\$100,000	3%, 30 yrs.	663	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advantaged
59	Tri-County Water Association, Inc.	C462438-01	as part of a street improvement project. <i>Problem:</i> the city of Isabel has had difficulty meeting water quality standards and is listed as a significant non-complier, due primarily to exceeding turbidity standard <i>Project:</i> connect to a rural water system by installing approximately 30 miles of pipe and appurtenances.	\$650,000	3%, 30 yrs.	319	Yes
57	TM Rural Water District (Phase III)	C462429-01	<i>Problem:</i> rural residences have requested to receive water from the T-M Rural Water System to ensure a safe and reliable source of water. <i>Project:</i> the installation of water mains and associated appurtenances to connect 58 rural residences to the T-M Rural Water System.	\$780,000	5%, 20 yrs.	145	
54	Tripp	C462238-01	<i>Problem:</i> the city is experiencing inadequate water pressure and leaks in its 65 to 75-year-old, cast iron water mains. <i>Project:</i> Replace approximately 5,000 feet of 4-inch cast iron mains with 6-inch PVC,	\$130,000	3%, 30 yrs.	664	Yes
50	Hartford	C462104-01	<i>Problem:</i> cast iron mains within the system are undersized and deteriorating resulting in high maintenance. <i>Project:</i> replace 9,600 feet of cast iron main with PVC pipe.	\$300,000	5%, 20 yrs.	1,262	
45	Dell Rapids	C462064-01	<i>Problem:</i> community growth is causing portions of the system to become undersized and inadequate. <i>Project:</i> construction of a 400,000-gallon elevated storage tank, improvements to a pumping station and replacement of undersized and outdated distribution lines and appurtenances.	900,000	5%, 20 yrs	2,484	
42	Clay RWS	C462437-01	<i>Problem:</i> rural users currently depend on individual wells that vary in quantity and quality. <i>Project:</i> expand the rural water system's service area by installing over 28 miles	\$400,000	5%, 20 yrs.	150	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- tagged
35	Lennox	C462105-01	of 2-, 2.5- and 3-inch lines, and appurtenances. <i>Problem:</i> old and deteriorating water lines need replaced. <i>Project:</i> install 20,230 feet of 6- and 8-inch water main services, and appurtenances as part of a 4-year city-wide curb and gutter project.	\$690,000	5%, 20 yrs.	1,767	
33	Mitchell	C462129-01	<i>Problem:</i> the city's primary water source is Lake Mitchell, and nutrients carried to the lake promote high algae growth resulting in taste and odor problems that cannot be removed. <i>Project:</i> connect to the B-Y Rural Water System as a supplemental source.	\$10,100,000	5%, 20 yrs.	13,790	
30	Tyndall	C462131-02	<i>Problem:</i> the system is experiencing 35% water loss due to old water mains. <i>Project:</i> installation of 20,800 feet of piping to address water loss and provide looping of lines in dead-ends.	\$500,000	3%, 30 yrs.	1,201	Yes
28	Conde	C462082-01	<i>Problem:</i> users at the ends of the distribution system experience low volume and pressure problems due to four-inch lines within the system and because the system is not looped. <i>Project:</i> replace a portion of the system with six-inch lines and install additional lines to loop the system.	\$117,000	3%, 30 yrs.	203	Yes
23	Lake Norden	C462256-01	<i>Problem:</i> the city's elevated storage tank, that is about 70 years old and leaks; is located near a processing plant, and during "wash down" at the plant low pressure problems occur in areas of town. <i>Project:</i> construction of a 200,000-gallon elevated storage tank and appurtenances.	\$174,000	5%, 20 yrs.	427	
22	Ramona	C462382-01	<i>Problem:</i> the city's reinforced concrete storage reservoir is failing structurally and the pneumatic pressure system has outlived its life	\$100,000	5%, 20 yrs.	194	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan-taged
22	Sioux Falls	C462232-02	expectancy. <i>Project:</i> construction of a 50,000-gallon elevated storage tank and appurtenances. <i>Problem:</i> components of water treatment plant are near the end of their useful life and areas within the city are experiencing reduced pressure. <i>Project:</i> upgrade various components of the water plant and install/upgrade water towers and pumping stations	\$5,000,000	4.5%, 10 yrs.	100,814	
18	Fall River Water Users Dist.	C462435-01	<i>Problem:</i> Lack of reliable water sources in eastern Fall River County. <i>Project:</i> construction of a rural water system.	\$759,000	3%, 30 yrs.	275	Yes
11	Lead	C462007-01	<i>Problem:</i> the city is undertaking a large infrastructure replacement project of which a portion involves replacing water mains that for the most part are 90-year old, 4-inch cast iron lines <i>Project:</i> install approximately 3,300 feet of 6-inch and 8-inch PVC line to replace the existing cast iron lines.	\$189,000	5%, 20 yrs.	3,632	
10	Custer	C462021-01	<i>Problem:</i> waterlines within the city's commercial district, are old, undersized, and deteriorating. <i>Project:</i> install approximately 8,500 feet of 4-, 6-, and 8-inch PVC watermains, and appurtenances.	\$725,000	5%, 20 yrs.	1741	
8	Aberdeen	C462072-01	<i>Problem:</i> many of the chemical feed and process control systems in the treatment plant are near the end of their useful life and must be replaced to ensure compliance. <i>Project:</i> replace older manually controlled chemical feed systems with flow paced systems; upgrade process control system, electrical system, and motor control center; install telemetry for water towers; and other miscellaneous improvements	\$2,873,000	4.5%, 10 yrs.	24,927	
8	Irene	C462255-01	<i>Problem:</i> the citys' water mains are 50 years	\$100,000	5%, 20 yrs.	464	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis-advan- tagged
7	Volin	C462405-01	old and susceptible to intermittent failures. <i>Project:</i> replace 2,140 feet of 6-inch water main and 670 feet of 4-inch laterals in conjunction with a DOT resurfacing project. <i>Problem:</i> mineral deposits within the community's 85-year old cast iron water mains have effectively reduced the water main capacity by 50% and rendered the distribution valves inoperable. <i>Project:</i> Replace approximately 4,500 feet of water mains and install 10 valves.	\$154,000	5%, 20 yrs.	175	
5	Chamberlain	C462044-01	<i>Problem:</i> components of the water treatment facility must be updated to insure a high quality water supply that meets demand and standards. <i>Project:</i> upgrade instrumentation and controls, replace components of the sedimentation basin and accelerator, upgrade filtration system, replace chemical feed units, and install backwash pumping facilities.	\$625,000	5%, 20 yrs.	2,347	
4	Tea	C462028-01	<i>Problem:</i> new street needs water service. <i>Project:</i> install 3,060 feet of 6- and 8-inch PVC water main.	\$100,000	5%, 20 yrs.	786	
3	Isabel	C462282-01	<i>Problem:</i> the city is experiencing breaks due to rusting and deteriorating ductile iron mains. <i>Project:</i> replace approximately 14,700 feet of ductile iron mains with 6-inch pvc.	\$160,000	3%, 30 yrs..	319	Yes

**ATTACHMENT II
LIST OF PROJECTS TO BE FUNDED IN FY2000**

Priority Points	Community/ Public Water System	Project Number	Amount	Estimated Funding Date	Expected Cap Grant	Dis- advantaged?
18	Fall River	C462435-01	\$759,000	December, 1999	1999	Yes
128	Bryant	C462121-01	\$140,000	December 1999	1999	Yes
22	Sioux Falls	C462232-02	\$5,000,000	January 2000	1999	
188	Carthage/Kingbrook RWS	C462268-01/ C460432-01	\$185,000	January 2000	1999	Yes
11	Lead	C462007-01	\$189,000	January 2000	1999	
2	Isabel	C462282-01	\$160,000	January 2000	1999	Yes
33	Mitchell	C462129-01	\$12,000,000	April 2000	1999/2000	
5	Chamberlain	C462044-01	\$625,000	June 2000	2000	
95	Harrisburg	C462065-01	\$400,000	June 2000	2000	
69	Big Stone City	C462224-02	\$400,000	June 2000	2000	
50	Hartford	C462104-01	\$300,000	July 2000	2000	
35	Lennox	C462105-01	\$690,000	July 2000	2000	

**ATTACHMENT III
DRINKING WATER SRF PROGRAM FUNDING STATUS**

FFY 1997 - 1999

Capitalization Grants	\$27,143,900	
State Match	\$5,428,780	
Set-Asides	(\$2,611,636)	
Available to Loan		\$29,961,044

FY 2000

Capitalization Grants	\$7,757,000	
State Match	\$1,551,400	
Set-Asides	(\$310,280)	
Repayments available as of 10/1/99	\$113,203	
Available to Loan		<u>\$9,111,323</u>
Total Funds Dedicated to Loan		\$39,072,367
Loans made through November 1, 1999		<u>(\$19,210,157)</u>
Funds Available for Loans with FY 2000 Cap. Grant		<u>\$19,862,210</u>
Funds Available for Loans as of November 1, 1999		<u>\$10,864,090</u>
Amount of Estimated Loans Identified on Attachment I of FFY 2000 Intended Use Plan		<u>\$44,631,000</u>

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