

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

**BOARD OF WATER  
AND NATURAL RESOURCES**

**September 22-23, 2016**

**DIGITAL DAKOTA NETWORK**

**Friday, September 23, 2016**

**8:30 a.m. to 11:30 a.m. MDT**

**September 22, 2016 (Thursday)**

**Thursday's session will begin at 9:00 am MDT from Spearfish Holiday Inn, 305 N 27<sup>th</sup> Street,  
Spearfish, SD**

**Tour of Facilities in the Belle Fourche Watershed**

***If you wish to participate in the tour, please contact Jared Oswald at (605) 394-6400***

**TOUR DESTINATIONS**

**9:00 AM – 1:00 PM – Hills Area Tour**

9:00 AM – Leave from Spearfish Holiday Inn

9:20 AM – Arrive at Spearfish Lodge – Tour Little Spearfish Falls or Roughlock Falls

10:30 AM – Leave Spearfish Lodge

10:50 AM – Arrive at City of Spearfish Hydro Plant

11:30 AM – Leave Hydro Plant

11:45 AM – 1:00 PM – Lunch at Spearfish City Park/DC Booth Fish Hatchery

**1:00 PM – 4:00 PM – Plains Area Tour**

1:00 PM – Leave from Spearfish

1:30 PM – Arrive at Orman Dam – Tour of interpretive site, gatehouses, dredging

2:45 PM – Leave Orman Dam

3:00 PM – Arrive at Belle Fourche Irrigation District Indian Creek Lateral Automation

3:20 PM – Leave Indian Creek Lateral Automation

4:00 PM – Arrive at Spearfish Holiday Inn

**5:00 PM – 7:00 PM – Social/Supper at Elk Horn Country Club & Resort, 6845 St Onge Rd,  
Spearfish, SD 57783**

Notice is given to individuals with disabilities that this meeting is being held in a physically accessible location. Please notify the Department of Environment and Natural Resources at least 48 hours before the meeting if you have a disability for which special arrangements must be made. The telephone number for making arrangements is (605) 773-4216.

**September 23, 2016 (Friday)**

Call to order at 8:30 a.m. MDT

Via Digital Dakota Network (DDN) from 8:30 a.m. to 11:30 a.m. MDT

**A list of DDN sites is attached.**

**AGENDA**

**\*\*Scheduled times are estimates only. Some items may be delayed due to prior scheduled items or may be moved up on the agenda.\*\***

**8:30 a.m. MDT**

1. Call meeting to order
2. Approve agenda
3. Approve minutes of the June 23, 2016 meeting
4. Conflict of Interest Waivers — Mike Perkovich
5. Amendments to 2016 State Water Facilities Plan, 2016 Clean Water State Revolving Fund and 2016 Drinking Water State Revolving Fund Intended Use Plans — Andy Bruels
  - a. Gregory
  - b. Martin
  - c. Sioux Falls
  - d. Terry Trojan Water Project District
6. Solid Waste Management Program Funding Applications — Drew Huisken
  - a. Ecomaniacs
  - b. Madison
  - c. Naples
  - d. Northwest SD Regional Landfill
  - e. Seneca
  - f. Tri-County Landfill Association
7. Miller Request to Rescind Clean Water SRF loans C461128-01 and C461128-02 — Mike Perkovich
8. Brookings-Deuel Rural Water System Amendment for Drinking Water SRF Loan C462453-03 — Derek Lankford
9. Viborg Request to Amend Clean Water SRF Loan C461240-02 and Drinking Water SRF Loan C462240-01 — Derek Lankford
10. Big Sioux Rural Water System Drinking Water C462439-03 SRF Loan and Consolidated Grant 2016G-107 Agreement Scope Amendment — Andy Bruels
11. Lewis & Clark Regional Water System SWRMS Loan Agreement Scope Amendment — Andy Bruels
12. AGRAT2 LLC Solid Waste Management Program Grant 2017G-REC-202 and Loan 2017L-REC-202 Scope Amendment — Andy Bruels
13. Hydrologic & Hydraulic Model of the Big Sioux Basin Status Update — Jim Feeney
14. State Fiscal Year 2016 State Revolving Funds Report to the Interim Bonding Review Committee — Mike Perkovich
15. Authorization to Request For Proposal of Trustee, Loan Servicer, and Paying Agent/Registrar Services for the State Revolving Fund Loan Programs — Jim Feeney
16. Election of Officers
17. November 9, 2016 Meeting
18. Adjourn

**Digital Dakota Network Sites**

**Board of Water and Natural Resources**

**September 23, 2016**

**8:30 a.m. MDT**

**ABERDEEN**

Northern State University  
1200 S. Jay  
Beulah Williams Library, Room 117

**BROOKINGS**

Department of Transportation  
2131 34th Avenue

**HURON**

Department of Transportation  
901 Dakota Avenue North

**MITCHELL**

Mitchell Technical Institute  
1800 E. Spruce Street  
MTI Technology Center, Room 155

**PIERRE**

Capitol Building  
500 E. Capitol Avenue  
Room B12, Studio A

**SPEARFISH**

Black Hills State University  
1200 University Street  
E.Y. Berry Library, Room LIB0011

**SIOUX FALLS**

University Center  
4801 N. Career Avenue  
Room FADM 145

**WATERTOWN**

Department of Environment and Natural Resources  
2001 9th Avenue SW  
Suite 500

The audio recording for this meeting is available on the South Dakota Boards and Commissions Portal at <http://boardsandcommissions.sd.gov/Meetings.aspx?BoardID=108>

Minutes of the  
Board of Water and Natural Resources Meeting  
Matthew Training Center  
523 East Capitol  
Pierre, South Dakota

June 23, 2016  
10:00 a.m. Central Time

CALL MEETING TO ORDER: Chairman Brad Johnson called the meeting to order. A quorum was present.

BOARD MEMBERS PRESENT: Brad Johnson, Todd Bernhard, Paul Goldhammer, Jerry Soholt, Gene Jones, Jr., and Paul Gnirk.

BOARD MEMBERS ABSENT: Jackie Lanning.

OTHERS PRESENT: See attached attendance sheets.

APPROVE AGENDA: Mike Perkovich noted he would present agenda item No. 16, rather than Nick Nelson, and if there is time before the lunch break, agenda item No. 25 will be moved up on the agenda. Chairman Johnson approved the agenda with the changes.

APPROVE MINUTES OF MARCH 30-31, 2016, MEETING: Motion by Bernhard, seconded by Jones, to approve the minutes of the March 30-31, 2016, Board of Water and Natural Resources meeting. Motion carried unanimously.

APPROVE MINUTES OF MAY 11, 2016, MEETING: Motion by Jones, seconded by Soholt, to approve the minutes of the May 11, 2016, Board of Water and Natural Resources meeting. Motion carried unanimously.

AMENDMENT TO STATE WATER PLAN, 2016 CLEAN WATER STATE REVOLVING FUND INTENDED USE PLAN PROJECT PRIORITY LIST, AND 2016 DRINKING WATER STATE REVOLVING FUND INTENDED USE PLAN PROJECT PRIORITY LIST

**Amendments to State Water Plan**

Andy Bruels reported that water projects which will require state funding or need state support for categorical grant or loan funding must be on the State Water Plan. The Board of Water and Natural Resources annually approves projects for placement onto State Water Facilities Plan and provides for amendments of projects onto the plan on a quarterly basis. Placement of a project on the State Water Plan by the board provides no guarantee of funding. The projects placed onto the plan at this meeting will remain on the facilities plan through December 2017.

Projects seeking a Clean Water or Drinking Water State Revolving Fund loan must be included on the project priority list of the Intended Use Plan (IUP). The State Water Plan applications are used to determine which projects should be amended onto the State Revolving Fund Project Priority Lists.

Seven State Water Plan applications were received by the May 1, 2016, deadline. While presenting the State Water Plan applications, Mr. Bruels identified those projects to be amended on the Clean Water SRF and Drinking Water SRF IUP project priority lists.

**Blunt** requested amendment onto the facilities plan to replace 180 water meters with radio read meters, and to replace several valves and curb stops on the distribution lines that are inoperable. The estimated total project cost is \$645,000.

The project will be placed on the Drinking Water SRF IUP with two separate projects; one with 13 priority points for meters and an estimated loan amount of \$530,000 at 2.25 percent interest for 10 years and one for a distribution system with 13 priority points and an estimated loan amount of \$115,000 at 3.25 percent interest for 30 years. The water meter project will also be placed onto the Clean Water IUP with five priority points and an estimated loan amount of \$530,000 at 2.25 percent interest for 10 years.

**Lake Norden** requested amendment onto the facilities plan to replace a water filter at the water treatment plant that removes iron and manganese from the community's water. The estimated total project cost is \$500,000.

This project will be placed on the Drinking Water IUP with 53 priority points and an estimated loan amount of \$500,000 at 2.25 percent interest for 20 years.

**Lead** requested amendment onto the facilities plan to install storm sewer along a portion of Prospect Avenue. The estimated total project cost of \$96,385.

The project will be placed on the Clean Water IUP with eight priority points and an estimated loan amount of \$48,905 at 3.25 percent interest for 30 years.

**Veblen (Water)** requested amendment onto the facilities plan to replace water main and loop the distribution system, replace water meters with radio read meters, and construct a water storage tank. The estimated total project cost is \$2,976,100.

The project will be placed on the Drinking Water IUP with 134 priority points and an estimated loan amount of \$2,976,100 at 0 percent interest for 30 years.

**Veblen (Wastewater)** requested amendment onto the facilities plan to replace or reline the existing sanitary sewer collection system and to install riprap at the treatment ponds. The estimated total project cost is \$2,137,000.

The project will be placed on the Clean Water IUP with 8 priority points and an estimated loan amount of \$2,137,000 at 3.25 percent interest for 30 years.

**Walworth County** requested amendment onto the facilities plan to construct a solid waste disposal cell at the regional landfill to provide needed capacity for solid waste. The estimated total project cost is \$750,000.

The project will be placed on the Clean Water IUP with 15 priority points and an estimated loan amount of \$500,000 at 2.25 percent interest for 10 years.

**Yankton** requested amendment onto the facilities plan to construct a new water treatment facility and make improvements to an existing treatment plant. The project will install new reverse osmosis treatment units and increase the overall capacity of the city’s water supply. The estimated total project cost is \$34,500,000.

The project will be placed on the Drinking Water IUP with 73 priority points and an estimated loan amount of \$34,500,000 at 3 percent interest for 20 years.

Staff recommended amending all seven of the projects onto the facilities plan.

Motion by Gnirk, seconded by Jones, to amend the seven projects onto the facilities plan. Motion carried unanimously.

**Amendments to the Clean Water SRF Intended Use Plan Project Priority List**

Staff recommended the addition of the following projects to the Project Priority List of the Clean Water SRF IUP.

<b>Priority Points</b>	<b>Loan Recipient</b>	<b>Estimated Loan Amount</b>	<b>Expected Loan Rate &amp; Term</b>
15	Walworth County	\$500,000	2.25%, 10 years
8	Lead	\$48,905	3.25%, 30 years
8	Veblen	\$2,137,000	3.25%, 30 years
5	Blunt	\$530,000	2.25%, 10 years

Motion by Gnirk, seconded by Jones, to approve the addition of the four projects to the 2016 Clean Water SRF IUP Project Priority List. Motion carried unanimously.

**Amendments to the Drinking Water SRF Intended Use Plan Project Priority List**

Staff recommended the addition of the following projects to the Project Priority List of the Drinking Water SRF IUP.

<b>Priority Points</b>	<b>Loan Recipient</b>	<b>Estimated Loan Amount</b>	<b>Expected Loan Rate &amp; Term</b>
134	Veblen	\$2,976,100	0%, 30 years
73	Yankton	\$34,500,000	3.0%, 20 years
53	Lake Norden	\$500,000	2.25%, 20 years
13	Blunt – Water Meters	\$530,000	2.25%, 10 years
13	Blunt – Distribution	\$115,000	3.25%, 30 years

Motion by Gnirk, seconded by Soholt, to approve the addition of the five projects to the 2016 Drinking Water SRF IUP Project Priority List. Motion carried unanimously.

AMENDMENT TO THE NARRATIVE OF THE 2016 CLEAN WATER SRF INTENDED USE PLAN: Mr. Bruels reported that at the March meeting staff brought this proposed change to the narrative of the Clean Water IUP to the board; however, Terry Helms with Helms & Associates expressed concerns with the proposed change and requested the board not take action until he or other members of the public reviewed the information in more detail.

Mr. Bruels stated that to comply with provisions of the Water Resources Reform and Development Act (WRRDA) of 2014, the narrative portion of the Clean Water Intended Use Plan concerning procurement of architectural and engineering services is proposed to be amended. WRRDA requires that any project to be considered an equivalency project for an amount equal to each year's capitalization grant comply with the federal regulations for procurement of architectural and engineering services or that no funds are disbursed for those services as a part of the loan.

The federal procurement procedures require a request for proposals and negotiations between a loan recipient and a consulting firm prior to any work beginning. The proposal may not include cost as a part of the selection procedures. Currently, no state laws in South Dakota require a procedure similar to this, and in most cases by the time a project is brought to the board for funding, an engineering contract has been signed that would not be in compliance with these requirements.

In the past, sufficient consolidated funding was provided to projects to allow those funds to pay for the architectural and engineering costs and the SRF funds to pay for the construction costs. This is difficult and, with limited consolidated funding, can limit the board's flexibility in funding projects.

The proposed change to the IUP will not require a recipient to follow the federal procedure for procurement of engineering services. It will, however, allow DENR to utilize a project for reporting purpose if the recipient follows the procurement process voluntarily.

At an upcoming board meeting, the city of Sioux Falls will be requesting funding for a project that the city has worked with DENR staff on to make sure the request for proposals comply with the federal procurement procedures. This was something DENR staff asked Sioux Falls to consider doing since it did not change the city's procedures greatly, and it will allow a large loan to be counted for reporting to EPA. DENR staff would like to have the ability to work with other communities, if the opportunity presents itself, to work with them in a similar manner.

The change to the IUP narrative will read as follows, with the new section underscored:

Section 602(b)(14) – Procurement of Architectural and Engineering Services – The state will not provide Clean Water SRF assistance to projects for architectural or engineering services that are identified as an equivalency project in the annual report, unless the project has complied with the architectural and engineering procurement procedures identified in 40 U.S.C. 1101 et seq.

Mr. Bruels stated that he provided Mr. Helms with some additional information and explanation on what the changes meant. On May 20, 2016, DENR received a letter addressed to Chairman Johnson

from Mr. Helms indicating that he had no further objections to the amendment and encouraging the Board to approve it. A copy of this letter was included as a part of the board packet.

Mr. Bruels noted that making this change will have no impact on most of the applicants, and it is essentially to provide staff some flexibility to comply with EPA regulations. At this time, staff anticipates any borrowers participating in following the federal procurement procedures will be done on a voluntary basis.

Mr. Bruels stated that other minor changes were made to sections of the IUP to reflect the actual capitalization grant award amounts and update information.

Staff recommended the acceptance of the proposed changes to the narrative of the 2016 Clean Water SRF Intended Use Plan as presented.

Motion by Gnirk, seconded by Jones, to approve the changes to the narrative of the 2016 Clean Water SRF IUP. Motion carried unanimously.

AMENDMENT TO THE NARRATIVE OF THE 2016 DRINKING WATER SRF INTENDED USE PLAN: Mr. Bruels stated that the majority of funding for federal regulatory programs delegated to DENR is awarded by EPA through a Performance Partnership Agreement (PPA). This agreement includes federal regulatory program funds awarded under the Clean Water, Clean Air, Drinking Water, and Resource Conservation and Recovery acts.

Mr. Bruels presented a graph showing the total amount of federal funds awarded to DENR through the agreement during the last eight years. The trend during the last three years has been down. Consequently, federal EPA funding has not kept up with state salary policies and other operating costs, which have been increasing as well. In order for the department's regulatory programs to continue meeting all federal requirements, additional funds are needed.

The Drinking Water SRF program has several different amounts, known as set-asides, that can be taken from the capitalization grant. These set-asides are identified in the IUP that was approved in November 2015. The proposed change is to utilize an option in the State Program Management set-aside. This set-aside allows for up to 10 percent of the capitalization grant to be used to administer the Public Water System Supervision (PWSS) program and requires a dollar-for-dollar match from the state. South Dakota is one of only six Drinking Water SRF programs nationwide not to have utilized this set-aside for PWSS funding. The others are Alabama, Illinois, Pennsylvania, Puerto Rico, and Wyoming (does not have primacy).

Staff proposed to set aside \$400,000 from the 2016 capitalization grant to maintain PWSS funding at sufficient levels. Currently, federal PPG funds cover approximately 75 percent of PWSS activities with the remaining 25 percent being provided by PWSS fees. In order to maintain the current PWSS fee structure, it is proposed to use \$200,000 in Drinking Water SRF administrative surcharge fees to provide half of the required dollar-for-dollar match. Changes to several sections of the Drinking Water SRF IUP narrative have been made to reflect this amendment, which are shown on the title page for the item.

Mr. Bruels noted that while this is the first time using the funds for this purpose, staff does anticipate that this will become an ongoing occurrence unless funding levels from EPA for the PWSS program are increased.

Mr. Bruels noted that a few other minor updates and adjustments to values were made to the IUP as well.

Staff recommended approval of the changes to the narrative of the 2016 Drinking Water Intended Use Plan, as presented.

Motion by Sohlt, seconded by Gnirk, to approve the changes to the narrative of the 2016 Drinking Water SRF IUP. Motion carried unanimously.

AMENDMENT TO FY 2012 DRINKING WATER SRF INTENDED USE PLAN: Mr. Bruels reported that the FY 2012 Drinking Water State Revolving Fund Intended Use Plan was approved by the Board of Water and Natural Resources in November 2011 and amended in March and June 2012, September 2013, and January and March 2014.

The Local Assistance and Other State Programs set-aside in the 2012 Capitalization grant allows for up to 15 percent of the capitalization grant to be used to assist development and implementation of local drinking water protection activities. Funds used from this set-aside have been used to conduct energy audits and to help small communities that receive an SRF loan to complete the capacity assessment and improve technical, managerial or financial capacity.

A recent directive from EPA has been to get all older capitalization grants fully expended to include set-aside funds, and in turn, reduce the amount of unliquidated obligations in the Drinking Water SRF program. The amendment to the IUP will allow the department to meet the spend-down goals established by EPA.

Below is the section within the narrative portion of the Intended Use Plan that will be changed shown as underlined:

**Description and Amount of Non-Project Activities (Set-Asides)**

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

The state can fund other activities to assist development and implementation of local drinking water protection activities. Up to 15 percent of the capitalization grant may be used for the activities specified below, but not more than 10 percent can be used for any one activity. The allowable activities for this set-aside are: (1) assistance to a public water system to acquire land or a conservation easement for source water protection; (2) assistance to a community water system to implement voluntary, incentive-based source water quality protection measures; (3) to provide funding to delineate and assess source water protection areas; (4) to support the establishment and implementation of a wellhead protection program; and (5) to provide funding to a community water system to implement a project under the capacity development strategy.

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

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

In 2008, the Midwest Assistance Program (MAP) began assisting small communities that received an SRF loan and recommendations were made in the capacity assessment to improve the technical, financial, or managerial capacity of the system. In addition, the Midwest Assistance Program has assisted in the review of capacity assessments required as part of the Drinking Water SRF loan applications. The DENR and the Midwest Assistance Program will continue the partnership in FY 2012.

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

To comply with unliquidated obligation spend down requirements, up to \$180,000 in excess local assistance funds from the 2012 capitalization grant will be transferred back to the loan fund.

Staff recommended approval of the proposed amendments to the 2012 Drinking Water SRF Intended Use Plan.

Motion by Jones, seconded by Bernhard, to approve the amendments to the narrative of the 2012 Drinking Water SRF IUP. Motion carried unanimously.

MIDWEST ASSISTANCE PROGRAM DRINKING WATER SRF SET-ASIDE CONTRACT:

Jon Peschong reported that the board has a current contract with Midwest Assistance Program (MAP) for providing technical assistance and completing capacity assessment reviews for technical, financial and managerial capacity for drinking water applications. During the current contract MAP has assisted 12 communities and provided over 271 hours for these activities.

MAP has requested a new contract at an hourly rate of \$71.00 per hour not to exceed 700 hours for a total contract amount of \$49,700. The contract period will be from July 1, 2016, through June 30, 2017.

Staff recommended the board adopt a resolution authorizing the chairman to execute a contract with Midwest Assistance Program to provide assistance in capacity assessments to improve technical, financial, or managerial capacity for small systems in South Dakota.

Mr. Peschong and Mr. Feeney answered questions from the board.

Motion by Soholt, seconded by Gnirk, to adopt **Resolution #2016-49** approving the consulting contract in an amount not to exceed \$49,700 between the Board of Water and Natural Resources and **Midwest Assistance Program** to provide Drinking Water SRF local assistance set-aside services, and authorizing execution of the contract. Motion carried unanimously.

PLANNING DISTRICTS' JOINT POWERS AGREEMENTS: Derek Lankford reported that the board has contracted with the planning districts to assist communities with State Revolving Fund (SRF) applications and administration since 2005 and with Davis-Bacon monitoring since 2009. Pursuant to Intended Use Plans and Omnibus bills, the board has allocated funds to each of the planning districts to continue to provide this assistance to recipients of SRF funding.

The agreements limit the SRF application/administration reimbursement rate to either \$7,500 for loans before March 27, 2015, or \$9,000 per loan application after that date, subject to three installment payments: (1) approval of loan by BWNR, (2) first disbursement of funds to borrower, and (3) final disbursement of funds to borrower.

The agreements limit the Davis-Bacon reimbursement rate to either \$1,000 per loan before March 27, 2015, or \$1,100 per loan applications after that date, subject to two installment payments: (1) first disbursement of funds to borrower and (2) upon receipt of the contractor's payrolls and employee interviews.

Staff proposed to enter into Joint Powers Agreements with each of the planning districts for SRF application and administration and Davis-Bacon monitoring in the following amounts:

Black Hills Council of Local Governments	\$291,000
Central South Dakota Enhancement District	\$219,000
First District Assn of Local Governments	\$243,000
Northeast Council of Governments	\$379,000
South Eastern Council of Governments	\$589,000
Planning and Development District III	\$315,000

Staff recommended approval of the Joint Powers Agreements with the planning districts for SRF loan application and administration and Davis-Bacon monitoring.

Motion by Jones, seconded by Bernhard, to adopt the following:

**Resolution #2016-50** approving a Joint Powers Agreement for the preparation of applications and the administration of SRF loans and for the completion of Davis-Bacon wage rate verification and certification between the state and **Black Hills Council of Local Governments** in an amount not to exceed \$291,000, and authorizing the chairman of the Board of Water and Natural Resources to execute the agreement; **Resolution #2016-51** approving a Joint Powers Agreement for the preparation of applications and the administration of SRF loans and for the completion of Davis-Bacon wage rate verification and certification between the state and **Central South Dakota Enhancement District** in an amount not to exceed \$219,000, and authorizing the chairman of the Board of Water and Natural Resources to execute the agreement; **Resolution #2016-52** approving a Joint Powers Agreement for the preparation of applications and the administration of SRF loans and for the completion of Davis-Bacon wage rate verification and certification between the state and **First District Association of Local Governments** in an amount not to exceed \$243,000, and authorizing the chairman of the Board of Water and Natural Resources to execute the agreement; **Resolution #2016-53** approving a Joint Powers Agreement for the preparation of applications and the administration of SRF loans and for the completion of Davis-Bacon wage rate verification and

certification between the state and **Northeast Council of Governments** in an amount not to exceed \$379,000, and authorizing the chairman of the Board of Water and Natural Resources to execute the agreement; **Resolution #2016-54** approving a Joint Powers Agreement for the preparation of applications and the administration of SRF loans and for the completion of Davis-Bacon wage rate verification and certification between the state and **South Eastern Council of Governments** in an amount not to exceed \$589,000, and authorizing the chairman of the Board of Water and Natural Resources to execute the agreement; and **Resolution #2016-55** approving a Joint Powers Agreement for the preparation of applications and the administration of SRF loans and for the completion of Davis-Bacon wage rate verification and certification between the state and **Planning and Development District III** in an amount not to exceed \$315,000, and authorizing the chairman of the Board of Water and Natural Resources to execute the agreement.

Mr. Perkovich, Mr. Feeney, and Mr. Bruels answered questions from the board.

Motion carried unanimously.

BELLE FOURCHE IRRIGATION DISTRICT REQUEST TO AMEND GRANT 2014-68: SDCL 46A-1-13.12 authorizes the construction of the \$5,000,000 Belle Fourche Irrigation District upgrade project and authorized the Board of Water and Natural Resources to provide \$2,500,000 in grants and \$2,500,000 in loans for the upgrade project. The 2012, 2013, and 2014 Legislatures made appropriations as part of each session's Omnibus Bill to appropriate the full \$5,000,000, and these funds have been placed under agreement by the board to the district.

Mr. Bruels stated that the original grant agreement will end on June 30, 2016; however, the district still has over \$657,000 in grant funds remaining, and the work is not yet complete. Three major projects were identified as part of the overall upgrade project. These include replacing the gate control houses, replacing and upgrading the Indian Creek and Horse Creek siphons, and dredging of the reservoir. The gate control house work is completed. The work on the siphons is nearly complete, and they are in use; however, some minor items still need to be finished. The dredging of the reservoir has experienced difficulties resulting in delays in finishing the project.

The department received a letter from the district requesting that the board extend the grant period for an additional two years to June 30, 2018. To extend the grant agreement, a Third Amendment to the Grant Agreement has been prepared with assistance from the department's legal counsel and the Attorney General's office.

Staff recommended the board approve the Third Amendment to the Grant Agreement for a time extension to the Belle Fourche Irrigation District State Water Resources Management System grant agreement through June 30, 2018.

Motion by Gnirk, seconded by Soholt, to adopt **Resolution #2016-56** approving the Third Amendment to South Dakota Water and Environment Fund Grant Agreement between the Board of Water and Natural Resources and **Belle Fourche Irrigation District** extending the time period until June 30, 2018. Motion carried unanimously.

SOUTHERN BLACK HILLS WATER SYSTEM REQUEST TO AMEND GRANT 2012-75: SDCL 46A-1-13.11 authorized the construction of the Southern Black Hills Water System and

\$12,000,000 in state match grant assistance for the project. The 2006 through 2013 Legislatures made appropriations as part of each session's Omnibus Bill to appropriate the full \$12,000,000. These funds have been placed under agreement by the board to Southern Black Hills Water System.

Mr. Bruels reported that the current grant agreement will end on June 30, 2016; however, Southern Black Hills still has nearly \$1,700,000 in grant funds remaining, and the work is not yet complete.

To date 57 miles of distribution pipe, 39 miles of service line pipe, a 125,000 gallon storage tank, booster stations, and over 350 users have been connected to the system and are receiving water. The service area is currently located primarily one to two miles north of Hot Springs between Highway 79 and Highway 89, especially along Argyle Road and adjacent areas. Southern Black Hills is currently working a potential project to provide water to the town of Hermosa and other users in that area. There are several other locations being considered for future expansion as well.

The department received a letter from Southern Black Hills Water System requesting that the Board extend the grant period for an additional three years. To extend the grant agreement, a Seventh Amendment to the Grant Agreement has been prepared with assistance from the department's legal counsel and the Attorney General's office.

Staff recommended the board approve the Seventh Amendment to the Grant Agreement for a time extension to the Southern Black Hills Water System State Water Resources Management System grant agreement through May 1, 2019.

Motion by Gnirk, seconded by Jones, to adopt **Resolution #2016-57** approving the Seventh Amendment to South Dakota Water and Environment Fund Grant Agreement between the Board of Water and Natural Resources and **Southern Black Hills Water System, Inc.** extending the time period until May 1, 2019. Motion carried unanimously.

MONTROSE REQUEST TO RESCIND CLEAN WATER SRF LOAN C461025-03: Jim Anderson reported that in June 2015 Montrose was awarded a \$545,000 Clean Water SRF loan with up to 18.4 percent principle forgiveness not to exceed \$100,000 to replace undersized storm drainage infrastructure. The project consisted of storm sewers and curb and gutter construction on Elder Street, 2nd Avenue, Clark Street, and Church Avenue.

Montrose has decided not to move forward with the project at this time and has requested the board rescind Clean Water State Revolving Fund Loan C461075-03.

Staff recommended the board rescind the loan.

Mr. Anderson answered questions from the board.

Motion by Jones, seconded by Soholt, to adopt **Resolution #2016-58** rescinding Resolution #2015-78, which approved the SRF loan for the **city of Montrose** up to a maximum committed amount of \$545,000 with up to 18.4 percent principal forgiveness not to exceed \$100,000. Motion carried unanimously.

NORTHVILLE REQUEST TO RESCIND CONSOLIDATED LOAN 2016L-110: Jon Peschong reported that on March 27, 2015, the board approved Resolution #2015-55, which awarded a Consolidated Water Facilities Construction Program loan to the town of Northville in an amount not to exceed \$140,000 at 3.25 percent interest for 30 years for a storm sewer improvements project. Subsequently, on May 19, 2015, the James River Water Development District awarded the town of Northville a \$70,000 grant for the project. After bids came in lower than expected, Northville decided to rescind the loan package and fund the remaining portion of the project on their own.

Staff recommended the board rescind the consolidated loan.

Motion by Bernhard, seconded by Jones, to adopt **Resolution #2016-59** rescinding board Resolution #2015-55, which approved the South Dakota Consolidated Water Facilities Construction Program loan agreement between the Board of Water and Natural Resources and the **town of Northville** for a loan not to exceed \$140,000 at 3.25 percent interest for 30 years for a storm sewer improvements project. Motion carried unanimously.

WAUBAY REQUEST TO AMEND CLEAN WATER SRF GRANT/LOAN C461025-03 Mike Perkovich reported that in March 2015, Waubay received \$1,780,000 in funding from the board on a \$2,195,820 project to construct a new wastewater treatment facility to replace the Infiltration/Percolation (I/P) system that is non-functional due to the I/P basins being in Bitter Lake. The city is under a compliance order to construct a total retention treatment system.

Funding consisted of a \$1,080,000 Clean Water SRF loan with \$500,000 in principal forgiveness and a \$700,000 Consolidated grant. Waubay also received a \$415,820 FEMA grant to complete the funding package.

In March 2016 staff was informed that the project cost had increased to \$4,235,000 due largely to relocating the facility. Since then another site has been found and the project cost is now estimated at \$3,344,400.

The community was recently awarded a Community Development Block Grant of \$515,000, with the likelihood that it will be increased to \$760,000 later. This will leave a shortfall of about \$390,000.

Staff recommended increasing the Clean Water SRF loan amount by \$390,000 to \$1,470,000 with \$500,000 principal forgiveness, and reawarding the \$700,000 Consolidated grant at a different percentage. Mr. Perkovich said this would provide the same amount of subsidy as was provided last year.

Waubay is pledging a project surcharge for repayment of the loan.

Last year rates in Waubay were \$30 per month, and staff believed that was sufficient to cover operating expenses. The surcharge required on the \$970,000 loan is \$15.05, which would bring rates up to \$45.05.

Mr. Perkovich said if the CDBG grant does not get increased, Waubay can be allowed to proceed using the Consolidated grant for engineering expenses to at least get them started on engineering

and the land purchase, and an increase to the Clean Water SRF loan would then be considered at a future board meeting.

Staff recommended the board rescind Resolution #2015-20, which approved last year's Clean Water SRF loan and adopt a new resolution awarding a \$1,470,000 Clean Water SRF loan at 3.25 percent interest for 30 years with 34.1 percent principal forgiveness not to exceed \$500,000 contingent upon the borrower adopting a bond resolution and the becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage.

Erin Stever, Banner Associates, and Kevin Jens, Mayor of Waubay, answered questions from the board.

Motion by Bernhard, seconded by Goldhammer, to adopt **Resolution #2016-60** rescinding Resolution #2015-20 and approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,470,000 at 3.25 percent interest for 30 years with up to 34.1 percent principal forgiveness not to exceed \$500,000 to the **city of Waubay** for wastewater treatment facility improvements; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried unanimously.

Staff recommended the board rescind Resolution #2015-21, which approved last year's Consolidated grant, and adopt a new resolution awarding a Consolidated grant for 21 percent of eligible costs not to exceed \$700,000.

Motion by Goldhammer, seconded by Gnirk, to adopt **Resolution #2016-61A** rescinding Resolution #2015-21 which awarded the South Dakota Consolidated Water Facilities Construction Program Grant Agreement 2016G-100 to the **city of Waubay** for up to 31.9 percent of all approved total project costs not to exceed \$700,000 for a wastewater treatment facility improvements project; and to adopt **Resolution 2016-61B** approving South Dakota Consolidated Water Facilities Construction Program Grant Agreement 2017G-203 between the Board of Water and Natural Resources and the **city of Waubay** for up to 21 percent of all approved total project costs not to exceed \$700,000 for a wastewater treatment facility improvements project. Motion carried unanimously.

HOVEN REQUEST TO AMEND DRINKING WATER SRF LOAN C462253-02: Mr. Perkovich reported that in January 2015, the city of Hoven received a \$264,750 Drinking Water SRF loan with 100 percent principal forgiveness, and an \$88,250 Consolidated grant to replace water mains along South Dakota Highway 47, which is being done in conjunction with a DOT highway reconstruction project.

A review of the funding package has indicated a shortfall of \$50,000. To account for this shortfall, the city requested to amending the funding package for an additional \$50,000.

Mr. Perkovich noted that when the January 2015 application was reviewed, Hoven had a base rate of \$35 per 5,000 gallons. In addition, the city had initiated a \$10 per month surcharge for repayment of a Rural Development loan, which brought the overall monthly rate to \$45 per 5,000 gallons. Staff believed the surcharge was insufficient and needed to be increased to \$13.55 per month resulting in a monthly overall rate of \$48.55 per 5,000 gallons.

Staff recommended awarding a \$50,000 consolidated loan, at 3 percent interest for 20 years.

Hoven has pledged a project surcharge for repayment of the loan. Based on information provided in the 2015 application, staff analysis indicates that a \$1.20 surcharge is needed to provide the required debt coverage. This would bring overall rates to \$49.75 per 5,000 gallons.

Staff recommended the award be made contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage.

Motion by Sohlt, seconded by Jones, to adopt **Resolution #2016-62** approving the South Dakota Consolidated Water Facilities Construction Program loan agreement between the Board of Water and Natural Resources and the **city of Hoven** for a loan not to exceed \$50,000 at 3 percent interest for 20 years for a water main replacement project along South Dakota Highway 47, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried unanimously.

HAAKON COUNTY SCHOOL DISTRICT REQUEST TO AMEND GRANT 2016G-204: Eric Meintsma reported that the Haakon County School District is requesting additional funding to construct a new treatment building and chemical mixing system to treat geothermal wastewater.

The original estimated cost for this project was \$647,000 and was funded with an 80 percent Consolidated grant not to exceed \$517,600. The project was bid in May 2016, and bids exceeded the engineers estimate by about \$120,000. The school district anticipates a \$100,000 funding shortfall after accounting for the contingencies built into the original project cost.

The school district is requesting additional funding to assist in offsetting the shortfall.

Staff recommended amending existing Consolidated grant number 2016G-204 by adjusting the project cost to \$747,000 and a grant amount not to exceed \$597,600. The grant percentage will remain at 80 percent.

Mr. Meintsma and Kevin Morehart, Haakon County School District Superintendent, answered questions from the board.

Motion by Gnirk, seconded by Sohlt, to adopt **Resolution #2016-63** approving the First Amendment to the South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and **Haakon County School District** for up to 80 percent of all approved total project costs not to exceed \$597,600 for the geothermal wastewater treatment system improvements project. Motion carried unanimously.

TRANSCANADA PIPELINE FREEMAN SPILL UPDATE: Brian Walsh, DENR Ground Water Quality Program, provided background information and an update on the spill near Freeman.

On April 2, 2016, TransCanada responded to a landowner report of surfacing crude oil near its pipeline south of Freeman. TransCanada shut down the pipeline and sent responders to the scene. On April 3 and April 7, Mr. Walsh, who is with the DENR Ground Water Quality Program, went to the site to observe TransCanada's response actions. TransCanada estimates lost crude oil at approximately 400 barrels (16,800 gallons). Approximately 7,000 yards of contaminated soil have been excavated and are being temporarily stored pending final characterization and disposal.

The leak location was identified as a girth weld anomaly at the 6:00 position on a transition weld. The leak was repaired and the pipeline operations restarted at a reduced pressure with approval from the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA). PHMSA continues to work with TransCanada to identify the cause of the failure.

Mr. Walsh answered questions from the board.

Chairman Johnson called a recess at 11:25 a.m. At 1:00 p.m. Chairman Johnson called the meeting back to order.

AVAILABLE FUNDING: Mr. Perkovich provided a summary of available funds for Consolidated Water Facilities Construction Program, Drinking Water Facility Grants (Build America Bonds Federal Subsidy Payments), Drinking Water SRF Principal Forgiveness, Drinking Water SRF loans, Clean Water SRF Water Quality Grants, Wastewater Facility Grants (Build America Bonds Federal Subsidy Payments), Clean Water SRF Principal Forgiveness, and Clean Water SRF loans. .

SANITARY/STORM SEWER FACILITIES FUNDING APPLICATIONS: Mr. Perkovich presented the Sanitary/Storm Sewer Facilities funding applications and the staff recommendations. The projects were presented in priority points order as identified in the Clean Water SRF IUP. A map showing the location of the applications was included in the board packet.

**Mina Lake Sanitary District** requested funding to make improvements to its wastewater treatment facility by adding an artificial wetland cell. DENR has issued the district a construction schedule to make improvements and come into compliance with its Surface Water Discharge permit. The project also involves replacing pumps at a lift station.

Mina Lake anticipates bidding the project in February 2017 with a project completion date of November 2017.

The total project amount is \$579,000, and the amount requested is \$559,000. The funding package also includes \$20,000 local cash and a \$25,000 grant from the James River Water Development District.

Rates at Mina Lake are \$55.00 per 5,000 gallons usage.

Staff recommendation was to award a \$559,000 Clean Water SRF loan at 3.25 percent interest for 30 years.

The sanitary district has pledged a project surcharge for repayment of the loan. Staff analysis indicates that a surcharge of approximately \$8.15 is needed for repayment of the loan. Staff believes the rates could be restructured such that only a \$1.50 to \$2.00 rate increase would be needed.

Staff recommended the loan be awarded contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon the borrower establishing and maintaining separate fund balances for the water and sewer accounts.

Brandon Smid, Helms & Associates, discussed the project and answered questions from the board.

Motion by Jones, seconded by Soholt, to adopt **Resolution #2016-64** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$559,000 at 3.25 percent interest for 30 years to **Mina Lake Sanitary District** for a wastewater system improvements project; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective, and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon the borrower establishing and maintaining separate fund balances for the water and sewer funds. Motion carried unanimously.

**Lake Poinsett Sanitary District** requested \$8,580,000 last quarter to complete its effort to construct a sewer system to serve all lake residences and businesses. Staff did not believe sufficient subsidy could be provided to make the project feasible. Additionally, the district had not yet closed a loan that was awarded in March 2014. To avoid tying up a large amount of loan funds, staff informed the district at the March 2016 meeting that it would recommend an \$8,580,000 loan with no subsidy. The board took no formal action, but gave Lake Poinsett until June 1 to notify the board in writing if the district would accept the loan. The department received notification that the district does not want the loan. A resolution from Lake Poinsett stating that was included in the board packet.

Staff recommended no funding for Lake Poinsett Sanitary District.

Motion by Goldhammer, seconded by Bernhard, to provide no funding to Lake Poinsett Sanitary District. Motion carried unanimously.

**Raymond** requested funding to make several improvements to its wastewater system. The improvements involve televising the collection system to determine which lines can be lined and which lines need to be excavated and replaced.

Raymond is also proposing to make improvements to a lift station and to the wastewater treatment facility. The wastewater treatment facility is permitted as a no discharge facility. There is evidence of leakage from the facility. The berms on two sides of Cell #2 have eroded away allowing wastewater to flow freely into an adjacent wetland. The current discharge permit expires September 2016. Surface Water Quality staff confirmed that a construction schedule will be included in the new permit.

The town anticipates bidding the project in December 2016 with a project completion date of October 2018.

The total project amount is \$1,465,850, and the amount requested is \$1,465,850.

Raymond has a flat rate of \$22.75.

Staff believes the collection system deficiencies should be addressed first so an accurate flow rate can be determined to size the wastewater treatment facility. The staff recommendation provides funding for televising the collection system, sewer line rehabilitation, and lift station improvements.

The staff recommendation was to award a \$745,000 a Clean Water SRF with 100 percent principal forgiveness loan, award a Consolidated grant for 7.3 percent based on eligible project costs of \$900,000 not to exceed \$65,000, and Consolidated loan of \$90,000 at 3.25 percent interest for 30 years.

The sewer rehabilitation cost is based on an estimate of lining 50 percent of the collection system and replacing the other 50 percent. The cost is subject to change based on the findings of the televising and could increase if fewer pipes can be lined. This recommendation exceeds the cost of televising, sewer line rehabilitation, and lift station improvements by approximately \$82,000 to provide some cushion, if needed.

Raymond has pledged a project surcharge for repayment of the loan. Staff analysis indicated that the surcharge needed to repay a \$90,000 loan is \$11.60. This would result in overall rates of \$34.35. It is estimated that when the wastewater treatment improvements are completed that rates in Raymond will be \$40 to \$45.

Staff recommended the awards being contingent upon the borrower adopting two bond resolutions and the resolutions becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon receipt of the 2016 Clean Water capitalization grant from EPA.

Motion by Sohlt, seconded by Jones, to adopt **Resolution #2016-65** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$745,000 with 100 percent principal forgiveness to the **town of Raymond** for a wastewater system improvements project; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon receipt of the 2016 Clean

Water capitalization grant from EPA, and to adopt **Resolution # 2016-66** approving the South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the **town of Raymond** for up to 7.3 percent of approved total project costs not to exceed \$65,000 for a wastewater system improvements project, and to adopt **Resolution # 2016-67** approving the South Dakota Consolidated Water Facilities Construction Program loan agreement between the Board of Water and Natural Resources and the **town of Raymond** up to a maximum committed amount of \$90,000 at 3.25 percent interest for 30 years for a wastewater system improvements project contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge sufficient to provide the required debt coverage. Motion carried unanimously.

**Keystone** requested funding to upgrade the wastewater treatment facility due to numerous effluent violations of its Surface Water Discharge permit. Improvements include installing a new influent fine screen, replacing the ultraviolet disinfection equipment and other items necessary to improve the quality of the wastewater effluent. **Keystone** will also televise its system to identify pipes for possible future replacement.

The town anticipates bidding the project in February 2017 with a project completion date of December 2017

The total project amount is \$631,000 and the amount requested is \$631,000.

**Keystone's** rates are \$49 based on 5,000 gallons usage.

**Keystone** received a \$375,200 Community Development Block Grant that can be used for this project and the water project that will be presented later.

Staff recommendation was to award a \$431,000 Clean Water SRF loan at 3 percent interest for 20 years. This recommendation will overfund the project, but it provides a cushion if bids come in over the estimate.

**Keystone** has pledged system revenues for repayment of the loan. Staff analysis indicates that the system revenues will provide 111 percent debt coverage on a \$431,000 loan.

Staff recommended the award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective.

Kwinn Neff, town board president, and Dave Holland, AE2S, discussed the project and answered questions from the board.

Motion by Gnirk, seconded by Soholt, to adopt **Resolution #2016-68** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$431,000 at 3 percent interest for 20 years to the **town of Keystone** a wastewater system improvements – Phase I project; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance

with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective. Motion carried unanimously.

**Sioux Falls** requested funding to install gravity sewer, force main, and a lift station to serve Foundation Park, an 800-acre business park located north of I-90 and west of I-29. The request also includes a nonpoint source component to make improvements within the Big Sioux River Basin.

Sioux Falls anticipates bidding the gravity sewer, force main, and a lift station in August 2016 with a project completion date of May 2018.

The total project amount is \$9,287,000 and the amount requested is \$9,287,000. The two components include \$449,000 for the nonpoint source activities and \$8,838,000 for the wastewater conveyance project.

Rates in Sioux Falls are \$30.42 for 5,000 gallons usage.

Staff recommendation was to award a \$9,287,000 Clean Water SRF loan, at 1.25 percent interest for 10 years, which will consist of two bonds – one in the amount of \$8,838,000 for the sanitary sewer project and one in the amount of \$449,000 for the non-point source project .

Sioux Falls has pledged system revenues for repayment of the loan. Staff analysis indicates that the system revenues will provide 126 percent debt coverage on the \$9,287,000 loan.

Staff recommended the award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon EPA approval of the Big Sioux Watershed Project Implementation Plan.

Mr. Feeney answered questions from the board.

Motion by Bernhard, seconded by Jones, to adopt **Resolution #2016-69** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$9,287,000 at 1.25 percent interest for 10 years to the **city of Sioux Falls** for the Basin 14D sanitary sewer extension and Big Sioux River Basin non-point source project; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon EPA approval of the Big Sioux Watershed Project Implementation Plan. Motion carried unanimously.

**Vermillion** requested funding to replace a lift station that is undersized and the equipment within the dry well that has reached its useful life. The project will also replace several manholes and 2,000 feet of sewer line with inadequate capacity due to growth in the area.

The city anticipates bidding the project in January 2017 with a project completion date of June 2018.

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The total project amount is \$1,327,000 and the amount requested is \$812,000. The city of Vermillion has received \$515,000 from the Community Development Block Grant program to cover the remainder of the project.

Vermillion's rates are \$37.17 based on 5,000 gallons usage.

Staff recommendation was to award an \$812,000 Clean Water SRF loan at 3 percent interest for 20 years.

Vermillion has pledged system revenues for repayment of the loan. Staff analysis indicates that the system revenues will provide 125 percent debt coverage on the \$812,000 loan.

Staff recommended the award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective.

Mike Carlson, finance officer, discussed the project and answered questions from the board.

Motion by Goldhammer, seconded by Jones, to adopt **Resolution #2016-70** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$812,000 at 3 percent interest for 20 years to the **city of Vermillion** for the Prentis Street lift station project; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective. Motion carried unanimously.

**Pierre** requested funding to extend sewer service to an undeveloped area in the northeast corner of the city. The project involves installing a lift station, force main, and gravity sewer.

Pierre anticipates bidding the project in July 2016 with a project completion date of June 2017.

The total project amount is \$1,450,000 and the amount requested is \$1,450,000.

Staff recommendation was to award a \$1,450,000 Clean Water SRF loan, at 2.25 percent interest for 10 years.

Pierre has pledged sales tax for repayment of the loan. Staff analysis shows that the sales tax revenue will provide 363 percent coverage.

Staff recommended the award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective.

Leon Schochenmaier, city administrator, discussed the project and answered questions from the board.

Motion by Bernhard, seconded by Gnirk, to adopt **Resolution #2016-71** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,450,000 at 2.25 percent

interest for 10 years to the **city of Pierre** for the Hilger's Gulch sanitary sewer – Phase I project; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective. Motion carried unanimously.

**Viborg** requested funding to replace 480 feet of sewer mains, 220 feet of service lines, and three manholes to address excessive infiltration into the collection system.

The city anticipates bidding the project in August 2016 with a project completion date of August 2017.

The total project amount is \$179,000 and the amount requested is \$105,000. Viborg has received a \$515,000 Community Development Block Grant for water and wastewater improvements that can be used to cover the \$74,000 difference between the project cost and amount requested.

Viborg's rates are \$23.83 per 5,000 gallons usage.

Staff recommendation was to award a \$105,000 Clean Water SRF loan at 3.25 percent for 30 years.

The city has pledged system revenues for repayment of the loan. Staff analysis shows that the system revenue will provide 175 percent coverage.

Staff recommended the award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective.

Motion by Gnirk, seconded by Jones, to adopt Resolution #2016-72 approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$105,000 at 3.25 percent interest for 30 years to the **city of Viborg** for a wastewater and storm sewer improvements project; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of the Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective. Motion carried unanimously.

**Elk Point** requested funding to rehabilitate sewer lines as part of the Rose Street reconstruction project. This will be accomplished by lining pipes and manholes.

Elk Point anticipates bidding the project in February 2017 with a project completion date of December 2018.

The total project amount is \$440,000 and the amount requested \$440,000.

Elk Point's rates are \$27.48 per 5,000 gallons usage.

Mr. Perkovich stated that since the rehabilitation consists entirely of lining the pipes and manholes there will be no disturbance to the overlying road. The cost of sewer rehabilitation is \$235,000. The remaining \$205,000 is for road reconstruction that is ineligible since the road will not be disturbed during the lining process.

Staff recommendation was awarding a \$235,000 Clean Water SRF loan at 3.25 percent interest for 30 years.

The city has pledged system revenue for repayment of the loan. Staff analysis shows that the system revenue will provide 255 percent coverage.

Staff recommended the award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective.

Dennis Nelson and Jerry Buum, city of Elk Point, discussed the project and answered questions from the board.

Motion by Goldhammer, seconded by Jones, to adopt **Resolution #2016-73** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$235,000 at 3.25 percent interest for 30 years to the **city of Elk Point** for a wastewater and water improvements project; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of the Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective; Motion carried unanimously.

**Canistota** requested funding to replace sanitary sewer service lines and install storm sewer on Main Street in conjunction with a road reconstruction project. The wastewater lines were replaced in 2001 but the service lines were not.

The city anticipates bidding the project in January 2017 with a project completion date of August 2017.

The total project amount is \$378,000 and the amount requested is \$378,000.

Canistota's rates are \$33.77 based on 5,000 gallons usage.

Canistota received a \$396,550 Community Development Block Grant that can be used on both the wastewater and water portions of the Main Street project.

Staff recommendation was to award a \$378,000 Clean Water SRF loan at 3.25 percent interest for 30 years. Mr. Perkovich noted that this is another instance where the recommendation will overfund the project significantly. In this instance, the Community Development Block Grant can be used to fund some of the road reconstruction. Staff would rather have too much money up front than not enough.

The city pledged a project surcharge for repayment of the loan. Staff analysis indicates that a surcharge of \$5.90 is needed to provide the required 110 percent debt coverage. This would result in overall rates of \$39.67 per 5,000 gallons.

Staff recommended the award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage.

Motion by Bernhard, seconded by Gnirk, to adopt Resolution #2016-74 approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$378,000 at 3.25 percent interest for 30 years to the **city of Canistota** for a Main Street sewer improvements project; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of the Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective, and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried unanimously.

DRINKING WATER FACILITIES FUNDING APPLICATIONS: Andy Bruels presented the applications and the staff recommendations for funding.

**Midland** This application was presented to the board in March. The board awarded a \$275,000 Consolidated grant, but deferred action on an SRF loan. At that time, staff was aware Midland would be applying for CDBG funding. In some cases, if a project has been fully funded by the board, CDBG has chosen not to provide funds, which could limit the grant funds available for the project.

The town of Midland has had haloacetic acid (HAA5) violations. Installing a new water storage facility with a new mixing system and looping the water mains will help correct the water quality issues. The project consists of a new 53,000-gallon water storage tank with a mixing system as well as the construction of 3,220 feet of 6-inch main to loop the system.

The town of Midland anticipates bidding the project later this summer with a project completion date of early 2017.

The total project amount is \$715,000 and the amount requested is \$715,000.

Midland recently increased its rates from \$25.00 to \$34.00 per 5,000 gallons usage.

A contingency on the Consolidated grant that was awarded in March stated that if grant funds above 60 percent were provided by CDBG or another entity, the Consolidated grant would be rescinded. CDBG recently provided the town with a \$515,000 grant, which is 72 percent of the project costs.

Staff recommendation was to rescind Resolution #2016-25, which approved a \$275,000 Consolidated grant based on the contingency that the grant would be rescinded if more than 60 percent grant funding was received from CDBG. Staff also recommended the board award a \$225,000 Drinking Water SRF loan at 2.25 percent interest for 30 years.

Midland has pledged a project surcharge for repayment of the loan. Based on the \$225,000 loan, a monthly surcharge of \$9.50 per user is required for debt coverage. This results in overall rates of \$43.50. The \$225,000 loan is higher than the amount required to complete the project funding; however, it will give some room if bids are higher than anticipated.

Staff recommended the loan being contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage

Lawrence Stoppel, utility manager, discussed the project and answered questions from the board.

Motion by Jones, seconded by Gnirk, to adopt **Resolution #2016-75** rescinding Resolution #2016-25, which awarded Consolidated Water Facilities Construction Program Grant Agreement 2017G-104 to the **town of Midland**. Motion carried unanimously.

Motion by Bernhard, seconded by Gnirk, to adopt **Resolution #2016-76** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$225,000 at 2.25 percent interest for 30 years to the **town of Midland** for a water system improvements project; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried unanimously.

**Viborg** requested funding to replace a portion of its water distribution system. The project includes the replacement of 2,900 feet of water main, fire hydrants, and other related infrastructure.

The city anticipates bidding the project in August 2016 with a project completion date of August 2017

The total project amount is \$1,047,000 and the amount requested is \$606,000. The remaining \$441,000 in project funding will come from the \$515,000 CDBG grant the city recently received and will also be used for a portion of the wastewater project presented earlier.

Viborg's rates are \$40.24 per 5,000 gallons usage.

Staff recommendation was to award a \$606,000 Drinking Water SRF loan at 0 percent interest for 30 years.

Viborg has pledged system revenues for repayment of the loan. Staff analysis indicates debt coverage of 117 percent with no increase in rates.

Staff recommended the award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower demonstrating financial, managerial, and technical capacity.

Motion by Sohlt, seconded by Goldhammer, to adopt **Resolution #2016-77** approving a Drinking Water State Revolving Fund loan up to a maximum commitment amount of \$606,000 at 0 percent interest for 30 years to the **city of Viborg** for a wastewater and water improvements project; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower demonstrating financial, managerial, and technical capacity. Motion carried unanimously.

**Lead** requested funding to install new water meters and an automatic meter reading system.

The city anticipates bidding the project in July 2016 with a project completion date in late September 2016.

The total project amount is \$704,000 and the amount requested is \$704,000.

Lead's rates are \$37.15 per 5,000 gallons usage.

The city was recently awarded a \$411,465 CDBG grant for this project that will also be used for a portion of a storm water project. Staff has discussed the necessary funding to complete the project with the city and is in agreement that \$427,000 would be an appropriate funding level.

Mr. Bruels noted that water conservation projects, to include water meters, are eligible for Clean Water SRF funding. This project can also be used to meet the Green Project Reserve requirements included in the 2015 Clean Water capitalization grant. Providing funding for this project with Clean Water SRF helps meet reporting requirements for green project reserve. This will not adversely affect the Drinking Water program since there were no Green Project Reserve requirements associated with either the 2015 or 2016 Drinking Water capitalization grants.

Staff recommendation was to award a \$427,000 Clean Water SRF loan at 2.25 percent interest for 10 years.

The city has pledged a project surcharge for repayment of the loan. Staff analysis indicates the surcharge required for this loan will be \$3.10, which will bring the overall rates to \$40.25 for 5,000 gallons usage.

Staff recommended the award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon the borrower demonstrating financial, managerial, and technical capacity.

Mike Stahl, city administrator, discussed the project and answered questions from the board.

Motion by Gnirk, seconded by Jones, to adopt **Resolution #2016-78** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$427,000 at 2.25 percent interest for

10 years to the **city of Lead** for a water meter replacement project; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon the borrower demonstrating financial, managerial and technical capacity. Motion carried unanimously.

**Elk Point** requested funding to replace 3,400 feet of ductile iron water main as part of the Rose Street reconstruction project. The project will be done at the same time as the sanitary sewer relining project presented earlier.

Elk Point anticipates bidding the project in February 2017 with a project completion date of December 2018.

The total project amount is \$721,000 and the amount requested is \$721,000.

The city's rates are \$32.39 per 5,000 gallons usage.

The line replacement project will occur primarily outside of the street and require limited disturbance to the road surface, primarily for service line installation. This is similar to the wastewater application presented earlier and staff has determined that most of the costs associated with the road surface replacement are ineligible. The eligible cost for water line replacement is \$564,000.

Staff recommendation was to award a \$564,000 Drinking Water SRF loan at 3.25 percent interest for 30 years.

The city has pledged system revenue for repayment of the loan. Staff analysis of the system revenues indicates coverage of 182 percent at current rates.

Staff recommended the award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower demonstrating financial, managerial, and technical capacity.

Motion by Gnirk, seconded by Sohlt, to adopt **Resolution #2016-79** approving a Drinking Water State Revolving Fund loan up to a maximum commitment amount of \$564,000 at 3.25 percent interest for 30 years to the **city of Elk Point** for a wastewater and water improvements project; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower demonstrating financial, managerial, and technical capacity. Motion carried unanimously.

**Bridgewater** requested funding to replace cast iron water mains on two blocks of Main Avenue between Second and Fourth streets. Water services and curb stops will also be replaced.

Bridgewater anticipates bidding the project in August 2016 with a project completion date of November 2016.

The total project amount is \$239,200 and the amount requested is \$121,700. The remaining \$117,500 in project funding will come from a CDBG grant the city was recently awarded.

Rates in Bridgewater are \$40.00 per 5,000 gallons usage.

Staff recommendation was to award a \$121,000 Drinking Water SRF loan at 2.25 percent interest for 30 years.

The application indicated a pledge of project surcharge to repay the loan. Bond counsel has determined that a surcharge cannot be used since the project will not benefit all users of the system; therefore, system revenue will be used for loan repayment. Staff analysis of the current system revenues indicates coverage of 165 percent at current rates.

Staff recommended the award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower demonstrating financial, managerial, and technical capacity.

Michael Damm, mayor, discussed the project.

Motion by Gnirk, seconded by Bernhard, to adopt **Resolution #2016-80** approving a Drinking Water State Revolving Fund loan up to a maximum commitment amount of \$121,000 at 2.25 percent interest for 30 years to the **city of Bridgewater** for a water distribution improvement project; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower demonstrating financial, managerial, and technical capacity. Motion carried unanimously.

**Canistota** requested funding to replace water service lines in conjunction with a project to reconstruct approximately 1,000 feet of Main Street. The water distribution lines were replaced in 2001 but the service lines were not addressed at that time.

The city anticipates bidding the project in January 2017 with a project completion date of August 2017.

The total project amount is \$96,000 and the amount requested is \$96,000.

Canistota has recently been awarded a \$396,550 CDBG grant for this project, which can also be used for a portion of the waste water and street reconstruction projects on Main Street. Staff

believes providing the full requested amount is appropriate since the CDBG funds can also be used for the road project and the exact amount of funds from the grant for this project could change.

Rates in Canistota are \$49.84 per 5,000 gallons usage.

Staff recommendation was to award a \$96,000 Drinking Water SRF loan, at 3.00 percent interest for 30 years.

The city has pledged a project surcharge for repayment of the loan. Staff analysis indicates a surcharge of \$1.45 is needed to provide the 110 coverage, which will bring the rates to \$51.30.

Staff recommended the award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon the borrower demonstrating financial, managerial, and technical capacity.

Kathy Townsend, finance officer, discussed the project.

Motion by Jones, seconded by Goldhammer, to adopt **Resolution #2016- 81** approving a Drinking Water State Revolving Fund loan up to a maximum commitment amount of \$96,000 at 3 percent interest for 30 years to the **city of Canistota** for a main street sewer improvements project; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon the borrower demonstrating financial, managerial, and technical capacity. Motion carried unanimously.

WATERSHED RESTORATION PROJECT FUNDING APPLICATION: Mr. Perkovich presented the funding application and staff recommendation for funding.

**James River Water Development District** requested funding for the first segment of the South Central Watershed Implementation Project. This project is a locally planned 10- to 15-year effort to implement Best Management Practices in the Lewis and Clark Lake, Lake Andes, Geddes Lake, and Platte Lake watersheds, and the impaired reaches of the lower James River watershed and its tributaries. This effort is aimed at restoring water quality to meet designated beneficial uses and address TMDLs that have been established and those yet to be established for water bodies in these watersheds.

The total project amount is \$7,290,118 and the amount requested is \$275,000.

Other funding sources for this project include \$1,588,444 in local funds, \$1,619,856 – USDA EQIP (Environmental Quality Incentive Program), \$1,524,483 – USDA RCPP (Resource Conservation Partnership Program), \$988,335 – US EPA Section 319, \$901,000 – James River Water

Development District, \$300,000 – South Dakota Conservation Commission, and \$437,500 – Consolidated & SRF Water Quality.

Staff recommendation was to award a Consolidated grant for 15 percent not to exceed \$275,000, based on a project cost of \$1,833,333. The funds will provide 15 percent of the cost share for the design and construction of animal waste management systems.

Rocky Knippling, watershed coordinator, discussed the project and answered questions from the board.

Motion by Bernhard, seconded by Gnirk, to adopt **Resolution #2016-82** approving the South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the **James River Water Development District** for up to 15 percent of approved total project costs not to exceed \$275,000 for the South Central Watershed Implementation project. Motion carried unanimously.

SMALL WATER FACILITIES FUNDING APPLICATIONS: Andy Bruels presented the applications and the staff recommendations for funding.

**Viewfield Rural Water Association** In 2015, the Viewfield Rural Water Association found Radium 226/228 levels in its water supply had exceeded the EPA maximum contaminant level of 5 pCi/L and needs to be brought back into compliance.

Viewfield will install two alternating water softeners at each well pump house to reduce radium levels. Evaporation ponds will also be installed at each site to treat the backwash water from the softening systems. Viewfield anticipates bidding the project in August 2016 with completion of the project in late October 2016.

The total project amount is \$250,000 and the amount requested is \$250,000.

Viewfield's rates are \$120.00 per 9,000 gallons minimum fee.

Mr. Bruels noted that while this project is being considered under the Small Water Facilities Funding Application, the project was scored for priority points. Based on the compliance issues and the high rates, this is the top ranked project on the current Drinking Water priority list with 227 points.

Staff recommendation was to award a \$50,000 Consolidated loan at 3.25 percent interest for 30 years and to award a Consolidated grant for 80 percent of project costs not to exceed \$200,000.

Viewfield has pledged system revenue for repayment of the loan. Staff analysis of system revenues indicates Viewfield users will need to raise rates \$3.25 per month for repayment of the loan. An additional increase in rates may be needed for the operation and maintenance of the new treatment systems.

Staff recommended the award being contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of

the loan, contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage, and contingent upon the borrower approving a security agreement and mortgage.

Mr. Bruels stated that Viewfield does have a significant amount of debt with USDA Rural Development. In most cases, any loans awarded by this board attempt to gain the best position available with regards to debt security and typically requires a parity agreement with Rural Development. In this case, due to the small principal of the loan for this project, the need to get the project under way quickly, and get the system into compliance, staff is not including the contingency for a Rural Development parity agreement.

Motion by Goldhammer, seconded by Jones, to adopt **Resolution #2016-83** approving the South Dakota Consolidated Water Facilities Construction Program loan agreement between the Board of Water and Natural Resources and **Viewfield Rural Water Association** for a loan not to exceed \$50,000 at 3.25 percent interest for 30 years, contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage, and contingent upon the borrower approving a security agreement and mortgage; and to adopt **Resolution #2016-84** approving the South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and **Viewfield Rural Water Association** for up to 80 percent of approved total project costs not to exceed \$200,000 for a Radium 226/228 mitigation project. Motion carried. Gnirk abstained from voting.

**Keystone** requested funding to retrofit a well house from an existing below-grade vault to an above-grade structure to prevent possible flooding and contamination to the water system.

The town anticipates bidding the project in the summer of 2016 with a project completion date of November 2016.

The total project amount is \$98,000 and the amount requested is \$98,000.

Keystone was recently awarded a \$375,000 CDBG grant for this project that will also be used for a portion of the wastewater project presented earlier. Staff believes that providing the full requested amount is appropriate since the CDBG funds can be used for both projects, and this will leave some contingency funds available if bids were to come in higher than estimated.

Keystone's rates are \$33.00 per 5,000 gallons usage.

Staff recommended awarding a \$98,000 Consolidated loan at 3 percent interest for 20 years.

Keystone pledged system revenue for repayment of the loan. Staff analysis of the system revenues indicates coverage of 135 percent at current rates.

Staff recommended the award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective.

Dave Holland, AE2S, discussed the project and answered questions from the board.

Motion by Jones, seconded by Soholt, to adopt **Resolution #2016-85** approving the South Dakota Consolidated Water Facilities Construction Program loan agreement between the Board of Water and Natural Resources and the **town of Keystone** for a loan not to exceed \$98,000 at 3 percent interest for 20 years for a well retrofit project, contingent upon the borrower adopting a bond resolution and the resolution becoming effective. Motion carried unanimously.

Mr. Bruels provided a recap of available funding for the September funding round.

SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATIONS: Mr. Bruels discussed available funding for solid waste projects. He presented the funding applications and the staff recommendations for funding.

**AGRAT2, LLC** is a private for-profit entity. In accordance with SDCL 46A-1-98, any documentary material or data made or received by the board or DENR for the purpose of furnishing financial assistance to a business to the extent that the material or data consists of trade secrets or commercial or financial information regarding the operation of such business is not public record and is exempt from disclosure. Any discussion or consideration of such trade secrets or commercial or financial information by the board may be done in executive session.

AGRAT2 LLC is the only mattress and box spring recycling company in South Dakota and has been receiving mattresses and box springs from the Sioux Falls landfill and area retailers since 2011. The metal baler currently being used is not capable of compacting mattress springs and can only handle the metal from box springs. AGRAT2 LLC is requesting funding to assist in the purchase of a new baler that can compact springs quicker and more efficiently as well as be compatible with mattress springs. The company would also like to expand its service area beyond Sioux Falls. To do this, additional rolling stock to include enclosed trailers and a semi cab is needed as a part of the expansion.

The total project amount is \$322,000 and the amount requested is \$322,000.

The company charges \$8 per mattress or box spring.

Mr. Bruels stated that recycling of mattresses and box springs instead of landfilling is beneficial not just because of the recycling aspects; mattresses are especially problematic for landfills to handle. The springs are hard to compact using traditional landfill compaction methods, which reduces the overall landfill compaction rates and takes up more room. The city of Sioux Falls has submitted a letter in support of the application from AGRAT2. Mr. Bruels showed a video that explains how mattress recycling works.

Staff recommended awarding a Solid Waste Management Program grant up to 35 percent of the project cost not to exceed \$112,700 and to award a Solid Waste Management Program loan in the amount of \$209,300 at 2.25 percent interest for 10 years.

The company has pledged revenues for repayment of the loan. Staff analysis indicates that revenues will be sufficient to provide the required debt coverage of 100 percent.

Staff recommended a special condition that the grant funds shall be drawn concurrently with the Solid Waste Management Program loan awarded for this project. Staff also recommended that the loan be contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage, and contingent upon the borrower approving a personal guaranty agreement and providing a key man life insurance policy not less than the face value of the promissory note naming the borrower as the beneficiary with the proceeds payable to the Board of Water and Natural Resources to the extent of the outstanding balance of the loan.

Travis Hewett, owner, discussed the project and answered questions from the board.

Motion by Goldhammer, seconded by Gnirk, to adopt **Resolution #2016-86** approving the South Dakota Solid Waste Management Program grant agreement between the Board of Water and Natural Resources and **AGRAT2 LLC** for up to 35 percent of approved total project costs not to exceed \$112,700, for a mattress and box spring recycling expansion project, with a special condition that the grant funds shall be drawn concurrently with the Solid Waste Management Program loan agreement, and to adopt **Resolution #2016-87** approving the South Dakota Solid Waste Management Program loan agreement between the Board of Water and Natural Resources and **AGRAT2 LLC** for a loan not to exceed \$209,300 at 2.25 percent interest for 10 years, contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage, and contingent upon the borrower approving a personal guaranty agreement and providing a key man life insurance policy not less than the face value of the promissory note naming the borrower as the beneficiary with the proceeds payable to the Board of Water and Natural Resources to the extent of the outstanding balance of the loan. Motion carried unanimously.

**Roberts County** requested funding to construct an expansion to Waste Cell #2 at the landfill. This expansion will add 79,400 cubic yards of disposal space. The proposed project involves stripping and stockpiling the top soil, excavation of the disposal area, installation of a 24-inch clay liner, installation of leachate piping, replacement of top soil, and other necessary appurtenances.

Roberts County anticipates bidding the project in July of 2016 and completing the project in 2017.

The total project amount is \$270,833 and the amount requested is \$135,000.

Landfill rates are \$47 per ton for municipal solid waste, which is just above the average for many landfills in the state

Mr. Bruels stated that Roberts County has indicated it is not interested in a loan.

Staff recommendation was to award a Solid Waste Management Program grant at 27.7 percent of total project costs not to exceed \$75,000. Mr. Bruels noted that grant awards for this type of project typically range from 20 to 40 percent of total project cost. The 27.7 percent grant award is consistent with other awards for similar projects.

Staff analysis indicates Roberts County has sufficient funds in its solid waste account to cover the remaining project costs.

Randy Deutsch, Roberts County Landfill, discussed the project and answered questions from the board.

Motion by Gnirk, seconded by Jones, to adopt **Resolution #2016-88** approving the South Dakota Solid Waste Management Program grant agreement between the Board of Water and Natural Resources and **Roberts County** for up to 27.7 percent of approved total project costs not to exceed \$75,000 for the construction of stage 5 of the Waste Cell #2 project. Motion carried unanimously.

**SD Solid Waste Management Association** hosts a joint conference with the North Dakota Solid Waste and Recycling Association once every three years and needs speakers to provide a quality educational and growth experience for attendees. Finding local speakers with broad experience and expertise for the solid waste field can be difficult, and bringing in speakers on a more regional or national scale requires compensation for their attendance. Any awarded funds will cover speaker fees, conference registration, and accommodations. Matching funds will come from registration fees paid by attendees of \$215 each. The conference will be held in Deadwood in September 2016.

The total project amount is \$58,000 and the amount requested is \$15,000.

Agencies from North Dakota have also pledged up to \$3,000 of support for the conference. The last time the conference was held in North Dakota, the state helped to secure an \$18,000 USDA grant to help offset conference expenses. Montana is also participating in the upcoming conference and has provided a \$5,000 sponsorship to help pay for costs.

Staff recommendation was to award a Solid Waste Management Program grant at 35 percent not to exceed \$15,000.

Mr. Bruels noted that this grant is a little different than most; however, staff recognizes the importance of having well trained operators and managers at the states solid waste facilities and this conference will help to keep our state's solid waste industry well trained. Based on the support from other states for current and previous conferences, staff believes the requested funds are well supported, especially with this year's conference being held in South Dakota.

Carolyn Trautman, executive director of the association, and Fred Snoderly, president of the association, discussed the conference and answered questions from the board.

Motion by Goldhammer, seconded by Bernhard, to adopt **Resolution #2016-89** approving the South Dakota Solid Waste Management Program grant agreement between the Board of Water and Natural Resources and **South Dakota Solid Waste Management Association** for up to 35 percent of approved total project costs not to exceed \$15,000 for the joint annual conference speakers. Motion carried unanimously.

Mr. Bruels provided a recap of available funding for the September funding round.

STATE BOARDS AND COMMISSIONS CONFLICT OF INTEREST NOTIFICATION: Harold Deering, board attorney, discussed the provisions of House Bill 1214 and the Conflict Waiver Instructions and Waiver forms and the Conflict of Interest Waiver Decision Matrix. The 2016 Legislature enacted new conflict of interest laws (HB 1214) applicable to Board of Water and Natural Resources members effective July 1, 2016. Absent a waiver, these new conflict laws prohibit current and certain former members of the Board of Water and Natural Resources from contracting with, or from deriving direct benefits from a contract with, a state agency if the contract is within the jurisdiction or related to the subject matter of the board. Absent a waiver, the conflict laws also prohibit board members from contracting with, or deriving direct benefits from contracts with, political subdivisions of the State that administer or execute similar subject matter programs as the board. These prohibitions also apply to direct benefits derived from a State or political subdivision contract by a spouse or other person living with the board member and commingling assets with the board member.

Mr. Feeney provided a copy of a June 22 letter from the Government Operations and Audit Committee regarding implementation of HB 1214.

Mr. Deering answered questions from the board.

SOUTH DAKOTA WATER QUALITY STANDARDS, MONITORING AND DATA: Mr. Feeney reported that a recent publication by the Izaak Walton League of America gave South Dakota a D grade for the state's assessment of water quality. Half of the final grade was based on Volunteer Engagement. Chairman Johnson requested time on the agenda for the department to discuss the Izaak Walton League report and the use of data collected by volunteers.

Prior to the meeting, the board members were provided with a copy of the Izaak Walton League report and the department's response to the report's fact checks, discussion and conclusions.

Paul Lorenzen, DENR Watershed Protection Program, and Patrick Snyder, DENR Surface Water Quality Program, provided an overview of the preparation and submission of the 2016 Integrated Report. Required under the federal Clean Water Act, this report is used by the state to identify impaired water bodies in South Dakota. They also provide an overview of water quality standards, state and volunteer monitoring, and use of data.

The draft 2016 Integrated Report contains an assessment of the surface water quality of South Dakota's waters, a description of South Dakota's water quality monitoring programs, pollutants causing impairments of the water bodies and identification of waters targeted for total maximum daily load development. A total maximum daily load (TMDL) is a determination of the amount of pollution a waterbody can receive and still maintain water quality standards.

The draft 2016 report lists 143 waterbodies or waterbody segments needing a total maximum daily load. Of those listed, 88 are stream or river segments and 55 are lakes that periodically do not meet water quality standards.

Mr. Lorenzen and Jay Gilbertson answered questions from the board regarding water quality monitoring and data collection by volunteers.

Board of Water and Natural Resources  
June 23, 2016, Meeting Minutes

SEPTEMBER 22-23, 2016, MEETING: The next meeting is scheduled for September 22-23, 2016, in Spearfish. On September 22, the board will tour several areas in the Belle Fourche Watershed. The board meeting will be held on September 23 via Digital Dakota Network.

ADJOURN: Motion by Jones, seconded by Bernhard, that the meeting be adjourned. Motion carried unanimously.

Approved this 23<sup>rd</sup> day of September, 2016.

(SEAL)

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Chairman, Board of Water and Natural Resources

ATTEST:

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Secretary, Board of Water and Natural Resources

DRAFT

BOARD OF WATER AND NATURAL RESOURCES  
ATTENDANCE SHEET

DATE 6-23-16

LOCATION Pierre

Name (PLEASE PRINT)	Address	Representing
Brian Walsh	Pierre	DENR
Kwinn Klaff	Keystone	Town of Keystone
Kathy Townsend	Canistota	Canistota
Steven Bendt	Viborg	Viborg
José Dominguez	Vermillion	Vermillion
Michael Carlson	Vermillion	City of Vermillion
MIKE STAHL	LEAD	LEAD
Michael Damm	BRIDGEWATER	BRIDGEWATER
Randy Deutsch	Sisseton	Roberts County
LAURENCE STROPP	MIDLAND	TOWN OF MIDLAND
Andrew Brick	Pierre	CSD 10
Dennis Nelson	ELK Point	City of Elk Point
Jerry A. Damm	ELK Point	City of Elk Point
Zane Gulhaugen	Wau	DWR
Rocky Krieger	Chamberlain	South Central 319
Fred Suobery	MADISON	SDSWMA
Gabe Laber	Sioux Falls	DGR
Carolyn Yentman	Aberdeen	SDSWMA
Vernon Arms	Yankton	Bridgewater
David Hottle	Pierre	DENR
Bob Bibcock	Aberdeen	Helms & Associates

BOARD OF WATER AND NATURAL RESOURCES  
ATTENDANCE SHEET

DATE 6-23-16

LOCATION Matthew Training Center, Pierre

Name (PLEASE PRINT)	Address	Representing
Jim Putnam	Armour	SCWDD
PAUL GNIRK	NEW UNDERWOOD	BWNR
Jerry Scholt	Sioux Falls	BWNR
Kevin Jews	Waubay	City of Waubay
Mike Perkauch	Pierre	DENR
Derek Lankford	Pierre	DENR
Andrew Brick	Pierre	CSDDED
Andy Brvels	Pierre	DENR
TODD BERNHARD	FORT PIERRE	BWNR
David Ruhnke	Pierre	DENR
Jon PESCHOWIG	Pierre	DENR
Drew Huishen	Pierre	DENR
Jim Feeney	Pierre	DENR
Mark McIntire	Pierre	DENR
Harold Deering	Brandon	DEIR
Jay Gilbertson	Brookings	East Dakota WISD
Kevin Morehart	Philip	Haakon School Dist
Britni Ross	Philip	Haakon School Dist
Jennifer Sieltema	NECOG	
Jim Anderson	Pierre	DENR
Erin Steever	Banner - Sioux Falls	Waubay

BOARD OF WATER AND NATURAL RESOURCES  
ATTENDANCE SHEET

DATE 6-23-14

LOCATION Matthew Training Center, Pierre

Name (PLEASE PRINT)

Address

Representing

Leon Schochenmaier City of Pierre, SD

Kelli Buscher SDDENR SDDENR

Patrick Snyder SDDENR SDDENR

David Hollandal Rapid City AE29 - Keystone

DRAFT



## Section 319

# NONPOINT SOURCE PROGRAM SUCCESS STORY

# South Dakota

## Watershed Partnership Restores River

### Waterbodies Improved

Stream entrenchment and bank failure caused excess sediment to enter the Belle Fourche River, prompting South Dakota to add two segments of the river to its 2002 Clean Water Act (CWA) section 303(d) list of impaired waters for elevated total suspended solids (TSS). The Belle Fourche River Watershed Partnership led efforts to restore riparian grazing areas and reduce the volume of unused irrigation water returning to the river, both of which reduced the amount of sediment entering the river. Water quality has improved and standards are now being met. South Dakota removed both segments of the Belle Fourche River from the 2008 CWA section 303(d) list for TSS.

### Problem

The South Dakota portion of the Belle Fourche River watershed (Figure 1) drains parts of Butte, Lawrence and Meade counties. The river flows eastward into the Cheyenne River and ultimately to the Missouri River. Land use in the watershed is primarily livestock grazing with some cropland and a few urban and suburban areas. Data show that elevated levels of sediment in the river were causing TSS levels to exceed the water quality standard of 158 milligrams per liter (mg/L) TSS daily maximum. Therefore, South Dakota added two segments of the Belle Fourche River—a 23-mile-long segment from near Fruitdale to Whitewood Creek and a 17-mile-long segment from Whitewood Creek to Willow Creek—to the 2002 CWA section 303(d) list of impaired waters.

In April 2001, the Belle Fourche River Watershed Partnership, a volunteer group of local people and organizations dedicated to the enhancement of the Belle Fourche River watershed, launched an assessment project to determine the total maximum daily load (TMDL) for TSS in the Belle Fourche River. The U.S. Environmental Protection Agency (EPA) approved the final TMDL in 2005.

The primary contributors of TSS, as identified in the TMDL, included a large volume of unused irrigation water that was discharged to the natural waterways, natural bank sloughing and impaired riparian habitat. Most of the irrigation in the Belle Fourche is done through surface application, which floods the fields and can result in high volumes of unused water returning to the river (runoff) carrying a large amount of suspended solids (sediment).

The TMDL indicated that irrigation and the return flow of unused irrigation water were responsible

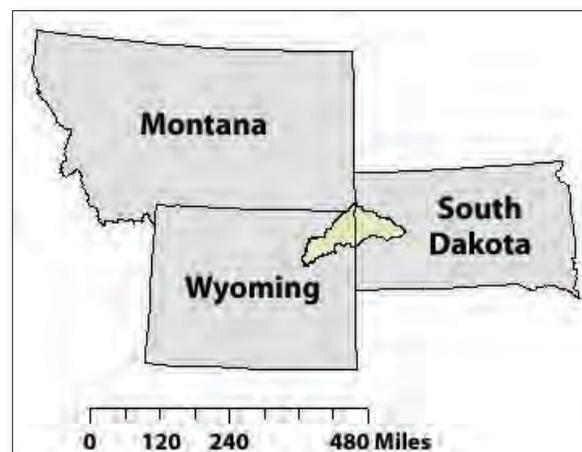


Figure 1. The Belle Fourche River watershed drains portions of northeastern Wyoming and western South Dakota.

for approximately 20 percent of the TSS in the Belle Fourche River system; stream entrenchment and bank failure were responsible for another 75 percent of the TSS. The TMDL attributed the remaining 5 percent of the TSS load to the river to rangeland and riparian area erosion.

### Project Highlights

In 2004 the Partnership adopted a watershed approach to implement the Belle Fourche River TMDL. To target the best management practices (BMPs) recommended by the TMDL, the Partnership developed the Ten-Year Belle Fourche River Watershed Strategic Implementation Plan and the Five-Year Belle Fourche Irrigation District Water Conservation Plan. The plans focus on improving the conveyance efficiency of irrigation, modifying on-farm delivery of irrigation waters, restoring riparian rangeland areas, and emphasizing public outreach.

The Partnership worked with producers to complete numerous projects within the near-Fruitdale to Whitewood Creek portion of the Belle Fourche River watershed, including rehabilitating 2,000 acres of riparian grazing land and improving irrigation efficiency. The partners implemented canal automation, developed a canal operational model, updated the water card/billing system, and

lined open canals and laterals within the Belle Fourche Irrigation District. These projects increased irrigation delivery efficiency dramatically (estimated at more than 10 percent) and improved the understanding of how the system operates as a whole. Partners installed nine center-pivot irrigation systems to replace the existing flood irrigation practices (Figure 2).



Figure 2. Landowners installed center-pivot irrigation systems such as this one in the Belle Fourche Irrigation District.

## Results

Improving the efficiency of irrigation systems has significantly reduced the amount of sediment-laden water returned to the river and its tributaries. Providing off-stream water supply for livestock and managed grazing alternatives has also improved the surface water quality by trapping sediments before they can enter the stream.

Recent water quality monitoring data show that both previously impaired segments of the Belle Fourche River now meet the TSS water quality standard, which requires that TSS levels be less than 158 mg/L (Table 1). As a result, South Dakota removed the segments from its CWA section 303(d) list in 2008 (Figure 3).

**Table 1. Recent water quality monitoring results for the Belle Fourche River (2005–2007)**

Monitoring Station Location	Mean TSS Level (mg/L)
Near Fruitdale to Whitewood Creek	29.0
Whitewood Creek to Willow Creek	18.3

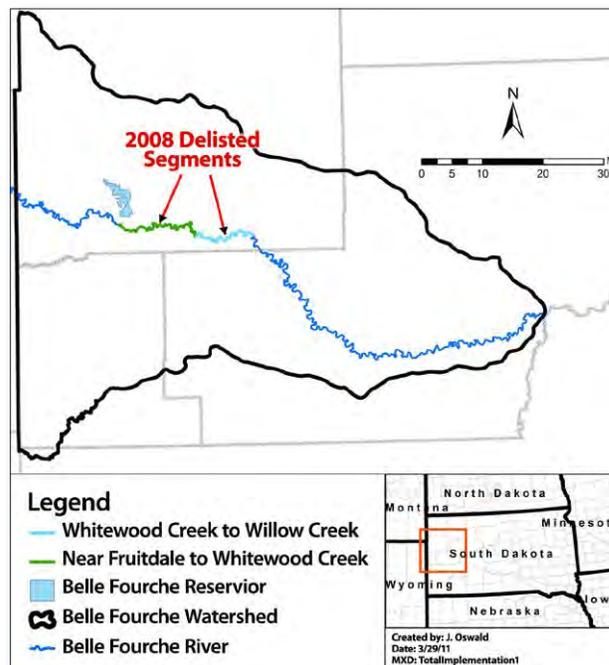


Figure 3. Two segments are delisted within the South Dakota portion of the Belle Fourche River watershed.

## Partners and Funding

The success of the project is largely a result of the participation of the following local, state and federal agencies and organizations: Butte and Lawrence County Conservation District, Elk Creek Conservation District, South Dakota Conservation Commission, South Dakota Department of Agriculture, South Dakota Department of Environment and Natural Resources, South Dakota Game Fish and Parks, South Dakota Grassland Coalition, South Dakota School of Mines and Technology, South Dakota State University, U.S. Bureau of Reclamation, EPA, U.S. Geological Survey, U.S. Fish and Wildlife Service and Wyoming Department of Environmental Quality.

The Partnership and its collaborators are in their sixth year of implementing projects in the South Dakota portion of the watershed. To date, approximately \$14.3 million from several local, state and federal sources has supported watershed rehabilitation efforts. Of that total amount, approximately \$3.7 million was granted from EPA CWA section 319 funds through the South Dakota Department of Environment and Natural Resources, \$6.0 million came from local participants, and \$4.6 million was secured from other federal sources.



U.S. Environmental Protection Agency  
Office of Water  
Washington, DC

EPA 841-F-11-001Y  
April 2011

### For additional information contact:

**Alfred Basile**  
U.S. EPA Region 8  
303-312-6551 • basile.alfred@epa.gov

**Pete Jahraus**  
South Dakota Dept. of Natural Resources  
Pete.jahraus@state.sd.us • 605-773-5623

TITLE: Conflict of Interest Waivers

EXPLANATION: With the passage of House Bill 1214, SDCL 3-23-1 through 3-23-5, the Disclosure Laws, became effective July 1, 2016

Absent a waiver, the Disclosure Laws prohibit current and certain former members of certain State boards, commissions and authorities from contracting with, or from deriving direct benefits from a contract with, a state agency if the contract is within the jurisdiction or related to the subject matter of the board. Absent a waiver, the Disclosure Laws also prohibit board members from contracting with, or deriving direct benefits from contracts with, political subdivisions of the State that administer or execute similar subject matter programs as the member's board. These prohibitions also apply to direct benefits derived from a state or political subdivision contract by a spouse or other person living with the board member and commingling assets with the board member.

The following waivers have been submitted:

Todd Bernhard – General Waiver as Fort Pierre City Commissioner

Paul Goldhammer – General Waiver as West Dakota/Lyman-Jones Rural Water System Board of Director

Paul Goldhammer – Waiver for spouse doing business with political subdivisions

Paul Goldhammer – Waiver for Presho's Small Community Planning Grant

Brad Johnson - General Waiver as Lake Kampeska Water Project District Board of Director

Jackie Lanning - General Waiver as city of Brookings employee

Jerry Soholt - General Waiver as East Dakota Water Development District Board of Director

Jerry Soholt - Waiver for Crooks' Small Community Planning Grant

Jerry Soholt - Waiver for Chester Sanitary District's Small Community Planning Grant

The waiver authorization form is included with the waivers for informational purposes.

RECOMMENDED ACTION:

Approve the Conflict of Interest waivers

CONTACT:

Mike Perkovich, 773-4216

REQUEST FOR STATE BOARD WAIVER

THIS IS A PUBLIC DOCUMENT

Date: SEPTEMBER 1, 2016

Name of Board Member or Former Board Member: Todd Bernhard

Name of Board, Authority or Commission: Board of Water and Natural Resources

Brief explanation of your potential conflict of interest:

I am a member of the Fort Pierre City Council.

Brief explanation of the current or anticipated business transaction with a State agency or with a political subdivision of the State and your role in the transaction:

The city of Fort Pierre has entered into contracts with the Board of Water and Natural Resources in the past for municipal infrastructure projects and is likely to enter into additional contracts in the future.

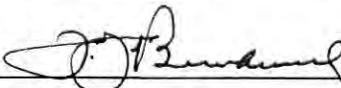
Additionally, it is anticipated that there will be instances where the City and the Board of Water and Natural Resources may each provide economic assistance or economic sponsorship or cost sharing or other types of financial relationship with state agencies and political subdivisions that deal with similar subject matter as the Board of Water and Natural Resources.

Brief explanation of the essential terms of the contract or transaction.

The Board of Water and Natural Resources awards grant and loans to municipalities, special purpose water districts, and nonprofit entities for water, sewer, and solid waste projects.

Brief explanation of why you believe a waiver should be granted:

It is my intent that in the event if a matter comes before the BWNR that is related to the city of Fort Pierre, I will recuse myself from all deliberations and decision making on that matter.

Signature of Person Requesting Waiver: 

REQUEST FOR STATE BOARD WAIVER

**THIS IS A PUBLIC DOCUMENT**

Date: Sept 1 - 2016

Name of Board Member or Former Board Member: Paul Goldhammer

Name of Board, Authority or Commission: Board of Water and Natural Resources

Brief explanation of your potential conflict of interest:

I am on the Board of Directors of the West River/Lyman-Jones Rural Water System, a non-profit corporation. The rural water system has contracts to provide water, both as individual and bulk users, to political subdivisions that deal with similar subject matter as the Board of Water and Natural Resources.

Brief explanation of the current or anticipated business transaction with a State agency or with a political subdivision of the State and your role in the transaction:

At this time there is no business being conducted between the Board of Water and Natural Resources and West River/Lyman-Jones Rural Water System as there are no outstanding loans, grants or other economic assistance or economic sponsorship or cost sharing or any other type of financial relationship between the two organizations.

There are, however, political subdivisions that purchase water from West River/Lyman-Jones Rural Water System who may have grant or loan contracts with the Board of Water and Natural Resources, or that may in the future seek funding from the Board.

Brief explanation of the essential terms of the contract or transaction.

The Board of Water and Natural Resources awards grant and loans to municipalities, special purpose water districts, and nonprofit entities for water, sewer, and solid waste projects.

Brief explanation of why you believe a waiver should be granted:

It is my intent that in the event if a matter comes before the BWNR that is related to West River/Lyman-Jones RWs or its members, I will recuse myself from all deliberations and decision making on that matter.

Signature of Person Requesting Waiver: Paul Goldhammer

REQUEST FOR STATE BOARD WAIVER

**THIS IS A PUBLIC DOCUMENT**

Date: Sept 1 - 2016

Name of Board Member or Former Board Member: Paul Goldhammer

Name of Board, Authority or Commission: Board of Water and Natural Resources

Brief explanation of your potential conflict of interest:

With respect to my spouse, Judy Goldhammer, I would like to disclose that she is employed by First Western Insurance of Wall, SD.

Brief explanation of the current or anticipated business transaction with a State agency or with a political subdivision of the State and your role in the transaction:

First Western Insurance has conducted and does conduct business with counties, school districts, townships, and other governmental entities and organizations through providing insurance and insurance related products and services. First Western's parent company may very possibly do insurance business with other governmental agencies or entities.

Brief explanation of the essential terms of the contract or transaction.

The Board of Water and Natural Resources awards grant and loans to municipalities, special purpose water districts, and nonprofit entities for water, sewer, and solid waste projects.

Brief explanation of why you believe a waiver should be granted:

Judy Goldhammer receives commission compensation from First Western Insurance for the sales of insurance products to these government agencies or subdivisions, but has no direct contractual relationship with them.

Signature of Person Requesting Waiver: Paul Goldhammer

REQUEST FOR STATE BOARD WAIVER

**THIS IS A PUBLIC DOCUMENT**

Date: Sept - 1 - 2016

Name of Board Member or Former Board Member: Paul Goldhammer

Name of Board, Authority or Commission: Board of Water and Natural Resources

Brief explanation of your potential conflict of interest:

I am on the Board of Directors of the West River/Lyman-Jones Rural Water System, a non-profit corporation. The rural water system has contracts to provide water, both as individual and bulk users, to political subdivisions that deal with similar subject matter as the Board of Water and Natural Resources

Brief explanation of the current or anticipated business transaction with a State agency or with a political subdivision of the State and your role in the transaction:

The city of Presho, a bulk customer of West River/Lyman-Jones Rural Water System, has applied for a Small Community Planning Grant. The Board of Water and Natural Resources approves funding for the Small Community Planning Grant program by annually adopting the State Revolving Fund Intended Use Plans and authorizing the Department of Environment and Natural Resources to award and administer the planning grants.

Brief explanation of the essential terms of the contract or transaction.

The purpose of the Small Community Planning Grant program is to provide funding for communities of 2,500 or less to hire an engineer to prepare a preliminary engineering reports or facilities plans for water and wastewater infrastructure. Planning grant recipients are reimbursed for 80% of the cost of the engineering study upon completion of the engineering report, not to exceed \$8,000 for a water engineering study and \$10,000 for a wastewater related study.

Brief explanation of why you believe a waiver should be granted:

The West River/Lyman-Jones Rural Water System has no involvement with any aspect of a Small Community Planning Grant that is awarded to one of its customers.

Signature of Person Requesting Waiver: Paul Goldhammer

REQUEST FOR STATE BOARD WAIVER

THIS IS A PUBLIC DOCUMENT

Date: Aug. 31, 2016

Name of Board Member or Former Board Member: Brad Johnson

Name of Board, Authority or Commission: Board of Water and Natural Resources

Brief explanation of your potential conflict of interest:

I am on the Board of Directors of the Lake Kampeska Water Project District, a political subdivision of the State. To support the Upper Big Sioux Watershed Project, the water project district has had contracts with political subdivisions that deal with similar subject matter as the Board of Water and Natural Resources.

Brief explanation of the current or anticipated business transaction with a State agency or with a political subdivision of the State and your role in the transaction:

The Lake Kampeska Water Project District has entered into contracts with the Board of Water and Natural Resources in the past for various activities and it is possible that the two parties will enter into contracts in the future.

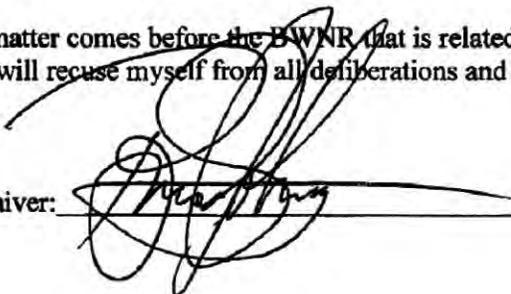
Additionally, it is anticipated that there will be instances where the Lake Kampeska Project Development District and the Board of Water and Natural Resources may each provide loans, grants or other economic assistance or economic sponsorship or cost sharing or other types of financial relationship for the same project with state agencies and political subdivisions that deal with similar subject matter as the Board of Water and Natural Resources.

Brief explanation of the essential terms of the contract or transaction.

The Board of Water and Natural Resources awards grant and loans to municipalities, special purpose water districts, and nonprofit entities for water, sewer, and solid waste projects.

Brief explanation of why you believe a waiver should be granted:

It is my intent that in the event if a matter comes before the BWNR that is related to the Lake Kampeska Water Project District, I will recuse myself from all deliberations and decision making on that matter.

Signature of Person Requesting Waiver: 

REQUEST FOR STATE BOARD WAIVER

**THIS IS A PUBLIC DOCUMENT**

Date: 8-30-16

Name of Board Member or Former Board Member: Jackie Lanning

Name of Board, Authority or Commission: Board of Water and Natural Resources

Brief explanation of your potential conflict of interest:

*I am the City Engineer for the City of Brookings, South Dakota. The City of Brookings has applied for and received funding through the Board of Water and Natural Resources for previous projects and may apply for funding in the future. Brookings Municipal Utilities has also applied for and received funding through the BWNR in the past, and may apply for funding in the future. I am not a voting member of the Brookings City Council or the Brookings Municipal Utility Board, however, I am employed by the City of Brookings.*

Brief explanation of the current or anticipated business transaction with a State agency or with a political subdivision of the State and your role in the transaction:

*The City of Brookings and Brookings Municipal Utilities have been awarded loans by the Board of Water and Natural Resources. The City of Brookings or Brookings Municipal Utilities currently do not have applications submitted for funding through the Board of Water and Natural Resources. It is anticipated that funding applications may be submitted in the future.*

Brief explanation of the essential terms of the contract or transaction.

*The Board of Water and Natural Resources awards grant and loans to municipalities for water, sewer, and solid waste projects.*

Brief explanation of why you believe a waiver should be granted:

*I intend to abstain from any discussions and voting on any application submitted by the City of Brookings and Brookings Municipal Utilities.*

Signature of Person Requesting Waiver: \_\_\_\_\_

*Jackie Lanning*

REQUEST FOR STATE BOARD WAIVER

**THIS IS A PUBLIC DOCUMENT**

Date: Aug 31-2016

Name of Board Member or Former Board Member: Jerry Soholt

Name of Board, Authority or Commission: Board of Water and Natural Resources

Brief explanation of your potential conflict of interest:

I am on the Board of Directors of the East Dakota Water Development District, a political subdivision of the State. The water development district has contracts to provide a wide variety of services to state agencies and political subdivisions that deal with similar subject matter as the Board of Water and Natural Resources.

Brief explanation of the current or anticipated business transaction with a State agency or with a political subdivision of the State and your role in the transaction:

The East Dakota Water Development District has entered into contracts with the Board of Water and Natural Resources in the past for various activities and it is likely that the two parties will enter into contracts in the future.

Additionally, it is anticipated that there will be instances where the East Dakota Water Development District and the Board of Water and Natural Resources may each provide loans, grants or other economic assistance or economic sponsorship or cost sharing or other types of financial relationship for the same project with state agencies and political subdivisions that deal with similar subject matter as the Board of Water and Natural Resources.

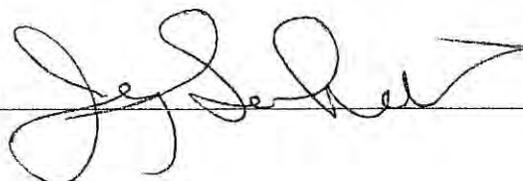
Brief explanation of the essential terms of the contract or transaction.

The Board of Water and Natural Resources awards grant and loans to municipalities, special purpose water districts, and nonprofit entities for water, sewer, and solid waste projects.

Brief explanation of why you believe a waiver should be granted:

It is my intent that in the event if a matter comes before the BWNR that is related to the East Dakota Water Development District, I will recuse myself from all deliberations and decision making on that matter.

Signature of Person Requesting Waiver: \_\_\_\_\_



REQUEST FOR STATE BOARD WAIVER

THIS IS A PUBLIC DOCUMENT

Date: Sept 6 2016

Name of Board Member or Former Board Member: Jerry Soholt

Name of Board, Authority or Commission: Board of Water and Natural Resources

Brief explanation of your potential conflict of interest:

I am on the Board of Directors of the East Dakota Water Development District, a political subdivision of the State. The water development district has contracts to provide a wide variety of services to state agencies and political subdivisions that deal with similar subject matter as the Board of Water and Natural Resources.

Brief explanation of the current or anticipated business transaction with a State agency or with a political subdivision of the State and your role in the transaction:

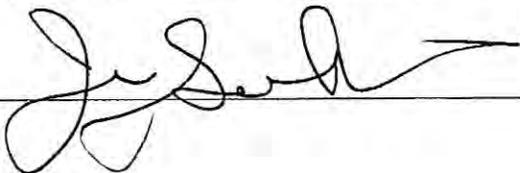
The city of Crooks has received a Small Community Planning Grant. The Board of Water and Natural Resources approves funding for the Small Community Planning Grant program by annually adopting the State Revolving Fund Intended Use Plans and authorizing the Department of Environment and Natural Resources to award and administer the planning grants. The city of Crooks has made a request for assistance to the East Dakota Water Development District to help with the city's cost share portion of the Small Community Planning Grant.

Brief explanation of the essential terms of the contract or transaction.

The purpose of the Small Community Planning Grant program is to provide funding for communities of 2,500 or less to hire an engineer to prepare a preliminary engineering reports or facilities plans for water and wastewater infrastructure. Planning grant recipients are reimbursed for 80% of the cost of the engineering study upon completion of the engineering report, not to exceed \$8,000 for a water engineering study and \$10,000 for a wastewater related study.

Brief explanation of why you believe a waiver should be granted:

I will not earn or receive any income, compensation or commission directly from either of these contracts.

Signature of Person Requesting Waiver: 

REQUEST FOR STATE BOARD WAIVER

THIS IS A PUBLIC DOCUMENT

Date: Sept 6 - 2016

Name of Board Member or Former Board Member: Jerry Sohlt

Name of Board, Authority or Commission: Board of Water and Natural Resources

Brief explanation of your potential conflict of interest:

I am on the Board of Directors of the East Dakota Water Development District, a political subdivision of the State. The water development district has contracts to provide a wide variety of services to state agencies and political subdivisions that deal with similar subject matter as the Board of Water and Natural Resources.

Brief explanation of the current or anticipated business transaction with a State agency or with a political subdivision of the State and your role in the transaction:

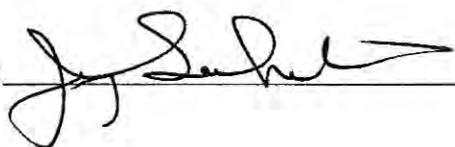
The Chester Sanitary District has received a Small Community Planning Grant. The Board of Water and Natural Resources approves funding for the Small Community Planning Grant program by annually adopting the State Revolving Fund Intended Use Plans and authorizing the Department of Environment and Natural Resources to award and administer the planning grants. The Chester Sanitary District has made a request for assistance to the East Dakota Water Development District to help with the city's cost share portion of the Small Community Planning Grant.

Brief explanation of the essential terms of the contract or transaction.

The purpose of the Small Community Planning Grant program is to provide funding for communities of 2,500 or less to hire an engineer to prepare a preliminary engineering reports or facilities plans for water and wastewater infrastructure. Planning grant recipients are reimbursed for 80% of the cost of the engineering study upon completion of the engineering report, not to exceed \$8,000 for a water engineering study and \$10,000 for a wastewater related study.

Brief explanation of why you believe a waiver should be granted:

I will not earn or receive any income, compensation or commission directly from either of these contracts.

Signature of Person Requesting Waiver: 

STATE OF SOUTH DAKOTA

BOARD OF WATER AND NATURAL RESOURCES

STATE BOARD DISCLOSURE LAWS  
WAIVER AUTHORIZATION  
PURSUANT TO SDCL 3-23-3 (current member)

A written request for waiver of conflict, dated \_\_\_\_\_, was received from  
\_\_\_\_\_. The request was acted upon by the members of the  
Board of Water and Natural Resources during a meeting held on  
\_\_\_\_\_.

(check one)

\_\_\_\_\_ The request for waiver was denied for the following reasons:

\_\_\_\_\_ The request for waiver was authorized for the following reasons:

\_\_\_\_\_ The request for waiver was authorized subject to the following conditions:

\_\_\_\_\_  
Signature of Chairperson or Authorized Member

\_\_\_\_\_  
Date

Printed Name: \_\_\_\_\_

Date mailed to Auditor-General: \_\_\_\_\_

**TITLE:** Amendments to 2016 State Water Facilities Plan, 2016 Clean Water State Revolving Fund and 2016 Drinking Water State Revolving Fund Intended Use Plans

**EXPLANATION:** Water projects which will require state funding or need state support for categorical grant or loan funding need to be on the State Water Plan. The Board of Water and Natural Resources annually approves projects for placement onto State Water Facilities Plan and provides for amendments of projects onto the plan. Placement of a project on the State Water Plan by the board provides no guarantee of funding. The projects placed onto the plan at this meeting will remain on the facilities plan through December 2017.

Projects seeking a Clean Water or Drinking Water State Revolving Fund loan must be included on the project priority list of the Intended Use Plan. The State Water Plan applications are used to determine which projects should be amended onto the State Revolving Fund Project Priority Lists.

The following is the list of State Water Plan applications received by the August 1, 2016 deadline.

- a. Gregory
- b. Martin
- c. Sioux Falls
- d. Terry Trojan Water Project District

Staff is recommending that the following projects be amended onto the 2016 Clean Water State Revolving Fund Project Priority List:

<b>Priority Points</b>	<b>Loan Recipient</b>	<b>Estimated Loan Amount</b>	<b>Expected Loan Rate &amp; Term</b>
12	Sioux Falls	\$5,649,000	1.25%, 10 years
9	Gregory	\$334,000	3.25%, 30 years

September 23, 2016

Item 5

Staff is recommending that the following projects be amended onto the 2016 Drinking Water State Revolving Fund Project Priority List:

<b>Priority Points</b>	<b>Loan Recipient</b>	<b>Estimated Loan Amount</b>	<b>Expected Loan Rate &amp; Term</b>
48	Terry Trojan Water Project District	\$1,087,377	3.25%, 30 years
20	Martin	\$633,000	2.25%, 30 years

**RECOMMENDED ACTION:** Approve amendment of projects onto the 2016 State Water Facilities Plan, 2016 Clean Water State Revolving Fund Intended Use Plan and 2016 Drinking Water State Revolving Fund Intended Use Plans

**CONTACT:** Andy Bruels, 773-4216

# State Water Plan Applications September 2016



## State Water Plan Application

<b>Applicant:</b> City of Gregory  <b>Address:</b> PO Box 486 Gregory, SD  <b>Phone Number:</b> (605) 835-8270	<b>Proposed Funding Package</b>  <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Projected State Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$334,000</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;"><b>TOTAL</b></td> <td style="text-align: right; border-bottom: 3px double black;"><b>\$334,000</b></td> </tr> </table>	Projected State Funding	\$334,000	Local Cash	_____	Other:	_____	Other:	_____	<b>TOTAL</b>	<b>\$334,000</b>
Projected State Funding	\$334,000										
Local Cash	_____										
Other:	_____										
Other:	_____										
<b>TOTAL</b>	<b>\$334,000</b>										

**Project Title:** Felton Street Improvements

**Description:** (Include present monthly utility rate.)

The City of Gregory retained SPN to prepare a PER on its wastewater system. The selected alternative proposes to install a new collection system along Felton Street that would replace pipe. This location is probably the worst location noted for structural problems and allowing infiltration; where the main sewer pipe's intersections with the sewer services and where the pipes connect to the outfall line going to the lagoon. Recent camera inspections revealed the line being full of roots and in rough shape for a clay pipe. The project will involve the installation of approximately 800 lineal feet of 8" PVC sewer main along Felton Street between 4th Street and 2nd Street.

The City of Gregory charges its residents \$ 23 for 5,000 gallons of wastewater. The City of Gregory is planning to adopt a new rate of \$32.00 for 5,000 gallons of wastewater on August 1, 2016.

**The Applicant Certifies That:**

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Scott Anshutz, Mayor  
 \_\_\_\_\_  
 Name & Title of Authorized Signatory  
 (Typed)

  
 \_\_\_\_\_  
 Signature August 01, 2016  
 Date

## State Water Plan Application

Applicant: City of Martin  Address: PO Box 687 Martin, SD 57551-0687  Phone Number: 605-685-6525	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center; border-bottom: 1px solid black;">Proposed Funding Package</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Projected State Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$633,000</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">TOTAL</td> <td style="text-align: right; border-bottom: 1px solid black;">\$633,000</td> </tr> </table>	Proposed Funding Package		Projected State Funding	\$633,000	Local Cash	_____	Other: _____	_____	Other: _____	_____	TOTAL	\$633,000
Proposed Funding Package													
Projected State Funding	\$633,000												
Local Cash	_____												
Other: _____	_____												
Other: _____	_____												
TOTAL	\$633,000												

**Project Title:** Phase 1 Water Main Improvements - 4th and 5th Avenues

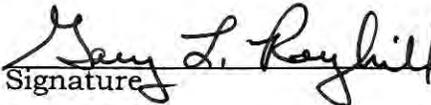
**Description:** (Include present monthly utility rate.)

This proposed project is the first phase of a water main project consisting of: the replacement of the existing two-inch water main on 4th Avenue, the replacement of existing water main on Dorothy Street between 4th and 5th Avenues, and the installation of new water main on 5th Avenue where none exists currently (refer to attached map and cost estimate). According to the engineering feasibility study prepared for the Small Community Planning Grant Program (on file with the SD DENR with a revised copy being submitted now under separate cover), there is an overall need in Martin for the replacement of existing water mains. The total estimated cost of this Phase 1 project is \$632,657 which has been rounded upwards to \$633,000 for purposes of this application. Specific project components, materials and quantities are reflected in the attached cost estimate. The current water rates per 5,000 gallons are \$27 for inside the City limits and \$40.50 for out-of-town users. There are approximately 408 water accounts inside the City limits and approximately 85 accounts outside of the City limits.

**The Applicant Certifies That:**

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Gary Rayhill, Mayor  
 \_\_\_\_\_  
 Name & Title of Authorized Signatory  
 (Typed)


7-27-16  
 \_\_\_\_\_  
 Signature Date

## State Water Plan Application

Applicant: City of Sioux Falls  Address: 224 W. 9th Street Sioux Falls, SD 57104  Phone Number: (605)367-8800	Proposed Funding Package  <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Projected State Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$4,800,000</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;">\$605,000</td> </tr> <tr> <td style="text-align: right;">Other: <u>Non Point Source</u></td> <td style="text-align: right; border-bottom: 1px solid black;">\$244,000</td> </tr> <tr> <td style="text-align: right;">Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;"><b>TOTAL</b></td> <td style="text-align: right; border-bottom: 1px solid black;"><b>\$5,649,000</b></td> </tr> </table>	Projected State Funding	\$4,800,000	Local Cash	\$605,000	Other: <u>Non Point Source</u>	\$244,000	Other: _____	_____	<b>TOTAL</b>	<b>\$5,649,000</b>
Projected State Funding	\$4,800,000										
Local Cash	\$605,000										
Other: <u>Non Point Source</u>	\$244,000										
Other: _____	_____										
<b>TOTAL</b>	<b>\$5,649,000</b>										

Project Title: Terry Avenue and 43rd Street Drainage Improvements (CW-38)

Description: (Include present monthly utility rate.)

The Terry Avenue and 43rd Street Improvements project was identified following the completion of a City of Sioux Falls watershed drainage study. The project involves storm sewer improvements for the drainage basin bounded by Interstate 29 to Marion Road and 41st Street to 47th Street. The project will reduce overland flow across Marion Road and through the affected neighborhood to the east. The basin is completely developed, and no changes in land use are anticipated.

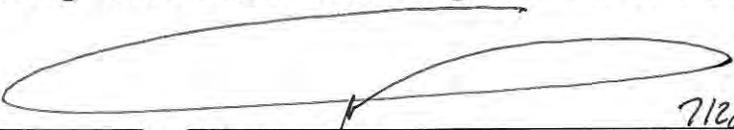
The Facility Plan is being completed by Stockwell Engineers.

The budget in the City of Sioux Falls Capital Improvements Program is \$5,384,000.

Average residential lot is 7500 sq ft in size. Run off factor is 7.5 times unit financial factor charge which is 2016 is .000715. Average residential lot size pays \$40 per year. Average commercial lot pays 43,000 sq ft run off factor 18.75 and charge .000715 equals 576.50

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Mike Huether, Mayor		7/28/16
Name & Title of Authorized Signatory (Typed)	Signature	Date

**CITY USE ONLY**

Agreement No. \_\_\_\_\_ Dept/ MOU D504  
 Attorney JP Finance Tom / Joe  
 CIP/Project 238012  
 City Engineer Chad / Alan

## State Water Plan Application

Applicant: Terry Trojan Water Project District  Address: PO Box 515 Lead, SD 57754  Phone Number: 605-580-1078	Proposed Funding Package  <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Projected State Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$1,087,377</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;"><b>TOTAL</b></td> <td style="text-align: right; border-bottom: 3px double black;"><b>\$1,087,377</b></td> </tr> </table>	Projected State Funding	\$1,087,377	Local Cash	_____	Other:	_____	Other:	_____	<b>TOTAL</b>	<b>\$1,087,377</b>
Projected State Funding	\$1,087,377										
Local Cash	_____										
Other:	_____										
Other:	_____										
<b>TOTAL</b>	<b>\$1,087,377</b>										

Project Title: Water System Rehabilitation

Description: (Include present monthly utility rate.)

The Terry Trojan Water District is proposing a water system rehabilitation project in order to address numerous system deficiencies. The water system consists of one well, a booster pump station, two storage reservoirs, and approximately 14,000 feet of transmission mains. The district has 200 service connections, consisting of 190 homes and 10 commercial users.

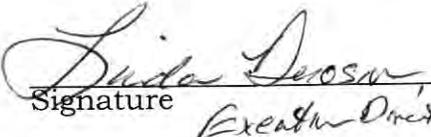
The proposed project will: address substantial water losses within the distribution system by replacing failing components; provide a redundant water supply with the drilling and development of a second well; improve water operations controls and efficiencies at the existing well, booster station, and pressure reducing valves; and, replace a leaking concrete storage tank.

USER RATES: Residential (non-vacation rental): \$47 + \$4/1,000 gallons; Residential (vacation rental): \$50 + \$4/1,000 gallons; Commercial (1" meter): \$72 + \$4/1,000 gallons

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Linda Derosier, Executive Director  
 \_\_\_\_\_  
 Name & Title of Authorized Signatory  
 (Typed)

  
 Signature \_\_\_\_\_ Date 7-18-16  
*Executive Director*

TITLE: Solid Waste Management Program Funding Applications

EXPLANATION: The Solid Waste Management Program was established under SDCL 46A-1-83. The Board of Water and Natural Resources may award grant and loan funds for the purpose of solid waste planning and management under the program. The following applications have been received by DENR for funding consideration at this meeting.

- a. Ecomaniacs
- b. Madison
- c. Naples
- d. Northwest SD Regional Landfill
- e. Seneca
- f. Tri-County Landfill Association

COMPLETE APPLICATIONS: Application cover sheets and summary sheets have been provided as part of the board packet. Complete applications are available online and can be accessed by typing the following address in your internet browser:

<http://denr.sd.gov/bwnrapps/BWNRapps0916.pdf>

If you would like hard copies of the applications, please contact Drew Huisken at (605) 773-5092.

# Solid Waste Management Applications September 2016



**FUNDING REQUEST EVALUATION FORM**  
**SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATION**  
**APPLICANT: ECOMANIACS**

Project Title: Recycling Education Expansion and Update

Funding Requested: \$4,000

Other Proposed Funding: \$1,500 – First National Bank Donation  
\$1,500 – SD Discovery Center 319 I&E Grant

Total Project Cost: \$7,000

Project Description: Ecomaniacs is requesting funds to update and expand its education exhibit. This exhibit will be showcased at various outlets including festivals, churches, schools, and camps in the effort to increase the recycling rate in the Sioux Falls region. The exhibit will include interactive display, games and informational kiosks aimed at reaching a large audience.

Type: Solid Waste – Recycling/Resource Reduction

Service Population: 255,568

Financial & History Information: Ecomaniacs has not previously received any SWMP funding.

Fees: Not Applicable

Implementation Schedule: Ecomaniacs plans to expand its exhibit immediately after SWMP funds are received.

Engineering Review Completed By: Drew Huisken  
Financial Review Completed By: Jon Peschong

# Solid Waste Management Program Application

**Applicant**  
Ecomaniacs

**Proposed Funding Package**

SWMP Funds: \$4,000

Local Cash:

**Address**  
PO BOX 85110  
Sioux Falls SD 57104

Other: First National Bank Donation \$1,500

Other: SD Discovery Center \$1,500

Other: \_\_\_\_\_

**Phone Number** (605)336-1744

**Total Project Cost:** \$7,000

**Project Title:** Recycling Education expansion and update

**Description:**

Ecomaniacs are in need of an updated and expanded education exhibit to take to music festivals, churches, schools, camps, and any other outlets we can find in order to assist in increasing the Sioux Falls regional recycling rate, diverting waste from the landfill at the source of that waste.

We are raising funds to build a recycling education kiosk with games and interactives designed to teach kids the story of what happens to their recycling after they choose the right bin. We are designing peripheral pieces to supplement the Kiosk that describe the effects of recycling and what X number of bottles or cans or papers turn into Y, etc. These peripherals are displays, interactive play pieces to encourage learning through the senses as well as changeable and fact filled trailer displays to reach people from a distance with our message.

We have already raised the money for the kiosk, but the trailer wrap, interactives, informational displays and other games are estimated to cost an additional \$4,000 that we are asking for in this grant application.

The trailer's inside houses our equipment and educational materials. It's outside is to be used for displaying information. the trailer is donated by Millennium Recycling inc.

The Applicant certifies that:

I declare and affirm under the penalties of perjury that this application has been examined by me, and to the best of my knowledge and belief, is in all things true and correct.

Jake Anderson, Ecomaniacs' Treasurer

\_\_\_\_\_  
Name and Title of Authorized Signatory (Typed)



\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**FUNDING REQUEST EVALUATION FORM**  
**SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATION**  
**APPLICANT: CITY OF MADISON**

Project Title: Madison Restricted Use Site

Funding Requested: \$42,392

Other Proposed Funding: \$42,392 – Local Cash

Total Project Cost: \$84,784

Project Description: The City of Madison is proposing to construct an additional cell at its Restricted Use Site. Excavated materials from the proposed cell will be used to cap the majority of an existing cell. A small portion of the existing cell will continue to receive waste until the proposed cell is completed.

Type: Solid Waste – Restricted Use Site

Service Population: 7,258

Financial & History Information: In June 2008, Madison received a \$92,500 grant at 49.6% for purchase of a recycling conveyor.

In December 2000, Madison received a \$75,000 grant at 66% for a recycling center addition.

In December 1995, Madison received a \$132,000 grant at 40% for a new recycling center.

Fees: \$10 per pickup load or trailer.  
\$7.50 per cubic yard.

Implementation Schedule: The City of Madison anticipates starting construction in late September 2016 and completion of the project in July 2017.

Engineering Review Completed By: Drew Huisken  
Financial Review Completed By: Jon Peschong



**FUNDING REQUEST EVALUATION FORM**  
**SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATION**  
**APPLICANT: TOWN OF NAPLES**

Project Title: Naples Tree Dump Clean Up

Funding Requested: \$23,840 – SWMP Grant

Other Proposed Funding: \$5,960 – Local Cash

Total Project Cost: \$29,800

Project Description: The Town of Naples is proposing to clean up its tree dump facility. Municipal solid waste has been illegally dumped at the site and the facility is now out of compliance with its permit. Naples wishes to return its facility to compliance by removing the illegal waste and disposing it at a regional landfill.

Type: Solid Waste

Service Population: 25

Financial & History Information: The Town of Naples has not previously received any SWMP funding.

Fees: None

Implementation Schedule: The Town of Naples anticipates beginning the project in October 2016 with a completion date in December 2016.

Engineering Review Completed By: Drew Huisken  
Financial Review Completed By: Jon Peschong



**FUNDING REQUEST EVALUATION FORM**  
**SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATION**  
**APPLICANT: NORTHWEST SOUTH DAKOTA REGIONAL LANDFILL ASSOCIATION, INC.**

Project Title: Landfill Expansion Project

Funding Requested: \$788,000

Other Proposed Funding: None

Total Project Cost: \$788,000

Project Description: Northwest SD Regional Landfill Association is proposing to construction an additional landfill cell in order to meet future space demand. Construction of Cell #3 will create an additional 10 or more years of useful life.

Type: Solid Waste – Regional Landfill

Service Population: 2,861

Financial & History Information: In January 2015, Northwest SD RLA received a \$247,200 SWMP grant and a \$164,800 SWMP loan purchase roll-off containers, haul trailers, and make other various upgrades at the landfill.

In March 2008, Northwest SD Regional Landfill received a \$30,000 grant for a new litter fence and roll-off containers.

In March 2004, Northwest SD Regional Landfill received a \$250,000 loan and a \$82,000 grant for the construction of landfill cell #2 and an equipment purchase.

Implementation Schedule: Northwest SD RLA anticipates bidding in Spring 2017 with a completion date in Fall 2017.

Engineering Review Completed By: Drew Huisken  
Financial Review Completed By: Jon Peschong

# Solid Waste Management Program Application

Applicant

Northwest South Dakota Regional Landfill Association, Inc.

Proposed Funding Package

SWMP Funds: \$788,000

Address

501 3rd St. East  
Lemmon, SD 57638

Local Cash: \_\_\_\_\_

Other: \_\_\_\_\_

Other: \_\_\_\_\_

Other: \_\_\_\_\_

Phone

Number 605-374-3246

Total Project Cost: \$788,000

Project Title: *Landfill Expansion Project*

Description: *The Northwest South Dakota Regional Landfill Association, Inc. is proposing to construct an additional landfill cell (Cell #3) in order to meet future space demand. The landfill currently is operating with two cells. Construction of the third cell in 2017 will allow for an additional 5.5 years of operation. (Refer to facility plan for complete project details). The landfill is a type IIB facility located approximately 12 miles southwest of Bison, SD and serves the communities of Bison, Buffalo, Lemmon, Isabel, McIntosh, and McLaughlin in South Dakota - as well as the community of Hettinger, North Dakota.*

The Applicant certifies that:

I declare and affirm under the penalties of perjury that this application has been examined by me, and to the best of my knowledge and belief, is in all things true and correct.

*Timothy M. Hess, President*

Name and Title of Authorized Signatory (Typed)

*Timothy M Hess* 6-27-16  
Signature Date

**FUNDING REQUEST EVALUATION FORM**  
**SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATION**  
**APPLICANT: TOWN OF SENECA**

Project Title: Seneca Rubble Site Closure Project

Funding Requested: \$23,904 – SWMP Grant

Other Proposed Funding: \$5,976 – Local Cash

Total Project Cost: \$29,880

Project Description: The Town of Seneca is proposing to permanently close its waste site. The site no longer accepts waste materials and does not have the capacity to operate the site. Closure of the site is desired by both the f Seneca and SD DENR.

Type: Solid Waste

Service Population: 38

Financial & History Information: In May 1993, Seneca received a \$5,000 grant to close its municipal solid waste disposal facility.

Fees: Not Applicable

Implementation Schedule: The Town of Seneca originally aimed to close the site by September 1, 2016, but will now anticipate closure shortly after funding is awarded.

Engineering Review Completed By: Drew Huisken  
Financial Review Completed By: Jon Peschong

# Solid Waste Management Program Application

Applicant  
Town of Seneca

## Proposed Funding Package

SWMP Funds:           \$23,904.00          

Address  
  
304 Elm Street  
Seneca, SD 57473

Local Cash:           \$5,976.00          

Other: \_\_\_\_\_

Other: \_\_\_\_\_

Other: \_\_\_\_\_

Phone  
Number

Total Project Cost:           \$29,880.00          

Project Title: Town of Seneca Municipal Waste Landfill Project

Description:

The Town of Seneca is proposing to close its municipal waste landfill. They have received two different cost estimates to close the rubble site. One from Allen Frost for \$25,000.00 and another from Dave's Salvage for \$24,900.00. A 20% contingency has been added to this amount in case the project comes in over the proposed cost estimate.

The Applicant certifies that:

I declare and affirm under the penalties of perjury that this application has been examined by me, and to the best of my knowledge and belief, is in all things true and correct.

Jeff Greiner, Trustee (605) 436-6227  
Name and Title of Authorized Signatory (Typed)

*Jeff Greiner*  
Signature

06/15/16  
Date

**FUNDING REQUEST EVALUATION FORM**  
**SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATION**  
**APPLICANT: TRI-COUNTY LANDFILL ASSOCIATION**

Project Title: Geothermal Piping System to Heat Equipment and Vehicle Building

Funding Requested: \$14,400

Other Proposed Funding: \$3,750– Local Cash

Total Project Cost: \$18,150

Project Description: Tri-County Landfill Association is proposing to utilize a geothermal heating system in their recently constructed cold storage building. The floor piping is already in place and Tri-County is proposing to utilize energy created by decomposing solid waste in the landfill cells to heat a glycol solution in the pipes. The heated solution would be connected to the existing floor piping to heat the building. The proposed improvements will assist in daily operations and further the landfill’s goal of safe and environmentally sound waste disposal and management.

Type: Solid Waste – Regional Landfill

Service Population: 27,000

Financial & History Information: In January 2015, Tri-County received a \$133,760 SWMP loan and a \$33,400 SWMP grant to construct an equipment and vehicle cold storage building.

In June 2012, Tri County received a \$300,000 loan and a \$300,000 grant for the construction of cell #3A.

In January 2011, Tri County received a \$73,000 loan and a \$102,000 grant for acquisition of a front end loader.

Implementation Schedule: Tri-County Landfill Association anticipates beginning October 2016 and completing the project by November 2016.

Engineering Review Completed By: Drew Huisken  
Financial Review Completed By: Jon Peschong

# Solid Waste Management Program Application

Applicant  
Tri-County Landfill Association

## Proposed Funding Package

SWMP Funds: \$14,400

Local Cash: \$3,750

Address  
24978 349th Avenue  
Pukwana, South Dakota 57370-6422

Other: \_\_\_\_\_

Other: \_\_\_\_\_

Other: \_\_\_\_\_

Phone Number (605) 894-4535

Total Project Cost: \$18,150

Project Title: Geothermal Piping System to Heat Equipment and Vehicle Building

### Description:

Tri-County Landfill (TCLF) recently completed construction of a 60' by 120' building cold storage building for equipment and vehicles. During construction, pipes were laid in a looping layout within a 60' by 60' area finished with a concrete floor which serves as a storage and maintenance area. Tri-County is now wishing to utilize the existing pipe and heat the floor via a geothermal system. TCLF is proposing to utilize energy created by decomposing solid waste to heat a glycol solution. The heated solution would flow from pipes to be run deep within the solid waste to the existing in floor piping. The system will be constructed to allow for future expansion to heat other facility structures such as the office. Project details are provided within the Executive Summary with line item project costs illustrated in the attached supporting documentation

TCLF will utilize the proposed improvements in its daily operations thus furthering the regional landfill's overall mission of safe and environmentally sound solid waste disposal and management.

The Applicant certifies that:

I declare and affirm under the penalties of perjury that this application has been examined by me, and to the best of my knowledge and belief, is in all things true and correct.

Richard Rasmussen, Chairman

Name and Title of Authorized Signatory (Typed)

 6-30-20  
Signature Date

**TITLE:** Rescission of Miller Clean Water State Revolving Fund Loans C461128-01 and C461128-02.

**EXPLANATION:** In March 2016, Miller was awarded a \$3,541,000 Clean Water SRF loan to replace aging sanitary sewer infrastructure and a \$1,958,000 Clean Water SRF loan to replace aging storm sewer infrastructure. The project consisted of replacing 10,000 linear feet of sanitary sewer, 3,930 feet of service pipe, manholes, repairs to lift stations and improvements to the stormwater drainage system.

On August 1, 2016, the department received a letter from Miller declining the loans. The city has received funding from USDA Rural Development and has requested the board rescind Clean Water State Revolving Fund Loans C461128-01 and C461128-02.

**RECOMMENDED ACTION:** Rescind Resolutions #2016-12 and #2016-14 approving Clean Water State Revolving Fund Loans C461128-01 and C461128-02 to the city of Miller.

**CONTACT:** Jon Peschong  
773-4216

CITY OF

**MILLER**

*South Dakota*

120 W 2<sup>ND</sup> ST

Miller SD 57362

Phone: (605) 853-2705

Fax: (605) 853-3617

[finance.office@cityofmiller.com](mailto:finance.office@cityofmiller.com)

August 1, 2016

SD DENR

Attn: Andrew Bruels

Joe Foss Building

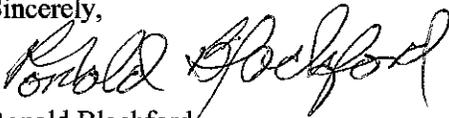
523 E Capitol Ave

Pierre SD 57501

Dear Mr. Bruels,

The City of Miller would like to extend our gratitude to the Board of Water and Natural Resources for their consideration of the City's sanitary sewer and storm sewer improvements project. However, the City has decided to decline the \$5,499,000 loan the BWNR that was approved on April 5, 2016. Please contact me at 605 853-2705 if you have any questions.

Sincerely,



Ronald Blachford

Mayor

cc: NECOG

**TITLE:** Brookings-Deuel Rural Water System Amendment for Drinking Water State Revolving Fund Loan C462453-03

**EXPLANATION:** In March 2016 the Board of Water and Natural Resources approved Drinking Water State Revolving Fund loan C462453-03 to Brookings-Deuel Rural Water System in the amount of \$250,000 for an Automatic Meter System. The award was made contingent upon a Intercreditor Agreement being approved and executed by CoBank, Rural Utilities Service, First Bank and Trust, Brookings-Deuel Rural Water System and the District.

The Rural Utilities Service USDA Rural Development has indicated it will not sign an Intercreditor Agreement. Brookings-Deuel Rural Water System has requested that the Board amend the contingency requirements by removing the parity agreement contingency.

**RECOMMENDED ACTION:** Rescind Resolution # 2016-34 and approve a new loan to Brookings-Deuel RWS without the parity agreement contingency.

**CONTACT:** Derek Lankford (773-4907)



# BROOKINGS-DEUEL RURAL WATER SYSTEM

*Quality Water For Our Members  
One Pledge...  
...One Goal*

47602 SD Highway 28 • Toronto, SD 57268 • Phone (605) 794-4201 • Fax (605) 794-4061 • bdrws@itctel.com

September 8, 2016

Derek Lankford  
DENR-Division of Financial & Technical Assistance  
Joe Foss Building  
523 E. Capitol  
Pierre, SD 57501

Derek:

We received your letter of conditions stating requirements that need to be met to be eligible for a State Revolving Fund loan. One of the requirements is for a parity agreement from lenders with previous loans. We requested a parity agreement from United States Rural Development, but they have denied our request.

Due to this denial, Brookings-Deuel is requesting a waiver of the parity agreement contingency to allow us to secure funds from the State Revolving Fund to fund our automatic meter reading installation.

Thank you for your time and consideration.

Sincerely,

Gene Wilts  
General Manager  
Brookings-Deuel Rural Water System

**TITLE:** Viborg Request to Amend Clean Water State Revolving Fund Loan C461240-02 and Drinking Water State Revolving Fund C462240-03

**EXPLANATION:** In July 2016 the Board of Water and Natural Resources approved Drinking Water State Revolving Fund loan C462240-03 and Clean Water State Revolving Fund loan C461240-02 in the amounts of \$606,000 and \$105,000, respectfully for system improvements. Viborg pledged system revenue for repayment of both loans.

Viborg has requested that the Board approve an amendment to the revenue pledged as security for repayment of the Drinking Water State Revolving Fund loan and the Clean Water State Revolving loan. The city originally pledged system revenue for repayment of the loan. Viborg has requested that the Board approve amending the revenue pledge and that the loan be secured by a project surcharge.

**RECOMMENDED ACTION:** Approve Viborg's request to change the revenue pledged of repayment for Drinking Water State Revolving Fund loan DW-03 and Clean Water State Revolving Fund loan CW-02 to a pledge of project surcharge revenue.

**CONTACT:** Derek Lankford (773-4907)



City of Viborg • P.O. Box 56 • Viborg, SD 57070 • (605) 326-5103

South Dakota D.E.N.R.  
Joe Foss Building  
523 East Capitol  
Pierre, SD 57501

September 7, 2016

Re: Drinking Water and Clean Water Loans

A motion was made at our August 8, 2016 Council Meeting to pledge a surcharge towards the repayment of new drinking water and clean water loans to finance projects we find necessary in the City of Viborg.

We will determine the exact amount of each surcharge at our September meeting. The surcharges we are considering are \$4.55 pledged for repayment of our drinking water loan and \$1.25 for repayment of our clean water loan. We are aware that these surcharges must be a minimum of \$4.52 for drinking water and \$1.23 for clean water loans.

We are attaching a copy of the minutes from our August 8, 2016 Council Meeting. Please let us know if you need anything else from us.

Sincerely,

A handwritten signature in cursive script that reads "Steven A. Bendt".

Steven A. Bendt, Mayor

OFFICIAL PROCEEDINGS

The Viborg City Council met in Regular Session on August 8, 2016 in City Hall.

Mayor Bendt called the meeting to order at 7:00 p.m. with the following Council present: Caralee Miller, Jared Voog, Darren Duncan, John Edelman, Chad Nelsen and Keith Bendert. Also present: Gary Ward, City Attorney and Lori Jorgensen, Finance Officer.

Also in attendance: Dale Ebright, Jody Nelsen, Kylie Anderson, Randy Munkvold, Rosemary Armstrong and Earl VanScooter.

Mayor Bendt led all in attendance in the Pledge of Allegiance.

Claims were reviewed by Council. Motion by Bendert, second by Edelman to approve claims. Motion carried.

**INSERT CLAIMS**

Minutes from the Special Session Council Meeting held July 27, 2016 were reviewed. Motion by Bendert, second by Voog to approve minutes. Motion carried.

Mayor Bendt opened the Public Hearing for a zoning change request for Lot 12 of the Railway Addition in Viborg from R-1 (Residential) to C-1 (Commercial). Rosemary Armstrong presented her concerns rising from the allowance of this zoning change. Kyle Anderson also presented concern for the safety of the residents of Evergreen Assisted Living if this zoning change be approved. Motion by Miller, second by Edelman to post the appropriate speed limit signs on Peterson Street to control traffic in this area. Motion by Miller, second by Nelsen to approve the recommendation of the Viborg Planning and Zoning Commission to change the zoning for Lot 12 of the Railway Addition of the City of Viborg from Residential (R-1) to Commercial (C-1). All in favor.

Mayor Bendt held the First Reading of Ordinance #2016-03 to rezone property located Lot 12 of the Railway Addition, City of Viborg from the Residential District to the General Business District and amend the official zoning map of the City of Viborg to reflect the same. Motion by Miller, second by Edelman to approve. Upon roll call vote, all Council voted in favor. Motion carried.

Mayor Bendt then opened the Public Hearing for a request to vacate part of VanderSchaaf Avenue. Motion by Bendert, second by Miller to approve vacation of VanderSchaaf Avenue, 125 feet in length, lying between lots 10 and 12 of Railway Addition to the City of Viborg. All in favor.

**INSERT RESOLUTION #2016-13**

Mayor Bendt held the Second Reading of Ordinance #2016-04 which is a budget supplement to the Streets Fund using funds received from a Vermillion Basin Water Development District grant. Motion by Miller, second by Duncan to approve same. Upon roll call vote, all Council voted in favor. Motion carried.

**INSERT ORDINANCE #2016-04**

Mayor Bendt opened the Public Hearing for an application for a special one day liquor/malt beverage license for a wedding reception at the Viborg Community Center on August 13, 2016. Motion by Edelman, second by Miller to approve same. All in favor.

Maintenance Superintendent Jody Nelsen gave his report for the month of July. Various street improvement projects and drainage issues were discussed. Motion by Duncan, second by Miller to approve proposed drainage improvements on Park Avenue. All in favor.

Police Officer Dale Ebright gave his report for the month of July. Council requested Officer Ebright be present in the school zone at varying hours of the day but especially before school begins and at the end of the school day. Discussion was held regarding Danish Days coverage, speed limits, and juvenile offenses.

Motion by Bendert, second by Voog to give permission for a special one-day liquor/malt beverage license for a wedding reception to be held August 20, 2016 at the Viborg Community Center. All in favor.

Motion by Bendert, second by Voog to give permission for a special one-day liquor/malt beverage license for a wedding reception to be held August 27, 2016 at the Viborg Community Center. All in favor.

Motion by Bendert, second by Duncan to give permission for Summer Recreation participants to travel to Wild Water West on August 10, 2016 for their year-end celebration. All in favor.

Motion by Bendert, second by Voog to give permission to Mayor Bendt to sign a contract for the City of Viborg with Banner Associates, Inc. for the 2017 Utility Improvements Project. All in favor.

Motion by Edelman, second by Bendert to give permission to Mayor Bendt to sign a contract for the City of Viborg with Geotek for soil borings necessary for the 2017 Utility Improvements Project. All in favor.

Finance Officer was directed to contact Banner Associates, Inc. to get their approval on the following statement allowing the City of Viborg to proceed with the 2017 Utility Improvements Project using pledged revenue from a proposed water and sewer surcharge: Because of the functional interdependence of the various portions of the System, the fact that the System may not lawfully operate unless it complies with State and Federal laws, including SDCL Chapter 34A-3A, and the Federal Safe Drinking Water Act, and the nature of the improvements financed, the City hereby finds and determines that the Project will substantially benefit the entire System and all of its users within the meaning of Sections 15 and 17 of the Act. Upon approval of City Engineer, Finance Officer is to notify the Department of Natural Resources of the project revenue pledge and to change our State Revolving Fund application to show same.

Discussion was held regarding the 2017 budget. Motion by Miller, second by Duncan to approve the First Reading of Ordinance #2016-05 which is the annual appropriations ordinance. Upon roll call vote, all Council voted in favor. Motion carried.

The date of the next Regular Session Meeting has been set for Monday, September 12, 2016 at 7:00 p.m. at City Hall. The date of the next Viborg Development Corporation Meeting is Thursday, August 25, 2016 at noon at the Viborg Community Center. The date of the next Planning and Zoning Commission Meeting is Thursday, August 18, 2016 at 7:00 at City Hall. Finance Officer Jorgensen will be traveling to Pierre August 17 and August 18 for a

Taxation and Revenue Committee Meeting. The City Office and Public Library will be closed on Monday, September 5, 2016 in observance of the Labor Day holiday.

Motion by Edelman, second by Duncan to adjourn at 8:54 p.m. All in favor.

Lori L. Jorgensen  
Lori L Jorgensen, Finance Officer

Steven A. Bendt  
Steven A. Bendt, Mayor

**TITLE:** Big Sioux Community Water System Drinking Water SRF Loan and Consolidated Grant Agreements Scope Amendment

**EXPLANATION:** In March 2015, the Board awarded a \$1,014,000 DWSRF loan and a \$2,000,000 Consolidated grant to Big Sioux Community Water System. These funds were to provide an inner-connection between Minnehaha Community Water Corp. and Big Sioux and to construct a pipeline north to then connect with a Lewis & Clark regional water system line as part of the "Madison Wheeling" project.

Big Sioux CWS began construction of the needed improvements in July 2016 and the work is nearing completion. The bids received for the pipeline and booster station construction were favorable and will result in approximately \$350,000 in remaining funds. Big Sioux CWS would like to amend the scope of the funding package to include additional work to the system and add new users.

Big Sioux CWS submitted the attached request to amend the scope of the loan and grant to include a bulk water supply connection to the Chester Sanitary District, to install new ammonia feed equipment so that all water sources use the same type of disinfectants to eliminate taste and odor issues, and to construct a direct connection between an existing Big Sioux CWS pipeline and the new pipeline to Madison to improve overall system capacity and redundancy. To amend the scope of the grant and loan agreements, First Amendments to the Loan Agreement and Grant Agreement have been prepared with assistance from the department's legal counsel and the Attorney General's office.

**RECOMMENDED ACTION:** Approve the First Amendments to the Big Sioux Community Water System Drinking Water SRF Loan and Consolidated Grant Agreements for a change in project scope.

**CONTACT:** Andy Bruels, 773-4216

# BANNER

Engineering | Architecture | Surveying

Banner Associates, Inc. | 409 22nd Ave So | PO Box 298

Brookings, South Dakota 57006

Tel | 605.692.6342 Fax | 605.692.5714

Toll Free | 1.855.323.6342

www.bannerassociates.com

September 2, 2016

Mr. Nick Nelson, Natural Resources Engineer  
SD Department of Natural Resources  
Joss Foss Building  
523 E Capital Avenue  
Pierre, SD 57501

RECEIVED

SEP 06 2016

Division of Financial  
& Technical Assistance

Re: Project Scope Amendment – Big Sioux: Connection to MCWC and Madison  
BAI. No. 20881.00.00  
F:\22081-00\Construction Phase\Nick Nelson Letter\_090216.docx

Dear Mr. Nelson:

This letter is being sent on behalf of Big Sioux Community Water System (BSCWS). Actual costs associated with the construction of the waterline improvements (17 miles of 12" pipe) and booster pump station are anticipated to be approximately \$350,000 less than the construction cost estimates provided in the Preliminary Engineering Report and associated funding package. In an effort to utilize the money set aside for this project, BSCWS is asking SDDENR to consider amending the original scope of services to include additional work to fully make use of the Consolidated Grant and SRF loan for the project.

BSCWS would like SDDENR to consider amending the scope of the existing project to include three potential projects. These projects are:

1. Connection of Chester, SD to BSCWS (\$184,000)
  - a. The recent construction of the 12-inch pipe, associated with the above mention project, provides Chester Sanitary District (CSD) a very cost effective solution to alleviate an aging water treatment plant.
  - b. CSD has hired Banner to write a Facility Plan evaluating the existing water treatment and distribution system. The Facility Plan recommends that CSD connect to BSCWS.
2. Ammonia Feed Equipment (\$68,600)
  - a. Both Lewis and Clark Regional Water System and Minnehaha Community water Corporation (MCWC) use chloramines as their disinfectant in the distribution system. BSCWS will need to convert from free chlorine to chloramines to avoid taste and order concerns associated with blending waters with different disinfectants.
  - b. The original Facility Plan has been amended to document the need, scope of work, alternatives and costs associated with this improvement.
3. Interconnect to BSCWS (\$193,000)
  - a. The construction of an 8-inch pipe that would connect the recently constructed 12-inch pipe directly to the BSCWS distribution system was investigated. This interconnect would increase system reliability and decrease system vulnerability by getting the MCWC water

into the BSCWS system at multiple locations versus conveying the entire amount of water directly to the Ethanol Tower.

- b. The original Facility Plan has been amended to document the need, scope of work, alternatives and costs associated with this improvement.

BSCWS and Banner recognizes that the cost associated with all three of the projects listed above will exceed the original project costs and the associated funding package. The first two (2) projects listed are the highest priority for BSCWS. The desire would be to have these two projects completed by the end of the year. If SDDENR is in agreement, BSCWS would like authorization and approval to proceed with the first two projects. Upon completion of the first two projects, reevaluate the project costs and determine if funds are available to proceed with the third project. If funds are available, proceed on a timeline that would allow construction of the 8-inch water line during the summer of 2017.

Attached with this letter is the completed Facility Plan for Chester Sanitary District. The Facility Plan includes documentation identifying the existing systems, need for the project, alternatives evaluated and costs needed to make a recommendation. It also included is the Level III Cultural Resource Survey, agency letters, agency response letters and the Cultural Resource Effects Assessment Summary. This project has been expedited so that in the event that SDDENR agrees and approves this project, BSCWS can explore a possible change order with the pipeline (Winter Brothers) and Pump Station (DW Proehl) Contractors to furnish and install the necessary work to connect CSD under the existing Contracts. Doing so could potentially result in a significant savings to BSCWS and CSD.

Please consider BSCWS's request and let us know if it is acceptable to move forward with the design associated with the described scope of work. Please do not hesitate to call or email if you have any questions or need any additional supporting information.

Sincerely,



Chad Bachman, PE  
Banner Associates, Inc.

Encl. Chester Sanitary District Facility Plan  
Amendment to BSCWS Facility Plan – March 2016

Cc: Martin Jarrett, Manager  
Minnehaha Community Water Corporation

Kim Hansen, President  
Chester Sanitary District

September 23, 2016

Item 11

**TITLE:** Lewis & Clark Regional Water System SWRMS Loan Agreement Scope Amendment

**EXPLANATION:** SDCL 46A-1-13.10 authorizes the construction of the Lewis & Clark Regional Water System and authorized the Board of Water and Natural Resources (the Board) to provide grants and loans for the project. In the 2015 Omnibus Bill, the Legislature appropriated \$7.7 million in loan funds for Lewis & Clark.

The \$7.7 million loan was placed under agreement by the Board for engineering, easements, construction and other costs associated with completion of Segment 1 and Segment 5 of the Madison Service Line. Segment 1 will provide a connection for Minnehaha Community Water Corporation near Crooks, and Segment 5 will be used as part of an interim connection so Madison can receive water from Big Sioux Community Water System.

Due to the positive bidding environment, lower construction costs for the project will result in up to \$2.5 million of the loan funds being available for additional work. Lewis & Clark submitted the attached letter requesting that the Board amend the scope of the loan to include engineering and easement acquisition of Segments 2, 3, and 4 of the Madison Service line. To amend the scope of the loan agreement, a First Amendment to the Loan Agreement has been prepared with assistance from the department's legal counsel and the Attorney General's office.

**RECOMMENDED ACTION:** Approve the First Amendment to the Lewis & Clark Regional Water System State Water Resources Management System Loan Agreement for a change in project scope.

**CONTACT:** Andy Bruels, 773-4216

August 24, 2016

Board of Water & Natural Resources:

Our sincere thanks again to you and the staff at the Department of Environment and Natural Resources for approval of last year's \$7.7 million federal funding advance for construction of the "wheeling plan." In cooperation with Minnehaha Community Water Corp (MCWC) and Big Sioux Community Water System (BSCWS), this wheeling plan is expected to provide Madison with access to one million gallons of water per day by the end of the year. It is estimated the wheeling plan will address Madison's water needs for up to 20 years, but hopefully we will be able to complete the middle three segments of the Madison service line sooner.

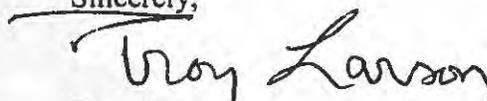
You may recall we are building segments 1 and 5 of the Madison service line. These two five mile segments are shown in red on the attached map. The star in the middle is where the MCWC and BSCWS infrastructure will connect. Thanks to a really good bidding environment, the low bid for this project, as well as the meter buildings at Crooks and Madison, came in significantly below budget. Our lead engineer, Tim Conner from Banner Associates, estimates we will have up to \$2.5 million left over as a result. We will not know the exact number until construction of these projects is complete.

Thirty-two miles of pipeline is needed between segments 1 and 5 that we will construct in the future using federal funding as they are made available. However, there may be opportunities in the future for L&C to receive "reprogrammed funds" – federal funding a project cannot use in a given fiscal year that is re-directed to one or more other projects. To be considered as a recipient of reprogrammed funds it is important to have projects where the engineering and easement acquisition are already finished.

Attached is the breakdown of the estimated \$2.3 million to complete the engineering and easement acquisition for these three segments. The Lewis & Clark Regional Water System's (L&C) board of directors join me in respectfully requesting the Board of Water & Natural Resources approve an amendment to our agreement that would allow L&C to use the remaining funds from the \$7.7 million federal funding advance toward engineering and easement acquisition (no construction) for segments 2, 3 and 4 of the Madison service line. If it turns out the estimate is off and we end up a little short, we will use federal funding to make up the difference. There is no scenario where we would request additional funding from the state.

Thank you very much for your support of L&C and for your consideration of this request.

Sincerely,



Troy Larson  
Executive Director

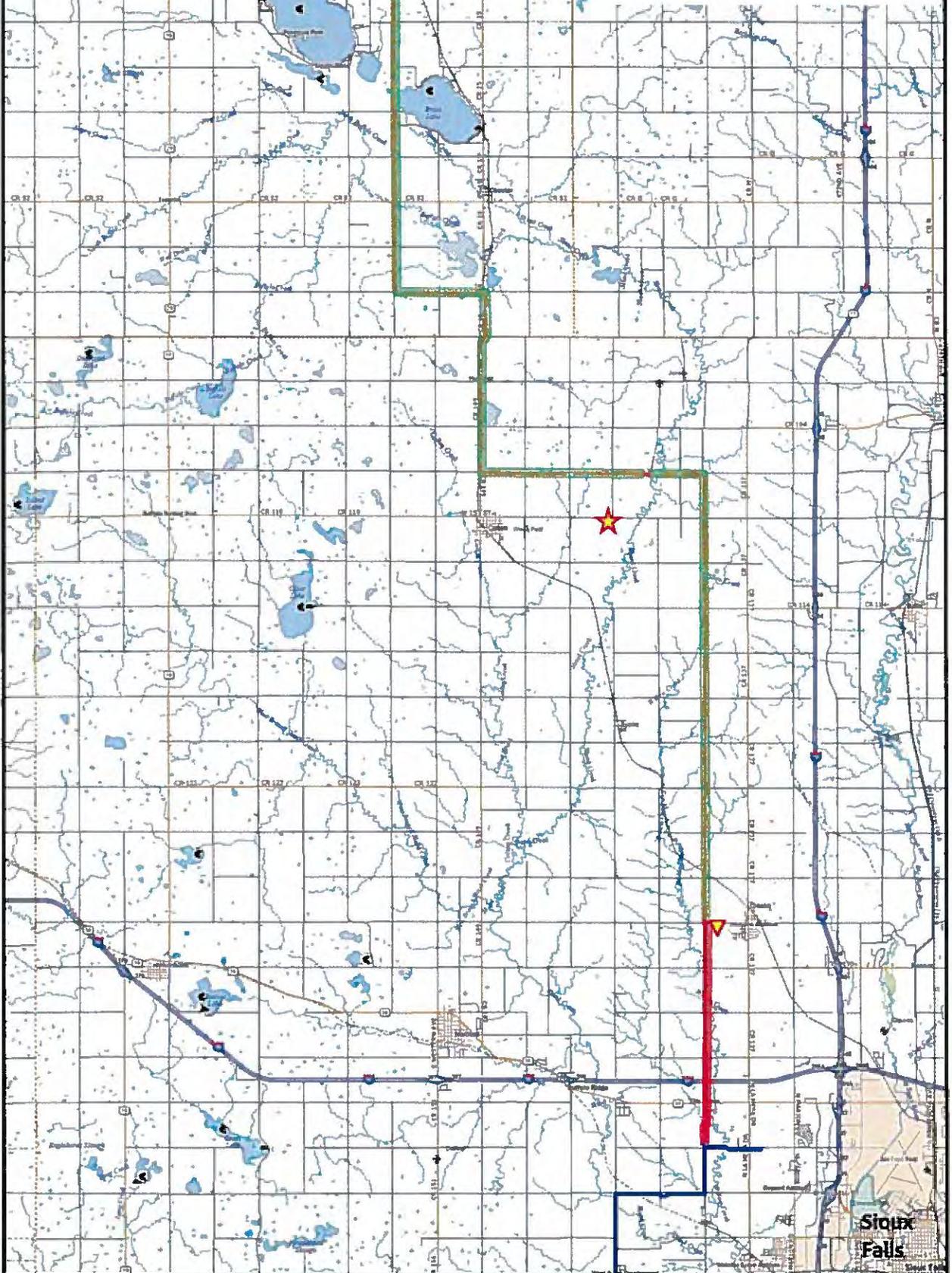
Madison



# Lewis & Clark

REGIONAL WATER SYSTEM

## Madison Service Line



**Madison Service Line Segments 2, 3 & 4  
Estimate of Cost to Acquire Easements and Engineering (8/23/16)**

**Estimated Easement Costs:**

Easements for Madison Service Line Segments 2, 3 & 4 = <sup>1</sup>

\$ 1,290,438

**Land Agent and Related Costs:**

Madison 2, 3 & 4 - assume 100 parcels

	Unit Cost	Parcels	Cost
Title	\$ 500	100	\$ 50,000
Appraisal	\$ 2,500	50	\$ 125,000
Review Appraiser	\$ 1,000	50	\$ 50,000
Land Agent	\$ 2,750	100	\$ 275,000
			<u>\$ 500,000</u>

**Engineering Costs:**

Cost assumes performing the necessary surveying and designs to advance the project to completion of preliminary drawings, easement exhibits, and minimal environment/cultural resources work to avoid obvious problem areas.

Does not include geotechnical investigations, cathodic protection surveys, permitting, IERT, preparation of specifications, bidding and front-end documents or Agency Review.

Estimated labor fee =	\$ 454,870	(includes \$25,000 for TRC)
Estimated expenses (7%) =	<u>\$ 31,841</u>	
Subtotal	\$ 486,711	

Estimated SD Sales Tax = \$ 21,902

Total Engineering = \$ 508,613

**Summary of Planned Costs to Acquire Easements for MSL 2, 3 & 4:**

Easement Cost =	\$ 1,290,438
Land Agent Costs =	\$ 500,000
Engineering Costs =	<u>\$ 508,613</u>
 Total Costs	 <u>\$ 2,299,050</u>

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<sup>1</sup> Based on land costs paid for previous easements on the Madison Service Line of approximately \$10,000 per acre appraised land cost and indexed to April 2016.

September 23, 2016

Item 12

**TITLE:** AGRAT2 LLC Solid Waste Management Program Loan and Grant Agreements Scope Amendment

**EXPLANATION:** In June 2016 the Board awarded a \$209,300 SWMP loan and a \$112,700 SWMP grant to AGRAT2 LLC. These funds were to allow AGRAT to purchase equipment for expansion of their mattress recycling business to handle additional service area and volume.

The original equipment proposed to be purchased included three enclosed semi-trailers, dump trailer, truck cab, forklift, box spring dismantler, and coil spring compactor. Recent merger of baler equipment manufacturers resulted in lower equipment prices. As a result, AGRAT2 is requesting to purchase a shredder to process more materials onsite and at a faster speed.

AGRAT2 submitted the attached letter requesting that the Board amend the scope of the loan and grant to include the purchase of a material shredder and conveyor with a magnet within the existing project budget. To amend the scope of the grant agreement, the First Amendment to the Grant Agreement has been prepared with assistance from the department's legal counsel and the Attorney General's office. The loan agreement has not yet been signed, and with bond approval loan documents will be adjusted to reflect the inclusion of the additional equipment in the project scope.

**RECOMMENDED ACTION:** Approve the First Amendment to the AGRAT2 LLC Solid Waste Management Program Grant Agreement and the adjustment to the Loan Agreement document for a change in project scope.

**CONTACT:** Andy Bruels, 773-4216

***AGRAT<sup>2</sup> LLC***

523 N Kiwanis Ave Suite B  
Sioux Falls, SD 57104  
August 29, 2016

South Dakota DENR  
523 E Capitol Ave  
Pierre, SD 57501

Dear South Dakota DENR:

AGRAT<sup>2</sup> has been working to fulfill the requirement outlined in order to proceed with the funding of our project get the new equipment ordered for the expansion. To our surprise we were contacted by Dan Burda from Global Recycling Equipment to inform us that they are now partnered up with Olaf industries. The two businesses have come together to provide a good product for a more reasonable price. They have committed to providing the compact baler but they are also going to be able to include a shredder and conveyor with a cross magnet for the same amount as budgeted in the original approval. So I am writing this letter asking that the shredder system be added or amended to the current and approved loan/grant. This is a huge opportunity to allow AGRAT<sup>2</sup> to broaden the spectrum of material it can handle and process. This will also increase the amount of recoverable metals as we expand and gather other materials.

Sincerely,

A handwritten signature in blue ink that reads "Travis Hewitt". The signature is written in a cursive style with a long horizontal line above the first name.

Travis Hewitt  
Owner

**TITLE:** Hydrologic & Hydraulic Model of the Big Sioux River Basin Status Update

**EXPLANATION:** The 2016 State Legislature appropriated \$750,000 for the development of a hydrologic model of the Big Sioux River basin. The funding was placed under agreement with Department of Environment and Natural Resources at the board's March 2016 meeting. The appropriation language and grant authorizes the grant funding to provide 100 percent of the model development costs.

In early May, the department formally requested proposals from qualified firms to produce a hydrologic and hydraulic model and an inundation mapping tool for the Big Sioux River basin. Nine proposals were received by the June 3 deadline from engineering firms in Rapid City, Sioux Falls, North Dakota, Colorado, Missouri, and California.

A review committee made up of staff from DENR, Department of Transportation, Bureau of Information & Telecommunications, and Office of Emergency Management reviewed the proposals and selected five firms to make presentations to the committee in July. RESPEC was selected to develop the model and inundation mapping tool. Contract terms and scope of work based on the available \$750,000 were negotiated, and the agreement was signed August 25.

The contract and scope of work are structured to adjust the time and dollars to refine and finish the model and inundation mapping tools based on input from scoping meetings with federal, state, and local entities during the next quarter. It is anticipated that additional funding will be requested and that all tasks will completed by the end of calendar year 2018.

**RECOMMENDED ACTION:** Informational item; no action required.

**CONTACT:** Jim Feeney (773-4216)

**TITLE:** State Fiscal Year 2016 State Revolving Funds Report to the Interim Bonding Review Committee

**EXPLANATION:** The South Dakota Conservancy District is required to present an annual report to the Legislature's Interim Bonding Review committee at its meeting in November 2016.

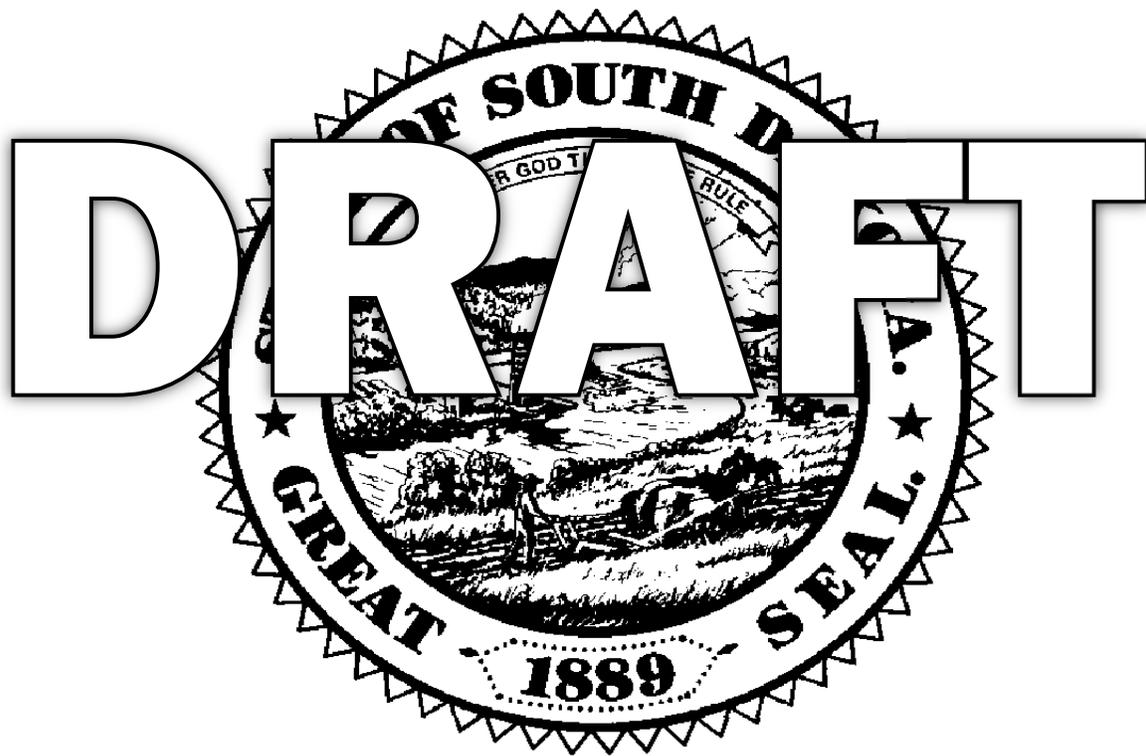
A combined report for both SRF programs for the legislative committee's review was developed for this purpose. Information in this report presents program activity and financial statements on a state fiscal year basis and contains additional information on the District's bond issues.

**RECOMMENDED ACTION:** Approve the State Fiscal Year 2016 State Revolving Funds Report to the Interim Bonding Review Committee and authorize distribution of the report.

**CONTACT:** Mike Perkovich, 773-4216

**THE SOUTH DAKOTA CONSERVANCY DISTRICT  
REPORT TO THE  
LEGISLATIVE BOND REVIEW COMMITTEE**

**STATE FISCAL YEAR 2016  
July 1, 2015 – June 30, 2016**



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



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**THE SOUTH DAKOTA CONSERVANCY DISTRICT**

**REPORT TO THE**

**LEGISLATIVE BOND REVIEW COMMITTEE**

**STATE FISCAL YEAR 2016**

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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

**TODD BERNHARD, SECRETARY**

Fort Pierre  
Member since 2010

**PAUL GNIRK**

New Underwood  
Member since 2009

**PAUL GOLDHAMMER**

Wall  
Member since 2010

**JACKIE LANNING**

Brookings  
Member since 2011

**JERRY SOHOLT**

Sioux Falls  
Member since 2014

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**THE SOUTH DAKOTA CONSERVANCY DISTRICT  
LEGISLATIVE OVERSIGHT COMMITTEE**

SENATOR JASON FRERICHS  
Wilmot

SENATOR JIM WHITE  
Huron

REPRESENTATIVE MARY DUVALL  
Pierre

REPRESENTATIVE STEVEN McCLEEREY  
Sisseton

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**STATE FISCAL YEAR**

**2016**

**EXECUTIVE SUMMARY**

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## **PROGRAM OVERVIEW**

The Clean Water State Revolving Fund (SRF) program was created by the 1987 amendments to the federal Clean Water Act to provide low interest loans to communities and other political subdivisions for wastewater, storm sewer and nonpoint source projects (solid waste facilities/water quality). South Dakota's first Clean Water loan was made in November 1989.

The Drinking Water State Revolving Fund (SRF) program was federally authorized by the Safe Drinking Water Act Amendments of 1996 to provide low interest loans to public water systems for drinking water projects. Political subdivisions (cities and special purpose districts) and nonprofit corporations (rural water systems) are eligible to apply for South Dakota Drinking Water SRF loans. The first Drinking Water loan was awarded in January 1998.

Funds are provided for the programs by means of capitalization grants awarded annually through the United States Environmental Protection Agency. For every \$5 the federal government provides to each program through annual capitalization grants, the state must match it with \$1. Through SFY 2016, the federal capitalization grants total \$355.5 million.

The South Dakota Board of Water and Natural Resources was authorized by SDCL § 46A-1-60.1 through § 46A-1-60.3 to administer a water pollution control revolving fund program and drinking water revolving fund program and to promulgate rules pursuant to chapter 1-26, to implement the provisions of this section consistent with the requirements of federal law. The board serves as the board for the South Dakota Conservancy District.

The two key federal program requirements are that loan rates are set below market rate and that all loan payments and program income revolve in the programs to provide low-interest financing for water and wastewater infrastructure in perpetuity.

As of June 30, 2016, the Conservancy District has entered into 687 binding State Revolving Fund commitments totaling \$1.15 billion.

## **BONDING AUTHORITY OVERVIEW**

The authority for the South Dakota Conservancy District to issue bonds is established in SDCL § 46A-1-31.

Since the programs' inception, the state match requirement amounts to more than \$71.1 million. The South Dakota Conservancy District has issued revenue bonds to provide a large portion of the state match, as well as reserves required for earlier issues. An initial state appropriation was made for each program. Administrative surcharge fees paid by borrowers were used to match the 2002 and 2003 Clean Water SRF capitalization grants, a portion of the 2010 Drinking Water SRF capitalization grant, and the entire 2011 – 2013 Drinking Water SRF capitalization grants.

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 Clean Water SRF program were issued in 1995, 2005, 2008, 2012, and 2014 and in 2004, 2005, 2008, and 2014 for the Drinking Water SRF program. The total amount of the leveraged bonds is \$275 million. In August 2009, the Conservancy District issued \$55 million in leveraged bond anticipation notes.

## BOND HISTORY

The South Dakota Conservancy District has issued 19 bond or note series since 1989. The Conservancy District issues bonds for state match as needed. Additionally, bonds have been issued to refund prior issues and to provide leveraged funds. Recent demands on the programs have necessitated the Conservancy District to become more active in issuing long-term bonds, variable rate bonds, and bond anticipation notes. Table 1 itemizes the uses of the various series of bonds and notes. Summaries of previous bond and note issues are provided beginning on page 101. Table 2 on the following page shows the principal balances for the outstanding bond issues.

**Table 1**  
**State Revolving Fund Program Bond and Note Issues**

Series	Par Amount	Clean Water SRF			Drinking Water SRF		
		Match	Refund	Leveraged	Match	Refund	Leveraged
1989	\$5,875,000	\$5,875,000					
1992	\$4,180,000	\$4,180,000					
1994	\$10,220,000	\$631,195	\$9,299,195				
1995	\$7,970,000	\$3,462,460		\$4,507,540			
1996	\$2,770,000	\$2,770,000					
1998	\$6,450,000				\$6,450,000		
2001	\$4,405,000	\$4,405,000					
2001	\$5,270,000				\$5,270,000		
2004	\$38,460,000		\$11,450,913		\$5,001,620		\$22,503,662
2005	\$50,000,000	\$1,558,349		\$41,000,000	\$1,670,500		\$7,000,414
2008	\$40,000,000	\$1,964,580		\$19,826,250	\$4,887,600		\$13,000,000
2009	\$55,000,000			\$37,455,570			\$18,221,624
2010	\$54,330,000	\$3,543,094	\$37,455,570	(\$3,543,094)		\$18,221,624	
2010A	\$38,695,000		\$26,315,168			\$12,801,699	
2010B	\$53,685,000		\$32,097,173			\$26,447,224	
2012A	\$69,775,000		\$39,624,316			\$29,991,648	
2012B	\$53,530,000	\$1,700,000	\$2,946,204	\$55,000,000		\$3,537,954	
2014A	\$9,060,000	\$4,000,000			\$5,000,000		
2014B	\$50,755,000			\$53,000,000			\$7,000,000
Total		\$34,089,678	\$159,188,539	\$207,246,266	\$28,279,720	\$91,000,149	\$67,725,286

**Table 2**  
**Outstanding Bonds Principal Balances**  
**as of June 30, 2016**

Series	Clean Water SRF	Drinking Water SRF	Series Totals
1996	\$100,000		\$100,000
2010A	\$26,030,000	\$12,665,000	\$38,695,000
2010B	\$18,730,000	\$15,345,000	\$34,075,000
2012A	\$29,675,000	\$22,925,000	\$52,600,000
2012B	\$44,645,000	\$1,505,000	\$46,150,000
2014A	\$3,380,000	\$4,225,000	\$7,605,000
2014B	\$43,650,000	\$5,770,000	\$49,420,000
Totals	\$166,110,000	\$62,435,000	\$228,545,000

**TAX INCREASE PREVENTION AND RECONCILIATION ACT (TIPRA)**

Passage of the federal Tax Increase Prevention and Reconciliation Act (TIPRA) of 2005 placed additional requirements on pooled financing bonds. Of particular concern to the South Dakota SRF programs was the Strengthened Reasonable Expectation Requirement. This mandated that 30 percent of net bond or note proceeds must be spent within one year and 95 percent of net proceeds must be spent within three years of the date of issue. If these objectives are not met, bonds or notes must be redeemed in an amount necessary to meet the spend-down requirement. To avoid extraordinary call provisions on fixed rate bonds, the South Dakota Conservancy District opted to issue variable rate bonds in 2008 and bond anticipation notes (BANs) in 2009. The spend-down requirements were met without difficulty. Based on the pace of disbursement on the past issues, the district chose to issue fixed-rate bonds in 2012 and 2014.

**ADDITIONAL SUBSIDY**

The American Recovery and Reinvestment Act (ARRA) of 2009 required a portion of the ARRA funds to be awarded as “additional subsidy” to borrowers. This could be in the form of grants, negative interest rate loans, or principal forgiveness on loans. It was decided that the South Dakota SRF programs would provide additional subsidy in the form of principal forgiveness on loans.

The 2010 - 2016 capitalization grants also required that a portion of the grants be awarded as additional subsidy. Since 2009, borrowers from the Clean Water SRF program have received \$26,077,689 in principal forgiveness, and Drinking Water SRF borrowers have received \$51,986,340 in principal forgiveness. The Clean Water and Drinking Water projects awarded principal forgiveness can be found in Tables 7 and 10 on pages 46 and 80, respectively.

## **SRF PROGRAM INTEREST RATES**

Interest rates are reviewed periodically to ensure that they are below market rate and are competitive with other funding sources such as the federal Rural Development program. The SFY 2016 interest rates for each program are summarized in the respective sections below.

### **Clean Water SRF Program**

In February 2009, the board set rates at 2.25 percent for loans with a term of 10 years or less, 3 percent for loans with a term greater than 10 years up to 20 years, and 3.25 percent with a term up to 30 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.

In addition to the base rates, the board has established a Clean Water SRF incentive rate for nonpoint source (NPS) projects. In February 2009, the board set the nonpoint source incentive rates at 1.25 percent for loans with a term of 10 years or less, 2.00 percent for loans with a term greater than 10 years up to 20 years, and 2.25 percent with a term up to 30 years.

### **Drinking Water SRF Program**

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. In 2014 EPA issued an opinion allowing states to offer extended term financing to non-disadvantaged communities under certain conditions. In March 2015, the board established a rate of 3.25 percent for loans up to 30 years for non-disadvantaged communities. 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 30 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 \$30 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 was established by the board in November 2011.

## **OVERSIGHT**

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

The Department of Legislative Audit conducts annual financial audits of the Clean Water and Drinking Water SRF programs, and EPA conducts a program audit. Our most recent audits did not note any substantive program or financial deficiencies.

### **FISCAL YEAR 2016 PROGRAM ACTIVITY**

#### **Clean Water State Revolving Fund**

The Clean Water SRF program received a federal capitalization grant of \$6,525,000 in 2016. These funds were matched with \$1,305,000 of bond proceeds. Capitalization grants and state match are supplemented by accumulated loan repayments, interest earnings, and leveraged bonds.

In SFY 2016, disbursements totaling \$16,739,489 were made to borrowers. Disbursements consisted of \$1.17 million in federal funds, \$0.04 million in State match funds, \$14.7 million in leveraged bond proceeds, and \$0.81 million in principal repayments and interest earnings.

One hundred ninety-eight loans are in repayment, and \$30,086,856 in repayments were received during the year. One hundred twenty-nine loans have been repaid in full, which includes those with 100 percent principal forgiveness. Twenty loans drew no funds, and the full loan amounts were deobligated. There have been no defaults.

In SFY 2015, the Board of Water and Natural Resources awarded 23 loans totaling \$33,328,000. Table 3 on the following page provides a synopsis of the loans that were awarded.

**Table 3  
Clean Water Loans  
State Fiscal Year 2016**

Recipient	Project Description	Total SRF Assistance	Principal Forgiveness	Rate	Term
Astoria (02)	Wastewater Treatment Facility Expansion	\$744,000	\$368,700	3.25%	30 yrs.
Brandon (06)	Lift Station and Force Main to Sioux Falls	\$2,598,000		3.00%	20 yrs.
Canistota (04)	Main Street Utility Improvements	\$378,000		3.25%	30 yrs.
Canton (05)	Dakota Street Utility Improvements	\$1,648,000		3.25%	30 yrs.
Chancellor (02)	Water Meter Replacement	\$180,000	\$90,000	2.25%	10 yrs.
Dell Rapids (08)	Sequencing Batch Reactor	\$2,386,000		3.25%	30 yrs.
Dimock (01)	Wastewater Improvements	\$478,000		3.25%	30 yrs.
Elk Point (07)	Rose Street Utility Improvements	\$235,000		3.25%	30 yrs.
Keystone (01)	Wastewater Treatment Improvements – Phase I	\$431,000		3.00%	20 yrs.
Lake Madison Sanitary District (03)	Lift Station and Force Main Replacement	\$428,000		3.25%	30 yrs.
Lead (09)	Water Meter Replacement	\$427,000		2.25%	10 yrs.
Miller (01)	Wastewater Infrastructure Improvements	\$3,541,000		3.25%	30 yrs.
Miller (02)	Storm Sewer Infrastructure Improvements	\$1,958,000		3.25%	30 yrs.
Mina Lake Sanitary District (01)	Wastewater Improvements	\$559,000		3.25%	30 yrs.
Pierre (07)	Wastewater Treatment Facility Improvements	\$3,821,000		3.00%	20 yrs.
Pierre (08)	Hilger’s Gulch Sanitary Sewer – Phase I	\$1,450,000		2.25%	10 yrs.
Prairie Meadows Sanitary District (02)	Wastewater Collection System Rehabilitation	\$588,000		3.25%	30 yrs.
Raymond (01)	2016 Wastewater Improvements	\$745,000	\$745,000	0%	-
Sioux Falls (37)	Basin 14D Sanitary Sewer Extension and Big Sioux Watershed Improvements	\$9,287,000		1.25%	10 yrs.
Vermillion (08)	Prentis Street Lift Station	\$812,000		3.00%	20 yrs.
Viborg (02)	Sanitary Sewer Replacement	\$105,000		3.25%	30 yrs.
Westport (01)	Lift Station and Storm Sewer Improvement	\$445,000		3.25%	30 yrs.
Yale (02)	Wastewater Treatment Pond Rip-rap	\$84,000		3.25%	30 yrs.
<b>TOTAL</b>		<b>\$33,328,000</b>	<b>\$1,203,700</b>		

Beginning on page 33, additional information regarding the historical activity of the Clean Water SRF Program is provided.

## **Drinking Water State Revolving Fund**

The 2016 Drinking Water SRF program federal capitalization grant was not received within the report period; however, the 2016 capitalization grant and state matching funds have been accounted for throughout the report. The amount of the 2016 capitalization grant will be \$8,312,000. These funds will be matched with \$1,662,400 of bond proceeds. Capitalization grants and state match are supplemented by accumulated loan repayments, interest earnings, and leveraged bonds.

In SFY 2016, disbursements totaling \$29,436,770 were made to borrowers. Disbursements consisted of \$17.0 million in federal funds, \$3.4 million in state match funds, \$3.5 million in leveraged bond proceeds, and \$5.5 million in principal repayments and interest earnings.

One hundred seventy-four loans are in repayment, and \$18,501,283 in repayments were received during the year. Forty-nine loans have been repaid in full, which includes those with 100 percent principal forgiveness. Fifteen loans drew no funds, and the full loan amounts were deobligated. There have been no defaults.

In SFY 2016, the board awarded 15 loans totaling \$23,584,000. Table 4 on the following page provides a synopsis of the loans that were awarded.

**Table 4**  
**Drinking Water Loans**  
**State Fiscal Year 2016**

Recipient	Project Description	Total SRF Assistance	Principal Forgiveness	Rate	Term (Years)
Bridgewater (DW-01)	Main Street Water Distribution Improvements	\$121,000		2.25%	30 yrs.
Britton (DW-02)	Water Distribution System Improvements	\$3,212,000		3.00%	30 yrs.
Brookings-Deuel Rural Water System (DW-03)	Automatic Meter System	\$250,000		2.25%	10 yrs.
Canistota (DW-03)	Main Street Utility Improvements	\$96,000		3.00%	30 yrs.
Canton (DW-03)	Dakota Street Utility Improvements	\$760,000		3.00%	30 yrs.
Colman (DW-04)	Phase 3 Water Mains and Tower Replacement	\$500,000		3.00%	30 yrs.
Conde (DW-01)	Water Distribution & Storage Improvements	\$2,333,000	\$1,833,000	2.25%	30 yrs.
Dell Rapids (DW-06)	2016 Utilities Improvements	\$705,000		3.25%	30 yrs.
Elk Point (DW-06)	Rose Street Utility Improvements	\$564,000		3.25%	30 yrs.
Kingbrook Rural Water System (DW-06)	2017 Water System Improvements	\$9,000,000		3.00%	20 yrs.
Midland (DW-01)	Ground Storage and Looping	\$225,000		2.25%	30 yrs.
Miller (DW-02)	2016 Infrastructure Improvements	\$2,112,000	\$692,000	3.00%	30 yrs.
Perkins County Rural Water System (DW-02)	Highways 12 & 73 Water Main Realignment	\$1,722,000	\$1,033,000	2.25%	30 yrs.
Viborg (DW-03)	Water Distribution System Replacement	\$606,000		0%	30 yrs.
Wakonda (DW-01)	Distribution System Upgrades and Water Tower Rehabilitation	\$1,378,000	\$948,000	3.00%	20 yrs.
<b>TOTAL</b>		<b>\$23,584,000</b>	<b>\$4,506,000</b>		

Beginning on page 68, additional information regarding the historical activity of the Drinking Water SRF Program is provided.

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**STATE REVOLVING FUND**  
**FINANCIAL STATEMENTS**

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**SOUTH DAKOTA BOARD OF WATER AND NATURAL RESOURCES  
 CLEAN WATER STATE REVOLVING FUND  
 STATEMENT OF NET POSITION  
 June 30, 2016**

Current Assets:	
Cash and Cash Equivalents	\$ 41,064,790.00
Restricted Cash and Cash Equivalents	2,946.86
Total Cash and Cash Equivalents	41,067,736.86
Investments	25,778,552.05
Due From Federal Governments	115,891.87
Due from Other Governments	273,297.47
Accrued Interest Receivable	2,701,083.40
Loans Receivable	21,653,268.90
Total Current Assets	91,589,830.55
Noncurrent Assets:	
Investments	86,136,889.94
Restricted Investments	95,770.84
Restricted Net Pension Asset	61,641.00
Loans Receivable	227,790,777.59
Total Noncurrent Assets:	314,085,079.37
<b>Total Assets</b>	<b>405,674,909.92</b>
<b>Deferred Outflow of Resources</b>	
Related to Pensions	114,983.00
Deferred Charge on Refunding	3,215,968.35
<b>Total Deferred Outflows of Resources</b>	<b>3,330,951.35</b>
<b>Liabilities</b>	
Current Liabilities:	
Accounts Payable	218,509.79
Accrued Liabilities	19,576.76
Compensated Absences Payable	36,290.76
Accrued Interest Payable	2,943,701.78
Arbitrage Payable	0.00
Bonds Payable - net of unamortized premium and discount	10,847,470.42
Total Current Liabilities	14,065,549.51
Noncurrent Liabilities:	
Compensated Absences Payable	31,912.13
Arbitrage Payable	0.00
Bonds Payable - net of unamortized premium and discount	171,978,337.90
Total Noncurrent Liabilities:	172,010,250.03
<b>Total Liabilities</b>	<b>186,075,799.54</b>
<b>Deferred Inflow of Resources</b>	
Related to Pensions	91,749.00
<b>Total Deferred Inflow of Resources</b>	<b>91,749.00</b>
<b>Net Position</b>	
Prior Period Adjustment	
Restricted For Debt Service	98,717.70
Restricted For Pension Obligations	84,875.00
Unrestricted	222,654,720.03
<b>Total Net Position</b>	<b>\$ 222,838,312.73</b>

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

**SOUTH DAKOTA BOARD OF WATER AND NATURAL RESOURCES  
CLEAN WATER STATE REVOLVING FUND  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
For the Fiscal Year Ended June 30, 2016**

<b>Operating Revenues:</b>		
Loan Interest Income		\$ 5,487,876.28
Pension Revenue		\$ -
Other Income		1,409,940.84
Total Operating Revenue		<u>6,897,817.12</u>
<b>Operating Expenses:</b>		
Administrative Expenses		
Personal Services	268,650.81	
Employee Benefits	63,973.67	
Travel	,752.29	
Contractual	421,390.86	
Supplies	172.19	
Grants	551,391.09	
Other	1,449.17	
Total Administrative Expenses		<u>1,315,780.08</u>
Grant Expense		365,624.00
Bond Issuance Expense		
Interest Expense		6,489,579.35
Employee Pension Contribution Expense		(15,094.00)
Arbitrage Rebate		131,880.62
Total Operating Expenses		<u>8,287,770.05</u>
Operating Income (Loss)		(1,389,952.93)
<b>Nonoperating Revenues (Expenses):</b>		
Federal Capitalization Grants		1,564,264.15
Other Income		429,533.60
Investment Income		4,194,446.76
Investment Expense		(2,327.58)
Total Nonoperating Revenues (Expenses)		<u>6,185,916.93</u>
Income (Loss) Before Transfers		4,795,964.00
<b>Transfers:</b>		
Transfer Out		<u>(39,983.26)</u>
Change in Net Position		4,755,980.74
Net Position at Beginning of Year		<u>218,082,331.99</u>
<b>Net Position at End of Year</b>		<u><u>\$ 222,838,312.73</u></u>

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

**SOUTH DAKOTA BOARD OF WATER AND NATURAL RESOURCES  
 CLEAN WATER STATE REVOLVING FUND  
 STATEMENT OF CASH FLOWS  
 For the Fiscal Year Ended June 30, 2016**

**Cash Flows from Operating Activities:**

Receipts for Loan Repayments	\$ 23,144,194.22
Receipts for Interest Income on Loans	5,520,975.43
Receipts for Surcharge Interest on Loans	1,421,686.82
Payments to Loan Recipients	(16,373,865.00)
Arbitrage Payment	(539,225.81)
Payments for Employee Services	(335,536.23)
Payments for Contractual Services	(381,592.52)
Payment for Grants	(595,127.26)
Payments for Principal Forgiveness	(365,624.00)
Other Payments	(10,323.65)

Net Cash Provided (Used) by Operating Activities 11,485,562.00

**Cash Flows from Noncapital Financing Activities:**

Transfers Out	(39,983.26)
Principal Payments on Bonds	(9,290,000.00)
Interest Payments on Bonds	(7,187,474.28)
Bond Issuance Expense	
Bond Proceeds	
Receipts for Administering Program	1,559,960.00
Other Income	429,533.60

Net Cash Provided (Used) by Nonoperating Activities (14,527,963.94)

**Cash Flows from Investing Activities:**

Interest on Investments	4,216,574.41
Proceeds from Sale of Investment Securities	26,410,119.28
Purchase of Investment Securities	(16,120,467.96)

Net Cash Provided (Used) by Investing Activities 14,506,225.73

Net Increase (Decrease) in Cash and Cash Equivalents 11,463,823.79

Cash and Cash Equivalents at Beginning of Year 29,603,913.07

Cash and Cash Equivalents at End of Year \$ 41,067,736.86

**Reconciliation of Operating Income to Net**

**Cash Provided (Used) by Operating Activities**

Operating Income (Loss) \$ (1,389,952.93)

**Adjustments to Reconcile Net Income to Net Cash**

**Provided (Used) by Operating Activities:**

Interest Expense	6,489,579.35
Bond Issuance Cost	

**Assets: (Increase)/Decrease**

Loans Receivable	6,770,329.22
Accrued Interest Receivable on Loans	33,099.15
Due from Other Governments	11,745.98
Pension Assets	31,352.00
Decrease/(Increase) in Dererred Outflow of Resources:	(30,494.00)
Deferred Outflow of Resources - Related to Pensions	

**Liabilities: Increase/(Decrease)**

Accounts Payable	(3,887.83)
Accrued Employee Benefits	(1,047.30)
Accrued Liabilities	(1,864.45)
Arbitrage	(407,345.19)

Increase/(Decrease) in Deferred Inflow of Resources: (15,952.00)

    Deferred Inflow of Resources - Related to Pensions 12,875,514.93

Total Adjustments 12,875,514.93

Net Cash Provided by Operations \$ 11,485,562.00

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

**SOUTH DAKOTA BOARD OF WATER AND NATURAL RESOURCES**  
**CLEAN WATER STATE REVOLVING FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Authorizing Legislation

The 1988 South Dakota Legislature authorized the State Water Pollution Control Revolving Loan Fund Program, also known as the Clean Water State Revolving Fund (CWSRF) Loan Program. Additionally, the legislature appropriated \$1,200,000 and directed the South Dakota Conservancy District (SDCD) to administer the program. The SDCD was created by the Legislature under Chapter 46A-2 of the South Dakota Codified Law as a body politic and corporate for the purpose of constructing water resource facilities for the conservation, storage, distribution and utilization of water for municipal purposes within the State of South Dakota. The SDCD bonds do not constitute a debt of the State of South Dakota, or a pledge of the faith and credit of the State. Because the State of South Dakota is able to impose its will over the SDCD and the governing body is substantively the same as the governing body of the primary government, it is considered a blended component unit and, as such, the accompanying financial statements are included in the Comprehensive Annual Financial Report of the State of South Dakota. 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 of Water and Natural Resources acting in its capacity as the Conservancy District. The CWSRF is a low interest loan program to finance the construction of wastewater facilities, storm sewers and non-point source pollution control projects. The program was created by the 1987 Clean Water Act amendments. Funds are provided to the states in the form of capitalization grants awarded annually through the United States Environmental Protection Agency. The federal capitalization grants are matched by state funds at a ratio of 5:1.

B. Fund Accounting

The CWSRF 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 CWSRF 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.

#### D. Cash and Cash Equivalents

For purposes of the accompanying statement of net position 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. Premiums and Deferred Amounts on Refunding

Premiums and the deferred amount of refunding on bonds are amortized using the straight line method over the life of the bonds to which they relate.

#### G. Reserves

The bond indentures provide that certain reserve accounts be established. The reserves as of June 30, 2016, consist of the following Investment Agreement and are reported as restricted net position in the financial statements:

- 6.22% MBIA Inc. due August 1, 2017 totaling \$95,770.84

In addition, \$2,946.86 is invested in a Money Market Fund described in note 2 below.

#### H. Restricted Resources

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

#### I. Revenue and Expense Recognition

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

#### J. Federal Capitalization Grant

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

CFDA Number:	66.458
Federal Agency:	Environmental Protection Agency

Program:	Clean Water State Revolving Fund
State Agency:	Environment & Natural Resources
Outstanding Loans:	\$249,444,046
Current Year	
Administrative Expense:	\$375,200
Loan Disbursement:	\$16,739,489

## 2. CASH AND INVESTMENTS

### Cash

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 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 1.35% for state fiscal year 2016.

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.

The Goldman Sachs Fund was rated "AAAm" by Standard and Poor's Rating Group. The fund paid less than .01% for the period 7/01/2015– 6/30/2016. Federated Funds were rated "AAAm" by Standard and Poor's Rating Group and paid .07% over the same period.

### Investments

First National Bank as Trustee to the SD Clean Water State Revolving Fund holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Bank's mission, the bank determines that the disclosures related to these investments only need to be disaggregated by major type.

The Bank categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. All Clean Water SRF investments are under Level 1.

*Custodial Credit Risk:* Custodial credit risk is the risk that in the event of a bank failure, the Clean Water State Revolving Fund's investments may not be returned. At June 30, 2016, \$85,029,091 of guaranteed investment contracts were uninsured and unregistered, with the securities held by its trust department, but not in the CWSRF's name and, as a result, were exposed to custodial credit risk. Also, investments were made in US Treasury Bonds with a market value of \$25,778,553 and in Federal Agency Bonds with a market value of \$1,203,570 were exposed to custodial credit risk.

*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.

Level 1

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
US Treasury Bonds	9/30/2016	7,003,850
US Treasury Bonds	12/31/2016	6,543,821
US Treasury Bonds	1/31/2017	1,746,634
US Treasury Bonds	3/31/2017	6,675,204
US Treasury Bonds	6/30/2017	3,809,044
		<u>\$ 25,778,553</u>
Federal Agency Bonds	8/28/2017	\$ 501,400
Federal Agency Bonds	3/07/2018	702,170
		<u>\$ 1,203,570</u>

*Credit Risk:* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the CWSRF.

*Guaranteed Investment Contracts (GICS)*

We also have the GICS where the rate of return is guaranteed.

Guaranteed Investment Contract	8/01/2017	\$ 1,534,726
Guaranteed Investment Contract	8/01/2025	16,597,871
Guaranteed Investment Contract	8/01/2026	66,896,494
		<u>\$ 85,029,091</u>

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. The ratings for Guaranteed Investment Contracts are as follows:

<u>Moody's Rating</u>	<u>Fair Value</u>
Ba1/A-*	\$ 1,534,726
Baa1*	83,494,365
Total	<u>\$ 85,029,091</u>

\* These guarantor's ratings are below the acceptable rating category (i.e., below Moody's Aa3). The Guaranteed Investment Contract investments have 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.

Excluding investments explicitly guaranteed by the U.S. Government which are not considered to have credit risk, the CWSRF held Federal Agency Bonds with a fair value of \$1,203,570 which were rated Aaa by Moody's Investor Services.

### 3. LOANS RECEIVABLE

Loans receivable consist 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. Therefore, each local government must show the ability to impose utility rates, levy special assessments or collect sales taxes that will generate enough revenue to equal at least 110% of the annual principal and interest on the loan. Loans made from the CWSRF may be made at or below market interest rates and shall be fully amortized within twenty years of the date which is not more than one year following completion of the project financed. Interest rates are reduced for those loans shorter than twenty years. Of the \$249,444,046 loan receivable balance, \$20,805,776 is a long term receivable balance and \$881,948 is a short term receivable balance for the Ellsworth Development Authority which is a component unit of the State of South Dakota.

### 4. LONG-TERM DEBT

#### Revenue Bonds

The bond issues outstanding as of June 30, 2016 are as follows:

Issue	Interest Rate	Maturity Through	Principal Balance
Series 1996 A Term Bonds	5.625%	2017	\$ 100,000
Series 2010AB Build America Bonds (BABs)			
State Match	4.084% - 5.646%	2031	2,430,000
Leveraged	4.084% - 5.646%	2031	23,600,000
Tax Exempt Bonds			
State Match	4.084% - 5.646%	2030	1,710,000
Leveraged	4.084% - 5.646%	2030	17,020,000
Series 2012AB Taxable Revenue Bonds			
State Match	0.250% - 3.183%	2027	1,360,000
Leveraged	0.250% - 3.183%	2027	28,315,000
Revenue Bonds			
State Match	2.000% - 5.000%	2030	2,545,000
Leveraged	2.000% - 5.000%	2033	42,100,000
Series 2014A Taxable Revenue Bonds			
State Match	0.300% - 1.920%	2020	3,380,000
Series 2014B Revenue Bonds			
Leveraged	2.000% - 5.000%	2035	43,650,000
Total			<u>166,210,000</u>
Add: Unamortized Bond Premium			16,615,808
Total Net of Amortization			<u>\$ 182,825,808</u>

Future bond payments and future interest payments remaining as of June 30, 2016 are as follows:

Year Ended June 30,	Principal	Interest	Total Principal and Interest
2017	\$ 9,875,000	\$ 6,931,715	\$ 16,806,715
2018	10,125,000	6,641,521	16,766,521
2019	10,255,000	6,310,049	16,565,049
2020	9,585,000	5,972,233	15,557,233
2021	8,730,000	5,646,540	14,376,540
2022-2026	53,740,000	21,901,959	75,641,959
2027-2031	44,160,000	10,170,315	54,330,315
2032-2035	19,740,000	1,677,500	21,417,500
<b>TOTAL</b>	<b>\$ 166,210,000</b>	<b>\$ 65,251,832</b>	<b>\$ 231,461,832</b>

Changes in long-term liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds	\$ 175,500,000	\$ 0	\$ (9,290,000)	\$ 166,210,000	\$ 9,875,000
Add: Bond Premium	17,588,279	0	(972,471)	16,615,808	972,470
Total	193,088,279	0	(10,262,471)	182,825,808	10,847,470
Compensated Absences	69,250	23,081	(24,128)	68,203	36,291
Long-Term Liabilities	<u>\$ 193,157,529</u>	<u>\$ 23,081</u>	<u>(10,286,599)</u>	<u>\$ 182,894,011</u>	<u>\$ 10,883,761</u>

**5. COMMITMENTS**

As of June 30, 2016, the CWSRF had loan commitments with political subdivisions worth \$61,228,506.

**6. PENSION PLAN**

The GASB Statement No. 68, Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27 and in November 2013 GASB issued Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions.

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension revenue, information about the fiduciary net position of the South Dakota Retirement System (SDRS) and additions to/deletions from SDRS's fiduciary net position have been determined on the same basis as they are reported by SDRS. Clean Water SRF contributions and net pension asset are recognized on an accrual basis of accounting.

The Department of Environment and Natural Resources, (DENR), 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 contacting the SDRS in writing at South Dakota Retirement System, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731. Additionally, the State of South Dakota's Comprehensive Annual Financial Report (CAFR) will report the State's proportionate share of the plan. The CAFR can be obtained by writing to the Department of Legislative Audit, 427 South Chapelle, c/o 500 East Capitol, Pierre, South Dakota 57501 or by calling (605)773-3595.

State law requires employees to contribute 6 percent of their salary to the plan and 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. DENR contributions to the SDRS for the fiscal years ended June 30, 2016, 2015, and 2014 were \$18,228.77, \$18,378.31, and \$15,460.85, respectively, equal to the required contributions each year.

At June 30, 2016, SDRS is 104.1% funded and accordingly has a net pension asset. At June 30, 2016, DENR reported an asset of \$61,641 for its proportionate share of the net pension asset. For the fiscal year ended June 30, 2016, there was no pension revenue recorded. At June 30, 2016, deferred outflows of resources and deferred inflows of resources related to pensions were reported from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 12,621	\$ -
Changes in assumption	48,877	-
Net difference between projected and actual earnings on pension plan investments	37,655	90,952
Changes in Proportionate Share		797
Contributions after the measurement date	15,830	-
Total	<u>\$ 114,983</u>	<u>\$ 91,749</u>

## **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, 2016, a liability existed for accumulated annual leave calculated at the employee's June 30, 2016 pay rate in the amount of \$28,120.41. 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, 2016, a liability existed for accumulated sick leave, calculated at each employee's June 30, 2016 pay rate in the amount of \$40,082.47. The total leave liability of \$68,202.89 at June 30, 2016 is shown as a liability on the balance sheet.

## **8. RISK MANAGEMENT**

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 Unemployment Insurance Fund, and, 4) coverage for workers' compensation benefits through the State's Workers' Compensation Fund. Financial information relative to the self-insurance funds administered by the State is presented in the State of South Dakota Comprehensive Annual Financial Report.

## **9. SUBSEQUENT EVENTS**

On 9/2/16 First National Bank provided DENR with written notice of their intent to terminate its consultant contract as Trustee to the State Clean Water and Drinking Water SRF programs. In the notice they stated that the Trust Indenture provides guidance regarding the Trustee's resignation requiring written notice of not less than 30 to days to the Conservancy District and other parties. Furthermore, the Trust Indenture provides that any such resignation or removal shall not take effect until a successor has been appointed, has accepted the duties of Trustee and all funds, property (including any credit enhancement instrument and Liquidity Facilities) have been transferred to the successor. The bank representatives stated their intent to work with DENR to facilitate an orderly transition to a successor trustee. The Conservancy District intends to put out an RFP to select and transition to a new Trustee as soon as possible.

**SOUTH DAKOTA BOARD OF WATER AND NATURAL RESOURCES  
DRINKING WATER STATE REVOLVING FUND  
STATEMENT OF NET POSITION  
For the Fiscal Year Ended June 30, 2016**

**Assets**

Current Assets:

Cash and Cash Equivalents	\$ 29,817,631.96
Investments	7,469,547.82
Due from Federal Government	245,059.17
Due from Other Governments	206,099.45
Accrued Interest Receivable	2,044,374.26
Loans Receivable	10,042,772.48
<b>Total Current Assets</b>	<u>49,825,485.14</u>

Noncurrent Assets:

Investments	57,428,643.34
Restricted Net Pension Asset	51,488.00
Loans Receivable	142,785,870.29
<b>Total Noncurrent Assets</b>	<u>200,266,001.63</u>

**Total Assets**

250,091,486.77

**Deferred Outflow of Resources**

Related to Pensions	96,849.00
Deferred Charge on Refunding	2,249,877.38
<b>Total Deferred Outflow of Resources</b>	<u>2,346,726.38</u>

**Liabilities**

Current Liabilities:

Accounts Payable	187,684.63
Accrued Liabilities	17,673.79
Compensated Absences Payable	28,468.13
Accrued Interest Payable	935,036.19
Arbitrage Payable	1,165,559.11
Bonds Payable - net of unamortized premium and discount	6,093,067.18
<b>Total Current Liabilities</b>	<u>8,427,489.03</u>

Noncurrent Liabilities:

Compensated Absences Payable	25,033.33
Arbitrage Payable	0.00
Bonds Payable - net of unamortized premium and discount	58,932,983.98
<b>Total Noncurrent Liabilities</b>	<u>58,958,017.31</u>

**Total Liabilities**

67,385,506.34

**Deferred Inflow of Resources**

Related to Pensions	76,637.00
<b>Total Deferred Inflow of Resources</b>	<u>76,637.00</u>

**Net Position**

Prior Period Adjustment	
Restricted For Pension Obligations	71,700.00
Unrestricted	184,904,369.81
	<u>184,904,369.81</u>

**Total Net Position**

\$ 184,976,069.81

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  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
For the Fiscal Year Ended June 30, 2016**

<b>Operating Revenues:</b>		
Loan Interest Income		\$ 3,434,319.94
Pension Revenue		\$ -
Other Income		899,092.29
Total Operating Revenue		<u>4,333,412.23</u>
<b>Operating Expenses:</b>		
Administrative Expenses		
Personal Services	240,935.37	
Employee Benefits	66,714.38	
Travel	7,982.74	
Contractual	555,308.65	
Supplies	172.19	
Grants	62,549.02	
Other	<u>1,449.17</u>	
Total Administrative Expenses		935,111.52
Grant Expense		5,234,593.00
Interest Expense		2,350,249.85
Bond Issuance Costs		
Employee Pension Contribution Expense		(13,669.00)
Arbitrage Rebate		523,559.04
Total Operating Expenses		<u>9,029,844.41</u>
Operating Income (Loss)		(4,696,432.18)
<b>Nonoperating Revenue (Expenses):</b>		
Federal Capitalization Grants		17,764,511.46
Other Income		208,983.34
Investment Income		3,105,522.02
Investment Expense		<u>(1,744.02)</u>
Total Nonoperating Revenues (Expenses)		21,077,272.80
Income (Loss) Before Transfers		16,380,840.62
<b>Transfers:</b>		
Transfer In		
Transfer Out		<u>(35,739.34)</u>
Change in Net Position		16,345,101.28
Net Position at Beginning of Year, restated		<u>168,630,968.53</u>
<b>Net Position at End of Year</b>		<u><u>\$ 184,976,069.81</u></u>

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  
STATEMENT OF CASH FLOWS  
For the Fiscal Year Ended June 30, 2016**

<b>Cash Flows from Operating Activities:</b>		
Receipts for Loan Repayments	\$ 14,372,758.30	
Receipts for Interest Income on Loans	3,266,440.10	
Receipts for Surcharge Interest on Loans	862,084.68	
Arbitrage Payment	(47,134.80)	
Payments to Loan Recipients	(24,202,177.00)	
Payments for Employee Services	(300,067.12)	
Payments for Contractual Services	(524,890.13)	
Payment for Grants	(72,000.00)	
Payments for Principal Forgiveness	(5,234,593.00)	
Other Payments	(9,554.10)	
Net Cash Provided (Used) by Operating Activities		(11,889,133.07)
<b>Cash Flows from Noncapital Financing Activities:</b>		
Transfers Out	35,739.34	
Principal Payments on Bonds	(5,535,000.00)	
Interest Payments on Bonds	(2,307,488.72)	
Bond Issuance Costs		
Bond Proceeds		
Receipts for Administering Program	17,759,405.00	
Other Income	208,983.34	
Net Cash Provided (Used) by Nonoperating Activities		10,090,160.28
<b>Cash Flows from Investing Activities:</b>		
Interest on Investments	3,065,723.42	
Proceeds from Sale of Investment Securities	19,481,971.89	
Purchase of Investment Securities	(11,186,795.70)	
Net Cash Provided (Used) by Investing Activities		11,360,899.61
Net Increase (Decrease) in Cash and Cash Equivalents		9,561,926.82
Cash and Cash Equivalents at Beginning of Year		20,255,705.14
Cash and Cash Equivalents at End of Year		\$ 29,817,631.96
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>		
Operating Income (Loss)		\$ (4,696,432.18)
<b>Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operating Activities:</b>		
Interest Expense	2,350,249.85	
Bond Issuance Expense		
<b>Assets: (Increase)/Decrease</b>		
Loans Receivable	(9,829,418.70)	
Accrued Interest Receivable on Loans	(167,879.84)	
Due from Other Governments	(37,007.61)	
Pension Assets	25,747.00	
Decrease/(Increase) in Dererred Outflow of Resources:	(26,602.00)	
Deferred Outflow of Resources - Related to Pensions		
<b>Liabilities: Increase/(Decrease)</b>		
Accounts Payable	21,017.54	
Accrued Employee Benefits	8,238.35	
Accrued Liabilities	(655.72)	
Arbitrage	476,424.24	
Increase/(Decrease) in Dererred Inflow of Resources:	(12,814.00)	
Deferred Inflow of Resources - Related to Pensions		
Total Adjustments		(7,192,700.89)
Net Cash Provided by Operations		\$ (11,889,133.07)

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, 2016**

**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 South Dakota Conservancy District (SDCD) was created by the Legislature under Chapter 46A-2 of the South Dakota Codified Law as a body politic and corporate for the purpose of constructing water resource facilities for the conservation, storage, distribution and utilization of water for municipal purposes within the State of South Dakota. The SDCD bonds do not constitute a debt of the State of South Dakota or a pledge of the faith and credit of the State. Because the State of South Dakota is able to impose its will over the SDCD and the governing body is substantively the same as the governing body of the primary government, it is considered a blended component unit and, as such, the accompanying financial statements are included in the Comprehensive Annual Financial Report of the State of South Dakota. 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.

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.

D. Cash and Cash Equivalents

For purposes of the accompanying statement of net position 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. Premium and Deferred Amount on Refunding

Premiums and the deferred amount on refunding 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 as operating revenues since these revenues are generated from the DWSRF's daily operations needed to carry out its purpose. Operating expenses include grants and subsidies, and contractual service expenses related to the administration of the DWSRF program.

H. Federal Capitalization Grant

Federal capitalization grants reported as nonoperating income in the statement of revenues, expenses, and changes in fund net position 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
Outstanding Loans:	\$152,828,643
Current Year	
Administrative Expense:	\$738,391
Loan Disbursement:	\$29,436,770

**2. CASH AND INVESTMENTS**

**Cash**

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 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 1.35% for state fiscal year 2016.

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.

The Goldman Sachs Fund was rated “AAAm” by Standard and Poor’s Rating Group. The fund paid less than .01% for the period 7/01/2015– 6/30/2016. Federated Funds were rated “AAAm by Standard and Poor’s Rating Group and paid .07% over the same period.

**Investments**

First National Bank as Trustee to the SD Clean Water State Revolving Fund holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Bank’s mission, the bank determines that the disclosures related to these investments only need to be disaggregated by major type.

The Bank categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. All Clean Water SRF investments are under Level 1.

*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, 2016, \$56,505,635 of guaranteed investment contracts was uninsured and unregistered, with the securities held by its trust department, but not in the DWSRF’s name and, as a result, were exposed to custodial credit risk. Also, investments made in US Treasury Bonds with a market value of \$6,942,081 and in Federal Agency Bonds with a market value of \$1,450,476 were exposed to custodial credit risk.

*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.

Level 1

Investment	Maturities	Fair Value
US Treasury Bonds	8/31/2016	475,485
US Treasury Bonds	5/31/2017	525,515
US Treasury Bonds	11/30/2016	950,076
US Treasury Bonds	12/31/2016	2,490,641
US Treasury Bonds	10/31/2016	2,500,364
		\$ 6,942,081
Federal Agency Bonds	4/27/2017	527,468
Federal Agency Bonds	8/28/2017	145,406
Federal Agency Bonds	12/20/2017	401,440
Federal Agency Bonds	3/07/2018	376,162
		\$ 1,450,476

*Credit Risk:* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the DWSRF.

*Guaranteed Investment Contracts (GICS)*

We also have the GICS where the rate of return is guaranteed.

Guaranteed Investment Contract	8/01/2025	\$ 43,402,129
Guaranteed Investment Contract	8/01/2026	<u>13,103,506</u>
		<u>\$ 56,505,635</u>

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. The ratings for Guaranteed Investment Contracts are as follows:

<u>Moody's Rating</u>	<u>Fair Value</u>
Baa1	<u>\$ 56,505,635</u>

This guarantor's rating is below the acceptable rating category (i.e., below Moody's Aa3). This investment has been fully collateralized with government securities in accordance with the provisions of Guaranteed Investment Contracts. These fully collateralized investments have a fair value that equates to contract value.

Excluding investments explicitly guaranteed by the U.S. Government which are not considered to have credit risk, the DWSRF held Federal Agency Bonds with a fair value of \$1,450,476 which were rated Aaa by Moody's Investor Services.

**3. LOANS RECEIVABLE**

Loans receivable consist 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 may be fully amortized up to thirty years. Disadvantaged Communities may be eligible for lower rates or even zero percent, and may be fully amortized up to thirty 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, 2016 are as follows:

Issue	Interest Rate	Maturity Through	Principal Balance
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	10,710,000
State Match Term Bonds	2.000% - 5.125%	2030	4,635,000
Series 2012AB			
Taxable Revenue Bonds			
State Match	0.250% - 3.183%	2027	4,250,000
Leveraged	0.250% - 3.183%	2027	18,675,000
Revenue Bonds			
State Match	2.000% - 5.000%	2023	1,505,000
Series 2014A			
Taxable Revenue Bonds			
State Match	0.300% - 1.920%	2020	4,225,000
Series 2014B			
Revenue Bonds Leveraged	2.000% - 5.000%	2035	5,770,000
Total			<u>62,435,000</u>
Add: Unamortized Premium			<u>2,591,051</u>
Total Net of Amortization			<u>\$ 65,026,051</u>

Future bond payments and future interest payments remaining as of June 30, 2016 are as follows:

Year Ended June 30,	Principal	Interest	Total Principal and Interest
2017	\$ 5,925,000	\$ 2,174,213	\$ 8,099,213
2018	6,075,000	2,022,697	8,097,697
2019	6,255,000	1,853,711	8,108,711
2020	5,850,000	1,684,739	7,534,739
2021	4,215,000	1,537,073	5,752,073
2022-2026	20,465,000	5,403,772	25,868,772
2027-2031	11,965,000	1,849,642	13,814,642
2032-2035	1,685,000	173,875	1,858,875
TOTAL	<u>\$ 62,435,000</u>	<u>\$ 16,699,722</u>	<u>\$ 79,134,722</u>

Changes in long-term liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds	\$ 67,970,000	\$ 0	\$ (5,535,000)	\$ 62,435,000	\$ 5,925,000
Add: Bond Premium	2,759,118	0	(168,067)	2,591,051	168,067
Total	70,729,118	0	(5,703,067)	65,026,051	6,093,067
Compensated Absences	45,263	19,210	(10,972)	53,501	28,468
Long-Term Liabilities	<u>\$ 70,774,381</u>	<u>\$ 19,210</u>	<u>\$ (5,714,039)</u>	<u>\$ 65,079,552</u>	<u>\$ 6,121,535</u>

**5. COMMITMENTS**

As of June 30, 2016, the DWSRF had loan commitments with political subdivisions worth \$28,399,686.

**6. PENSION PLAN**

The GASB Statement No. 68, Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27 and in November 2013 GASB issued Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions.

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension revenue, information about the fiduciary net position of the South Dakota Retirement System (SDRS) and additions to/deletions from SDRS's fiduciary net position have been determined on the same basis as they are reported by SDRS. Clean Water SRF contributions and net pension asset are recognized on an accrual basis of accounting.

The Department of Environment and Natural Resources, (DENR), 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 contacting the SDRS in writing at South Dakota Retirement System, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731. Additionally, the State of South Dakota's Comprehensive Annual Financial Report (CAFR) will report the State's proportionate share of the plan. The CAFR can be obtained by writing to the Department of Legislative Audit, 427 South Chapelle, c/o 500 East Capitol, Pierre, South Dakota 57501 or by calling (605)773-3595.

State law requires employees to contribute 6 percent of their salary to the plan and 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. DENR contributions

to the SDRS for the fiscal years ended June 30, 2016, 2015, and 2014 were \$16,172.26, \$15,353.52, and \$12,834.14, respectively, equal to the required contributions each year.

At June 30, 2016, SDRS is 104.1% funded and accordingly has a net pension asset. At June 30, 2016, the DWSRF reported an asset of \$51,488 for its proportionate share of the net pension asset. For the fiscal year ended June 30, 2016, there was no pension revenue recorded. At June 30, 2016, deferred outflows of resources and deferred inflows of resources related to pensions were reported from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 10,542	\$ -
Changes in assumption	40,826	-
Net difference between projected and actual earnings on pension plan investments	31,453	75,971
Changes in Proportionate Share		666
Contributions after the measurement date	14,028	-
Total	<u>\$ 96,849</u>	<u>\$ 76,637</u>

## 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, 2016, a liability existed for accumulated annual leave calculated at the employee's June 30, 2016 pay rate in the amount of \$22,813. 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, 2016 a liability existed for accumulated sick leave, calculated at each employee's June 30, 2016 pay rate in the amount of \$30,689. The total leave liability of \$53,501 at June 30, 2016 is shown as a liability on the balance sheet.

## **8. RISK MANAGEMENT**

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 Unemployment Insurance Fund, and, 4) coverage for workers' compensation benefits through the State's Workers' Compensation Fund. Financial information relative to the self-insurance funds administered by the State is presented in the State of South Dakota Comprehensive Annual Financial Report.

## **9. SUBSEQUENT EVENTS**

On 9/2/16 First National Bank provided DENR with written notice of their intent to terminate its consultant contract as Trustee to the State Clean Water and Drinking Water SRF programs. In the notice they stated that the Trust Indenture provides guidance regarding the Trustee's resignation requiring written notice of not less than 30 to days to the Conservancy District and other parties. Furthermore, the Trust Indenture provides that any such resignation or removal shall not take effect until a successor has been appointed, has accepted the duties of Trustee and all funds, property (including any credit enhancement instrument and Liquidity Facilities) have been transferred to the successor. The bank representatives stated their intent to work with DENR to facilitate an orderly transition to a successor trustee. The Conservancy District intends to put out an RFP to select and transition to a new Trustee as soon as possible.

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**SOUTH DAKOTA**  
**CLEAN WATER STATE REVOLVING FUND**  
**PROGRAM INFORMATION**

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## CLEAN WATER SRF OVERVIEW

The Clean Water SRF program was created by the 1987 Clean Water Act amendments, and in 1988 the South Dakota legislature authorized the State Water Pollution Control Revolving Loan Fund program. The legislature also appropriated \$1,200,000 and directed the South Dakota Board of Water and Natural Resources to administer the program.

Since 1989, South Dakota's Clean Water SRF program has received federal capitalization grants totaling \$187,078,700. 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. These grants amounted to \$12,978,600, with a corresponding state match of \$2,595,720. Table 5 shows capitalization grants, state match, and leveraged funds for the Clean Water SRF program.

Through June 30, 2016, principal repayments from borrowers totaled \$242,989,524. Of this amount \$148,367,645 has been re-loaned or obligated for active loans. Principal repayments are also used for debt service on leveraged bonds. Interest payments from borrowers totaled \$65,982,962. These funds, coupled with investment earnings, have provided \$64,840,401 in loans or obligations for active loans. Interest payments are also used for debt service on State Match bonds.

As of June 30, 2016, the Board has made 403 Clean Water loan awards totaling \$687,271,264. The Clean Water SRF loan portfolio begins on page 35 with a map showing the location of the borrowers. Table 6, beginning on page 36, provides the loan amount, date, and terms. Table 7, beginning on page 46, shows the projects awarded principal forgiveness awarded. More detailed project description narratives are provided by recipient beginning on page 48.

**Table 5**  
**Clean Water SRF Program – Source of Funds**

Federal Fiscal Year	Federal Capitalization Grant Award	State Match	Leveraged Funds	Total
1989	\$4,577,200	\$915,440		\$5,492,640
1990	\$4,738,000	\$947,600		\$5,685,600
1991	\$10,074,800	\$2,014,960		\$12,089,760
1992	\$9,534,900	\$1,906,980		\$11,441,880
1993	\$9,431,000	\$1,886,200		\$11,317,200
1994	\$5,813,800	\$1,162,760		\$6,976,560
1995	\$6,007,800	\$1,201,560	\$4,507,540	\$11,716,900
1996	\$9,904,700	\$1,980,940		\$11,885,640
1997	\$2,990,500	\$598,100		\$3,588,600
1998	\$6,577,300	\$1,315,460		\$7,892,760
1999	\$6,577,900	\$1,315,580		\$7,893,480
2000	\$6,555,200	\$1,311,040		\$7,866,240

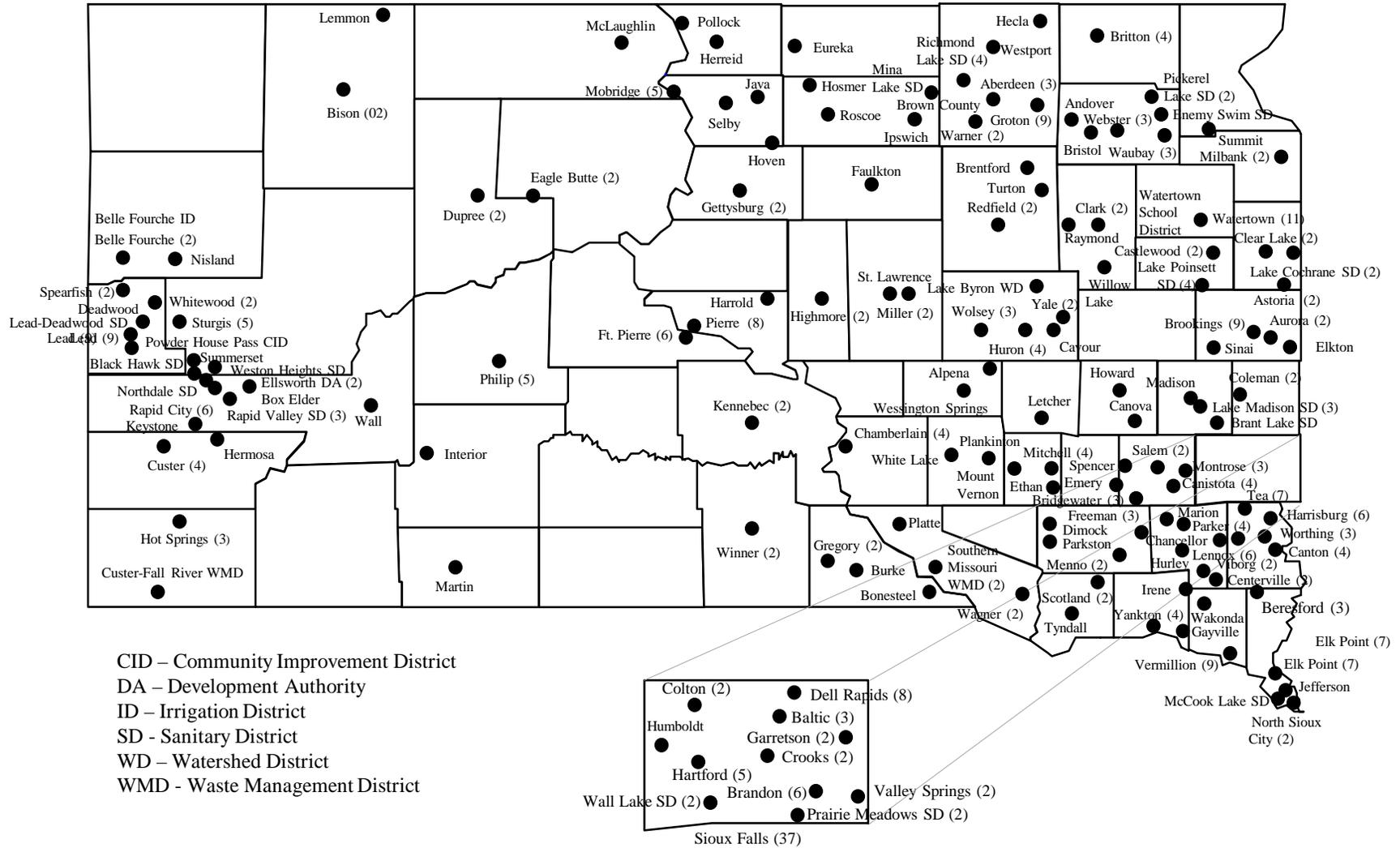
Federal Fiscal Year	Federal Capitalization Grant Award	State Match	Leveraged Funds	Total
2001	\$6,496,100	\$1,299,220		\$7,795,320
2002 *	\$0	\$0		\$0
2003 *	\$0	\$0		\$0
2004	\$6,471,800	\$1,294,360		\$7,766,160
2005	\$5,243,500	\$1,048,700		\$6,292,200
2006	\$4,242,300	\$848,460	\$41,000,000	\$46,090,760
2007	\$5,207,200	\$1,041,440		\$6,248,640
2008	\$3,274,300	\$654,860	\$19,826,250	\$23,755,410
2009	\$3,274,300	\$654,860	\$33,912,476**	\$37,841,636
2009 – ARRA	\$19,239,100	\$0		\$19,239,100
2010	\$10,002,000	\$2,000,400		\$12,002,400
2011	\$7,222,000	\$1,444,400		\$8,666,400
2012	\$6,908,000	\$1,381,600	\$55,000,000	\$63,289,600
2013	\$6,520,000	\$1,304,000		\$7,824,000
2014	\$6,853,000	\$1,370,600		\$8,223,600
2015	\$6,817,000	\$1,363,400	\$53,000,000	\$61,180,400
2016	\$6,525,000	\$1,305,000		\$7,830,000
<b>TOTAL</b>	<b>\$187,078,700</b>	<b>\$33,567,920</b>	<b>\$207,246,266</b>	<b>\$427,892,886</b>

\* The 2002 and 2003 capitalization grants and state match were transferred to the Drinking Water SRF program. Administrative surcharge funds were used as state match.

\*\* Leveraged funds in the amount of \$37,455,570 were issued as part of the 2009 bond anticipation notes. When the 2010 bond anticipation notes were issued to redeem the 2009 bond anticipation notes, \$3,543,094 of leveraged bonds were converted to state match bonds.

Fiscal Year	Capitalization Grant Award	State Match	Total Transferred
2002	\$6,510,800	\$1,302,160	\$7,812,960
2003	\$6,467,800	\$1,293,560	\$7,761,360
<b>TOTAL</b>	<b>\$12,978,600</b>	<b>\$2,595,720</b>	<b>\$15,574,320</b>

**FIGURE 1**  
**Clean Water State Revolving Fund Loans**



**Table 6**  
**Clean Water SRF Loans**  
**Since Inception of Program through June 30, 2015**

<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>
Aberdeen (01)	01/06/2005	2.25%	20	\$12,062,600	\$12,062,600
Aberdeen (01NPS)	01/06/2005	2.25%	20	\$1,156,259	\$1,156,259
Aberdeen (02)	06/28/2007	3.25%	20	\$6,000,000	\$5,201,739
Aberdeen (03)	03/28/2013	2.25%	10	\$1,500,000	1,500,000
Alpena (01)	03/30/2012	3.00%	20	\$1,465,000	\$905,474
Andover (01)	03/30/2012	3.25%	30	\$194,000	\$194,000
Astoria (01) <sup>2</sup>	01/04/2013	3.25%	30	\$235,000	\$0
Astoria (02)	03/31/2016	3.25%	30	\$744,000	\$744,000
Aurora (01)	07/27/2000	5.00%	20	\$410,000	\$309,759
Aurora (02) – ARRA	07/23/2009	3.25%	30	\$660,000	\$421,303
Baltic (01)	06/27/2002	3.50%	20	\$465,000	\$405,646
Baltic (02) – ARRA	06/25/2009	3.00%	20	\$433,000	\$276,164
Baltic (03)	03/30/2012	3.25%	30	\$764,700	\$705,015
Belle Fourche (01) <sup>1</sup>	08/22/1990	3.00%	20	\$253,000	\$253,000
Belle Fourche (02) <sup>1</sup>	06/22/1995	4.50%	10	\$300,000	\$264,422
Belle Fourche Irrigation District (01) <sup>1</sup>	06/24/2011	0%	-	\$200,000	\$200,000
Beresford (01) <sup>1</sup>	06/22/2000	4.50%	10	\$1,150,000	\$1,115,852
Beresford (02)	03/30/2012	3.25%	30	\$789,790	\$789,790
Beresford (03)	03/28/2014	3.25%	30	\$605,000	\$605,000
Bison (01)	06/24/2011	3.00%	20	\$504,000	\$504,000
Bison (02)	06/26/2014	3.25%	30	\$419,000	\$419,000
Black Hawk Sanitary District (01) <sup>1</sup>	06/26/2003	3.50%	20	\$589,600	\$477,823
Bonesteel (01)	03/28/2013	3.25%	30	\$588,000	\$370,456
Box Elder (01) <sup>1</sup>	04/11/1990	3.00%	20	\$648,600	\$648,600
Brandon (01) <sup>1</sup>	03/14/1991	3.00%	10	\$105,000	\$105,000
Brandon (02) <sup>1</sup>	03/31/1993	3.00%	10	\$600,000	\$526,018
Brandon (03) – ARRA <sup>2</sup>	06/25/2009	2.25%	10	\$687,000	\$0
Brandon (04) – ARRA	06/25/2009	2.25%	10	\$383,250	\$383,250
Brandon (05) <sup>2</sup>	03/27/2015	3.25%	30	\$3,000,000	\$0
Brandon (06)	03/31/2016	3.00%	20	\$2,598,000	\$2,598,000
Brant Lake Sanitary District (01)	06/24/2010	3.25%	30	\$1,700,000	\$1,700,000
Brentford (01)	03/28/2013	3.25%	30	\$194,000	\$171,507
Bridgewater (01) <sup>1</sup>	09/25/1997	5.25%	20	\$120,000	\$90,328
Bridgewater (02)	06/23/2005	3.25%	20	\$321,600	\$321,600
Bridgewater (03)	06/24/2011	3.25%	30	\$261,000	\$256,273
Bristol (01)	03/28/2014	3.25%	30	\$1,000,000	\$1,000,000
Britton (01) <sup>1</sup>	05/13/1999	4.50%	10	\$509,935	\$509,935
Britton (02)	09/26/2002	3.50%	20	\$322,500	\$291,854

<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>
Britton (03)	01/05/2012	3.00%	20	\$1,042,034	\$897,735
Britton (04)	03/28/2013	3.25%	30	\$2,500,000	\$2,500,000
Brookings (01) <sup>1</sup>	03/14/1991	4.00%	15	\$188,065	\$188,065
Brookings (02) – ARRA	03/27/2009	3.00%	20	\$1,190,000	\$744,545
Brookings (03)	06/24/2010	3.00%	20	\$665,000	\$433,909
Brookings (04)	06/24/2011	3.00%	20	\$483,538	\$335,314
Brookings (05)	03/30/2012	3.00%	20	\$549,476	\$226,121
Brookings (06)	03/30/2012	3.00%	20	\$3,222,319	\$1,972,719
Brookings (07)	06/29/2012	3.25%	30	\$30,600,000	\$30,600,000
Brookings (08) <sup>2</sup>	09/27/2012	3.00%	20	\$255,000	\$0
Brookings (09)	01/10/2014	3.00%	20	\$1,570,000	\$448,140
Brown County (01) <sup>2</sup>	03/28/2014	2.25%	10	\$1,385,600	\$0
Burke (01)	01/05/2006	3.25%	20	\$155,000	\$155,000
Canistota (01) – ARRA	03/27/2009	3.25%	30	\$616,840	\$616,840
Canistota (02)	12/16/2009	3.25%	30	\$188,669	\$186,183
Canistota (03)	03/28/2014	3.25%	30	\$381,000	\$381,000
Canistota (04)	06/23/2016	3.25%	30	\$378,000	\$378,000
Canova (01)	01/07/2011	3.25%	30	\$262,500	\$238,713
Canton (01) <sup>1</sup>	05/19/1992	4.00%	15	\$621,000	\$515,715
Canton (02)	01/10/2003	3.50%	20	\$600,000	\$600,000
Canton (03) – ARRA	03/27/2009	3.00%	20	\$2,462,000	\$2,462,000
Canton (04)	06/29/2012	3.25%	30	\$732,000	\$732,000
Canton (05)	03/31/2016	3.25%	30	\$1,648,000	\$1,648,000
Castlewood (01)	01/31/2002	3.50%	20	\$250,000	\$215,859
Castlewood (02)	06/22/2006	3.25%	20	\$160,000	\$160,000
Cavour (01)	06/25/2015	3.25%	30	\$150,000	150,000
Centerville (01)	06/27/2002	3.50%	20	\$500,000	\$500,000
Centerville (02)	03/30/2012	3.25%	30	\$435,471	\$400,509
Chamberlain (01) <sup>1</sup>	07/08/1992	3.00%	10	\$350,500	\$350,500
Chamberlain (02) <sup>1</sup>	01/26/1993	3.00%	10	\$265,000	\$265,000
Chamberlain (03) <sup>1</sup>	06/27/1996	5.25%	20	\$2,700,000	\$2,700,000
Chamberlain (04) <sup>1</sup>	03/26/1998	5.25%	20	\$450,000	\$450,000
Chancellor (01)	03/28/2014	3.25%	30	\$574,000	\$574,000
Chancellor (02)	03/31/2016	2.25%	10	\$180,000	\$180,000
Clark (01)	01/10/2003	3.50%	20	\$400,000	\$400,000
Clark (02)	03/27/2015	3.25%	30	\$2,485,000	\$2,485,000
Clear Lake (01) <sup>1</sup>	06/13/1991	4.00%	15	\$370,000	\$79,537
Clear Lake (02)	06/25/2004	3.25%	20	\$910,000	\$687,227
Colman (01)	03/30/2012	3.25%	30	\$1,574,248	\$1,574,248
Colman (02)	03/28/2013	3.25%	30	\$800,000	\$800,000
Colton (01) <sup>1</sup>	09/22/2005	3.25%	20	\$204,500	\$178,332
Colton (02)	03/25/2011	3.00%	20	\$189,200	\$140,826
Crooks (01)	03/27/2008	3.25%	20	\$697,000	\$421,975
Crooks (02) <sup>2</sup>	03/30/2012	3.25%	30	\$425,000	\$0

<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>
Custer (01) <sup>1</sup>	04/11/1990	3.00%	20	\$430,000	\$430,000
Custer (02) <sup>1</sup>	07/11/1990	3.00%	20	\$182,000	\$182,000
Custer (03) <sup>1</sup>	08/23/1993	3.00%	10	\$276,000	\$276,000
Custer (04)	06/29/2012	3.00%	20	\$1,633,000	\$925,919
Custer-Fall River WMD (NPS-01) <sup>1</sup>	06/22/1995	5.00%	20	\$250,000	\$106,939
Deadwood (01) <sup>1</sup>	04/25/1994	4.00%	15	\$582,000	\$447,838
Dell Rapids (01) <sup>1</sup>	12/09/1993	3.00%	10	\$300,000	\$300,000
Dell Rapids (02)	01/05/2006	3.25%	20	\$731,737	\$561,737
Dell Rapids (03)	09/27/2007	3.25%	20	\$1,062,000	\$1,062,000
Dell Rapids (04)	09/25/2008	3.25%	20	\$950,000	\$950,000
Dell Rapids (05)	09/24/2010	3.00%	20	\$1,185,995	\$742,564
Dell Rapids (06)	06/29/2012	3.00%	20	\$612,000	\$612,000
Dell Rapids (07)	01/10/2014	3.00%	20	\$1,200,000	\$1,200,000
Dell Rapids (08)	03/31/2016	3.25%	30	\$2,386,000	\$2,386,000
Dimock (01)	09/24/2015	3.25%	30	\$478,000	\$478,000
Dupree (01)	06/28/2013	3.25%	30	\$450,000	\$450,000
Dupree (02)	01/08/2015	3.25%	30	\$192,000	\$192,000
Eagle Butte (01) <sup>2</sup>	09/27/2012	3.00%	20	\$1,561,500	\$0
Eagle Butte (02)	11/06/2014	3.25%	30	\$2,410,000	\$2,410,000
Elk Point (01) <sup>1</sup>	05/27/1993	4.00%	15	\$458,000	\$458,000
Elk Point (02)	01/31/2002	3.50%	20	\$450,000	\$450,000
Elk Point (03) <sup>1</sup>	06/26/2003	3.50%	20	\$345,000	\$345,000
Elk Point (04)	06/22/2006	3.25%	20	\$100,000	\$100,000
Elk Point (05)	06/26/2008	3.25%	20	\$150,000	\$150,000
Elk Point (06) – ARRA	07/23/2009	3.00%	20	\$931,700	\$607,840
Elk Point (07)	06/23/2016	3.25%	30	\$235,000	\$235,000
Elkton (01) – ARRA	03/27/2009	3.00%	20	\$510,000	\$505,464
Ellsworth Development Authority (01)	08/14/2012	3.00%	20	\$16,000,000	\$16,000,000
Ellsworth Development Authority (02)	03/28/2013	3.00%	20	\$6,812,000	\$6,812,000
Emery (01)	06/25/2015	3.25%	30	\$3,084,000	\$3,084,000
Enemy Swim San. Dist. (01) – ARRA <sup>2</sup>	03/27/2009	0%	-	\$300,000	\$0
Ethan (01)	03/30/2012	3.25%	30	\$500,000	\$489,349
Eureka (01)	09/27/2012	3.25%	30	\$1,494,000	\$1,383,155
Faulkton	09/27/2012	3.25%	30	\$902,000	\$790,879
Fort Pierre (01) <sup>1</sup>	05/11/1994	3.00%	10	\$330,294	\$330,294
Fort Pierre (02)	01/31/2002	3.50%	15	\$462,500	\$462,500
Fort Pierre (03)	01/09/2004	3.50%	20	\$450,000	\$443,223
Fort Pierre (04) <sup>2</sup>	03/30/2007	3.25%	20	\$374,620	\$0
Fort Pierre (05)	02/11/2009	3.00%	20	\$900,000	\$495,549
Fort Pierre (06)	03/30/2012	3.25%	30	\$266,000	\$266,000
Freeman (01)	01/06/2005	2.50%	10	\$300,000	\$300,000
Freeman (02)	06/26/2008	3.25%	20	\$800,000	\$800,000
Freeman (03)	06/26/2014	3.00%	20	\$1,536,000	\$1,000,000
Garretson (01) <sup>1</sup>	05/11/1994	4.00%	15	\$510,000	\$300,000

<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>
Garretson (02)	03/27/2008	3.25%	20	\$507,445	\$503,239
Gayville (01) <sup>1</sup>	06/25/2004	3.25%	20	\$275,000	\$262,972
Gettysburg (01)	06/25/2009	3.25%	30	\$624,000	\$535,758
Gregory (01)	08/26/2009	3.00%	20	\$357,000	\$241,574
Gregory (02)	09/27/2013	2.25%	10	\$259,000	\$229,958
Groton (01) <sup>1</sup>	01/13/1994	3.00%	10	\$192,000	\$189,524
Groton (02) <sup>1</sup>	05/11/1994	3.00%	10	\$106,000	\$74,630
Groton (03)	07/23/1997	5.25%	20	\$635,000	\$470,809
Groton (04) <sup>1</sup>	03/28/2003	3.50%	20	\$163,775	\$126,648
Groton (05) <sup>1</sup>	03/28/2003	3.50%	20	\$440,000	\$440,000
Groton (06) <sup>1</sup>	01/03/2008	3.25%	20	\$150,000	\$56,368
Groton (07) – ARRA <sup>1</sup>	06/25/2009	3.00%	20	\$907,700	\$310,913
Groton (08)	06/24/2010	2.25%	10	\$322,000	\$206,979
Groton (09)	06/24/2011	2.25%	10	\$485,000	\$249,240
Harrisburg (01) <sup>1</sup>	06/23/1999	5.00%	20	\$520,000	\$507,277
Harrisburg (02) – ARRA <sup>1</sup>	06/25/2009	0%	-	\$3,941,200	\$3,941,200
Harrisburg (03)	06/25/2009	3.25%	30	\$5,911,800	\$2,544,036
Harrisburg (04)	03/25/2011	2.25%	10	\$1,435,340	\$679,217
Harrisburg (05)	03/25/2011	3.00%	20	\$1,783,760	\$1,402,976
Harrisburg (06)	09/27/2013	3.25%	20	\$2,577,000	\$2,577,000
Harrold (01)	06/26/2008	3.25%	20	\$170,000	\$162,372
Hartford (01)	04/13/2000	5.00%	20	\$504,000	\$504,000
Hartford (02)	04/13/2000	5.00%	20	\$690,804	\$690,804
Hartford (03)	04/12/2002	3.50%	20	\$300,000	\$300,000
Hartford (04)	01/10/2003	3.50%	20	\$550,035	\$550,035
Hartford (05)	06/28/2007	3.25%	20	\$583,000	\$523,629
Hecla (01)	07/06/2009	3.00%	20	\$143,390	\$101,909
Hermosa (01)	03/25/2011	3.25%	30	\$303,604	\$292,156
Herreid (01)	03/25/2011	3.25%	30	\$694,300	\$694,300
Highmore (01) <sup>1</sup>	04/12/2002	3.50%	20	\$262,300	\$262,300
Highmore (02)	03/28/2014	3.25%	30	\$679,000	\$538,871
Hosmer (01) <sup>2</sup>	03/27/2015	3.25%	30	\$968,000	\$0
Hot Springs (01) <sup>1</sup>	03/12/1992	3.00%	10	\$196,930	\$196,930
Hot Springs (02)	09/24/2010	3.00%	20	\$1,453,000	\$1,227,332
Hot Springs (NPS-01) <sup>1</sup>	01/13/1994	5.00%	20	\$930,000	\$930,000
Hoven (01)	06/26/2014	3.25%	30	\$656,000	\$656,000
Howard (01)	03/27/2015	3.25%	30	\$1,764,000	\$979,000
Humboldt (01)	03/27/2015	3.25%	30	\$417,200	\$417,200
Hurley (01)	03/30/2012	3.25%	30	\$835,964	\$835,964
Huron (01) <sup>1</sup>	11/09/1989	3.00%	20	\$1,656,000	\$1,656,000
Huron (02) <sup>1</sup>	06/13/1991	3.00%	10	\$750,000	\$701,997
Huron (03)	09/19/1995	5.25%	20	\$2,700,000	\$1,856,828
Huron (04) <sup>2</sup>	01/06/2005	3.25%	20	\$1,500,000	\$0
Interior (01)	06/24/2011	3.25%	30	\$250,000	\$246,721

<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>
Ipswich (01) <sup>2</sup>	03/27/2015	3.25%	30	\$1,951,000	\$0
Irene (01)	03/28/2014	3.25%	30	\$656,000	\$656,000
Java (01)	06/24/2011	3.25%	30	\$438,325	\$393,252
Jefferson (01)	03/28/2003	3.50%	20	\$320,000	\$166,084
Kennebec (01)	03/27/2015	3.25%	30	\$723,000	\$723,000
Kennebec (02)	03/27/2015	3.25%	30	\$437,000	\$437,000
Keystone (01)	06/23/2016	3.00%	20	\$431,000	\$431,000
Lake Byron Watershed District <sup>2</sup>	03/28/2014	3.25%	30	\$1,843,000	\$0
Lake Cochrane San Dist (01) <sup>1</sup>	04/11/1990	3.00%	20	\$80,000	\$80,000
Lake Cochrane San Dist (02)	01/08/2004	3.50%	20	\$160,000	\$156,111
Lake Madison San Dist (01) <sup>1</sup>	03/14/1991	4.00%	15	\$330,000	\$330,000
Lake Madison San Dist (02)	09/25/2003	3.50%	20	\$875,000	\$613,419
Lake Madison San Dist (03)	09/24/2015	3.25%	30	\$428,000	\$428,000
Lake Poinsett San Dist (01) <sup>2</sup>	01/06/2005	3.25%	20	\$590,000	\$0
Lake Poinsett San Dist (02)	06/28/2007	3.50%	30	\$1,094,700	\$1,094,700
Lake Poinsett San Dist (03)	09/24/2010	3.25%	30	\$3,075,000	\$2,413,671
Lake Poinsett San Dist (04)	03/28/2014	3.25%	30	\$1,917,000	\$1,917,000
Lead (01) <sup>1</sup>	07/11/1990	3.00%	20	\$186,409	\$186,409
Lead (02) <sup>1</sup>	07/11/1991	3.00%	10	\$500,770	\$500,770
Lead (03) <sup>1</sup>	05/19/1992	3.00%	10	\$405,000	\$375,298
Lead (04) <sup>1</sup>	07/27/2000	4.50%	10	\$239,200	\$239,200
Lead (05)	01/06/2005	3.25%	20	\$333,700	\$220,029
Lead (06)	06/28/2007	3.25%	20	\$240,000	\$240,000
Lead (07)	09/24/2010	3.00%	20	\$200,000	\$192,541
Lead (08)	03/28/2014	3.00%	20	\$937,000	\$937,000
Lead (09)	06/23/2016	2.25%	10	\$427,000	\$427,000
Lead-Deadwood San Dist (01) <sup>1</sup>	06/07/1990	3.00%	5	\$110,000	\$106,855
Lemmon (01) <sup>1</sup>	04/11/1990	3.00%	20	\$427,100	\$427,100
Lennox (01) <sup>1</sup>	06/27/1996	5.25%	20	\$350,000	\$350,000
Lennox (02) <sup>1</sup>	07/23/1997	5.25%	20	\$600,000	\$583,735
Lennox (03) – ARRA <sup>1</sup>	06/25/2009	0%	-	\$1,565,760	\$1,565,760
Lennox (04) – ARRA	06/25/2009	3.25%	30	\$1,942,273	\$1,942,273
Lennox (05)	03/28/2014	3.25%	30	\$1,290,000	\$1,290,000
Lennox (06)	03/27/2015	3.25%	30	\$1,873,000	\$1,873,000
Letcher (01)	06/28/2013	3.25%	30	\$775,000	\$775,000
Madison (01) <sup>1</sup>	03/14/1991	3.00%	10	\$150,000	\$119,416
Madison (02)	09/27/2007	3.25%	20	\$5,343,256	\$4,986,796
Marion (01)	09/25/2008	3.50%	30	\$1,710,000	\$1,707,908
Martin (01) <sup>1</sup>	03/27/2008	3.25%	20	\$237,250	\$142,732
McCook Lake San Dist (01)	08/29/1991	5.00%	20	\$641,935	\$641,935
McLaughlin (01)	06/24/2011	3.25%	30	\$1,145,675	\$1,145,675
Menno (01)	09/24/2010	3.00%	20	\$240,000	\$191,500
Menno (02)	03/28/2013	3.25%	30	\$1,230,000	\$1,170,777
Milbank (01) – ARRA	06/25/2009	3.00%	20	\$3,515,000	\$3,376,639

<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>
Milbank (02) <sup>1</sup>	06/25/2009	3.25%	30	\$1,000,000	\$261,306
Miller (01)	03/31/2016	3.25%	30	\$3,541,000	\$3,541,000
Miller (02)	03/31/2016	3.25%	30	\$1,958,000	\$1,958,000
Mina Lake San. Dist. (01)	06/23/2016	3.25%	30	\$559,000	\$559,000
Mitchell (01) <sup>1</sup>	04/15/1997	4.50%	10	\$2,000,000	\$1,543,405
Mitchell (02)	09/25/2003	3.50%	20	\$1,320,000	\$1,320,000
Mitchell (03)	02/11/2009	2.00%	20	\$1,534,224	\$1,534,224
Mitchell (03NPS)	02/11/2009	2.00%	20	\$148,523	\$148,523
Mitchell (04)	03/28/2013	3.00%	20	\$800,000	\$543,447
Mobridge (01) <sup>1</sup>	07/11/1990	3.00%	20	\$1,500,000	\$1,500,000
Mobridge (02) <sup>1</sup>	12/11/1991	4.00%	15	\$158,000	\$158,000
Mobridge (03) <sup>1</sup>	04/13/2000	4.50%	10	\$1,355,000	\$1,350,000
Mobridge (04)	06/29/2012	3.00%	20	\$764,000	\$703,425
Mobridge (05)	01/08/2015	3.00%	20	\$1,475,000	\$1,475,000
Montrose (01) <sup>1</sup>	09/22/2005	2.50%	10	\$142,621	\$34,988
Montrose (02) – ARRA	03/27/2009	3.25%	30	\$804,000	\$767,190
Montrose (03) <sup>2</sup>	06/25/2015	3.25%	30	\$545,000	\$0
Mount Vernon (01)	01/07/2011	3.25%	30	\$2,300,000	\$2,300,000
Nisland (01)	01/06/2005	3.25%	20	\$204,000	\$204,000
North Sioux City (01) <sup>1</sup>	07/08/1992	3.00%	10	\$239,650	\$239,650
North Sioux City (02) <sup>1</sup>	06/22/1995	5.00%	15	\$646,000	\$646,000
Northdale San Dist (01) <sup>1</sup>	04/25/1994	5.00%	20	\$315,000	\$256,380
Northville (01)	03/25/2011	3.25%	30	\$238,300	\$111,405
Parker (01)	09/23/2004	3.25%	20	\$824,000	\$430,000
Parker (02)	06/22/2006	3.25%	20	\$620,000	\$480,501
Parker (03) – ARRA	03/27/2009	3.25%	30	\$700,900	\$694,329
Parker (04)	03/28/2013	3.00%	20	\$295,000	\$203,257
Parkston (01)	06/26/2008	3.25%	20	\$650,000	\$635,690
Philip (01) <sup>1</sup>	06/22/1995	5.00%	15	\$472,000	\$453,885
Philip (02)	06/26/1997	5.25%	20	\$325,000	\$321,127
Philip (03)	09/22/2005	3.25%	15	\$347,040	\$316,423
Philip (04)	03/30/2012	3.25%	30	\$1,073,300	\$865,546
Philip (05)	03/30/2012	3.25%	30	\$750,000	\$604,122
Pickerel Lake San Dist (01) <sup>1</sup>	05/09/1996	5.25%	15	\$850,000	\$850,000
Pickerel Lake San Dist (02) <sup>1</sup>	09/25/1997	5.25%	20	\$670,000	\$670,000
Pierre (01) <sup>1</sup>	11/08/1990	4.00%	15	\$600,000	\$433,976
Pierre (02) <sup>1</sup>	03/26/1998	5.25%	20	\$4,417,000	\$4,417,000
Pierre (03) <sup>1</sup>	03/25/1999	5.00%	20	\$5,391,260	\$5,391,260
Pierre (04)	03/28/2003	3.50%	20	\$1,378,404	\$1,199,832
Pierre (05)	09/25/2008	3.25%	20	\$976,953	\$612,159
Pierre (06)	09/26/2014	2.25%	10	\$817,600	\$817,600
Pierre (07)	03/31/2016	3.00%	20	\$3,821,000	\$3,821,000
Pierre (08)	06/23/2016	2.25%	10	\$1,450,000	\$1,450,000
Plankinton (01)	06/24/2011	3.25%	30	\$1,005,744	\$1,005,744

<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>
Platte (01) <sup>1</sup>	03/25/1999	5.00%	20	\$1,000,000	\$975,865
Pollock (01) <sup>1</sup>	09/23/1993	3.00%	10	\$170,000	\$151,619
Powder House Pass CID (01)	03/30/2012	3.25%	30	\$2,575,218	\$2,575,218
Prairie Meadow San. Dist. (01) <sup>2</sup>	03/28/2013	3.25%	30	\$788,000	\$0
Prairie Meadow San. Dist. (02)	03/31/2016	3.25%	30	\$588,000	\$588,000
Rapid City (01) <sup>1</sup>	12/12/1990	4.00%	15	\$2,637,000	\$2,479,905
Rapid City (02) <sup>1</sup>	07/08/1992	4.00%	15	\$1,138,200	\$986,685
Rapid City (03) <sup>1</sup>	06/23/1993	4.00%	15	\$777,500	\$674,577
Rapid City (04) <sup>1</sup>	08/10/1994	4.00%	15	\$1,214,861	\$1,214,861
Rapid City (05) <sup>1</sup>	01/11/2001	4.50%	20	\$14,000,000	\$14,000,000
Rapid City (06)	09/23/2009	3.00%	20	\$5,000,000	\$5,000,000
Rapid Valley San Dist (01) <sup>1</sup>	01/11/1990	3.00%	20	\$614,000	\$614,000
Rapid Valley San Dist (02) <sup>1</sup>	11/10/1994	4.00%	15	\$460,000	\$364,583
Rapid Valley San Dist (03)	07/29/1996	5.25%	20	\$630,000	\$630,000
Raymond (01)	06/23/2016	3.25%	30	\$745,000	\$745,000
Redfield (01) <sup>2</sup>	06/23/2005	3.25%	20	\$333,788	\$0
Redfield (02)	03/30/2012	3.25%	30	\$884,000	\$803,423
Richmond Lake San Dist (01) <sup>1</sup>	06/27/1996	5.25%	20	\$414,000	\$414,000
Richmond Lake San Dist (02) <sup>1</sup>	06/25/1998	5.25%	20	\$226,500	\$191,500
Richmond Lake San Dist (03) <sup>2</sup>	03/25/2011	3.00%	20	\$193,600	\$0
Richmond Lake San Dist (04) <sup>1</sup>	03/25/2011	3.25%	30	\$339,800	\$275,149
Roscoe (01) <sup>1</sup>	07/29/1996	5.25%	20	\$358,408	\$358,408
Saint Lawrence (01)	09/26/2014	3.25%	30	\$193,000	\$148,224
Salem (01)	03/28/2003	3.50%	20	\$592,307	\$518,035
Salem (02)	06/23/2005	3.25%	20	\$387,960	\$387,960
Scotland (01)	03/28/2003	3.50%	20	\$250,000	\$250,000
Scotland (02)	06/24/2011	3.25%	30	\$945,930	\$804,740
Selby (01) <sup>1</sup>	09/24/2010	0%	-	\$700,000	\$700,000
Sinai (01)	03/28/2014	3.25%	30	\$500,000	\$500,000
Sioux Falls (01) <sup>1</sup>	04/11/1990	3.00%	20	\$3,316,310	\$2,836,963
Sioux Falls (02) <sup>1</sup>	07/11/1990	3.00%	10	\$454,000	\$453,999
Sioux Falls (03) <sup>1</sup>	12/12/1990	3.00%	10	\$845,000	\$845,000
Sioux Falls (04) <sup>1</sup>	12/12/1990	3.00%	10	\$1,200,000	\$1,200,000
Sioux Falls (05) <sup>1</sup>	03/12/1992	3.00%	10	\$1,955,000	\$1,955,000
Sioux Falls (06) <sup>1</sup>	03/12/1992	3.00%	10	\$700,000	\$700,000
Sioux Falls (07) <sup>1</sup>	01/26/1993	3.00%	10	\$4,500,000	\$4,500,000
Sioux Falls (08) <sup>1</sup>	01/13/1994	3.00%	10	\$1,000,000	\$699,003
Sioux Falls (09) <sup>1</sup>	08/10/1994	3.00%	10	\$1,250,000	\$1,250,000
Sioux Falls (10) <sup>1</sup>	08/10/1994	3.00%	10	\$1,500,000	\$1,432,941
Sioux Falls (11) <sup>1</sup>	06/22/1995	4.50%	10	\$1,250,000	\$1,195,346
Sioux Falls (12) <sup>1</sup>	03/27/1996	4.50%	10	\$1,300,000	\$1,300,000
Sioux Falls (13) <sup>1</sup>	01/09/1997	4.50%	10	\$2,500,000	\$2,083,137
Sioux Falls (14) <sup>1</sup>	07/27/2000	4.50%	10	\$5,100,000	\$4,888,537
Sioux Falls (15) <sup>1</sup>	04/12/2002	3.50%	10	\$1,724,000	\$1,467,706

<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>
Sioux Falls (16) <sup>1</sup>	01/10/2003	3.50%	10	\$2,479,500	\$2,479,500
Sioux Falls (17) <sup>1</sup>	06/26/2003	3.50%	10	\$932,000	\$561,320
Sioux Falls (18)	07/16/2004	2.50%	10	\$3,951,000	\$3,730,114
Sioux Falls (19)	07/16/2004	2.50%	10	\$801,000	\$415,785
Sioux Falls (20A)	01/06/2005	1.50%	10	\$16,000,000	\$16,000,000
Sioux Falls (20B)	10/19/2005	1.50%	10	\$8,700,000	\$8,700,000
Sioux Falls (20NPS)	01/06/2005	1.50%	10	\$1,249,349	\$1,249,349
Sioux Falls (21A)	03/31/2005	2.25%	20	\$12,500,000	\$12,500,000
Sioux Falls (21B)	10/19/2005	2.25%	20	\$21,608,000	\$20,108,000
Sioux Falls (21NPS)	03/31/2005	2.25%	20	\$3,269,418	\$3,125,636
Sioux Falls (22)	02/07/2006	2.50%	10	\$10,550,000	\$10,550,000
Sioux Falls (23)	03/31/2006	2.50%	10	\$10,323,000	\$10,309,144
Sioux Falls (24) <sup>1</sup>	03/30/2007	2.50%	7	\$500,000	\$500,000
Sioux Falls (25)	01/03/2008	2.50%	10	\$5,657,000	\$3,508,134
Sioux Falls (26)	03/27/2008	2.50%	10	\$3,744,000	\$3,744,000
Sioux Falls (27)	03/27/2008	2.50%	10	\$2,621,000	\$2,621,000
Sioux Falls (28) – ARRA	03/27/2009	2.25%	10	\$1,803,000	\$1,803,000
Sioux Falls (29) – ARRA	03/27/2009	2.25%	10	\$2,540,000	\$1,211,097
Sioux Falls (30) – ARRA	07/23/2009	2.25%	10	\$8,462,000	\$4,974,661
Sioux Falls (31) – ARRA <sup>1</sup>	05/27/2009	2.25%	10	\$1,970,000	\$1,831,523
Sioux Falls (32)	01/07/2011	1.25%	10	\$23,400,000	\$21,848,437
Sioux Falls (32NPS)	01/07/2011	1.25%	10	\$1,189,400	\$1,189,400
Sioux Falls (33)	06/24/2011	1.25%	10	\$14,000,000	\$14,000,000
Sioux Falls (33NPS)	06/24/2011	1.25%	10	\$711,614	\$711,614
Sioux Falls (34)	09/27/2012	2.25%	10	\$12,464,000	\$12,464,000
Sioux Falls (35)	03/27/2015	1.25%	10	\$11,400,000	\$11,400,000
Sioux Falls (35NPS)	03/27/2015	1.25%	10	\$579,457	\$579,457
Sioux Falls (36)	03/27/2015	1.25%	10	\$24,800,000	\$24,800,000
Sioux Falls (36NPS)	03/27/2015	1.25%	10	\$1,260,000	\$1,260,000
Sioux Falls (37)	06/23/2016	1.25%	10	\$8,838,000	\$8,838,000
Sioux Falls (37NPS)	06/23/2016	1.25%	10	\$449,000	\$449,000
Southern Missouri RWMD (NPS-01)	10/06/1994	5.00%	20	\$700,000	\$700,000
Southern Missouri RWMD (02)	06/29/2012	2.25%	10	\$242,000	\$223,813
Spearfish (01) <sup>1</sup>	03/12/1992	4.00%	15	\$1,956,000	\$1,956,000
Spearfish (02)	01/03/2008	3.25%	20	\$5,900,000	\$5,658,584
Spencer (01)	06/24/2010	3.25%	30	\$230,156	\$230,156
Sturgis (01) <sup>1</sup>	08/23/1993	5.00%	20	\$502,000	\$502,000
Sturgis (02) <sup>1</sup>	06/23/1994	5.00%	20	\$936,250	\$936,250
Sturgis (03) <sup>1</sup>	06/27/1997	5.25%	20	\$450,000	\$437,380
Sturgis (04) <sup>1</sup>	04/14/2000	5.00%	20	\$2,100,000	\$2,100,000
Sturgis (05) – ARRA	08/26/2009	3.00%	20	\$516,900	\$516,900
Summerset (01)	03/30/2012	3.00%	20	\$300,000	\$257,947
Summit (01) – ARRA <sup>1</sup>	03/27/2009	0%	-	\$100,000	\$100,000
Tea (01) <sup>1</sup>	03/31/1993	4.00%	15	\$600,000	\$600,000

<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>
Tea (02) <sup>1</sup>	05/11/1994	4.00%	15	\$600,000	\$600,000
Tea (03)	06/27/1997	5.25%	20	\$250,000	\$208,813
Tea (04) <sup>1</sup>	05/14/1998	5.00%	15	\$375,000	\$375,000
Tea (05)	06/26/2003	3.50%	20	\$495,490	\$495,490
Tea (06)	06/28/2007	3.25%	20	\$858,000	\$787,174
Tea (07)	06/25/2009	3.00%	20	\$875,000	\$845,000
Turton (01)	03/28/2014	3.25%	30	\$262,000	\$262,000
Tyndall (01)	03/31/2006	3.25%	20	\$795,000	\$795,000
Valley Springs (01)	05/14/1998	5.25%	20	\$430,000	\$422,128
Valley Springs (02)	09/23/2004	3.25%	20	\$350,000	\$350,000
Vermillion (01) <sup>1</sup>	06/07/1990	3.00%	20	\$125,000	\$125,000
Vermillion (02) <sup>1</sup>	12/09/1993	4.00%	15	\$500,000	\$370,471
Vermillion (03)	03/28/2003	3.50%	20	\$456,000	\$273,965
Vermillion (04) <sup>1</sup>	07/16/2004	3.25%	20	\$3,548,351	\$3,333,994
Vermillion (05)	06/26/2008	3.25%	20	\$4,851,000	\$4,213,191
Vermillion (06) – ARRA	06/25/2009	3.00%	20	\$499,000	\$499,000
Vermillion (07)	03/30/2012	3.00%	20	\$1,639,000	\$1,639,000
Vermillion (08)	06/23/2016	3.00%	20	\$812,000	\$812,000
Vermillion (NPS-01) <sup>1</sup>	08/10/1995	4.50%	10	\$480,000	\$356,531
Viborg (01)	06/24/2011	3.25%	30	\$883,000	\$616,764
Viborg (02)	06/23/2016	3.25%	30	\$105,000	\$105,000
Wagner (01)	06/28/2007	3.25%	20	\$150,000	\$138,329
Wagner (02) <sup>2</sup>	07/23/2009	3.25%	30	\$500,000	\$0
Wakonda (01)	06/28/2013	3.00%	20	\$529,000	\$507,555
Wall (01) <sup>1</sup>	07/22/1999	5.00%	20	\$1,146,000	\$788,600
Wall Lake San Dist. (01)	12/13/2001	3.50%	20	\$200,000	\$175,126
Wall Lake San Dist. (01)	03/30/2012	3.25%	30	\$135,000	\$135,000
Warner (01) <sup>1</sup>	03/23/1995	4.50%	10	\$102,000	\$101,152
Warner (02)	06/24/2011	3.25%	30	\$1,826,760	\$1,662,217
Watertown (01) <sup>1</sup>	10/09/1991	4.00%	15	\$2,000,000	\$2,000,000
Watertown (02) <sup>1</sup>	08/12/1992	4.00%	15	\$4,000,000	\$4,000,000
Watertown (03)	06/22/1995	5.25%	20	\$2,600,000	\$2,583,734
Watertown (04) <sup>1</sup>	11/09/1995	5.25%	20	\$2,200,000	\$932,830
Watertown (05)	03/28/2003	3.50%	20	\$2,055,000	\$2,055,000
Watertown (06)	03/31/2006	2.25%	20	\$1,189,145	\$1,151,694
Watertown (06NPS)	03/31/2006	2.25%	20	\$113,985	\$113,985
Watertown (07)	01/05/2007	2.25%	20	\$847,170	\$808,736
Watertown (07NPS)	01/05/2007	2.25%	20	\$81,205	\$81,205
Watertown (08)	01/05/2007	2.25%	20	\$612,877	\$525,041
Watertown (08NPS)	01/05/2007	2.25%	20	\$58,747	\$58,747
Watertown (09) – ARRA	07/23/2009	3.00%	20	\$16,446,000	\$11,554,853
Watertown (10) – ARRA	07/23/2009	3.00%	20	\$3,330,000	\$2,983,757
Watertown (11)	06/24/2010	3.00%	20	\$815,000	\$498,166
Watertown School District (01) – ARRA	07/23/2009	0%	-	\$503,635	\$399,747

<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>
Waubay (01) <sup>1</sup>	02/18/1992	5.00%	20	\$163,487	\$81,454
Waubay (02)	09/27/2012	3.25%	30	\$149,200	\$134,056
Waubay (03)	03/27/2015	3.25%	30	\$1,470,000	\$1,470,000
Webster (01) <sup>1</sup>	03/27/1996	4.50%	10	\$400,000	\$345,394
Webster (02)	04/12/2002	3.50%	20	\$811,000	\$811,000
Webster (03) – ARRA <sup>1</sup>	03/27/2009	0%	-	\$500,000	\$500,000
Wessington Springs (01)	03/27/2015	3.00%	20	\$393,000	\$393,000
Weston Heights Sanitary District (01)	03/31/2006	3.25%	20	\$638,300	\$600,412
Westport (01)	03/31/2016	3.25%	30	\$445,000	\$445,000
White Lake (01)	03/28/2013	3.25%	30	\$371,000	\$307,374
Whitewood (01) <sup>1</sup>	02/18/1992	4.00%	15	\$200,000	\$180,801
Whitewood (02)	07/27/2000	5.00%	20	\$275,000	\$189,032
Willow Lake (01)	01/08/2004	3.50%	20	\$100,000	\$100,000
Winner (01)	06/22/2006	3.25%	20	\$925,000	\$925,000
Winner (02)	03/30/2012	3.00%	20	\$400,000	\$373,528
Wolsey (01)	09/27/2007	3.25%	20	\$162,300	\$162,300
Wolsey (02) <sup>2</sup>	03/27/2009	3.00%	20	\$614,400	\$0
Wolsey (03)	03/25/2010	3.00%	20	\$901,560	\$556,790
Worthing (01)	06/27/1996	5.25%	20	\$315,725	\$227,645
Worthing (02)	09/27/2007	3.50%	20	\$580,000	\$561,185
Worthing (03)	03/30/2012	3.00%	20	\$459,832	\$419,585
Yale (01)	06/24/2011	3.25%	30	\$885,110	\$885,110
Yale (02)	03/28/2016	3.25%	30	\$84,000	\$84,000
Yankton (01) <sup>1</sup>	12/10/1997	5.25%	20	\$2,625,000	\$2,625,000
Yankton (02) <sup>1</sup>	12/10/1997	6.00%	20	\$4,500,000	\$4,500,000
Yankton (03)	10/12/2001	3.50%	20	\$6,130,000	\$6,020,406
Yankton (04)	03/30/2012	3.00%	20	\$3,330,000	\$3,330,000
<b>TOTAL</b>				<b>\$687,271,264</b>	<b>\$620,045,226</b>

<sup>1</sup> Loans paid in full

<sup>2</sup> Deobligated in full

**Table 7  
Principal Forgiveness Awards to Clean Water SRF Borrowers**

<b>Sponsor</b>	<b>Total Loan Award</b>	<b>Principal Forgiveness Awarded</b>	<b>Loan Payable</b>
Astoria (02)	\$744,000	\$368,700	\$375,300
Aurora (02)	\$421,303	\$191,692	\$229,611
Baltic (02)	\$276,164	\$127,588	\$148,576
Belle Fourche Irrigation District (01)	\$200,000	\$200,000	\$0
Brandon (04)	\$383,250	\$38,325	\$344,925
Brookings (02)	\$744,545	\$74,455	\$670,090
Brookings (03)	\$433,909	\$43,390	\$390,519
Canistota (01)	\$616,840	\$420,190	\$196,650
Canova (01)	\$238,713	\$154,686	\$84,027
Canton (03)	\$2,462,000	\$840,500	\$1,621,500
Chancellor (02)	\$180,000	\$90,000	\$90,000
Colman (01)	\$1,574,248	\$356,500	\$1,217,748
Colman (02)	\$800,000	\$500,000	\$300,000
Dell Rapids (05)	\$742,564	\$398,014	\$344,550
Eagle Butte (02)	\$2,410,000	\$436,500	\$1,973,500
Elkton (01)	\$505,464	\$130,000	\$375,064
Elk Point (06)	\$607,840	\$60,784	\$547,056
Emery (01)	\$3,084,000	\$1,871,000	\$1,213,000
Fort Pierre (06)	\$266,000	\$50,000	\$216,000
Groton (07)	\$310,913	\$131,827	\$179,086
Groton (08)	\$206,979	\$51,744	\$155,235
Harrisburg (02)	\$3,941,200	\$3,941,200	\$0
Hecla (01)	\$101,909	\$10,191	\$91,718
Java (01)	\$393,252	\$92,807	\$300,445
Lake Poinsett Sanitary District (03)	\$2,413,671	\$1,257,522	\$1,156,149
Lead (07)	\$192,541	\$48,135	\$144,406
Lennox (03)	\$1,565,760	\$1,565,760	\$0
Lennox (04)	\$1,942,273	\$122,945	\$1,819,249
Letcher (01)	\$775,000	\$275,000	\$500,000
McLaughlin (01)	\$1,145,675	\$150,000	\$995,675
Milbank (01)	\$3,376,639	\$2,171,179	\$1,205,460
Montrose (02)	\$767,190	\$160,400	\$606,790
Mount Vernon (01)	\$2,300,000	\$1,050,000	\$1,250,000
Parker (03)	\$694,329	\$471,450	\$222,879
Plankinton (01)	\$1,005,744	\$150,000	\$855,744
Raymond (01)	\$745,000	\$745,000	\$0
Selby (01)	\$700,000	\$700,000	\$0

<b>Sponsor</b>	<b>Total Loan Award</b>	<b>Principal Forgiveness Awarded</b>	<b>Loan Payable</b>
Sinai (01)	\$500,000	\$100,000	\$400,000
Sioux Falls (28)	\$1,803,000	\$180,300	\$1,622,700
Sioux Falls (29)	\$1,211,097	\$121,110	\$1,089,987
Sioux Falls (30)	\$4,974,661	\$497,466	\$4,477,195
Sioux Falls (31)	\$1,831,523	\$183,152	\$1,648,371
Spencer (01)	\$230,156	\$100,000	\$130,156
Sturgis (05)	\$516,900	\$218,283	\$298,617
Summit (01)	\$100,000	\$100,000	\$0
Vermillion (06)	\$499,000	\$249,500	\$249,500
Wakonda (01)	\$507,555	\$187,287	\$320,268
Warner (02)	\$1,662,217	\$927,517	\$734,700
Watertown (09)	\$11,554,853	\$1,155,485	\$10,399,368
Watertown (10)	\$2,983,757	\$298,375	\$2,685,382
Watertown (11)	\$498,166	\$305,873	\$192,293
Watertown School District(01)	\$399,747	\$399,747	\$0
Waubay (03)	\$1,080,000	\$500,000	\$580,000
Webster (03)	\$500,000	\$500,000	\$0
Yale (01)	\$885,110	\$606,110	\$279,000
<b>TOTAL</b>	<b>\$71,006,657</b>	<b>\$26,077,689</b>	<b>\$44,928,489</b>

## CLEAN WATER SRF PROJECT DESCRIPTIONS

**ABERDEEN** – Aberdeen received its first loan for wastewater treatment plant improvements and upgrades and nonpoint source best management practices. The loan was for \$13,218,859 at 2.25 percent for 20 years. The second loan, in the amount of \$6,000,000 at 3.25 percent for 20 years, funded the second phase of the wastewater treatment plant improvement project. Aberdeen's third loan was for the replacement of 1,300 feet of sanitary and 1,600 feet of storm sewer on Kline Street. This loan was for \$1,500,000 at 2.25% for 10 years.

**ALPENA** – Alpena received a \$1,465,000 loan at 3 percent for 20 years to construct a third stabilization pond to the existing treatment system. The expansion was necessitated to accommodate an increased waste load from Link Snacks, Inc.

**ANDOVER** – Andover received a \$194,000 loan at 3.25 percent for 30 years. The loan will partially fund a project to convert the town's single cell lagoon to a three-cell system, construct an inter-pond lift station, and televise the collection system.

**ASTORIA** – Astoria's first Clean Water SRF loan was for \$235,000 at 3.25 percent for 30 years. The loan will help the city increase the capacity of the existing wastewater treatment facility by adding a new cell and rehabilitate a storm water diversion channel west of the treatment facility. The project also included cleaning and televising the city's wastewater collection system to identify areas of excessive inflow and infiltration. Due to increased project costs the loan was rescinded, and another loan was awarded. The second loan was for \$744,000 at 3.25 percent for 30 years, and included \$368,700 of principal forgiveness.

**AURORA** – Aurora received a \$410,000 loan at 5 percent interest for 20 years. The project upgraded the city's wastewater collection system. The city's second loan was for \$660,000, at 3.25 percent for 30 years, and included \$300,000 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. This loan was to upgrade the city's single cell wastewater treatment lagoon to an artificial wetland treatment system.

**BALTIC** – Baltic received a \$465,000 loan at 3.5 percent for 20 years to fund sewer main and lift station replacement. Baltic's second loan was for \$433,000 to install rip rap at the wastewater treatment lagoon cells. This loan was at 3 percent for 20 years and included \$200,000 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. A third loan in the amount of \$764,700 was awarded to replace aging sewer lines on Elm Avenue, Jans Circle, Richards Circle and Bonnies Circle. The loan terms were 3.25 percent for 30 years.

**BELLE FOURCHE** – The city of Belle Fourche received two loans totaling \$517,422. The first loan, at 3 percent for 20 years, was used to construct sanitary sewer lines and manholes. The second loan, at 4.5 percent for 10 years, was used to upgrade the city's primary sanitary force main.

**BELLE FOURCHE IRRIGATION DISTRICT** – The Belle Fourche Irrigation District received a \$200,000 loan with 100 percent principal forgiveness. The loan was to partially fund irrigators' conversion from flood irrigation to more efficient sprinkler systems.

**BERESFORD** – The city of Beresford received a 4.5 percent, 10-year loan in the amount of \$1,150,000 to improve sanitary sewer and storm sewer lines in conjunction with a South Dakota Department of Transportation street reconstruction project. Beresford was awarded its second loan to replace an aging sanitary sewer lines on portions of Second Street, Fifth Street, and Eleventh Street. The loan was for \$789,790 at 3.25 percent for 30 years. The city received its third loan - \$605,000 at 3.25 percent for 30

years – to replace sewer in conjunction with a South Dakota Department of Transportation Highway 46 reconstruction project.

**BISON** – Bison received its first State Revolving Fund loan to install a storm water collection system and a construct a bio-retention pond to manage storm water flows. The loan was in the amount of \$504,000 at 3 percent for 20 years. Bison received its second loan to reline portions of the collection system and make improvements to the berms at the wastewater treatment facility. The loan was for \$419,000 at 3.25 percent for 30 years.

**BLACK HAWK SANITARY DISTRICT** – Black Hawk Sanitary District’s Clean Water SRF loan in the amount of \$589,600 loan at 3.5 percent for 20 years was used for a wastewater improvement project. The district’s wastewater runs through the Northdale Sanitary District to be treated by the city of Rapid City.

**BONESTEEL** – Bonesteel received a \$588,000 loan at 3.25 percent for 30 years to partially finance improvements to the wastewater treatment and collection systems. The treatment facility improvements involved repairing the clay liner and interior pond dikes, installing rip rap, and other miscellaneous repairs. The collection system improvements involved replacing 600 feet of interceptor line cleaning and televising existing clay sewer lines to prioritize future collection system replacement projects.

**BOX ELDER** – Box Elder utilized a \$648,600 Clean Water SRF loan at 3 percent for 20 years to refinance existing sewer debt incurred to expand its treatment facility.

**BRANDON** – The city of Brandon received two Clean Water SRF loans totaling \$631,018 for a storm drainage project and for the construction of a force main to convey partially treated wastewater from Brandon to the Sioux Falls wastewater treatment plant as well as the associated pumping station and improvements to the existing treatment facility. Both loans were for 10 years at 3 percent interest. Brandon’s third loan, for \$687,000 at 2.25 percent for 10 years, was to reroute the force main leading to the wastewater treatment facility. Brandon’s fourth loan, for \$383,250 at 2.25 percent for 10 years, was to construct a storm water detention pond on the east side of the city. The third and fourth loans received 10 percent principal forgiveness (\$68,700 and \$38,325, respectively) through the American Recovery and Reinvestment Act of 2009. The third loan was rescinded at the city’s request due to uncertainties concerning the route of the force main and the time limitations imposed by the American Recovery and Reinvestment Act. Brandon’s fifth loan was awarded for engineering planning and design for modifications to the collection systems and construction of a new treatment system. The loan was for \$3,000,000 at 3.25 percent for 30 years. This loan was rescinded at the city’s request after the city dismissed plans to build a new treatment system. Brandon received its sixth loan for \$2,598,000 at 3 percent for 20 years to construct a lift station to convey raw sewage to the Sioux Falls Water Reclamation facility.

**BRANT LAKE SANITARY DISTRICT** – The Brant Lake Sanitary District received a \$1,700,000 loan to construct a wastewater collection system to serve the residents of Brant Lake and convey wastewater to the Chester Sanitary District’s wastewater treatment facility. The loan was at 3.25 percent for 30 years.

**BRENTFORD** – The city of Brentford received a \$194,000 loan to finance lift station and force main upgrades, construct a new wastewater treatment cell, and make improvements to the existing cell. The project also involved cleaning and televising of the collection system to determine the most appropriate lines to replace in the future. The loan was at 3.25 percent for 30 years.

**BRIDGEWATER** – The city of Bridgewater constructed storm sewer along the north and east sides of the city to connect to an existing inlet basin with its first loan, a 20 year, 5.25 percent loan for \$90,328.

The city's second loan, for \$321,600 at 3.25 percent for 20 years funded improvements to the sanitary sewer system. Bridgewater's third loan was in the amount of \$261,000 at 3.25 percent for 30 years and was used to replace or reline several blocks of sewer main and repair or replace several manholes along Main Street.

**BRISTOL** – The city of Bristol received a \$1,000,000 loan at 3.25 percent for 30 years to replace sanitary and storm sewer primarily in the northwest portion of the community.

**BRITTON** – The city of Britton received two Clean Water SRF loans for a total amount of \$832,435. The first loan, at 4.5 percent for 10 years, funded wastewater system improvements, including the installation of a lift station and force main and the construction of artificial wetlands. The city's second loan in the amount of \$322,500 at 3.5 percent for 20 years funded sewer main replacement and extensions along Highway 10. A third loan in the amount of \$1,042,034 was awarded to televise the collection system, rehabilitate multiple lift stations, and general improvements to the wastewater treatment facility. The loan terms were 3 percent for 20 years. Britton received its fourth loan to fund a project to replace vitrified clay pipe with PVC pipe throughout the city. The loan amount was \$2,500,000 with terms of 3.25 percent for 30 years.

**BROOKINGS** – The city of Brookings received a loan for \$188,065 at 4 percent for 15 years to finance the construction of a new interceptor. The city of Brookings received its second loan to extend sanitary and storm sewer service to the South Dakota State University Innovation Campus. The loan was for \$1,190,000 at 3.0 percent for 20 years and included \$119,000 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. The city's third loan financed the construction of a storm water detention pond with a rain garden component. The loan was for \$665,000 at 3 percent for 20 years and included \$66,500 of principal forgiveness. The city's fourth loan also financed the construction of a storm water detention pond with a rain garden component. The loan was for \$483,538 at 3 percent for 20 years. Brookings received its fifth loan, \$549,476 at 3 percent for 20 years, to construct a 15-acre-foot storm water detention pond. The city's sixth loan upgraded the existing storm sewer in the area of Christine Avenue and 12<sup>th</sup> Street South. This loan was in the amount of \$3,222,319 at 3 percent for 20 years. The city was awarded its seventh loan for upgrades to the wastewater treatment facility and equalization basins, install new sanitary sewer mains, and construct a combined flow equalization pumping station facility. The seventh loan was for \$30.6 million at 3.25 percent for 30 years. Brookings' eighth loan was intended to replace sanitary sewer under 11<sup>th</sup> Street that is undersized; however, the loan was subsequently deobligated in full at the city's request. The loan was for \$255,000 at 3 percent for 20 years. The city's ninth loan was to construct a storm water management system in the Division Avenue area. This loan was in the amount of \$1,570,000 at 3 percent for 20 years.

**BROWN COUNTY** – Brown County was awarded a \$1,385,600 loan at 2.25 percent for 10 years for the construction of a new landfill cell; however, the loan was subsequently deobligated in full at the county's request.

**BURKE** – The city of Burke received a \$155,000 loan at 3.25 percent for 20 years to fund the wastewater portion of the Franklin Street Utilities Replacement project.

**CANISTOTA** – The city of Canistota received a \$616,840 loan at 3.25 percent for 30 years to replace sewer line on Ash Street. The loan included \$420,190 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. Due to higher than expected costs on the Ash Street project, the city was awarded a second loan of \$188,669 to complete the project. This loan was also at 3.25 percent for 30 years. Canistota received a third loan in the amount of \$381,000 at 3.25 percent for 30 years for a project to replace additional sewer lines in the community. The project also involves replacement of

storm sewer. Canistota was awarded its fourth loan in the amount of \$378,000 at 3.25 percent for 30 years to replace service lines on Main Street and install a block of storm sewer lines.

**CANOVA** – The town of Canova received a \$262,500 loan at 3.25 percent for 30 years to add a 3.0-acre artificial wetland to the treatment system to provide additional capacity needed for the system to operate as a total retention facility. The loan included \$170,000 of principal forgiveness.

**CANTON** – The city of Canton received its first Clean Water SRF loan at 4 percent for 15 years in the amount of \$515,715 to finance sanitary and storm sewer improvements. The city's second loan, for \$600,000, was at 3.5 percent for 20 years for utility improvements in conjunction with South Dakota Department of Transportation reconstruction of US Highway 18. Canton's third loan was for \$2,462,000 to upgrade the treatment capabilities of the city's wastewater treatment facility by constructing aerated lagoons and adding disinfection facilities. This loan was at 3.0 percent for 20 years and included \$840,500 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. The city's fourth loan is for the construction of a new lift station and force main to replace a deteriorated lift station. The loan is for \$732,000 at 3.25 percent for 30 years. Canton received its fifth loan in the amount of \$1,648,000 at 3.25 for 30 years to replace sanitary and storm sewer as part of the Dakota Street reconstruction project.

**CASTLEWOOD** – The city of Castlewood received a \$250,000 loan at 3.5 percent for 20 years to fund sanitary sewer collection improvements. The city's second loan funded the restoration of the wastewater treatment lagoons. This project was funded at \$160,000 at 3.5 percent for 20 years.

**CAVOUR** – Cavour was awarded a \$150,000 loan at 3.25 percent for 30 years to replace the lift station and force main leading to the wastewater treatment facility

**CENTERVILLE** – Centerville received a loan for \$500,000 at 3.5 percent for 20 years to fund the construction of a new wastewater treatment facility and new force main and lift station to transfer the wastewater to the new facility. Centerville received its second loan for \$435,471 at 3.25 percent for 30 years to line approximately 22,600 feet of sewer main and rehabilitate ten manholes.

**CHAMBERLAIN** – Chamberlain received two loans at 3 percent for 10 years totaling \$615,500 to rehabilitate sanitary sewer lines and construct storm sewer lines under two major streets in the city. The city's third and fourth loans, at 5.25 percent for 20 years, totaled \$3,150,000 for renovations to the city's wastewater treatment facility and expansion of sewer service into a newly annexed area of town.

**CHANCELLOR** – Chancellor received a \$574,000 loan at 3.25 percent for 30 years to rehabilitate aging sanitary sewer collection system throughout the community. The town received its second loan in the amount of \$180,000 at 2.25 percent for 10 years to replace water meters and install an automatic read system. The loan included \$90,000 of principal forgiveness. Water meters are eligible for Clean Water SRF loans, and this loan was applied to the Green Project Reserve requirements.

**CLARK** – Clark rehabilitated portions of its wastewater collection and treatment system with a \$400,000 loan at 3.5 percent for 20 years. Clark's second loan, in the amount of \$2,485,000 at 3.25 percent for 30 years, is for the construction of a new total retention wastewater treatment facility and a lift station and force main to convey wastewater to the new facility.

**CLEAR LAKE** – The city of Clear Lake used a \$79,537, 4 percent, 15-year loan to construct two new wastewater treatment stabilization ponds and convert the existing pond into an artificial wetland. The city's second loan, in the amount of \$910,000 at 3.25 percent for 20 years, funded wastewater collection improvements.

**COLMAN** – Colman received its first Clean Water SRF loan to replace the older, substandard lines in the sanitary sewer collection system to reduce excessive infiltration. The loan was in the amount of \$1,574,248 at 3.25 percent for 30 years and included \$356,500 of principal forgiveness. Colman received a second loan for \$800,000 at 3.25 percent for 20 years to continue with the replacement of the sanitary sewer collection system. The second loan included \$500,000 of principal forgiveness.

**COLTON** – The city's first loan, \$204,500 at 3.25 percent for 20 years, funded wastewater treatment system improvements. Colton's second loan for \$189,200, at 3.25 percent for 30 years, funded sanitary sewer improvements along 5<sup>th</sup> Street.

**CROOKS** – Crooks received its first Clean Water SRF loan, in the amount of \$697,000 at 3.25 percent for 20 years, to expand its wastewater treatment facility by adding approximately 32 acres of new lagoons. The city's was awarded its second loan, \$425,000 at 3.25 percent for 30 years, to install a storm sewer system within the Palmira Park sub-division.

**CUSTER** – The city of Custer received four Clean Water SRF loans totaling \$2,521,000. The first loan financed the construction of a force main to convey treated effluent from the wastewater treatment facility to the municipal golf course, a storage reservoir at the golf course to store the effluent, and irrigation facilities at the golf course to utilize the effluent. The second loan financed sewer improvements that included collection lines and an interceptor line extension on the west edge of the city limits. The first and second loans were for 20 years at an interest rate of 3 percent. The third loan, for \$276,000 at 3 percent interest for 10 years, financed the construction of an additional wastewater stabilization pond. Custer's fourth loan involved relining approximately 9,000 feet of sewer mains on Mount Rushmore road and installing new aerators at the wastewater treatment facility. The loan was for \$1,633,000 at 3 percent for 20 years.

**CUSTER-FALL RIVER WASTE MANAGEMENT DISTRICT** – The Custer-Fall River Waste Management District used a \$106,939 loan at 5 percent interest for 20 years for the construction of a landfill to serve residents of Custer and Fall River counties. The landfill also serves the Hot Springs Material Recovery Facility (MRF).

**DEADWOOD** – Deadwood received a \$447,838 Clean Water SRF loan at 4 percent interest for 15 years to slip line approximately 2,700 feet of 24-inch diameter sewer interceptor line.

**DELL RAPIDS** – The city of Dell Rapids constructed sanitary and storm sewers with a \$300,000 loan. The new lines replaced existing undersized sewers in conjunction with a street rehabilitation project. The term of the loan was 10 years at 3 percent. The city's second loan, for \$731,737 at 3.25 percent for 20 years, funded the wastewater portion of the 4<sup>th</sup> Street Utility Improvements project. The city's third loan, \$1,062,000 at 3.25 percent for 20 years, was for improvements to storm water drainage in the 12<sup>th</sup> Street and Clark Avenue area. Dell Rapids's fourth loan was for \$950,000 at 3.25 percent for 20 years to construct a new lift station, force main, and gravity sewer. The fifth loan awarded to the city installed sanitary and storm sewer along 15<sup>th</sup> Street. The loan was for \$1,185,200 at 3 percent for 20 years and included \$635,995 of principal forgiveness. The city's sixth loan partially financed the replacement of aging sanitary lines on 15<sup>th</sup> Street, Garfield Avenue, State Avenue and at the Big Sioux River Crossing. The loan amount was \$612,000 at 3 percent for 20 years. Dell Rapids was awarded its seventh loan to replace the sanitary sewer, construct a lift station and gravity sewer to an area south of the Big Sioux River, and clean, televise and analyze approximately 40,000 feet of existing sanitary sewer. The loan was for \$1,200,000 at 3 percent for 20 years. The city's eighth loan in the amount of \$2,386,000 at 3.25 percent for 30 years was for the construction of a sequencing batch reactor treatment facility. Effluent from the city's existing wastewater treatment facility was incapable of meeting more stringent standards that were placed on the Big Sioux River.

**DIMOCK** – Dimock received its first loan to replace an above ground stream crossing on the influent line, make improvements to the wastewater treatment facility, and extend sewer to an undeveloped portion of the town. The loan was for \$478,000 at 3.25 percent for 30 years.

**DUPREE** – Dupree received two loans – one for \$450,000 and another for \$192,000 - to finance the rehabilitation of the main lift station and installation of riprap at the wastewater treatment facility cells. The project also includes televising the collection system to determine which lines to replace in the future. The terms of the loans are 3.25 percent for 30 years.

**EAGLE BUTTE** – The city of Eagle Butte first SRF loan was to assist in the replacement of a gravity sewer main with a force main and construction a new lift station to connect existing businesses currently without sewer services. The project also involved dredging one of its wastewater treatment ponds, installing aerators to a cell, and upgrading inter-pond and inlet piping between the lagoons. The loan was for \$1,561,500 at 3 percent for 20 years; however, the loan was subsequently deobligated in full at the city's request. Eagle Butte reapplied for funding for the project and was awarded a \$2,410,000 loan at 3.25 percent for 30 years. Sanitary and storm sewer upgrades and extensions within the city were added to the project scope.

**ELK POINT** – The city of Elk Point has received six loans for various wastewater and storm water projects. Its first loan, \$458,000 at 4 percent for 15 years, financed the replacement of two existing lift stations with a new lift station, force main and interceptor lines. The city's second loan for \$450,000 at 3.5 percent for 20 years funded new storm sewer and replaced sanitary sewer in conjunction with the Pearl Street Utility Improvement project. Its third loan, in the amount of \$345,000 at 3.5 percent for 20 years, financed renovation of the city's lagoon system. Elk Point's fourth loan, \$100,000 at 3.25 percent for 20 years, funded the wastewater portion of the utility systems' improvements. The fifth SRF loan awarded to Elk Point funded sanitary and storm sewer rehabilitation on Clay and Washington Streets. This loan was \$150,000 at 3.25 percent for 20 years. The city's sixth loan was used to replace the sewer main on Main Street in conjunction with a highway reconstruction project. The loan amount was \$931,700 at 3 percent for 20 years and included \$93,170 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. Elk Point's seventh loan in the amount of \$235,000 at 3.25 percent for 30 years was to line the collection system beneath Rose Street.

**ELKTON** – The city of Elkton was awarded a loan for \$510,000 to upgrade its wastewater treatment facility. The loan was at 3.25 percent for 30 years and included \$130,000 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**ELLSWORTH DEVELOPMENT AUTHORITY** – The South Dakota Ellsworth Authority received two loans for the construction of a regional wastewater treatment facility and interceptor line to serve the Ellsworth Air Force Base (AFB) and the city of Elder. Each loan contains a tax-exempt series (Series A) for the Box Elder portion and a taxable series (Series B) for the Ellsworth AFB portion. The loan amounts are \$16 million (\$8 million Series A/\$8 million Series B) and \$6,812,000 (\$1,703,000 Series A/\$5,109,000 Series B). The terms of the loans are 3 percent for 20 years.

**EMERY** – Emery was awarded a loan for \$3,084,000 at 3.25 percent for 30 years to replace the majority of its collection system to reduce the infiltration of groundwater entering the system. The loan included \$1,871,000 of principal forgiveness.

**ENEMY SWIM SANITATION DISTRICT** – The Enemy Swim Sanitation District received a \$300,000 loan with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009. The loan was to construct a centralized wastewater collection system at Enemy Swim Lake.

The loan was rescinded at the district's request due to the inability to meet the time limitations imposed by the American Recovery and Reinvestment Act.

**ETHAN** – Ethan's first loan will partially finance a project that involves replacing an existing pump station, installing force main, and making modifications to its existing total retention wastewater treatment facility to discharge at a point downstream of Ethan Lake. The loan is for \$500,000 at 3.25 percent for 30 years.

**EUREKA** – Eureka used its first Clean Water SRF loan to replace collection lines and separate storm sewer connections to the sanitary sewer along Highway 10, rehabilitate a lift station, and miscellaneous work at the wastewater treatment facility. The loan was for \$1,494,000 at 3.25 percent for 30 years.

**FAULKTON** – The city of Faulkton was awarded its first Clean Water SRF loan in the amount of \$902,000 at 3.25 percent for 30 years. The project involved removal storm sewer connections from the sanitary sewer, and the installation of 1,500 feet of storm sewer pipe. The project also involved televising about 65,000 feet of sewer main to identify and prioritize pipe to replace in the future.

**FORT PIERRE** – Fort Pierre's first loan, \$330,294 at 3 percent for 10 years, was used to construct two storm sewers and a new sanitary sewer that serves a residential area previously not connected to the city's system. Fort Pierre received its second loan in the amount of \$462,500 at 3.5 percent for 15 years to finance a sanitary sewer lift station and manhole rehabilitation. The city's third loan, in the amount of \$450,000 at 3.5 percent for 20 years, funded additional wastewater lagoons. The city's fourth loan, in the amount of \$374,620 at 3.25 percent for 20 years, funded a nonpoint source project to make improvements to drainage ditches and prevent sediment from entering the Missouri River. Due to higher than anticipated construction costs, this loan was rescinded at the city's request, and a new loan in the amount \$900,000 at 3.25 percent for 20 years was awarded. Fort Pierre received its sixth loan to make improvements at its wastewater treatment facility. The loan amount is \$266,000 at 3.25 percent for 30 years and includes \$50,000 of principal forgiveness.

**FREEMAN** – The city of Freeman's first loan, in the amount of \$300,000 at 2.5 percent for 10 years, funded wastewater collection system improvements. Freeman was awarded a second loan to reconstruct sanitary sewer, install storm water lines, and construct two storm water detention ponds. This loan was for \$800,000 at 3.25 percent for 20 years. The city received a third loan - \$1,536,000 at 3 percent for 20 years - to rehabilitate the main lift station and make several improvements to the aerated lagoon treatment system. The loan amount was reduced to \$1,000,000 at the city's request.

**GARRETSON** – The city of Garretson constructed new wastewater treatment stabilization ponds to make the existing sanitary system total retention and made improvements to the existing wastewater facility using the \$300,000, 4 percent, 15-year loan. The Split Rock Creek lift station and sewer extension project was funded with the city's second loan for \$503,239 at 3.25 percent for 20 years.

**GAYVILLE** – Gayville received its first Clean Water SRF loan in the amount of \$275,000 at 3.25 percent for 20 years to fund a wastewater lagoon upgrade.

**GETTYSBURG** – The city of Gettysburg received a \$624,000 loan at 3.25 percent for 30 years to re-line several blocks of sewer main using cured-in-place pipe. The loan award included \$82,400 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. The principal forgiveness component of the loan was forfeited due to failure to meet the milestone date for submitting bid proposals.

**GREGORY** – Gregory received a \$327,000 loan at 3 percent for 20 years to replace or re-line the outfall line to the wastewater treatment facility and replace 500 feet of sanitary sewer pipe within the city. The city received its second loan for \$259,000 at 2.25 percent for 10 years to rehabilitate several blocks of the collection system.

**GROTON** – The city of Groton has received nine Clean Water SRF loans to finance various projects. Its first two loans, in the total amount of \$264,154, financed new interceptor lines, force mains and lift stations in the east and northwest sections of the city. Both loans were at 3 percent for 10 years. The city's third loan, \$470,809 at 5.25 percent for 20 years, funded construction of a new three-cell wastewater treatment facility, lift station, and force main. The city received its fourth and fifth Clean Water SRF loans in 2003, both at 3.5 percent for 20 years. The fourth loan, for \$163,775, funded expansion of the sewer system to the northeast part of the city. The fifth loan, \$440,000, funded replacement of sewer lines on Main Street and reconstruction of the road. Groton's sixth loan - \$150,000, 3.25 percent, 20 years – was awarded for emergency replacement of approximately 3 blocks of sewer main damaged by heavy rainfall and flooding. The seventh loan replaced 4,700 feet of 8-inch sanitary sewer lines and 2,700 feet of 4-inch sewer services and upgraded a lift station. This loan was for \$907,700 at 3.0 percent for 20 years and included \$500,000 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. The city's eighth loan was to replace a collapsed sanitary sewer line that crossed under an operating railroad. The loan was awarded for \$322,000 at 2.25 percent for 10 years and included \$80,500 of principal forgiveness. The ninth loan also replaced a failing sanitary sewer line and relocated a lift station. The loan amount was \$485,000 at 2.25 percent for 10 years.

**HARRISBURG** – The city of Harrisburg received a Clean Water SRF loan for \$507,277 at 5 percent for 20 years to construct total retention stabilization ponds. Harrisburg's second and third loans were for a project to convey wastewater from Harrisburg to the city of Sioux Falls for treatment. A loan of \$3,941,200 with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009 was used to construct a lift station at the city's existing wastewater treatment facility property. A loan of \$5,911,800 at 3.25 percent for 30 years was used to construct a force main from the lift station to the city of Sioux Falls' collection system. The city's fourth and fifth loans were used to install sanitary and storm sewer in the Columbia Drainage Basin area. The loan for the storm sewer portion was for \$1,783,760 at 3 percent for 20 years, and the loan for the sanitary sewer portion was for \$1,435,340 at 2.25 percent for 10 years. Harrisburg was awarded its sixth loan for \$2,577,000 at 3.25 percent for 30 years to pay a system development charge to the city of Sioux Falls for treatment of wastewater from Harrisburg.

**HARROLD** – The city of Harrold was awarded a loan in the amount of \$170,000 at 3.25 percent for 20 years to replace the entire storm water drainage system on Wyman Avenue from Highway 14 to the south side of town.

**HARTFORD** – The city of Hartford has received five loans totaling \$2,627,839. With the first two loans, for \$1,194,804 at 5 percent interest for 20 years, the city replaced sanitary sewer mains within the city and replaced the wastewater treatment facility. Hartford's third loan, for \$300,000 at 3.5 percent for 20 years, completed the funding for the wastewater treatment facility project. Hartford's fourth loan, in the amount of \$550,035 at 3.5 percent for 20 years, funded further wastewater collection and storm sewer improvements. The city's fifth loan, in the amount of \$583,000 at 3.25 percent for 20 years, also funded further wastewater collection and storm sewer improvements.

**HECLA** – The town of Hecla was awarded a loan to replace sanitary sewer lines, sewer services, and appurtenances. This loan was for \$143,390 at 3.0 percent for 20 years and included \$14,339 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**HERMOSA** – The town of Hermosa received its first SRF loan to extend sewer lines to an area along Highway 79 without sewer service. The loan was for \$303,604 at 3.25 percent for 30 years.

**HERRIED** – Herried received its first SRF loan in the amount of \$694,300 at 3.25 percent for 30 years to replace wastewater lines, lift station pumps and structures at the lagoon.

**HIGHMORE** – The city of Highmore’s first loan was in the amount of \$262,300 at 3.5 percent for 20 years to fund an upgrade to its wastewater treatment facility. The upgrade included reshaping dikes, installing riprap, relocating the inlet structure, and replacing inter-pond piping. The city received its second loan to replace sewer lines in conjunction with a South Dakota Department of Transportation project to reconstruct Highway 47. The loan amount was \$679,000 at 3.25 percent for 30 years.

**HOSMER** – Hosmer received its first SRF loan in the amount of \$968,000 at 3.25 percent for 30 years, with \$714,400 of principal forgiveness, to upgrade the wastewater treatment facility and televise the collection system. The loan was subsequently deobligated in full at the city’s request.

**HOT SPRINGS** – The city of Hot Springs received two loans totaling \$1,126,930. The first loan of \$196,930, at 3 percent interest for 10 years, was used to construct new sanitary sewers in an area of the city with failing septic systems. The second loan of \$930,000, at 5 percent for 20 years, was used to close the existing landfill site and construct a transfer station and municipal solid waste composting facility. The city’s third loan was for \$1,453,000 at 3 percent for 20 years and was used to replace sanitary sewer lines throughout the city.

**HOVEN** – The city of Hoven received its first loan to replace sewer lines in conjunction with a South Dakota Department of Transportation project to reconstruct Highway 47. The loan amount was \$656,000 at 3.25 percent for 30 years.

**HOWARD** – The city of Howard received its first loan in the amount of \$1,764,000 at 3.25 percent for 30 years to upgrade the wastewater treatment facility and televise the collection system. The loan amount was reduced to \$979,000 at the city’s request.

**HUMBOLDT** – Humboldt was awarded its first loan to replace a portion of the towns clay lines to reduce infiltration entering the collection system. The loan amount was \$417,200 at 3.25 percent for 30 years.

**HURLEY** – Hurley’s first Clean Water SRF loan - \$835,964 at 3.25 percent for 30 years – partially funded a project to replace or line approximately 8,000 feet of sewer main.

**HURON** – The city of Huron has received four Clean Water SRF loans. The first loan was used to partially fund improvements at the mechanical wastewater treatment facility and artificial wetlands treatment site. This loan totaled \$1,656,000 at 3 percent for 20 years. The second loan, for \$701,007 at 3 percent for 10 years, was used to construct an extension to the storm sewer system to provide drainage in a developing area of the city. Huron utilized a third Clean Water SRF loan in the amount of \$1,856,828 at 5.25 percent for 20 years to expand the existing stabilization pond system and increase pumping capacity. The city funded upgrades to its wastewater treatment facility with a fourth loan for \$1,500,000 at 3.25 percent for 20 years.

**INTERIOR** – Interior’s first Clean Water SRF loan was used to replace its undersized wastewater treatment facility with a new three-cell treatment pond facility and replace the line leading to treatment facility. The loan amount was \$250,000 at 3.25 percent for 30 years.

**IPSWICH** – Ipswich received its first SRF loan in the amount of \$1,951,000 at 3.25 percent for 30 years to replace or line portions of the wastewater collection system and upgrade lift stations within the system. The loan was subsequently deobligated in full at the city’s request.

**IRENE** – Irene received its first Clean Water SRF loan of \$656,000 at 3.25 percent for 30 years to rehabilitate 21 blocks of the wastewater collection system.

**JAVA** – The town of Java used its first Clean Water SRF loan to clean and televise the sanitary sewer collection system, riprap the dikes at the wastewater treatment facility, and rehabilitate the north lift station. The loan was for \$438,325 at 3.25 percent for 30 years and includes \$103,325 of principal forgiveness.

**JEFFERSON** – Jefferson received its first Clean Water SRF loan of \$320,000 at 3.5 percent for 20 years to fund wastewater treatment facilities improvements. The city constructed two lagoon cells, enabling the existing cell to become a wetland.

**KENNEBEC** – Kennebec received two loans for wastewater projects. One loan, in the amount of \$723,000 at 3.25 percent for 30 years, is to extend service to an unserved area of the community. The other loan, in the amount of \$437,000 at 3.25 percent for 30 years, is to construct a new primary cell at the wastewater treatment facility and televise the collection system.

**KEYSTONE** – Keystone received its first loan to upgrade its wastewater treatment facility by installing a new influent fine screen, replacing the ultraviolet disinfection equipment, and other items necessary to improve the quality of the wastewater effluent. The town will also televise its system to identify pipes for possible future replacement. The loan is for \$431,000 at 3 percent for 20 years.

**LAKE BYRON WATERSHED DISTRICT** – The Lake Byron Watershed District received a \$1,843,000 loan at 3.25 percent for 30 years to construct a centralized wastewater treatment and collection system. The loan was rescinded by the board.

**LAKE COCHRANE SANITARY DISTRICT** – The Lake Cochrane Sanitary District constructed a wastewater collection and treatment system at Lake Cochrane. An \$80,000 loan at 3 percent for 20 years was made to the district to refinance a portion of the project. Its second loan, in the amount of \$160,000 at 3.5 percent for 20 years, upgraded the wastewater collection system.

**LAKE MADISON SANITARY DISTRICT** – The Lake Madison Sanitary District received a 4 percent, 15-year Clean Water SRF loan for \$330,000 to refinance a Farmers Home Administration loan, which partially funded the installation of a wastewater collection and treatment system to serve Lake Madison. The district’s second loan, in the amount of \$875,000 at 3.5 percent for 20 years, funded two new wastewater treatment ponds. The district was awarded its third loan in the amount of \$428,000 at 3.25 percent for 30 years to replace a lift station and force main.

**LAKE POINSETT SANITARY DISTRICT** – Lake Poinsett Sanitary District received a loan in the amount of \$590,000 at 3.25 percent for 20 years to fund expansion of the sanitary system at Lake Poinsett. Due to the need to re-site the proposed wastewater treatment lagoons, the project was delayed. As a result the project cost increased significantly, and the loan was subsequently deobligated at the sanitary district’s request. A second loan in the amount of \$1,094,700 at 3.50 percent for 30 years was received to fund the expansion project. The sanitary district was awarded its third loan to expand sewer service to an additional 90 users which involves installing a combination of gravity sewers, lift stations, and forcemains and constructing a new 3-acre total retention treatment pond adjacent to an existing pond. The loan was for \$3,075,000 at 3.25 percent for 30 years and included \$1,603,000 of principal

forgiveness. The sanitary district received its fourth loan for \$1,917,000 at 3.25 percent for 30 years to expand sewer service to another 100 users. The project involves installing a combination of gravity sewers, lift stations, and forcemains and constructing a new total retention treatment pond.

**LEAD** – The city of Lead received seven Clean Water SRF loans amounting to \$1,961,706 to separate combined sanitary and storm sewers along with the rehabilitation of portions of the sanitary sewer system. The first loan was at 3 percent interest for 20 years, the second and third loans were at 3 percent for 10 years, and the fourth loan was at 4.5 percent interest for 10 years. Lead's fifth and sixth loans were at 3.25 percent interest for 20 years. The city's seventh loan continued the sewer separation and rehabilitation project on Lower May, South Main, and West Addie Streets. The loan amount was \$200,000 at 3 percent for 20 years and included \$50,000 of principal forgiveness. Lead was awarded its eighth loan for sewer separation and rehabilitation to occur in conjunction with a South Dakota Department of Transportation project to reconstruct Highway 85. The loan amount was \$937,000 at 3 percent for 20 years. The city received its ninth loan in the amount of \$427,000 at 2.25 percent for 10 years to replace water meters and install an automatic read system. Water meters are eligible for Clean Water SRF loans, and this loan was applied to the Green Project Reserve requirements.

**LEAD-DEADWOOD SANITARY DISTRICT** – A sludge disposal vehicle and a sewer jet were purchased by the Lead-Deadwood Sanitary District with a loan for \$106,855 at 3 percent for 5 years.

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

**LENNOX** – The city of Lennox received a \$350,000 Clean Water SRF loan at 5.25 percent interest for 20 years to construct and rehabilitate sanitary sewer interceptors. The city received a second loan for \$583,735 at 5.25 percent for 20 years to add four aeration basins, two lift stations, and force mains to the existing wastewater facility. Lennox's third and fourth loans were to replace the existing treatment facility with a sequencing batch reactor (SBR) mechanical aeration system and make improvements to a lift station. A loan of \$1,565,760 with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009 was for those components of the project with a design life of 20 years. A loan of \$1,942,273 at 3.25 percent for 30 years was used to construct those components of the project with a design life of at least 30 years. This loan included \$123,024 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. Lennox received its fifth loan of \$1,290,000 at 3.25 percent for 30 years to replace or repair sanitary and storm sewers in the southwestern part of the city. Lennox received its sixth loan of \$1,873,000 at 3.25 percent for 30 years to continue to replace or repair sanitary and storm sewers within the city.

**LETCHER** – Letcher received its first Clean Water SRF loan to replace a lift station, install riprap on the dikes of the wastewater treatment ponds, and televise the entire sanitary sewer collection system. The \$775,000 loan, at 3.25 percent for 30 years, included \$275,000 of principal forgiveness.

**MADISON** – The city of Madison received a \$119,416 Clean Water SRF loan at 3 percent interest for 10 years to finance the construction of new collectors. The city's second loan for \$5,343,256 at 3.25 percent for 20 years made widespread renovations to the existing wastewater treatment facility.

**MARION** – The city of Marion received a \$1,710,000 loan at 3.25 percent for 20 years to replace lines within the wastewater collection system.

**MARTIN** – Martin was awarded its first Clean Water SRF loan in the amount of \$237,250 at 3.25 percent for 20 years to fund the rehabilitation of the city's north stabilization ponds.

**McCOOK LAKE SANITARY DISTRICT** – McCook Lake Sanitary District received a Clean Water SRF loan for \$641,935 at 5 percent for 20 years to partially fund the upgrade and expansion of the wastewater treatment facility.

**McLAUGHLIN** – McLaughlin received its first Clean Water SRF loan to replace or repair of much of the collection system and for the repair of riprap at the treatment facility. The loan was for \$1,145,675 at 3.25 percent for 30 years and included \$150,000 of principal forgiveness.

**MENNO** – The city of Menno was awarded a \$240,000 Clean Water SRF loan at 3 percent for 20 years to replace collection lines in conjunction with the reconstruction of US Highway 18. A second loan, \$1,230,000 at 3.25 percent for 20 years, will finance replacing or relining the majority of the sanitary sewer collection system.

**MILBANK** – The city of Milbank received two Clean Water SRF loans to complete phase II improvements to its wastewater treatment facility. A loan for \$3,515,000 with \$2,257,500 of principal forgiveness through the American Recovery and Reinvestment Act of 2009 was used for improvements to the primary clarifier, intermediate pumping facilities, final clarifiers and other appurtenances necessary to complete the project. The loan carries an interest rate of 3.0 percent for 20 years. A loan for \$1,000,000 at 3.25 percent for 30 years was used to reclaim abandoned sludge storage ponds.

**MILLER** – Miller received two loans to make improvements to its sanitary and storm water collection systems. The loans are in the amounts of \$3,541,000 and \$1,958,000 and are for the sanitary and storm water improvements, respectively. Both loans are at 3.25 percent for 30 years.

**MINA LAKE SANITARY DISTRICT** – Mina Lake Sanitary District received a loan to construct an artificial wetland and make other improvements at the wastewater treatment facility and replace pumps in a lift station. The loan was in the amount of \$559,000 at 3.25 percent for 30 years.

**MITCHELL** – The city of Mitchell received its first loan for \$1,543,405 at 4.5 percent for 10 years to partially fund the construction of a storm drain diversion project. Mitchell's second loan, of \$1,320,000 at 3.5 percent for 20 years, funded the water quality components of a regional landfill that serves Mitchell as well as several surrounding counties and their communities. The city's third SRF loan funded the replacement of the Foster Street lift station and associated force main and provided funding for shoreline stabilization and restoration on Lake Mitchell. The loan was in the amount of \$1,682,747 with an interest rate of 2.0 percent for 20 years. Mitchell was awarded its fourth loan in the amount of \$800,000 at 3 percent for 20 years to replace the Norway Avenue lift station.

**MOBRIDGE** – The city of Mobridge received two Clean Water SRF loans to partially fund the upgrade and expansion of the wastewater treatment facility. The first loan totaled \$1,500,000 at 3 percent for 20 years, while the second loan of \$158,000 was at a rate of 4 percent for 15 years. The city received its third loan in the amount of \$1,355,000 at 4.5 percent interest for 10 years to install storm sewers in the northwest section of town. Mobridge was awarded its fourth loan in the amount of \$764,000 at 3 percent for 30 years to better manage storm water in the area of Second Avenue West and Railway Street Southwest. The city's fifth loan is to make improvements at the wastewater treatment facility by constructing a new primary clarifier, bio-filter pump station, ultraviolet disinfection system and disinfection basin drain and rehabilitating the existing primary clarifier. The loan amount is \$1,475,000 at 3 percent for 20 years.

**MONTROSE** – Montrose's first loan in the amount of \$142,621 at 2.5 percent for 10 years was to fund wastewater collection and treatment improvements. Due to changes in the project scope, this loan was

not sufficient to fund the needed improvements. The city received a second SRF loan for \$804,000 at 3.25 percent for 30 years to upgrade the wastewater treatment facility. This loan included \$160,400 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. Montrose's third loan to make improvements to its storm water system was in the amount of \$545,000 at 3.25 percent for 30 years and included \$100,000 of principal forgiveness. This loan was rescinded by the board at the city's request.

**MOUNT VERNON** – The city of Mount Vernon replaced or relined all existing clay sanitary sewer lines and rehabilitating or replacing manholes along these lines. The city also upgraded the existing wastewater treatment facility by constructing two new treatment ponds near the existing pond and converting the existing pond into an artificial wetland. The project was funded with a \$2,300,000 loan at 3.25 percent for 30 years that included \$1,050,000 of principal forgiveness.

**NISLAND** – Nisland received its first loan in the amount of \$204,000 at 3.25 percent for 20 years to upgrade its wastewater treatment system to a three-cell stabilization pond system.

**NORTH SIOUX CITY** – North Sioux City received a Clean Water SRF loan in the amount of \$239,650 at a rate of 3 percent for 10 years to construct storm sewer and drainage improvements in the community. The city received its second Clean Water SRF loan, \$646,000 at 5 percent interest for 15 years, to expand the storm sewer system in a rapidly developing area.

**NORTHDAL SANITARY DISTRICT** – The Northdale Sanitary District used a \$256,380, 5 percent, 20-year loan to construct a new gravity sewer, lift station and force main. The new system connected the sanitary district to Rapid City's wastewater system.

**NORTHVILLE** – Northville was awarded its first SRF loan for the construction of a lift station and force main so the existing total retention wastewater treatment facility can discharge treated effluent. The loan is for \$238,300 at 3.25 percent for 30 years.

**PARKER** – Parker's first loan of \$824,000 at 3.25 percent for 20 years funded improvements to the city's wastewater collection system. The city's second loan, \$620,000 at 3.25 percent for 20 years, funded the second phase of the improvements to the wastewater collection system. Parker was awarded a third loan in the amount of \$700,900 to continue replacing its wastewater collection system. This loan is at 3.25 percent for 30 years and included \$475,450 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. Parker was awarded its fourth loan in the amount of \$295,000 at 3 percent for 20 years to replace the North lift station.

**PARKSTON** – The city of Parkston received its first Clean Water SRF loan to address deficiencies within the wastewater collection system. The loan was for \$650,000 with a 3.25 percent interest rate and a 20-year term.

**PHILIP** – Philip financed the construction of sanitary and storm sewer improvements with its first loan for \$453,885 at 5 percent interest for 15 years. The city received a second, \$321,127 Clean Water SRF loan for a term of 20 years at 5.25 percent to finance the construction of sanitary sewer, storm sewer, concrete curb and gutter, and replacement of force main. Philip's third SRF loan, in the amount of \$347,040 at 3.25 percent for 15 years, funded wastewater and storm sewer utility improvements in the downtown area of the city. The city's fourth and fifth loans involved making improvements to the sanitary and storm sewer along Wood and Waldren Avenues. The loan for the storm sewer was in the amount of \$1,073,300, and the loan for sanitary sewer was in the amount of \$750,000. Both loans were 3.25 percent for 30 years.

**PICKEREL LAKE SANITARY DISTRICT** – The Pickerel Lake Sanitary District received an \$850,000 Clean Water SRF loan, at 5 percent for 15 years, to finance the phase I construction of a new wastewater treatment facility and a sanitary sewer collection system. The district received a second loan of \$670,000 at 5.25 percent for 20 years to complete phase II of the collection system construction.

**PIERRE** – The city of Pierre has received five Clean Water SRF loans for various projects. Its first loan, in the amount of \$433,976 at 4 percent for 15 years, financed the construction of an interceptor line near the airport and the addition of comminutors at the treatment plant as well as improvements to the sludge handling facilities at the treatment plant. The city's second loan, for \$4,417,000 at 5.25 percent for 20 years, financed phase I improvements to the wastewater treatment facility. Pierre received a third loan in the amount of \$5,391,260 at 5 percent for 20 years to improve the wastewater treatment facility (phase II). Its fourth loan, \$1,378,404 at 3.5 percent for 20 years, funded the water quality components of a new regional landfill. Pierre's fifth loan was for \$976,953 at 3.25 percent for 20 years for the stabilization of slide areas and drainage improvements at an old, pre-Subtitle D landfill. The city's sixth loan, in the amount of \$817,600 at 2.25 percent for 10 years financed construction of an additional cell at the Pierre Regional Landfill. Pierre was awarded its seventh loan to make several improvements to the wastewater treatment facility. The improvements involve rehabilitation of the grit removal system and primary clarifier, replacing an air delivery line serving an air lift station and replacing the chlorine-based disinfection process with an ultraviolet disinfection system. The loan amount was \$3,821,000 at 3 percent for 20 years. The city's eighth loan in the amount of \$1,450,000 at 2.25 percent for 10 years is to extend sewer lines to an undeveloped area in the northeast part of Pierre.

**PLANKINTON** – Plankinton received its first Clean Water SRF loan to replace the main interceptor leading to the wastewater treatment facility, replace or reline approximately 8,000 feet of sanitary sewer lines, and replace 40 manholes. The loan was for \$1,005,744 at 3.25 percent for 30 years and included \$150,000 of principal forgiveness.

**PLATTE** – The city of Platte received a \$1,000,000 loan at 5 percent for 20 years to renovate its sanitary sewer system.

**POLLOCK** – Pollock received a \$151,619 Clean Water SRF loan at 3 percent for 10 years to cover costs that exceeded the available EPA grant funding used to upgrade the wastewater treatment facility.

**POWDER HOUSE PASS CID** – The Powder House Pass Community Improvement District received a loan to construct sanitary sewer lines in a proposed development and a wastewater treatment facility to serve the development. The loan is for \$2,575,218 at 3.25 percent for 30 years.

**PRAIRIE MEADOWS SANITARY DISTRICT** – Prairie Meadows first SRF loan was used to partially fund a project to replace or rehabilitate the district's wastewater collection system. The \$788,000 loan, at 3.25 percent for 20 years, included \$200,000 of principal forgiveness. This loan was rescinded and second loan issued for the project in the amount of \$588,000 at 3.25 percent for 30 years.

**RAPID CITY** – Rapid City has received five Clean Water SRF loans which have been used for construction activities at the wastewater treatment facility, rehabilitation and extension of the sanitary sewer system, construction of stormwater facilities and mitigation of approximately four acres of wetlands at the city's Material Recovery Facility (MRF). The first four loans totaled \$5,536,028, all at a rate of 4 percent for 15 years. The fifth loan, at a rate of 4.5 percent for 20 years for \$14,000,000, was used to upgrade the wastewater treatment plant as well as to construct a facility to co-compost wastewater treatment plant biosolids with municipal solid wastes. Rapid City's sixth loan was used for replacing or upgrading various components within the water reclamation facility. The loan amount was \$5,000,000 and was at 3 percent for 20 years.

**RAPID VALLEY SANITARY DISTRICT** – The Rapid Valley Sanitary District has received three Clean Water SRF loans totaling \$1,600,583. The first two loans, totaling \$978,583, were used for rehabilitation and extension of the existing sanitary sewer system and carried terms of 3 percent for 20 years and 4 percent for 15 years. The sanitary district continued to rehabilitate the sanitary sewer system with a third loan of \$630,000 at 5.25 percent for 20 years.

**RAYMOND** – Raymond received a \$745,000 loan with 100 percent principal forgiveness for cleaning and televising of the collection system, replacement or lining of sanitary sewer lines, and to make improvements to a lift station.

**REDFIELD** – Redfield’s first loan, \$333,788 at 3.25 percent for 20 years, was to fund wastewater and storm water utility improvements on South Main Street and Sixth Avenue. This loan was subsequently deobligated in full at the city’s request. The city was awarded its second loan to install sanitary and storm sewer lines in the Shar-Wynn Estates subdivision. This loan was in the amount of \$884,000 at 3.25 percent for 30 years.

**RICHMOND LAKE SANITARY DISTRICT** – The Richmond Lake Sanitary District received a \$414,000 Clean Water SRF loan at an interest rate of 5.25 percent for 20 years, which was used to partially finance the construction of a new sanitary sewer system and stabilization pond system for residences around Richmond Lake. The district received a second loan of \$191,500 at 5.25 percent for 20 years to complete phase II of the collection system construction. The district’s third and fourth loans were awarded for the rehabilitation of lift stations and the wastewater treatment facility. The loans were for \$193,600 at 3 percent for 20 years and \$339,800 at 3.25 percent for 30 years.

**SAINT LAWRENCE** – Saint Lawrence received its first Clean Water SRF loan in the amount of \$193,000 at 3.25 percent for 30 years to finance berm rehabilitation at the wastewater treatment facility.

**ROSCOE** – The city of Roscoe received a Clean Water SRF loan for \$358,408 at 5.25 percent for 20 years to expand its wastewater treatment facility, rehabilitate an interceptor sewer and construct a new collection sewer.

**SALEM** – Salem’s first Clean Water SRF loan, in the amount of \$592,307 at 3.5 percent for 20 years, funded wastewater collection improvements in conjunction with a South Dakota DOT project. The city’s second loan, \$387,960 at 3.25 percent for 20 years, funded wastewater and storm water utility improvements.

**SCOTLAND** – Scotland first Clean Water SRF loan funded the wastewater component of its Main Street reconstruction project with a \$250,000 loan at 3.5 percent for 20 years. The city’s second loan was used to expand the storm sewer system, replace the sanitary sewer along Washington Street and extend the sanitary sewer to an area without sewer service. The loan was for \$945,930 at 3.25 percent for 30 years.

**SELBY** – Selby received a \$700,000 loan with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009. The loan partially funded the replacement of the city’s wastewater collection system.

**SINAI** – Sinai received its first loan to construct a total retention pond wastewater treatment facility to replace the existing mechanical wastewater facility, replace the main lift station, and install force main to the new wastewater treatment facility. The loan was for \$500,000 at 3.25 percent for 30 years and included \$100,000 of principal forgiveness.

**SIoux FALLS** – The city of Sioux Falls has received 36 Clean Water SRF loans for a variety of projects. These projects include the construction of new interceptor lines and lift stations, rehabilitation of the sanitary sewers and lift stations, purchase of sludge handling equipment and improvements, infiltration/inflow correction, improvement of storm water drainage, flow equalization basin construction, and other wastewater system improvements. The first loan was at 3 percent for 20 years. Loans 2 through 10 were at 3 percent for 10 years, loans 11 through 14 were at 4.5 percent for 10 years, and the 15<sup>th</sup> loan was at 3.5 percent for 10 years. The City's 16<sup>th</sup> and 17<sup>th</sup> loans, for \$2,479,500 and \$932,000, were both at 3.5 percent for ten years, funded wastewater facilities improvements and identified and implemented best management practices within the city. Loans 18 (for \$3,951,000) and 19 (for \$801,000) were at 2.5 percent for ten years and funded improvements to the wastewater system and retrofitted storm water detention ponds, respectively. The city's 20<sup>th</sup> loan, in the amount of \$25,949,349 at 1.5 percent for 10 years, funded storm sewer improvements and nonpoint source best management practices, and the 21<sup>st</sup> loan provided for construction of the East Side Sanitary Sewer System and nonpoint source best management practices. This loan was for \$37,377,418 at 2.25 percent for 20 years. Both 2005 loans were structured with a portion of the funding in a Series B bond that was approved contingent upon sufficient Clean Water SRF funding being available in FFY 2006 to fund the balance. The Series B amounts were \$8,700,000 and \$21,608,000 for the Storm Drainage (20) and East Side Sanitary Sewer (21) projects, respectively. The city's 22<sup>nd</sup> loan, \$10,550,000 at 2.5 percent for 10 years, also funded the Storm Drainage project, and its 23<sup>rd</sup> loan, for \$10,323,000 at 2.5 percent for 10 years, was approved for the Basin 13 Trunk sewer and other utility system improvements. The city's 24<sup>th</sup> loan, \$500,000 at 2.5 percent for 7 years, was used to close side slopes of the unlined active area and construct an alternative cap on the active area side slopes at the city-owned regional landfill. In 2008, Sioux Falls received three additional Clean Water SRF loans. The city's 25<sup>th</sup>, 26<sup>th</sup>, and 27<sup>th</sup> loans were for \$5,657,000, \$3,744,000 and \$2,621,000, respectively, and each was at 2.5 percent for 10 years. The loans were awarded for sanitary trunk and collection system sewer construction within the Basin 13 area, along with two odor control structures (loan 25); replacement of a portion of the Central Main Interceptor (loan 26); and reconstructing storm sewer and retrofitting eight existing detention ponds (loan 27). Sioux Falls' 28<sup>th</sup> loan in the amount of \$1,803,000 funded the addition of a third engine/generator in the Energy Recovery Unit at the Water Reclamation Facility. The city's 29<sup>th</sup> loan involved the lining of sanitary sewer lines at numerous locations in the city and the construction of the Basin 13 Sanitary Trunk Sewer Section 2, Phase 1 project and was in the amount of \$2,540,000. The city's 30<sup>th</sup> loan of \$1,970,000 was to expand the gas collection capabilities at the regional landfill. The 31<sup>st</sup> loan was for the continuation of the Central Main Interceptor project. Loans 28, 29, 30, and 31 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 city's 32<sup>nd</sup> loan in the amount of \$24,589,400 was also for the continuation of the Central Main Interceptor project and other sewer line rehabilitation work. The city's 33<sup>rd</sup> loan of \$14,711,614 was used for Phase 1 of the Sioux River South Interceptor Project which replaced 42- and 36-inch sewer lines with 54-inch sanitary sewer lines in the southeast part of the city. Loans 32 and 33 had a 1.25 percent interest rate and a term of 10 years, and each loan also included a nonpoint component to conduct water quality studies and continue with bank stabilization activities along Skunk Creek and the Big Sioux River. The 34<sup>th</sup> loan awarded to Sioux Falls was used for the construction of phase 2 of the Sioux River South Interceptor Project and was in the amount of \$12,464,000 at 2.5 percent for 10 years. The city's 35<sup>th</sup> loan for \$11,979,457 was for the construction of a second force main parallel to the existing force main from the Brandon Road Pump Station to the Water Reclamation Facility. The city's 36<sup>th</sup> loan for \$24,800,000 was for the replacement of the existing 66-inch outfall line from the equalization basin to the Brandon Road Pump Station. Sioux Falls received its 37<sup>th</sup> loan to extend sewer service to an industrial park located North of I-90 and west of I-29. Loans 35, 36, and 37 had a 1.25 percent interest rate and a term of 10 years, and each loan also included a nonpoint component to install nonpoint source best management practices in the Big Sioux River basin.

**SOUTHERN MISSOURI WASTE MANAGEMENT DISTRICT** – The Southern Missouri Waste Management District received a \$700,000 Clean Water SRF loan at 5 percent for 20 years for the construction of a regional landfill near Lake Andes. The second loan awarded to the Southern Missouri Waste Management District assisted in the construction of a third cell at the regional landfill. The loan was for \$242,000 at 2.25 percent for 10 years.

**SPEARFISH** – The city of Spearfish used a \$1,956,000 Clean Water SRF loan for 15 years at 4 percent to fund the expansion of the wastewater treatment facility. The city's second loan increased capacity of the wastewater treatment facility and provided additional treatment components to meet the discharge permit limit for residual chlorine. The loan was for \$5,900,000 with an interest rate of 3.25 percent and a term of 20 years.

**SPENCER** – The town of Spencer was awarded a loan to replace sanitary sewer lines throughout the town. This loan was for \$230,156 at 3.25 percent for 30 years and included \$100,000 of principal forgiveness.

**STURGIS** – The city of Sturgis has received four loans totaling \$3,975,630. The first two loans, totaling \$1,438,250 at 5 percent for 20 years, financed the construction of three sewer interceptor lines, a sewer collection line, and wastewater treatment facility upgrades. The city's third loan, \$437,380 at 5.25 percent for 20 years, financed the repair of damage to and replacement of riprap in the second and third cells of the wastewater treatment facility as well as engineering planning studies. The city's fourth loan for \$2,100,000, at 5 percent interest for 20 years, expanded the city's treated effluent irrigation system. Sturgis was awarded its fifth loan to install sanitary sewer service to the 90 homes of the Murray Addition and connecting them to city sanitary sewer service. The \$516,900 loan was at 3.0 percent for 20 years and included \$218,283 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**SUMMERSET** – The city of Summerset's first loan, in the amount of \$225,000 at 3 percent for 20 years, was to construct reed drying beds for sludge treatment. The loan amount was later amended to \$300,000.

**SUMMIT** – The city of Summit received a \$100,000 loan with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009. The loan was to upgrade the city's wastewater treatment system.

**TEA** – The city of Tea has received seven loans for a variety of projects. Its first two loans of \$600,000 each at 4 percent for 15 years funded the construction of a storm drainage system. The third loan of \$208,813, at 5.25 percent for 20 years, funded the construction of a sanitary sewer and lift station. The city received a fourth loan of \$375,000 at 5 percent for 15 years to reconfigure the existing lagoon system and construct a new primary cell and two secondary cells. Tea's fifth loan of \$495,490 at 3.5 percent for 20 years expanded the city's wastewater treatment capability by adding an aerated lagoon. The sixth loan funded the construction of a new lift station at the wastewater treatment facility and installation of about 1,200 feet of sanitary sewer trunk line, force main and appurtenances. This loan was for \$858,000 at 3.25 percent for 20 years. The city's seventh loan for \$875,000 involved the construction of a 24-inch sanitary sewer trunk line along Highway 111 to serve the northern part of the city. This loan was at 3.0 percent for 20 years and included \$87,500 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. The principal forgiveness component of the loan was forfeited due to failure to meet the milestone date for submitting plans and specifications, and the loan amount was reduced to \$845,000.

**TURTON** – Turton was awarded its first loan in the amount of \$262,000 at 3.25 percent for 20 years to make improvements at the wastewater treatment facility, replace the lift station, purchase a stand-by generator, and clean and televise the entire wastewater collection system.

**TYNDALL** – The city of Tyndall’s first loan, in the amount of \$795,000 at 3.25 percent for 20 years, funded the South Main Street and 14<sup>th</sup> Avenue Sanitary Sewer Project.

**VALLEY SPRINGS** – The city of Valley Springs received a \$430,000 loan for 20 years at 5.25 percent interest to fund the expansion and upgrade of the existing wastewater treatment facility. The city’s second loan, in the amount of \$350,000 at 3.25 percent for 20 years, funded sanitary sewer replacement.

**VERMILLION** – Vermillion’s first loan, \$125,000 at 3 percent for 20 years, was used to reconstruct a sanitary sewer interceptor. The second loan, \$500,000 at 4 percent for 15 years, funded the construction of approximately 6,200 feet of storm sewer pipe and associated appurtenances in three areas of the city. The third loan, a nonpoint source loan of \$480,000 at 4.5 percent for 10 years, financed the construction of a second trench at the city’s landfill and to purchase a scraper. The city’s fourth SRF loan, \$456,000 at 3.5 percent for 20 years, funded wastewater collection facilities in the northwest area of the city. Vermillion’s fifth and sixth loans, in the amount of \$3,548,351 and \$4,851,000, respectively, financed two phases of wastewater treatment plant improvements to update mechanical process equipment, controls and instrumentation, to replace the main lift station, and to construct an additional force main between the new lift station and the treatment facility. Both are 20-year loans with an interest rate of 3.25 percent. The city’s seventh loan for \$499,000 involved lining approximately 11,600 feet of sanitary sewer lines in various locations throughout the city using cured-in-place pipe. This loan was at 3.0 percent for 20 years and included \$249,500 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. The eighth loan awarded to Vermillion - \$1,639,000 at 3 percent for 20 years – assisted in the construction of the fifth disposal cell at the regional landfill. The city’s ninth loan was used to replace the Prentis Street lift station as well as manholes and gravity sewer in the area that has inadequate capacity due to growth in the area. The loan amount was \$812,000 at 3 percent for 20 years.

**VIBORG** – Viborg received its first Clean Water SRF loan for \$238,300 at 3.25 percent for 30 years to replace a portion of its sewer lines in conjunction with a road reconstruction project. The city’s second loan in the amount of \$105,000 at 3.25 percent for 30 years will also be used to replace sewer lines.

**WAGNER** –Wagner received its first SRF loan, in an amount of \$150,000 at 3.25 percent for 20 years, to replace wastewater utilities along North Park St. and North Street and extend sanitary sewer to unsewered residences at Lake Wagner. Wagner was awarded its second loan to replace sewer line on South Park Street. The \$500,000 loan was at 3.25 percent for 30 years and included \$50,000 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. The loan was rescinded at the city’s request.

**WAKONDA** –Wakonda received its first SRF loan to replace the existing lift station and construct a new forcemain parallel to the existing forcemain. The project also involves conducting a video inspection of the town’s wastewater collection system to determine the condition of the collection lines. The \$529,000 loan, at 3.00 percent for 20 years, included \$195,000 of principal forgiveness.

**WALL** – The city of Wall received a Clean Water SRF loan in the amount of \$1,146,000 at 5 percent for 20 years for its municipal wastewater improvement project. The project consisted of the construction of a seven- mile transfer line to new total retention ponds.

**WALL LAKE SANITARY DISTRICT** – The district received its first Clean Water SRF loan for \$200,000 at 3.5 percent for 20 years to fund an extension of sewer main to residents without service. This included the installation of lift stations and small diameter force main. The second loan awarded to the

Wall Lake Sanitary District was in the amount of \$135,000 at 3.25 percent for 30 years. The loan will partially fund a project involving relining the existing stabilization cells and converting the two wetland cells to a third stabilization pond.

**WARNER** – The town of Warner used a \$101,152 Clean Water SRF loan at 4.5 percent for 10 years to construct a storm sewer collection and disposal system to improve storm drainage within the community. Warner’s second loan was used to replace lift station pumps and expand the existing wastewater treatment pond system by adding an additional cell. This loan was for \$1,826,760 at 3.25 percent for 30 years and included \$1,058,760 of principal forgiveness.

**WATERTOWN** – The city of Watertown has received eleven Clean Water SRF loans for various projects. The first two loans, both at 4 percent for 15 years, financed the upgrade and expansion of the city’s wastewater treatment facility. The third and fourth loans, payable at 5.25 percent interest for 20 years, were used to rehabilitate portions of the sanitary sewer collection system and for engineering costs associated with the final upgrade of the wastewater treatment facility. The city’s fifth loan, \$2,055,000 at 3.5 percent for 20 years, funded replacement or rehabilitation of sanitary sewers throughout the city and lift stations serving the Lake Kampeska area. Watertown’s sixth loan of \$1,303,130 funded a storm water project in the southwest portion of the city and a nonpoint source portion for Best Management Practices (BMP) on the Big Sioux River, thus qualifying the city for a loan at 2.25 percent for 20 years. The city received its seventh and eighth loans for a project to install sanitary and storm sewer on First Avenue North and continuation of the BMP project on the Big Sioux River. Loan seven was for \$928,375 at 2.25 percent for 20 years, of which \$847,170 was for the sanitary sewer portion of the First Avenue North project and \$81,205 for the BMP project. Loan eight was for \$671,624 at 2.25 percent for 20 years, of which \$612,877 is for the storm sewer portion of the First Avenue North project and \$58,747 for the BMP project. Watertown’s ninth loan was in the amount of \$16,446,000 and was used to construct a new head works facility, rehabilitate a lift station, and extend, replace and re-line sanitary sewer. The city’s tenth loan for \$3,330,000 funded several storm sewer projects throughout the city. Loans 9 and 10 each 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. An eleventh loan in the amount of \$815,000 was awarded for the construction of a parking lot utilizing pervious pavement for storm water management. This loan was at 3 percent for 20 years and included \$500,000 of percent principal forgiveness.

**WATERTOWN SCHOOL DISTRICT** – The Watertown School District was awarded a loan in the amount of \$503,635 with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009. The loan was to construct a parking lot utilizing pervious pavement and other green infrastructure features for storm water management. The loan was reduced to \$424,843 due to insufficient costs being under contract by February 17, 2010.

**WAUBAY** – The city of Waubay received a 20 year, 5 percent Clean Water SRF loan in the amount of \$81,454 to construct a wastewater collection system within the city limits on the south shore of Blue Dog Lake, an area previously served by septic tanks. Waubay’s second loan will finance improvements to Lift Station 5, construction of a force main, and pipe lining on portions of the wastewater collection system. The second loan was in the amount of \$149,200 at 3.25 percent for 20 years. The city’s third loan is for the construction of additional ponds and wetlands at the existing treatment facility to create a total retention wastewater system. The loan amount is \$1,470,000 at 3.25 percent for 30 years and includes \$500,000 of principal forgiveness.

**WEBSTER** – The city of Webster used a 10 year, 4.5 percent Clean Water SRF loan for \$345,394 to reconstruct a sanitary sewer line on Main Street. The city received a second loan in the amount of \$811,000 at 3.5 percent for 20 years to fund the replacement of about 7,400 feet of sewer main, 136 service connections, and approximately 3,400 feet of storm sewer lines. The city’s third 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 upgrade the city's discharging wastewater treatment facility to a total retention artificial wetland system.

**WESSINGTON SPRINGS** – Wessington Springs received its first loan in an amount of \$393,000 at 3 percent for 20 years to replace three blocks of vitrified clay pipe sanitary sewer lines with PVC lines on Main Street.

**WESTON HEIGHTS SANITARY DISTRICT** – Weston Heights secured a loan for \$638,300 at 3.25 percent for 20 years to improve its wastewater treatment system.

**WESTPORT** – Westport received a loan in the amount of \$445,000 at 3.25 percent for 30 years to replace a lift station and install approximately 2,800 feet of storm sewer lines.

**WHITE LAKE** - White lake received its first Clean Water SRF loan, \$371,000 at 3.25 percent for 20 years, to replace sewer mains and install storm sewer on Main Street.

**WHITEWOOD** – Whitewood has received two loans totaling \$455,801. The first loan was at 4 percent interest for 15 years while the second was at 5 percent for 20 years. Whitewood constructed a new mechanical wastewater treatment facility in conjunction with the existing stabilization pond system and expanded the wastewater collection system.

**WILLOW LAKE** – Willow Lake's first loan, in the amount of \$100,000 at 3.5 percent for 20 years, funded improvements to the wastewater collection system.

**WINNER** – The city of Winner's first loan, in the amount of \$925,000 at 3.25 percent for 20 years, funded improvement to the wastewater collection system. A second loan in the amount of \$400,000 at 3 percent for 20 years funded additional wastewater collection system improvements.

**WOLSEY** – The city of Wolsey was awarded its first Clean Water SRF loan - \$162,300 at 3.25 percent for 20 years – to replace sanitary sewer mains under US Highway 14/281 in conjunction with a South Dakota Department of Transportation project. The city's second loan for \$614,400 involves installing approximately 3,000 feet of storm sewer to separate combined sewer on Maple Avenue and install a lift station and sanitary sewer to provide sanitary sewer service to a new development in the south part of town. This loan was at 3.0 percent for 20 years and included \$61,440 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. Due to an increase in project costs and the inability to meet the time limitations imposed by the American Recovery and Reinvestment Act, this loan was rescinded. A third loan in the amount of \$901,560 at 3.0 for 20 years was awarded to Wolsey for the project.

**WORTHING** – The town of Worthing received a \$227,645 Clean Water SRF loan at 5.25 percent interest for 20 years that was used to expand and upgrade the existing stabilization pond treatment facility. Worthing's second loan was to install a new sewer line along Cedar Street and to replace the lift station at the wastewater treatment facility and a sewer trunk line along Third Street. The loan was for \$580,000 at 3.25 percent for 20 years. Worthing received its third loan to make collection system improvements and install storm sewer and curb and gutter. The loan amount was \$459,832 at 3 percent for 20 years.

**YALE** – The town of Yale received a Clean Water SRF loan to rehabilitate the collection system and add an additional cell to the wastewater treatment facility. The loan was for \$885,100 at 3.25 percent for 30

years and included \$606,110 of principal forgiveness. Yale's second loan in the amount of \$84,000 at 3.25 percent for 30 years was used to place rip rap on the berms of the wastewater treatment facility.

**YANKTON** – The city of Yankton received three loans totaling \$13,255,000. All three loans were used to upgrade and expand the existing wastewater treatment facility. The term of the first loan was 5.25 percent for 20 years. The second loan utilized leveraged program bonds with a term of 6 percent for 20 years. Yankton's third loan, in the amount of \$6,130,000 at 3.5 percent for 20 years, funded the third phase of the project. Yankton's fourth loan was used to construct a lift station and additional sewer line to eliminate two existing lift stations. The loan amount is \$3,330,000 at 3 percent for 20 years.

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**SOUTH DAKOTA**  
**DRINKING WATER STATE REVOLVING FUND**  
**PROGRAM INFORMATION**

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## DRINKING WATER SRF OVERVIEW

The Drinking Water SRF program was federally authorized by the Safe Drinking Water Act Amendments of 1996, while 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, conducted a public hearing on April 15, 1997, to adopt formal administrative rules for the program.

Since 1997, South Dakota's Drinking Water SRF Program has received federal capitalization grants totaling \$198,891,298,207,203,298. Because of the demand on the Drinking Water SRF program, the 2002 and 2003 Clean Water SRF Capitalization Grants and state match were transferred to the Drinking Water SRF program. These grants amounted to \$12,978,600, with the corresponding state match of \$2,595,720 provided by administrative surcharge funds and not bond proceeds. Table 8 shows capitalization grants, state match and leveraged funds for the Drinking Water SRF program.

**Table 8**  
**Drinking Water SRF Program – Source of Funds**

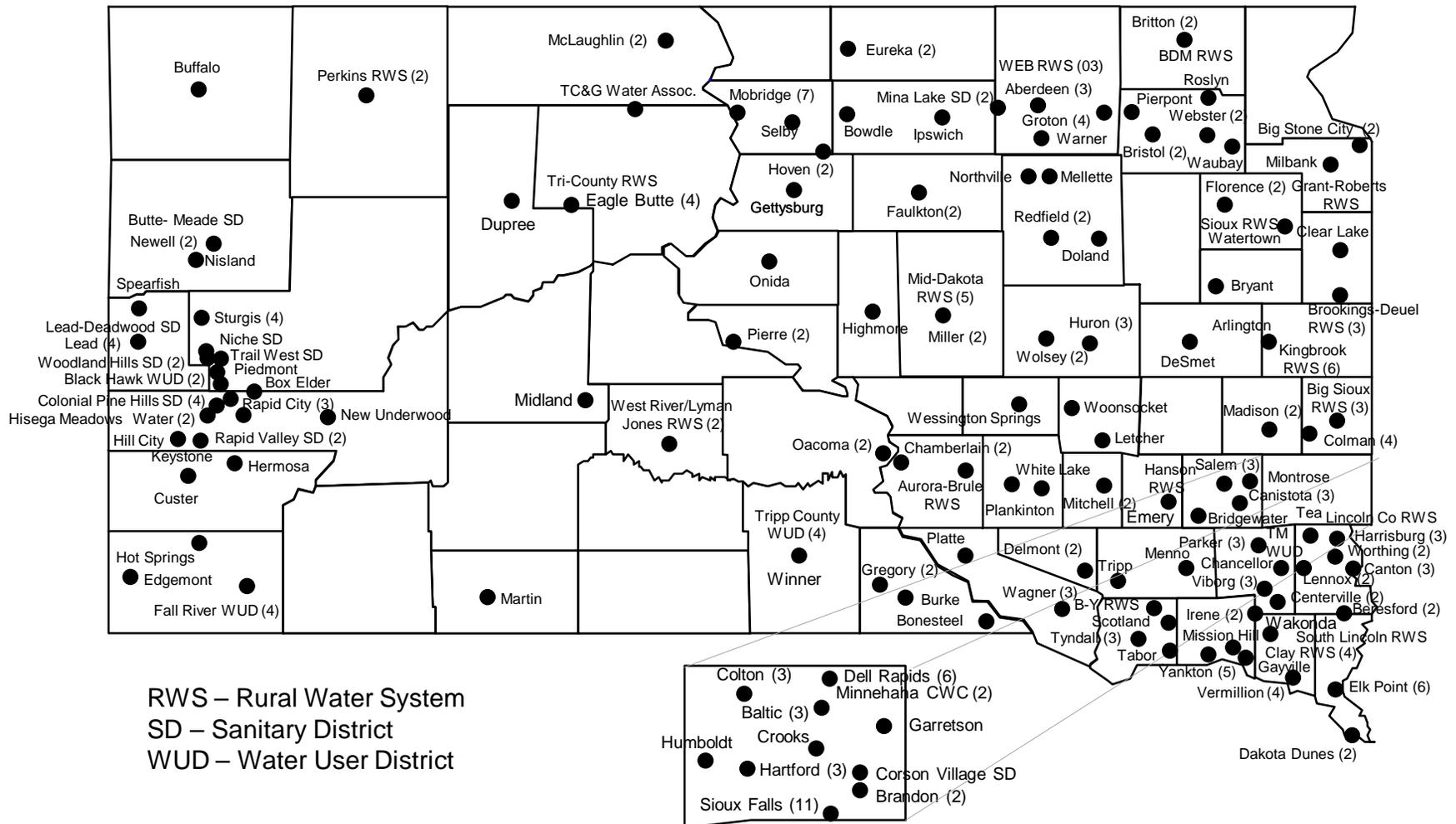
Federal Fiscal Year	Federal Capitalization Grant Award	State Match	Leveraged Funds	Total
1997	\$12,558,800	\$2,511,760		\$15,070,560
1998	\$7,121,300	\$1,424,260		\$8,545,560
1999	\$7,463,800	\$1,492,760		\$8,956,560
2000	\$7,757,000	\$1,551,400		\$9,308,400
2001	\$7,789,100	\$1,557,820		\$9,346,920
2002	\$14,563,300	\$2,912,660		\$17,475,960
2003	\$14,471,900	\$2,894,380		\$17,366,280
2004	\$8,303,100	\$1,660,620	\$22,503,662	\$32,467,382
2005	\$8,285,500	\$1,657,100		\$9,942,600
2006	\$8,229,300	\$1,645,860	\$7,000,414	\$16,875,574
2007	\$8,229,000	\$1,645,800		\$9,874,800
2008	\$8,146,000	\$1,629,200	\$13,000,000	\$22,775,200
2009	\$8,146,000	\$1,629,200	\$18,221,624	\$27,996,824
2009 – ARRA	\$19,500,000	\$0		\$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

Federal Fiscal Year	Federal Capitalization Grant Award	State Match	Leveraged Funds	Total
2014	\$8,845,000	\$1,769,000		\$10,614,000
2015	\$8,787,000	\$1,757,400	\$7,000,000	\$17,544,400
2016	\$8,312,000	\$1,662,400		\$9,974,400
TOTAL	\$207,203,298	\$37,540,660	\$67,725,700	\$312,469,658

Through June 30, 2016, principal repayments from borrowers totaled \$145,644,863. Of this amount \$75,253,119 has been re-loaned or obligated for active loans. Principal repayments are also used for debt service on leveraged bonds. Interest payments from borrowers totaled \$38,623,185, of which \$34,249,621 has been re-loaned or obligated for active loans. Interest payments are also used for debt service on State Match bonds.

As of June 30, 2016, the Board has made 284 Drinking Water loan awards totaling \$458,066,457. The Drinking Water SRF loan portfolio begins on page 71 with a map showing the location of the borrowers. Table 9, beginning on page 72, provides the loan amount, date, and terms. Table 10, beginning on page 80, shows the projects awarded principal forgiveness. More detailed project description narratives are provided by recipient beginning on page 83.

**FIGURE 2**  
**Drinking Water State Revolving Fund Loans**



**Table 9**  
**Drinking Water SRF Loans**  
**Since Inception of Program through June 30, 2015**

<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>
Aberdeen (DW-01A) <sup>1</sup>	03/28/2003	3.50%	20	\$9,460,000	\$9,460,000
Aberdeen (DW-01B) <sup>1</sup>	01/08/2004	3.50%	20	\$7,300,000	\$7,024,258
Aberdeen (DW-02)	07/23/2009	2.25%	10	\$1,750,000	\$1,330,118
Aberdeen (DW-03)	06/29/2012	3.00%	20	\$1,040,000	\$1,040,000
Arlington (DW-01) – ARRA <sup>1</sup>	06/25/2009	0%	-	\$100,000	\$100,000
Aurora-Brule RWS (DW-01) – ARRA <sup>1</sup>	03/27/2009	0%	-	\$500,000	\$500,000
Baltic (DW-01)	06/27/2002	3.50%	20	\$250,000	\$250,000
Baltic (DW-02) – ARRA	06/25/2009	2.25%	10	\$165,000	\$163,446
Baltic (DW-03)	03/30/2012	3.00%	20	\$457,000	\$420,922
BDM RWS (DW-01)	04/12/2002	3.50%	20	\$536,000	\$280,251
Beresford (DW-01)	03/30/2012	3.00%	30	\$916,040	\$916,040
Beresford (DW-01)	03/28/2014	3.00%	30	\$745,000	\$745,000
Big Sioux CWS (DW-01) <sup>2</sup>	03/31/2006	3.25%	20	\$831,000	\$0
Big Sioux CWS (DW-02)	03/28/2014	3.00%	15	\$900,000	\$900,000
Big Sioux CWS (DW-03)	03/27/2015	3.00%	20	\$1,014,000	\$1,014,000
Big Stone City (DW-01)	07/22/1998	5.25%	20	\$600,000	\$570,000
Big Stone City (DW-02)	06/26/2003	3.50%	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
Bon Homme – Yankton WUD – ARRA <sup>2</sup>	06/25/2009	0%	-	\$300,000	\$0
Bonesteel (DW-01)	03/28/2013	2.25%	30	\$2,043,000	\$1,939,847
Bowdle (DW-01) – ARRA <sup>1</sup>	06/25/2009	0%	-	\$150,000	\$150,000
Box Elder (DW-01)	03/25/2011	3.00%	20	\$3,562,950	\$3,562,950
Brandon (DW-01) <sup>1</sup>	11/13/1998	4.75%	15	\$1,950,000	\$1,877,375
Brandon (DW-02)	03/27/2015	3.00%	20	\$12,425,000	\$12,425,000
Bridgewater (DW-01)	06/23/2016	2.25%	30	\$121,000	\$121,000
Bristol (DW-01) <sup>2</sup>	04/25/2001	4.50%	20	\$139,000	\$0
Bristol (DW-01)	03/28/2014	3.00%	30	\$1,979,000	\$1,979,000
Britton (DW-01)	04/25/2001	4.50%	20	\$320,000	\$320,000
Britton (DW-02)	03/31/2016	3.00%	30	\$3,212,000	\$3,212,000
Brookings-Deuel Rural Water System (DW-01)	01/06/2005	3.25%	30	\$1,200,000	\$1,002,464
Brookings-Deuel Rural Water System (DW-02)	06/23/2005	3.25%	30	\$1,750,000	\$1,750,000
Brookings-Deuel Rural Water System (DW-03)	03/31/2016	2.25%	10	\$250,000	\$250,000
Bryant (DW-01)	01/13/2000	3.00%	30	\$142,000	\$142,000
Buffalo (DW-01)	03/27/2015	2.25%	30	\$1,695,000	\$1,695,000

<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>
Burke (DW-01)	01/05/2006	2.50%	30	\$115,600	\$115,600
Butte-Meade Sanitary Water District	06/24/2011	2.25%	10	\$396,700	\$257,668
Canistota (DW-01) – ARRA	03/27/2009	3.00%	30	\$426,460	\$426,460
Canistota (DW-02)	03/28/2014	3.00%	30	\$1,095,000	\$1,095,000
Canistota (DW-03)	06/23/2016	3.00%	30	\$96,000	\$96,000
Canton (DW-01)	01/10/2003	3.50%	20	\$500,000	\$500,000
Canton (DW-02)	03/27/2015	3.00%	30	\$1,550,000	\$1,550,000
Canton (DW-02)	03/31/2016	3.00%	30	\$760,000	\$760,000
Centerville (DW-01)	03/25/2004	3.25%	30	\$870,000	\$870,000
Centerville (DW-02) <sup>2</sup>	03/30/2012	2.25%	10	\$116,685	\$0
Chamberlain (DW-01)	03/27/2008	3.25%	20	\$276,500	\$276,500
Chamberlain (DW-02)	09/26/2009	3.00%	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) – ARRA	06/25/2009	3.00%	20	\$846,300	\$844,968
Clay RWS (DW-03)	06/24/2010	3.00%	30	\$2,208,000	\$2,205,570
Clay RWS (DW-04) <sup>1</sup>	09/22/2011	2.00%	3	\$1,369,758	\$1,369,758
Clear Lake (DW-01)	12/10/1998	3.00%	30	\$565,000	\$540,637
Colman (DW-01) <sup>1</sup>	03/30/2012	2.25%	10	\$182,000	\$167,260
Colman (DW-02)	03/30/2012	3.00%	30	\$439,008	\$434,528
Colman (DW-03)	03/28/2013	3.00%	30	\$1,600,000	\$1,600,000
Colman (DW-04)	03/31/2016	3.00%	30	\$500,000	\$500,000
Colonial Pine Hills Sanitary District (DW-01)	01/31/2002	3.50%	20	\$659,000	\$636,108
Colonial Pine Hills Sanitary District (DW-02) – ARRA	07/23/2009	3.00%	20	\$1,003,608	\$1,003,608
Colonial Pine Hills Sanitary District (DW-03)	06/29/2012	3.00%	20	\$705,000	\$705,000
Colonial Pine Hills Sanitary District (DW-04)	01/08/2015	3.00%	20	\$400,000	\$400,000
Colton (DW-01)	06/27/2002	3.50%	30	\$681,720	\$632,455
Colton (DW-02)	03/25/2011	3.00%	20	\$191,100	\$181,156
Colton (DW-03)	01/05/2012	2.25%	10	\$210,740	\$156,434
Conde (DW-01)	03/31/2016	2.25%	30	\$2,333,000	\$2,333,000
Corson Village Sanitary District (DW-01) – ARRA	07/23/2009	3.00%	20	\$601,735	\$581,364
Crooks (DW-01)	06/25/2004	3.25%	20	\$302,900	\$133,510
Custer (DW-01)	01/10/2003	3.50%	20	\$800,000	\$800,000
Dakota Dunes CID (DW-01) <sup>1</sup>	06/27/2002	3.50%	20	\$908,000	\$376,962
Dakota Dunes CID (DW-02)	01/08/2015	3.00%	20	\$1,600,000	\$1,600,000
Dell Rapids (DW-01)	03/28/2003	3.50%	20	\$621,000	\$621,000
Dell Rapids (DW-02)	01/05/2006	3.25%	20	\$162,263	\$162,263
Dell Rapids (DW-03)	09/24/2011	3.00%	20	\$531,835	\$428,698

<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>
Dell Rapids (DW-04)	01/05/2012	2.25%	10	\$300,000	\$300,000
Dell Rapids (DW-05)	06/29/2012	3.00%	20	\$897,000	\$866,931
Dell Rapids (DW-06)	03/31/2016	3.25%	30	\$705,000	\$705,000
Delmont (DW-01) <sup>1</sup>	06/26/2008	2.50%	30	\$185,000	\$158,461
Delmont (DW-02) <sup>1</sup>	09/24/2011	2.25%	10	\$90,000	\$90,000
DeSmet (DW-01) – ARRA	08/26/2009	2.25%	30	\$258,000	\$258,000
Doland (DW-01)	06/24/2011	3.00%	30	\$1,762,200	\$1,642,867
Dupree (DW-01)	09/27/2012	2.25%	30	\$163,500	\$163,500
Eagle Butte (DW-01)	09/27/2012	0%	10	\$593,000	\$588,581
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	\$250,000
Eagle Butte (DW-04)	11/06/2014	0%	30	\$725,000	\$725,000
Edgemont (DW-01)	06/25/2015	0%	30	\$1,890,000	\$1,890,000
Elk Point (DW-01)	01/31/2002	3.50%	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) – ARRA	07/23/2009	3.00%	20	\$1,179,500	\$798,040
Elk Point (DW-06)	06/23/2016	3.25%	30	\$564,000	\$564,000
Emery (DW-01)	06/25/2015	3.00%	30	\$1,585,000	\$490,000
Eureka (DW-01)	09/28/2006	0.00%	10	\$135,000	\$133,681
Eureka (DW-02) – ARRA <sup>1</sup>	06/25/2009	0%	-	\$200,000	\$200,000
Fall River Water Users District (DW-01)	12/09/1999	3.00%	30	\$759,000	\$759,000
Fall River Water Users District (DW-02)	11/09/2001	2.50%	30	\$400,000	\$260,958
Fall River Water Users District (DW-03) – ARRA <sup>1</sup>	03/27/2009	0%	-	\$612,000	\$612,000
Fall River Water Users District (DW-04) – ARRA <sup>1</sup>	06/25/2009	0%	-	\$750,000	\$750,000
Faulkton (DW-01) – ARRA <sup>1</sup>	03/27/2009	0%	-	\$500,000	\$500,000
Faulkton (DW-02)	01/07/2011	3.00%	30	\$511,725	\$499,185
Florence (DW-01)	06/25/2015	3.25%	30	\$688,000	\$688,000
Florence (DW-02)	06/25/2015	3.25%	30	\$567,000	\$567,000
Garretson (DW-01)	06/27/2002	3.50%	30	\$1,261,060	\$1,102,147
Gayville (DW-01)	11/30/2010	3.00%	30	\$900,000	\$900,000
Gettysburg (DW-01) <sup>1</sup>	06/14/2001	4.50%	20	\$565,000	\$565,000
Grant-Roberts Rural Water System (DW-01)	03/28/2013	3.00%	30	\$4,500,000	\$4,500,000
Gregory (DW-01)	04/12/2002	2.50%	30	\$380,000	\$347,580
Gregory (DW-02)	01/07/2011	2.25%	30	\$685,080	\$551,691
Groton (DW-01) <sup>1</sup>	03/28/2003	3.50%	20	\$440,000	\$440,000
Groton (DW-02) <sup>1</sup>	06/25/2004	3.25%	20	\$365,900	\$308,945

<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>
Groton (DW-03) – ARRA <sup>1</sup>	06/25/2009	0%	-	\$272,000	\$231,315
Groton (DW-04) <sup>2</sup>	09/24/2010	2.25%	10	\$703,000	\$0
Hanson Rural Water System (DW-01)- ARRA	08/26/2009	3.00%	20	\$840,000	\$754,341
Harrisburg (DW-01)	10/12/2000	5.00%	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-01) <sup>1</sup>	04/13/2000	5.00%	20	\$185,000	\$185,000
Hartford (DW-02)	01/10/2003	3.50%	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	5.00%	20	\$300,000	\$300,000
Highmore (DW-01)	03/28/2014	3.00%	30	\$395,000	\$267,038
Hill City (DW-01) - ARRA <sup>1</sup>	08/26/2009	3.00%	30	\$402,200	\$336,903
Hisega Meadows Water, Inc. (DW-01)	06/29/2012	3.00%	20	\$487,500	\$487,500
Hisega Meadows Water, Inc. (DW-02)	09/26/2014	3.00%	20	\$273,000	\$273,000
Hot Springs (DW-01)	09/24/2010	3.00%	20	\$1,636,000	\$1,636,000
Hoven (DW-01)	09/24/2010	0%	-	\$750,000	\$750,000
Hoven (DW-02)	01/08/2015	0%	-	\$264,750	\$264,750
Humboldt (DW-01)	06/22/2006	3.25%	20	\$520,000	\$481,773
Huron (DW-01)	06/27/2002	3.50%	20	\$4,000,000	\$4,000,000
Huron (DW-02) – ARRA	08/26/2009	3.00%	30	\$619,684	\$478,407
Huron (DW-03)	09/24/2010	3.00%	30	\$1,098,900	\$592,073
Ipswich (DW-01) – ARRA	06/25/2009	3.00%	30	\$1,245,000	\$1,245,000
Irene (DW-01) <sup>1</sup>	06/22/2000	5.00%	20	\$145,000	\$127,126
Irene (DW-01)	03/28/2014	3.00%	30	\$1,546,000	\$1,546,000
Keystone (DW-01)	03/25/2004	3.25%	20	\$762,000	\$630,212
Kingbrook RWS (DW-01)	04/13/2000	0.00%	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
Kingbrook RWS (DW-05)	01/10/2014	3.00%	20	\$540,000	\$540,000
Kingbrook RWS (DW-06)	03/31/2016	3.00%	20	\$9,000,000	\$9,000,000
Lead (DW-01) <sup>1</sup>	07/27/2000	4.50%	10	\$192,800	\$192,800
Lead (DW-02)	01/06/2005	3.25%	30	\$205,800	\$192,549
Lead (DW-03) –ARRA	08/26/2009	3.00%	20	\$1,020,000	\$784,987
Lead (DW-04)	03/28/2014	3.00%	20	\$939,000	\$939,000
Lead-Deadwood San Dist (DW-01) <sup>1</sup>	06/24/1998	5.25%	20	\$2,700,000	\$2,683,957
Lennox (DW-01)	07/16/2004	3.25%	30	\$2,000,000	\$2,000,000
Lennox (DW-02)	03/30/2012	3.00%	20	\$712,431	\$712,431

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Letcher (DW-01) <sup>2</sup>	08/26/2009	2.25%	30	\$200,000	\$0
Lincoln County Rural Water (DW-01)	01/31/2002	3.50%	20	\$1,200,000	\$1,079,170
Madison (DW-01) <sup>1</sup>	05/14/1998	5.00%	15	\$2,372,000	\$2,372,000
Madison (DW-02) <sup>2</sup>	03/30/2012	3.00%	15	\$3,464,360	\$0
Martin (DW-01)	09/25/2003	2.50%	30	\$920,000	\$917,901
McLaughlin (DW-01)	06/25/2004	2.50%	30	\$350,000	\$350,000
McLaughlin (DW-02)	06/24/2011	2.25%	30	\$4,151,050	\$3,805,869
Mellette (DW-01) – ARRA	08/27/2009	3.00%	30	\$271,780	\$271,780
Menno (DW-01)	09/22/2012	2.25%	10	\$157,000	\$157,000
Mid-Dakota RWS (DW-01) <sup>1</sup>	03/27/2009	2.00%	3	\$12,000,000	\$9,455,108
Mid-Dakota RWS (DW-02) – ARRA <sup>1</sup>	03/27/2009	0%	-	\$1,000,000	\$1,000,000
Mid-Dakota RWS (DW-03)	06/24/2011	3.00%	30	\$2,979,054	\$2,979,054
Mid-Dakota RWS (DW-04)	06/29/2012	3.00%	30	\$719,000	\$644,786
Mid-Dakota RWS (DW-05)	01/08/2015	3.00%	15	\$2,535,000	\$2,535,000
Midland (DW-01)	06/23/2016	2.25%	30	\$225,000	\$225,000
Milbank (DW-01)	09/22/2005	2.50%	30	\$4,741,000	\$4,460,294
Miller (DW-01)	01/03/2008	2.50%	10	\$255,200	\$225,389
Miller (DW-02)	03/31/2016	3.00%	30	\$2,112,000	\$2,112,000
Mina Lake San Dist (DW-01)	11/13/1998	5.00%	20	\$255,200	\$255,200
Mina Lake San Dist (DW-02) – ARRA	06/25/2009	3.00%	20	\$567,390	\$490,398
Minnehaha CWC (DW-01)	06/27/2002	3.50%	20	\$6,500,000	\$6,022,816
Minnehaha CWC (DW-02) <sup>2</sup>	03/27/2015	3.00%	20	\$900,000	\$0
Mission Hill (DW-01) <sup>2</sup>	06/26/2008	3.25%	20	\$250,000	\$0
Mitchell (DW-01)	10/12/2000	4.50%	20	\$6,000,000	\$2,850,115
Mitchell (DW-02) – ARRA	08/26/2009	3.00%	20	\$2,360,000	\$1,956,237
Mobridge (DW-01) <sup>1</sup>	03/26/1998	5.25%	20	\$965,000	\$965,000
Mobridge (DW-02) <sup>1</sup>	07/22/1998	5.25%	20	\$355,000	\$352,207
Mobridge (DW-03)	09/28/2006	2.50%	30	\$213,500	\$213,500
Mobridge (DW-04)	06/28/2007	2.50%	30	\$90,000	\$62,442
Mobridge (DW-05) – ARRA <sup>1</sup>	06/25/2009	0%	-	\$500,000	\$500,000
Mobridge (DW-06)	06/29/2012	2.25%	30	\$1,212,000	\$1,212,000
Mobridge (DW-07)	01/10/2014	2.25%	30	\$400,000	\$400,000
Montrose (DW-01)	03/25/2011	3.00%	30	\$893,000	\$862,825
New Underwood (DW-01)- ARRA	06/25/2009	3.00%	20	\$175,500	\$169,299
Newell (DW-01)- ARRA	08/26/2009	2.25%	30	\$829,500	\$714,774
Newell (DW-02)	03/30/2012	1.25%	10	\$266,250	\$230,952
Niche Sanitary District (DW-01)	06/29/2012	2.25%	30	\$315,000	\$315,000
Nisland (DW-01)	12/13/2001	0.00%	30	\$350,000	\$350,000

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Northville (DW-01)- ARRA	07/23/2009	3.00%	20	\$203,460	\$186,804
Oacoma (DW-01) – ARRA <sup>2</sup>	03/27/2009	3.00%	20	\$1,414,800	\$0
Oacoma (DW-02)	08/10/2010	2.25%	10	\$1,351,300	\$1,061,416
Onida (DW-01)	09/26/2014	3.00%	20	\$905,000	\$905,000
Parker (DW-01)	09/23/2004	3.25%	20	\$730,000	\$730,000
Parker (DW-02)	06/22/2006	3.25%	20	\$300,000	\$209,541
Parker (DW-03) – ARRA	03/27/2009	3.00%	20	\$554,200	\$554,200
Perkins County RWS (DW-01) <sup>1</sup>	06/29/2012	0%	-	\$151,000	\$151,000
Perkins County RWS (DW-02)	03/31/2016	2.25%	30	\$1,722,000	\$1,722,000
Piedmont (DW-01)	03/25/2011	3.00%	20	\$1,404,000	\$1,404,000
Pierpont (DW-01)	06/24/2011	3.00%	30	\$551,200	\$544,908
Pierre (DW-01)	01/31/2002	3.50%	15	\$1,094,200	\$988,188
Pierre (DW-02)	09/25/2003	3.50%	15	\$1,832,900	\$1,832,900
Plankinton (DW-01)	06/24/2011	3.00%	30	\$1,765,000	\$1,442,083
Platte (DW-01)	06/25/2004	2.50%	10	\$400,000	\$293,134
Rapid City (DW-01) <sup>1</sup>	11/14/2003	3.50%	20	\$3,500,000	\$3,500,000
Rapid City (DW-02)	07/23/2009	3.00%	20	\$6,000,000	\$6,000,000
Rapid City (DW-03)	06/26/2014	3.00%	20	\$4,626,000	\$4,626,000
Rapid Valley San. Dist. (DW-01) – ARRA <sup>1</sup>	06/25/2009	0%	-	\$682,000	\$682,000
Rapid Valley San. Dist. (DW-02)	09/27/2012	3.00%	20	\$500,000	\$414,367
Redfield (DW-01)	04/25/2001	4.50%	20	\$85,000	\$85,000
Redfield (DW-02)	06/23/2005	2.50%	30	\$342,755	\$228,823
Roslyn (DW-01) – ARRA <sup>1</sup>	06/25/2009	0%	-	\$500,000	\$500,000
Salem (DW-01) <sup>1</sup>	03/28/2003	3.50%	10	\$126,921	\$118,540
Salem (DW-02)	06/23/2005	3.25%	20	\$348,540	\$328,966
Salem (DW-03)	06/28/2007	3.25%	30	\$1,345,000	\$1,345,000
Scotland (DW-01)	03/28/2003	2.50%	30	\$340,000	\$235,172
Selby (DW-01) – ARRA <sup>1</sup>	06/25/2009	0%	-	\$100,000	\$100,000
Sioux Falls (DW-01) <sup>1</sup>	07/22/1998	4.50%	10	\$7,022,000	\$6,496,745
Sioux Falls (DW-02) <sup>1</sup>	01/11/2001	4.50%	10	\$2,750,000	\$2,348,168
Sioux Falls (DW-03) <sup>1</sup>	04/12/2002	3.50%	10	\$7,930,000	\$7,930,000
Sioux Falls (DW-04) <sup>1</sup>	01/10/2003	3.50%	10	\$5,279,000	\$279,599
Sioux Falls (DW-05)	07/16/2004	2.50%	10	\$12,749,000	\$10,828,766
Sioux Falls (DW-06)	01/03/2008	2.50%	10	\$17,848,000	\$9,938,849
Sioux Falls (DW-07)	01/03/2008	2.50%	10	\$2,200,000	\$2,200,000
Sioux Falls (DW-08)	01/03/2008	2.50%	10	\$2,705,600	\$2,088,645
Sioux Falls (DW-09) – ARRA	03/27/2009	2.25%	10	\$3,578,750	\$2,678,738
Sioux Falls (DW-10) – ARRA	03/27/2009	2.25%	10	\$7,606,900	\$5,819,138

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Sioux Falls (DW-11)	01/07/2011	2.25%	10	\$4,000,000	\$4,000,000
Sioux Rural Water System (DW-01)	03/27/2015	3.00%	20	\$2,515,000	\$2,515,000
South Lincoln RWS (DW-01) <sup>1</sup>	01/10/2003	3.50%	20	\$2,000,000	\$2,000,000
South Lincoln RWS (DW-02)	01/07/2011	3.00%	30	\$476,500	\$476,500
Spearfish (DW-01)	01/04/2013	2.25%	10	\$3,254,000	\$3,254,000
Sturgis (DW-01) <sup>1</sup>	01/08/1998	5.00%	15	\$700,000	\$478,377
Sturgis (DW-02) – ARRA	08/26/2009	2.25%	10	\$863,000	\$608,417
Sturgis (DW-03) <sup>1</sup>	06/24/2011	2.00%	3	\$3,460,000	\$3,460,000
Sturgis (DW-04)	03/30/2012	3.00%	20	\$2,200,000	\$2,035,893
Tabor (DW-01)	03/28/2013	3.00%	20	\$1,530,000	\$1,530,000
TC&G Water Association (DW-01)	06/25/2015	2.25%	30	\$210,000	\$210,000
Tea (DW-01)	03/30/2007	3.25%	20	\$2,263,723	\$2,263,723
TM Rural Water District (DW-01)	06/24/2011	3.00%	30	\$1,084,750	\$1,081,299
TM Rural Water District (DW-02) <sup>1</sup>	06/24/2011	0%	-	\$1,398,750	\$1,394,175
Trail West Sanitary District (DW-01)	09/22/2011	3.00%	20	\$1,651,000	\$1,607,626
Tri County Water Association	03/30/2012	0%	-	\$200,000	\$200,000
Tripp (DW-01)	07/26/2001	2.50%	30	\$291,000	\$225,656
Tripp County WUD (DW-01)	11/14/2002	2.50%	30	\$3,500,000	\$3,500,000
Tripp County WUD (DW-02)	11/14/2002	0.00%	30	\$148,000	\$131,469
Tripp County WUD (DW-03) <sup>2</sup>	06/29/2012	3.00%	20	\$850,000	\$0
Tripp County WUD (DW-04)	03/28/2014	2.25%	30	\$11,750,000	\$11,750,000
Tyndall (DW-01) <sup>1</sup>	07/27/2000	2.50%	10	\$300,000	\$300,000
Tyndall (DW-02)	11/09/2001	2.50%	30	\$861,000	\$861,000
Tyndall (DW-03)	03/27/2015	2.25%	30	\$1,570,000	\$1,570,000
Vermillion (DW-01) <sup>1</sup>	05/13/1999	5.00%	20	\$942,000	\$795,338
Vermillion (DW-02)	06/27/2002	3.50%	20	\$1,510,000	\$1,507,552
Vermillion (DW-03)	09/22/2005	2.50%	20	\$3,772,500	\$3,693,216
Vermillion (DW-04)	03/25/2011	2.25%	30	\$1,532,000	\$1,438,541
Viborg (DW-01)	03/27/2008	3.25%	20	\$249,775	\$104,491
Viborg (DW-02)	11/30/2010	3.00%	30	\$847,000	\$847,000
Viborg (DW-03)	06/23/2016	0.00%	30	\$606,000	\$606,000
Wagner (DW-01)	06/22/2006	0.00%	30	\$750,000	\$750,000
Wagner (DW-02)	06/28/2007	0.00%	30	\$175,000	\$175,000
Wagner (DW-03) – ARRA <sup>2</sup>	07/23/2009	0.00%	30	\$275,000	\$0
Wakonda (DW-01)	03/31/2016	3.00%	20	\$1,378,000	\$1,378,000
Warner (DW-01) – ARRA <sup>1</sup>	03/27/2009	0%	-	\$400,000	\$400,000
Watertown (DW-01)	03/27/2008	3.25%	20	\$23,760,000	\$23,760,000
Waubay (DW-01)	03/31/2006	2.50%	30	\$750,000	\$750,000

<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>
WEB WDA (DW-01) <sup>3</sup>	03/26/1998	5.25%	20	\$1,110,000	\$0
WEB WDA (DW-02) <sup>3</sup>	10/11/2001	2.50%	30	\$137,450	\$0
WEB WDA (DW-03) <sup>3</sup>	03/31/2006	3.25%	20	\$3,950,000	\$0
Webster (DW-01)	04/12/2002	3.50%	20	\$330,000	\$318,828
Webster (DW-02)	09/24/2010	2.25%	10	\$387,400	\$277,522
Wessington Springs (DW-01)	03/27/2015	2.25%	30	\$209,000	\$209,000
West River/Lyman Jones RWS (DW-01) <sup>1</sup>	10/12/2001	2.50%	30	\$340,000	\$340,000
West River/Lyman Jones RWS (DW-02) <sup>1</sup>	03/30/2005	3.25%	30	\$8,000,000	\$7,943,023
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	\$372,437
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 Sanitary District (DW-01)	06/28/2013	3.00%	20	\$780,000	\$780,000
Woodland Hills Sanitary District (DW-02)	03/27/2015	3.00%	20	\$481,000	\$481,000
Woonsocket (DW-01) – ARRA	08/27/2009	3.00%	30	\$720,000	\$720,000
Worthing (DW-01)	06/26/2003	3.50%	20	\$288,000	\$288,000
Worthing (DW-02)	03/30/2012	3.00%	20	\$301,227	\$277,094
Yankton (DW-01)	11/09/2001	3.50%	20	\$3,460,000	\$3,460,000
Yankton (DW-02)	06/28/2007	3.25%	20	\$1,100,000	\$896,975
Yankton (DW-03) – ARRA	03/27/2009	3.00%	20	\$3,000,000	\$2,542,146
Yankton (DW-04) – ARRA	03/27/2009	3.00%	20	\$2,200,000	\$2,200,000
Yankton (DW-05)	09/27/2013	3.00%	30	\$12,850,000	\$12,850,000
<b>TOTAL</b>				<b>\$458,066,457</b>	<b>\$405,328,732</b>

<sup>1</sup> Loans paid in full

<sup>2</sup> Deobligated in full

<sup>3</sup> Rescinded by BWNR

**Table 10**  
**Principal Forgiveness Awards to Drinking Water SRF Borrowers**

<b>Sponsor</b>	<b>Total Loan Awarded</b>	<b>Principal Forgiveness Awarded</b>	<b>Loan Payable</b>
Aberdeen (DW-02)	\$1,330,118	\$133,012	\$1,197,106
Arlington (DW-01)	\$100,000	\$100,000	\$0
Aurora-Brule RWS (DW-01)	\$500,000	\$500,000	\$0
Baltic (DW-02)	\$163,446	\$16,345	\$147,101
Beresford (DW-01)	\$916,040	\$458,020	\$458,020
Beresford (DW-02)	\$745,000	\$375,000	\$370,000
Bonesteel (DW-01)	\$1,939,847	\$1,466,524	\$473,323
Bowdle (DW-01)	\$150,000	\$150,000	\$0
Box Elder (DW-01)	\$3,562,950	\$356,295	\$3,206,655
Brandon (DW-03)	\$12,425,000	\$500,000	\$11,925,000
Bristol (DW-02)	\$1,979,000	\$1,514,000	\$465,000
Buffalo (DW-01)	\$1,695,000	\$600,000	\$1,095,000
Butte-Meade San. Water Dist. (DW-01)	\$257,668	\$55,398	\$202,270
Canistota (DW-01)	\$426,460	\$313,960	\$112,500
Canistota (DW-02)	\$1,095,000	\$616,000	\$479,000
Chamberlain (DW-02)	\$873,704	\$262,111	\$611,593
Clay RWS (DW-02)	\$844,968	\$698,789	\$146,179
Clay RWS (DW-03)	\$2,205,570	\$500,000	\$1,705,570
Colman (DW-01)	\$167,260	\$167,260	\$0
Colman (DW-03)	\$1,600,000	\$968,000	\$632,000
Colonial Pine Hills San. Dist. (DW-02)	\$1,003,608	\$250,000	\$753,608
Colton (DW-02)	\$181,156	\$86,411	\$94,745
Colton (DW-03)	\$156,434	\$39,108	\$117,326
Conde (DW-01)	\$2,333,000	\$1,833,000	\$500,000
Corson Village San. Dist. (DW-01)	\$581,364	\$523,227	\$58,137
Dell Rapids (DW-04)	\$300,000	\$30,000	\$270,000
Dell Rapids (DW-05)	\$866,931	\$241,873	\$625,058
Delmont (DW-02)	\$90,000	\$90,000	\$0
DeSmet (DW-01)	\$258,000	\$25,800	\$232,200
Doland (DW-01)	\$1,642,867	\$1,283,079	\$359,788
Dupree (DW-01)	\$163,500	\$100,000	\$63,500
Eagle Butte (DW-01)	\$588,581	\$470,864	\$117,717
Eagle Butte (DW-02)	\$1,244,000	\$995,200	\$248,800
Eagle Butte (DW-03)	\$250,000	\$200,000	\$50,000
Eagle Butte (DW-04)	\$725,000	\$362,500	\$362,500
Edgemont (DW-01)	\$1,890,000	\$1,206,890	\$683,110

<b>Sponsor</b>	<b>Total Loan Awarded</b>	<b>Principal Forgiveness Awarded</b>	<b>Loan Payable</b>
Elk Point (DW-05)	\$798,040	\$446,902	\$351,138
Eureka (DW-02)	\$200,000	\$200,000	\$0
Fall River WUD (DW-03)	\$612,000	\$612,000	\$0
Fall River WUD (DW-04)	\$750,000	\$750,000	\$0
Faulkton (DW-01)	\$500,000	\$500,000	\$0
Faulkton (DW-02)	\$499,185	\$386,369	\$112,816
Gayville (DW-01)	\$900,000	\$480,000	\$420,000
Gregory (DW-01)	\$551,691	\$149,508	\$402,183
Groton (DW-03)	\$231,315	\$231,315	\$0
Hanson RWS (DW-01)	\$754,341	\$528,038	\$226,303
Hill City (DW-01)	\$336,903	\$202,141	\$134,762
Hisega Meadows Water, Inc.	\$487,500	\$250,000	\$237,500
Hoven (DW-01)	\$750,000	\$750,000	\$0
Hoven (DW-02)	\$264,750	\$264,750	\$0
Huron (DW-02)	\$478,407	\$94,724	\$383,683
Ipswich (DW-01)	\$1,245,000	\$933,750	\$311,250
Irene (DW-02)	\$1,546,000	\$1,165,000	\$381,000
Lead (DW-03)	\$784,987	\$298,295	\$486,692
Lennox (DW-02)	\$712,431	\$400,000	\$312,431
McLaughlin (DW-02)	\$3,805,869	\$2,919,101	\$886,768
Mellette (DW-01)	\$271,780	\$244,602	\$27,178
Menno (DW-01)	\$157,000	\$39,250	\$117,750
Mid-Dakota RWS (DW-02)	\$1,000,000	\$1,000,000	\$0
Mid-Dakota RWS (DW-03)	\$2,979,054	\$605,000	\$2,374,054
Miller (DW-02)	\$2,112,000	\$692,000	\$1,420,000
Mina Lake San. Dist. (DW-02)	\$490,398	\$245,199	\$245,199
Mitchell (DW-02)	\$1,956,237	\$293,436	\$1,662,801
Mobridge (DW-05)	\$500,000	\$500,000	\$0
Montrose (DW-01)	\$862,825	\$573,778	\$289,047
New Underwood (DW-01)	\$169,299	\$67,719	\$101,580
Newell (DW-01)	\$714,774	\$322,750	\$392,024
Newell (DW-02)	\$230,952	\$144,345	\$86,607
Niche Sanitary District (DW-01)	\$315,000	\$225,000	\$90,000
Northville (DW-01)	\$186,804	\$149,443	\$37,361
Onida (DW-01)	\$905,000	\$250,000	\$655,000
Parker (DW-03)	\$554,200	\$452,100	\$102,100
Perkins County RWS (DW-01)	\$151,000	\$151,000	\$0
Perkins County RWS (DW-02)	\$1,722,000	\$1,033,000	\$689,000
Piedmont (DW-01)	\$1,404,000	\$804,000	\$600,000

<b>Sponsor</b>	<b>Total Loan Awarded</b>	<b>Principal Forgiveness Awarded</b>	<b>Loan Payable</b>
Pierpont (DW-01)	\$544,908	\$408,681	\$136,227
Plankinton (DW-01)	\$1,442,083	\$824,871	\$617,212
Rapid City (DW-03)	\$4,626,000	\$3,000,000	\$1,626,000
Rapid Valley San. Dist. (DW-01)	\$682,000	\$682,000	\$0
Roslyn (DW-01)	\$500,000	\$500,000	\$0
Selby (DW-01)	\$100,000	\$100,000	\$0
Sioux Falls (DW-09)	\$2,678,738	\$267,874	\$2,410,864
Sioux Falls (DW-10)	\$5,819,138	\$581,914	\$5,237,224
South Lincoln RWS (DW-02)	\$476,500	\$244,500	\$232,000
Sturgis (DW-02)	\$608,417	\$60,841	\$547,576
Tabor (DW-01)	\$1,530,000	\$700,000	\$830,000
TM Rural Water District	\$1,394,175	\$1,394,175	\$0
Trail West Sanitary District (DW-01)	\$1,607,626	\$742,106	\$865,520
Tri-County RWS (DW-01)	\$200,000	\$200,000	\$0
Tyndall (DW-03)	\$1,570,000	\$200,000	\$1,370,000
Vermillion (DW-04)	\$1,438,541	\$143,854	\$1,294,687
Viborg (DW-02)	\$847,000	\$730,000	\$117,000
Wakonda (DW-01)	\$1,378,000	\$948,000	\$430,000
Warner (DW-01)	\$400,000	\$400,000	\$0
Webster (DW-02)	\$277,522	\$107,678	\$169,844
White Lake (DW-01)	\$362,000	\$85,000	\$277,000
Woodland Hills San. Dist. (DW-01)	\$780,000	\$480,000	\$300,000
Woodland Hills San. Dist. (DW-02)	\$481,000	\$384,800	\$96,200
Woonsocket (DW-01)	\$720,000	\$416,500	\$303,500
Worthing (DW-02)	\$277,094	\$183,990	\$93,104
Yankton (DW-03)	\$2,542,146	\$136,375	\$2,405,771
Yankton (DW-04)	\$2,200,000	\$220,000	\$1,980,000
Yankton (DW-05)	\$12,850,000	\$1,000,000	\$11,850,000
<b>TOTAL</b>	<b>\$126,475,102</b>	<b>\$51,986,340</b>	<b>\$74,488,762</b>

## **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. The city received its second loan to replace sewer in conjunction with a South Dakota Department of Transportation Highway 46 reconstruction project. The loan was for \$745,000 at 3 percent for 30 years and included \$375,000 of principal forgiveness.

**BIG SIOUX COMMUNITY WATER SYSTEM** – The Big Sioux Community Water System 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. The loan was rescinded at the borrower’s request. The water system received its second loan to install an automatic meter reading system. The loan was for \$900,000 at 3 percent for 15 years. The Big Sioux Community Water System received its third loan for the installation of a 12-inch water main to connect the Big Sioux system to the Minnehaha Community Water Corporation to pump water north to the existing Big Sioux Ethanol Tower. This addition will allow the Big Sioux system to deliver up to 1.0 MGD of water to the city of Madison, South Dakota. The loan amount was \$1,014,000 at 3.0 percent for 20 years.

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

second loan in the amount of \$240,000 at 3.5 percent for 20 years to fund improvements to the water distribution system.

**BLACK HAWK WATER USER DISTRICT** – The Black Hawk Water User District received a loan for \$500,000. This loan financed a new well, pump house construction, installation of chlorination and fluoridation equipment, a 48,000-gallon water storage reservoir, and approximately 7,000 feet of new water lines. This loan is at 5.25 percent for 20 years. The second loan, in the amount of \$1,142,000 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 subsequently 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 to construct a water treatment plant and upgrade the distribution system. Brandon received its second loan to construct two 1,250,000-gallon water storage tanks, loop distribution lines, upsize trunk lines, and replace approximately 13,000 feet of asbestos concrete pipe. The loan was for \$12,425,000 at 3.0 percent for 20 years and included \$500,000 of principal forgiveness.

**BRIDGEWATER** – Bridgewater received a loan in the amount of \$121,000 at 2.25 percent for 30 years to replace water main on Main Street.

**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. The loan was subsequently deobligated at the town's request. The town received its second loan to replace all existing cast iron and asbestos concrete water lines throughout the community. The loan was for \$1,979,000 at 3 percent for 30 years and included \$1,514,000 of principal forgiveness.

**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. Britton's second loan in the amount of \$3,212,000 at 3 percent for 30 years was to make improvements to its water system. Improvements involved

replacing all the 4-inch lines and 6-inch cast iron pipes in the distribution system with 6-inch PVC lines and installing additional valves. Other improvements included painting and updating the existing 250,000-gallon ground level and 150,000-gallon elevated storage tanks and constructing a new pump house.

**BROOKINGS-DEUEL RURAL WATER SYSTEM** – Brookings-Deuel RWS received two Drinking Water SRF loans in FFY 2005. The first loan, in the amount of \$1,200,000 at 3.25 percent for 30 years, increases the treatment capacity of the Bruce water treatment plant. The second loan, in the amount of \$1,750,000 at 3.25 percent for 30 years, made improvements to the distribution system and extended water to the community of Astoria. The system's third loan in the amount of \$250,000 at 2.25 percent for 10 years was for the installation of a meter data transmission unit on existing water meters to transmit meter readings to the Brookings-Deuel office using a cellular network.

**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.

**BUFFALO** –Buffalo's first loan is for the replacement of the cast iron pipe and asbestos cement pipe water main in the distribution system along with replacement of valves, hydrants, and service connections. The loan was for \$2,695,000 at 2.25 percent for 30 years and included \$600,000 of principal forgiveness.

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

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

**CANISTOTA** - The city of Canistota received a \$426,460 loan at 3.0 percent for 30 years to replace the water line on Ash Street. The loan included \$313,960 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. The city received its second loan to replace water lines in a portion of the community. The loan was for \$1,095,000 at 3 percent for 30 years and included \$616,000 of principal forgiveness. Canistota was awarded its third loan in the amount of \$96,000 at 3 percent for 30 years to replace water service lines on Main Street.

**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. Canton received a second loan in the amount of \$1,550,000 at 3.0 for 30 years to for the installation of two wells and upgrades to the existing pumps and control system. Canton received its third loan in the amount of \$760,000 at 3 percent for 30 years to replace water lines as part of the Dakota Street reconstruction project.

**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. The 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 3.0 percent for 20 years and included \$300,000 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

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

**CLAY RURAL WATER SYSTEM** – Clay RWS’s first drinking water SRF loan expanded the system to southern Union County. The loan was for \$4,331,000 at 3.25 percent for 30 years. The system’s second loan was for \$846,300 to construct of two new wells, replace the Garfield Booster Station with an above ground pumping station, replace variable frequency drives on pumps, and miscellaneous improvements to the SCADA system. This loan was at 3.0 percent for 20 years and included \$700,000 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. Clay Rural Water was awarded its third loan in the amount of \$2,208,000 at 3 percent for 30 years and included \$500,000 of principal forgiveness. The loan funded the construction of several loops in the distribution system, improvements to the Spink Reservoir, 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 a 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. One 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. The other loan was for \$439,008 at 3 percent for 30 years to replace water lines and provided looping of the distribution system. A 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. A fourth loan was awarded in 2016 in the amount of \$500,000 at 3 percent for 30 years to cover cost over-runs and recoup expenses for an emergency repair on the Highway 34 water main.

**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 3.0 percent for 20 years and included \$250,000 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. Colonial Pine Hills’ third and fourth loans were awarded to provide financing for the installation of a new microfiltration water treatment unit and associated transmission lines. The loan amounts were \$705,000 and \$400,000, respectively; each 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.

**CONDE** – The town of Conde was awarded a loan to replace existing 6-inch ductile iron pipe and 4-inch PVC pipe in the distribution system with 6-inch PVC pipe, replace the existing water tower with a 50,000-gallon ground storage tank and replace booster pumps. The loan was for \$2,333,000 at 2.25 percent for 30 years and included \$1,833,000 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. The second loan awarded to Dakota Dunes was to construct an additional 500,000-gallon clearwell and add a third high service pump at the water treatment plant. The loan amount was \$1,600,000 at 3.0 percent for 20 years.

**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 of principal forgiveness. Dell Rapids was awarded its sixth loan to replace approximately 1,900 feet of cast iron water mains at the intersection of SD Highway 115, Old Highway 77 and 4th Street and 800 feet of cast iron lines on a portion of 10th Street near the hospital. This loan was for \$705,000 at 3.25 percent for 30 years.

**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 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** – Dupree’s first Drinking Water SRF loan, \$163,500 at 2.25 percent for 30 years, was used to replace 8 blocks of cast iron and asbestos cement water mains. The loan included \$100,000 of principal forgiveness.

**EAGLE BUTTE** - Eagle Butte was awarded a loan for \$593,000 with \$474,000 of principal forgiveness was at zero percent for 10 years that was used to replace water meters and install an automatic meter read system. The city’s second and fourth loans were to extend water services to a portion of the community with limited access to the water system and replace aging infrastructure in the downtown area. These loans, each at zero percent for 30 years, were for \$1,244,000 and \$725,000, respectively, and included \$995,200 and \$362,500 of principal forgiveness, respectively. A third loan in the amount \$490,000 at zero percent for 30 years, with \$392,000 of principal forgiveness, was originally intended to replace water lines on Willow Street. When the cost of the afore-mentioned project came in over estimates, the city requested that the scope of the loan be revised and used to address the cost over-run. The loan amount was reduced to \$250,000 and included \$200,000 of principal forgiveness.

**EDGEMONT** – Edgemont received its first loan in the amount of \$1,890,000 to rehabilitate two of the city’s wells, construct a water treatment facility to reduce radiological contaminants, construct a 250,000-gallon elevated storage tank, and install water main to connect the storage tank to the distribution system. The loan is at at zero percent for 30 years and includes \$1,206,890 of principal forgiveness

**ELK POINT** – Elk Point received its first loan in the amount of \$220,000 for water main replacement in conjunction with its Pearl Street Utility Improvement project at 3.5 percent for 20 years. Its second loan, in the amount of \$570,000 at 3.25 percent for 20 years, funded an upgrade to the city’s water treatment plant. The city received its third loan in the amount of \$218,000 at 3.25 percent for 20 years, to fund the drinking water portion of the utility systems improvements. The fourth SRF loan awarded to 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. Elk Point’s sixth loan in the amount of \$564,000 at 3.25 percent for 30 years was to replace water lines on Rose Street.

**EMERY** – Emery received a \$1,585,000 loan at 3.0 percent for 30 years to replace the majority of the existing water distribution system and install new lines to loop the system.

**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 to replace old water mains throughout the city and loop additional lines, as well as the installation of a SCADA system and variable frequency drives on the pump house pump.

**FALL RIVER WATER USERS DISTRICT** – The Fall River Water Users District received a \$759,000 loan at 3 percent interest for 30 years. This loan will help finance the construction of the Fall River Rural Water System to include supply, storage, and distribution. Fall River’s second 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.

**FLORENCE** – Florence received two loans to replace water lines, services, hydrants and appurtenances and construct a 105,000-gallon ground water storage tank and booster station. One loan, in the amount of \$688,000, is backed by a sales tax pledge and the other loan, in the amount of \$567,000, is backed by a project surcharge pledge. Both loans are at 3.25 percent for 30 years.

**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 includes 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 the loan in its entirety.

**HANSON RURAL WATER SYSTEM** – The Hanson Rural Water System was awarded its first Drinking Water SRF loan in the amount of \$840,000 at 3 percent for 20 years and included \$588,000 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. The rural water system replaced an elevated water storage tank located in Ethan with a new 200,000-gallon water storage tank 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 Rural Water System. Harrisburg's third loan was for \$2,090,000 at 3.25 for 20 years to construct a 750,000-gallon water tower, 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 will replace water distribution lines.

**HIGHMORE** – Highmore received a loan to replace sewer lines in conjunction with a South Dakota Department of Transportation project to reconstruct Highway 47. The loan amount was \$679,000 at 3.25 percent for 30 years.

**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 Drinking Water SRF first loan awarded to Hisega Meadows was 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. The project went to bid, and bids came in over estimate. It was decided to eliminate some of the work to get the project started with the funding available. Hisega Meadows received a second loan to complete the work that was bid previously and additional lines that were identified to need replacement. This loan amount was \$273,000 at 3.0 percent for 20 years.

**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. Hoven received a second loan in the amount of \$264,750 with 100 percent principal forgiveness to replace water mains under South Dakota Highway 47 that will be done in conjunction with a highway reconstruction project.

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

**HURON** – Huron received a loan in the amount of \$4,000,000 at 3.5 percent for 20 years to fund the construction of a new water treatment facility, water tower improvements, and water meter replacement.

The city's second loan was used to replace approximately 14,500 feet of 6 inch and 12 inch water main. The loan was for \$619,684 at 3.0 percent for 20 years and includes \$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 3.0 percent for 30 years and included \$933,750 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**IRENE** – The city of Irene received a 5 percent interest loan for 20 years in the amount of \$145,000. The project replaced water main along SD Highway 46. The city received its second loan to replace 13 blocks of water lines, loop water lines south of Highway 46, and install new water meters. The loan was for \$1,546,000 at 3 percent for 30 years and included \$1,165,000 of principal forgiveness.

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

**KINGBROOK RWS** – The Kingbrook Rural Water System received a loan in the amount of \$475,000. This loan was at 0 percent interest for 30 years. The project 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. The rural water system received its fifth loan for the construction of rural and in-town water lines to provide individual service to the residents of Sinai. Kingbrook was awarded its sixth loan to connect approximately 220 new users and improve capacity and reliability in the service area. The project involved approximately 6.5 miles of 14- and 16-inch PVC pipe and 125 miles of 2- to 6-inch PVC pipe as well as new booster pumps and other miscellaneous work. The loan was for \$9,000,000 at 3 percent for 20 years.

**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 was awarded its fourth loan to replace water lines in conjunction with a South Dakota Department of Transportation project to reconstruct Highway 85. The loan amount was \$939,000 at 3 percent for 20 years.

**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 is 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 2.00 percent for 3 years provided interim financing for those projects. The second loan was in the amount of \$1,000,000 with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009 and partially funded the pumping station and elevated water reservoir. A third loan in the amount of \$2,979,054 was awarded to extend service to new users within the Mid-Dakota service area to include users on the Crow Creek Reservation. The rate and term of the loan are 3 percent for 30 years, and the loan included \$450,000 of principal forgiveness. To construct a 150,000-gallon elevated water storage tank for the Redfield service area, Mid-Dakota RWS was awarded a fourth loan for \$719,000 at 3 percent for 30 years. Mid-Dakota received its fifth loan in the amount of \$2,535,000 at 3 percent for 15 years to install an automatic meter reading system.

**MIDLAND** – Midland was awarded its first loan in the amount of \$225,000 at 2.25 percent for 30 years to address haloacetic acid (HAA5) violations. The project consists of a new 53,000-gallon ground storage facility with a new mixing system and construction of 3,220 feet of 6-inch main to loop the system.

**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. The city's second loan in the amount of \$2,112,000 at 3 percent for 30 years is for the replacement of approximately 9,100 feet of water mains throughout the city. The loan included \$692,000 of principal forgiveness.

**MINA LAKE SANITARY DISTRICT** – Mina Lake Sanitary District received a loan for \$255,200 at an interest rate of 5 percent for 20 years. This loan was for the construction of a 150,000-gallon water tower. The district's second loan was for \$567,390 to replace undersized water mains, construct approximately 11,400 feet of new water main to improve pressure, and upgrade existing water meters. This loan was at 3.0 percent for 20 years and included \$283,695 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**MINNEHAHA COMMUNITY WATER CORPORATION** – Minnehaha Community Water Corporation received a loan in the amount of \$6,500,000 at 3.5 percent for 20 years to expand its rural water system to the communities of Colton and Garretson. The loan was used for water lines, an elevated water storage tank, wells, and a new water treatment plant. Minnehaha Community Water Corporation was awarded its third loan to make improvements to the distribution system which will enable Minnehaha Community Water to receive additional water from the Lewis & Clark Regional Water System. These improvements will then allow Minnehaha Community Water to deliver 1.0 MGD to Big Sioux Community Water System who will then, in turn, use the extra capacity to deliver up to 1.0 MGD to the city of Madison. The loan was for \$900,000 at 3.0 percent for 20 years but was rescinded at the borrower's request.

**MISSION HILL** - The first SRF loan awarded to Mission Hill will be used to construct a new water tower and install 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 subsequently deobligated in full at the request of the city.

**MITCHELL** – The city of Mitchell received a \$6,000,000 loan at 4.5 percent interest for 20 years to connect to the B-Y Rural Water System by constructing a water pipeline from Lesterville west and north to Mitchell. The project involved 61 miles of pipe, two pumping stations, a water storage reservoir, a meter station and appurtenances. The city's second Drinking Water SRF loan was used to construct a 1,000,000-gallon elevated water storage tank to replace a water tower built in 1928. The \$2,360,000 loan, at 3 percent for 20 years, included \$354,000 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**MOBRIDGE** – The city of Mobridge received two loans in the amounts of \$965,000 and \$355,000 to finance water treatment plant upgrades. Both loans were at 5.25 percent for 20 years. The city undertook a water line extension project along Lake Front Drive to provide water to new users and to loop the system. The project was funded with two loans in the amounts of \$213,500 and \$90,000 both at 2.50 percent for 30 years. The city's fifth loan was in the amount of \$500,000 loan with 100 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009. The loan was to make improvements to the raw water intake. Mobridge's sixth loan will be used to construct a 600,000-gallon water tower and make improvements to an existing 500,000-gallon water tower. The loan is for \$1,212,000 at 2.25 percent for 30 years. Mobridge's seventh loan for \$400,000 at 2.25 percent for 30 years was necessary to address higher than anticipated construction costs on the water tower project.

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

**NEWELL** - The city of Newell received a loan for \$829,000 to drill a new well, construct a new well house, controls, and chlorination equipment; replace old water main, and replace a water tower. The loan was at 2.25 percent for 30 years and included \$322,750 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. 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 will 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 3.0 percent for 20 years and included \$162,768 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**OACOMA** - Oacoma received a \$1,414,800 Drinking water SRF loan to construct a new water reservoir and associated piping. The loan was at 3.0 percent for 20 years and included \$321,480 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. The loan was subsequently 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.

**ONIDA** – Onida's first loan, in the amount of \$905,000 loan at 3.0 percent for 20 years, funded the construction of a 200,000-gallon water storage tank and the installation of new meters and an automatic meter reading system, lines to eliminate dead end lines, and additional hydrants and valves. The loan included \$250,000 of principal forgiveness.

**PARKER** – Parker's first loan, in the amount of \$730,000 at 3.25 percent for 20 years, was used to replace cast iron water mains in various locations in the city. The city's second loan, in the amount of \$300,000 at 3.25 percent for 20 years, funded the second phase of the water line replacement project. Parker was awarded a third loan in the amount of \$554,200 to continue replacing its water distribution system. This loan was at 3.0 percent for 20 years and included \$452,100 of principal forgiveness through the American Recovery and Reinvestment Act of 2009.

**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. The loan amount was increased to \$151,000 to allow for the purchase of a SCADA system. Perkins County RWS received its second loan to change the vertical alignment or insulate existing water main along Highways 12 and 73 near the city of Lemmon that will lose minimum cover needed to prevent freezing due to an upcoming DOT project. The \$1,722,000 loan at 2.25 percent for 30 years includes \$1,033,000 of principal forgiveness and also funded the installation of a SCADA system at the Highway 20 Booster station.

**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 City was awarded its third loan to expand its service area to provide water to users located east of the city limits. These homes are currently served by systems that provide substandard to poor quality water that is often in violation of drinking water standards. The loan was for \$4,626,000 at 3 percent for 20 years with \$3,000,000 of principal forgiveness.

**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. The second loan awarded to the Rapid Valley Sanitary District was for the removal and replacement of a 166,000-gallon water storage tank in poor condition with a 256,000 gallon tank. The loan amount was \$500,000 at 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 involves construction of approximately 4,900 feet of pipe, services lines, and appurtenances and will replace brittle asbestos cement or cast iron pipes that are fifty to eighty years old.

Redfield received a second loan, in the amount of \$342,755 at 2.5 percent for 30 years, to fund water line replacement on South Main Street and Sixth Avenue.

**ROSLYN** - The city of Roslyn received a \$500,000 loan with 100 percent principal forgiveness through 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 is in the amount of \$12,749,000 at 2.5 percent for 10 years. This loan financed improvements to the water treatment plant, improvements to the West Pump Station, replacement of water mains, and upgrade of elevated finish tanks and collector wells. In 2008, Sioux Falls received three additional Drinking Water SRF loans, each at 2.5 percent for 10 years. The city's sixth loan, for \$17,848,000, 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 is 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.

**SIoux RURAL WATER SYSTEM** — A \$2,515,000 loan at 3.0 percent for 20 years was awarded to the Sioux Rural Water System to construct 31 miles of water distribution line, connect the city of Kranzburg as individual users, replace the existing SCADA system, and develop two additional wells at the Castlewood well field.

**SOUTH LINCOLN RURAL WATER SYSTEM** — A \$2,000,000 loan at 3.5 percent for 20 years funded South Lincoln Rural Water System'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 is 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.

**TC&G WATER ASSOCIATION** – The TC&G Water association received its first loan for the replacement water meters, installation of a new booster station, and replacement of approximately 18 miles of old and undersized pipe throughout the system. The loan amount was \$210,000 at 2.25 percent for 30 years.

**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 will be used for the replacement of cast iron water main with PVC pipe, rehabilitation of the pump station, and to conduct 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 as 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 involves approximately 8,100 feet of pipe, service connections, valves, fire hydrants and appurtenances to replace 70-year old cast iron water mains.

**TRIPP COUNTY 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. The district's third loan, in the amount of \$850,000 at 3 percent for 20 years, funded the construction of an elevated water storage tank near Fairfax. This loan was de-obligated in full at the request of the district. Tripp County was awarded its fourth loan to upgrade a large portion of its distribution system by installing more than 195 miles of mains, increasing pump sizes or constructing new booster stations, providing new water services, and constructing two new water towers. The loan was for \$11,750,000 at 2.25 percent for 30 years.

**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. The city's third loan financed the construction of a new 200,000-gallon water tower and replacement of sections of water main located throughout the city. The \$1,570,000 loan was made at 2.25 percent for 30 years and included \$200,000 of principal forgiveness.

**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's 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. Viborg's third loan in the amount of \$606,000 at zero percent interest for 30 years was for the replacement of approximately 2,900 feet of water main and five fire hydrants,

**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 line on South Park Street. The \$275,000 loan was at 0 percent for 30 years and included \$55,000 of principal forgiveness through the American Recovery and Reinvestment Act of 2009. The loan was rescinded at the city's request.

**WAKONDA** – Wakonda received its first loan to replace a meter pit, rehabilitate the water tower, and replace cast iron lines that account for more than 40 percent of the water distribution system. The loan is for \$1,378,000 at 3 percent for 30 years and includes \$948,000 of principal forgiveness.

**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.

**WESSINGTON SPRINGS** – The city of Wessington Springs received its first loan - \$209,000 at 2.25 percent for 30 years – to replace three blocks of water main on Main Street.

**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, \$362,000 at 2.25 percent for 30 years to replace aging water lines on Main Street. The loan included \$85,000 of principal forgiveness.

**WINNER** - Winner's first Drinking Water SRF loan, \$450,000 at 2.25 percent for 30 years, funded construction of a new chlorine building including 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** – A \$780,000 loan at 3 percent for 20 years with \$480,000 of principal forgiveness was awarded to the Woodland Hills Sanitary District for phase 1 improvements to its water system. Improvements included a new 10,000-gallon ground level water storage tank, water meter pits for the entire system, upgrades to the well, well house, and pump station building, installation of 1,800 feet water main, and replacement of water service line within the right-of-way. Due to higher than expected bids, several items were removed from the original project scope. The sanitary district requested and received an additional \$481,000 to complete the project as intended, with

the exception of the ground storage tank. The loan was at 3.00 for 20 years and included \$384,800 of principal forgiveness.

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

**WORTHING** — Worthing received its first loan in the amount of \$288,000 at 3.5 percent for 20 years for improvements to the city's water distribution system. The city's second loan in the amount of \$301,227 will finance 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 3.0 percent, a 20-year term and included 10 percent principal forgiveness through the American Recovery and Reinvestment Act of 2009. Yankton was awarded its fifth loan to upgrade the existing water treatment plant No. 2 and construct a new collector well. The loan was for \$12,850,000 at 3 percent for 30 years with \$1,000,000 of principal forgiveness.

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## **BOND ISSUE SUMMARIES**

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## **South Dakota Conservancy District**

### **\$59,815,000 State Revolving Fund Program Bonds Series 2014A and 2014B**

#### **Bond Issue**

- Series A - Taxable revenue bonds
  - Par Amount - \$9,060,000
  - Provided \$4 million of Clean Water SRF state match funds
  - Provided \$5 million of Drinking Water SRF state match funds
  - True Interest Cost 1.69%
- Series B - Tax-exempt revenue bonds
  - Par Amount \$50,755,000
  - Net Premium \$9,601,865
  - Provided \$53 million in leveraged proceeds for Clean Water SRF program
  - Provided \$7 million in leveraged proceeds for Drinking Water SRF program
  - True Interest Cost 3.02%
- Aaa rating by Moody's Investors Services, Inc.
- AAA rating by Standard & Poor's
- Bonds priced and sold on October 8, 2014
- Bond closing on October 21, 2014

#### **Financial Team**

- Perkins Coie, LLP - Bond Counsel
- The First National Bank in Sioux Falls - Trustee
- Public Financial Management, Inc. - Financial Advisor
- J.P. Morgan – Lead Underwriter
- Wells Fargo Securities – Co-manager
- Faegre & Benson, LLP - Counsel to Underwriters



## **South Dakota Conservancy District**

**\$123,305,000**  
**State Revolving Fund Program Bonds**  
**Series 2012A and 2012B**

### **Bond Issue**

- Series A - Taxable revenue bonds
  - Par Amount - \$69,775,000
  - Provided \$69.6 million to refund Series 2004 and 2005 bonds
  - True Interest Cost 2.416%
- Series B - Tax-exempt revenue bonds
  - Par Amount \$53,530,000
  - Net Premium \$9,284.439
  - Provided \$3.3 million to refund Series 2001 bonds
  - True Interest Cost 2.822%
- Refundings realized a Net Present Value Savings of \$6,114,018
- Aaa rating by Moody's Investors Services, Inc.
- AAA rating by Standard & Poor's
- Bonds priced and sold on May 9, 2012
- Bond closing on May 23, 2012

### **Financial Team**

- Perkins Coie, LLP - Bond Counsel
- The First National Bank in Sioux Falls - Trustee
- Public Financial Management, Inc. - Financial Advisor
- Wells Fargo Securities – Lead Underwriter
- J.P. Morgan. - Co-manager
- Piper Jaffray & Company – Co-manager
- Faegre & Benson, LLP - Counsel to Underwriters

## **South Dakota Conservancy District**

### **\$92,380,000 State Revolving Fund Program Bonds Series 2010A and 2010B**

#### **Bond Issue**

- Series A - Taxable revenue bonds (Build America Bonds)
  - Par Amount of Serial Bonds - \$26,645,000
  - Par Amount of Term Bonds - \$12,050,000
  - True Interest Cost 3.394%
- Series B - Tax-exempt, revenue bonds
  - Par Amount \$53,685,000
  - Net Premium \$4,147,963
  - True Interest Cost 3.588%
- Provide \$54,330,000 to refund Series 2010 Bond Anticipation Notes
- Provide \$42,260,000 to refund Series 1998A and 2008 bond issues
- Aaa rating by Moody's Investors Services, Inc.
- AAA rating by Standard & Poor's
- Bonds priced and sold on December 14, 2010
- Bond closing on December 28, 2010

#### **Financial Team**

- Perkins Coie, LLP - Bond Counsel
- The First National Bank in Sioux Falls - Trustee
- Public Financial Management, Inc. - Financial Advisor
- J.P. Morgan. - Lead Underwriter
- Piper Jaffray & Company – Co-senior Underwriter
- Wells Fargo Securities – Co-manager
- Faegre & Benson, LLP - Counsel to Underwriters

## **South Dakota Conservancy District**

### **\$54,330,000 State Revolving Fund Program Bond Anticipation Notes Series 2010**

#### **Bond Anticipation Note Issue**

- Tax-exempt, Bond Anticipation Notes
- Competitive Sale
- Par Amount \$54,330,000
- Proceeds used to pay the redemption price of the District's \$55,000,000 Series 2009 Bond Anticipation Notes
- MIG-1 rating by Moody's Investors Services, Inc.
- SP-1+ rating by Standard & Poor's
- Notes priced and sold on August 30, 2010
- Notes closing on September 8, 2010
- True Interest Cost - 0.35%
- Average Coupon Rate – 1.75%
- Maturity Date - September 30, 2011

#### **Financial Team**

- Perkins Coie, LLP - Bond Counsel
- The First National Bank in Sioux Falls - Trustee
- Public Financial Management, Inc. - Financial Advisor

#### **Winning Bidder**

- J.P. Morgan Securities LLC

## **South Dakota Conservancy District**

### **\$55,000,000 State Revolving Fund Program Bond Anticipation Notes Series 2009**

#### **Bond Anticipation Note Issue**

- Tax-exempt, Bond Anticipation Notes
- Competitive Sale
- Par Amount \$55,000,000
- Provide \$37.5 million in leveraged proceeds for Clean Water SRF program
- Provide \$18.2 million in leveraged proceeds for Drinking Water SRF program
- MIG-1 rating by Moody's Investors Services, Inc.
- SP-1+ rating by Standard & Poor's
- Notes priced and sold on August 12, 2009
- Notes closing on August 25, 2009
- True Interest Cost - 0.584%
- Average Coupon Rate - 2.00%
- Maturity Date - September 10, 2010

#### **Financial Team**

- Perkins Coie, LLP - Bond Counsel
- The First National Bank in Sioux Falls - Trustee
- Public Financial Management, Inc. - Financial Advisor

#### **Winning Bidder**

- Piper Jaffray & Company

## South Dakota Conservancy District

### \$40,000,000 State Revolving Fund Program Bonds Series 2008

#### Bond Issue

- Tax-exempt, multi-modal variable rate, revenue issue
- Par Amount \$40,000,000
- Provide \$1.96 million to match federal Clean Water SRF capitalization grants for FFY 2008 - 2010
- Provide \$4.89 million to match federal Drinking Water SRF capitalization grants for FFY 2008 - 2010
- Provide \$19.8 million in leveraged proceeds for Clean Water SRF program
- Provide \$13.0 million in leveraged proceeds for Drinking Water SRF program
- Aaa/VMIG 1 rating by Moody's Investors Services, Inc.
- AAA/A-1+ rating by Standard & Poor's
- Bonds priced and sold on March 4, 2008
- Bond closing on March 6, 2008
- Semi-annual rate mode required until August 1, 2008
- Initial interest rate - 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%

#### Financial Team

- Perkins Coie, LLP - Bond Counsel
- The First National Bank in Sioux Falls - Trustee
- Public Financial Management, Inc. - Financial Advisor
- Wachovia Bank, National Association - Senior Managing Underwriter & Remarketing Agent
- Faegre & Benson, LLP - Counsel to Underwriter
- U.S. Bank National Association - Liquidity Provider

- Briggs and Morgan, P.A. - Liquidity Provider's Counsel

## **South Dakota Conservancy District**

\$50,000,000

State Revolving Fund Program Bonds  
Series 2005

### **Bond Issue**

- Tax-exempt, revenue issue
- Par Amount \$50,000,000
- Net Premium \$1,565,648.15
- Provide \$1.56 million to match federal Clean Water SRF capitalization grants for FFY 2006 - 2007
- Provide \$1.67 million to match federal Drinking Water SRF capitalization grants for FFY 2007
- Provide \$41.0 million in leveraged proceeds for Clean Water SRF program
- Provide \$7.0 million in leveraged proceeds for Drinking Water SRF program
- Aaa rating by Moody's Investors Services, Inc.
- AAA rating by Standard & Poor's
- Bonds priced on October 5, 2005
- Bonds sold on October 6, 2005
- Bond closing on October 19, 2005
- True Interest Cost - 4.36%
- Average Coupon Rate - 4.68%

### **Financial Team**

- Perkins Coie, LLP - Bond Counsel
- The First National Bank in Sioux Falls - Trustee
- Public Financial Management, Inc. - Financial Advisor
- UBS Financial Services, Inc. - Senior Managing Underwriter
- Faegre & Benson, LLP - Counsel to Underwriter

## **South Dakota Conservancy District**

**\$38,460,000**  
**State Revolving Fund Program Bonds**  
**Series 2004**

### **Bond Issue**

- Tax-exempt, revenue issue
- Par Amount \$38,460,000
- Net Premium \$903,538.80
- Provide \$5.0 million to match federal Drinking Water SRF capitalization grants for FFYs 2004 - 2006
- Provide \$22.5 million in leveraged proceeds for Drinking Water SRF program
- Provide \$11.5 million to refund prior year Clean Water SRF bonds
- Refunding resulted in Net Present Value savings of \$986,412.65
- Aaa rating by Moody's Investors Services, Inc.
- AAA rating by Standard & Poor's
- Bonds priced on June 28-29, 2004
- Bonds sold on June 30, 2004
- Bond closing on July 13, 2004
- True Interest Cost - 4.48%
- Average Coupon Rate - 4.76%

### **Financial Team**

- Perkins Coie, LLP - Bond Counsel
- The First National Bank in Sioux Falls - Trustee
- Public Financial Management, Inc. - Financial Advisor
- UBS Financial Services, Inc. - Senior Managing Underwriter
- Dougherty & Company, LLC. - Co-Manager
- Northland Securities, Inc. - Co-Manager
- Faegre & Benson, LLP - Counsel to Underwriter

## **South Dakota Conservancy District**

\$5,270,000

### **Drinking Water State Revolving Fund Program Bonds Series 2001**

#### **Bond Issue**

- Tax-exempt, revenue issue
- Par Amount \$5,270,000
- Provide match for federal Drinking Water SRF capitalization grants for FFYs 2001 - 2003
- Aaa rating by Moody's Investors Services, Inc.
- Insured by Ambac Assurance Corporation
- Underlying Rating Aa1
- Bond closing on October 3, 2001
- Average Coupon Rate - 4.87%

#### **Financial Team**

- Altheimer & Gray - Bond Counsel
- The First National Bank in Sioux Falls - Trustee
- Dougherty & Company, LLC.- Senior Managing Underwriter
- Faegre & Benson, LLP - Counsel to Underwriter

## **South Dakota Conservancy District**

\$4,405,000  
Clean Water State Revolving Fund Program Bonds  
Series 2001

### **Bond Issue**

- Tax-exempt, revenue issue
- Par Amount \$4,405,000
- Provide match for federal Clean Water SRF capitalization grants for FFYs 2001 - 2003
- Aaa rating by Moody's Investors Services, Inc.
- Insured by Ambac Assurance Corporation
- Underlying Rating Aa1
- Bond closing on October 3, 2001
- Average Coupon Rate - 4.85%

### **Financial Team**

- Altheimer & Gray - Bond Counsel
- The First National Bank in Sioux Falls - Trustee
- Dougherty & Company, LLC.- Senior Managing Underwriter
- Faegre & Benson, LLP - Counsel to Underwriter

## **South Dakota Conservancy District**

\$6,450,000

Drinking Water State Revolving Fund Program Bonds  
Series 1998A

### **Bond Issue**

- Tax-exempt, revenue issue
- Par Amount \$6,450,000
- Provide match for federal Drinking Water SRF capitalization grants for FFYs 1998 - 2000
- Aaa rating by Moody's Investors Services, Inc.
- Insured by Ambac Assurance Corporation
- Underlying Rating Aa3
- Bond closing on June 30, 1998
- Average Coupon Rate - 4.85%

### **Financial Team**

- Altheimer & Gray - Bond Counsel
- The First National Bank in Sioux Falls - Trustee
- Piper Jaffray, Inc - Senior Managing Underwriter
- Faegre & Benson, LLP - Counsel to Underwriter

## **South Dakota Conservancy District**

\$2,770,000  
Clean Water State Revolving Fund Program Bonds  
Series 1996A

### **Bond Issue**

- Tax-exempt, revenue issue
- Par Amount \$2,770,000
- Provide match for federal Clean Water SRF capitalization grants for FFYs 1996 - 1998
- A1 rating by Moody's Investors Services, Inc.
- Bond closing on December 17, 1996
- True Interest Cost 5.86%
- Average Coupon Rate 5.51%

### **Financial Team**

- Altheimer & Gray - Bond Counsel
- The First National Bank in Sioux Falls - Trustee
- Piper Jaffray, Inc - Senior Managing Underwriter
- Faegre & Benson, LLP - Counsel to Underwriter

## **South Dakota Conservancy District**

\$7,970,000

Clean Water State Revolving Fund Program Bonds  
Series 1995A

### **Bond Issue**

- Tax-exempt, revenue issue
- Par Amount \$7,970,000
- Provide \$2.5 million to match federal Clean Water SRF capitalization grants for FFY 1995 and 1996
- Provide \$4.5 million in leveraged proceeds for Clean Water SRF program
- A1 rating by Moody's Investors Services, Inc.
- Bond closing on April 4, 1995
- Average Coupon Rate 5.94%

### **Financial Team**

- Altheimer & Gray - Bond Counsel
- The First National Bank in Sioux Falls - Trustee
- Piper Jaffray, Inc - Senior Managing Underwriter
- Faegre & Benson, LLP - Counsel to Underwriter

## **South Dakota Conservancy District**

\$10,220,000  
State Revolving Fund Program Bonds  
Series 1994A

### **Bond Issue**

- Tax-exempt, revenue issue
- Par Amount \$10,220,000
- Provide \$631,195 to match federal Clean Water SRF capitalization grants
- Provide \$9.3 million to refund Series 1989 and 1992 Bonds
- Refunding resulted in Net Present Value savings of \$
- A rating by Moody's Investors Services, Inc.
- Bond closing on February 17, 1994
- Average Coupon Rate 5.01%

### **Financial Team**

- Altheimer & Gray - Bond Counsel
- The First National Bank in Sioux Falls - Trustee
- Piper Jaffray, Inc - Senior Managing Underwriter
- Faegre & Benson, LLP - Counsel to Underwriter

## **South Dakota Conservancy District**

**\$4,180,000**  
**State Revolving Fund Program Bonds**  
**Series 1992**

### **Bond Issue**

- Tax-exempt, revenue issue
- Par Amount \$4,180,000
- Provide match for federal Clean Water SRF capitalization grants for FFYs 1992 - 1994
- BBB rating by Standard & Poor's
- Bond closing on September 24, 1992
- Average Coupon Rate 6.83%

### **Financial Team**

- Kutak Rock, LLP - Bond Counsel
- The First National Bank in Sioux Falls - Trustee
- Lehman Brothers. - Senior Managing Underwriter

## **South Dakota Conservancy District**

**\$5,785,000**  
**State Revolving Fund Program Bonds**  
**Series 1989**

### **Bond Issue**

- Tax-exempt, revenue issue
- Par Amount \$5,785,000
- Provide match for federal Clean Water SRF capitalization grants for FFYs 1989 - 1991
- AAA rating by Standard & Poor's
- Insured by Capital Guaranty Insurance Company
- Bond closing on August 10, 1989
- Average Coupon Rate 7.12%

### **Financial Team**

- Kutak Rock & Campbell, LLP - Bond Counsel
- The First National Bank in Sioux Falls - Trustee
- Shearson Lehman Hutton Inc. - Senior Managing Underwriter

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## **STATUTES**

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# **State Revolving Fund Administration**

## **SOUTH DAKOTA CONSERVANCY DISTRICT BOARD OF WATER AND NATURAL RESOURCES**

**1-40-5. Water and Natural Resources Board created -- Functions -- Appointment and terms of members.** The Board of Natural Resource Development is abolished. There is created a Board of Water and Natural Resources. The board shall perform all functions exercised by the former Board of Natural Resource Development. The Board of Water and Natural Resources shall consist of seven members not all of the same political party and appointed by the Governor for four-year terms. The terms of members of the Board of Water and Natural Resources who are first appointed after the effective date of this order shall be: one appointed for a term of one year; two appointed for a term of two years; two for a term of three years; and two for a term of four years, and such initial terms shall be designated by the Governor. Any member appointed to fill a vacancy arising from other than the natural expiration of a term shall serve for only the unexpired portion of the term.

**1-40-9. Performance of administrative functions of conservancy district board.** Except as provided in § 1-40-10, the Department of Environment and Natural Resources shall, under the direction and control of the secretary of environment and natural resources, perform all the functions of the former board of directors of the South Dakota conservancy district, created by chapter 46A-2.

**1-40-10. Performance of nonadministrative functions of conservancy district board.** The Board of Water and Natural Resources created by this chapter shall perform all quasi-legislative, quasi-judicial, advisory, and special budgetary functions (as defined in § 1-32-1) of the former board of directors of the South Dakota conservancy district, created by chapter 46A-2.

**46A-2-1. Creation of South Dakota conservancy district -- Boundaries -- Powers.** There is hereby created within the State of South Dakota, a conservancy district, to be known as the "South Dakota conservancy district." The boundaries of the district shall coincide in all particulars with the boundaries of the state of South Dakota. Such district is a governmental agency, body politic and corporate with authority to exercise the powers specified in this chapter.

**46A-2-5. Board of directors abolished -- Performance of functions.** The board of directors of the South Dakota conservancy district is abolished, and all its functions shall be administered by the department and board of water and natural resources, as provided by §§ 1-40-9 and 1-40-10.

**46A-2-11. Board of Water and Natural Resources -- Authority to sue and be sued.** The Board of Water and Natural Resources shall have the power to sue and be sued in the name of the district.

## State Revolving Fund Administration

### SRF SUBFUNDS SRF LOAN PROGRAMS

**46A-1-31. Discretionary bond issuance to finance water resources projects or developments-- Maximum amount--Issuance of bonds for purchase or financing of loans by FmHA--Issuance of bonds for revolving fund programs under federal Clean Water Act or federal Safe Drinking Water Act.** In addition to the aggregate indebtedness authorized by the Legislature and Board of Water and Natural Resources pursuant to §§ 46A-1-29 and 46A-1-30, the district may issue bonds in an amount not to exceed in aggregate eight million dollars at any time for the purpose of financing projects as defined in subdivision 46A-2-4(5) which are components of the statewide water plan subject to the provisions of §§ 46A-1-49 to 46A-1-52, inclusive. In addition to the aggregate indebtedness authorized by the Legislature and Board of Water and Natural Resources pursuant to §§ 46A-1-29 and 46A-1-30, the district may issue bonds in any amount at any time for the purpose of purchasing or otherwise financing or providing for the purchase or payment of loans made by the United States Farmers' Home Administration to any person or public entity, whether or not the person or public entity or the project financed with the loan are located in South Dakota or formed under or recognized by South Dakota law, as community facilities loans or water and waste disposal loans, which purchasing, financing, or payment activities are hereby determined to be components of the state water plan and are authorized without regard to § 46A-2-20. The district may enter into financing agreements with the persons or public entities to secure and provide for the payment of the bonds, without regard to § 46A-2-20 or §§ 46A-1-63.1 to 46A-1-69, inclusive. The district may make payments or deposits for the purchase or payment of the loans from funds obtained from the persons or public entities, whether or not bonds have been issued. The purchase or payment of loans for persons or public entities or projects located outside of the State of South Dakota is hereby authorized and declared to be a public purpose whenever, at the discretion and in the determination of the district, the purchase or payment is expected to result in economies of scale, fees, interest savings, financing, or other benefits to the district, South Dakota persons or public entities or the State of South Dakota. The district, in the proceedings for the issuance of the bonds, shall establish the manner in which the trustee shall manage and disperse any savings for the benefit of the persons and public entities whose community facilities loans and water and waste disposal loans have been purchased or prepaid by the district. In addition to the aggregate indebtedness authorized by the Legislature and the Board of Water and Natural Resources pursuant to §§ 46A-1-29 and 46A-1-30, the district may also issue bonds in any amount at any time for the purpose of funding all or part of the revolving funds required for either the state water pollution control revolving fund program or the state drinking water revolving fund program or both under either the federal Clean Water Act or federal Safe Drinking Water Act or both. The bonds issued for these revolving fund programs shall be used to purchase or otherwise finance or provide for the purchase or payment of bonds or other obligations, including the refinancing of obligations previously issued or for projects previously completed, which purchasing, financing, or payment activities are hereby determined to be components of the state water facilities plan and are authorized without regard to § 46A-2-20. The district may enter into financing agreements with such persons or public entities to secure and provide for the payment of such bonds, without regard to § 46A-2-20 or §§ 46A-1-63.1 to 46A-1-69, inclusive. The district may pledge or assign to or hold in trust for the benefit of the holder or holders of the bonds those moneys appropriated by the Legislature for the purpose of funding state contributions to the state water pollution control revolving fund program and the state drinking water revolving fund program, which moneys may be held and invested pursuant to a trust agreement for the payment of the principal of, premium, if any, and interest on, the bonds.

**46A-1-32. Terms of bonds.** The bonds may be issued and sold in one or more series, may be in such amounts and at such prices, may bear such date or dates, may be in such denomination or denominations, may mature at such time or times not exceeding fifty years from the respective dates thereof, may mature in such amount or amounts, may bear interest at such times and at such fixed or variable rate or rates as shall be determined by the district and without regard to any interest rate limitation appearing in any other law, may be in such form, either coupon or registered as to principal only or as to both principal and interest, may carry such registration privileges (including the conversion of a fully registered bond to a coupon bond or bonds and the conversion of a coupon bond to a fully registered bond), may be executed in such manner, may be made payable in such medium of payment, at such place or places within or without the state, may be callable or subject to purchase and retirement or tender and remarketing as determined by the district in any indenture, resolution, or other instrument. The district may take any action it deems appropriate for the purpose of implementing this section, including establishing parameters referencing current market conditions or published indices in connection with establishing interest rates, imposing maximum interest rate limitations, or establishing other parameters it deems appropriate, and may delegate the administration of specific functions within the established parameters. The district may enter into arrangements to provide additional security and liquidity for bonds, and to limit, reduce, or manage interest rate exposure with respect to bonds issued or to be issued

**§ 46A-1-60.1. Water pollution control revolving fund program and state drinking water revolving fund program established - Program subfunds created - Deposits into subfunds and use thereof.** The state water pollution control revolving fund program and the state drinking water revolving fund program are hereby established. Program subfunds shall be created within the water and environment fund established pursuant to § 46A-1-60. The required subfunds shall be maintained separately, and all federal, state, and other funds for use in the program shall be deposited into the respective subfund, including all federal grants for capitalization of either a state water pollution control revolving fund or a state drinking water revolving fund or both, all repayments of assistance awarded from the subfund, interest on investments made on money in the subfund, proceeds of discretionary bond issues allowed by § 46A-1-31, and principal and interest on loans made from the fund. Money in the subfund may be used only for purposes authorized under federal law. The subfund may be pledged or assigned by the district to or in trust for the holder or holders of the bonds of the district and may be transferred to and held by a trustee or trustees pursuant to § 46A-1-39.

The board shall promulgate rules pursuant to chapter 1-26, to implement the provisions of this section consistent with the requirements of federal law in order for an approved state water pollution control revolving fund or a state drinking water revolving fund to become eligible for grant funds from the United States Environmental Protection Agency.

**§ 46A-1-60.2. Disbursements from and administration of water pollution control revolving fund program and state drinking water revolving fund program - Sections 46A-1-61 to 46A-1-69 inapplicable.** Funds from the state water pollution control revolving fund program and the state drinking water revolving fund program shall be disbursed and administered according to rules promulgated by the Board of Water and Natural Resources pursuant to chapter 1-26, § 46A-1-65 and the provisions of §§ 46A-1-60 to 46A-1-60.3, inclusive. Sections 46A-1-61 to 46A-1-69, inclusive, do not apply to the subfund of the water and environment fund or loans therefrom pursuant to the state water pollution control revolving fund program and the drinking water revolving fund program described in §§ 46A-1-60 to 46A-1-60.3, inclusive.

The board shall promulgate rules pursuant to chapter 1-26, to implement the provisions of this section consistent with the requirements of federal law in order for an approved state water pollution control revolving fund or a state drinking water revolving fund to become eligible for grant funds from the United States Environmental Protection Agency.

**§ 46A-1-60.3. Rules for selection of projects to receive funds from water pollution control revolving fund program and state drinking water revolving fund program and administration of same.** The Board of Water and Natural Resources may, by rules promulgated pursuant to chapter 1-26, establish criteria and procedures for the selection of projects to receive funds from the state water pollution control revolving fund program and the state drinking water revolving fund program and for the administration of the programs.

45 copies of this document were printed by  
the Department of Environment and Natural Resources  
at a cost of \$\_\_\_\_ per copy

**TITLE:** Trustee, Loan Servicer, and Paying Agent/Registrar Services for the South Dakota Conservancy District's State Revolving Fund Loan Programs

**EXPLANATION:** On September 2, 2016 The First National Bank in Sioux Falls submitted written notice of its resignation as the State Revolving Funds programs Trustee and loan servicing agent. Section 8.15 of the Fifth Amended and Restated Mater Trust Indenture addresses the resignation of the Trustee. The First National Bank in Sioux Falls will continue to act as Trustee and loan servicing agent until such time as these duties are turned over to a successor.

A "To Serve As Trustee, Loan Servicer, and Paying Agent/Registrar" has been prepared by staff and reviewed by the SRF programs' legal and bond counsel and financial advisor. Proposals will be requested for services for the three year period from December 1, 2016, through December 31, 2019. The RFP also provides for the Board to renew the contract awarded to the successful respondent for an additional three-year period if the Board considers any contract adjustment to be reasonable and justified.

The following is a tentative list of activities and estimated timelines relevant to the RFP process:

- BWNR authorize distribution of RFP: First week in October 2016
- RFP advertisement –September 26, 2016.
- RFP submittal – October 25, 2016.
- Selection of Trustee, Loan Servicer, and Paying Agent/Registrar – November 15, 2016.
- Contract execution – December 1, 2016.

**RECOMMENDED ACTION:** Authorize release of Trustee, Loan Servicer, and Paying Agent/Registrar Services Request For Proposal

**CONTACT:** Jim Feeney, 773-4216

**SOUTH DAKOTA  
CONSERVANCY DISTRICT**

**REQUEST FOR PROPOSALS (RFPs)**

Drinking Water and Clean Water State Revolving Fund (SRF)  
Trustee, Loan Servicer, and Paying Agent/Registrar Services

**Introduction**

The Board of Water and Natural Resources (“Board”), acting as the South Dakota Conservancy District (“District”), seeks proposals from qualified banks to provide Trustee, Loan Servicer, and Paying Agent/Registrar services. Proposals are requested for services for a three year period from December 1, 2016, through December 31, 2019. The Board reserves the right to renew the contract to be awarded to the successful respondent for an additional three-year period if the Board considers any contract adjustment to be reasonable and justified.

**Background**

The South Dakota Conservancy District is a governmental agency, body politic and corporate within the State of South Dakota. Under state law, the District administers the South Dakota Drinking Water State Revolving Fund and Clean Water State Revolving Fund (“SRF”) programs.

The SRF programs each receive capitalization grants from the federal Environmental Protection Agency (EPA). The state must provide match dollars for these capitalization grants. The District does that by issuing taxable and tax-exempt revenue bonds. Under South Dakota Codified Law (SDCL 46A-1-31), the District has the authority to issue bonds for the purpose of funding all or part of the revolving funds required as state match for either or both of the programs. The District may also issue leveraged bonds above what is required for the state match to meet program demand. Exhibit A recaps bonds and notes issued by the District and provides the outstanding principal balances as of June 30, 2016.

The First National Bank in Sioux Falls has served as the District’s Trustee, Loan Servicer, and Paying Agent/Registrar since 1989. On September 2, 2016, the First National Bank provided the District with written notice of its intent to terminate its consultant contract as the District’s Trustee, Loan Servicer, and Paying Agent/Registrar and resign as Trustee for the SRF programs. The intent of this RFP is to select a qualified bank to serve the District as Trustee, Loan Servicer, and Paying Agent/Registrar for the issuance of bonds and bond anticipation notes and to fulfill the requirements of the SRF programs and the Master Trust Indenture, as well as the Series Resolutions, the Tax Exemption Agreements and Certificates, the Investment Agreements, and other pertinent documents for each earlier series of Bonds issued thereunder.

The Master Trust Indenture, the Series Resolutions, the annual reports and other pertinent documents for each series of Bonds issued previously may be viewed at <http://denr.sd.gov/srfrfp.aspx>. Selection will be made based upon the selection criteria listed

below. This RFP is for work to be completed during the period from December 1, 2016, through December 31, 2019.

### **Request for Proposals**

The following is a list of activities and estimated timelines relevant to the RFP process:

- RFP advertisement – September 26, 2016.
- RFP submittal – October 25, 2016.
- Selection of Trustee, Loan Servicer, and Paying Agent/Registrar – November 15, 2016.
- Contract execution – December 1, 2016

### **SCOPE OF WORK**

The Trustee, Loan Servicer, and Paying Agent/Registrar will be required to perform services with regard to the SRF programs of the type outlined in Exhibit B. The Board may request services in addition to those listed. The Trustee, Loan Servicer, and Paying Agent/Registrar will work closely with the District's Bond Counsel, Financial Advisor, Investment Advisor, and Rebate Consultant as well as the Board and staff and will be expected to respond to specific requests made by the Board and staff.

### **Contents of the Request for Proposals**

The proposal shall be prepared and submitted in such form and by such date as specified below. Each page shall be numbered. The proposal should be prepared and provide a concise description of the respondent's ability to meet the requirements of this RFP. Information the respondent considers to be proprietary information should be identified as such. However, the District reserves the right to determine if the information is public.

Proposals that in the judgment of the Board fail to meet the requirements of this RFP, or which are in any way incomplete, conditional, or which contain additions or deletions not called for, alterations or other irregularities, or in which errors occur, may be rejected at the Board's discretion. The Board reserves the right to waive any requirements of or informalities in any proposal or to reject any or all proposals if it determines that it is in the Board's best interest to do so.

Respondents should submit a complete response to all the required elements of the RFP as described below.

1. *Transmittal Letter* – Each respondent shall prepare a transmittal letter summarizing the principal points in the respondent's proposal. The letter must be signed by the representative who would serve as the primary contact for this project and include that person's address, telephone number, fax number and email address.
2. *Experience* – Describe the respondent's experience and capabilities as well as any proposed subcontractor's experience and capabilities. Please discuss staff turnover

within the trustee department during the past five years. Emphasis should be placed on knowledge of the District's SRF programs and the federal and state SRF program requirements and experience servicing SRF loans.

3. *Project Team* - Identify the members of your firm as well as any proposed subcontractors that will participate in the completion of these services. The use of a subcontractor(s) to increase the effectiveness of the respondent's proposal is allowable. A joint venture is not allowed.
4. *Compensation* – Provide a detailed description of the proposed compensation for December 2016 and calendar years 2017 through 2019. It is expected compensation for calendar years 2020 through 2023 will be negotiated later at the appropriate time should the contract be renewed.
5. *Description of Capabilities* – Provide a description of the current capacity and capabilities to provide the requested services. Provide a summary of the format of how information can and would be provided to the Board, staff and its ancillary providers.

#### **Criteria for Contractor Selection**

Proposals will be evaluated according to the following criteria and points:

- Experience, demonstrated knowledge, and performance history acting as a Trustee, Loan Servicer, Paying Agent/Registrar. (30 points),
- Familiarity with State Revolving Fund Programs and their program requirements (30 points),
- Overall depth and perceived ability of the respondent to meet or exceed the project's objectives (30 points),
- Personnel resources committed to the project and staff stability (30 points), and
- Compensation (20 points).

This is not a competitive bidding proposal. Department of Environment and Natural Resources ("DENR") personnel will review and rank the submitted proposals and then make a recommendation to the Board. At the discretion of the Board, respondents may be invited to make oral presentations to the Board.

#### **Terms and Conditions**

- DENR will make a recommendation to the Board on which respondent to hire. The Board will make the final determination regarding the selection of the respondent.
- The Board reserves the right to reject any and all proposals.
- The Board may negotiate the compensation and hire the successful respondent subject to the terms and conditions specified by the Board.
- If the Board is not able to successfully negotiate a contract with the highest ranked respondent, negotiations shall cease. The Board shall then begin negotiations with the second highest ranked respondent. This process may continue until negotiations are successful.

- The successful respondent may not subcontract with any firm not previously identified in its proposal without the prior, written consent of the Board.
- All respondents will be notified in writing of the selection.

**State Not Liable for Expenses of Proposals**

Neither the Board nor DENR shall be liable for any expenses incurred by any respondent in preparing or presenting the proposal.

**Proposal Due Date and Contact for Information**

Six (6) hard copies of the respondent's proposal should be submitted to Mike Perkovich, Natural Resources Administrator, Water and Waste Funding Program, Division of Financial and Technical Assistance, South Dakota Department of Environment and Natural Resources, 523 East Capitol Avenue, Pierre, South Dakota, 57501 by 5:00 P.M., Central Time, on or before October 25, 2012. Additionally, please provide an electronic copy of your proposal to Mike Perkovich at [Mike.Perkovich@state.sd.us](mailto:Mike.Perkovich@state.sd.us) on or before the submittal deadline. Questions regarding this RFP may be directed to Mike Perkovich via email or by phone at 605.773.4216.

Exhibit A

**SOUTH DAKOTA CONSERVANCY DISTRICT  
STATE REVOLVING FUND PROGRAMS  
BONDS and BOND ANTICIPATION NOTE ISSUES**

<b>Issue</b>	<b>Par Amount</b>	<b>Purpose</b>
1989	\$ 5,785,000	CWSRF State Match
1992	4,180,000	CWSRF State Match
1994A	10,220,000	Refunding and CWSRF State Match
1995A	7,970,000	CWSRF State Match and Leveraged
1996A	2,770,000	CWSRF State Match
1998A	6,450,000	DWSRF State Match
2001	5,270,000	DWSRF State Match
2001	4,405,000	CWSRF State Match
2004	38,460,000	Refunding, DWSRF State Match and Leveraged
2005	50,000,000	State Match and Leveraged
2008	40,000,000	State Match and Leveraged
2009	55,000,000	BANs for State Match and Leveraged
2010	54,330,000	BANs to Refinance the 2009 BANs
2010A/B	92,380,000	Refunding of 1998 Bonds, 2008 Bonds, and 2010 BANs
2012A/B	123,305,000	Refunding of 2001, 2004, and 2005 Bonds and CWSRF State Match and Leveraged
2014A	\$9,060,000	CWSRF and DWSRF State Match
2014B	\$50,755,000	CWSRF and DWSRF Leveraged

**SOUTH DAKOTA CONSERVANCY DISTRICT  
STATE REVOLVING FUND PROGRAMS  
OUTSTANDING BONDS PRINCIPAL BALANCES  
As of June 30, 2016**

Series	Clean Water SRF	Drinking Water SRF	Series Totals
1996	\$100,000		\$100,000
2010A	\$26,030,000	\$12,665,000	\$38,695,000
2010B	\$18,730,000	\$15,345,000	\$34,075,000
2012A	\$29,675,000	\$22,925,000	\$52,600,000
2012B	\$44,645,000	\$1,505,000	\$46,150,000
2014A	\$3,380,000	\$4,225,000	\$7,605,000
2014B	\$43,650,000	\$5,770,000	\$49,420,000
Totals	\$166,110,000	\$62,435,000	\$228,545,000

## Exhibit B

### **Scope of Trustee Services**

- The Trustee holds and administers 114 accounts according to the Master Trust Indenture and more accounts may be created as more bonds are issued.
- The Trustee maintains a loan account for each SRF borrower (449 active loans as of September 1, 2016)
- Any moneys held as part of any fund or account are immediately invested and reinvested by the Trustee in accordance with the Master Trust Indenture, Tax Agreements, and any applicable Investment Agreements.
- The Trustee provides monthly statements on all funds and accounts.
- The Trustee consults with the Board, Bond Counsel and the Rebate Consultant, including the calculation agent who works with Bond Counsel which is currently Willdan Financial Services.
- The Trustee is the responsible party for disbursement from various bond proceeds accounts.
- The Trustee is responsible to assist the Rebate Consultant in accounting for and preparing investment reports for the outstanding bond issues (1996, 2010A, 2010B, 2012A, 2012B, 2014A and 2014B) under the SRF programs, including the allocation of funds and accounts and investment proceeds, to each of the bond issues, the outstanding Series of taxable bonds (Series 2012A and 2014A) and any additional bonds to be issued in the future.
- The current Rebate Consultant is the District's Bond Counsel and Bond Counsel subcontracts certain calculation agent services to Willdan Financial Services. Bond Counsel takes the responsibility for the preparation of the actual rebate reports and opinion letter, but the Trustee is responsible for furnishing information in a manner and form that facilitates the calculation. Such reports require the Trustee to generate detailed investment data in a form that is available for use by the Rebate Consultant.
- The bank must be DTC eligible.
- The bank must be eligible to receive EPA wire transfers and be eligible to serve as EPA Letter of Credit depository.
- The bank must be a qualified depository of state funds pursuant to South Dakota law.

### **General Fees For Trustee Services (please provide a quote for each of the following):**

- Administration fee;
- Legal fees related to the issuance of Bonds or Bond Anticipation Notes;
- Legal fees relating, if applicable, to the closing of each underlying loan to a municipality or other public or private entity, and if applicable, annual legal expenses for ordinary services under the Indenture;
- Investment fees (per transaction or percentage of securities held, etc.); and
- Any other fees or expenses (please specify).

### **Scope of Loan Servicer Services**

- The Trustee acts as Loan Servicer and is the responsible party for disbursement to the Borrowers from various accounts and the computation and recomputation of amortization and payments under each loan (current portfolio of 449 active loans as of September 1, 2016).
- The Trustee is responsible for Program Maintenance, including
  - ✓ Disbursement of borrower payments;
  - ✓ Collection of borrower repayments;
  - ✓ Computation of outstanding loan amount; and
  - ✓ Consultations with the Board, Bond Counsel, and Borrowers.
- In providing its Loan Servicing services, the Trustee will be required to
  - ✓ Set up an accounting system that treats the SRF programs as if they are branch banks;
  - ✓ Provide monthly status reports on each loan; and
  - ✓ Set up amortization schedule(s) for each loan

### **General Fees for Loan Servicing Duties:**

- Administration fee per loan, if applicable;
- Annual administration fee; and
- Other fees (consultation or transaction).

### **Registrar/Paying Agent Services**

The Trustee will act as the paying agent/registrar and will authenticate, register, and transfer the District's bonds.

#### **Registrar Services**

- Authenticate, register, and transfer the District's bonds.

#### **Paying Agent Services**

- Pay semiannual interest on the District's bonds;
- Pay annual principal on the District's bonds; and
- Combine federal funds with bond proceeds and other state moneys for disbursement to Borrowers.

### **Other Services**

- Assist with SRF Annual Reports to EPA;
- Attend District's board meetings, drafting sessions, and other meetings as requested;
- Provide escrow services for advance refundings;
- Send redemption notices as appropriate;
- Assist with the annual state audit for each SRF program;
- Assist with secondary market disclosure; and
- Turnaround time for funds must be less than 72 hours.

**Please state your minimum charges for all services listed above, along with a cumulative bid for the program.**



September 2, 2016

Jim Feeney  
Dept. of Environment and Natural Resources  
523 East Capitol Ave  
Joe Foss Building  
Pierre, SD 57501

Mike Perkovich  
Dept. of Environment and Natural Resources  
523 East Capitol Ave  
Joe Foss Building  
Pierre SD 57501

Re: Consultant/Contractor Contract, Control #2013-30 and First Amendment, Control #2016-29

Dear Jim and Mike:

Per Section 9 of the enclosed Consultant/Contractor Contract, Control #2013-30 and First Amendment, Control #2016-29, The First National Bank provides written notice of our resignation as Consultant.

As you know, the Bank serves as Trustee for various Conservancy District Bond Issues with related Master Trust Indentures and five Amended and Restated Master Trust Indentures. The Fifth Amended and Restated Master Trust Indenture, Section 8.15 provides guidance regarding the Trustee's resignation requiring written notice not less than 30 days to the Issuer and other parties including the Holders, the Rating Agencies and any Credit Enhancement Providers and Liquidity Providers.

The Bank wants to provide the District sufficient time to select a successor trustee before providing the resignation notice to the various parties listed above in the bond documents.

Please let us know when you have selected a successor trustee and we will provide the required notice under the Master Trust Indenture and Amended Master Trust Indentures to the various parties listed.

We truly value the positive working relationship we have had with Department of Environmental and Natural Resources personnel. Thank you very much for the opportunity to be of service as Trustee.

Sincerely,

A handwritten signature in cursive script that reads 'F. Bert Olson'.

F Bert Olson  
Vice President and Trust Officer  
605-335-5219  
[fbolson@fnbsf.com](mailto:fbolson@fnbsf.com)

cc: David Ruhnke

shall have a first lien on all sums held by it under the terms of this Indenture with right of payment prior to payment on account of interest or principal of any Bond issued hereunder, for reasonable compensation, expenses, advances and counsel fees incurred in and about the execution of the trusts hereby created and exercise and performance of the powers and duties of the Trustee hereunder and the cost and expense incurred in defending against any liability in the premises of any character whatsoever (unless such liability is adjudicated to have resulted from the negligence or willful default of the Trustee).

Section 8.12 Trustee May Hold Bonds or Notes. The Trustee and its officers and directors may acquire and hold, or become the pledgee of, Bonds or Notes and otherwise deal with the District in the same manner and to the same extent and with like effect as though it were not Trustee hereunder.

Section 8.13 Appointment of Trustee. There shall at all times be a trustee hereunder which shall be an association or corporation organized and doing business under the laws of the United States of America or any State thereof, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least Fifteen Million Dollars (\$15,000,000), and subject to supervision or examination by Federal or State authority. If such association or corporation publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such association or corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, and another association or corporation is eligible, the Trustee shall resign immediately in the manner and with the effect specified in Section 8.16 hereof.

Section 8.14 Merger of Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association, resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor trustee hereunder and vested with all of the title to the Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 8.15 Resignation or Removal of Trustee. The Trustee may resign and be discharged from the trusts created by this Indenture by giving not less than 30 days Written Notice to the Issuer, the Holders, the Rating Agencies and any Credit Enhancement Providers and Liquidity Providers. The Trustee will promptly certify to the Issuer that it has given Written Notice to all Holders and such certificate will be conclusive evidence that such notice was given as required hereby. Any Trustee hereunder may be removed at any time by an instrument or instruments in writing, appointing a successor to the Trustee so removed, filed with the Trustee, with copies thereof provided to the Rating Agencies and any Credit Enhancement Providers and Liquidity Providers, and executed by the Holders of a majority in principal amount of the Bonds hereby secured and then outstanding. Any such resignation or removal shall not take effect until

a successor has been appointed, has accepted the duties of Trustee and all funds, property (including any credit enhancement instrument and Liquidity Facilities) have been transferred to the successor.

Section 8.16 Appointment of Successor Trustee. In case at any time the Trustee shall resign or shall be removed or otherwise shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver of the Trustee or of its property shall be appointed, or if a public supervisory office shall take charge or control of the Trustee or of its property or affairs, a vacancy shall forthwith and ipso facto be created in the office of such Trustee hereunder, and a successor may be appointed by the Holders of a majority in principal amount of the said Bonds hereby secured and then outstanding, by an instrument or instruments in writing filed with the Trustee and executed by such Bondholders, notification thereof being given to the District, but until a new Trustee shall be appointed by the Bondholders as herein authorized, the District shall, subject to the provisions hereof, appoint a Trustee to fill such vacancy. After any such appointment by the District, it shall cause notice of such appointment to be mailed to the Bondholders within 30 days of such appointment, but any new Trustee so appointed by the District shall immediately and without further act be superseded by a Trustee appointed in the manner above provided by the Holders of a majority in principal amount of said Bonds whenever such appointment by said Bondholders shall be made.

If, in a proper case, no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within six months after a vacancy shall have occurred in the office of Trustee, the Holder of any Bond or Note hereby secured or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor trustee. Said court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor trustee.

Section 8.17 Transfer of Rights and Property To Successor Trustee. Every successor trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the District an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the District or of its successor execute and deliver an instrument transferring to such successor all the estate, properties, rights, powers and trusts of such predecessor hereunder, and every predecessor trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any assignment, conveyance or instrument in writing from the District be required by any successor trustee for more fully and certainly vesting in such successor trustee the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor trustee, any and all such assignments, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the District. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all assignments, conveyances and other instruments provided for in this Article shall, at the expense of the District, be forthwith filed and/or recorded by the successor trustee in each recording office where the Indenture shall have been filed and/or recorded.