

**South Dakota Department of  
Environment and Natural Resources**



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

**BOARD OF WATER  
AND NATURAL RESOURCES**

**September 27, 2018**

**Matthew Training Center  
Joe Foss Building  
523 E. Capitol Ave.  
Pierre, SD**

Live audio of the meeting and the full board packet can be found on the South Dakota Boards and Commissions Portal at <http://boardsandcommissions.sd.gov/Meetings.aspx?BoardID=108>

**Tour Thursday, September 27, 2018**

Thursday's tour will depart at 9:00 am CDT from the Matthew Training Center, Joe Foss Building, 523 E. Capitol Ave., Pierre, SD

*Due to limited transportation seating if you wish to participate in the tour, please contact Andy Bruels at (605) 773-4216*

**Tour Itinerary**

**9:00 AM – 11:30 AM**

9:00 AM – Leave from Matthew Training Center, Joe Foss Building

9:15 AM – Arrive at Mni Wiconi Water Treatment Plant, 28542 Trails End Rd., Fort Pierre, SD  
57532 – Tour Water Treatment Plant

11:00 AM – Leave Mni Wiconi Water Treatment Plant

11:15 AM – Arrive at Joe Foss Building

**AGENDA**

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

**September 27, 2018**

*1:00 p.m. CDT*

1. Call meeting to order
2. Approve agenda
3. Approve minutes of the June 28, 2018 meeting
4. Public Comment Period

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.

5. Code of Conduct Policy - Mike Perkovich/Harold Deering
6. Amendment to State Water Plan, 2018 Clean Water State Revolving Fund Intended Use Plan, and 2018 Drinking Water State Revolving Fund Intended Use Plan — Andy Bruels
  - a. Pierre – Water Supply System Improvements
  - b. Springfield – Water and Wastewater System Improvements
  - c. Tulare – Drinking Water Improvements
  - d. Watertown – Wastewater Facility Administration/Operations Building Construction
7. Sanitary/Storm Sewer Facilities Funding Applications—Mike Perkovich
  - a. Raymond (22)
  - b. Harrisburg (17)
  - c. Mitchell (10)
8. Drinking Water Facilities Funding Application—Andy Bruels
  - a. Mitchell (33)
9. Solid Waste Management Program Funding Application—Drew Huisken
  - a. Burke
10. Onida’s Request to Amend Consolidated Grant 2015G-301 – Jim Anderson
11. Audit Requirements for Private Non-Profit and For-Profit Entities – Jon Peschong
12. Certify Belle Fourche Irrigation District State Water Resources Management System Project Complete – Jon Peschong
13. Humboldt’s Request to Amend Clean Water Loans C461254-03 and C461254-04 – Drew Huisken
14. Consulting Contract with Perkins Coie LLP for Bond Counsel Services for State Revolving Fund Programs Series 2018 Bond Issue – Mike Perkovich
- 14.1 Perkins Coie LLP Conflict Waiver Request for Simultaneous Representation of South Dakota Conservancy District and Citigroup Global Markets Inc. – Mike Perkovich
15. Selection of Investment Banking Firm(s) for State Revolving Fund Program – Mike Perkovich
16. State Fiscal Year 2018 State Revolving Fund Report to the Interim Bonding Review Committee – Mike Perkovich
17. November 8, 2018 Meeting
18. Adjourn

The audio recording for this meeting is available on the South Dakota Boards and Commissions Portal at <http://boardsandcommissions.sd.gov/Meetings.aspx?BoardIDis108>

Minutes of the  
Board of Water and Natural Resources Meeting  
Via Digital Dakota Network

Northern State University  
Aberdeen, SD

Department of Transportation  
Brookings, SD

Department of Transportation  
Huron, SD

Mitchell Technical Institute  
Mitchell, SD

Capitol Building  
Pierre, SD

Rapid City Emergency Operations Center  
Rapid City, SD

University Center  
Sioux Falls, SD

University of South Dakota  
Vermillion, SD

Department of Environment and Natural Resources  
Watertown, SD

June 28, 2018  
1:00 p.m. Central Time

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

Chairman Johnson announced that the meeting was streaming live on SD.net, a service of South Dakota Public Broadcasting.

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

BOARD MEMBERS ABSENT: Paul Goldhammer and Jackie Lanning.

OTHERS PRESENT: See attached attendance sheets.

APPROVE AGENDA: Chairman Johnson approved the agenda.

APPROVE MINUTES FOR MARCH 27, 2018, MEETING: Motion by Gnirk, seconded by Bernhard, to approve the minutes from the March 27, 2018, Board of Water and Natural Resources meeting. A roll call vote was taken, and the motion carried unanimously.

AMENDMENT TO STATE WATER PLAN, 2018 CLEAN WATER STATE REVOLVING FUND INTENDED USE PLAN, AND 2018 DRINKING WATER STATE REVOLVING FUND INTENDED USE PLAN

**Amendments to State Water Plan**

Mike Perkovich reported that water projects that 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 on State Water Facilities Plan and provides for amendment 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 on the plan at this meeting will remain on the facilities plan through December 2019.

Projects seeking a Clean Water or Drinking Water State Revolving Fund (SRF) 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 IUP Project Priority Lists.

Five State Water Plan applications from three communities were received by the May 1, 2018, deadline. The projects are shown on the map provided to the board. While presenting the State Water Plan applications, Mr. Perkovich identified the projects to be placed on the Clean Water SRF and Drinking Water SRF IUP project priority lists.

**Bryant** requested amendment onto the facilities plan to replace sanitary sewer and storm water pipes throughout the community. The estimated total project cost is \$5,582,000. The project will be placed on the Clean Water IUP with five priority points and an estimated loan amount of \$4,612,000 at 2.5 percent interest for 30 years.

**Bryant** requested amendment onto the facilities plan to replace drinking water pipes throughout the community. The estimated total project cost is \$1,921,000. The project will be placed on the Drinking Water IUP with eight priority points and an estimated loan amount of \$1,051,000 at 2.0 percent interest for 30 years.

**Mitchell** requested amendment onto the facilities plan to replace water, sanitary sewer, and storm water pipes on Sanborn Boulevard from 1<sup>st</sup> to 15<sup>th</sup> Avenue. The estimated total project

cost is \$7,782,000. The project will be placed on the Clean Water IUP with 10 priority points and an estimated loan amount of \$6,077,000 at 2.5 percent interest for 30 years. The project will also be placed on the Drinking Water IUP with 33 priority points and an estimated loan amount of \$1,705,000 at 2.25 percent interest for 30 years.

**Mitchell** requested amendment onto the facilities plan to replace water, sanitary sewer, and storm water pipes within a one square mile area known as the East Central Drainage system. The estimated total project cost is \$2,998,470. The project will be placed on the Clean Water IUP with 10 priority points and an estimated loan amount of \$2,223,000 at 2.5 percent interest for 30 years. The project will also be placed on the Drinking Water IUP with 33 priority points and an estimated loan amount of \$475,000 at 2.25 percent interest for 30 years.

**Salem** requested amendment onto the facilities plan to replace and upgrade equipment at its water treatment facility. The estimated total project cost is \$1,144,000. The project will be placed on the Drinking Water IUP with 55 priority points and an estimated loan amount of \$1,144,000 at 2.25 percent interest for 30 years.

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

Motion by Bernhard, seconded by Gnirk, to amend the five projects onto the facilities plan. A roll call vote was taken, and the motion carried unanimously.

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

Mr. Perkovich noted that the narrative portion of the IUP was updated to reflect the actual 2018 Capitalization Grant allocations, which were received from EPA in late May.

Changes were made to Attachments 2 and 3 to reflect the changes made earlier in the IUP.

Staff recommended that the board accept the proposed changes to the narrative section and add the three projects to the Clean Water SRF IUP Project Priority list.

Motion by Gnirk, seconded by Jones, to approve the addition of the Bryant and two Mitchell projects to the 2018 Clean Water SRF IUP Project Priority List and to approve the addition to the IUP narrative, as presented. A roll call vote was taken, and the motion carried unanimously.

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

In addition to the drinking water projects that were placed on the 2018 State Water Plan, there was one additional project to be placed onto the Drinking Water SRF IUP Project Priority List.

**Rapid City** – In 2014, Rapid City received funding for a project to expand the city's water distribution system to serve users located east of the city limits. Homes within this area were served by systems that provided substandard water quality and were often in violation of drinking water standards. Others in the area were not served by a water system. Project costs have increased from the original estimate, and Rapid City has submitted a new funding

application to cover the shortfall. That funding application was presented to the board later in the meeting. The estimated total project cost is \$8,076,000. The project will be added to the Drinking Water IUP with 150 priority points and an estimated loan amount of \$950,000 at 2.0 percent interest for 20 years.

The narrative portion of the IUP was updated to reflect the actual 2018 Capitalization Grant allocations, which were received from EPA in late May.

Changes were made to Attachments 2 and 3 to reflect the changes made earlier in the IUP.

Staff recommended the addition of all five projects onto the Project Priority list of the Drinking Water SRF IUP.

Motion by Gnirk, seconded by Soholt, to approve the addition of the Rapid City, Salem, Bryant, and two Mitchell projects to the 2018 Drinking Water SRF IUP Project Priority List and to approve the addition to the IUP narrative, as presented. A roll call vote was taken, and the motion carried unanimously.

AMENDMENT TO THE 2017 CLEAN WATER SRF IUP: Mr. Perkovich reported that the FY 2017 Clean Water SRF IUP was approved by the Board of Water and Natural Resources in November 2016 and amended in March, June, and September 2017.

For a project to utilize principal forgiveness allowed by a specific capitalization grant, it must be on the IUP associated with that capitalization grant. In order to maximize the use of each year's capitalization grant, it is necessary to amend projects to prior years' IUPs.

Staff recommended amending Attachment I – Project Priority List of the FY 2017 Clean Water IUP by adding the following:

<b>Priority Points</b>	<b>Loan Recipient</b>	<b>Estimated Loan Amount</b>	<b>Expected Loan Rate &amp; Term</b>
7	Presho	\$3,787,000	2.5%, 30 years
6	Marion	\$512,000	2.0%, 10 years

Motion by Soholt, seconded by Jones, to approve the amendments to the 2017 Clean Water SRF IUP Project Priority List. A roll call vote was taken, and the motion carried unanimously.

AMENDMENT TO THE 2016 CLEAN WATER SRF IUP: Mr. Perkovich reported that the FY 2016 Clean Water State Revolving Fund IUP was approved by the Board of Water and Natural Resources in November 2015 and amended in March, June, September 2016, and June 2017.

For a project to utilize principal forgiveness allowed by a specific capitalization grant it must be on the IUP associated with that capitalization grant. In order to maximize the use of each year's capitalization grant, it is necessary to amend projects to prior years' IUPs.

Staff recommended amending Attachment I – Project Priority List of the FY 2016 Clean Water IUP by adding the following:

<b>Priority Points</b>	<b>Loan Recipient</b>	<b>Estimated Loan Amount</b>	<b>Expected Loan Rate &amp; Term</b>
7	Presho	\$3,787,000	2.5%, 30 years
6	Marion	\$512,000	2.0%, 10 years

Motion by Bernhard, seconded by Gnirk, to approve the amendments to the 2016 Clean Water SRF IUP Project Priority List. A roll call vote was taken, and the motion carried unanimously.

AMENDMENT TO THE 2017 DRINKING WATER SRF IUP: Mr. Perkovich stated that the FY 2017 Drinking Water State Revolving Fund IUP was approved by the Board of Water and Natural Resources in November 2016 and amended in March, June, September 2017, and March 2018.

For a project to utilize principal forgiveness allowed by a specific capitalization grant it must be on the IUP associated with that capitalization grant. In order to maximize the use of each year's capitalization grant, it is necessary to amend projects to prior years' IUPs.

Staff recommended amending Attachment I – Project Priority List of the FY 2017 Drinking Water IUP by adding the following:

<b>Priority Points</b>	<b>Loan Recipient</b>	<b>Estimated Loan Amount</b>	<b>Expected Loan Rate &amp; Term</b>
150	Rapid City	\$950,000	2.0%, 20 years
33	Leola	\$2,642,000	2.0%, 30 years
12	Grenville	\$351,415	2.0%, 30 years

Motion by Gnirk, seconded by Jones, to approve the amendments to the 2017 Drinking Water SRF IUP Project Priority List. A roll call vote was taken, and the motion carried unanimously.

AVAILABLE FUNDING: Mr. Perkovich provided a summary of available funds for the Consolidated Water Facilities Construction Program, Clean Water SRF Water Quality Grants, Clean Water SRF Principal Forgiveness, Clean Water SRF loans, Drinking Water SRF Water Construction Grants, Drinking Water SRF Principal Forgiveness, and Drinking Water SRF loans.

SANITARY/STORM SEWER FACILITIES FUNDING APPLICATIONS: Mr. Perkovich presented the Sanitary/Storm Sewer Facilities funding applications and the staff recommendations for funding. 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.

**Presho** requested funding to replace the majority of the sewer lines in town.

The city anticipates bidding the project in March 2019 with project completion in December 2019.

The estimated total project amount is \$3,600,000, and the amount requested is \$3,600,000.

Presho has a flat rate of \$30.00 per month.

Presho received a \$1,198,000 Clean Water SRF loan in March 2018 to replace sewer mains along Main Street as part of a paving and sidewalk project. That portion of the project will be bid in conjunction with this larger line replacement project. Presho also received a Community Development Block Grant that will provide \$750,000 for construction of the project.

Staff recommended rescinding Resolution 2018-25, which authorized the previously awarded \$1,198,000 SRF loan, and awarding a \$4,048,000 Clean Water SRF loan at 2.5 percent interest for 30 years with up to 34.6 percent principal forgiveness not to exceed \$1,400,000.

Presho has pledged a project surcharge for repayment of the loan. The surcharge required on a net loan of \$2,648,000 is \$38.42; however, staff analysis indicated the city could restructure its rates to establish the surcharge and keep rates at \$46.85.

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.

Mayor Mike Sprenger, Angela Ehlers, city commission, and Terry Aaker, SPN, discussed the project and answered questions from the board.

Motion by Bernhard, seconded by Jones, to adopt Resolution **No. 2018-41** rescinding Resolution No. 2018-25 and approving a Clean Water State Revolving Fund loan up to a maximum committed amount of a \$4,048,000 at 2.5 percent interest for 30 years with up to 34.6 percent principal forgiveness not to exceed \$1,400,000 to the city of **Presho** for a sewer line 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 and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. A roll call vote was taken, and the motion carried unanimously.

**Cavour** requested funding to replace a portion of its wastewater collection system using conventional open trench methods to address significant infiltration entering the collection system.

The town anticipates bidding the project later this year with project completion in September 2019.



The estimated total project amount is \$956,000 and the amount requested is \$956,000. The total project cost on the application was increased by \$100,000 due to uncertainty of receiving a grant from the James River Water Development District.

Cavour has a \$31.00 per month flat rate.

Staff recommended awarding a \$192,000 Clean Water SRF loan at 2.5 percent interest for 30 years and awarding a Consolidated grant for 80 percent of eligible costs not to exceed \$764,000.

Cavour has pledged a project surcharge for repayment of the loan. The surcharge required on the loan is \$15.20, which will bring the overall rates to \$46.20.

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.

Staff also recommended the following special grant condition on the Consolidated grant: Grant funds for reimbursement of project costs must be drawn concurrently with the Clean Water SRF loan funds.

Lisa Gogolin, town of Cavour, discussed the project.

Motion by Jones, seconded by Soholt, to adopt **Resolution No. 2018-42** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of a \$192,000 at 2.5 percent interest for 30 years to the town of **Cavour** for a wastewater line 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 and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage; and to adopt **Resolution No. 2018-43** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the city of **Cavour** for up to 80 percent of approved total project costs not to exceed \$764,000 for a wastewater line replacement project with the special condition that grant funds for reimbursement of project costs must be drawn concurrently with the Clean Water SRF loan funds. A roll call vote was taken, and the motion carried unanimously.

DRINKING WATER FACILITIES FUNDING APPLICATIONS: Mr. Perkovich presented the applications and the staff recommendations for funding. The projects were presented in priority points order as identified in the Drinking Water SRF IUP. A map showing the location of the applications was included in the board packet.

**Rapid City** – Mr. Perkovich reported that the city of Rapid City is nearing completion of the East Rapid City Water System Expansion project.

In June 2014, the project was awarded a \$1,000,000 Consolidated grant and a \$4,626,000 Drinking Water SRF loan with up to \$3,000,000 in principal forgiveness. The existing Consolidated grant expired earlier this week, and the city was not able to draw all of the Consolidated grant funds.

This project expanded the city's water distribution system to serve several developments and individual users located east of the city. At the time the application was submitted, the city had bid six of the eight contracts needed to complete the project. After reviewing the actual costs to date and projected costs of the remaining two construction contracts, it was determined that a funding shortfall existed.

The city of Rapid City has bid and completed most of this project. The final two contracts will be completed later this year.

The estimated total project amount is \$8,076,000 and the amount requested is \$950,000.

The users being connected by this project pay \$31.37 per 5,000 gallons usage plus an additional \$65.00 per month surcharge to repay the loan portion of the project. This brings rates for these users to \$96.37.

Mr. Perkovich noted that the last two contracts were bid after the city submitted the funding application. As a result, the city needs less money than originally anticipated.

Staff recommended awarding a \$500,000 Drinking Water SRF loan at 2.0 percent interest for 20 years with up to 75 percent principal forgiveness not to exceed \$375,000.

Rapid City has pledged system revenue for repayment of the loan. The city's coverage on the \$125,000 net loan exceeds the 110 percent debt coverage requirement.

When taking into account the amount of the Consolidated grant expected to be reverted, the staff recommendation will provide approximately the same level of subsidy as provided in the original funding package. Since repayment of the loan for this project comes from approximately 200 users, any loss in subsidy funds has a large impact on the rates. Staff does not anticipate any change to the rates currently being paid.

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

Morgan Falcone, city of Rapid City, discussed the project and answered questions from the board.

Motion by Gnirk, seconded by Bernhard, to adopt **Resolution No. 2018-44** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$500,000 at 2.0 percent interest for 20 years with up to 75 percent principal forgiveness not to exceed \$375,000 to the city of **Rapid City** for the East Rapid City water system expansion 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. A roll call vote was taken, and the motion carried unanimously.

**Leola** requested funding to replace all water meters in the city, construct a new booster pump house to increase system pressure, and replace and loop water main throughout the community.

The city anticipates bidding the project in January of 2019 with project completion in November 2019.

The estimated total project amount is \$2,641,000, and the amount requested is \$2,641,000.

Rates in Leola are \$46.00 per 5,000 gallons usage.

Staff recommended awarding a \$1,891,000 Drinking Water SRF loan at 2.0 percent interest for 30 years with up to 85.5 percent principal forgiveness not to exceed \$1,615,000.

Leola was awarded a \$770,000 CDBG grant with \$750,000 for construction. These grant funds were factored into the funding recommendation, and the overall award has been reduced accordingly.

The city has pledged a project surcharge for repayment of the loan. A surcharge of \$4.55 is needed to provide the debt coverage on the \$276,000 net loan amount. This would result in rates of \$50.55 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 receipt of the 2018 Drinking Water State Revolving Fund capitalization grant from EPA.

Richard Reis, Leola city council, and Lucas Hoover, Helms & Associates, discussed the project and answered questions from the board.

Motion by Gnirk, seconded by Jones, to adopt **Resolution No. 2018-45** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,891,000 at 2.0 percent interest for 30 years with up to 85.5 percent principal forgiveness not to exceed \$1,615,000 to the city of **Leola** for a drinking water 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, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon receipt of the 2018

Drinking Water State Revolving Fund capitalization grant from EPA. A roll call vote was taken, and the motion carried unanimously.

**Sheridan Lake Highlands Homeowners Association, Inc.** requested funding to refinance the purchase of their water system from the developer, drill a new well, and make improvements to the existing well house.

Sheridan Lake Highlands Homeowners Association purchased the water system from the original developer last year and has a short-term private financing that becomes due in August 2018. The homeowners association is seeking funding to extend the finance terms. The system currently has only one well, and the new well will provide redundancy for the system.

The well and well house improvements are anticipated to be bid in January 2019 with project completion in September 2019.

The estimated total project amount is \$301,700, and the amount requested is \$301,700.

The rates for the homeowners association are \$110.00 per 10,000 gallons usage.

Staff recommended awarding a \$211,700 Consolidated loan at 2.5 percent interest for 30 years and award a Consolidated grant at 29.9 percent of total project costs not to exceed \$90,000. Mr. Perkovich noted that Consolidated funding is being recommended due to uncertainties with using an SRF loan for refinancing the existing debt.

The homeowners association has pledged system revenue for repayment of the loan. A \$34.90 base charge is needed for repayment of the loan. Staff analysis indicates the rates could be restructured and sufficient coverage could be provided with base rates of \$133.00 for 10,000 gallons usage.

Staff recommended the loan 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.

Lysann Zeller, Black Hills Council of Local Governments, Angela Vancas, Sheridan Lake Highlands Homeowners Association, and Dustin Dale, AE2S, discussed the project and answered questions from the board.

Motion by Jones, seconded by Gnirk, to adopt **Resolution No. 2018-46** approving the South Dakota Consolidated Water Facilities Construction Program loan agreement between the Board of Water and Natural Resources and the **Sheridan Lake Highlands Homeowners Association** for a loan not to exceed \$211,700 at 2.5 percent interest for 30 years for a water system financing and improvements project 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 No. 2018-47** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the **Sheridan Lake Highlands Homeowners Association** for up to 29.9 percent of approved total project costs not to exceed \$90,000 for a water system financing and improvements project. A roll call vote was taken, and the motion carried unanimously.

**Marion** requested funding to replace water meters in the city with radio read units. The current meters are over 20 years old and have reached their useful life.

The city anticipates bidding the project in September 2018 with project completion in January 2019.

The estimated total project amount is \$522,000, and the amount requested is \$522,000.

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

Mr. Perkovich stated that water conservation projects, including water meters, are eligible for Clean Water SRF funding. This project can be used to meet the Green Project Reserve requirements included in the 2016 through 2018 Clean Water Capitalization Grants. Providing funding for this project with Clean Water SRF helps meet the reporting requirements for Green Project Reserve. This will not adversely affect the Drinking Water SRF Program as there were no Green Project Reserve requirements associated with any of the recent Drinking Water capitalization grants.

Staff recommended awarding a \$522,000 Clean Water SRF loan at 2.0 percent interest for 10 years with up to 19.0 percent principal forgiveness not to exceed \$99,000.

Marion has pledged a project surcharge for repayment of the loan. The surcharge required on the net loan of \$423,000 is \$11.10; however, staff analysis indicates the city could restructure its rates to establish the surcharge with rates of \$45.80 for 5,000 gallons usage.

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.

Jon Fischer, Stockwell Engineers, and Dustin Sulzle, city of Marion, discussed the project and answered questions from the board.

Motion by Bernhard, seconded by Sohlt, to adopt **Resolution No. 2018-48** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$522,000 at 2.0 percent interest for 10 years with up to 19.0 percent principal forgiveness not to exceed \$99,000 to the city of **Marion** to 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 and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. A roll call vote was taken, and the motion carried unanimously.

**Grenville** requested funding to replace water meters with a radio read system and to replace non-operational valves in the distribution system.

The town of Grenville anticipates bidding the project in November 2018 with project completion in July 2019.

The estimated total project amount is \$352,000, and the amount requested is \$352,000.

Rates in Grenville are \$42.00 per 5,000 gallons usage.

Staff recommended awarding a \$352,000 Drinking Water SRF loan at 2.0 percent interest for 30 years with up to 80.2 percent principal forgiveness not to exceed \$282,000.

Grenville has pledged a project surcharge for repayment of the loan. A surcharge of \$5.75 is needed to provide the debt coverage on the \$70,000 net loan amount, which would result in rates of \$47.75 for 5,000 gallons usage.

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.

Staff also recommended the following Special Condition: It shall be a condition of the loan that the borrower complete board training, as outlined on the Department's capacity assessment letter, prior to drawing over 50 percent of the loan.

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

Motion by Gnirk, seconded by Jones, to adopt **Resolution No. 2018-49** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$352,000 at 2.0 percent interest for 30 years with up to 80.2 percent principal forgiveness not to exceed \$282,000 to the town of **Grenville** for a water meter and valve 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 the special condition that the borrower complete board training, as outlined on the Department's capacity assessment letter, prior to drawing over 50 percent of the loan. A roll call vote was taken, and the motion carried unanimously.

**Butte Meade Sanitary Water District** requested funding to replace 2.7 miles of pipe in the service area. The majority of the project involves replacing 6- and 8-inch asbestos cement pipe that will be affected by a South Dakota Department of Transportation project on Highway 212. That project is expected to commence in 2020. The asbestos cement pipe in this area has had problems with leaks, and several segments have already been replaced. This project also includes a 3-inch water line that extends south from Highway 212 to serve existing users in the area.

Butte Meade Sanitary Water District anticipates bidding the project in February 2019 with completion in September 2019.

The estimated total project amount is \$413,000, and the amount requested is \$413,000.

The district's rates are \$53.00 per 5,000 gallons usage.

Staff recommended awarding a \$413,000 Drinking Water SRF loan at 2.25 percent interest for 20 years.

The district has pledged system revenues for repayment of the loan. Staff analysis indicates the current rate provides 177 percent debt coverage, so no rate increase is required.

Staff recommended the award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon a parity agreement being secured with the First National Bank of Newell.

Jason Pettyjohn, FMG Engineering, discussed the project and answered questions from the board.

Motion by Jones, seconded by Gnirk, to adopt **Resolution No. 2018-50** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$413,000 at 2.5 percent interest for 20 years to the **Butte Meade Sanitary Water District** for a water line 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 and contingent upon a parity agreement being secured with the First National Bank of Newell. A roll call vote was taken, and the motion carried unanimously.

SOLID WASTE MANAGEMENT FUNDING APPLICATION: Drew Huisken provided a summary of available funds for the Solid Waste Management Program.

Mr. Huisken reported that the department received two applications for Solid Waste Management Program Funding by the April 1 deadline. Of those applications, only Rapid City

was considered complete. Mr. Huisken presented the funding application and the staff recommendation.

A map showing the location of the project was included in the board packet.

**Rapid City** requested funding to assist with the costs associated with the construction of a new landfill cell as part of the continuing operation of its regional landfill facility. The existing cells are nearing capacity. Cell #18 will be constructed with a synthetic liner, leachate collection system and holding pond, and a discharge line to the municipal sanitary sewer. The Rapid City Landfill currently serves over 118,000 people. No new areas will be served as a result of this project.

The estimated total project cost is \$4,556,944, and the amount requested is \$1,000,000.

Current fees for the Rapid City Regional Landfill are \$59.00 per ton for municipal solid waste.

Construction of the new cell began in March 2018 and has a project completion date of September 30, 2018.

Staff recommended awarding a Solid Waste Management Program grant up to 22.0 percent of the total project cost not to exceed \$1,000,000. Mr. Huisken noted that the grant award is consistent with the percentages of other landfill expansion projects, which are typically 15-25 percent of the project cost.

Staff analysis indicates that Rapid City has sufficient funds to pay for the remainder of the project.

Karl Merbach, superintendent of the Rapid City Solid Waste Division, discussed the project.

Motion by Bernhard, seconded by Gnirk, to adopt **Resolution No. 2018-51** approving the South Dakota Solid Waste Management Program grant agreement between the Board of Water and Natural Resources and the city of **Rapid City** for up to 22.0 percent of all approved total project costs not to exceed \$1,000,000 for the Cell 18 line and leachate collection system project. A roll call vote was taken, and the motion carried unanimously.

WATERSHED RESTORATION PROJECT FUNDING APPLICATION: Mr. Perkovich presented the funding application and staff recommendation. A map showing the location of the project was included in the board packet.

**James River Water Development District** requested an additional \$500,000 for Segment I of the \$15.8 million South Central Watershed Project. This project is a locally planned 10-to 15-year effort to implement Best Management Practices in the Lewis and Clark Lake watershed, Lake Andes, Geddes, 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 established, and to be established, for water bodies in these watersheds.



Staff recommended awarding a Clean Water SRF Water Quality grant for 15 percent, based on project costs of \$3,333,333, not to exceed \$500,000.

The grant will provide 15 percent cost share for the design and construction of up to twelve animal waste management systems. The consolidated award will continue leveraging a \$1.5 million USDA Regional Conservation Partnership Program grant that requires 50 percent nonfederal cost share.

Rocky Knippling, watershed coordinator for the South Central 319 Program, discussed the projected and answered questions from the board.

Motion by Jones, seconded by Sohlt, to adopt **Resolution No. 2018-52** approving the State Revolving Fund Program Water Quality grant agreement between the Board of Water and Natural Resources and the **James River Water Development District** for up to 15.0 percent of approved total project costs not to exceed \$500,000 for the South Central Watershed Implementation Project – Segment I. A roll call vote was taken, and the motion carried unanimously.

Mr. Perkovich provided an overview of available funds for the September 2018 funding round.

SALEM REQUEST TO AMEND THE SCOPE OF DRINKING WATER SRF LOAN

C462057-04 AND CONSOLIDATED GRANT 2018G-109: Abbey Larsen reported that in March 2017, the Board of Water and Natural Resources awarded a \$302,000 Drinking Water SRF loan and a \$500,000 Consolidated Water Facilities Construction Program grant to the city of Salem for improvements to the water distribution system. Construction for the project associated with this loan and grant has begun, and the city is anticipating having an excess of \$36,000.

On March 7, 2018, the department received a letter from the city of Salem requesting to amend the scope of the project to include a pilot study of their current water treatment plant.

The city has been experiencing problems with its water treatment plant including the failure of nine out of 14 ultrafiltration modules, broken PVC piping, failed pumps, and plugged cartridge filters on the nano filtration skid. The city's engineer has reviewed the system and decided that a pilot study would help determine the best treatment options for the city.

Staff recommended approving the First Amendment to the Drinking Water SRF Loan C462057-04 and Consolidated Water Facilities Construction Program Grant 2018G-109 changing the scope of the loan and grant to include the proposed pilot study.

Motion by Gnirk, seconded by Bernhard, to adopt **Resolution No. 2018-53** approving the First Amendment to the city of **Salem** Drinking Water SRF Loan C462057-04 changing the scope of the loan to include the proposed pilot study, and to adopt **Resolution No. 2018-54** approving the First Amendment to the city of **Salem** Consolidated Water Facilities Construction Program Grant

2018G-109 changing the scope of the grant to include the proposed pilot study. A roll call vote was taken, and the motion carried unanimously.

REE HEIGHTS REQUEST TO AMEND DRINKING WATER STATE REVOLVING FUND LOAN C462386-01: Jim Anderson reported that on March 27, 2018, the Board of Water and Natural Resources awarded the town of Ree Heights a \$509,000 Drinking Water State Revolving Fund loan with 84.5 percent principal forgiveness not to exceed \$430,000 to replace the town's water system. Upon completion of the project, Mid-Dakota Rural Water System will take over ownership and all operational and maintenance requirements of the system and serve Ree Heights users as individual users. Mid-Dakota RWS has since offered to provide financial assistance for all project costs exceeding \$430,000.

On June 1, 2018, the Board of Water and Natural Resources received a letter from Ree Heights requesting that the loan amount be reduced from \$509,000 to \$430,000 with 100 percent principal forgiveness.

Staff recommended the board rescind Resolution #2018-30 and adopt a resolution approving a \$430,000 Drinking Water SRF loan with 100 percent principal forgiveness.

Scott Gross, Mid-Dakota Rural Water System, stated that in March the board approved the loan and principal forgiveness based on Ree Heights doing a bond issue. Mid-Dakota has offered to provide the additional funding above \$430,000 for this project, rather than going through a bond issue.

Motion by Bernhard, seconded by Gnirk, to adopt **Resolution No. 2018-55** rescinding Resolution No. 2018-30 and approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$430,000 with 100 percent principal forgiveness to the town of **Ree Heights** for a water distribution system upgrade 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. A roll call vote was taken, and the motion carried unanimously.

SOUTH EASTERN COUNCIL OF GOVERNMENTS PRIVATE ENTITY SWMP LOAN REVIEW JOINT POWERS AGREEMENT: Mr. Perkovich reported that in 2014, the board entered into a \$7,500 Joint Powers Agreement with the South Eastern Council of Governments to provide private entity loan review services for the Solid Waste Management Program. This contract expires on July 1, 2018, and the contract cannot be extended.

Section 2 of this past legislative session's Omnibus Bill (HB 1098) appropriated \$2.5 million from the Water and Environment Fund to the board's Solid Waste Management Program. SDCL Chapter 46A-1, which authorizes the Solid Waste Management Program, allows the board to use funds from the appropriation to contract for services to administer the program including processing and reviewing private entity solid waste loan applications.

Staff prepared a Joint Powers Agreement to place \$7,500 of the 2018 appropriation to the Solid Waste Management Program under agreement with the South Eastern Council of Governments effective July 1, 2018, through June 30, 2022. The agreement will limit the reimbursement rate to \$70.00 per hour and caps the review of each application at 15 hours without prior written approval.

Staff recommended the board approve the Joint Powers Agreement with the South Eastern Council of Governments.

Motion by Jones, seconded by Soholt, to adopt **Resolution No. 2018-56** approving a Joint Powers Agreement between the state and **South Eastern Council of Governments** in an amount not to exceed \$7,500 for the completion of private entity loan reviews until June 30, 2022. A roll call vote was taken, and the motion carried unanimously.

AMENDMENT TO PUBLIC FINANCIAL MANAGEMENT, INC. CONTRACT: Mr. Perkovich stated that Public Financial Management has served as the SRF Financial Advisor since 2003. The Board's current contract with Public Financial Management terminates on June 30, 2018.

The primary purpose of the amendment is to extend the contract period to June 30, 2021, and increase the total contract amount to an amount not to exceed \$275,000. The amendment also reflects a name change from Public Financial Management to PFM Financial Advisors, LLC and adds sections dealing with consultant's responsibilities as a registered municipal advisor pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2.

The amendment has been prepared with assistance from the Office of Attorney General and legal counsel and reviewed by PFM Financial Advisors, LLC and the Department of Environment and Natural Resources.

Staff recommended the board approve a resolution authorizing the amendments to the Financial Advisor contract.

Staff answered questions from the board.

Motion by Bernhard, seconded by Soholt, to adopt **Resolution No. 2018-57** approving amendment to the June 25, 2015, consultant contract with Public Financial Management, Inc., to reflect the consultant's name change to **PFM Financial Advisors LLC**, to extend the term until June 30, 2021, to increase the total contract amount to an amount not to exceed \$275,000 for the period July 1, 2018, to June 30, 2021, and to add sections dealing with consultant's responsibilities as a registered municipal advisor pursuant to the Security Exchange Act of 1934 Rule 15Ba1-2. A roll call vote was taken, and the motion carried unanimously.

MID-DAKOTA RURAL WATER SYSTEM, INC. REQUEST TO AMEND ITS PARITY AGREEMENT AMONG BUREAU OF RECLAMATION, USDA RURAL DEVELOPMENT, THE SOUTH DAKOTA CONSERVANCY DISTRICT, AND COBANK: Jon Peschong stated

that the department received notification that Mid-Dakota Rural Water System was awarded a funding package with USDA Rural Development who is requesting parity on the new debt.

The \$35,072,000 dollar funding package is to expand and make improvements to Mid-Dakota's distribution system east of Highmore and refinance certain debt currently owed to the US Bureau of Reclamation. The funding package includes a \$3.8 million Guaranteed Loan from CoBank for 30 years at a fixed rate of 5.25 percent and a USDA Rural Development loan (\$31,272,000) for 40 years at a rate of 2.75 percent. Mid-Dakota Rural Water System will be utilizing approximately \$16.2 million dollars for refinancing nine previous loans from the US Bureau of Reclamation that have a combined average interest rate of 5.23 percent.

An analysis of Mid-Dakota's new debt service based upon projected operating revenue and expenses indicates 121 percent debt coverage, which exceeds the 110 percent coverage requirement on the SRF loan.

Staff recommended that the board authorize the chairman to execute the Third Amended and Restated Inter-creditor Agreement among the Bureau of Reclamation, CoBank, USDA Rural Development, and the South Dakota Conservancy District.

Motion by Soholt, seconded by Jones, to authorize the chairman to execute the Third Amended and Restated Inter-creditor Agreement among the Bureau of Reclamation, CoBank, USDA Rural Development, and the South Dakota Conservancy District. A roll call vote was taken, and the motion carried unanimously.

DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES STATE WATER RESOURCES MANAGEMENT SYSTEM GRANT AGREEMENT: Jon Peschong reported that the Department of Environment and Natural Resources' Geological Survey Program submitted a request for a \$10,000 grant to help fund a United States Geological Survey, high resolution, hydrographic mapping study in the lower Big Sioux River Basin. The primary goal of the project will be to determine more accurate flow routes for flood waters and runoff from heavy precipitation events. The area includes the communities of Elk Point, Jefferson, Dakota Dunes, and North Sioux City. The project will give state and local authorities better understandings of potential impacts from severe terrific drainage events in the area.

Total funding of \$60,000 will be needed for the full project implementation. Planned funding will include \$20,000 from the SD Department of Transportation, \$10,000 from the communities of North Sioux City, Dakota Dunes and Union County, \$10,000 from SD Department of Environment and Natural Resources and \$20,000 from US Geological Survey.

The Board was appropriated \$450,000 by the 2017 Legislature through Senate Bill 70, Section 1 to fund Hydrology and Water Management Studies. There remains approximately \$100,000 of this authority to obligate.

Staff recommended the board approve a resolution, authorizing the chairman to execute the State Water Resources Management Grant agreement with the Department of Environment and

Natural Resources for \$10,000 to assist in funding a high resolution hydrographic study in the Lower Big Sioux River Basin in South Dakota.

Motion by Gnirk, seconded by Bernhard, to adopt **Resolution No. 2018-58** approving the State Water Resources Management System grant agreement between the Board of Water and Natural Resources and the **Department of Environment and Natural Resources** in an amount not to exceed \$10,000 for a high resolution hydrographic study in the Lower Big Sioux River Basin in South Dakota. A roll call vote was taken, and the motion carried unanimously.

2018 BOND ISSUE: Mr. Perkovich requested authorization to distribute a Request for Proposals (RFP) for investment banking services for the SRF Programs. The Board of Water and Natural Resources, acting as the South Dakota Conservancy District, will seek proposals from qualified firms to provide investment banking, underwriting and additional services, such as remarketing, related to negotiated issuances for a period of three years.

It is anticipated that the District will issue State Revolving Fund Program Bonds Series 2018. Proceeds of the 2018 Bonds will be used to provide additional leverage proceeds in an amount to be determined. The proceeds will be issued on a tax-exempt basis with a final maturity of 20 years. The District may issue additional series in the future to leverage the SRF Programs, provide state match for capitalization grants, and refinance outstanding bonds, as needed.

Mr. Perkovich discussed several proposed projects that will be requesting SRF funding.

Mr. Perkovich also requested that Chairman Johnson appoint a BWNR committee to work with the SRF financial team in the review and ranking of proposals. At the committee's option, interviews of candidates may be conducted.

Finally, Mr. Perkovich requested authorization to negotiate a contract with Bruce Bonjour, Perkins Coie, for bond counsel services.

The following is the anticipated schedule for the selection process:

Release of RFP: July 9  
Proposal Deadline: August 1  
Rank Proposals: by August 15  
Interviews: Week of August 20  
Selection of Underwriting Team: September 28

Mr. Perkovich recommended the board authorize staff to distribute the Request for Proposals for Investment Banking services and to negotiate a contract with Bruce Bonjour, Perkins Coie for bond counsel service related services to the 2018 Bond Issue.

Motion by Bernhard, seconded by Gnirk, to authorize staff to distribute the Request for Proposals for Investment Banking services and negotiate a contract with Bruce Bonjour, Perkins Coie for bond counsel service related services to the 2018 Bond Issue. A roll call vote was taken, and the motion carried unanimously.

Chairman Johnson appointed himself, Todd Bernhard, and Gene Jones as the subcommittee to work with the SRF financial team in the review and ranking of proposals.

DISCUSSION OF HB 1172, PUBLIC COMMENT PERIOD: Mr. Perkovich reported that HB 1172 added the following language to SDCL 1-25-1:

The chair of the public body shall reserve at every official meeting by the public body a period for public comment, limited at the chair's discretion, but not so limited as to provide for no public comment.

The Office of the Attorney General has advised that the board chair, with input from the board members, needs to determine how long to designate the public comment period and whether it will be at the beginning or the end of the meeting.

Mr. Perkovich requested that the board advise staff as to when to schedule the public comment period within the agenda and establish the duration of the comment period. He noted that Harold Deering has advised that this is not a question and answer period; it is strictly a period of time for the board to receive comments from the public.

Chairman Johnson recommended that the public comment period be placed on the agenda at the beginning of the meeting for a maximum of 15 minutes unless the chair decides to let it go longer based on the topic. The board members concurred.

Mr. Perkovich stated that the public comment period will be added to the meeting agenda following board adoption of minutes.

ELECTION OF BOARD OFFICERS: Dr. Gnirk nominated Brad Johnson as chair, Gene Jones as vice chair, and Todd Bernhard as secretary.

Motion by Gnirk, seconded by Soholt, that the nominations cease and a unanimous ballot be cast for the following slate of offices: Brad Johnson, chair, Gene Jones, vice chair, and Todd Bernhard, secretary. A roll call vote was taken, and the motion carried unanimously.

SEPTEMBER 2018 MEETING: Mr. Perkovich stated that the September 27-28, 2018, board meeting will be held in Pierre. Mr. Perkovich discussed possible agenda items.

Jay Gilbertson and Mr. Perkovich will make plans for board tour of projects in the Pierre area during the September meeting.

Mr. Gilbertson talked about the Big Sioux Flood control model.

Mr. Perkovich noted that the department received a letter from the IRS stating that the audit conducted on the Build America Bond Issue was complete and it has been closed with no change.

ADJOURN: Motion by Jones, seconded by Bernhard, to adjourn the meeting. A roll call vote was taken, and the motion carried unanimously.

Approved this \_\_\_\_ day of September, 2018.

(SEAL)

\_\_\_\_\_  
Chairman, Board of Water and Natural Resources

ATTEST:

\_\_\_\_\_  
Secretary, Board of Water and Natural Resources

DRAFT







ATTENDANCE SHEET

BOARD OF WATER AND NATURAL RESOURCES MEETING

CONDUCTED VIA THE DIGITAL DAKOTA NETWORK

JUNE 28, 2018

HURON

DEPARTMENT OF TRANSPORTATION

NAME (PLEASE PRINT)

ADDRESS

REPRESENTING

Lisa Gogolin

347 Sofferion St, Cavoux SD

Cavoux

DRAFT

ATTENDANCE SHEET

BOARD OF WATER AND NATURAL RESOURCES MEETING

CONDUCTED VIA THE DIGITAL DAKOTA NETWORK

JUNE 28, 2018

MITCHELL

MITCHELL TECHNICAL INSTITUTE

NAME (PLEASE PRINT)

ADDRESS

REPRESENTING

Becky Koppeling

Chamberlain, SD

Southcentral 319

DRAFT

ATTENDANCE SHEET  
BOARD OF WATER AND NATURAL RESOURCES MEETING

CONDUCTED VIA THE DIGITAL DAKOTA NETWORK

JUNE 28, 2018

PIERRE  
CAPITOL BUILDING

<u>NAME (PLEASE PRINT)</u>	<u>ADDRESS</u>	<u>REPRESENTING</u>
Drew Huisken	Pierre	DENR
TODD BERNHARD	FORT PIERRE	BWNR
PAUL GNIRK	New Underwood	BWNR
Mike Sprenger	Prosho	City of Prosho
Angela Ehlers	Prosho	City of Prosho
Levy Aaker	Mitchell	SPN
Jim Anderson	Pierre	DENR
Jan Reschong	Pierre	DENR
Allen Prince	Pierre	DENR
Abbey Larson	Pierre	DENR
David Ruhnke	Pierre	DENR
Scott Griss	Miller	Mid-Dakota Rural Water
Lyle Schomack	Sioux Falls	Bartlett & West Engineers
Ronae Phinney	Ree Heights	City of Ree Heights
ERIC AMBROSON	YANKTON	DISTRICT III
Lucas Lepholt	PIERRE	DENR
David Phinney	Ree Heights	City of Ree Heights

ATTENDANCE SHEET  
BOARD OF WATER AND NATURAL RESOURCES MEETING

CONDUCTED VIA THE DIGITAL DAKOTA NETWORK

JUNE 28, 2018

PIERRE  
CAPITOL BUILDING

NAME (PLEASE PRINT)

ADDRESS

REPRESENTING

Stacy A. Myhre

Pierre SD

Reclamation

DRAFT

ATTENDANCE SHEET  
BOARD OF WATER AND NATURAL RESOURCES MEETING

CONDUCTED VIA THE DIGITAL DAKOTA NETWORK

JUNE 28, 2018

RAPID CITY EMERGENCY OPERATIONS CENTER  
RAPID CITY, SD

NAME (PLEASE PRINT)	ADDRESS	REPRESENTING
DUSTIN DALE		AERS SHERIDAN LAKE HIGHLANDS
MIKE WOLFF	Newell	BMSWD
MORGAN FALCONE	CITY OF RAPID CITY	CITY OF RAPID CITY
Ted Johnson	City of Rapid City	City of Rapid City
Angela Vancas		Sheridan Lake Highlands
Lysann Zeller	Black Hills Council	Black Hills Council
Beth Anne Ferley	Rapid City Solid Waste	RC Solid Waste.
Karl Merbach	City of Rapid City	Solid waste
JASON PETTYJOHN	FMG ENGINEERING	BUTTE-MEADE SWD
Jeff Barber	Rapid City Solid Waste	City of Rapid City
Bob Lewis	Newell	BMSWP
Elaine Karsky		Sheridan Lake Highlands
Robert Smith	DENR Rapid City	DENR

ATTENDANCE SHEET  
BOARD OF WATER AND NATURAL RESOURCES MEETING

CONDUCTED VIA THE DIGITAL DAKOTA NETWORK

JUNE 28, 2018  
SIOUX FALLS  
UNIVERSITY CENTER

NAME (PLEASE PRINT)

ADDRESS

REPRESENTING

Gene Thomas Jr.

SF, SD

BWR

Jim Sel

SF

BWR

Dustin Sulzke

SF

City of Marion

Jon Fischer

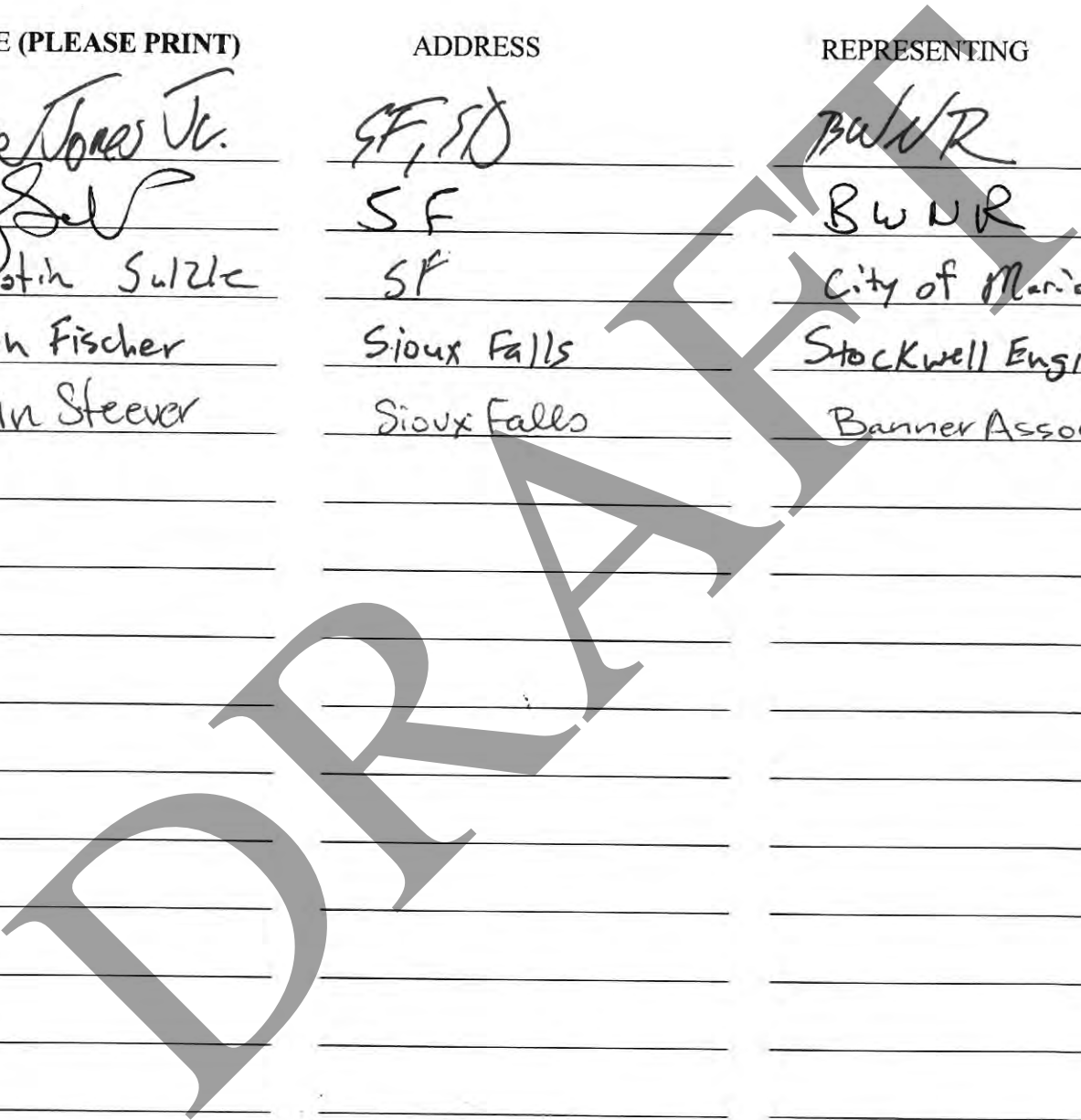
Sioux Falls

Stockwell Engineers

Erin Steever

Sioux Falls

Banner Associates



ATTENDANCE SHEET

BOARD OF WATER AND NATURAL RESOURCES MEETING

CONDUCTED VIA THE DIGITAL DAKOTA NETWORK

JUNE 28, 2018

VERMILLION  
UNIVERSITY OF SOUTH DAKOTA

NAME (PLEASE PRINT)

ADDRESS

REPRESENTING

*Tim Cowman*

*Vermillion*

*DENR - Geological Survey*

DRAFT



ATTENDANCE SHEET

BOARD OF WATER AND NATURAL RESOURCES MEETING  
CONDUCTED VIA THE DIGITAL DAKOTA NETWORK

JUNE 28, 2018

WATERTOWN  
DEPARTMENT OF ENVIRONMENT & NATURAL RESOURCES

NAME (PLEASE PRINT)

ADDRESS

REPRESENTING

*Brad Johnson*

*Watertown*

*BWNR*

DRAFT

TITLE: Code of Conduct Policy

EXPLANATION: In 2016 the Legislature created the State Board of Internal Control and tasked that Board with developing a set of ethical principles and guidelines of what constitutes appropriate behavior for board members when acting as a board within their official public service capacity. This Code of Conduct was approved by the Board of Internal Control at its June 2018 meeting.

The Code of Conduct sets out conflicts of interest principles and guidelines governing both official board actions and contracts involving board members. The Code also sets out principles and guidelines to prevent board members from engaging in conduct that may constitute harassment or discriminatory or offensive behavior based on race, color, creed, religion, national origin, sex, pregnancy, age, ancestry, genetic information, disability or any other legally protected status or characteristic.

The Board of Water and Natural Resources needs to approve this Code of Conduct to implement these principles and guidelines.

RECOMMENDED  
ACTION: Approve the Code of Conduct

CONTACT: Mike Perkovich

# ***Code of Conduct and Conflict of Interest Policy for Use By State Authority, Board, Commission, and Committee Members***

## ***Purpose***

The purpose of this code of conduct and conflict of interest policy (“Code”) is to establish a set of minimum ethical principles and guidelines for members of state authorities, boards, commissions, or committees when acting within their official public service capacity. With the exception of those under the purview of the Unified Judicial System, this Code applies to all appointed and elected members of state authorities, boards, commissions, and committees (hereinafter “Boards” and “Board member(s)”). A Board may add provisions to, or modify the provisions of, the Code. However, any change that constitutes a substantive omission from the Code must be approved by the State Board of Internal Control.

## ***Conflict of Interest for Board Members***

Board members may be subject to statutory restrictions specific to their Boards found in state and federal laws, rules and regulations. Those restrictions are beyond the scope of this Code. Board members should contact their appointing authority or the attorney for the Board for information regarding restrictions specific to their Board.

## ***General Restrictions on Participation in Board Actions***

A conflict of interest exists when a Board member has an interest in a matter that is different from the interest of members of the general public. Examples of circumstances which may create a conflict of interest include a personal or pecuniary interest in the matter or an existing or potential employment relationship with a party involved in the proceeding.

Whether or not a conflict of interest requires a Board member to abstain from participation in an official action of the Board depends upon the type of action involved. A Board’s official actions are administrative, quasi-judicial or quasi-legislative.

A quasi-judicial official action is particular and immediate in effect, such as a review of an application for a license or permit. In order to participate in a quasi-judicial official action of the Board, a Board member must be disinterested and free from actual bias or an unacceptable risk of actual bias. A Board member must abstain from participation in the discussion and vote on a quasi-judicial official action of the Board if a reasonably-minded person could conclude that there is an unacceptable risk that the Board member has prejudged the matter or that the Board member’s interest or relationship creates a potential to influence the member’s impartiality.

A quasi-legislative official action, also referred to as a regulatory action, is general and future in effect. An example is rule-making. If the official action involved is quasi-legislative in nature, the Board member is not required to abstain from participation in the discussion and vote on the action unless it is clear that the member has an unalterably closed mind on matters critical to the disposition of the action.

Administrative actions involve the day-to-day activities of the Board and include personnel, financing, contracting and other management actions. Most of the administrative official actions of a Board are done through the Board's administrative staff. To the extent Board members are involved, the conflict of interest concern most frequently arises in the area of state contracting which is addressed in more detail below. If issues arise that are not directly addressed by this Code, the Board member should consult with the attorney for the Board.

"Official action" means a decision, recommendation, approval, disapproval or other action which involves discretionary authority. A Board member who violates any of these restrictions may be subject to removal from the Board to which the member is appointed.

### ***Contract Restrictions***

There are federal and state laws, rules and regulations that address conflict of interest for elected and appointed Board members in the area of contracts. As an initial matter, a Board member may not solicit or accept any gift, favor, reward, or promise of reward, including any promise of future employment, in exchange for recommending, influencing or attempting to influence the award of or the terms of a state contract. This prohibition is absolute and cannot be waived.

Members of certain Boards are required to comply with additional conflict of interest provisions found in SDCL Chapter 3-23 and are required to make an annual disclosure of any contract in which they have or may have an interest or from which they derive a direct benefit. The restrictions apply for one year following the end of the Board member's term. The Boards impacted by these laws are enumerated within SDCL 3-23-10. For more information on these provisions, see the State Authorities/Boards/Commissions page in the Legal Resources section of the Attorney General's website at: <http://atg.sd.gov/legal/opengovernment/authorityboardcommission.aspx>.

Absent a waiver, certain Board members are further prohibited from deriving a direct benefit from a contract with an outside entity if the Board member had substantial involvement in recommending, awarding, or administering the contract or if the Board member supervised another state officer or employee who approved, awarded or administered the contract. With the exception of employment contracts, the foregoing prohibition applies for one year following the end of the Board member's term. However, the foregoing prohibition does not apply to Board members who serve without compensation or who are only paid a per diem. See SDCL 5-18A-17 to 5-18A-17.6. For more information on these restrictions see the Conflict of Interest Waiver Instructions and Form on the South Dakota Bureau of Human Resources website at: <http://bhr.sd.gov/forms/>.

Other federal and state laws, rules and regulations may apply to specific Boards. For general questions regarding the applicability of SDCL Chapter 3-23 or other laws, a Board member may

contact the attorney for the Board. However, because the attorney for the Board does not represent the Board member in his or her individual capacity, a Board member should contact a private attorney if the member has questions as to how the conflict of interest laws apply to the Board member's own interests and contracts.

### ***Consequences of Violations of Conflict of Interest Laws***

A contract entered into in violation of conflict of interest laws is voidable and any benefit received by the Board member is subject to disgorgement. In addition, a Board member who violates conflict of interest laws may be removed from the Board and may be subject to criminal prosecution. For example, a Board member may be prosecuted for theft if the member knowingly uses funds or property entrusted to the member in violation of public trust and the use resulted in a direct financial benefit to the member. See SDCL 3-16-7, 5-18A-17.4, and 22-30-46.

### ***Retaliation for Reporting***

A Board cannot dismiss, suspend, demote, decrease the compensation of, or take any other retaliatory action against an employee because the employee reports, in good faith, a violation or suspected violation of a law or rule, an abuse of funds or abuse of authority, a substantial and specific danger to public health or safety, or a direct criminal conflict of interest, unless the report is specifically prohibited by law. SDCL 3-16-9 & 3-16-10.

Board members will not engage in retaliatory treatment of an individual because the individual reports harassment, opposes discrimination, participates in the complaint process, or provides information related to a complaint. See SDCL 20-13-26.

## ***Anti-Harassment/Discrimination Policy***

While acting within their official capacity, Board members will not engage in harassment or discriminatory or offensive behavior based on race, color, creed, religion, national origin, sex, pregnancy, age, ancestry, genetic information, disability or any other legally protected status or characteristic.

Harassment includes conduct that creates a hostile work environment for an employee or another Board member. This prohibition against harassment and discrimination also encompasses sexual harassment. Sexual harassment includes unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexually harassing nature, when: (1) submission to or rejection of the harassment is made either explicitly or implicitly the basis of or a condition of employment, appointment, or a favorable or unfavorable action by the Board member; or (2) the harassment has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

Harassment or discriminatory or offensive behavior may take different forms and may be verbal, nonverbal, or physical in nature. To aid Board members in identifying inappropriate conduct, the following examples of harassment or discriminatory or offensive behavior are provided:

- Unwelcome physical contact such as kissing, fondling, hugging, or touching;

- Demands for sexual favors; sexual innuendoes, suggestive comments, jokes of a sexual nature, sexist put-downs, or sexual remarks about a person's body; sexual propositions, or persistent unwanted courting;
- Swearing, offensive gestures, or graphic language made because of a person's race, color, religion, national origin, sex, age or disability;
- Slurs, jokes, or derogatory remarks, email, or other communications relating to race, color, religion, national origin, sex, age, or disability; or
- Calendars, posters, pictures, drawings, displays, cartoons, images, lists, e-mails, or computer activity that reflects disparagingly upon race, color, religion, national origin, sex, age or disability.

The above cited examples are not intended to be all-inclusive.

A Board member who is in violation of this policy may be subject to removal from the Board.

## ***Confidential Information***

Except as otherwise required by law, Board members shall not disclose confidential information acquired during the course of their official duties. In addition, members are prohibited from the use of confidential information for personal gain.

## ***Reporting of Violations***

Any violation of this Code should be reported to the appointing authority for the Board member who is alleged to have violated the Code.

*This Code of Conduct and Conflict of Interest Policy was adopted by the State Board of Internal Control pursuant to SDCL § 1-56-6.*

**TITLE:** Amendment to State Water Plan, 2018 Clean Water State Revolving Fund and 2018 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 2019.

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, 2018 deadline.

- a. Pierre
- b. Springfield
- c. Tulare
- d. Watertown

Staff is recommending that the following project be amended onto the 2018 Clean Water State Revolving Fund Project Priority List:

<b>Priority</b>		<b>Estimated</b>	<b>Expected</b>
<b>Points</b>	<b>Loan Recipient</b>	<b>Loan Amount</b>	<b>Loan Rate &amp; Term</b>
15	Springfield	\$2,891,068	2.50%, 30 years
10	Watertown	\$5,665,000	2.50%, 30 years

September 27, 2018

Item 6

Additionally staff is recommending that the following projects be amended onto the 2018 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>
145	Springfield	\$7,615,880	2.00%, 30 years
79	Pierre	\$36,800,000	2.50%, 30 years
3	Tulare	\$1,374,800	2.25%, 30 years

**RECOMMENDED ACTION:** Approve amendment of projects onto the State Water Plan, 2018 Clean Water State Revolving Fund and 2018 Drinking Water State Revolving Fund Intended Use Plans.

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



# State Water Plan Applications



RECEIVED

JUL 31 2018

SD EForm - 0487LD V3

Division of Financial & Technical Assistance

### State Water Plan Application

<p>Applicant: City of Pierre</p> <p>Address: 2301 Patron Parkway Pierre, SD 57501</p> <p>Phone Number: 605-773-3067</p>	<p>Proposed Funding Package</p> <p>Projected State Funding <u>\$36.8 MM</u> \$</p> <p>Local Cash _____</p> <p>Other: _____</p> <p>Other: _____</p> <p style="text-align: right;">TOTAL <u>\$ 36.8 MM</u> 0</p>
---	--

Project Title: Water Supply System Improvements

Description: (Include present monthly utility rate.)

Pierre's water supply is from wells that have very high manganese concentrations, very high hardness, sulfate and total dissolved solids, and whose water quality concentrations are trending to even higher concentrations. Pierre currently does not have a centralized water treatment facility to remove these contaminants, but rather provides minimal treatment for disinfection and color control at each well. Current water system expenses require a residential water utility rate of \$28.70 per 5,000 gallons.

The preliminary engineering report evaluated alternatives for improving water quality and meeting projected demands, including connecting to the Mid-Dakota RWS, two treatment alternatives using existing ground water source and one alternative including treatment of the Missouri River water. The recommended alternative uses the Missouri River as the water source. Recommend improvements include developing a new intake on the Missouri River, raw water pumping station, transmission pipe to a water treatment facility, new 8.8 MGD ultrafiltration treatment facility, and transmission piping to connect into the existing Pierre water distribution system. Total estimated capital cost of the improvements (including engineering, legal and administrative costs, and contingencies) is \$36.8 Million.

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.

Brad Palmer, Utilities Director  
 Name & Title of Authorized Signatory  
 (Typed)



Signature

7/31/2018  
 Date

**Additional Comments:**

Relative to Priority Point Assessment Item 1.A. and Item 5., the system reported 2 positive coliform samples in November, 2016. The required repeat samples were negative. No other positive samples were reported in the three year time period from June 2014 through May 2017 (the start of the engineering study). The proposed improvements will provide dual barrier treatment (ultrafiltration and chemical disinfection) to prevent distribution of water containing coliforms and protect the distribution system against coliform intrusion.

RECEIVED

MAY 16 2018

Division of Financial & Technical Assistance

SD EForm - 0487LD V3

### State Water Plan Application

Applicant: City of Springfield  Address: PO Box 446 Springfield, SD 57062  Phone Number: 605 369-2309	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;">\$10,412,000</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: CDBG</td> <td style="text-align: right; border-bottom: 1px solid black;">\$750,000</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>\$11,162,000</b></td> </tr> </table>	Projected State Funding	\$10,412,000	Local Cash	_____	Other: CDBG	\$750,000	Other:	_____	<b>TOTAL</b>	<b>\$11,162,000</b>
Projected State Funding	\$10,412,000										
Local Cash	_____										
Other: CDBG	\$750,000										
Other:	_____										
<b>TOTAL</b>	<b>\$11,162,000</b>										

Project Title: Springfield Water and Wastewater System Improvements

Description: (Include present monthly utility rate.)

The City of Springfield has major upgrades planned for both the water and sewer systems. A listing of the recommended projects follows.

Water system projects include construction of a new treatment facility, construction of a new transmission line to connect the Mike Durfee State Prison's waterline to the water tower, installation of new water meters throughout the community, rehabilitation of the city's 300,000-gallon water tower, and removal of the 55,000-gallon water tower.

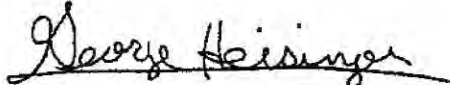
Sewer system projects include expansion of the wastewater treatment facility, rehabilitation of the city's main sewage lift station, replacement of the southwest lift station, and TV inspection of sewer lines in the community that have not yet been televised.

Springfield's current water rate is \$33.50 per month based on 5,000 gallons used. The City's sewer rate is a flat fee of \$16.00 per month.

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.

George Heisinger, Mayor  
Name & Title of Authorized Signatory  
(Typed)

  
Signature \_\_\_\_\_ Date \_\_\_\_\_



RECEIVED

AUG 01 2018

SD EForm - 0487LD V3

Division of Financial & Technical Assistance

State Water Plan Application

Applicant: Town of Tulare Address: PO Box 107 Tulare, SD 57476 Phone Number: 605-596-4222	Proposed Funding Package  Projected State Funding \$1,374,800  Local Cash _____ Other: CDBG \$750,000 Other: _____  TOTAL \$2,124,800
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Project Title: Town of Tulare Drinking Water Improvements- Alt 1, 2, 3C, 4D

Description: (Include present monthly utility rate.)

The Town of Tulare hired Clark Engineering to complete a study of their drinking water system. The town has an average of about 22% unaccounted for water after new meters were installed. This is likely due to the aging infrastructure. The town is proposing to cap an old well located in the utility building prior to demolishing the building (Alt 1). They also intend to demolish the old pump house and replace it along with new pumps and controls (Alt 2). The project will include removal of the ground storage reservoir (Alt 3C) and constructing a new 80,000 gallon elevated storage tank (Alt 4D) that does not require ground storage.

The Town of Tulare receives its water supply from Mid Dakota. Currently the Town charges \$37.00 for 5,000 gallons per user per month. Rates include an \$11.00 Mid Dakota user fee, \$18.00 minimum water rent fee, and \$1.60 for each 1,000 gallons used.

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.

Gene Stellmacher, President  
Name & Title of Authorized Signatory  
(Typed)

*Gene Stellmacher*  
Signature Date 7/27/2018

## State Water Plan Application

<p>Applicant: City of Watertown</p> <p>Address: PO Box 910 Watertown, SD 57201-0910</p> <p>Phone Number: 605-882-6200</p>	<p>Proposed Funding Package</p> <p style="text-align: right;">Projected State Funding    <u>\$5,665,000</u></p> <p style="text-align: right;">Local Cash    _____</p> <p>Other: _____</p> <p>Other: _____</p> <p style="text-align: right;">TOTAL    <u>\$5,665,000</u></p>
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Project Title: Wastewater Facility Administration/Operations Building Construction

Description: (Include present monthly utility rate.)

The existing Watertown Wastewater Treatment Administration Building was built in 1993-1994. The 25 year old wooden structure no longer meets the space requirements and functionality for the wastewater department. The building no longer meets current building codes and does not meet ADA requirements.

The operations shop building was constructed in or before 1930. The old cinder block building has reached the end of its useful life. In 2017, the south parapet wall of the building toppled over onto the roof. Other areas of the structure sustained additional damage. The City is concerned about the safety of employees and equipment within the building.

The City is proposing to demolish the current operations shop and will utilize the existing administration building for records storage. Watertown is proposing to construct a new administration/operations shop building on the current wastewater treatment facility site. See the attached preliminary report. Current wastewater fee for 5,000 gallons is \$20.53.

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.

Sarah Caron, Mayor  
Name & Title of Authorized Signatory  
(Typed)

  
Signature

7/17/18  
Date

**RECEIVED**

**JUL 18 2018**

Division of Financial  
& Technical Assistance

TITLE: Sanitary/Storm Sewer Facilities Funding Applications

EXPLANATION: The following applications have been received by DENR for funding consideration at this meeting. The project priority points shown in the Intended Use Plan are listed in parentheses.

- a. Raymond (22)
- b. Harrisburg (17)
- c. Mitchell (10)

COMPLETE APPLICATIONS: The application cover sheets and summary sheets with a financial analysis 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/BWNRappsssf0918.pdf>

If you would like a hard copy of the applications, please contact Mike Perkovich at (605) 773-4216.



# Sanitary/Storm Sewer Facilities Funding Applications





# Sanitary/Storm Sewer Facilities Funding Application

Clean Water State Revolving Fund Program (CWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

**RECEIVED**  
**JUN 21 2018**

Applicant: Town of Raymond  Address: PO Box 116 Raymond, SD 57258  Subapplicant: N/A  DUNS Number: 968338488	<div style="text-align: right;"><b>Division of Financial &amp; Technical Assistance</b></div> Proposed Funding Package  <table style="width: 100%;"> <tr> <td style="width: 70%; text-align: right;">Requested Funding</td> <td style="width: 30%; text-align: right;"><u>\$1,011,225</u></td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right;"><u>                    </u></td> </tr> <tr> <td style="text-align: right;">Other: _____</td> <td style="text-align: right;"><u>                    </u></td> </tr> <tr> <td style="text-align: right;">Other: _____</td> <td style="text-align: right;"><u>                    </u></td> </tr> <tr> <td style="text-align: right;">Other: _____</td> <td style="text-align: right;"><u>                    </u></td> </tr> <tr> <td style="text-align: right;"><b>TOTAL</b></td> <td style="text-align: right;"><u><b>\$1,011,225</b></u></td> </tr> </table>	Requested Funding	<u>\$1,011,225</u>	Local Cash	<u>                    </u>	Other: _____	<u>                    </u>	Other: _____	<u>                    </u>	Other: _____	<u>                    </u>	<b>TOTAL</b>	<u><b>\$1,011,225</b></u>
Requested Funding	<u>\$1,011,225</u>												
Local Cash	<u>                    </u>												
Other: _____	<u>                    </u>												
Other: _____	<u>                    </u>												
Other: _____	<u>                    </u>												
<b>TOTAL</b>	<u><b>\$1,011,225</b></u>												

Project Title: Raymond Wastewater Improvements

Description:

Helms & Associates prepared a facility plan amendment dated January 26, 2018 for this project consisting of lift station and wastewater treatment facility improvements

Lift Station \$349,200

Wastewater Treatment Facility \$662,025

Total \$1,011,225

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.

Larry Brannan, Board President  
Name & Title of Authorized Signatory  
(Typed)

Larry Brannan 6/19/2018  
Signature Date

FUNDING REQUEST EVALUATION FORM  
SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION  
APPLICANT: TOWN OF RAYMOND

Project Title: Wastewater Improvements

Funding Requested: \$1,011,225

Other Proposed Funding: None

Total Project Cost: \$1,011,225

Project Description: The project consists of replacing the existing lift station. The new lift station will pump all system flows to the treatment facility and be provided with emergency backup power. The project also includes improvements to the treatment lagoons with the installation of a new clay liner, bank riprap, and other miscellaneous site improvements.

Alternatives Evaluated: The "No Action" alternative is not recommended for the lift station because it is in poor condition and cannot provide reliable operation. Since there are multiple issues with leaking dikes and seepage, this alternative is not recommended for the treatment system either.

Replacement is the only alternative evaluated for the lift station since both the wet-well and pumping equipment are no longer reliable.

The wastewater treatment facility improvements include replacing the liner. The liners evaluated included a synthetic liner, clay liner, or mixing bentonite with a non-clay soil to form a liner. Bentonite is normally only considered if clay material is not available and clay soil is available for this project.

The clay liner and synthetic liner alternatives have similar costs. Since a clay liner allows for some acceptable seepage it will provide additional capacity over a synthetic liner. Therefore, the clay liner is the chosen alternative.

The town also considered converting the existing no discharge facility into one that discharges. The town decided to continue with the current system due to the ease of operation of a no discharging facility.

Implementation Schedule: Town of Raymond anticipates bidding the project in March 2019 with a project completion date of December 2019.

Service Population: 50

Current Domestic Rate: \$34.35 flat rate

Interest Rate: 2.5%

Term: 30 years

Security: Project Surcharge

#### DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If all funding is provided as loan town of Raymond would have to establish a surcharge of approximately \$129.45. When added to current rate of \$34.35/5,000 gallons residents would be paying \$163.80/5,000 gallons.

25% Funding Subsidy: \$252,806 subsidy with a loan of \$758,419.

Coverage at 25% Subsidy: Based on a 25% subsidy and a loan of \$758,419, the town of Raymond would have to establish a surcharge of approximately \$97.00 thereby paying a rate \$131.35/5,000 gallons.

50% Funding Subsidy: \$505,613 subsidy with a loan of \$505,613.

Coverage at 50% Subsidy: Based on a 50% subsidy and a loan of \$505,613, the town of Raymond would have to establish a surcharge of approximately \$64.70 thereby paying a rate \$99.05/5,000 gallons.

75% Funding Subsidy: \$758,419 subsidy with a loan of \$252,806.

Coverage at 75% Subsidy: Based on a 75% subsidy and a loan of \$252,806, the town of Raymond would have to establish a surcharge of approximately \$32.35 thereby paying a rate \$66.70/5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: ERIC MEINTSMA

FINANCIAL REVIEW COMPLETED BY: JON PESCHONG

## Sanitary/Storm Sewer Facilities Funding Application

Clean Water State Revolving Fund Program (CWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

Applicant: City of Harrisburg  Address: PO Box 26 Harrisburg, SD 57032-0026  Subapplicant: N/A  DUNS Number: 110148384	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center;">Proposed Funding Package</td> </tr> <tr> <td style="text-align: right;">Requested Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$24,487,000</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;">0</td> </tr> <tr> <td style="text-align: right;">Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black;">0</td> </tr> <tr> <td style="text-align: right;">Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black;">0</td> </tr> <tr> <td style="text-align: right;">Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black;">0</td> </tr> <tr> <td style="text-align: right;"><b>TOTAL</b></td> <td style="text-align: right; border-bottom: 3px double black;"><b>\$24,487,000</b></td> </tr> </table>	Proposed Funding Package		Requested Funding	\$24,487,000	Local Cash	0	Other: _____	0	Other: _____	0	Other: _____	0	<b>TOTAL</b>	<b>\$24,487,000</b>
Proposed Funding Package															
Requested Funding	\$24,487,000														
Local Cash	0														
Other: _____	0														
Other: _____	0														
Other: _____	0														
<b>TOTAL</b>	<b>\$24,487,000</b>														

**RECEIVED**  
**JUL 02 2018**  
**Division of Financial & Technical Assistance**

Project Title: Wastewater Treatment Facility Construction Project

Description:


The City of Harrisburg is planning to construct a new mechanical wastewater treatment facility. Rapid population growth in th early 2000's overloaded the existing wastewater treatment lagoons causing the following deficiencies to develop in the current wastewater treatment facility: (1) Hydraulically overloaded, (2) Organically overloaded, (3) Pond smell complaints, and (4) Sludge build up. In 2009, the City constructed a lift station and force main to pump excess wastewater to Sioux Falls. The new wastewater mechanical facility is anticipated to be operational in 2021 and will be designed to serve the projected population growth for the next 20 years.

The City of Harrisburg's current sewer rate is \$66.36 per month for 5,000 gallons, and it is anticipated that the rates will increase to approximately \$100.00 per month. The City does not have a reserve fund established for this project.

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.

Julie Burke-Van Luvanee, Mayor  
 Name & Title of Authorized Signatory  
 (Typed)

  
 Signature

6.28.18  
 Date

FUNDING REQUEST EVALUATION FORM  
SANITARY / STORM SEWER FACILITIES FUNDING APPLICATION  
APPLICANT: CITY OF HARRISBURG

Project Title: Wastewater Treatment Facility Construction

Funding Requested: \$24,487,000

Other Proposed Funding: None

Total Project Cost: \$24,487,000

Project Description: The city of Harrisburg plans to construct a modified return-activated sludge (RAS) wastewater treatment system with continuous flow and two-stage aeration to treat their wastewater. The city has a hydraulically and organically overloaded pond system which pumps excess wastewater to Sioux Falls for treatment. The city will cease pumping wastewater to Sioux Falls and abandon the pond system when the new facility becomes operational.

Alternatives Evaluated: Mechanical Treatment Alternatives. All of these alternatives are some version of a traditional RAS system. They will all require concrete basins for aeration and settling. A separate headworks building housing a bar screen, odor control scrubber, office, and laboratory will also be required. An additional building will house blowers and a belt press. Each system will require effluent flow equalization, UV treatment and post aeration equipment that may be located outside. The effluent will be pumped 5 miles to discharge into the Big Sioux River at an outfall structure. All of the choices are similar in capital cost.

Mechanical Treatment Alternative 1 – Sequencing Batch Reactor. This alternative was not selected due to being prone to treatment cycle upsets.

Mechanical Treatment Alternative 2 - Oxidation Ditch. This alternative was not selected due to being slightly higher in capital cost.

Mechanical Treatment Alternative 3 – Continuous flow with Two-stage Aeration. This alternative was chosen because of city preference with operation and ability to meet future nutrient requirements.

Regionalization Alternative 1: Partial Pumping of Wastewater to Sioux Falls. Harrisburg currently runs wastewater through

their pond system before it is pumped to Sioux Falls. This process results in a treatment cost credit which reduces the amount Sioux Falls charges Harrisburg for pumping. If Harrisburg continues to pump wastewater to Sioux Falls, Sioux falls will levy a System Development Charge (SDC) for every new and existing sewer connection in Harrisburg .This alternative involves continuing to pump wastewater to Sioux Falls while installing headworks screening, removing sludge and adding aeration to some of the treatment cells to continue to receive treatment cost credits into the future. This alternative was not selected due to the perceived cost of the SDC.

Regionalization Alternative 2: Complete Pumping of Wastewater to Sioux Falls. This alternative involves abandoning the existing treatment cells and pumping all wastewater from the Harrisburg to Sioux Falls. One cell would be kept for emergency storage. This alternative was not selected due to the perceived cost of the SDC and loss of treatment credits.

Regionalization Alternative 3: Construction of a Regional Wastewater Treatment facility with the Communities of Tea, Worthing, Canton, Lennox, Lincoln County and Lincoln County Rural Water. This alternative was not selected due to the high capital costs for sewer lines to the proposed facility and lack of interest from some communities.

Standalone Treatment Alternative 1: Submerged Attached Growth Reactor (SAGR). This system uses an aerated lagoon followed by rock media aerated by buried diffusers. This alternative will need the headworks and blower buildings proposed in the mechanical treatment alternatives. This alternative was not selected due to land requirements and for potential difficulty in meeting future nutrient requirements.

Implementation Schedule: Harrisburg anticipates bidding the project in March 2019, with a project completion date of June 2021.

Service Population: 5,698

Current Domestic Rate: \$99.75 per 5,000 gallons usage

Interest Rate: 2.5%

Term: 30 years

Security: Project Surcharge

#### DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If all funding is provided as loan Harrisburg would have to establish a surcharge/volume rate at a level which will bring sewer rates to approximately \$143/5,000 gallons based on the current population. However Harrisburg is projecting a 22% increase in customers over the next three years. This would bring the required rates down to approximately \$121/5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: ALLEN PRINCE

FINANCIAL REVIEW COMPLETED BY: DAVE RUHNKE

## Sanitary/Storm Sewer Facilities Funding Application

Clean Water State Revolving Fund Program (CWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

Applicant: City of Mitchell  Address: 612 N. Main Street Mitchell, SD 57301  Subapplicant:  DUNS Number: 04-091-4277	Proposed Funding Package  <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Requested Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$6,842,000</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;">\$82,150</td> </tr> <tr> <td style="text-align: right;">Other: Non-Point Source</td> <td style="text-align: right; border-bottom: 1px solid black;">\$682,000</td> </tr> <tr> <td style="text-align: right;">Other: _____</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right;">Other: _____</td> <td style="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>\$7,606,150</b></td> </tr> </table>	Requested Funding	\$6,842,000	Local Cash	\$82,150	Other: Non-Point Source	\$682,000	Other: _____		Other: _____		<b>TOTAL</b>	<b>\$7,606,150</b>
Requested Funding	\$6,842,000												
Local Cash	\$82,150												
Other: Non-Point Source	\$682,000												
Other: _____													
Other: _____													
<b>TOTAL</b>	<b>\$7,606,150</b>												

**RECEIVED**  
**JUL 02 2018**  
Division of Financial  
& Technical Assistance

**Project Title:** North Sanborn Boulevard Storm Water and Sanitary Sewer Improvements

**Description:**

The City of Mitchell is in the process of reconstructing the northern portion of Sanborn Boulevard between 1st and 15th Avenues, including upgrading the utility infrastructure below the road surface. This application consists of replacing the sanitary sewer main and upgrading the storm water infrastructure along this section of Sanborn Boulevard. The original intention had been to line the sewer main, but the vitrified clay pipe is in such poor condition that replacement is the only realistic option. The storm water upgrades will allow water to drain south to Dry Run Creek.

The project is over 95% designed. Plans and specifications will be completed later in 2018, with bid letting anticipated for early 2019. Work activity will occur over the 2019 and 2020 construction seasons, with completion expected in the fall of 2020.

**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.

Stephanie Ellwein, City Administrator  
Name & Title of Authorized Signatory  
(Typed)

*Stephanie Ellwein* 6/20/18  
Signature Date



**FUNDING REQUEST EVALUATION FORM**  
**CLEAN WATER FACILITIES FUNDING APPLICATION**  
**APPLICANT: CITY OF MITCHELL**

Project Title: North Sanborn Boulevard Storm Water and Sanitary Sewer Improvements

Funding Requested: \$6,842,000 - CWSRF project  
\$682,000 – NPS project

Other Proposed Funding: \$82,150 - Local Cash

Total Project Cost: \$7,606,150

Project Description: The city of Mitchell is proposing upgrades to the storm water and sanitary sewer system on the north portion of Sanborn Boulevard between 1<sup>st</sup> and 15<sup>th</sup> Avenues.

The purpose of this project is to reduce ponding on the 9<sup>th</sup> Avenue intersection which occurs during storm events, allow storm water to drain south, and reduce sanitary sewer system infiltration and inflow caused by the deteriorated vitrified clay pipe in the area.

The loan also includes \$682,000 to construct nonpoint source improvements along and adjacent to Firesteel Creek. The nonpoint source component of the loan will be used to make improvements which include riparian area management and fencing.

Alternatives Evaluated: The city evaluated the “Do Nothing” alternative and determined that it was not acceptable because it would not address the issues with the current system. Three storm sewer alternatives and two sanitary sewer alternatives were discussed.

Storm Water Alternative 1 considered upsizing the pipe which conveys storm water to Firesteel Creek. This alternative includes installing a new 42-inch reinforced concrete pipe (RCP) parallel to the current 24-inch line. This alternative was not selected due to its cost.

Storm Water Alternative 2 proposed constructing a detention pond west of the 9<sup>th</sup> Avenue and Sanborn Boulevard intersection. The pond would eliminate a portion of 9<sup>th</sup> avenue. This would require the city to purchase that property and remove the structures on it to construct the pond. This alternative was not chosen because of the cost.

Storm Water Alternative 3 was the chosen alternative. This alternative proposes routing the storm water south to Dry Run Creek. This project also includes installing a total of 12 inlets, and 48-inch RCP to convey storm water. In addition, the storm sewer vitrified clay pipe from 10<sup>th</sup> Avenue to 15<sup>th</sup> will be replaced, new inlets and manholes installed, and curb and gutter replaced.

The city considered relining the sanitary sewer, but the pipe is very deteriorated, making lining impossible. The chosen alternative includes replacing the sanitary sewer pipe and re-routing the flow from the 11<sup>th</sup> Avenue and Sanborn Boulevard intersection to the 12<sup>th</sup> and Sanborn intersection. This alternative will reduce infiltration and inflow.

Implementation Schedule: The city of Mitchell anticipates bidding the project in December 2018 with a project completion date of December 2020.

Service Population: 15,610

Current Domestic Rate: \$24.77 per 5,000 gallons usage

Interest Rate: 1.25 % Term: 20 years Security: Project Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan Mitchell would have to establish a surcharge of approximately \$7.05. When added to current rate of \$24.77/5,000 gallons residents would be paying \$31.82/5,000 gallons.
----------------------------------	---

ENGINEERING REVIEW COMPLETED BY: ABBEY LARSON

FINANCIAL REVIEW COMPLETED BY: DAVID RUHNKE

TITLE: Drinking Water Facilities Funding Applications

EXPLANATION: The following application has been received by DENR for funding consideration at this meeting. The project priority points as shown in the Intended Use Plan are listed in parentheses.

- a. Mitchell (33)

COMPLETE APPLICATIONS: An Application cover sheet and summary sheet with financial analysis have been provided as part of the board packet. The complete application is available online and can be accessed by typing the following address in your internet browser:

<http://denr.sd.gov/bwnrapps/BWNRappsdf0918.pdf>

If you would like a hard copy of the application, please contact Andy Bruels at (605) 773-4216.

# Drinking Water Facilities Funding Applications



## Drinking Water Facilities Funding Application

Drinking Water State Revolving Fund Program (DWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

<p><b>Applicant:</b> City of Mitchell</p> <p><b>Address:</b> 612 N. Main Street Mitchell, SD 57301</p> <p><b>Subapplicant:</b></p> <p><b>DUNS Number:</b> 04-091-4277</p>	<p style="text-align: center;"><b>RECEIVED</b></p> <p style="text-align: center;"><b>JUL 02 2018</b></p> <p style="text-align: center;"><b>Division of Financial &amp; Technical Assistance</b></p>
<b>Proposed Funding Package</b>	
Requested Funding	\$821,000
Local Cash	\$82,250
Other: _____	_____
Other: _____	_____
Other: _____	_____
<b>TOTAL</b>	<b>\$903,250</b>

**Project Title:** North Sanborn Boulevard Water System Improvements

**Description:**

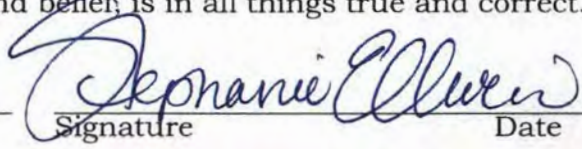
The City of Mitchell is in the process of reconstructing the northern portion of Sanborn Boulevard between 1st and 15th Avenues, including upgrading the utility infrastructure below the road surface. This application consists of replacing the water main along this section of Sanborn Boulevard.

The project is over 95% designed. Plans and specifications will be completed later in 2018, with bid letting anticipated for early 2019. Work activity will occur over the 2019 and 2020 construction seasons, with completion expected in the fall of 2020.

**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.

Stephanie Ellwein, City Administrator  
Name & Title of Authorized Signatory  
(Typed)


6/20/18  
 Signature Date

**FUNDING REQUEST EVALUATION FORM  
DRINKING WATER FACILITIES FUNDING APPLICATION  
APPLICANT: CITY OF MITCHELL**

Project Title: North Sanborn Boulevard Water System Improvements

Funding Requested: \$821,000

Other Proposed Funding: \$82,250 - Local Cash

Total Project Cost: \$903,250

Project Description: The city of Mitchell proposes to replace water main along Sanborn Boulevard between 1<sup>st</sup> and 15<sup>th</sup> Avenues. The existing pipe is 4-inch sand cast and is deteriorated, causing water main breaks throughout town. The purpose of this project is to replace the existing pipe with 8-inch PVC pipe to improve pressure and prevent future breaks.

Alternatives Evaluated: The "No Action" alternative was evaluated but since this would not address the issues the system currently has, it was determined to be unacceptable.

Implementation Schedule: The city of Mitchell anticipates bidding the project in December 2018 with a project completion date of December 2020.

Service Population: 15,610

Current Domestic Rate: \$29.15 per 5,000 gallons usage

Interest Rate: 2.25 %      Term: 20 years      Security: System Revenue

**DEBT SERVICE CAPACITY**

Coverage at Maximum Loan Amount: If funding is provided as all loan, Mitchell would have over 300% coverage based on the current rate of \$29.15/5,000 gallons.
---

ENGINEERING REVIEW COMPLETED BY: ABBEY LARSON

FINANCIAL REVIEW COMPLETED BY: DAVID RUHNKE

TITLE: Solid Waste Management Program Funding Application

EXPLANATION: The following application has been received by DENR for funding consideration at this meeting.

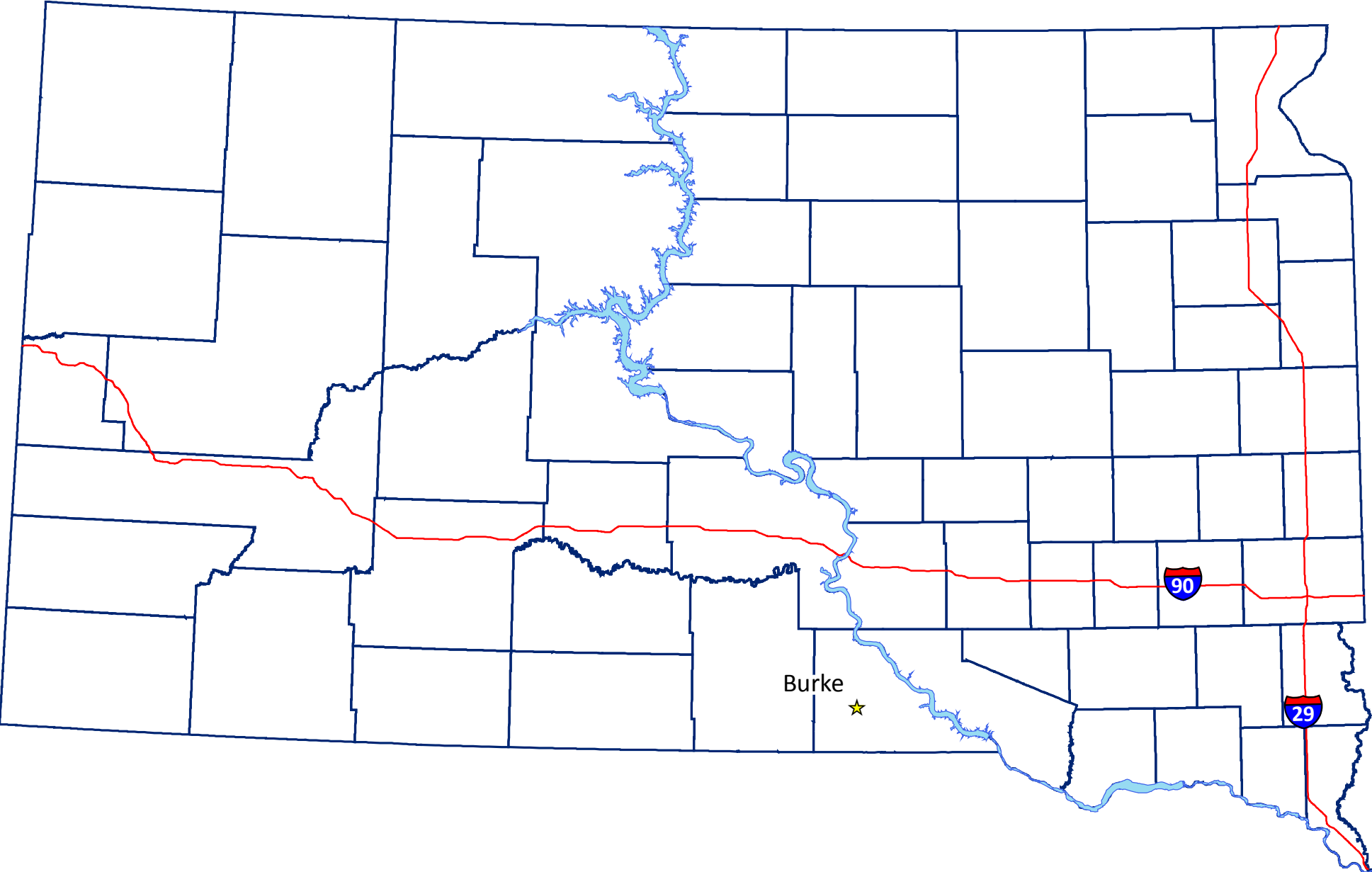
a. Burke

COMPLETE APPLICATIONS: An application cover sheet and summary sheet with financial analysis has been provided as part of the board packet. The complete application is available online and can be accessed by typing the following address in your internet browser:

<http://denr.sd.gov/bwnrapps/BWNRappsOther0918.pdf>

If you would like a copy of the application, please contact Drew Huisken at (605) 773-4216.

# Solid Waste Management Program Funding Applications





# Solid Waste Management Program Application

Applicant

Proposed Funding Package

CITY OF BURKE

SWMP Funds: \$7,000

Address

PO BOX 250  
704 MAIN ST.  
BURKE, SD 57523

Local Cash: \$7,125

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

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

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

Phone Number (605) 775-2913

Total Project Cost: \$14,125

Project Title: Burke Strives to Expand Recycling Program Through Collaborative Efforts

Description:


The community of Burke (population 586) is composed of residents working together to strengthen and build community capacity to increase quality of life and create an environment that is healthy and safe. The City of Burke collaborates with area businesses and organizations such as the Burke Wellness Coalition, Fitness on Main, the Burke Men's Association, Community Memorial Hospital and the Burke Community Club to implement strategies that address community needs and issues. Recycling is a strategy that promotes a healthy community. To launch recycling at an introductory level, two 2-cubic yard (dumpsters) bins were acquired in late winter 2018 through a mini-grant and in-kind contributions by the Burke Wellness Coalition. Through this initial process it became apparent that Burke residents wanted to recycle, since the bins were full most of the time. To increase the community's recycling capacity, the project is seeking a \$7,000 grant from the South Dakota Department of Environment & Natural Resource's Solid Waste Management Program Funding to add to \$7,125 which was obtained from community donations. The grant and donations combined would purchase a recycling trailer for \$14,125 with a 25-cubic yard capacity.

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 GLOVER, FINANCE OFFICER CITY OF BURKE

Name and Title of Authorized Signatory (Typed)



Signature

6-25-18

Date

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

Project Title:	Recycling Program Expansion
Funding Requested:	\$7,000
Other Proposed Funding:	\$7,125 – Local Cash
Total Project Cost:	\$14,125
Project Description:	<p>The City of Burke is requesting funding to increase the recycling capacity in the community. Burke recently introduced a small recycling program in the city which was met with overwhelming success. The recycling program needs to increase the size of recycling collection containers to meet the increasing demand and allow for a more reasonable amount of time for hauling to a larger collection facility.</p> <p>The City of Burke is proposing to use Solid Waste Management Program funding in conjunction with city funds and funds from other community organizations to purchase a 25-cubic yard recycling trailer to meet the recycling capacity needs of the community.</p>
Type:	Recycling
Service Population:	586
Financial & History Information:	Burke has not received any Solid Waste Management Program funding to date.
Fees:	Not Applicable

**TITLE:** Onida's – Request to amend Consolidated Grant 2015G-301

**EXPLANATION:** On September 26, 2014, the city of Onida received a \$900,000 Consolidated Water Facilities Construction Fund Grant (2015G-103) for Water System Improvements. The grant was based on 39.1% of total project costs of \$2,305,000. The project included a 200,000-gallon water storage tank, an automatic meter reading system, looping to eliminate dead end lines, and additional hydrants and valves for better operational control of the system.

On March 30, 2017, the city received approval for a grant amendment to change the project description. The new project consists of the replacement of approximately 9,100 feet of asbestos cement water lines, approximately 4,700 feet of services lines, hydrants, valves, and other appurtenances.

On September 4, 2018, the Department received a request from the city to increase the grant percentage from 39.1% to 45.0%. The request was made to allow Onida to utilize the remaining \$407,709.45 in the grant funds before the grant period expires.

**RECOMMENDED ACTION:** Approval of the Second Amendment to Consolidated Program Grant Agreement (2015G-301) for up to 45.0 % of approved total project costs not to exceed \$900,000.

**CONTACT PERSONS:** Jim Anderson (773-4216)

RECEIVED  
SEP 04 2018  
Division of Financial  
& Technical Assistance

**CITY OF ONIDA**

P. O. Box 72 Onida SD 57564

August 31, 2018

Brad Johnson, Chairman  
SD Board of Water and Natural Resources  
%, SD Dept. of Environmental and Natural Resources  
PMB 2020  
Joe Foss Building  
523 East Capitol  
Pierre, South Dakota 57501-3182

Jim Anderson  
Natural Resources Engineer  
Department of Environment & Natural Resources  
Financial and Technical Assistance Department  
523 East Capitol  
Pierre, SD 57501

Dear Chairman Johnson and Mr. Anderson;

The City of Onida was previously approved (March, 2017) for an amendment to Consolidated Water Facility Construction Grant #2015G-301 to allow for the replacement of water main distribution improvements to be included in the grant that originally included a water storage facility, meters and looping of dead end lines, etc. The distribution improvements were improvements awarded in 2017 as part of an overall Phase I water and sewer improvements project. Construction began in 2018 and the water portion has not progressed as rapidly as the sewer portion. Therefore, the city is requesting that the CWFC percentage rate be changed from up to 39.1% to up to 45% in order to utilize the entire \$407,709.45 of CWFC grant funds available for this portion of the water project. While bills received through August 29 would allow the city to draw all remaining grant funds in September. To date, the city will have spent approximately \$834,391 on the water distribution project portion of the project and will approve approximately \$200,064 for payment in September. Therefore, the city is respectfully requesting the CWFC grant percentage be changed to up 45% not to exceed \$407,790.45 on the water distribution phase improvements.

If you have questions, please contact the city office at 258-2441 or Marlene Knutson at [mknutson@csded.org](mailto:mknutson@csded.org).

Sincerely,



Gary Wickersham  
Mayor

TITLE: Audit Requirements for Private Non-Profit and For-Profit Entities.

EXPLANATION: On November 5, 2004, the Board of Water and Natural Resources adopted revised standard loan documents for audit requirements for public and private (non-profit and for-profit) entities. The changes were implemented to standardize the financial reporting with GASB, FASB, OCBOA and SDCL 4-11-4.

The Consolidated, Solid Waste Management, Clean Water State Revolving Fund and Drinking Water State Revolving Fund loan agreements for public entities was changed to require borrowers to forward copies of audits required by state law within 15 days of issuance or acceptance by Legislative Audit; and deleted the requirement for an audit if for any two consecutive fiscal years the borrower is not required by state law to have its financial statements audited.

For private (non-profit and for-profit) entities the audit requirements were retained and clarified that the borrower must have its annual financial statements and the financial condition of the system audited and reviewed by an accountant on at least a biennial basis and forward the audit report to the Board of Water and Natural Resources.

Since January of 2016, the following loan awards have been made to private (non-profit and for-profit) entities:

Program	Borrower	Amount
Consolidated	Viewfield Rural Water Association	\$ 50,000
Consolidated	Sheridan Lake Highlands HOA	\$ 211,700
Drinking Water	Brookings-Deuel RWS	\$ 250,000
Drinking Water	Perkins County RWS	\$ 1,722,000
Drinking Water	Kingbrook RWS	\$ 9,000,000
Drinking Water	Clark RWS	\$ 2,950,000
Drinking Water	Pine Cliff Park Water & Maintenance	\$ 348,000
Drinking Water	Sioux RWS	\$9,821,000
Solid Waste	AGRAT2 LLC	\$ 209,300
Solid Waste	Nortwest SD Regional Landfill	\$ 315,200
Solid Waste	Balcon Enterprises	\$ 954,000

In January 2018, Balcon Enterprises requested the Board of Water and Natural Resources deobligate their loan award citing the costs of hiring a firm to conduct an audit of their financials every two years negated the savings it would save from the low interest loan. Estimates to hire a firm to complete an audit vary based on the entities size and complexity but are estimated to cost between \$7,500 and \$15,000.

More recently Sheridan Lake Highlands HOA has cited the extra costs it will have to pay to complete the audit requirement in its loan agreement. Staff have been evaluating the costs verses the benefit of having the current audit requirement for private (non-profit and for-profit) entities. Staff believes that the biennial audit requirement is negating the costs savings of low interest loans and creating hardship for small private (non-profit and for-profit) entities.

Staff has been working with legal counsel and proposes to revise the standard loan agreement for private (non-profit and for-profit) entities. Below is the proposed language which would require a project audit, not a full entity wide audit, be completed once the project is complete on all loan awards that exceed \$250,000.

“(f) The Borrower will furnish to the Board an unaudited statement of the financial position of the Borrower as of the close of the fiscal year and the related statements of revenues and expenses, cash flows, fund balances and changes in fund balances for such fiscal year in accordance with financial and reporting standards as promulgated by the Financial Accounting Standards Board, or an Other Comprehensive Basis of Accounting as appropriate, and certified by a responsible official of the Borrower. Such statements shall be prepared and submitted by the Borrower within 120 days of the end of the Borrower’s fiscal year.

If the loan exceeds \$250,000, the Borrower must have a project audit performed by a qualified independent accountant duly licensed in the State of South Dakota and submitted to the Board within 120 days of the date of the Certificate of Acceptance. The project audit will include a review of its documentation of all sources of revenue and costs associated with the project. The project audit will also include a review that the Borrower has complied with all applicable federal, state, and local laws, regulations, ordinances and permits applicable to the construction, operation, and maintenance of the Project.

September 27, 2018

Item 11

If the Borrower has an annual or biennial audit completed that covers the project period, no project audit is required. The Borrower will submit a copy of all financial and compliance audits completed to the Board within 15 days after it has been issued.

The Borrower agrees to comply with the Single Audit Act of 1984 as amended.”

RECOMMENDED  
ACTION:

Approve the change to the audit requirements in the standard loan agreements for private (non-profit and for-profit) entities.

CONTACT:

Jon Peschong, 773-4216

September 27, 2018

Item 12

**TITLE:** Certify Belle Fourche Irrigation District State Water Resources Management System Project Complete.

**EXPLANATION:** The South Dakota Legislature authorized the Board of Water and Natural Resources to provide loans in an amount not to exceed \$2,500,000 from the Water and Environment Fund to the local project sponsor to be used for the upgrades of the Belle Fourche irrigation project (46A-1-13.12).

To date the Board of Water and Natural Resources has loaned \$2,477,693.57 to provide for the Belle Fourche irrigation upgrade project, including replacement of the Indian Creek siphon, the Horse Creek siphon, the north canal control house, and the south canal control house, repair of the Belle Fourche River siphon, and removal of sediment from the south canal intake. The legislature authorized the project for the purpose of stabilizing crop and forage production in central western South Dakota to offset the effects of drought conditions which naturally devastate South Dakota's economic viability.

Per SDCL 46A-1-13.12, no interest may accrue until the Board of Water and Natural Resources certifies the completion of the construction of the project as authorized.

**RECOMMENDED ACTION:** Approve a resolution authorizing the chairman to certify the completion of the Belle Fourche Irrigation District State Water Resources Management System project as of November 1, 2018, and that the initial loan repayment as described in the loan agreement shall be due and payable on November 1, 2019.

**CONTACT:** Jon Peschong, 773-4216



STATE OF SOUTH DAKOTA  
BOARD OF WATER AND NATURAL RESOURCES  
RESOLUTION NO. 2018-\_\_\_

CERTIFYING COMPLETION OF THE BELLE FOURCHE IRRIGATION UPGRADE PROJECT AND DESIGNATING THE SECRETARY OF ENVIRONMENT AND NATURAL RESOURCES TO ACT ON ITS BEHALF.

WHEREAS, the Belle Fourche Irrigation District (the "District") is authorized pursuant to SDCL Chapters 46A-4 to 46A-7, inclusive, to operate, extend and improve any system or part of system of works for the purpose of providing water and water supply for irrigation purposes; and

WHEREAS, the Board has determined that Belle Fourche Irrigation District, is an entity qualified to receive a loan; that the project it is sponsoring is an eligible water resources project as defined by SDCL 46A-2-4; and that the Project is included in the State Water Resources Management System under the title "Belle Fourche irrigation upgrade project;" and

WHEREAS, the South Dakota Legislature has authorized the Board to provide loans in an amount not to exceed \$2,500,000 and grants in amounts not to exceed \$2,500,000, from the Water and Environment Fund to project sponsors to be used for the Belle Fourche irrigation upgrade project (the "Project"), such loans and grants to be made if future appropriations are made by the Legislature as set forth in SDCL 46A-1-13.12; and

WHEREAS, the South Dakota Legislature further provided that the loans and grants to the local project sponsor could be increased or decreased by such amount as may be justified by reason of ordinary fluctuations in development costs incurred after January 1, 2012, as indicated by engineering costs indices applicable for the type of construction involved; and

WHEREAS, the Board and the District, have previously made and entered into various grant agreements, and have entered into loan agreements to provide for the Belle Fourche irrigation upgrade project, including replacement of the Indian Creek siphon, the Horse Creek siphon, the north canal control house, and the south canal control house, repair of the Belle Fourche River siphon, and removal of sediment from the south canal intake is hereby authorized for the purpose of stabilizing crop and forage production in central western South Dakota to offset the effects of drought conditions which naturally devastate South Dakota's economic viability, including the Water and Environment Fund Construction Loan Agreement dated June 27, 2012, the First Amendment to the Loan Agreement dated May 7, 2013, and the Second Amendment to Loan Agreement dated May 6, 2014, and that the total amount of such loans to date is \$2,477,693.57; and

WHEREAS, SDCL 46A-1-13.12 provides that no interest shall accrue on the loan until the Board of Water and Natural Resources certifies completion of construction of the Project as authorized; and

WHEREAS, the District has notified the Board that the Project has been completed and that all eligible project costs have been submitted and reimbursed.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1. That the Board hereby certifies that construction of the Belle Fourche irrigation upgrade project, as authorized, complete effective November 1, 2018, and that the first Loan

Payment Date shall be due and payable on November 1, 2019, as set forth in the Loan Agreement.

2. That the Secretary, Department of Environment and Natural Resources, is hereby designated as a representative of this Board to do all things on its behalf allowable under the Loan Agreement described herein, including doing those acts necessary to effectuate this certification of project completion and is empowered to delegate such authority in writing to those persons deemed appropriate.

Dated the 27th day of September, 2018

(SEAL)

BY: \_\_\_\_\_  
Chairman, Board of Water and  
Natural Resources

ATTEST:

\_\_\_\_\_  
Secretary, Board of Water and  
Natural Resources

September 27, 2018

Item 13

**TITLE:** Humboldt's Request to Amend Clean Water Loans C461254-03 and C461254-04

**EXPLANATION:** On March 27, 2018, the Town of Humboldt received a \$1,876,000 Clean Water State Revolving Fund (CWSRF) loan at 2.5% for 30 years and a \$2,000,000 Consolidated Water Facilities Construction Program grant for the second phase of improvements to the town's wastewater collection system. This CWSRF loan was pledged to be repaid with wastewater revenues.

Also on March 27, 2018, Humboldt received a \$290,000 CWSRF loan at 2.0% for 10 years for replacement of the town's water meters. This CWSRF loan was pledged to be repaid with water revenues.

On July 12, 2018, the Department received a request from the town to change the pledge for repayment on both loans from a revenue pledge to a surcharge. Staff analysis indicates that a surcharge of \$32.40 will be necessary to provide debt coverage for the \$1,876,000 CWSRF loan C461254-03. Analysis also indicates that a surcharge of \$11.70 will be necessary to provide debt coverage for the \$290,000 CWSRF loan C461254-04.

**RECOMMENDED ACTION:** Rescind resolution #2018-21 approving Clean Water SRF Loan C461254-03, and re-award a new loan resolution with the previous rate, term and contingencies and changing the debt repayment pledge to project surcharge. Rescind resolution #2018-32 approving Clean Water SRF Loan C461254-04, and re-award a new loan resolution with the previous rate, term and contingencies and changing the debt repayment pledge to project surcharge.

**CONTACT:** Drew Huisken, 773-4216



# Humboldt

Small Town with a Big Heart

100 South Main Street

PO Box 72

Humboldt, SD 57035

(605) 363-3789

Board of Water and Natural Resources  
South Dakota Department of Environment and Natural Resources  
Joe Foss Building  
523 E Capitol  
Pierre, SD 57501-3182

RE: Clean Water SRF loan C461254-04 for Water Meters  
Clean Water SRF loan C461254-03 for Phase II Collection System Improvements

Upon review of our rates and surcharges, The Town of Humboldt wishes to change the pledge for repayment on these two projects. Below is the proposed resolution outlining the rates and surcharges to cover repayment on these projects with a September 1<sup>st</sup>, 2018 effective date.

Water:

Per water meter surcharge	\$10.45	(DW Bond #1)
Per water meter surcharge	\$10.20	(DW Bond #2)
0-1000 minimum	\$13.00	
Flow Rate	\$0.35 per hundred gallons used after 1001 gallons	

Sewer:

Per water meter surcharge	\$5.66	(CW Bond #1)
Per water meter surcharge	\$28.34	(CW Bond #2)
0-1000 minimum	\$9.00	
Flow Rate	\$0.175 per hundred gallons after 1001 gallons	

We have verified with our bond council and the approve the use of surcharges as they are system wide improvements.

Sincerely,

Allen Schmeichel  
Town of Humboldt  
Board President

September 27, 2018

Item 14

**TITLE:** Consulting Contract with Perkins Coie LLP for Bond Counsel Services for State Revolving Fund Program Series 2018 Bond Issue

**EXPLANATION:** Bruce Bonjour has served as bond counsel for the South Dakota Conservancy District since 1994. Mr. Bonjour is with Perkins Coie, LLP in Chicago. Mr. Bonjour proposed fees of up to \$85,000 for bond counsel services for the 2018 bond issue. The services to be provided would be similar to past issues and would consist of the following:

The Attorney will perform services as bond counsel for all initial services in connection with the proposed Series 2018 Bonds ("Bonds") described below for the Clean Water State Revolving Fund Program and the Drinking Water State Revolving Fund Program. The Bonds will be issued in one or more tax exempt series of fixed interest rate bonds to finance State Match and/or provide funds for Leveraged Loans for each Program. Services to be provided by Attorney will include the preparation of an official statement for the Series 2018 Bonds, any initial SEC rule 15c2-12 continuing disclosure undertakings, as well as all advice and opinions on other matters customarily provided by bond counsel related to the proposed Series 2018 Bonds.

It is anticipated that the 2018 bond issue will be a tax-exempt series to provide funds for leveraged loans.

Working with the legal counsel and the Office of Attorney General, staff prepared the contract for bond counsel services for the 2018 bond series. The contract runs through June 30, 2019.

**RECOMMENDED ACTION:** Approve a resolution authorizing the execution of the bond counsel contract.

**CONTACT:** Mike Perkovich  
605-773-4216

STATE OF SOUTH DAKOTA  
AGREEMENT FOR LEGAL SERVICES  
BETWEEN

Control # 2018-

Bruce A. Bonjour  
Perkins Coie, LLP  
131 S. Dearborn Street, Suite 1700  
Chicago, IL 60603-5559  
hereafter referred to as Attorney

South Dakota Conservancy District  
523 East Capitol Ave  
Joe Foss Building  
Pierre, South Dakota 57501  
hereafter referred to as State

The State hereby enters into an Agreement for Legal Services with the Attorney.

I. THE ATTORNEY

- A. The Attorney will perform those services described in the Work Plan, attached hereto as Exhibit A and by this reference incorporated herein.
- B. While performing the services hereunder, the Attorney is acting as an independent contractor and not as an officer, agent or employee of the SD Conservancy District or of the State of South Dakota.
- C. The Attorney will not use State equipment, supplies or facilities. The Attorney will provide the State with his firm's Employer Identification Number.
- D. This Agreement shall commence on execution by both parties and end on June 30, 2019.

II. THE STATE

- A. The State will make payment for legal services in connection with the proposed Series 2018 Bonds ("Bonds") for the Clean Water State Revolving Fund Program and the Drinking Water State Revolving Fund Program. The Bonds will be issued in one or more tax exempt series of fixed interest rate bonds to finance State Match and/or provide funds for Leveraged Loans for each Program. Services to be provided by Attorney will include the preparation of an official statement for the Series 2018 Bonds, any initial SEC rule 15c2-12 continuing disclosure undertakings, as well as all advice and opinions on other matters customarily provided by bond counsel related to the proposed Series 2018 Bonds.
- B. The State will not pay Attorney expenses as a separate item, provided, however, that any expense incurred from third parties in connection with the transmittal or filing of a 15c2-12 report, including electronic filing or transmission charges from National

Municipal Information Repository Services shall not be an expense of the Attorney, and should be billed directly to the State.

C. TOTAL CONTRACT AMOUNT is an amount not to exceed \$85,000. Payment will be made pursuant to itemized invoices. Payment will be made consistent with SDCL ch. 5-26.

### III. OTHER PROVISIONS:

A. This Agreement may not be assigned without the express prior written consent of the State. The provisions in this Agreement may only be altered, modified or changed by written amendment hereto subject to the same approval requirements as in this Agreement.

B. This agreement can be terminated upon thirty (30) days written notice by either party and may be terminated for cause by the State at any time with or without notice.

C. The Attorney, at all times during the term of this Agreement, shall obtain and maintain in force insurance coverage of the types and with the limits as follows:

(1) Commercial General Liability Insurance:

The Attorney shall maintain occurrence based commercial liability insurance or equivalent form with a limit of not less than \$2,000,000 for each occurrence. If such insurance contains a general aggregate limit it shall apply separately to this Agreement or be no less than two times the occurrence limit.

2. Professional Liability Insurance:

The Attorney agrees to procure and maintain professional liability insurance with a limit not less than \$20,000,000.

3. Business Automobile Liability Insurance:

The Attorney shall maintain business automobile liability insurance or equivalent form with a limit of not less than \$1,000,000 for each accident. Such insurance shall include coverage for owned, hired and non-owned vehicles.

4. Worker's Compensation Insurance:

The Attorney shall procure and maintain workers' compensation and employers' liability insurance if required by South Dakota law.

Before beginning work under this Agreement, the Attorney shall furnish the State with properly executed Certificates of Insurance which shall clearly evidence all insurance required in this Agreement. In the event a substantial change in insurance, issuance of a new policy, cancellation or nonrenewal of the policy, the Attorney agrees to provide immediate notice to the State and provide a new certificate of insurance showing continuous coverage in the amounts required. The Attorney shall furnish copies of insurance policies if requested by the State.

D. This Agreement depends upon the continued availability of appropriated funds and expenditure authority from the Legislature for this purpose. If for any reason the Legislature fails to appropriate funds or grant expenditure authority, or funds become unavailable by operation of law or federal funds reductions, this Agreement will be terminated by the State. Termination for any of these reasons is not a default by the State nor does it give rise to a claim against the State.

E. It is expressly understood and agreed by the parties hereto that this Agreement shall be governed by the laws of the State of South Dakota both as to interpretation and performance.

F. The Attorney will comply with all federal, state and local laws, regulations, ordinances, guidelines, permits and requirements applicable to providing services pursuant to this Agreement, and will be solely responsible for obtaining current information on such requirements.

G. Any notice or other communication required under this Agreement shall be in writing and sent to the address set forth above. Notices shall be given by and to David Ruhnke on behalf of the State, and by and to Bruce Bonjour, on behalf of the Attorney, or such authorized designees as either party may from time to time designate in writing. Notices or communications to or between the parties shall be deemed to have been delivered when mailed by first class mail, provided that notice of default or termination shall be sent by registered or certified mail, or, if personally delivered, when received by such party.

H. In the event that any provision of this Agreement shall be held unenforceable or invalid by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

I. All other prior discussions, communications and representations concerning the subject matter of this Agreement are superseded by the terms of this Agreement, and except as specifically provided herein, this Agreement constitutes the entire agreement with respect to the subject matter hereof.

J. The Attorney certifies that neither the Attorney nor the principals of his firm are presently debarred, suspended, proposed for debarment or suspension, or declared ineligible from participating in transactions by the federal government or any state or



local government department or agency. Attorney further agrees that it will immediately notify the State if during the term of this Agreement the Attorney or his firm's principals become subject to debarment, suspension or ineligibility from participating in transactions by the federal government, or by any state or local government department or agency.

K. The Attorney agrees not to participate as Counsel, in person or his law firm, in opposition to the interests of the State of South Dakota or any of its departments, bureaus, boards or commissions consistent with the policy attached hereto and labeled Exhibit B.

In Witness Whereof the parties signify their agreement by the signatures affixed below:

ATTORNEY

STATE

\_\_\_\_\_  
Bruce A. Bonjour, Partner (Date)  
Perkins & Coie

\_\_\_\_\_  
Brad Johnson (Date)  
Chairman, Board of Water and  
Natural Resources

The foregoing Agreement is hereby approved.

---

Craig Ambach (Date)  
Litigation and Legal Services Manager  
For the Governor

The foregoing Agreement is hereby approved as to form.

---

Marty J. Jackley (Date)  
Attorney General

EXHIBIT A  
WORK PLAN

The Attorney will perform services as bond counsel for all initial services in connection with the proposed Series 2018 Bonds described below (“Bonds”) for the Clean Water State Revolving Fund Program and the Drinking Water State Revolving Fund Program. The Bonds will be issued in one or more tax exempt series of fixed interest rate bonds to finance State Match and/or provide funds for Leveraged Loans for each Program. Services to be provided by Attorney will include the preparation of an official statement for the Series 2018 Bonds, any initial SEC rule 15c2-12 continuing disclosure undertakings, as well as all advice and opinions on other matters customarily provided by bond counsel related to the proposed Series 2018 Bonds.

EXHIBIT B  
POLICY CONCERNING CONFLICTS OF INTEREST

This policy is adopted to address the issue of potential conflicts of interest with regard to the State of South Dakota and attorneys contracting with the State of South Dakota (“State”) to perform legal services. This policy will be attached as an addendum to any contract for legal services entered into between the State and any attorney contracting to perform those legal services and shall become a part of that contract.

A. Except as provided in paragraph B of this policy, if an attorney contracting to perform legal services with the State has a pending claim against the State or its employees on behalf of a client; or in the event an attorney with an existing contract for legal services with the State is approached by a client seeking to file a lawsuit against the State or its employees, the contracting attorney shall notify the Attorney General and the manager of the state PEPL Fund in writing of that conflict of interest prior to the time a contract is signed or prior to undertaking representation of the adverse client. The Attorney General shall personally decide within ten working days whether or not the State will waive any conflict of interest created by that claim. The Attorney General will consider the magnitude of the claim against the State, the appearance of impropriety which could adversely affect the interests of the State, the degree, if any, to which the contracting attorney has or will gain access to information which would give him an undue advantage in representing a client whose interests are adverse to the State, whether the department or agency against which the claim is made is also a department or agency that will be represented by the contracting attorney, and any other factor which the Attorney General may deem pertinent in his discretion.

Notification of the Attorney General under this paragraph, prior to the commencement of an action is not required if the contracting attorney is approached by a client to commence an action against the State and the contracting attorney has a good faith belief that absent immediately filing, the action would be barred by a statute of limitations or comparable provision. Under these circumstances, the contracting attorney shall, as soon as practical, contact the Attorney General regarding the conflict and agrees that if the conflict of interest is not waived, to withdraw from representing the client in the pending action.

B. Any conflict of interest which may be created by the following situations will automatically be deemed to be waived by the Attorney General and will not be subject to the notification requirements of this policy statement:

1. Any action where the contracting attorney represents a codefendant with the State in a claim or lawsuit, regardless of any cross-claim or third-party claim which the State and the attorney’s non-State client may have against each other; unless the cross-claim or third-party claim was readily apparent at the time of contracting with the non-State client and seeks significant monetary consequences; the cross-claim is against a state agency which the contracting attorney represents; or by virtue of representation of the State under contract the attorney had access to information which would give the non-State client an unfair advantage.

2. Any condemnation action in which the contracting attorney represents a condemnee.
3. Any administrative licensing proceeding in which the contracting attorney appears representing a client, regardless of the fact that the client may make a claim which would be adverse to a position taken by a department or agency of state government; unless the claims, if successful, will have significant monetary consequences to the State; or by virtue of representation of the State under contract the contracting attorney had access to information which would give the non-State client an unfair advantage.
4. Any administrative proceeding before the Department of Revenue in which the contracting attorney's client may have a claim which would create a potential liability for the State of South Dakota; unless the claim, if successful, will have significant monetary consequences to the State; or by virtue of representation of the State under contract the contracting attorney had access to information which would give the non-State client an unfair advantage.
5. Any bankruptcy proceeding in which the contracting attorney represents a client other than the State of South Dakota and in which the State of South Dakota has a secured or unsecured claim.
6. Any activity relating to the negotiation of a contract with the State of South Dakota and another client represented by the contracting attorney; unless the contracting attorney is actively representing the department or agency of state government with which the contract is being negotiated; or by virtue of representation of the State under contract the contracting attorney had access to information which would give the non-State client an unfair advantage.
7. The defense of any criminal action; unless the attorney has an existing contract as a special prosecutor in criminal actions for the State of South Dakota; or if, in representation of the State under contract, the contracting attorney had access to information which would give the non-State client an unfair advantage in the criminal action.
8. Any small claims action in which the contracting attorney represents any plaintiff or defendant with interests adverse to those of the State.
9. Any action brought through representation under a long-term contract or appointment of any other governmental entity, whether or not that governmental entity has interests that are adverse to those of the State; unless the claim, if successful, will have significant monetary consequences against the State of South Dakota.
10. Any action in which the State is a named party but has only a nominal interest, as in mortgage foreclosures and quiet title actions.

11. Any lobbying activity by the contracting attorney.
12. Any worker's compensation case in which the contracting attorney represents a claimant; unless the contracting attorney represents the South Dakota Department of Labor in matters relating to worker's compensation claims or benefits.

C. The Attorney General reserves the right to raise a conflict of interest, notwithstanding the automatic waiver provisions of paragraph B of this policy, where a conflict of interest covered by the South Dakota Rules of Professional Conduct exists and in the discretion of the Attorney General, is it determined to be in the State's best interest to raise the conflict. The Attorney General shall notify the contracting attorney of the existence of the conflict and the delineation of waiver within seven days of the Attorney General's actual notice of the contracting attorney's action against the State.

D. For purposes of this policy: 1) the term "contracting attorney" means the attorney actually signing the agreement and his entire law firm; 2) the term "State" means the State of South Dakota and any branch, constitutional office, department, agency, institution, board, commission, authority, or other entity by state government; and 3) the term "significant monetary consequences" means that the suit, claim, action or other proceeding against the State, if successful, could reasonably result in the State making payments to the contracting attorney, the client or the class the client represents in excess of \$50,000 or in the case of the proceeding against the Department of Revenue, or other state taxing entity payments or lost revenue in excess of \$50,000.

E. This guideline shall not be construed as altering or reducing an attorney's obligations to his client under the South Dakota Rules of Professional Conduct specifically stated herein.

September 27, 2018

Item 14.1

**TITLE:** Perkins Coie LLP Conflict Waiver Request for Simultaneous Representation of South Dakota Conservancy District and Citigroup Global Markets Inc.

**EXPLANATION:** Bruce Bonjour, Perkins Coie, has served as bond counsel for the Clean Water State Revolving Fund program since 1993 and the Drinking Water SRF program since 1997. Perkins Coie currently has a contract with the District to serve as bond counsel for the State Revolving Fund programs through December 31, 2018.

It is expected that Citigroup Global Markets Inc. will enter into a contract with South Dakota Conservancy District for underwriting services related to the issuance of bonds.

Attached is a letter requesting the State and the Conservancy District to sign a waiver of a conflict of interest that will allow Mr. Bonjour to continue to represent the District, even though his firm has represented, and is currently representing, Citigroup Global Markets Inc. with respect to a variety of unrelated work, including financing and lending transaction matters.

Because there is a theoretical conflict here, the District needs to waive the conflict in order to proceed. Additionally, our legal services contract requires consent of the Attorney General.

As you can see from his letter, Mr. Bonjour does not think the work his firm does for Citigroup Global Markets Inc. will adversely affect the work he does for the District. The District's legal counsel, Mr. Harold Deering, agrees with conclusion of no adverse affect. Attorney General Marty Jackley will also need to sign the waiver on behalf of the State of South Dakota.

**RECOMMENDED ACTION:** Authorize the chairman to execute the Perkins Coie LLP Conflict Waiver Request for Simultaneous Representation of South Dakota Conservancy District and Citigroup Global Markets Inc.

**CONTACT:** Mike Perkovich (773-4216)

South Dakota Conservancy District  
c/o Mike Perkovich  
Joe Foss Building  
523 East Capitol Avenue  
Pierre, SD 57501-3181

**Bruce A. Bonjour**  
BBonjour@perkinscoie.com  
D. +312.324.8650  
F. +312.324.9650

Marty J. Jackley, Esq.  
Attorney General  
State of South Dakota  
302 East Highway 14, #1  
Pierre, SD 57501

**Re: Simultaneous Representation of South Dakota Conservancy District  
and Citigroup Inc.**

Dear Attorney General Jackley and Chairman Johnson:

This letter will confirm that Perkins Coie LLP has received the informed consent of South Dakota Conservancy District (“the District”) to continue our representation of Citigroup Inc., including Citi Global Markets (“Citi”) as described below in matters unrelated to our ongoing representation of the District as bond counsel (described below) in this unrelated matter in which the interests of the District and Citi are adverse.

Perkins Coie has served as bond counsel to the District for over two decades in connection with the District’s State Revolving Funds for the Clean Water and the Drinking Water Programs (the “SRF Programs”), and Perkins Coie currently has a contract with the District to serve as bond counsel for the SRF Programs through December 31, 2018 with ongoing discussions to extend the same for another three years. The need for this consent arises from the fact that the District has elected to engage Citi as underwriter for an upcoming series of bonds (the “Series 2018 Bonds”) for which Perkins Coie will serve as bond counsel while Perkins Coie (has represented and) is currently representing Citi with respect to a variety of unrelated work, including financing and lending transaction matters.

Under the rules governing professional responsibility and conflicts of interest, Perkins Coie may represent the District in a matter adverse to Citi and simultaneously represent Citi in unrelated matters only under certain conditions. First, we must have the written consent of both clients. Second, we must reasonably believe that we will be able to provide competent and diligent representation to each client. To the best of our knowledge, the work we are now being asked to undertake for the District is not related to any legal services Perkins Coie has performed or is performing for Citi. We are confident in our ability to represent each client’s interests without limitation or compromise.



Mike Perkovich  
Marty J. Jackley  
September 10, 2018  
Page 2

In light of the foregoing, please confirm that the District consents on an informed basis, after full disclosure of the conflict of interest, to Perkins Coie's continued representation of the District as bond counsel for the SRF Programs in current and future matters adverse to Citi and simultaneous representation of Citi in unrelated matters.

I enclose an extra original of this letter for your files. Please sign and return one original for our files.

Very truly yours,



Bruce A. Bonjour

BAB:dd

The undersigned hereby consents to the representation described above.

STATE OF SOUTH DAKOTA  
OFFICE OF ATTORNEY GENERAL

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

SOUTH DAKOTA CONSERVANCY DISTRICT

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

**TITLE:** Selection of Investment Banking Firm(s) for State Revolving Fund Programs

**EXPLANATION:** The Board of Water and Natural Resources, acting as the South Dakota Conservancy District, requested proposals from qualified firms to provide investment banking, underwriting and additional services, such as remarketing, related to negotiated issuances of bonds and notes for a period of three years. The request for proposals was released on July 18, 2018.

Investment banking firms could submit a proposal to serve as senior manager or co-manager. Fourteen proposals were received by the August 13<sup>th</sup> submission deadline.

1. Bank of America Merrill Lynch
2. Citigroup Global Markets Inc.
3. FTN Financial
4. Hilltop Securities
5. JP Morgan
6. Morgan Stanley
7. Piper Jaffray
8. Ramirez & Co.
9. RBC Capital Markets
10. Robert W. Baird & Co., Inc.
11. RSA - co-manager
12. Stifel - co-manager
13. UBS
14. Wells Fargo Securities

A board subcommittee comprised of Brad Johnson, Gene Jones, Jr., and Todd Bernhard reviewed the proposals. The subcommittee, working with staff and SRF financial consultants, will provide a recommendation to the full board regarding the selection of firm(s) to provide investment banking services.

**RECOMMENDED ACTION:** Select investment banking firm(s) and authorize the negotiation and execution of multi-year consultant services contract(s) for investment banking services.

**CONTACT:** Mike Perkovich  
773-4216

**TITLE:** State Fiscal Year 2018 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 2018.

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 2018 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 2018  
July 1, 2017 – June 30, 2018



**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 2018**

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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 TERRI HAVERLY  
Rapid City

REPRESENTATIVE MARY DUVALL  
Pierre

REPRESENTATIVE STEVEN McCLEEREY  
Sisseton

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**STATE FISCAL YEAR**

**2018**

**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 2018, the federal capitalization grants total \$409 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, 2018, the Conservancy District has entered into 754 binding State Revolving Fund commitments totaling \$1.3 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 \$74 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, 2014, and 2017 and in 2004, 2005, 2008, 2014, and 2017 for the Drinking Water SRF program. The total amount of the leveraged bonds is \$328.5 million. In August 2009, the Conservancy District issued \$55 million in leveraged bond anticipation notes.

### **2017 BOND ISSUE**

The South Dakota Conservancy District issued \$94,600,000 of Series 2017 Bonds in August 2017 to provide leveraged and state match funds for the Clean Water and Drinking Water SRF programs and refunded prior SRF debt incurred by the District. The issue consisted of a \$16,730,000 taxable series (Series A) with a five-year maturity and a \$77,870,000 tax-exempt series (Series B) with a twenty-year maturity. With a \$16,941,729 premium paid on the tax-exempt series, bond proceeds totaled \$111,541,729.

The taxable series provided \$6.5 million of state match for the Clean Water State Revolving Fund (SRF) program and \$8.5 million of state match for the Drinking Water SRF program. The tax-exempt series provided \$42.5 million of leveraged funds for the Clean Water SRF program and \$11 million of leveraged funds for the Drinking Water SRF program. The 2017A series had an all-in true interest cost of 2.18 percent, and the 2017B series had an all-in true interest cost of 2.77 percent.

The refunding involved \$37,145,000 of outstanding Bonds issued by the District in 2010 and 2012. A net present value saving of approximately \$4,444,000 was realized on the refunding of prior year issues.

Along with the Conservancy District, the financing team consisted of U.S. Bank N.A. acting as trustee; Perkins Coie acting as bond counsel; Public Financial Management, Inc., the District's financial advisor; the Attorney General's Office serving as issuer's counsel; and Wells Fargo Securities acting as lead underwriter with J.P Morgan serving co-manager.

### **BOND HISTORY**

The South Dakota Conservancy District has issued 21 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. 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 103. Table 2 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
2017A	\$16,730,000	\$6,500,000	\$765,666		\$8,500,000	\$832,626	
2017B	\$77,870,000		\$5,743,425	\$42,500,000		\$4,711,213	\$11,000,000
<b>Total</b>		\$40,589,678	\$165,697,630	\$249,746,266	\$36,779,720	\$96,543,988	\$78,725,286

**Table 2**  
**Outstanding Bonds Principal Balances**  
**as of June 30, 2018**

Series	Clean Water SRF	Drinking Water SRF	Series Totals
2010A	\$26,030,000	\$12,665,000	\$38,695,000
2010B	\$8,033,985	\$6,831,015	\$14,865,000
2012A	\$24,335,000	\$18,390,000	\$42,725,000
2012B	\$13,470,000		\$13,470,000
2014A	\$1,710,000	\$2,135,000	\$3,845,000
2014B	\$40,530,000	\$5,370,000	\$45,900,000
2017A	\$7,325,000	\$9,405,000	\$16,730,000
2017B	\$64,865,000	\$13,005,000	\$77,870,000
<b>Totals</b>	\$186,298,985	67,801,015	\$254,100,000

## **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 disbursements on the past issues, the district chose to issue fixed-rate bonds in 2012, 2014, and 2017.

## **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.

Subsequent 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 \$29,225,467 in principal forgiveness, and Drinking Water SRF borrowers have received \$56,846,452 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 82, 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 2018 interest rates for each program are summarized in the respective sections below.

### **Clean Water SRF Program**

In November 2016, the board set rates at 2 percent for loans with a term of 10 years or less, 2.25 percent for loans with a term greater than 10 years up to 20 years, and 2.5 percent for loans 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 November 2016, the board set the nonpoint source incentive rates at 1 percent for loans with a term of 10 years or less, 1.25 percent for loans with a term greater than 10 years up to 20 years, and 1.5 percent for loans with a term up to 30 years.

### **Drinking Water SRF Program**

In November 2016, the board set rates at 2 percent for loans with a term of 10 years or less, 2.25 percent for loans with a term greater than 10 years up to 20 years, and 2.50 percent for loans 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.

Communities that meet the disadvantaged community criteria may receive a Drinking Water SRF loan at an interest rate below that for other recipients. In November 2016, the board set disadvantaged communities rates at 2.25 percent for 30-year loans if the community's 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 percent for loans with a term up to 30 years or 1 percent for loans with a term 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.

## **SRF FINANCIAL TEAM**

### **Trustee**

The First National Bank in Sioux Falls was selected as trustee at the onset of the Clean Water SRF program in 1989. On September 2, 2016, the First National Bank in Sioux Falls provided the department with written notice of its intent to terminate its consultant contract as trustee. The Board of Water and Natural Resources authorized the distribution of a Request for Proposals for Trustee, Loan Servicer, and Paying Agent/Registrar on September 23, 2016. U.S. Bank NA was named Successor Trustee effective April 24, 2017.

### **Bond Counsel**

Kutak Rock served as bond counsel for the Series 1989 and series 1992 bond issues. Alheimer & Gray served as bond counsel for the Series 1994A, 1995A, 1996A, 1998A and Series 2001 State Revolving Fund Program Bonds. In July 2003, Alheimer & Gray law firm dissolved, and Perkins Coie LLP was retained to serve as bond counsel. Perkins Coie has served as bond counsel for all subsequent bond issues and the 2009 and 2010 bond anticipation notes.



## **Underwriter**

The Conservancy District has retained several underwriting firms to provide investment banking service since the 1989. The underwriters for each bond issue are identified in the Bond Issue Summaries section of the report.

## **Financial Advisor**

In September 2003, PFM Financial Advisors, LLC (formerly Public Financial Management, Inc.) was retained to provide financial services related to the SRF programs. PFM prepares program cash flow models that assist in the rating and sale of the District's bonds, assesses the financial impacts of transfers between the Clean Water and Drinking Water programs, maintenance of SRF funds in perpetuity, and short- and long-term effects of refunding some or all of the District's outstanding debt. PFM Financial Advisors prepares a capacity model designed to evaluate the impacts to current and future lending capacity considering factors including loan terms, loan rates, leveraging the programs and various methods by which required state matching funds may be provided. PFM Financial Advisors also provides guidance regarding TIPRA compliance and maintaining the SRF fund in perpetuity.

## **Investment Manager**

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

## **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 2018 PROGRAM ACTIVITY**

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

The Clean Water SRF program received the 2017 federal capitalization grant of \$6,474,000 in September 2017.. The capitalization grant was matched by \$1,294,800 of state match bond proceeds. Capitalization grant and state match are supplemented by accumulated loan repayments, interest earnings, and leveraged bond proceeds.

In SFY 2018, disbursements totaling \$36,155,792 were made to borrowers. Disbursements consisted of \$12.04 million in federal funds, \$2.45 million in State match funds, \$16.33 million in leveraged bond proceeds, and \$5.33 million in principal repayments and interest earnings.

Two hundred seven loans are in repayment, and \$27,637,610 in repayments were received during the year. One hundred forty-seven loans have been repaid in full, which includes those with 100 percent principal forgiveness. Twenty-eight loans drew no funds, and the full loan amounts were deobligated. There have been no defaults.

In SFY 2018, the Board of Water and Natural Resources awarded 13 loans and amended one older loan totaling \$28,109,700. Table 3 provides a synopsis of the loans that were awarded.

**Table 3  
Clean Water Loans  
State Fiscal Year 2018**

Recipient	Project Description	Total SRF Assistance	Principal Forgiveness	Rate	Term
Cavour (02)	Collection System Improvements	\$192,000		2.50%	30 yrs.
Colton (03) - amendment	Collection System Improvements	\$589,000		2.50%	30 yrs.
Crooks (03)	Palmira Collection System Improvements	\$2,052,000		2.50%	30 yrs.
Dell Rapids (09)	Southeast Phase 1 & Railroad Utility and Big Sioux Watershed Improvements	\$2,661,700		1.50%	30 yrs.
Humboldt (03)	Phase II Wastewater Collection Improvements	\$1,876,000		2.50%	30 yrs.
Humboldt (04)	Water Meter Replacement	\$290,000		2.00%	10 yrs.
Lake Byron San. Dist. (01)	Wastewater Collection and Treatment	\$3,475,000		2.50%	30 yrs.
Marion (02)	Water Meter Replacement	\$522,000	\$99,000	2.00%	10 yrs.
Philip (06)	Storm Sewer System Improvements	\$536,000		2.50%	30 yrs.
Philip (07)	Sanitary Sewer System Improvements	\$605,000		2.50%	30 yrs.
Powder House Pass CID (02)	Wastewater Collection and Treatment	\$2,060,000		2.50%	30 yrs.
Presho (01)	Collection System Improvements	\$4,048,000	\$1,400,000	2.50%	30 yrs.
Sioux Falls (39)	Terry Avenue & 43 <sup>rd</sup> Street Collection and Big Sioux Watershed Improvements	\$8,829,000		1.00%	10 yrs.
Tyndall (02)	Maple Street Sewer Improvements	\$374,000		2.25%	20 yrs.
<b>TOTAL</b>		<b>\$28,109,700</b>	<b>\$1,499,000</b>		

Beginning on page 35, additional information regarding the historical activity of the Clean Water SRF Program is provided.

**Drinking Water State Revolving Fund**

The Drinking Water SRF program received the 2017 federal capitalization grant of \$8,241,000 in September 2017. The capitalization grant was matched by \$1,648,200 of state

match bond proceeds. Capitalization grant and state match are supplemented by accumulated loan repayments, interest earnings, and leveraged bond proceeds.

In SFY 2018, disbursements totaling \$29,114,387 were made to borrowers. Disbursements consisted of \$5.19 million in federal funds, \$1.45 million in state match funds, \$7.48 million in leveraged bond proceeds, and \$15 million in principal repayments and interest earnings.

One hundred ninety loans are in repayment, and \$16,133,470 in repayments were received during the year. Sixty-four loans have been repaid in full, which includes those with 100 percent principal forgiveness. Seventeen loans drew no funds, and the full loan amounts were deobligated. There have been no defaults.

In SFY 2018, the board awarded 12 loans and amended two older loans for a total of \$23,567,000. Table 4 provides a synopsis of the loans that were awarded.

**Table 4  
Drinking Water Loans  
State Fiscal Year 2018**

Recipient	Project Description	Total SRF Assistance	Principal Forgiveness	Rate	Term
Bridgewater (DW-02)	Water Meter Replacement	\$243,000		1.00%	10 yrs.
Butte-Meade Sanitary Water District (DW-02)	Water Line Replacement	\$413,000		2.25%	20 yrs.
Clark Rural Water System (DW-01)	Willow Lake and Bradley Supply and System Improvements	\$2,950,000	\$1,270,000	2.00%	30 yrs.
Colton (DW-04) *	Water Distribution Improvements	\$843,000	\$558,000	2.50%	30 yrs.
Crooks (DW-02)	Palmira Distribution System Improvements	\$1,214,000		2.50%	30 yrs.
Dell Rapids (DW-07)	Southeast Phase 1 & Railroad Utility Improvements	\$2,486,000		2.50%	30 yrs.
Grenville (DW-01)	Water Meter and Valve Replacement	\$352,000	\$282,000	2.00%	30 yrs.
Lake Norden (DW-01)	Water Supply and Treatment Improvements	\$1,477,000		2.00%	20 yrs.
Leola (DW-01)	Water System Improvements	\$1,891,000	\$1,615,000	2.00%	30 yrs.
Oelrichs (DW-01)	Water System and Meter Improvements	\$447,000	\$357,600	2.25%	30 yrs.
Rapid City (DW-04)	East Rapid City Water Expansion	\$500,000	\$375,000	2.00%	20 yrs.
Ree Heights (DW-01)	Distribution System Replacement	\$430,000	\$430,000	0%	-
Sioux Rural Water System (DW-02)	2018 Water System Improvements	\$9,821,000		2.25%	20 yrs.
TC&G Water Association (DW-01) *	Water System Improvements	\$500,000		2.25%	30 yrs.
<b>TOTAL</b>		<b>\$23,567,000</b>	<b>\$4,887,600</b>		

\* Amendment to a previously awarded loan

Beginning on page 75, additional information regarding the historical activity of the Drinking Water SRF Program is provided.

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**STATE REVOLVING FUND**  
**FINANCIAL STATEMENTS**  
**(Unaudited)**

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**SOUTH DAKOTA BOARD OF WATER AND NATURAL RESOURCES  
 CLEAN WATER STATE REVOLVING FUND  
 STATEMENT OF NET POSITION  
 June 30, 2018**

<b>Assets</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 30,637,598.17
Restricted Cash and Cash Equivalents	0.00
<b>Total Cash and Cash Equivalents</b>	<u>30,637,598.17</u>
Investments	47,843,939.38
Restricted Investments	0.00
Due from Federal Governments	135,389.37
Due from Other Governments	490,211.56
Accrued Interest Receivable	3,315,720.22
Loans Receivable	20,644,185.35
<b>Total Current Assets</b>	<u>103,067,044.05</u>
Noncurrent Assets:	
Investments	96,877,164.95
Net Pension Assets	1,153.00
Loans Receivable	254,397,681.06
<b>Total Noncurrent Assets</b>	<u>351,275,999.01</u>
<b>Total Assets</b>	<u>454,343,043.06</u>
<b>Deferred Outflows of Resources</b>	
Related to Pensions	126,573.00
Deferred Charge on Refunding	6,883,506.07
<b>Total Deferred Outflows of Resources</b>	<u>7,010,079.07</u>
<b>Liabilities</b>	
Current Liabilities:	
Accounts Payable	445,344.05
Accrued Liabilities	22,950.53
Compensated Absences Payable	38,952.41
Accrued Interest Payable	3,407,543.17
Bonds Payable - net of unamortized premium and discount	14,220,728.03
<b>Total Current Liabilities</b>	<u>18,135,518.19</u>
Noncurrent Liabilities:	
Net Pension Liability	0.00
Compensated Absences Payable	34,418.12
Bonds Payable - net of unamortized premium and discount	200,235,686.56
<b>Total Noncurrent Liabilities</b>	<u>200,270,104.68</u>
<b>Total Liabilities</b>	<u>218,405,622.87</u>
<b>Deferred Inflows of Resources</b>	
Related to Pensions	22,475.00
<b>Total Deferred Inflows of Resources</b>	<u>22,475.00</u>
<b>Net Position</b>	
Restricted For Debt Service	0.00
Restricted For Pension Obligations	105,251.00
Unrestricted	242,819,773.26
<b>Total Net Position</b>	<u>\$ 242,925,024.26</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 REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
For the Fiscal Year Ended June 30, 2018**

<b>Operating Revenues:</b>		
Loan Interest Income		\$ 5,685,371.37
Other Income		1,528,015.05
Total Operating Revenue		<u>7,213,386.42</u>
<b>Operating Expenses:</b>		
Administrative Expenses		
Personal Services	292,741.67	
Employee Benefits	45,584.51	
Travel	8,272.73	
Contractual	389,101.55	
Supplies	187.64	
Grants	2,873,294.54	
Other	<u>661.59</u>	
Total Administrative Expenses		3,609,844.23
Grant Expense		1,349,166.00
Bond Issuance Costs		548,128.88
Interest Expense		6,837,841.66
Total Operating Expenses		<u>12,344,980.77</u>
Operating Income (Loss)		(5,131,594.35)
<b>Nonoperating Revenues (Expenses):</b>		
Federal Capitalization Grants		12,413,010.68
Other Income		430,916.66
Investment Income		4,604,502.89
Investment Expense		-
Arbitrage Rebate		-
Payments to State		<u>(44,067.71)</u>
Total Nonoperating Revenues (Expenses)		<u>17,404,362.52</u>
Change in Net Position		12,272,768.17
Net Position at Beginning of Year		<u>230,652,256.09</u>
<b>Net Position at End of Year</b>		<u>\$ 242,925,024.26</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, 2018**

<b>Cash Flows from Operating Activities:</b>		
Receipts for Loan Repayments	\$ 20,909,937.27	
Receipts for Interest Income on Loans	5,346,823.50	
Receipts for Surcharge Interest on Loans	1,380,849.12	
Payments to Loan Recipients	(34,806,626.00)	
Payments for Principal Forgiveness	(1,349,166.00)	
Payments for Employee Services	(371,642.28)	
Payments for Contractual Services	(447,621.25)	
Payments for Grants	(3,231,920.33)	
Other Payments	(10,082.35)	
Net Cash Provided (Used) by Operating Activities		(12,579,448.32)
<b>Cash Flows from Noncapital Financing Activities:</b>		
Payments to State	(44,067.71)	
Principal Payments on Bonds	(10,125,000.00)	
Transfer To Escrow	(36,727,045.82)	
Interest Payments on Bonds	(7,286,726.33)	
Bond Issue Costs	(546,128.88)	
Bond Proceeds	86,311,894.65	
Receipts for Administering Program	12,403,503.00	
Other Income	430,916.66	
Net Cash Provided (Used) by Noncapital Financing Activities		44,415,345.57
<b>Cash Flows from Investing Activities:</b>		
Arbitrage Payment	-	
Interest on Investments	4,880,437.73	
Proceeds from Sale of Investment Securities	26,420,630.39	
Purchase of Investment Securities	(54,165,076.37)	
Net Cash Provided (Used) by Investing Activities		(22,864,008.25)
Net Increase (Decrease) in Cash and Cash Equivalents		8,971,889.00
Cash and Cash Equivalents at Beginning of Year		21,665,709.19
Cash and Cash Equivalents at End of Year		<u>\$ 30,637,598.19</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>		
Operating Income (Loss)		\$ (5,131,594.35)
<b>Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operating Activities:</b>		
Interest Expense	6,837,841.66	
Bond Issuance Expense	548,128.88	
<b>Assets: (Increase)/Decrease</b>		
Loans Receivable	(13,896,688.73)	
Accrued Interest Receivable on Loans	(338,547.87)	
Due from Other Governments	(147,165.93)	
Pension Assets	(48,041.00)	
<b>Decrease/(Increase) in Deferred Outflows of Resources:</b>		
Deferred Outflows of Resources - Related to Pensions	(14,309.00)	
<b>Liabilities: Increase/(Decrease)</b>		
Accounts Payable	(418,105.88)	
Accrued Employee Benefits	6,264.43	
Accrued Liabilities	1,062.47	
<b>Increase/(Decrease) in Deferred Inflows of Resources:</b>		
Deferred Inflows of Resources - Related to Pensions	21,707.00	
Total Adjustments		(7,447,853.97)
Net Cash Provided by Operations		<u>\$ (12,579,448.32)</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  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2018**

**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 except for Guaranteed Investment Contracts, which are nonparticipating and, therefore, are recorded at carrying 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 SD Conservancy District's Master Trust Indenture provides that certain reserve accounts may be established. There were no reserves as of June 30, 2018.

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:	\$275,041,866
Current Year	
Administrative Expense:	\$367,971
Loan Disbursement:	\$36,155,792

## K. Net Position

Net Position is classified in the following two components:

- Restricted - Consists of net position with constraints placed on their use by (1) Master Trust Indenture and (2) law through enabling legislation.
- Unrestricted - Consists of net position that does not meet the definition of net investment in capital assets or restricted.

## L. Pension

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, 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 liability (asset) are recognized on an accrual basis of accounting.

## 2. CASH AND INVESTMENTS

### Cash

Cash and Cash Equivalents at the end of FY18 consisted of Federated Government Obligations Funds. The South Dakota Conservancy District has adopted an Investment Policy to supplement the provisions of the Master Trust Indenture, various Series Resolutions and supplemental indentures and certain tax regulatory agreements related to the investment of funds.

Federated Government Obligations Fund was rated AAAM by Standard and Poor's Rating Group and as of 6/30/18 they had an average annualized return of 1.18%.

### Investments

Investments must be categorized 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 assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

US Bank which serves as trustee to the CWSRF uses a pricing service, FT Interactive, to value investments. FT Interactive uses market approach pricing which utilizes models and pricing systems as well as mathematical tools and pricing analyst judgment. All CWSRF investments are priced by this service, which is not quoted prices in an active market, but rather significant other observable inputs; therefore, the investments are categorized as Level 2.

*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 as of June 30, 2018 are listed below.

Level 2

Investment	Maturities		Fair Value
US Treasury Bonds	06/30/2018	\$	4,239,000
US Treasury Bonds	07/31/2018		2,123,194
US Treasury Bonds	09/30/2018		8,489,114
US Treasury Bonds	10/31/2018		672,206
US Treasury Bonds	11/30/2018		2,115,544
US Treasury Bonds	12/31/2018		3,486,090
US Treasury Bonds	01/31/2019		2,126,796
US Treasury Bonds	03/31/2019		5,433,500
US Treasury Bonds	04/30/2019		3,362,032
US Treasury Bonds	07/31/2019		557,877
US Treasury Bonds	12/31/2019		1,467,544
US Treasury Bonds	06/30/2020		1,460,576
US Treasury Bonds	09/30/2020		242,531
		\$	<u>35,776,003</u>
Federal Agency Bonds	08/07/2018	\$	624,175
Federal Agency Bonds	10/01/2018		673,070
Federal Agency Bonds	12/14/2018		6,470,620
Federal Agency Bonds	02/26/2019		619,813
Federal Agency Bonds	03/18/2019		1,967,328
Federal Agency Bonds	05/28/2019		991,150
Federal Agency Bonds	06/21/2019		4,450,309
Federal Agency Bonds	07/19/2019		615,125
Federal Agency Bonds	08/05/2019		614,488
Federal Agency Bonds	09/26/2019		2,466,552
Federal Agency Bonds	10/24/2019		1,373,344
Federal Agency Bonds	03/13/2020		968,975
		\$	<u>21,834,948</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.

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 \$21,834,948 which were rated AAA by Moody's Investor Services.

*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. As of June 30, 2018, \$87,110,154 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 \$35,776,003 and in Federal Agency Bonds with a market value of \$21,834,948 were exposed to custodial credit risk.

*Guaranteed Investment Contracts (GICS)*

The CWSRF holds the following GICS where the rate of return is guaranteed.

	<u>Maturities</u>	<u>Contract Value</u>
Guaranteed Investment Contract	8/01/2025	\$ 18,612,474
Guaranteed Investment Contract	8/01/2026	68,497,680
		<u>\$ 87,110,154</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>Contract Value</u>
Baa1*	\$ 87,110,154

\* 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.

**3. LOANS RECEIVABLE**

Loans receivable consist of loans made to local governments through a loan agreement. In order for a borrower 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 thirty 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 thirty years. Of the \$275,041,866 loan receivable balance, \$18,960,796 is a long term receivable balance and \$936,275 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

On August 23, 2017, the District issued \$72,190,000 in Revenue Bonds, Series 2017 consisting of \$7,325,000 principal amount of Taxable Bonds, Series 2017A, and \$64,865,000 principal amount of Tax-exempt Bonds, Series 2017B. The following is a summary of the sources and uses for the Clean Water Program:

	Series		Total
	2017A (Taxable)	Series 2017B (Tax-Exempt)	
<u>Sources:</u>			
Bond Proceeds (Par)	\$ 7,325,000	\$ 64,865,000	\$ 72,190,000
Premium	-	14,121,895	14,121,895
Total Sources of Funds	<u>\$ 7,325,000</u>	<u>\$ 78,986,895</u>	<u>\$ 86,311,895</u>
<u>Uses:</u>			
Refund Series 2010B Clean Water Bonds	\$ -	\$ 5,743,425	\$ 5,743,425
Refund Series 2012B Clean Water Bonds	765,666	30,217,955	30,983,621
Deposit to Clean Water State Match Loan Fund	6,500,000	-	6,500,000
Deposit to Clean Water Leveraged Loan Fund	-	42,500,000	42,500,000
Cost of Issuance	59,334	525,514	584,848
Total Uses of Funds	<u>\$ 7,325,000</u>	<u>\$ 78,986,895</u>	<u>\$ 86,311,895</u>

The Revenue bond issues outstanding as of June 30, 2018 are as follows:

Issue	Interest Rate	Maturity Through	Principal Balance
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	738,544
Leveraged	4.084% - 5.646%	2030	7,295,441
Series 2012A			
Taxable Bonds			
State Match	0.250% - 3.183%	2027	880,000
Leveraged	0.250% - 3.183%	2027	23,455,000
Series 2012B			
Tax Exempt Bonds			
State Match	2.000% - 5.000%	2023	455,000
Leveraged	2.000% - 5.000%	2031	13,015,000

Series 2014A			
Taxable Bonds			
State Match	0.300% - 1.920%	2020	1,710,000
Series 2014B			
Tax Exempt Bonds			
Leveraged	2.000% - 5.000%	2035	40,530,000
Series 2017A			
Taxable Bonds			
State Match	1.410% - 2.149%	2023	7,325,000
Series 2017B			
Tax Exempt Bonds			
State Match	5.00%	2030	995,000
Leveraged	3.00%-5.00%	2038	63,870,000
<hr/>			
Total			186,298,985
Add: Unamortized Bond Premium			28,157,429
Total Net of Amortization			<u>\$ 214,456,414</u>

Future bond payments and future interest payments remaining as of June 30, 2018 are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
2019	\$ 12,505,000	\$ 7,983,473	\$ 20,488,473
2020	12,030,000	7,595,526	19,625,526
2021	11,275,000	7,215,856	18,490,856
2022	12,755,000	6,786,217	19,541,217
2023	13,305,000	6,271,382	19,576,382
2024-2028	53,548,145	23,134,806	76,682,951
2029-2033	46,750,840	10,319,986	57,070,826
2034-2038	<u>19,130,000</u>	<u>1,946,500</u>	<u>21,076,500</u>
TOTAL	<u>\$ 186,298,985</u>	<u>\$ 71,253,746</u>	<u>\$ 257,552,731</u>

### Changes in long-term liabilities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Revenue Bonds	\$ 156,335,000	\$ 72,190,000	\$ (42,226,015)	\$ 186,298,985	\$ 12,505,000
Add: Bond Premium	15,643,338	14,121,895	(1,607,804)	28,157,429	1,715,728
Total	<u>171,978,338</u>	<u>86,311,895</u>	<u>(43,833,819)</u>	<u>214,456,414</u>	<u>14,220,728</u>
Compensated Absences	<u>67,106</u>	<u>24,571</u>	<u>(18,306)</u>	<u>73,371</u>	<u>38,952</u>
Long-Term Liabilities	<u>\$ 172,045,444</u>	<u>\$ 86,336,466</u>	<u>\$(43,852,125)</u>	<u>\$214,529,785</u>	<u>\$14,259,680</u>

## 5. REFUNDED BONDS

The SDCD entered into refunding whereby refunding bonds have been issued to facilitate defeasance of the District's obligation with respect to certain bond issues. The proceeds of the refunding issues have been placed in irrevocable escrow accounts and invested in U.S. Treasury obligations that, together with interest earned thereon, will provide amounts sufficient for future payments of interest and principal on the issues being refunded. Refunded bonds and the related assets held in the trust are not included in the accompanying financial statements since the District has satisfied its obligations with respect thereto through consummation of the refunding transactions.

The 2017A refunding portion had an average interest rate of 1.73 percent which was used to refund \$725,000 of outstanding Taxable 2012B bonds with an average interest rate of 4.34 percent. The 2017B refunding portion had an average interest rate of 4.98 percent which was used to refund \$26,190,000 Tax-exempt 2012B bonds and \$5,186,015 Tax-exempt 2010B bonds with an average interest rate of 5.03 percent. The net proceeds of the refunding portion of \$36,727,046 were deposited in an irrevocable trust with an escrow agent to provide for all the future debt service payments on the refunded portions. As a result, the refunded portion bonds are considered to be defeased and the liability for those bonds has been removed from the Statement of Net Assets.

The advanced refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$4,626,031. This difference is being charged to operations through 2032 using the effective-interest method. The District completed the advanced refunding for a net economic gain of \$2,810,001. The difference between the cash flows of the refunded bonds and the refunding bonds is a \$3,472,275 reduction in debt service payments.



Fully defeased bonds not yet paid to bondholders as of June 30, 2018, are as follows:

Bond Issues	Year of Defeasance	Original Amount Defeased
Series 2012B (01)	2018	\$ 725,000
Series 2010B (08)	2018	5,186,015
Series 2012B	2018	26,190,000
		<u>\$ 32,101,015</u>

Series 2010B (08) that was escrowed will be called on August 1, 2020.  
 Series 2012B (01) and Series 2012B that were escrowed will be called on August 1, 2022.

## 6. COMMITMENTS

As of June 30, 2018, the CWSRF had loan commitments with borrowers worth \$78,545,532.

## 7. PENSION PLAN

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, 2018, 2017, and 2016 were \$19,155.18, \$17,740.53, and \$18,228.77, respectively, equal to the required contributions each year.

The net pension asset was measured as of June 30, 2017 and the SDRS was 100.1% funded. At June 30, 2018, DENR reported an asset of \$1,153 for its proportionate share of the net pension asset. At June 30, 2018, 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	\$ 18,478	\$ -
Changes in assumption	86,907	-
Net difference between projected and actual earnings on pension plan investments		22,172
Changes in Proportionate Share	2,033	303
Contributions after the measurement date	19,155	-
Total	<u>\$ 126,573</u>	<u>\$ 22,475</u>

## 8. 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, 2018, a liability existed for accumulated annual leave calculated at the employee's June 30, 2018 pay rate in the amount of \$29,151.28. 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, 2018, a liability existed for accumulated sick leave, calculated at each employee's June 30, 2018 pay rate in the amount of \$44,219.24. The total leave liability of \$73,370.53 at June 30, 2018 is shown as a liability on the balance sheet.

## 9. RISK MANAGEMENT

The Board of Water and Natural Resources and the Department of Environment and Natural Resources are 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 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, 5) coverage for property loss through the South Dakota Property and Casualty Insurance Company, LLC. Financial information relative to the self-insurance funds administered by the State is presented in the State of South Dakota Comprehensive Annual Financial Report.

**SOUTH DAKOTA BOARD OF WATER AND NATURAL RESOURCES  
DRINKING WATER STATE REVOLVING FUND  
STATEMENT OF NET POSITION  
For the Fiscal Year Ended June 30, 2018**

<b>Assets</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 18,862,446.44
Investments	15,496,775.94
Due from Federal Government	196,412.04
Due from Other Governments	198,605.94
Accrued Interest Receivable	2,079,577.59
Loans Receivable	11,540,944.48
<b>Total Current Assets</b>	<u>48,374,762.43</u>
Noncurrent Assets:	
Investments	63,583,194.90
Net Pension Assets	2,059.00
Loans Receivable	156,522,083.50
<b>Total Noncurrent Assets</b>	<u>220,107,337.40</u>
<b>Total Assets</b>	<u>268,482,099.83</u>
<b>Deferred Outflows of Resources</b>	
Related to Pensions	221,235.00
Deferred Charge on Refunding	2,189,740.20
<b>Total Deferred Outflows of Resources</b>	<u>2,410,975.20</u>
<b>Liabilities</b>	
Current Liabilities:	
Accounts Payable	98,258.50
Accrued Liabilities	20,349.20
Compensated Absences Payable	33,203.28
Accrued Interest Payable	1,037,398.43
Arbitrage Payable	393,610.14
Bonds Payable - net of unamortized premium and discount	8,401,479.52
<b>Total Current Liabilities</b>	<u>9,984,299.07</u>
Noncurrent Liabilities:	
Net Pension Liability	0.00
Compensated Absences Payable	29,338.21
Bonds Payable - net of unamortized premium and discount	64,347,424.63
<b>Total Noncurrent Liabilities</b>	<u>64,376,762.84</u>
<b>Total Liabilities</b>	<u>74,361,061.91</u>
<b>Deferred Inflows of Resources</b>	
Related to Pensions	40,128.00
<b>Total Deferred Inflows of Resources</b>	<u>40,128.00</u>
<b>Net Position</b>	
Restricted For Pension Obligations	183,166.00
Unrestricted	196,308,719.12
<b>Total Net Position</b>	<u>\$ 196,491,885.12</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 REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
For the Fiscal Year Ended June 30, 2018**

<b>Operating Revenues:</b>		
Loan Interest Income		\$ 3,783,507.57
Other Income		955,394.91
Total Operating Revenue		<u>4,738,902.48</u>
<b>Operating Expenses:</b>		
Administrative Expenses		
Personal Services	485,301.62	
Employee Benefits	(17,746.36)	
Travel	8,243.10	
Contractual	452,340.66	
Supplies	187.65	
Grants	705,598.33	
Other	661.25	
Total Administrative Expenses		<u>1,634,586.25</u>
Grant Expense		5,702,837.00
Bond Issuance Costs		172,514.34
Interest Expense		2,410,189.19
Total Operating Expenses		<u>9,920,126.78</u>
Operating Income (Loss)		(5,181,224.30)
<b>Nonoperating Revenue (Expenses):</b>		
Federal Capitalization Grants		5,996,606.79
Other Income		209,661.12
Investment Income		3,232,935.11
Investment Expense		-
Arbitrage Rebate		(393,610.14)
Payments to State		(75,637.60)
Total Nonoperating Revenues (Expenses)		<u>8,969,955.28</u>
Change in Net Position		3,788,730.98
Net Position at Beginning of Year		<u>192,703,154.14</u>
<b>Net Position at End of Year</b>		<u><u>\$ 196,491,885.12</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, 2018**

<b>Cash Flows from Operating Activities:</b>		
Receipts for Loan Repayments	\$ 11,520,356.82	
Receipts for Interest Income on Loans	3,682,379.53	
Receipts for Surcharge Interest on Loans	930,733.88	
Payments to Loan Recipients	(23,411,550.00)	
Payments for Employee Services	(637,754.55)	
Payments for Contractual Services	(543,584.98)	
Payment for Grants	(781,463.58)	
Payments for Principal Forgiveness	(5,702,837.00)	
Other Payments	<u>(10,052.40)</u>	
Net Cash Provided (Used) by Operating Activities		(14,953,772.28)
<b>Cash Flows from Noncapital Financing Activities:</b>		
Payments to State	(75,637.60)	
Principal Payments on Bonds	(6,075,000.00)	
Transfer to Escrow	(5,543,838.64)	
Interest Payments on Bonds	(2,248,200.55)	
Bond Issuance Costs	(172,514.34)	
Bond Proceeds	25,229,834.41	
Receipts for Administering Program	6,137,724.00	
Other Income	<u>209,661.12</u>	
Net Cash Provided (Used) by Noncapital Financing Activities		17,462,028.40
<b>Cash Flows from Investing Activities:</b>		
Arbitrage Payment	(1,550,301.62)	
Interest on Investments	3,340,898.42	
Proceeds from Sale of Investment Securities	17,935,194.00	
Purchase of Investment Securities	<u>(18,898,338.71)</u>	
Net Cash Provided (Used) by Investing Activities		<u>827,452.09</u>
Net Increase (Decrease) in Cash and Cash Equivalents		3,335,708.21
Cash and Cash Equivalents at Beginning of Year		<u>15,526,738.21</u>
Cash and Cash Equivalents at End of Year		<u>\$ 18,862,446.42</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>		
Operating Income (Loss)		\$ (5,181,224.30)
<b>Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operating Activities:</b>		
Interest Expense	2,410,189.19	
Bond Issuance Expense	172,514.34	
<b>Assets: (Increase)/Decrease</b>		
Loans Receivable	(11,891,193.18)	
Accrued Interest Receivable on Loans	(101,128.04)	
Due from Other Governments	(24,661.03)	
Net Pension Assets	(43,610.00)	
<b>Decrease/(Increase) In Deferred Outflows of Resources:</b>		
Deferred Outflows of Resources - Related to Pensions	(107,815.00)	
<b>Liabilities: Increase/(Decrease)</b>		
Accounts Payable	(168,069.97)	
Accrued Employee Benefits	(38,221.90)	
Accrued Liabilities	(20,000.39)	
Net Pension Liability	-	
<b>Increase/(Decrease) In Deferred Inflows of Resources:</b>		
Deferred Inflows of Resources - Related to Pensions	<u>39,448.00</u>	
Total Adjustments		<u>(9,772,547.96)</u>
Net Cash Provided by Operations		<u>\$ (14,953,772.28)</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  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2018**

**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 of Water and Natural Resources 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 except for Guaranteed Investment Contracts, which are non-participating and, therefore, are recorded at carrying 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:	\$168,063,028
Current Year	
Administrative Expense:	\$895,562
Loan Disbursement:	\$29,114,387

#### I. Net Position

Net Position is classified in the following two components:

- Restricted - Consists of net position with constraints placed on their use by (1) Master Trust Indenture and (2) law through enabling legislation.

- Unrestricted - Consists of net position that does not meet the definition of net investment in capital assets or restricted.

#### J. Pension

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, 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. Drinking Water SRF contributions and net pension liability (asset) are recognized on an accrual basis of accounting.

## 2. CASH AND INVESTMENTS

### Cash

Cash and Cash Equivalents at the end of FY18 consisted of Federated Government Obligations Funds. The South Dakota Conservancy District has adopted an Investment Policy to supplement the provisions of the Master Trust Indenture, various Series Resolutions and supplemental indentures and certain tax regulatory agreements related to the investment of funds.

Federated Government Obligations Fund was rated "AAAm by Standard and Poor's Rating Group and as of 6/30/18 they had an average annualized return of 1.18%.

### Investments

Investments must be categorized 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 assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

US Bank which serves as trustee to the DWSRF uses a pricing service, FT Interactive to value investments. FT Interactive uses market approach pricing which utilizes models and pricing systems as well as mathematical tools and pricing analyst judgement. All DWSRF investments are priced by this service, which is not quoted prices in the active market, but rather significant other observable inputs; therefore, the investments are categorized as Level 2.



*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 as of June 30, 2018 are listed below.

Level 2

Investment	Maturities		Fair Value
US Treasury Bonds	06/30/2018	\$	2,490,000
US Treasury Bonds	07/31/2018		434,630
US Treasury Bonds	09/30/2018		1,747,671
US Treasury Bonds	10/31/2018		1,814,220
US Treasury Bonds	11/30/2018		433,064
US Treasury Bonds	12/31/2018		996,090
US Treasury Bonds	01/31/2019		437,285
US Treasury Bonds	03/31/2019		494,225
US Treasury Bonds	04/30/2019		1,435,348
US Treasury Bonds	07/31/2019		160,377
US Treasury Bonds	06/30/2020		1,460,576
US Treasury Bonds	09/30/2020		485,062
		\$	<u>12,388,550</u>
Federal Agency Bonds	08/07/2018	\$	699,076
Federal Agency Bonds	12/14/2018		497,740
Federal Agency Bonds	02/26/2019		694,190
Federal Agency Bonds	03/18/2019		1,167,480
Federal Agency Bonds	05/28/2019		669,026
Federal Agency Bonds	06/21/2019		1,486,729
Federal Agency Bonds	07/19/2019		664,335
Federal Agency Bonds	08/05/2019		663,647
Federal Agency Bonds	09/26/2019		987,603
Federal Agency Bonds	10/24/2019		735,720
Federal Agency Bonds	03/13/2020		726,731
		\$	<u>8,293,202</u>

*Credit Risk:* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the DWSRF.

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 \$8,293,202 which were rated AAA by Moody's Investor Services.

*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, 2018, \$57,699,143 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 \$12,388,550 and in Federal Agency Bonds with a market value of \$8,293,202 were exposed to custodial credit risk.

*Guaranteed Investment Contracts (GICS)*

The DWSRF holds the following GICS where the rate of return is guaranteed.

	<u>Maturities</u>	<u>Contract Value</u>
Guaranteed Investment Contract	8/01/2025	\$ 42,977,727
Guaranteed Investment Contract	8/01/2026	14,721,416
		<u>\$ 57,699,143</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>Contract Value</u>
Baa1	<u>\$ 57,699,143</u>

This guarantor's rating is below the acceptable rating category (i.e., below Moody's Aa3). This investment has been fully collateralized with government securities in accordance with the provisions of Guaranteed Investment Contracts. These fully collateralized investments have a fair value that equates to contract value.

**3. LOANS RECEIVABLE**

Loans receivable consist of loans made to local governments and nonprofit corporations through a loan agreement. In order for a borrower 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**

On August 23, 2017, the District issued \$22,410,000 in Revenue Bonds, Series 2017 consisting of \$9,405,000 principal amount of Taxable Bonds, Series 2017A, and \$13,005,000 principal amount of Tax-exempt Bonds, Series 2017B. The following is a summary of the sources and uses for the Drinking Water Program:

	Series		Totals
	2017A (Taxable)	Series 2017B (Tax-Exempt)	
<u>Sources:</u>			
Bond Proceeds (Par)	\$ 9,405,000	\$ 13,005,000	\$ 22,410,000
Premium	-	2,819,834	2,819,834
Total Sources of Funds	\$ 9,405,000	\$ 15,824,834	\$ 25,229,834
<u>Uses:</u>			
Refund Series 2010B Drinking Water Bonds	\$ -	\$ 4,711,213	\$ 4,711,213
Refund Series 2012B Drinking Water Bonds	832,626	-	832,626
Deposit to Drinking Water State Match Loan Fund	8,500,000	-	8,500,000
Deposit to Drinking Water Leveraged Loan Fund	-	11,000,000	11,000,000
Cost of Issuance	72,374	113,622	185,996
Total Uses of Funds	\$ 9,405,000	\$ 15,824,835	\$ 25,229,835

The Revenue bond issues outstanding as of June 30, 2018 are as follows:

Issue	Interest Rate	Maturity Through	Principal Balance
Series 2010AB Build America Bonds (BABs) Leveraged	4.084% - 5.646%	2031	\$ 12,665,000
Tax Exempt Bonds Leveraged	2.000% - 5.125%	2030	4,631,522
State Match	2.000% - 5.125%	2030	2,199,493
Series 2012A Taxable Bonds State Match	0.250% - 3.183%	2027	3,420,000
Leveraged	0.250% - 3.183%	2027	14,970,000
Series 2014A Taxable Bonds State Match	0.300% - 1.920%	2020	2,135,000
Series 2014B Tax Exempt Bonds Leveraged	2.000% - 5.000%	2035	5,370,000
Series 2017A Taxable Bonds State Match	1.410% - 2.149%	2023	9,405,000
Series 2017B Tax Exempt Bonds State Match	5.000%	2030	1,035,000
Leveraged	5.000%	2030	11,970,000
Total			67,801,015

Add: Unamortized Premium	4,947,888
Total Net of Amortization	<u>\$ 72,748,903</u>

Future bond payments and future interest payments remaining as of June 30, 2018 are as follows:

Year Ended June 30,	Principal	Interest	Total Principal and Interest
2019	\$ 8,085,000	\$ 2,392,285	\$ 10,477,285
2020	7,825,000	2,197,515	10,022,515
2021	6,260,000	2,015,580	8,275,580
2022	6,425,000	1,832,624	8,257,624
2023	6,755,000	1,626,343	8,381,343
2024-2028	18,666,855	5,451,705	24,118,560
2029-2033	9,699,161	1,949,802	11,648,963
2034-2038	4,085,000	460,625	4,545,625
TOTAL	<u>\$ 67,801,015</u>	<u>\$ 17,926,480</u>	<u>\$ 85,727,495</u>

#### Changes in long-term liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds	\$ 56,510,000	\$ 22,410,000	\$(11,118,985)	\$ 67,801,015	\$ 8,085,000
Add: Bond Premium	2,422,983	2,819,834	(294,929)	4,947,888	316,480
Total	58,932,983	25,229,834	(11,413,914)	72,748,903	8,401,480
Compensated Absences	100,763	22,003	(60,225)	62,541	33,203
Long-Term Liabilities	<u>\$ 59,033,746</u>	<u>\$ 25,251,837</u>	<u>\$(11,474,139)</u>	<u>\$ 72,811,444</u>	<u>\$ 8,434,683</u>

## 5. REFUNDED BONDS

The SDCD entered into refunding whereby refunding bonds have been issued to facilitate defeasance of the District's obligation with respect to certain bond issues. The proceeds of the refunding issues have been placed in irrevocable escrow accounts and invested in U.S. Treasury obligations that, together with interest earned thereon, will provide amounts sufficient for future payments of interest and principal on the issues being refunded. Refunded bonds and the related assets held in the trust are not included in the accompanying financial statements since the District has satisfied its obligations with respect thereto through consummation of the refunding transactions.

The 2017A refunding portion had an average interest rate of 1.73 percent which was used to refund \$790,000 of outstanding Taxable 2012B bonds with an average interest rate of 4.34 percent. The 2017B refunding portion had an average interest rate of 4.98 percent which was used to refund \$4,253,985 Tax-exempt 2010B bonds with an average interest rate of 5.03 percent. The net proceeds of the refunding portion of \$5,543,839 were deposited in an irrevocable trust with an escrow agent to provide for all the future debt service payments on the refunded portions. As a result, the refunded portion bonds are considered to be defeased and the liability for those bonds has been removed from the Statement of Net Assets.

The advanced refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$499,854. This difference is being charged to operations through 2028 using the effective-interest method. The District completed the advanced refunding for a net economic gain of \$694,896. The difference between the cash flows of the refunded bonds and the refunding bonds is a \$765,664 reduction in debt service payments.

Fully defeased bonds not yet paid to bondholders as of June 30, 2018, are as follows:

Bond Issues	Year of Defeasance	Original Amount Defeased
Series 2012B (01)	2018	\$ 790,000
Series 2010B (08)	2018	4,253,985
		<u>\$ 5,043,985</u>

Series 2010B (08) that were escrowed will be called on August 1, 2020.  
 Series 2012B (01) that were escrowed will be called on August 1, 2022.

## 6. COMMITMENTS

As of June 30, 2018 the DWSRF had loan commitments with borrowers worth \$44,779,151.

## 7. PENSION PLAN

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, 2018, 2017, and 2016, were \$33,400.12, \$38,850.09, and \$16,172.26, respectively, equal to the required contributions each year.

The net pension liability was measured as of June 30, 2017 and the SDRS is 100.1% funded. At June 30, 2018, the DWSRF reported an asset of \$2,059 for its proportionate share of the net pension asset. At June 30, 2018, 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	\$ 32,991	\$ -
Changes in assumption	151,214	-
Net difference between projected and actual earnings on pension plan investments		39,586
Changes in Proportionate Share	3,630	542
Contributions after the measurement date	33,400	-
Total	<u>\$ 221,235</u>	<u>\$ 40,128</u>

## 8. 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, 2018, a liability existed for accumulated annual leave calculated at the employee's June 30, 2018 pay rate in the amount of \$24,933. 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, 2018 a liability existed for accumulated sick leave, calculated at each employee's June 30, 2018 pay rate in the amount of \$37,609. The total leave liability of \$62,541 at June 30, 2018 is shown as a liability on the balance sheet.

## 9. RISK MANAGEMENT

The Board of Water and Natural Resources and the Department of Environment and Natural Resources are 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 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, 5) coverage for property loss through the South Dakota Property and Casualty Insurance Company, LLC. Financial information relative to the self-insurance funds administered by the State is presented in the State of South Dakota Comprehensive Annual Financial Report.

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**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 \$193,552,700. 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, 2018, principal repayments from borrowers totaled \$286,569,023. Of this amount \$143,924,694 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 \$76,749,352. These funds, coupled with investment earnings, have provided \$81,363,311 in loans or obligations for active loans. Interest payments are also used for debt service on State Match bonds.

As of June 30, 2018, the board has made 440 Clean Water loan awards totaling \$770,619,089. The Clean Water SRF loan portfolio begins on page 37 with a map showing the location of the borrowers. Table 6, beginning on page 38, provides the loan amount, date, and terms. Table 7, beginning on page 49, shows the projects awarded principal forgiveness. More detailed project description narratives are provided by recipient beginning on page 51.

**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

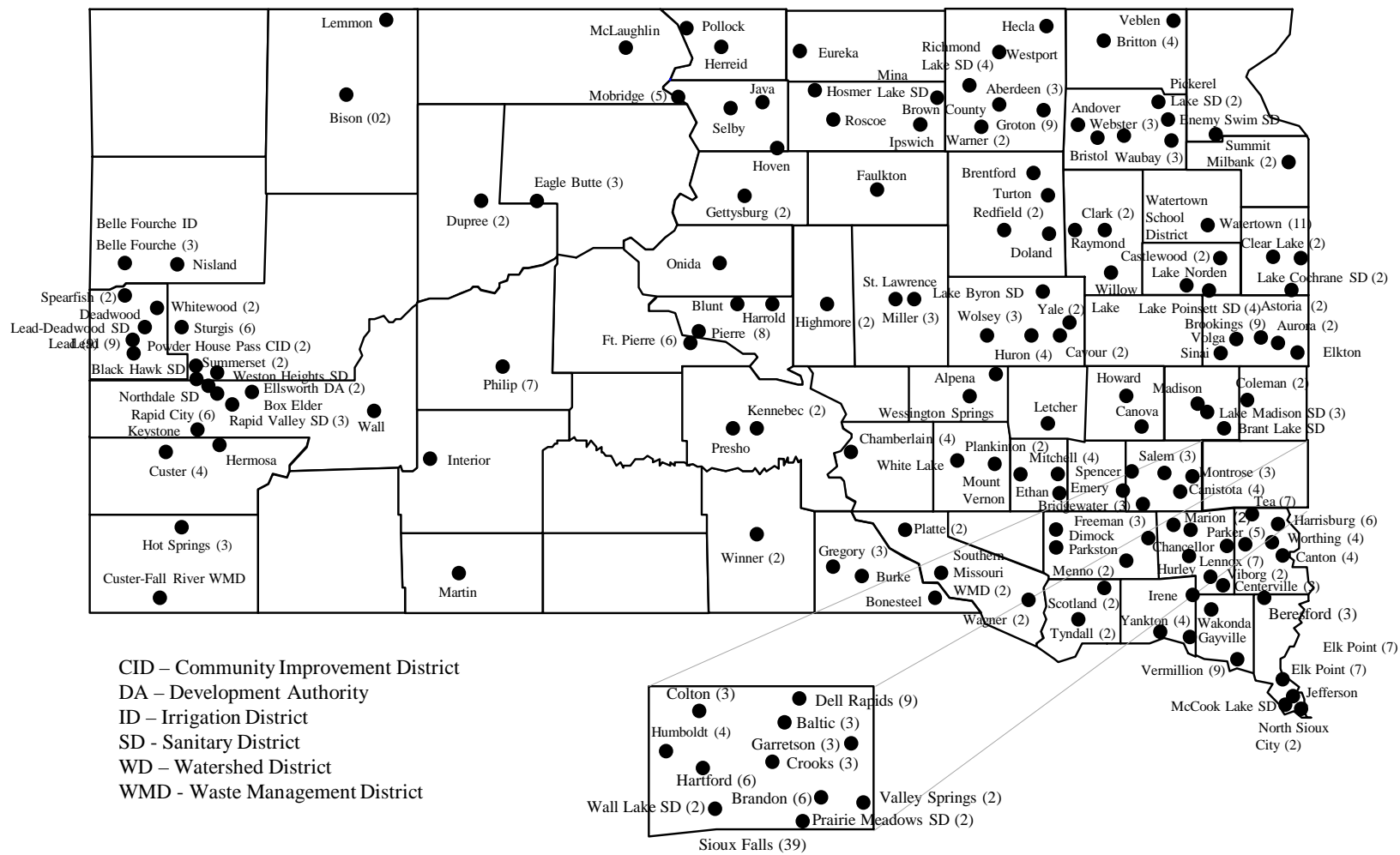
Federal Fiscal Year	Federal Capitalization Grant Award	State Match	Leveraged Funds	Total
2000	\$6,555,200	\$1,311,040		\$7,866,240
2001	\$6,496,100	\$1,299,220		\$7,795,320
2002 *	\$0	\$0		\$0
2003 *	\$0	\$0		\$0
2004	\$6,471,800	\$1,294,360		\$7,766,160
2005	\$5,243,500	\$1,048,700		\$6,292,200
2006	\$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
2017	\$6,474,000	\$1,294,800	\$42,500,000	\$50,268,800
<b>TOTAL</b>	<b>\$193,552,700</b>	<b>\$34,862,720</b>	<b>\$249,746,266</b>	<b>\$478,161,686</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**



CID – Community Improvement District  
 DA – Development Authority  
 ID – Irrigation District  
 SD - Sanitary District  
 WD – Watershed District  
 WMD - Waste Management District

**Table 6**  
**Clean Water SRF Loans**  
**Since Inception of Program through June 30, 2018**

<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>3</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 (03)	01/05/2017	2.25%	20	\$2,125,000	\$2,125,000
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	\$560,821
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
Blunt (01)	06/22/2017	2.50%	30	\$710,000	\$710,000
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>3</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

<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>
Bristol (01)	03/28/2014	3.25%	30	\$1,000,000	\$893,785
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
Britton (03)	01/05/2012	3.00%	20	\$1,042,034	\$897,735
Britton (04)	03/28/2013	3.25%	30	\$2,500,000	\$1,935,489
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	\$30,017,417
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
Cavour (02)	06/28/2018	2.50%	30	\$192,000	\$192,000
Centerville (01)	06/27/2002	3.50%	20	\$500,000	\$500,000
Centerville (02)	03/30/2012	3.25%	30	\$435,471	\$400,509
Centerville (03)	03/31/2017	2.50%	30	\$240,000	\$240,000
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	\$120,520
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

<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>
Colman (01)	03/30/2012	3.25%	30	\$1,574,248	\$1,574,248
Colman (02)	03/28/2013	3.25%	30	\$800,000	\$766,243
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
Colton (03)	03/31/2017	2.50%	30	\$1,974,000	\$1,974,000
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
Crooks (03)	03/27/2018	2.50%	30	\$2,052,000	\$2,052,000
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
Dell Rapids (09)	03/27/2018	1.50%	30	\$2,324,000	\$2,324,000
Dell Rapids (09NPS)	03/27/2018	1.50%	30	\$337,700	\$337,700
Dimock (01)	09/24/2015	3.25%	30	\$478,000	\$478,000
Doland (01)	03/31/2017	2.00%	10	\$150,000	\$150,000
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
Eagle Butte (03)	06/22/2017	2.50%	30	\$670,000	\$670,000
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

<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>
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) <sup>1</sup>	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
Garretson (02)	03/27/2008	3.25%	20	\$507,445	\$503,239
Garretson (03)	06/22/2017	2.50%	30	\$1,160,000	\$1,160,000
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
Gregory (03)	03/31/2017	2.25%	20	\$260,000	\$260,000
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)	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) <sup>3</sup>	09/27/2013	3.25%	20	\$2,577,000	\$0
Harold (01) <sup>1</sup>	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
Hartford (06)	06/22/2017	2.50%	30	\$1,482,000	\$1,482,000
Hecla (01)	07/06/2009	3.00%	20	\$143,390	\$101,909



<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>
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) <sup>1</sup>	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	\$470,351
Howard (01) <sup>2</sup>	03/27/2015	3.25%	30	\$1,764,000	\$0
Humboldt (01)	03/27/2015	3.25%	30	\$417,200	\$340,287
Humboldt (02) <sup>2</sup>	03/31/2017	2.00%	10	\$272,000	\$0
Humboldt (03)	03/27/2018	2.50%	30	\$1,876,000	\$1,876,000
Humboldt (04)	03/27/2018	2.00%	10	\$290,000	\$290,000
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
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	\$613,952
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	\$390,362
Keystone (01)	06/23/2016	3.00%	20	\$431,000	\$431,000
Lake Byron Sanitary District	03/27/2018	2.50%	30	\$3,475,000	\$3,475,000
Lake Byron Watershed District <sup>3</sup>	03/28/2014	3.25%	30	\$1,843,000	\$0
Lake Cochrane San District (01) <sup>1</sup>	04/11/1990	3.00%	20	\$80,000	\$80,000
Lake Cochrane San District (02)	01/08/2004	3.50%	20	\$160,000	\$156,111
Lake Madison San District (01) <sup>1</sup>	03/14/1991	4.00%	15	\$330,000	\$330,000
Lake Madison San District (02)	09/25/2003	3.50%	20	\$875,000	\$613,419
Lake Madison San District (03)	09/24/2015	3.25%	30	\$428,000	\$428,000
Lake Norden (01)	03/31/2017	2.50%	30	\$1,285,000	\$1,285,000
Lake Poinsett San District (01) <sup>2</sup>	01/06/2005	3.25%	20	\$590,000	\$0
Lake Poinsett San District (02)	06/28/2007	3.50%	30	\$1,094,700	\$1,094,700
Lake Poinsett San District (03)	09/24/2010	3.25%	30	\$3,075,000	\$2,413,671
Lake Poinsett San District (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

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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	\$829,854
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
Lennox (07)	06/22/2017	2.50%	30	\$1,496,000	\$1,496,000
Letcher (01)	06/28/2013	3.25%	30	\$775,000	\$742,374
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
Marion (01)	06/28/2018	2.00%	10	\$522,000	\$522,000
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	\$1,050,424
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
Milbank (02) <sup>1</sup>	06/25/2009	3.25%	30	\$1,000,000	\$261,306
Miller (01) <sup>2</sup>	03/31/2016	3.25%	30	\$3,541,000	\$0
Miller (02) <sup>2</sup>	03/31/2016	3.25%	30	\$1,958,000	\$0
Miller (03)	03/31/2017	2.50%	30	\$1,875,000	\$1,875,000
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

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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
Onida (01)	03/31/2017	2.50%	30	\$2,400,000	\$2,400,000
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
Parker (05)	06/22/2017	2.50%	30	\$731,000	\$731,000
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
Philip (06)	03/27/2018	2.50%	30	\$536,000	\$536,000
Philip (07)	03/27/2018	2.50%	30	\$605,000	\$605,000
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
Plankinton (01)	03/31/2017	2.00%	10	\$240,000	\$240,000
Platte (01) <sup>1</sup>	03/25/1999	5.00%	20	\$1,000,000	\$975,865
Platte (02)	06/22/2017	2.50%	30	\$2,300,000	\$2,300,000
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
Powder House Pass CID (01)	09/29/2017	2.50%	30	\$2,060,000	\$2,060,000
Prairie Meadow San Dist (01) <sup>3</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
Presho (01)	06/28/2018	2.50%	30	\$4,048,000	\$4,048,000
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

<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>
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) <sup>1</sup>	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
Salem (03)	03/31/2017	2.50%	30	\$2,556,000	\$2,556,000
Scotland (01) <sup>1</sup>	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
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

<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 (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	\$19,188,341
Sioux Falls (21NPS)	03/31/2005	2.25%	20	\$3,269,418	\$3,125,636
Sioux Falls (22) <sup>1</sup>	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	\$12,945,439
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	\$12,040,836
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
Sioux Falls (38)	03/31/2017	1.00%	10	\$11,000,000	\$11,000,000
Sioux Falls (38NPS)	03/31/2017	1.00%	10	\$559,125	\$559,125
Sioux Falls (39)	01/04/2018	1.00%	10	\$8,400,000	\$8,400,000
Sioux Falls (39NPS)	01/04/2018	1.00%	10	\$429,000	\$429,000
Southern Missouri RWMD (NPS-01) <sup>1</sup>	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
Sturgis (06)	03/31/2017	2.50%	30	\$16,247,000	\$16,247,000
Summerset (01)	03/30/2012	3.00%	20	\$300,000	\$257,947
Summerset (02)	03/31/2017	2.50%	30	\$1,769,000	\$1,769,000
Summit (01) – ARRA <sup>1</sup>	03/27/2009	0%	-	\$100,000	\$100,000

<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 (01) <sup>1</sup>	03/31/1993	4.00%	15	\$600,000	\$600,000
Tea (02) <sup>1</sup>	05/11/1994	4.00%	15	\$600,000	\$600,000
Tea (03) <sup>1</sup>	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	\$212,375
Tyndall (01)	03/31/2006	3.25%	20	\$795,000	\$795,000
Tyndall (02)	01/04/2018	2.25%	20	\$374,000	\$374,000
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
Veblen (01) <sup>2</sup>	06/22/2017	2.50%	30	\$1,387,000	\$0
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
Volga (01)	06/22/2017	2.25%	20	\$2,819,000	\$2,819,000
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

<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>
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
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	\$241,979
Weston Heights Sanitary District (01)	03/31/2006	3.25%	20	\$638,300	\$600,412
Westport (01) <sup>2</sup>	03/31/2016	3.25%	30	\$445,000	\$0
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
Worthing (04)	03/31/2017	2.00%	10	\$120,000	\$120,000
Yale (01)	06/24/2011	3.25%	30	\$885,110	\$863,135
Yale (02) <sup>2</sup>	03/28/2016	3.25%	30	\$84,000	\$0
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>\$770,619,089</b>	<b>\$687,553,050</b>

<sup>1</sup> Loans paid in full

<sup>2</sup> Deobligated in full at borrower's request

<sup>3</sup> Rescinded by BWNR

**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)	\$125,000	\$60,260	\$60,260
Colman (01)	\$1,574,248	\$356,500	\$1,217,748
Colman (02)	\$766,243	\$478,901	\$287,342
Dell Rapids (05)	\$742,564	\$398,014	\$344,550
Doland (01)	\$150,000	\$75,000	\$75,000
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)	\$742,374	\$263,542	\$478,832
Marion (02)	\$522,000	\$99,000	\$423,000
McLaughlin (01)	\$1,050,424	\$137,605	\$912,819
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



<b>Sponsor</b>	<b>Total Loan Award</b>	<b>Principal Forgiveness Awarded</b>	<b>Loan Payable</b>
Parker (03)	\$694,329	\$471,450	\$222,879
Plankinton (01)	\$1,005,744	\$150,000	\$855,744
Presho (01)	\$4,048,000	\$1,400,000	\$2,648,000
Raymond (01)	\$745,000	\$745,000	\$0
Selby (01)	\$700,000	\$700,000	\$0
Sinai (01)	\$500,000	\$73,333	\$426,667
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
Sturgis (06)	\$16,247,000	\$1,600,000	\$14,647,000
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
Worthing (04)	\$120,000	\$90,000	\$30,000
Yale (01)	\$863,135	\$591,247	\$271,888
<b>TOTAL</b>	<b>\$91,855,048</b>	<b>\$29,225,467</b>	<b>\$62,624,622</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 televisize 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 received its third loan in the amount of \$2,125,000 at 2.25 percent for 20 years to replace the sanitary sewer in 8<sup>th</sup> Avenue.

**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 \$419,00 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.

**BLUNT** – Blunt was awarded its first Clean Water SRF loan refurbish its wastewater lagoon treatment system and rehabilitate two lift stations. The \$710,000 loan is at 2.5 percent for 30 years.

**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. Cavour received its second loan to replace a portion of its wastewater collection system using conventional open trench methods to address significant infiltration entering the collection system. The loan was for \$192,000 at 2.5 percent for 30 years.

**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. The city's third loan in the amount of \$240,000 at 2.5 percent for 30 years to install new storm sewer parallel to existing storm sewer lines in Main Street to increase capacity.

**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. The city's third loan is for the replacement of clay sanitary sewer on Main and First Streets. The loan amount was originally \$1,385,000 at 2.5 percent for 30 years but was later amended to \$1,974,000.

**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. The city later deobligated the loan in full. The city was awarded its third loan in the amount of \$2,052,000 at 2.5 percent for 30 years, to replace the collection 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 13,000 feet of sewer main and manholes 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 Rapid'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. Dell Rapids was awarded its ninth loan in the amount of \$2,661,700 at 1.5 percent for 30 years to replace sewer mains, manholes and storm sewers in the southeast area of the city. The loan also included a nonpoint component to install nonpoint source best management practices in the Big Sioux River basin.

**DOLAND** – Doland's first Clean Water SRF loan funded the replacement of water meters throughout the town. The \$150,000 loan, at 2 percent for 10 years, included \$75,000 of principal forgiveness.

**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. The third loan awarded to Eagle Butte, \$670,000 at 2.5 percent for 30 years, was needed to complete the sewer main portion of the aforementioned project.

**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. Garretson was awarded its third loan, \$1,160,000 at 2.5 percent for 30 years, to replace sanitary sewer on 3rd Street, Main Avenue, and the Truck Route.

**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. Gregory received its third loan, \$260,000 at 2.25 percent for 20 years, to replace clay sanitary sewer pipe in Felton Street between 4th Street and 2nd Street.

**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 six Clean Water SRF loans. 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. Hartford's sixth loan was awarded to install a sanitary sewer line in Mickelson Road between Patrick Avenue and Highway 38 and install a new lift station, force main, and storm sewers to accommodate growth in the area. The loan amount is \$1,482,000 at 2.5 percent for 30 years.

**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. The loan was later deobligated at the city’s request.

**HUMBOLDT** – Humboldt was awarded its first loan to replace a portion of the town’s clay lines to reduce infiltration entering the collection system. The loan amount was \$417,200 at 3.25 percent for 30 years. The city’s second loan in the amount of \$272,000 at 2 percent for 10 years was awarded to replace water meters throughout the city. The loan was subsequently deobligated in full at the city’s request. Humboldt received its third loan - \$1,876,000 at 2.5 percent for 30 years – to make improvements to the collection system by replacing vitrified clay pipe and sewer services. The city’s fourth loan was used to replace water meters throughout the community. The loan amount was \$290,000 at 2 percent for 10 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 BYRON SANITARY DISTRICT** – The Lake Byron Sanitary District received a \$3,475,000 loan at 2.5 percent for 30 years to construct a centralized wastewater treatment and collection system.

**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 NORDEN** – Lake Norden was awarded its first Clean water SRF loan to reline sanitary sewer lines and manholes and televise additional lines to determine if additional rehabilitation is necessary. The \$1,285,000 loan is at 2.5 percent for 30 years.

**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 and a seventh loan of \$1,496,000 at 2.5 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. The city’s second loan to replace water meters throughout the community was in the amount of \$522,000 at 2 percent for 10 years and included \$99,000 of principal forgiveness.

**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. The loans were subsequently deobligated in full at the city’s request. Miller was awarded a third loan in the amount of \$1,875,000, at 2.5 percent for 30 years, to make additional improvements to the sanitary and storm sewer infrastructure.

**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.

**ONIDA** - Onida received a \$2,400,000 Clean Water SRF loan at 2.5 percent for 30 years to replace clay sewer lines and services lines in various part of the city, as well as replacing the existing submersible lift station with a wet well/dry well lift station.

**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. The city was awarded a fifth loan in the amount of \$731,000, at 2.5 percent for 30 years, to continue with additional replacement of its wastewater collection system.

**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. The city's sixth and seventh loans involved making improvements to the sanitary and storm sewer in the southwest portion of the city. The loan for the storm sewer was in the amount of \$536,000, and the loan for sanitary sewer was in the amount of \$605,000. Both loans were at 2.5 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. The city was awarded its second loan in the amount of \$240,000 at 2 percent for 10 years to replace water meters throughout the city.



**PLATTE** – The city of Platte received a \$1,000,000 loan at 5 percent for 20 years to renovate its sanitary sewer system. The city was awarded its second loan in the amount of \$2,300,000 at 2.5 percent for 30 years for additional rehabilitation of 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. As a result of increased project costs, Powder House Pass CID was awarded a second loan for \$2,060,000 at 2.5 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.

**PRESHO** - The city of Presho received its first Clean Water SRF loan in the amount of \$4,048,000 at 2.5 percent for 30 years to replace the city’s wastewater collection system.

**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. Salem was awarded its third loan in the amount of \$2,556,000 at 2.5 percent for 30 years for rehabilitation of a portion of its sanitary sewer system.

**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 38 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. The 38<sup>th</sup> loan awarded to the city, \$11,559,125 at 1 percent for 10 years, replaced the mixing systems and floating covers on primary digesters. The city was awarded its 39<sup>th</sup> loan for storm sewer improvements in the drainage basin bounded by Interstate 29 to Marion Road and 41st Street to 47th Street. The loan was in the amount of \$8,829,000 at 1 percent for 10 years. Loans 35-39 also included a nonpoint source 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. The city's sixth loan was awarded to replace the existing stabilization ponds and irrigation treatment system with a membrane bio-reactor treatment system, line 31,500 feet of clay pipe, and upsize the influent line to the treatment facility. The \$16,247,000 loan at 2.5 percent for 30 years includes \$1,600,000 of principal forgiveness.

**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. The city will use its second loan, \$1,769,000 at 2.5 percent for 30 years, to construct a filter equalization basin, effluent filter, and a building to enclose exposed treatment processes.

**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. The city's second loan, \$374,000 at 2.25 percent for 20 years, was for the replacement of three blocks of sanitary sewer on Maple Street.

**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.

**VEBLEN** – Veblen received its first Clean Water SRF loan for rehabilitation of its wastewater collection system, construction of an all-weather access road at the wastewater treatment facility, and installation of rip-rap on the pond berms. The loan is for \$1,387,000 at 2.5 percent for 30 years. This loan was deobligated at the city’s request.

**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.

**VOLGA** –The city of Volga was awarded its first Clean Water SRF loan, \$2,819,000 at 2.25 percent for 20 years, to implement the first phase of a two phase project to make improvements to its wastewater treatment process. This involves improvements to the existing blower building to include installing new blowers, a new pretreatment building to house a mechanical bar screen system with a washer, compactor, and screenings conveyor, and the installation of an ultra-violet disinfection system.

**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. This loan was deobligated at the city's request.

**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. The city was awarded its fourth loan in the amount of \$120,000 at 2 percent for 10 years to replace water meters throughout the city. The loan included \$90,000 of principal forgiveness.

**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 \$215,444,298. 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**

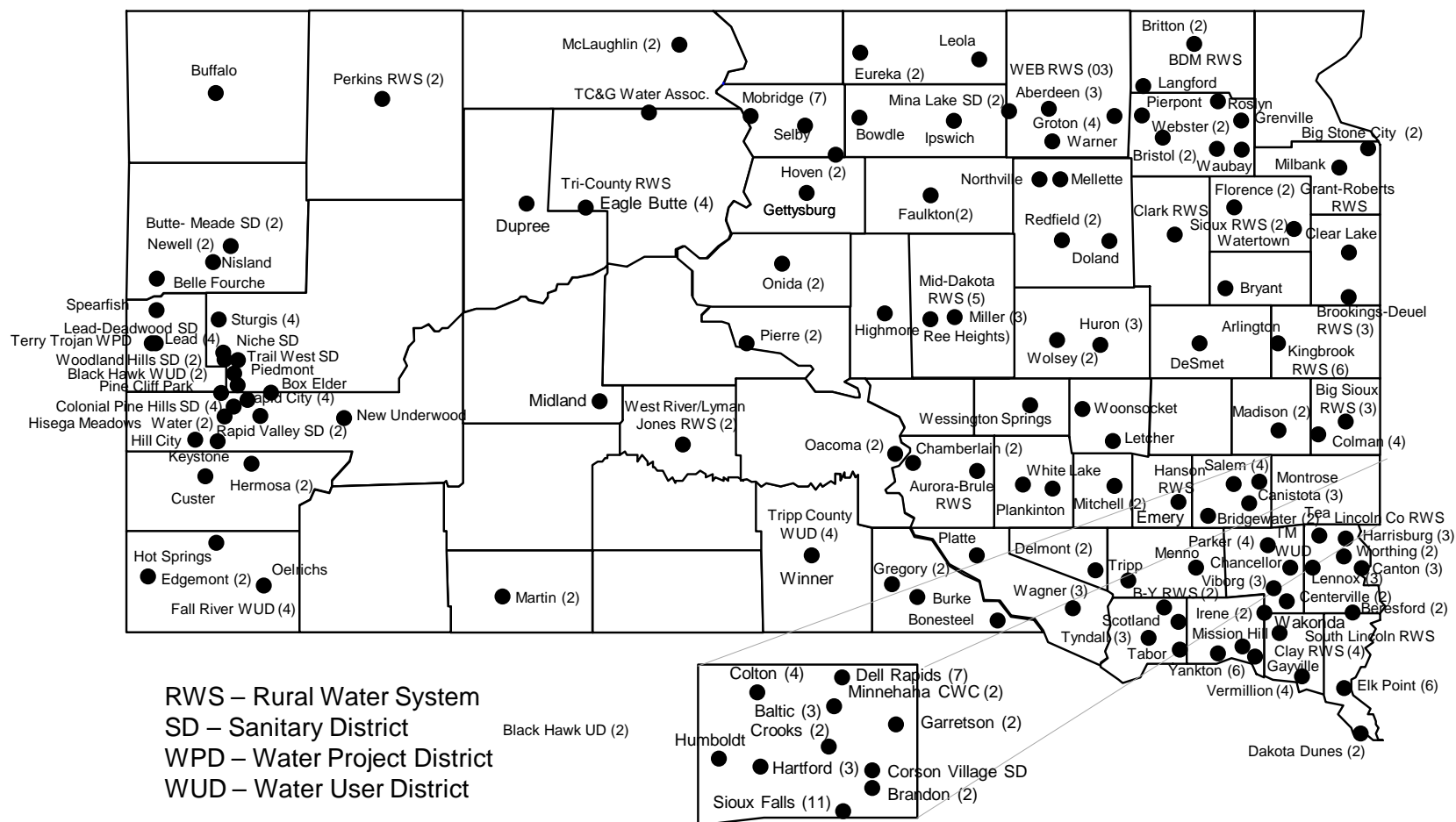
Federal Fiscal Year	Federal Capitalization Grant Award	State Match	Leveraged Funds	Total
1997	\$12,558,800	\$2,511,760		\$15,070,560
1998	\$7,121,300	\$1,424,260		\$8,545,560
1999	\$7,463,800	\$1,492,760		\$8,956,560
2000	\$7,757,000	\$1,551,400		\$9,308,400
2001	\$7,789,100	\$1,557,820		\$9,346,920
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

Federal Fiscal Year	Federal Capitalization Grant Award	State Match	Leveraged Funds	Total
2013	\$8,729,198	\$1,745,840		\$10,475,038
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
2017	\$8,241,000	\$1,648,200	\$11,000,000	\$20,889,200
TOTAL	\$215,444,298	\$39,188,860	\$78,725,700	\$333,358,858

Through June 30, 2018, principal repayments from borrowers totaled \$168,142,817. Of this amount \$95,017,474 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 \$45,998,289. These funds, coupled with investment earnings, have provided \$43,482,599 in loans or obligations for active loans. Interest payments are also used for debt service on State Match bonds.

As of June 30, 2018, the board has made 312 Drinking Water loan awards totaling \$532,406,957. The Drinking Water SRF loan portfolio begins on page 77 with a map showing the location of the borrowers. Table 9, beginning on page 78, provides the loan amount, date, and terms. Table 10, beginning on page 87, shows the projects awarded principal forgiveness. More detailed project description narratives are provided by recipient beginning on page 90.

**FIGURE 2**  
**Drinking Water State Revolving Fund Loans**



**Table 9**  
**Drinking Water SRF Loans**  
**Since Inception of Program through June 30, 2018**

<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
Belle Fourche (DW-01)	01/05/2017	2.25%	20	\$265,000	\$265,000
Beresford (DW-01)	03/30/2012	3.00%	30	\$916,040	\$916,040
Beresford (DW-02)	03/28/2014	3.00%	30	\$745,000	\$698,784
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
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
Bridgewater (DW-02)	03/27/2018	1.00%	10	\$243,000	\$243,000
Bristol (DW-01) <sup>2</sup>	04/25/2001	4.50%	20	\$139,000	\$0
Bristol (DW-02)	03/28/2014	3.00%	30	\$1,979,000	\$1,785,113
Britton (DW-01)	04/25/2001	4.50%	20	\$320,000	\$320,000
Britton (DW-02) <sup>2</sup>	03/31/2016	3.00%	30	\$3,212,000	\$0
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

<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>
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
Burke (DW-01)	01/05/2006	2.50%	30	\$115,600	\$115,600
Butte-Meade Sanitary Water District (DW-01)	06/24/2011	2.25%	10	\$396,700	\$257,668
Butte-Meade Sanitary Water District (DW-02)	06/28/2018	2.25%	20	\$413,000	\$413,000
B-Y Water District (DW-01) – ARRA <sup>3</sup>	06/25/2009	0%	-	\$300,000	\$0
B-Y Water District (DW-02)	03/31/2017	2.50%	30	\$4,700,000	\$4,700,000
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
Clark RWS (DW-01)	03/27/2018	2.00%	30	\$2,950,000	\$2,950,000
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	0%	-	\$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
Colton (DW-04)	03/31/2017	2.50%	30	\$1,343,000	\$1,343,000
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



<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>
Crooks (DW-02)	03/27/2018	2.50%	30	\$1,214,000	\$1,214,000
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	\$1,512,103
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
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
Dell Rapids (DW-07)	03/27/2018	2.50%	30	\$2,486,000	\$2,486,000
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	\$520,000	\$520,000
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
Edgemont (DW-02)	06/22/2017	0%	30	\$447,000	\$447,000
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) <sup>1</sup>	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

<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 (DW-01)	06/27/2002	3.50%	30	\$1,261,060	\$1,102,147
Garretson (DW-02)	06/22/2017	2.50%	30	\$639,500	\$639,500
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
Grenville (DW-01)	06/28/2018	2.00%	30	\$352,000	\$352,000
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
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) <sup>1</sup>	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
Hermosa (DW-02)	03/31/2017	2.00%	30	\$199,000	\$199,000
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) <sup>1</sup>	06/29/2012	3.00%	20	\$487,500	\$487,500
Hisega Meadows Water, Inc. (DW-02)	09/26/2014	3.00%	20	\$273,000	\$249,923
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-02)	03/28/2014	3.00%	30	\$1,546,000	\$1,223,326
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

<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>
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) <sup>2</sup>	03/31/2016	3.00%	20	\$9,000,000	\$0
Lake Norden (DW-01)	03/27/2018	2.00%	20	\$1,477,000	\$1,477,000
Langford (DW-01)	06/26/2017	0.00%	30	\$386,000	\$386,000
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	\$896,101
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
Lennox (DW-03)	06/26/2017	2.25%	30	\$912,000	\$912,000
Leola (DW-01)	06/28/2018	2.00%	30	\$1,891,000	\$1,891,000
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
Martin (DW-02)	03/31/2017	2.00%	30	\$633,000	\$633,000
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	\$205,530
Milbank (DW-01)	09/22/2005	2.50%	30	\$4,741,000	\$4,460,294
Miller (DW-01) <sup>1</sup>	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
Miller (DW-03)	03/31/2017	2.25%	30	\$1,099,000	\$1,099,000
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

<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>
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	\$369,526
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
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
Oelrichs (DW-01)	03/27/2018	2.25%	30	\$447,000	\$447,000
Onida (DW-01)	09/26/2014	3.00%	20	\$905,000	\$905,000
Onida (DW-02)	03/31/2017	2.25%	20	\$950,000	\$950,000
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
Parker (DW-04)	06/22/2017	2.25%	30	\$697,000	\$697,000
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	\$1,543,611
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) <sup>1</sup>	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
Pine Cliff Park Water & Maintenance, Inc. (DW-01)	03/31/2017	2.25%	20	\$348,000	\$348,000
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 City (DW-04)	06/28/2018	2.00%	20	\$500,000	\$500,000
Rapid Valley San. Dist. (DW-01) – ARRA <sup>1</sup>	06/25/2009	0%	-	\$682,000	\$682,000

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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
Ree Heights (DW-01)	03/27/2018	0%	-	\$430,000	\$430,000
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
Salem (DW-04)	03/31/2017	2.25%	30	\$302,000	\$302,000
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
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
Sioux Rural Water System (DW-02)	03/27/2018	2.25%	20	\$9,821,000	\$9,821,000
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	\$1,488,130
TC&G Water Association (DW-01)	06/25/2015	2.25%	30	\$1,485,000	\$1,485,000
Tea (DW-01)	03/30/2007	3.25%	20	\$2,263,723	\$2,263,723
Terry Trojan Water Project District (DW-01)	01/05/2017	2.25%	20	\$812,000	\$812,000
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

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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	3.25%	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
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	\$150,313
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

<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>
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
Yankton (DW-06)	03/31/2017	2.25%	30	\$37,000,000	\$37,000,000
<b>TOTAL</b>				<b>\$532,327,957</b>	<b>\$466,572,692</b>

<sup>1</sup> Loans paid in full

<sup>2</sup> Deobligated in full at borrowers request

<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)	\$1,785,113	\$1,367,396	\$417,717
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
Clark RWS (DW-01)	\$2,950,000	\$1,270,000	\$1,680,000
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
Colton (DW-04)	\$1,343,000	\$558,000	\$785,000
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



<b>Sponsor</b>	<b>Total Loan Awarded</b>	<b>Principal Forgiveness Awarded</b>	<b>Loan Payable</b>
Eagle Butte (DW-04)	\$725,000	\$362,500	\$362,500
Edgemont (DW-01)	\$1,890,000	\$1,206,890	\$683,110
Edgemont (DW-02)	\$447,000	\$157,000	\$290,000
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
Grenville (DW-01)	\$352,000	\$282,000	\$70,000
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. (DW-01)	\$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)	\$1,223,326	\$922,387	\$300,939
Lead (DW-03)	\$784,987	\$298,295	\$486,692
Lennox (DW-02)	\$712,431	\$400,000	\$312,431
Leola (DW-01)	\$1,891,000	\$1,615,000	\$276,000
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
Oelrichs (DW-01)	\$447,000	\$357,600	\$89,400

<b>Sponsor</b>	<b>Total Loan Awarded</b>	<b>Principal Forgiveness Awarded</b>	<b>Loan Payable</b>
Onida (DW-01)	\$905,000	\$250,000	\$655,000
Onida (DW-02)	\$950,000	\$250,000	\$700,000
Parker (DW-03)	\$554,200	\$452,100	\$102,100
Perkins County RWS (DW-01)	\$151,000	\$151,000	\$0
Perkins County RWS (DW-02)	\$1,543,611	\$926,166	\$617,445
Piedmont (DW-01)	\$1,404,000	\$804,000	\$600,000
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 City (DW-04)	\$500,000	\$375,000	\$125,000
Rapid Valley San. Dist. (DW-01)	\$682,000	\$682,000	\$0
Ree Heights (DW-01)	\$430,000	\$430,000	\$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)	\$1,488,130	\$681,563	\$806,567
Terry Trojan WPD (DW-01)	\$812,000	\$80,000	\$732,000
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>\$135,860,282</b>	<b>\$56,846,452</b>	<b>\$79,013,830</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.

**BELLE FOURCHE** - The city of Belle Fourche received its first Drinking Water SRF loan in the amount of \$265,000 at 2.25 percent for 20 years to replace water main in 8<sup>th</sup> Avenue.

**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

**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. The city’s second loan in the amount of \$243,000 at 1.0 percent for 10 years was used to replace water meters and install a remote-read system.

**BRISTOL** – The town of Bristol received a loan in the amount of \$139,000 at 4.5 percent interest for 20 years. The project involved construction of a new elevated storage tank as well as replacement of an underground storage tank. 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. The loan was subsequently deobligated in full at the city's request.

**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 \$1,695,000 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. The district was awarded its second loan in the amount of \$413,000 at 2.25 percent for 20 years to replace approximately 2.7 miles of pipe in its service area.

**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.

**B-Y WATER USER DISTRICT** - The B-Y 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. The district received its second loan in the amount of \$4,700,000 at 2.5 percent for 30 years to construct a 3.4-million gallon pre-stressed concrete ground storage reservoir.

**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.

**CLARK RURAL WATER SYSTEM** – Clark RWS’s first Drinking Water SRF loan to improve water quality and system pressures throughout the distribution system and connect to the city of Willow Lake to provide bulk water service and provide individual service to residents in the town of Bradley. The loan amount was \$2,950,000 at 2.0 percent for 30 years and included \$1,270,000 of principal forgiveness.

**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 with 100 percent principal forgiveness, 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 replace 4,400 of watermain along Highway 34 and 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. The city was awarded its fourth loan to replace ductile iron and asbestos concrete water main on Main, First and Sherman Streets and complete a loop on the north side of town. The loan amount was \$1,343,000 at 2.5 percent for 30 years and included \$558,000 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. The city's second loan, in the amount of \$1,214,000 at 2.5 percent for 30 years, was to replace the distribution system within the Palmira Park sub-division.

**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. Dell Rapids was awarded its seventh loan in the amount of \$2,486,000 at 2.5 percent for 30 years to replace water mains in the southeast area of the city.

**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 water line extension and replacement project came in over estimates, the city requested that the scope of the Willow Street 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. Subsequent cost over-runs occurred due to legal matters involving the city and the Cheyenne River Sioux Tribe, and additional funds were needed. The loan was increased to \$520,000 and the \$200,000 of principal forgiveness was retained.

**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 zero percent for 30 years and includes \$1,206,890 of principal forgiveness. Because rehabilitation of one of the wells was determined to be unfeasible, the city was awarded an additional loan to drill a new well and plug the unusable well. The second loan was in the amount of \$447,000 at zero percent for 30 years and includes \$157,000 of principal forgiveness.

**ELK POINT** - Elk Point received its first loan in the amount of \$220,000 for water main replacement in conjunction with its Pearl Street Utility Improvement project at 3.5 percent for 20 years. Its second loan, in the amount of \$570,000 at 3.25 percent for 20 years, funded an upgrade to the city's water treatment



plant. The city received its third loan in the amount of \$218,000 at 3.25 percent for 20 years, to fund the drinking water portion of the utility systems improvements. The fourth SRF loan awarded to 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. Garretson was awarded its second loan, \$639,500 at 2.5 percent for 30 years, to replace water lines on 3rd Street, Main Avenue, and the Truck Route.

**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.

**GRENVILLE** – Grenville received its first Drinking Water SRF loan to replace inoperable valves in the distribution system and water meters and install a radio read system for reading meters. The loan amount was \$352,000 at 2.0 percent for 30 years and included \$282,000 of principal forgiveness.

**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 replaced water distribution lines. Hermosa's second loan, \$199,000 at 2 percent for 30 years, was awarded to rehabilitate a well with high radionuclides and install a booster station. The well rehabilitation project will investigate the different well production zones to isolate and plug off zones negatively impacting the water quality.

**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. The loan was subsequently deobligated in full at the system’s request.

**LAKE NORDEN** – Lake Norden received its first Drinking Water SRF loan to replace filters and outdated controls in the water treatment facility, develop new wells, and construct a new raw water line to connect the new well field and existing water treatment facility. The rate and term for the \$1,477,000 loan were 2.0 percent for 20 years.

**LANGFORD** – Langford received its first Drinking Water SRF loan for \$386,000 at zero percent for 30 years to make system-wide improvements to its drinking water infrastructure. Improvements include construction of a 75,000-gallon elevated storage tank and a pump house building and replacement of 4-inch asbestos cement water main and all water meters.

**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. Lennox’s third loan in the amount of \$912,000 at 2.25 percent for 30 years is to replace and loop water mains.

**LEOLA** – Leola received its first SRF loan to upgrade the water meters to a remote-read system, construct a new booster pump house, replace watermain within the community, and install new lines to loop the distribution system. The loan amount is \$1,891,000 at 2.0 percent for 30 years and included \$1,615,000 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** – With its first Drinking water SRF loan, Martin corrected undersized water lines and water supply issues with a \$920,000 loan at 2.5 percent for 30 years. Martin was awarded its second loan, \$633,000 at 2 percent for 30 years to replace water lines and meters in a five-block area.

**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. Miller was awarded a third loan in the amount of \$1,099,000 at 2.25 percent for 30 years to continue replacing water distribution lines.

**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.

**OELRICHS** – Oelrichs received its first Drinking Water SRF loan for a project involving water tower rehabilitation, fire hydrant replacement, and installation of meter setters and backflow prevention valves. The loan was for \$447,000 at 2.25 percent for 30 years and included \$357,600 of principal forgiveness.

**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. Onida was awarded its second loan to replace water lines in various locations within the city. The loan was for \$950,000 at 2.25 percent for 20 years and 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. The city was awarded its fourth loan in the amount of \$697,000 at 2.5 percent for 30 years to continue with additional replacement of its water distribution system.

**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.

**PINE CLIFF PARK WATER AND MAINTENANCE, INC.** – Pine Cliff Park received its first Drinking Water SRF loan in the amount of \$348,000 at 2.25 percent for 20 years to replace lines in the water distribution system.

**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. To cover shortfalls on the aforementioned project, Rapid City was awarded a \$500,000 loan at 2.0 percent for 20 years with \$375,000 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.

**REE HEIGHTS** – Ree Heights received a \$430,000 loan with 100 percent principal forgiveness to replace the town's water system so that Mid-Dakota Rural Water System will take over all operational and maintenance requirements of the system and serve Ree Heights' users individually.

**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. Salem was awarded its fourth loan in the amount of \$302,000 at 2.25 percent for 30 years to replace a portion of its water distribution system.

**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. The second loan awarded to Sioux Rural Water System Drinking involved improvements to a well field and the Castlewood and Sioux water treatment plants, additional pipeline and pumping facilities in the distribution system and installation of radio meter reading infrastructure and new meters. In addition, the project included work associated with the residents of the city of Hazel becoming individual customers of the Sioux Rural Water System. The loan amount was \$9,821,000 with a rate and term of 2.25 percent for 20 years.

**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 \$1,485,000 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.

**TERRY TROJAN WATER PROJECT DISTRICT** – The Terry Trojan Water Project District received its first Drinking Water SRF loan to construct an additional well, make upgrades to the SCADA system at the existing well, and replace water lines. The loan was for \$812,000 at 2.25 percent for 20 years and included \$80,000 of principal forgiveness.

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

**YANKTON** – Yankton utilized a \$3,460,000 loan for line replacement and water treatment plant improvements to include a new disinfection system. The loan was at 3.5 percent for 20 years. The city secured a second loan in the amount of \$1,100,000 at 3.25 percent for 20 years to install a high pressure area pump station and transmission lines. Yankton's third loan in the amount of \$3,000,000 funded 12 water main replacement projects and two water tower rehabilitation projects. The city received its fourth loan in the amount of \$2,200,000 to drill two wells on the Nebraska side of the Missouri River and construct a raw water transmission line from the wells to the existing water treatment plant on the South Dakota shore. These loans had an interest rate of 3.0 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. The city's sixth loan, \$37,000,000 at 2.25 percent for 30 years, was for the construction of new reverse osmosis water treatment plant and to decommission the oldest of the two existing treatment plants.



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**BOND ISSUE SUMMARIES**

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## **South Dakota Conservancy District**

### **\$94,600,000 State Revolving Fund Program Bonds Series 2017A and 2017B**

#### **Bond Issue**

- Series A - Taxable revenue bonds
  - Par Amount - \$16,730,000
  - Provided \$6.5 million of Clean Water SRF state match funds
  - Provided \$8.5 million of Drinking Water SRF state match funds
  - Provided \$1.515 million to refund Series 2012B bonds
  - All-In True Interest Cost 2.18%
- Series B - Tax-exempt revenue bonds
  - Par Amount \$77,870,000
  - Net Premium \$16,941,729
  - Provided \$42.5 million in leveraged proceeds for Clean Water SRF program
  - Provided \$11 million in leveraged proceeds for Drinking Water SRF program
  - Provided \$40.67 million to refund Series 2010B and 2012B bonds
  - All-In True Interest Cost 2.77%
- Refundings realized a Net Present Value Savings of approximately \$4,444,000
- Aaa rating by Moody's Investors Services, Inc.
- AAA rating by Standard & Poor's
- Bonds priced and sold on August 2 and 3, 2017
- Bond closing on August 23, 2017

#### **Financial Team**

- Perkins Coie, LLP - Bond Counsel
- U.S. Bank N.A. - Trustee
- Public Financial Management, Inc. - Financial Advisor
- Wells Fargo Securities – Lead Underwriter
- J.P. Morgan. - Co-manager
- Kutak Rock, LLP - Counsel to Underwriters

## **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, NA - 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.

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