# 2019 ANNUAL REPORT for the NORTH DAKOTA DRINKING WATER STATE REVOLVING FUND

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prepared by the
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Division of Municipal Facilities
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# Introduction

On August 6, 1996, President Clinton signed into law the Safe Drinking Water Act (SDWA) Amendments of 1996 (P.L. 104-182). Section 1452 of the SDWA authorizes a Drinking Water State Revolving Fund (DWSRF) Program. It further requires the U.S. Environmental Protection Agency (EPA) to enter into agreements with and make capitalization grants to eligible states to assist public water systems (PWSs) in financing the cost of infrastructure needed to achieve or maintain compliance with the SDWA and to protect public health. To be eligible to receive the grants, states must establish a DWSRF and comply with all applicable requirements set forth under the SDWA. States are also required to contribute an amount equal to 20 percent of the grants.

DWSRF funds may be used for:

- Loans
- Loan guarantees
- A source of reserve and security for leveraged loans (the proceeds of which must be placed in the DWSRF)
- Buying or refinancing existing local debt obligations (publicly owned PWSs only) where the initial debt was incurred and construction started after July 1, 1993
- Earning interest prior to disbursement of assistance

PWSs eligible for DWSRF assistance include community water systems (both publicly and privately owned) and nonprofit noncommunity water systems. Federally owned PWSs are not eligible to receive DWSRF assistance.

Section 1452(b) of the SDWA requires each state that elects to establish and operate a DWSRF to annually develop an Intended Use Plan (IUP). The IUP must describe how the state intends to use the DWSRF funds to meet the objectives of the SDWA and further the goal of protecting public health. The IUP must be made available to the public for review and comment prior to submitting it to the EPA as part of the capitalization grant application. Specifically, the IUP must include:

- A priority list of projects, including a description of the projects and the present population of the PWSs served
- A fundable list that identifies projects eligible to receive funding in the first year after the capitalization grant is awarded
- A description of the criteria and methods to be used for the distribution of funds
- A description of the financial status of the DWSRF Program, including the use of setasides along with federal funds reserved, and the amount of funds that will be used to assist disadvantaged communities
- A description of the short- and long-term goals of the DWSRF Program, including how the capitalization grant funds will be used to ensure compliance and protect public health

States must ensure, to the maximum extent practicable, that priority use of funds be given to projects that:

- Address the most serious risks to human health
- Are necessary to ensure compliance under the SDWA
- Assist those systems most in need on a per household basis (i.e., affordability)

## **North Dakota DWSRF**

The North Dakota DWSRF Program is administered through the Division of Municipal Facilities, North Dakota Department of Environmental Quality (NDDEQ). On April 29, 2019 the NDDEQ began operations as a separate state agency. The NDDEQ had previously operated as the Environmental Health Section within the North Dakota Department of Health. Assistance is provided by the North Dakota Public Finance Authority (PFA) through formal agreement to manage the financial portion of the program. The program was created on January 1, 1998 and is staffed with the equivalent of 7.4 full-time equivalents (FTEs) in the division and 0.95 FTEs at the Public Finance Authority.

# **Purpose and Structure of Report**

States operating a DWSRF are required under 40 CFR 35.3570 to submit a biennial report to the EPA. The report must include a financial report, establish compliance with Section 1452 of the SDWA, and describe how the goals and objectives of the previous two years were met as stated in the IUPs and capitalization grant agreements.

The DWSRF Program has elected in this report to cover the 2019 calendar year on an annual basis. This report covers operation from January 1 through December 31, 2019, during which the FY2019 capitalization grant was awarded. The report is divided into five sections as follows:

- Introduction
- Goals and Accomplishments
- Sources and Uses of Funds
- Financial Summary
- Compliance with Operating Agreement and Grant Conditions

# **Goals and Accomplishments**

### **Short-Term Goals**

The following short-term goals were established in the IUP:

- On December 7, 2018, obtain North Dakota State Water Commission approval of the IUP.
- Continue to implement the DWSRF Program for the state of North Dakota by funding projects for systems that are having problems maintaining compliance with the total coliform rule, ground water treatment rule, the arsenic rule, the disinfection byproduct rule series, and the surface water treatment rule series.

Each of the above short-term goals was met and supports the DWSRF Program's long-term goals. The IUP was developed within the goal dates. Necessary set-aside workplans were developed. The capitalization grant was applied for and received during this period. The NDDEQ developed and continues to implement a fully functional DWSRF Program for the state of North Dakota.

# **Long-Term Goals**

The following long-term goals were established in the IUP:

- Help North Dakota PWSs achieve and maintain compliance with the SDWA. This is
  accomplished by coordinating with the PWSS (Public Water System Supervision)
  Program and targeting those rules with which systems in the state are having problems
  maintaining compliance. These include the lead and copper rule, revised total coliform
  rule, ground water treatment rule, arsenic, disinfection byproduct rule series, and the
  surface water treatment rule series.
- Assist the PWSS Program in meeting its goals. The DWSRF Program assistance
  includes providing technical support on infrastructure issues, capacity reviews, and small
  system technical assistance. Through the small system technical assistance set-aside,
  the DWSRF Program helps operators become certified and systems return to and
  maintain compliance.
- Administer the DWSRF Program in a manner that will maximize the long-term availability
  of funds for eligible and needed drinking water infrastructure improvements.
- Assist North Dakota PWSs in improving drinking water quality, quantity, and dependability by providing a reduced interest rate and long-term financial assistance for eligible and needed drinking water infrastructure improvements. This infrastructure assistance helps with compliance of drinking water rules, regionalization/consolidation, and replacement of aging infrastructure.
- To the greatest extent possible, continue to integrate DWSRF funding with other available funding to maximize the benefits to public water systems and needed drinking water projects statewide. Cooperating agencies include the United States Department of Agriculture (USDA), Community Development Block Grant (CDBG) Program, the North Dakota Department of Trust Lands, the Bank of North Dakota, and the North Dakota State Water Commission.

The long-term goals are viewed as being both necessary and integral to any DWSRF intended to become self-sustaining and achieve the statutory intent of the SDWA.

North Dakota's priority ranking system was designed to direct DWSRF funds toward the state's most significant public health concerns, SDWA compliance, and infrastructure problems. The DWSRF Program has assisted and remains available to assist eligible PWSs to this end. Funded projects addressed such issues as distribution pressure problems, aged and deteriorated water treatment plants (or treatment plant components), aged and deteriorating finished water reservoirs, and aged and deteriorated watermains.

# **Environmental Results**

The following environmental goals were established in the IUP:

#### Loan Fund

- The fund utilization rate goal (Fund Use Rate), as measured by the percentage of loans executed to funds available, was to maintain the utilization rate above 90 percent. The fund utilization rate was 99.7 percent as of December 31, 2019.
- The percentage of assistance goal (Pace of Construction), as measured by disbursements as a percentage of assistance provided, was to maintain the construction pace above 80 percent. The rate at which projects progressed was 90.2 percent as of December 31, 2019.
- The goal of the DWSRF Program was to fund 20 new loans, totaling \$30 million and serving a population of 30,000. The DWSRF Program funded 10 new loans totaling \$16.9 million and serving a population of 37,311.

Set-asides, Small System Technical Assistance

- The goal was for 120 systems to receive training. In 2019, 213 systems received training.
- The goal was for 50 systems to receive on-site technical assistance. In 2019, 36 systems received on-site technical assistance.

# Sources and Uses of Funds

### **Sources of DWSRF Funds**

The new funding that became available for the North Dakota DWSRF from January 1 to December 31, 2019 totaled \$22,890,031, with \$21,873,521 available for loans as shown below:

Capitalization grant (FY19)	\$ 11,004,000
State match	\$ 0
Leveraged bond proceeds	\$ 0
CWSRF transfer to DWSRF	\$ 0
DWSRF transfer to CWSRF	\$ 0
Repayments	\$ 8,722,862
Investment earnings	\$ 3,163,169
Non-project set-asides	\$ (1,016,510)
Total available for loans	\$ 21.873.521

Only a portion of the loan principal and interest payments (\$8,722,862 of \$25,377,014) and investment earnings (\$3,163,169) received during the period were considered available for loans and were included in the calculation above. Both were utilized to satisfy debt service, coverage, and reserve requirements for the state match and leveraged bonds and federal rebate-arbitrage requirements as set forth under the initial financial structure for the DWSRF Program. Loan repayment and investment earnings in excess of that required to satisfy these requirements, if any, are credited to the loan fund.

Funding for the DWSRF Program since inception through the end of December 2019 is \$829,675,269. The actual amount available for loans is \$646,768,138, while \$645,021,724 has been committed to closed loans. See Appendix C for all sources and uses of funds since program inception.

#### **Capitalization Grants**

The EPA awarded the FY2019 capitalization grant to North Dakota on August 21, 2019. The final capitalization grant was for \$11,004,000.

#### State Match

The required state match for the capitalization grant was \$2,200,800. No state match bonds were issued in 2019. State match was generated through the issuance of \$5,000,000 in state bonds in 2018. All these state match funds were disbursed in 2018 and the DWSRF Program is currently over-matched.

### Leveraged Bond Proceeds

Leveraged bonds were not sold during the year.

## **Other Bond Proceeds**

There were no other sales of bonds in the DWSRF Program during the year.

## Transfers with the CWSRF

Through the years, funds have been transferred between the DWSRF and the Clean Water State Revolving Loan Fund (CWSRF) programs. In the past, this was necessary so the DWSRF

could make loans to projects that required nonfederal funds or because of high demand in one program or the other. Currently, there is a net transfer from the CWSRF to the DWSRF of \$22.455.491. Transfers are as follows:

2002	DWSRF to CWSRF	\$ (10,000,000)
2002	CWSRF to DWSRF	\$ 2,991,675
2003	CWSRF to DWSRF	\$ 5,903,282
2004	CWSRF to DWSRF	\$ 2,644,543
2005	CWSRF to DWSRF	\$ 89,700
2006	CWSRF to DWSRF	\$ 1,548,629
2007	CWSRF to DWSRF	\$ 4,876,305
2008	CWSRF to DWSRF	\$ 3,046,856
2009	CWSRF to DWSRF	\$ 681,451
ARRA	CWSRF to DWSRF	\$ 2,600,000
2010	CWSRF to DWSRF	\$ 795,231
2011	CWSRF to DWSRF	\$ 0
2012	CWSRF to DWSRF	\$ 0
2013	CWSRF to DWSRF	\$ 0
2014	CWSRF to DWSRF	\$ 0
2015	DWSRF to CWSRF	\$ (19,061,000)
2016	DWSRF to CWSRF	\$ 0
2017	CWSRF to DWSRF	\$ 14,182,687
2018	CWSRF to DWSRF	\$ 12,156,132
2019	CWSRF to DWSRF	\$ 0
	Net transfer to DWSRF	\$ 22,455,491

### Repayments

Loan repayments of \$25,377,014 were received; \$18,817,329 was for principal, and \$6,559,685 was for interest.

### **Investment Earnings**

Investments earned \$3.163.169.

### **Uses of DWSRF Funds**

For the year reviewed, the DWSRF Program closed loans and loan increases totaling \$17,209,000. A total of \$1,016,510 was committed towards set-aside activities. An additional \$300,400 of the PWSS set-aside was reserved for use in future years. Funds from the PWSS set-aside in the amount of \$377,573 were moved to the loan fund.

#### Loans

Ten loans and one loan increase totaling \$17,209,000 were closed. This exceeds the required binding commitments of \$13,204,800 (capitalization grant and state match) for the capitalization grant. There were no loans approved by the North Dakota Industrial Commission that did not have a binding commitment.

The closed loans range in size from \$600,000 to \$3,095,000 (see Appendix A). The systems receiving loans ranged in size from 205 to 21,647 persons. The total population receiving DWSRF assistance is 37,311.

Two hundred sixty-six loans totaling \$645,021,724 have been closed since program inception.

# Small Systems

States must annually use at least 15 percent of all funds credited to the DWSRF loan fund to provide loan assistance to PWSs that serve fewer than 10,000 persons. This assistance is provided to the extent that there are a sufficient number of eligible projects to fund. Credited funds include the federal allotment (less funds reserved for non-project set-aside activities), the required state match, and other funds including bond proceeds available for loans.

Nine closed loans represent PWSs that serve fewer than 10,000 persons. This represents 84.7 percent of available funds going to these projects. This significantly exceeds the 15 percent requirement. Since program inception, 43.1 percent (\$278,323,405 of the \$645,021,724) of funds available for loans went to systems under 10,000, which far exceeds the requirement.

# **Disadvantaged Communities**

Beginning with the FY2019 capitalization grant, at least 6 percent and up to 30 percent of the funds available for construction may be used to provide subsidized loans to disadvantaged communities as defined by the state. North Dakota established a disadvantaged community program for calendar year 2019 and has committed at least 6 percent but not more than 7 percent of the amount of the capitalization grant to one project.

#### Additional Subsidization

The grant included the requirement to use at least 20 percent of the funds as additional subsidization on loans. The DWSRF Program has elected to use the minimum required additional subsidization and up to an additional \$100,000 for each grant. This decision was made to keep as much money as possible revolving in the fund. The additional subsidization was awarded in the form of loan forgiveness. Binding commitments have been made for the FY2019 and earlier capitalization grants. These are shown in Appendix F.

# Green Project Reserve

The Green Project Reserve provides funding to projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. This is voluntary, and no project contributed to this reserve in 2019.

#### Reserved Funds

Reserved from the FY2019 capitalization grant for future use was \$300,400 from the State Program Assistance Set-aside for PWSS and \$20,080 from the Small System Technical Assistance Set-aside. This is added to reserved funds from previous grants of \$2,106,773 from the State Program Assistance Set-aside for PWSS and \$135,780 for the Small System Technical Assistance Set-aside. The reserved funds for the State Program Assistance Set-aside includes \$377,573 that was transferred from the set-aside to the loan fund in 2019. This brings a total to date of reserved funds of \$2,407,173 from the State Program Assistance Set-aside for PWSS and \$155,860 for the Small System Technical Assistance Set-aside.

#### **Set-asides**

North Dakota took the following set-aside funds from the 2019 capitalization grant during the reviewed period:

Set-aside Type	Amount (\$)	Amount (%)
Administration	488,934	4.4% <sup>1</sup>
Technical Assistance	200,000	1.8%
PWSS Admin	800,000	7.3%
Total Set-Aside	1,488,934	13.5%

<sup>&</sup>lt;sup>1</sup> The Administration Set-aside was calculated based on 0.2% of the loan fund

The following is a summary of activity in the set-aside funds during the review period:

	Administration	Technical Assistance	PWSS Admin
Beginning Balance (1/1/19)	\$291,053	\$288,210	\$1,839,567
2019 Cap Grant	\$488,934	\$200,000	\$800,000
Expenditures	(\$494,688)	(\$155,025)	(\$366,797)
Transfer to Loan Fund	\$0	\$0	(\$377,573)
Ending Balance (12/31/19)	\$285,299	\$333,185	\$1,895,197

### Administration

The majority of funds set aside for administration were used to support activities necessary to directly administer the DWSRF, including financial support services by the PFA. DWSRF Program staff also provides technical support to the department's Drinking Water Program. Technical support activities include plans and specifications reviews (of all new or modified PWS facilities) and implementation of the new and existing system capacity strategies.

DWSRF Programs are allowed to set aside the greater of \$400,000, 4 percent of the capitalization grant, or 0.2 percent of the valuation of the loan fund to administer the program. An amount of \$488,934 (or 0.2 percent of the valuation of the loan fund) was set aside for administration. Administration costs for the year were \$900,704. A total of \$494,688 was disbursed from the administrative set-aside, leaving a balance of \$285,299. A total of \$406,016 was disbursed from the 0.5 percent administrative loan fee account to cover the remaining administration expenses of the DWSRF Program.

The NDDEQ believes it is prudent to reserve all administrative set-aside and accumulated loan fees for future use by the program. Funding for the DWSRF Program could be lowered significantly in the future, as has already been experienced by the CWSRF Program. Full depletion of the reserved administrative set-aside and accumulated loan fees will occur should Congress choose not to reauthorize the DWSRF.

### Small System Technical Assistance

There are EPA-approved work plans and amendments for all small system technical assistance funds. Under the approved work plans, the NDDEQ negotiated technical assistance agreements with the Midwest Assistance Program (MAP) and the North Dakota Rural Water Systems Association (NDRWSA). Through these agreements, MAP and NDRWSA provided capacity development, financial/rate setting, emergency response plan/vulnerability assessment development assistance, an O&M manual for new operators, and operator certification assistance to PWSs targeted by the PWSS Program.

# State Program Management

Capitalization grants through FY2016 require a 1:1 state match. The sources of the 1:1 state match include: (1) the credit from the state's FY1993 PWSS Program expenditures (the maximum match credit is \$236,360); and (2) the 0.5 percent loan administration fee. PWSS expenditures from this set aside for the FY2015 and FY2016 capitalization grants were \$161,994. State match for this expenditure consisted of \$76,668 (FY1993 PWSS match credit) and \$85,326 (from DWSRF loan administration fees). There are EPA-approved work plans and amendments for all PWSS 10 percent set-aside funds.

Funds in the amount of \$377,573 were transferred from the PWSS Program administration setaside account to the loan fund in 2019.

# Local Assistance and Other State Programs

The NDDEQ did not utilize this set-aside.

# **Financial Summary**

### **Financial Structure**

The financial structure within the existing master trust indenture is used to better satisfy the continuing high demand for DWSRF financial assistance and still maintain the below-market interest rates. Under the modified structure, DWSRF allotments and state match bond proceeds will be used first to make loans. Leveraged bonds will be issued only if loan demand exceeds the amount of DWSRF allotments and state match. State match and leveraged bonds will be sized, together with the DWSRF allotments, to satisfy current cash flow needs as represented by the annual construction costs of eligible projects. This approach, coupled with approving loan assistance only for projects truly ready to proceed under a pre-established construction disbursement schedule, will avoid premature or unnecessary bond issuances. This approach also ensures a more reliable loan repayment stream to satisfy both bond debt service and future loan demand.

In the event there are insufficient amounts available to make scheduled principal and interest payments on outstanding DWSRF bonds, the master trust indenture provides that the trustee may transfer available excess revenues from the CWSRF to the DWSRF to meet the deficiency. Following such a transfer, the DWSRF has an obligation to reimburse the CWSRF with future available DWSRF excess revenues. No such transfers have been made to date.

The NDDEQ continues to work with its financial advisors on the financial structure of the DWSRF program. The demand for DWSRF assistance in North Dakota significantly exceeds federal DWSRF allotments and the required state match for those allotments.

# **Match Requirement**

Under the SDWA, states are required to match their DWSRF allotment with an amount at least equal to 20 percent. This amount must be deposited on the date of, or before receiving payments under, the capitalization grant agreements. State match for the capitalization grant is generated through the sale of state bonds and deposited into the DWSRF loan fund.

Capitalization grants through FY2016 have an additional 1:1 state match requirement when using the State Program Management Set-aside. The sources of the 1:1 state match include: (1) the credit from the state's FY1993 PWSS Program expenditures (the maximum match credit is \$236,360); and (2) the 0.5 percent loan administration fee.

# **Funding Process**

A draft IUP was developed in the fall for public review and comment. Following finalization, loan applications were solicited from systems with projects identified within the IUP. Projects were funded based on their ranking and availability of funds, taking into account bypass considerations identified within the IUP.

The NDDEQ reserves the right to fund lower-ranked projects ahead of higher-ranked projects based on the considerations below:

- Readiness to proceed
- Willingness to proceed (e.g., applicant withdraws project from consideration, obtains other funding sources, or is non-responsive)

- Emergency conditions (i.e., an unanticipated failure occurs requiring immediate attention to protect public health)
- Financial (includes inability to pay and loan repayment issues), technical, or managerial capability
- Meet the 15 percent requirement (i.e., funding lower-ranked projects would satisfy the requirement that at least 15 percent of the funds available for construction be annually used to provide loan assistance to PWSs that serve fewer than 10,000 persons)
- Initial ranking score cannot be verified

Language was also included stating that the NDDEQ, to the maximum extent possible, would work with bypassed projects to ensure that they will be eligible for funding in the following fiscal year. Primary factors for projects to be bypassed are readiness and willingness to proceed. All projects that were initially bypassed and that subsequently became ready to proceed have received funding assistance.

During the review period, a number of ranked projects listed in the IUP were bypassed. Such systems were bypassed as they chose not to submit a loan application and, hence, were deemed not ready to proceed. The DWSRF Program has been and remains willing to work with bypassed systems to provide loan assistance to the maximum extent possible when they are ready to proceed. Bypassed projects and the reasons for the projects being bypassed are listed in Appendix B.

The following language is included in the IUPs: "The NDDEQ, without going through a public review process, reserves the right to fund unanticipated, non-ranked emergency projects determined to require immediate attention to protect public health. Such assistance will be limited to eligible PWS types and project features, and to situations involving acute contaminants, loss, or potential loss of a water supply in the near future, or that otherwise represent an unreasonable risk to health."

#### **Loan Assistance Terms**

The maximum repayment period for DWSRF loans is 30 years or the useful life of the project following project completion. The NDDEQ may utilize shorter repayment periods on a project-by-project basis. The loan interest rate has been set at 1.5 percent for PWSs that qualify for tax-exempt financing and 2.5 percent for those that do not qualify for tax-exempt financing. An annual loan fee of 0.5 percent (of the outstanding loan balance) is assessed on all loans to support DWSRF administration costs. The fees are held under the master trust indenture and are available to pay DWSRF Program administration costs allowable under the SDWA. If necessary to meet bond repayment schedules, those projects that force the DWSRF Program to sell bonds to leverage the program will be charged an interest rate of 75 percent (includes the 0.5 percent administrative fee) of the market interest rate at the time of the loan. This interest rate will not be less than the standard 1.5 percent interest rate plus 0.5 percent administrative fee. This provision wasn't used in 2019.

Principal payments will begin no later than September 1 following construction completion (principal payments may commence earlier). Interest payments begin with the first loan draw and are payable during construction on each March 1 and September 1.

The SDWA requires that the interest rate for loans be less than or equal to the market interest rate. The PFA monitors compliance with this requirement by establishing as the market interest rate the average interest rate received by North Dakota political subdivisions on bond issues with a 20-year maturity sold on a competitive or negotiated basis during the past quarter. This rate is calculated and updated quarterly based upon the prior quarter bond sales. If there are no qualified bond sales, the market rate for that quarter is calculated using comparable regional bond issues. As an illustration, based upon fourth quarter 2019 North Dakota 20-year competitive bond sales, the market interest rate was calculated to be 2.5 percent.

## **Loan Status**

Appendix A identifies the following information about the loans closed during 2019:

- Recipient
- Project number
- Loan amount
- Loan closure date
- Loan increase closure date
- Loan increase amount
- Population
- Loan interest rate
- Administrative fee amount
- Length of loan payback
- Loan forgiveness amount

The PFA prepares a debt service schedule for each loan following loan closure. A copy of the schedule is provided to each loan recipient and maintained by the PFA.

# **Cash Draw Proportionality**

Basic ratios are set forth in the *Guide to Using EPA's Automated Clearing House for the Drinking Water State Revolving Fund Program* (EPA-832-B98-003) for determining federal and state cash draw proportionality. Funds are disbursed at the rate of 100 percent capitalization grant, 100 percent state match, 100 percent leveraged funds, and finally 100 percent FCLA funds. The program was in an over-matched condition for the entire year. It is estimated that enough state match has been disbursed to cover the state's match at least through 2023.

#### **Disbursements**

The DWSRF Program disbursed a total of \$51,405,800.53, with \$49,983,275 of that being loan funds during the year.

Included in that amount is \$10,555,789 of federal funds. Of those federal funds, \$9,539,279 were loan funds and \$1,016,510 were set-aside funds. The set-aside funds disbursed were \$155,025 for the small systems technical assistance set-aside, \$366,797 for the PWSS administration set-aside, and \$494,688 for the administrative set-aside.

# **Loan Repayments**

The North Dakota DWSRF received scheduled loan repayments (principal and interest) of \$25,377,014. This represents 227 projects.

#### **Administrative Loan Fee**

The balance in the administrative loan fee account at the beginning of the year was \$7,360,059. The 0.5 percent administrative loan fee collected \$1,607,281. A total of \$406,016 was disbursed from the 0.5 percent administrative loan fee account. An amount of \$277,950 was for administration of the DWSRF Program and \$128,066 was for state match to the State Program Management Set-aside. This leaves a balance of \$8,559,254 of loan fees that has accumulated since the beginning of the program.

## **Investments**

The North Dakota DWSRF had \$67,340,925 in investments at the end of 2019. Currently, there is \$14,629,886 in one investment contract that the PFA negotiated after bonds were issued. The investment contract is with the Bank of North Dakota (2001A series bond issue). There is an additional \$57,711,039 invested in commercial paper, certificates of deposit, agency notes, and U.S. Treasuries. The PFA receives management reports and ensures that earned interest is credited to the DWSRF in a timely fashion.

# **Financial Statements**

The North Dakota DWSRF is audited annually and a copy of each audit report is provided directly to EPA. The audit reports have been and will continue to be used to assess DWSRF Program performance. Specifics concerning the present financial condition of the DWSRF Program may be found in the latest audit report.

# **Compliance with Operating Agreement and Grant Conditions**

North Dakota has complied and continues to comply with the below conditions which are set forth and more fully described in the DWSRF Operating Agreement dated July 1998 and amended in March 2015:

- Establish state authority and instrumentality.
- Comply with applicable state law, regulations, orders, and policies.
- Establish separate DWSRF loan and set-aside accounts.
- Establish fiscal controls and accounting procedures for the DWSRF.
- Require project accounting and audits of DWSRF assistance recipients.
- Submit annual IUP which describes the use of all funds including set-asides.
- Annually negotiate a payment schedule with the EPA.
- Deposit 20 percent state match funds as required.
- Consider leveraging if demand for funds and finances warrant.
- Ensure adequate binding commitments within one year of each grant payment.
- Expend funds in an expeditious and timely manner.
- Submit biennial reports.
- Submit annual audits of the DWSRF.
- Comply with applicable federal cross-cutting authorities.
- Comply with the EPA's Minority Business Enterprise and Women's Business Enterprise (MBE/WBE) Programs.
- Obtain EPA approval prior to subcontracting Operating Agreement responsibilities.
- Conduct environmental reviews.
- Comply with the DWSRF ACH Guidelines when making cash draws.
- Review technical, financial, and managerial capability (capacity) of assistance recipients.
- Establish capacity development authority and implement capacity program.
- Implement EPA-approved operator certification program.
- Ensure borrowers have dedicated source of funds for loan repayment.
- Make DWSRF assistance available to privately owned public water systems.
- Implement a disadvantaged community program (optional).
- Identify transferred funds, if any, in the DWSRF and CWSRF IUPs.
- Maintain Administrative Agreement with the PFA.
- Provide extended term financing to the extent that it is allowed.

The below information is presented to describe compliance with key provisions of the Operating Agreement.

• Grant payments, binding commitments, and use of funds in a timely and expeditious manner. States are required to make binding commitments equal to the amount of each grant payment (and associated state match) designated for the loan fund within one year after the receipt of each grant payment. Based upon the payment schedules established in the capitalization grant, required binding commitments for this time period (which include state match) total \$13,204,800. Actual binding commitments (closed loans and increases) for the time period total \$17,209,000.

- State matching funds. State match bonds were issued in 2018 (Series 2018A) to satisfy the 20 percent state match requirement. The state match bond proceeds were deposited into the DWSRF loan account and disbursed prior to the receipt of the first grant payment. The amount of state match for the FY2019 capitalization grant was \$2,200,800.
- Reports and annual audits. This document constitutes an annual report for the DWSRF Program. This report only covers January 1, 2019 to December 31, 2019.

Brady Martz & Associates, P.C. conducted an annual audit of the North Dakota DWSRF. The audit addresses all funding activity from the DWSRF loan account and each set-aside account. Preparation of the 2019 audit report is in progress and will be provided to EPA. In the 2018 audit report, EideBailly, L.L.P., stated that the PFA complied with statutes, laws, rules and regulations under which the Agency was created and is functioning. This audit was conducted in accordance with the following generally accepted auditing standards: (1) the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and (2) OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

- Environmental reviews. All projects that received DWSRF loan assistance during the
  period reviewed were subject to appropriate environmental review and approval
  procedures. None of the projects were deemed to require an Environmental Impact
  Statement. The NDDEQ issued a Categorical Exclusion (CE) or an Environmental
  Assessment and Finding of No Significant Impact (EA/FONSI) or accepted the CE or
  EA/FONSI of other federal or state agencies for all projects.
- Dedicated source of revenue for loan repayment. The PFA, as financial agent for the DWSRF Program, conducts a financial review of all loan applicants. The review includes an assessment of the applicant's ability to repay the loan, taking coverage and reserve requirements into account, as well as associated operation, maintenance, and other necessary expenses.
- **Federal cross-cutting authorities.** North Dakota and North Dakota DWSRF assistance recipients have complied with all applicable federal cross-cutting authorities.

The MBE/WBE goals for the capitalization grant agreements were 2 percent MBE and 3 percent WBE for construction, supplies, services, and equipment.

Contracts totaling \$26,459,744 were awarded between January 1 and December 31, 2019, using DWSRF funds for all categories. DBE (MBE and WBE) participation for this time was 0.60 percent (MBE) and 0.01 percent (WBE). The NDDEQ will continue in its efforts to promote and obtain additional DBE participation in the DWSRF Program.

All projects that received DWSRF loan assistance during the period reviewed were subject to appropriate Davis-Bacon wage requirements and reviews, and American Iron and Steel requirements.

• **Operator certification.** In January 2000, the NDDEQ submitted documentation to the EPA and requested substantially equivalent status for its operator certification and

training program. In a letter dated September 27, 2000, Stephen Tuber, EPA Region VIII Water Program Director, stated, "Thank you for recognizing the importance of an effective operator certification program in protecting public health. I commend you and your staff for providing national leadership on this important milestone as the <u>first</u> Substantially Equivalent Operator Certification Program to be approved in the nation."

- Capacity. The NDDEQ established an EPA-approved capacity review process for DWSRF loan applicants. This process has been and continues to be used to evaluate the capacity of all DWSRF loan applicants. The PFA assists in the process by evaluating the financial capability of loan applicants and providing recommendations to the DWSRF Program. On September 23, 1999, EPA approved the NDDEQ's new water system capacity assessment strategy. This strategy has been and continues to be used to ensure that new or potentially new community and nontransient-noncommunity PWSs have adequate capacity prior to initiation of operation. On October 10, 2000, EPA approved the NDDEQ's capacity development strategy for existing public water systems. Implementation of the strategy was initiated in August 2000. The strategy identifies the following tools, which may be used singly or in combination, to assist PWSs in acquiring and maintaining capacity:
  - o On-site visits by NDDEQ staff
  - o Operator certification
  - o Training
  - o Use of technical assistance providers
  - Use of DWSRF set-asides
  - o Public education
  - Dissemination of education materials

The NDDEQ is presently using a number of these tools, including contractual assistance (using DWSRF set-aside funds) by recognized technical assistance providers.

- **Transfers**. Transfers between the CWSRF and the DWSRF Programs are discussed in the Sources and Uses of Funds chapter.
- Miscellaneous. The NDDEQ has not further subcontracted any responsibilities set forth
  in the Operating Agreement. Privately owned community water systems and nonprofit
  noncommunity water systems are eligible for DWSRF assistance. To date, no
  assistance has been requested by such systems. The NDDEQ has established a
  disadvantaged community program beginning with the FY19 capitalization grant.

#### APPENDIX A

#### **LOANS WITH BINDING COMMITMENTS IN 2019**

Borrower	Project #	Loan Amount [\$]	Binding Commitment	Increase Date	Increase Amount	Population	Loan Term [Years]	Project	Principal Forgiveness [\$]
						Loans	3		-
Glenburn	3800397-02	600,000	02/21/19			390	30	Water tower replacement & water main looping	
Cass RW	0901060-06	2,600,000	06/06/19			21,647	20	Horace area water tower	
Riverdale	2800825-02	1,961,000	08/27/19			205	20	Water tower replacement	1,470,750
Cavalier	3400170-01	3,095,000	08/28/19			1,203	30	Water tower replacement	1,390,290
Enderlin	3700314-05	760,000	10/03/19			868	20	Water main replacement	
All Seasons WUD	0501057-03	1,738,000	10/10/19			1,630	20	Connection of system IV to system I to alleviate water shortages	1,008,450
McLean-Sheridan RWD	2801400-04	2,656,000	11/14/19			2,605	30	2019 distribution system improvements	
Stutsman RWD	4701303-07	1,000,000	11/14/19			1,350	30	Phase 7 distribution system improvements	
Agassiz WUD	1801056-01	996,000	11/19/19			4,044	30	Transmission lines between reservoirs, connection to residences currently on individual wells	
Dakota RWD	2001061-01	1,550,000	12/03/19			3,369	30	Connections to residents currently on individual wells	
						Increas	es		
North Prairie RW	5101189-03	428,000	02/08/17	10/01/19	253,000	12,000	30	Water tower rehabilitation in Anamoose	

Total New Loans and Increases =

17,209,000

All loans had a 1.5% interest rate plus a 0.5% administration fee

# **APPENDIX B**

# **NORTH DAKOTA DWSRF**

# **BYPASSED PROJECT LIST**

Ranking	System Name	Project Description	Cost (\$1000) Project	Reason for Project Bypass
1	Benedict	Water main replacement & pump house upgrades	1,565	Not ready to proceed
3	Beach	Transmission main & lead service line replacement	4,130	Not ready to proceed
4	McClusky	Water tower, transmission lines, & booster station	2,500	Not ready to proceed

# **APPENDIX C**

# **DWSRF SOURCES AND USES TABLE**

(Cumulative Amounts as of December 31, 2019)

# **SOURCES**

Federal Capitalization Grants	226,868,100
State Match	51,432,137
Transfers from CWSRF	51,516,491
Net Leveraged Bonds	193,941,728
Interest Earnings	51,645,573
Interest Payments	62,550,502
Principal Repayments	191,720,738
TOTAL SOURCES OF FUNDS	\$829,675,269
USES	
4% Administration 2% SSTA 10% DW Program Set-Aside 15% Local Asst. Set-Aside	9,089,858 3,515,392 4,765,315 435,268
Transfers to CWSRF	29,061,000
Bond Principal Repayments	68,450,353
Bond Interest Expense	66,804,704
Arbitrage Paid	785,241
Reserves	-
Closed Agreements	645,021,724
Approved But Not Closed Agreements	
TOTAL USES OF FUNDS	\$827,928,855

# **APPENDIX D**

# **NORTH DAKOTA DWSRF**

# **TRANSACTIONS FOR 2019**

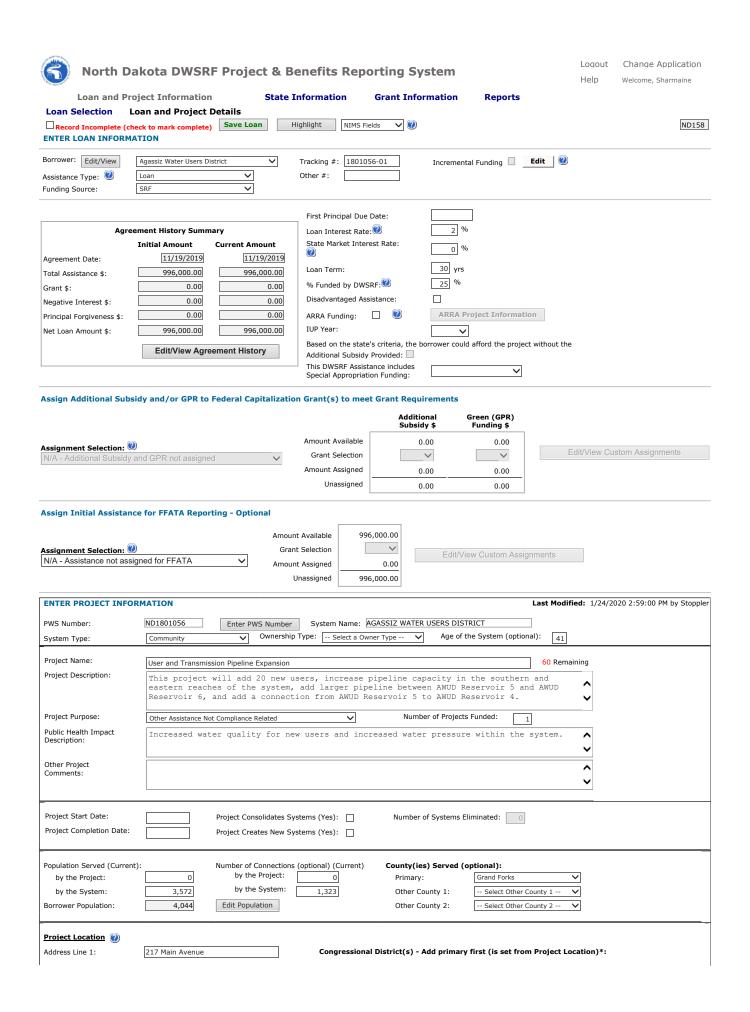
Recipient	Recipient Date of Payment to Recipient	
Rugby	01/07/19	16,144.00
North Prairie RWD	01/07/19	66,306.00
Minot	01/07/19	65,018.00
SE Water Users District	01/07/19	92,759.00
Stutsman RWD	01/07/19	200,636.00
McLean Sheridan RWD	01/07/19	71,927.00
Stutsman RWD	01/22/19	96,383.00
Kindred	01/22/19	13,590.00
Grand Forks	01/22/19	3,132,189.00
Northeast Regional Water	01/22/19	20,908.00
Northeast Regional Water	01/22/19	3,914.00
Mandan	01/28/19	334,738.00
Makoti	01/28/19	23,589.00
SE Water Users District	01/28/19	28,668.00
PFA Admin Draw	01/28/19	28,898.00
PFA Expenses	01/28/19	2,405.25
TA Set Aside	01/28/19	20,950.00
TA Set Aside		
	01/28/19	17,550.00
North Prairie RWD	02/04/19	175,818.00
Walsh RWD	02/04/19	31,214.00
Health Dept Admin Draw	02/11/19	276,156.00
Larimore	02/11/19	59,247.00
McLean Sheridan RWD	02/11/19	7,979.00
Argusville	02/21/19	7,468.00
WAWSA	02/21/19	259,449.00
SE Water Users District	02/21/19	22,480.00
Makoti	02/21/19	8,169.00
Kindred	02/21/19	24,564.00
PFA Expenses	02/25/19	22,675.55
TA Set Aside	02/25/19	3,250.00
Lisbon	03/04/19	50,118.00
Mercer	03/11/19	72,760.00
McLean Sheridan RWD	03/11/19	5,775.00
Fargo	03/11/19	1,045,886.00
NE Regional Water Dist	03/18/19	13,196.00
Makoti	03/18/19	2,381.00
Mohall	03/18/19	34,020.00
PFA Expenses	03/25/19	1,585.00
NE Regional Water Dist	03/25/19	17,053.00
SE Water Users District	03/25/19	36,773.00
Stutsman RWD	03/25/19	29,262.00
Grand Forks	04/01/19	3,677,448.00
Rugby	04/01/19	3,804.00
North Prairie RWD	04/08/19	212,512.00
Glenburn	04/08/19	63,908.00
NE Regional Water Dist	04/15/19	7,677.00
Stutsman RWD	04/15/19	383,490.00
Health Dept Admin Draw	04/17/19	274,593.00

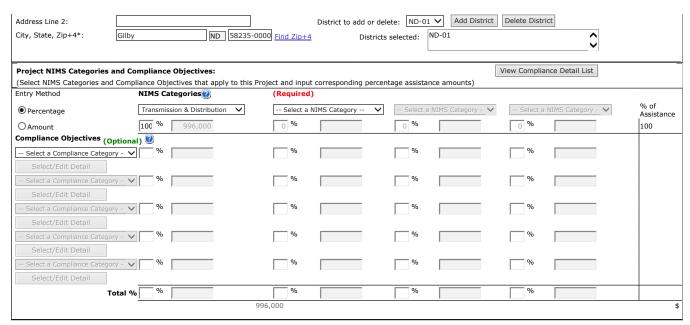
Recipient	Date of Payment to Recipient	Amount of Draw Request	
Wahpeton	04/22/19	618,358.00	
Glenburn	04/22/19	6,108.00	
Makoti	04/22/19	3,797.00	
North Prairie RWD	04/22/19	4,912.00	
Grand Forks	04/22/19	1,836,236.00	
Fargo	04/29/19	3,466,280.00	
SE Water Users District	04/29/19	12,646.00	
Tri-County Water District	04/29/19	6,927.00	
PFA Admin Draw	04/29/19	29,221.00	
PFA Expenses	04/29/19	9,719.58	
TA Set Aside	04/29/19	20,100.00	
Lisbon	-		
North Prairie RWD	05/13/19	9,936.00	
	05/13/19	27,550.00	
Kindred	05/13/19	10,520.00	
NE Regional Water Dist	05/20/19	2,820.00	
Glenburn	05/20/19	4,869.00	
McLean Sheridan RWD	05/20/19	34,629.00	
Makoti	05/20/19	37,800.00	
Minot	05/28/19	29,743.00	
Fessenden	05/28/19	31,500.00	
Fessenden	05/28/19	19,025.00	
Carson	05/28/19	65,359.00	
PFA Expenses	05/28/19	970.42	
Walsh RWD	06/03/19	13,901.00	
SE Water Users District	06/03/19	87,700.00	
Stutsman RWD	06/10/19	64,280.00	
Grand Forks	06/10/19	1,505,530.00	
Argusville	06/10/19	8,522.00	
TA Set Aside	06/10/19	7,125.00	
Makoti	06/17/19	45,643.00	
Tri-County Water District	06/17/19	176,370.00	
Kindred	06/24/19	10,809.00	
Fessenden	06/24/19	59,905.00	
Mohall	06/24/19	13,398.00	
PFA Expenses	06/24/19	247.50	
Lisbon	07/01/19	2,536.00	
McLean Sheridan RWD	07/01/19	11,281.00	
SE Water Users District	07/01/19	176,307.00	
NE Regional Water Dist	07/01/19	194,262.00	
Stutsman RWD	07/08/19	105,283.00	
Grand Forks	07/08/19	1,854,166.00	
Makoti	07/15/19	17,782.00	
NE Regional Water Dist	07/15/19	122,217.00	
Argusville	07/15/19	4,655.00	
North Prairie RWD	07/15/19	256,882.00	
North Prairie RWD	07/22/19	35,654.00	
Carson	07/22/19	27,513.00	
Glenburn	07/22/19	41,800.00	
Stutsman RWD	07/22/19	72,737.00	
Mercer	07/22/19	5,956.00	
PFA Expenses	07/22/19	955.92	
DEQ Admin Draw			
TA Set Aside	07/24/19	269,680.00	
Arnegard	07/29/19 07/29/19	18,000.00 8,316.00	

Recipient	Date of Payment to Recipient	Amount of Draw Request	
Tri-County Water District	07/29/19	263,304.00	
McLean Sheridan RWD	07/29/19	95,614.00	
Mohall	07/29/19	101,081.00	
Walsh RWD	07/29/19	33,987.00	
Larimore	07/29/19	16,486.00	
Wahpeton	07/29/19	179,744.00	
Mercer	08/05/19	126,013.00	
Fessenden	08/05/19	5,000.00	
North Prairie RWD	08/05/19	202,406.00	
Mandan	08/12/19	642,779.00	
Grand Forks	08/12/19	4,174,651.00	
NE Regional Water Dist	08/12/19	379,838.00	
North Prairie RWD	08/12/19	20,962.00	
SE Water Users District	08/12/19	144,385.00	
Lisbon	08/19/19	148,870.00	
Glenburn	08/19/19	63,697.00	
Tri-County Water District	08/19/19	151,863.00	
Cass Rural Water District	08/19/19	954,710.00	
Makoti	08/19/19	13,740.00	
Mohall	08/19/19	40,630.00	
PFA Expenses	08/26/19	498.55	
McLean Sheridan RWD	09/03/19	8,500.00	
Arnegard	09/03/19	708,195.00	
Fessenden	09/03/19	74,796.00	
Kindred	09/03/19	37,179.00	
Walsh RWD	09/03/19	17,557.00	
WAWSA	09/03/19	1,899,565.00	
SE Water Users District	09/03/19	184,149.00	
Stutsman RWD	09/09/19	88,830.00	
Cass Rural Water District	09/09/19	327,672.00	
Minot	09/09/19	129,977.00	
TA Set Aside	09/09/19	14,800.00	
Lisbon	09/16/19	30,807.00	
NE Regional Water Dist	09/16/19	196,576.00	
Argusville	09/16/19	3,119.00	
Tri-County Water District	09/16/19	39,470.00	
Makoti	09/23/19	29,042.00	
Kindred	09/23/19	14,786.00	
Grand Forks	09/23/19	1,871,435.00	
McLean Sheridan RWD	09/23/19	63,742.00	
Glenburn	09/23/19	5,165.00	
North Prairie RWD	09/30/19	79,014.00	
North Prairie RWD	09/30/19	1,291,576.00	
Stutsman RWD	09/30/19	34,866.00	
PFA Expenses	09/30/19	22,600.00	
TA Set Aside	10/07/19	18,875.00	
Mercer	10/07/19	76,246.00	
SE Water Users District	10/07/19	167,785.00	
Cass Rural Water District	10/07/19	95,668.00	
Makoti	10/15/19	46,877.00	
Glenburn	10/13/19	17,203.00	
Argusville	10/21/19	3,182.00	
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Cavalier	10/21/19	118,500.00	

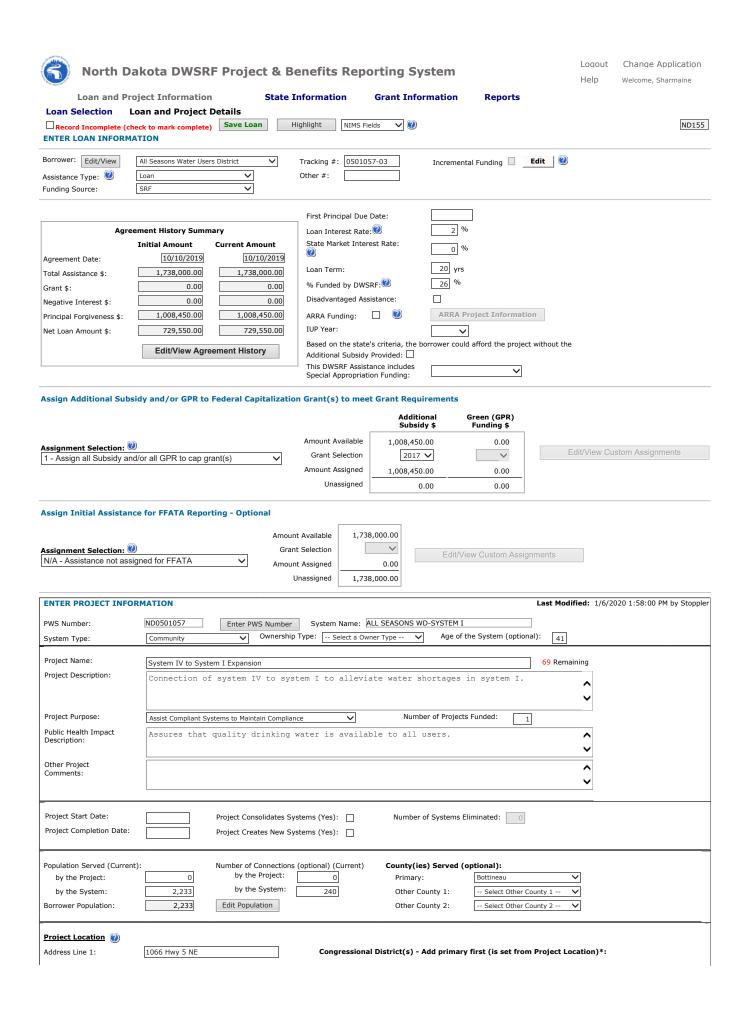
Recipient	Date of Payment to Recipient	Amount of Draw Request
NE Regional Water Dist	10/28/19	115,837.00
SE Water Users District	10/28/19	135,525.00
Lisbon	10/28/19	72,166.00
Grand Forks	10/28/19	2,121,707.00
Tri-County Water District	10/28/19	74,985.00
PFA Admin Draw	10/28/19	23,307.00
PFA Expenses	10/28/19	21,054.76
TA Set Aside	10/28/19	5,450.00
TA Set Aside	11/04/19	11,550.00
Carson	11/04/19	14,615.00
Carson	11/04/19	153,762.00
Mercer	11/04/19	24,731.00
WAWSA	11/04/19	2,021,631.00
Cass Rural Water District	11/04/19	115,475.00
All Seasons Water Users	11/12/19	89,357.00
McLean Sheridan RWD	11/12/19	8,589.00
North Prairie RWD	_	
	11/12/19	77,469.00
North Prairie RWD	11/12/19	231,241.00
DEQ Admin Draw	11/12/19	278,083.00
Argusville	11/18/19	3,578.00
Lisbon	11/18/19	45,203.00
Makoti	11/18/19	4,788.00
NE Regional Water Dist	11/25/19	67,601.00
Lincoln	11/25/19	290,266.00
Kindred	11/25/19	26,103.00
Carson	11/25/19	24,119.00
Fargo	11/25/19	1,359,031.00
Glenburn	11/25/19	8,848.00
TA Set Aside	12/02/19	17,375.00
Grand Forks	12/02/19	1,296,123.00
SE Water Users District	12/02/19	159,838.00
Minot	12/02/19	234,682.00
Riverdale	12/02/19	186,761.00
Mercer	12/02/19	2,648.00
McLean Sheridan RWD	12/09/19	5,118.00
WAWSA	12/09/19	505,936.00
WAWSA	12/09/19	458,859.00
Glenburn	12/16/19	44,078.00
Cass Rural Water District	12/16/19	85,836.00
Lincoln	12/16/19	388,025.00
Lisbon	12/16/19	64,237.00
Tri-County Water District	12/16/19	50,291.00
Fargo	12/16/19	227,012.00
Mohall	12/16/19	50,039.00
North Prairie RWD	12/16/19	102,556.00
Riverdale	12/16/19	453,789.00
Grand Forks	12/23/19	1,494,586.00
Cavalier	12/23/19	77,969.00
PFA Expenses	12/23/19	4,850.00
Balance 12/31/18		51,405,800.53

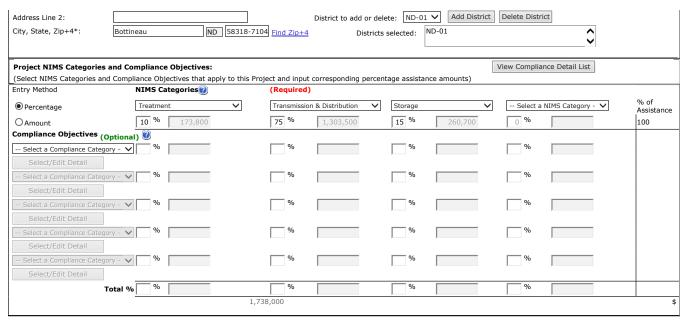
# APPENDIX E NORTH DAKOTA DWSRF PBR SUMMARY



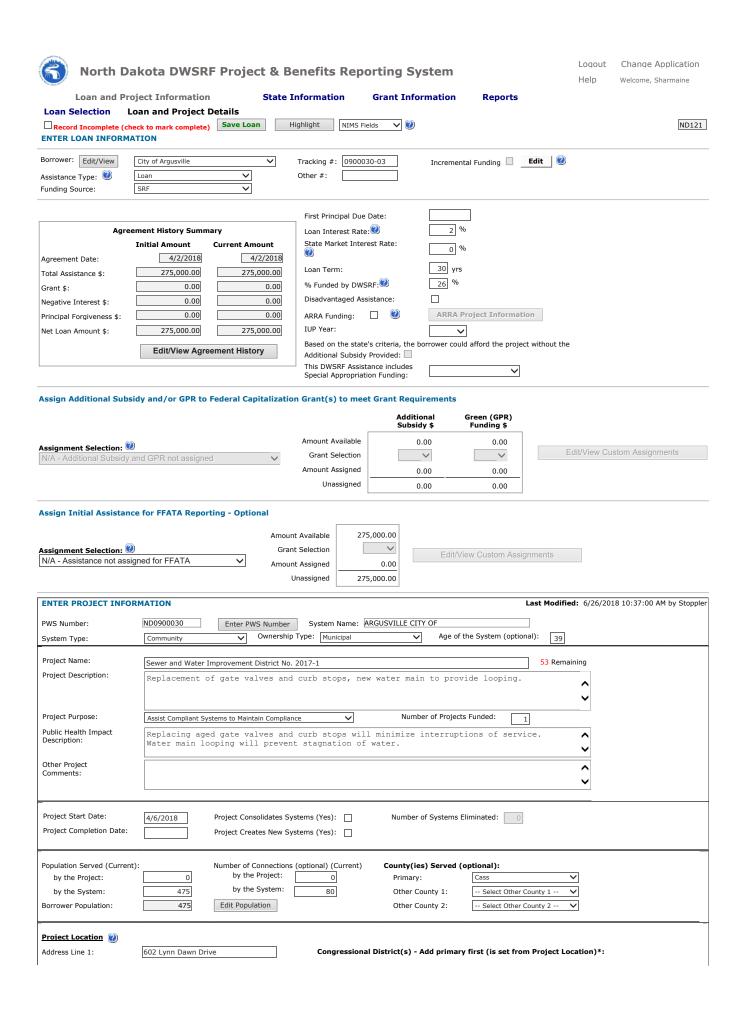


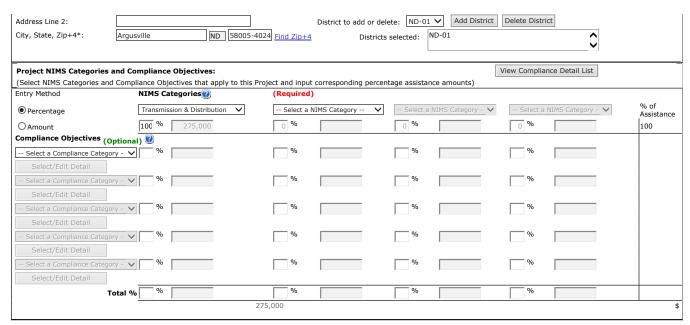
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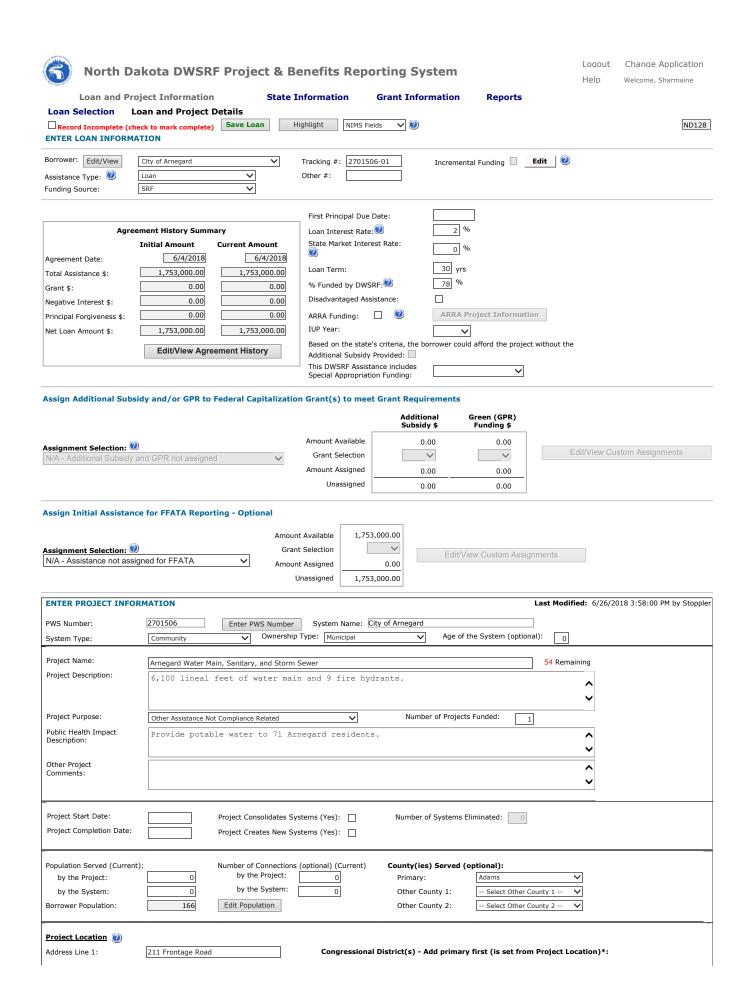


DWSRF Project & Benefits Reporting System



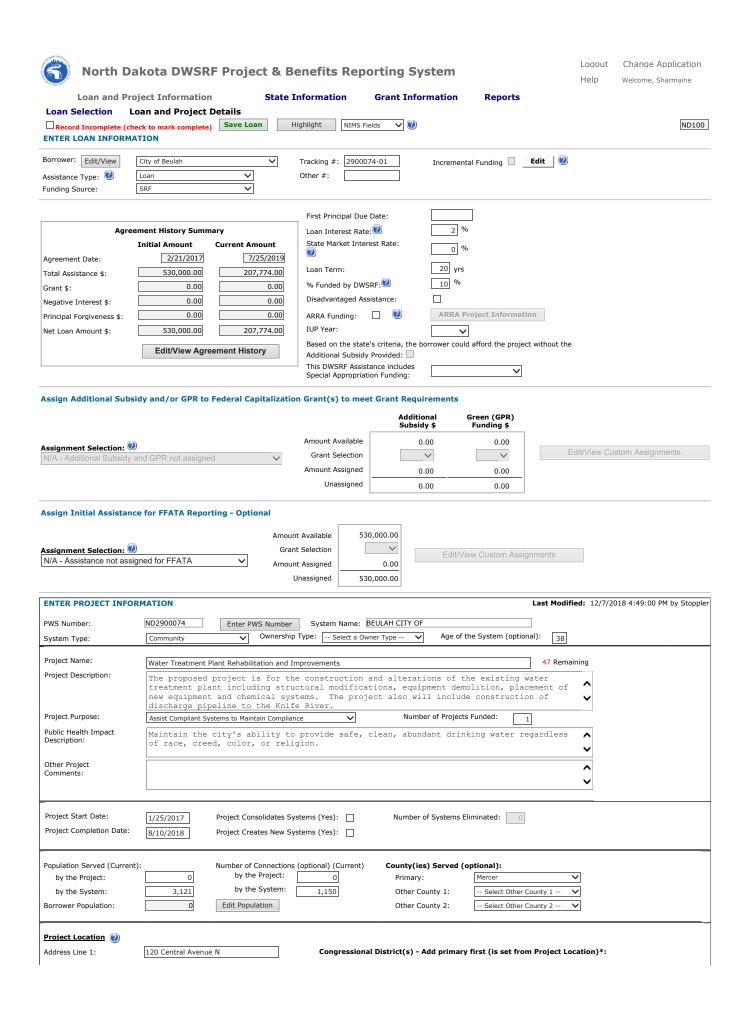


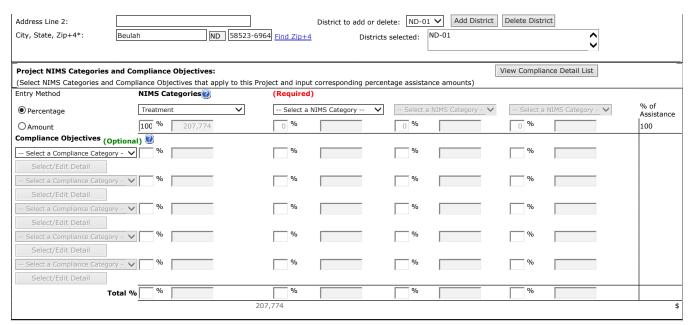
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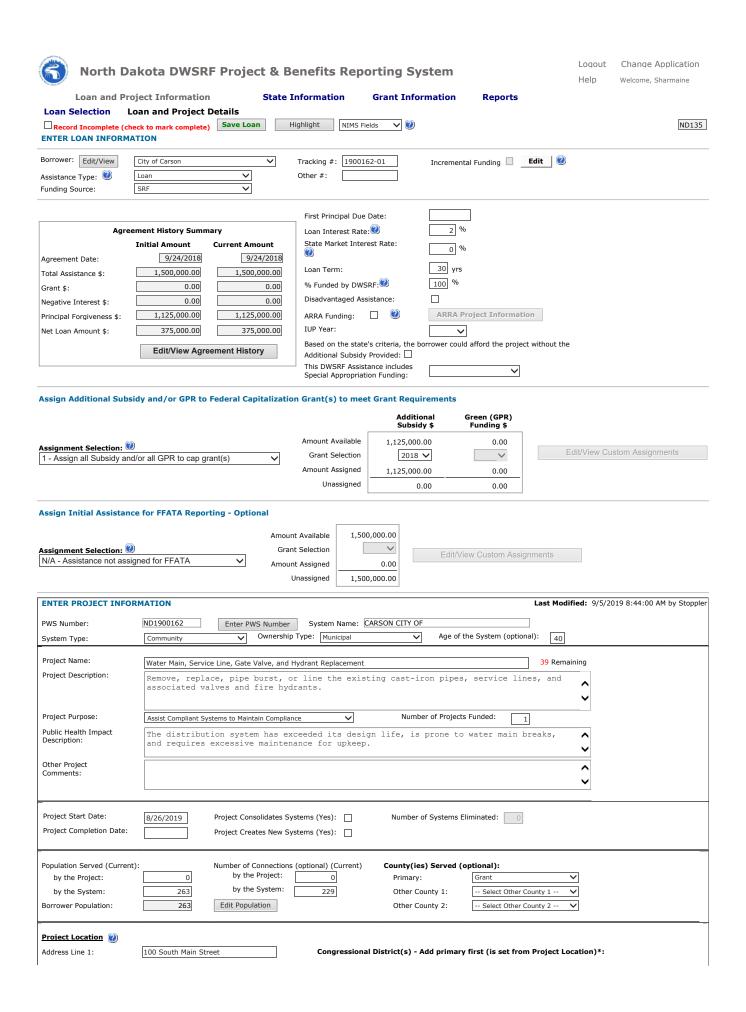


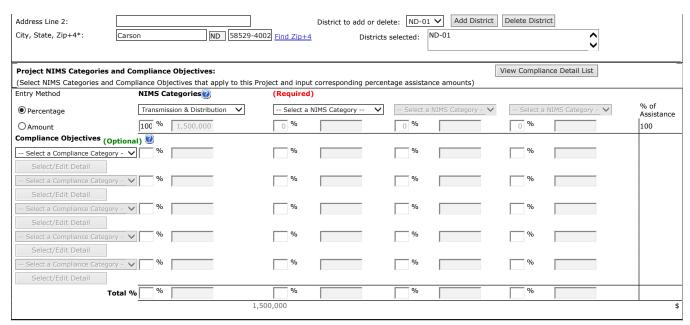
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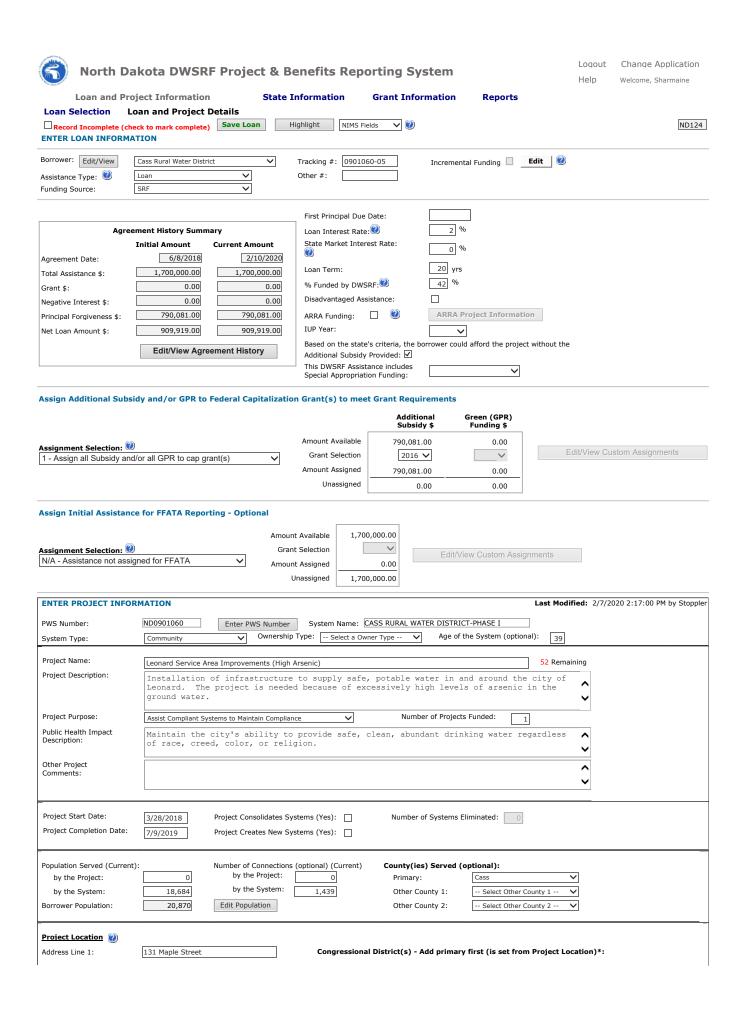


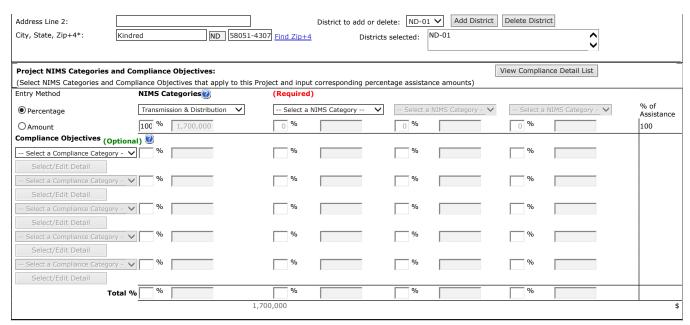
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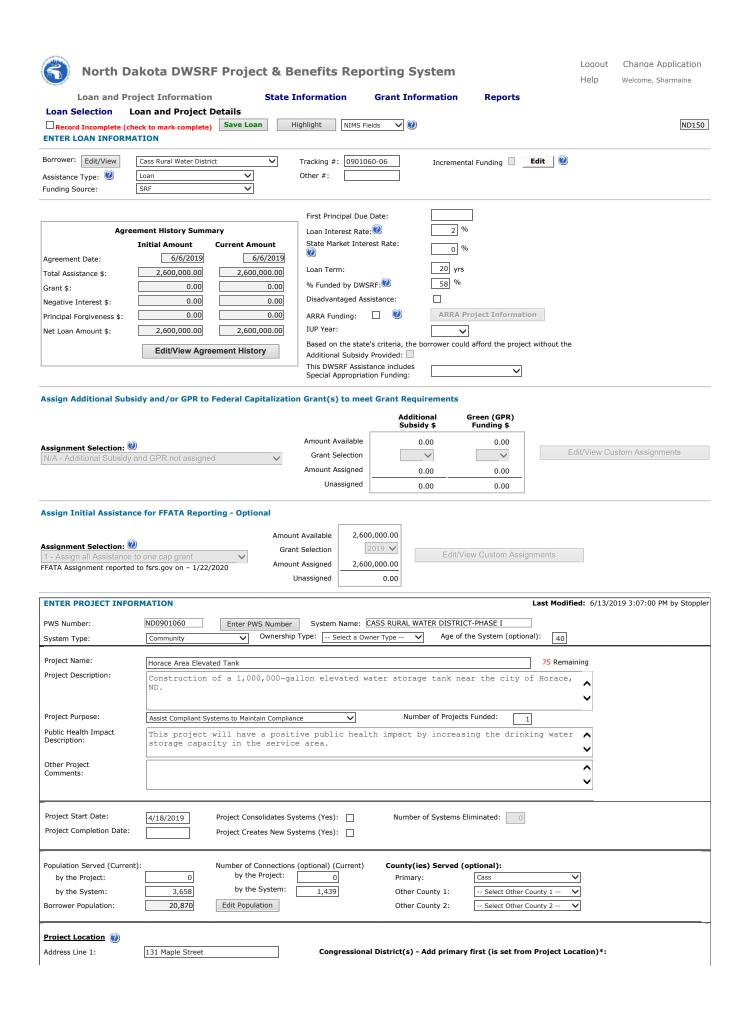


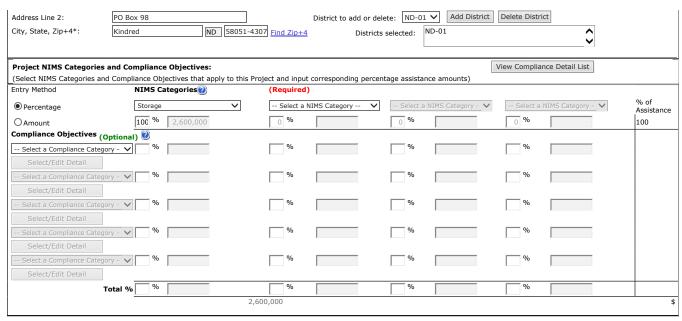
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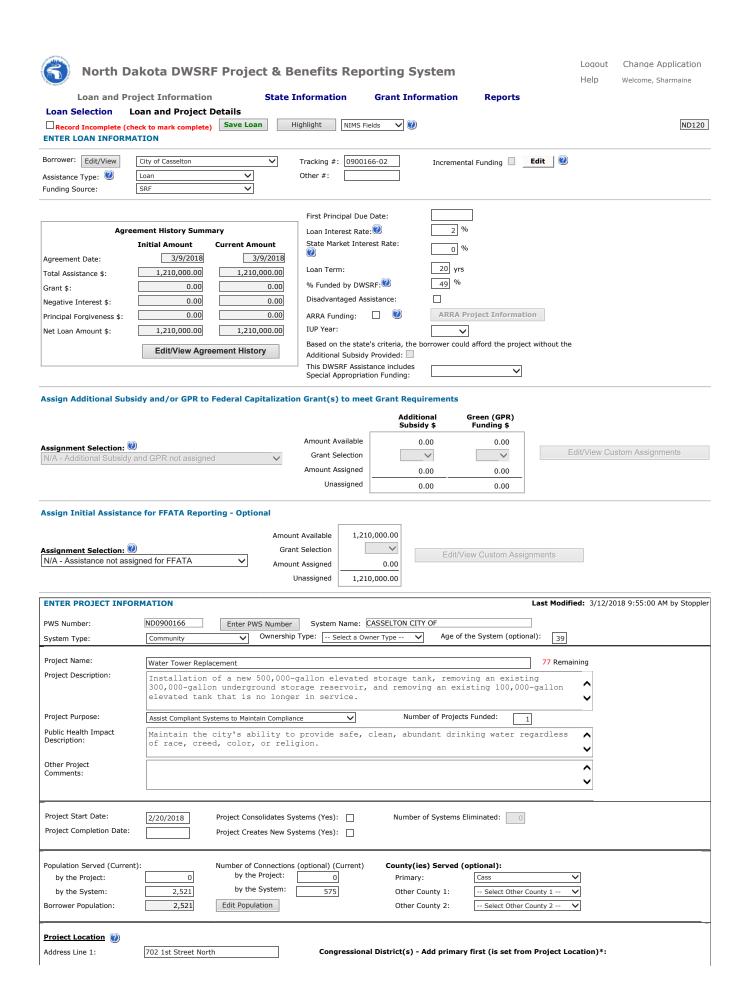


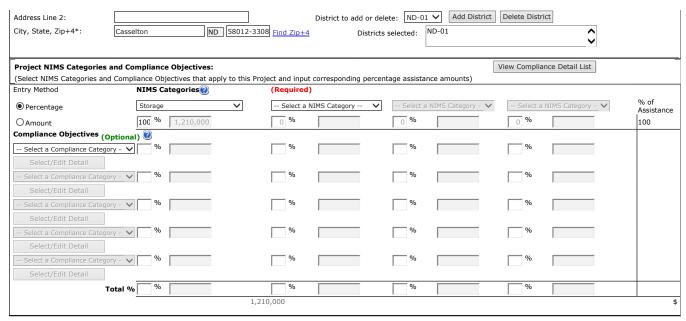
DWSRF Project & Benefits Reporting System



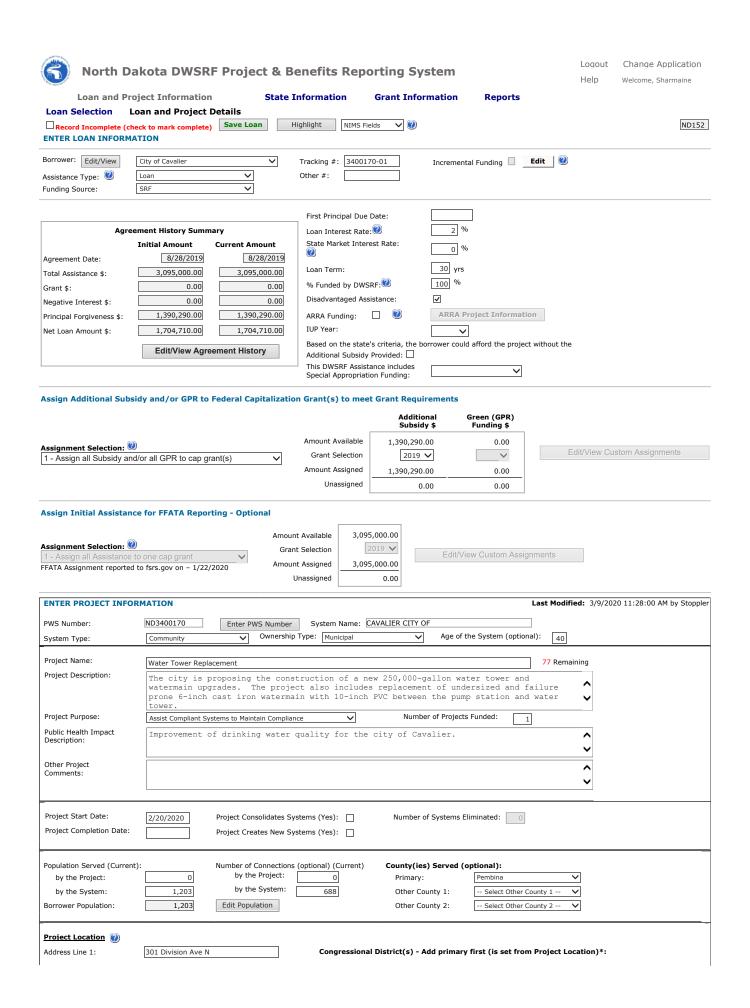


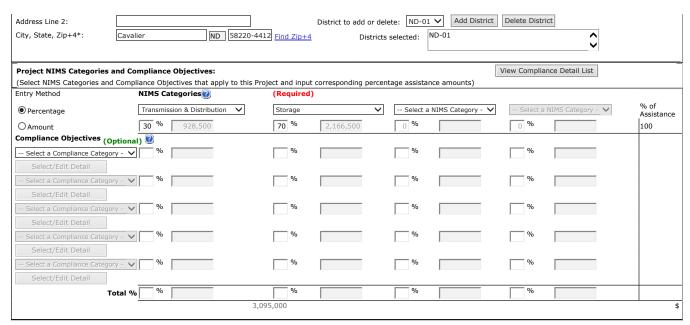
DWSRF Project & Benefits Reporting System



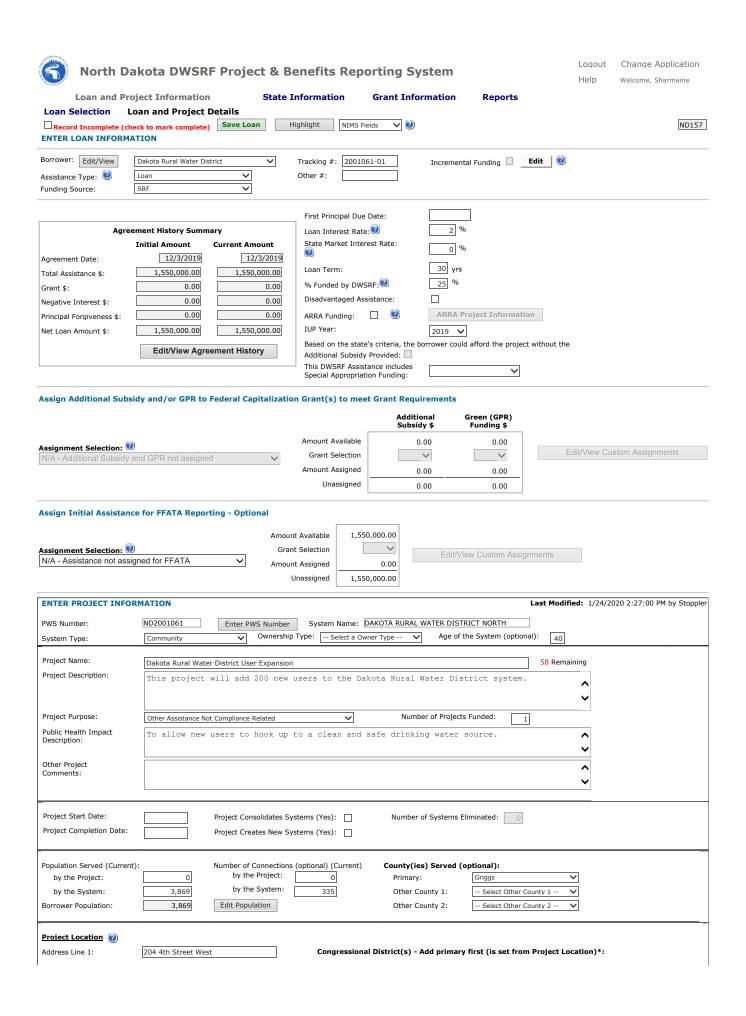


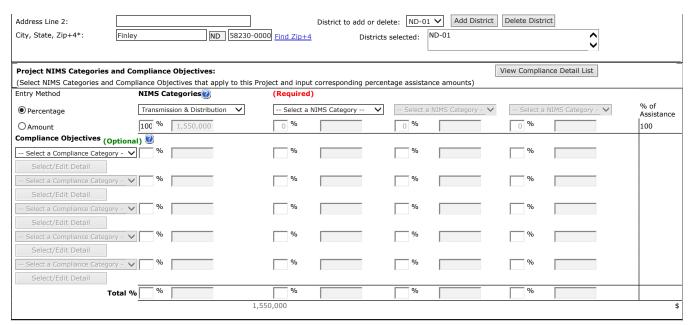
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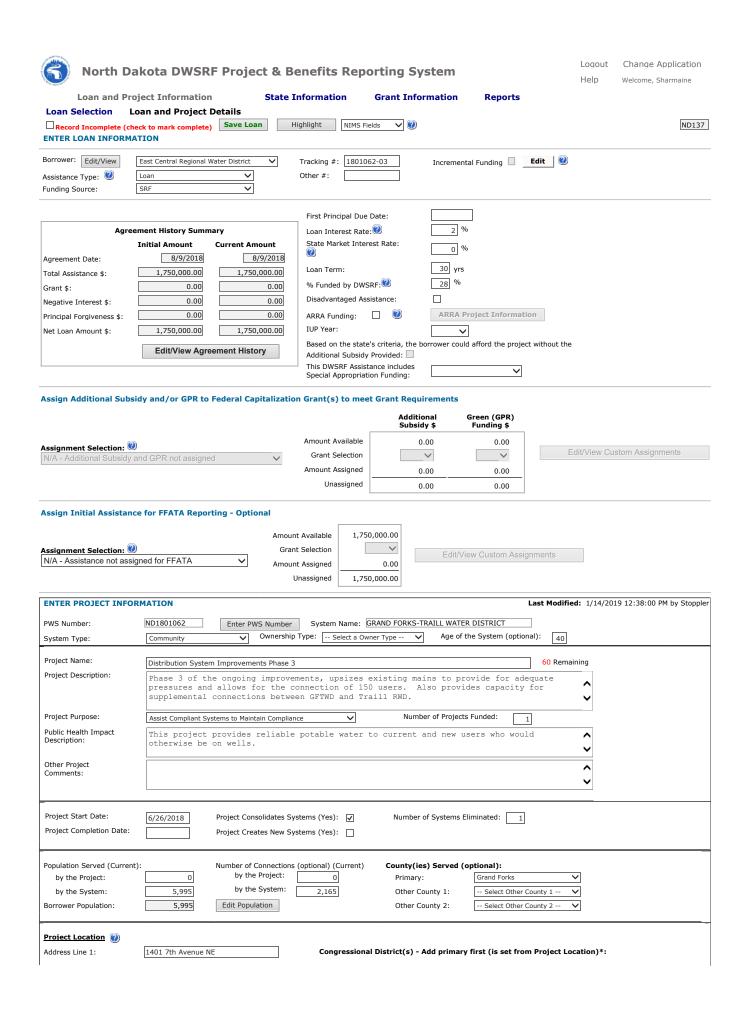


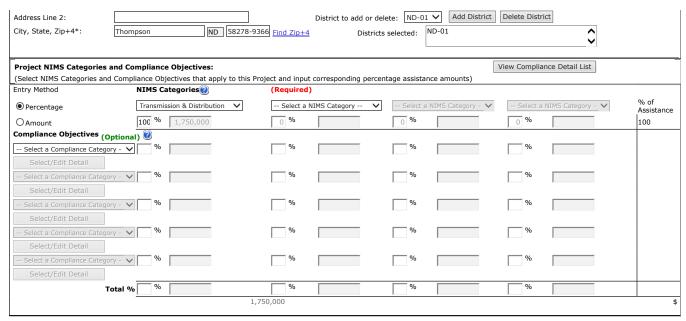
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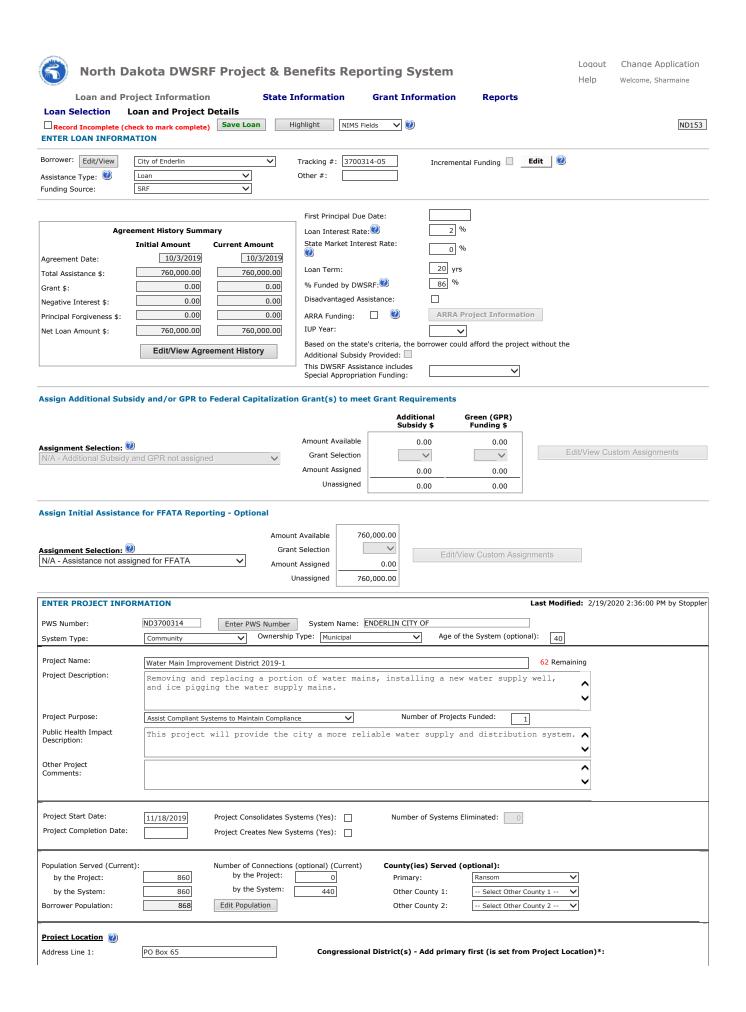


DWSRF Project & Benefits Reporting System



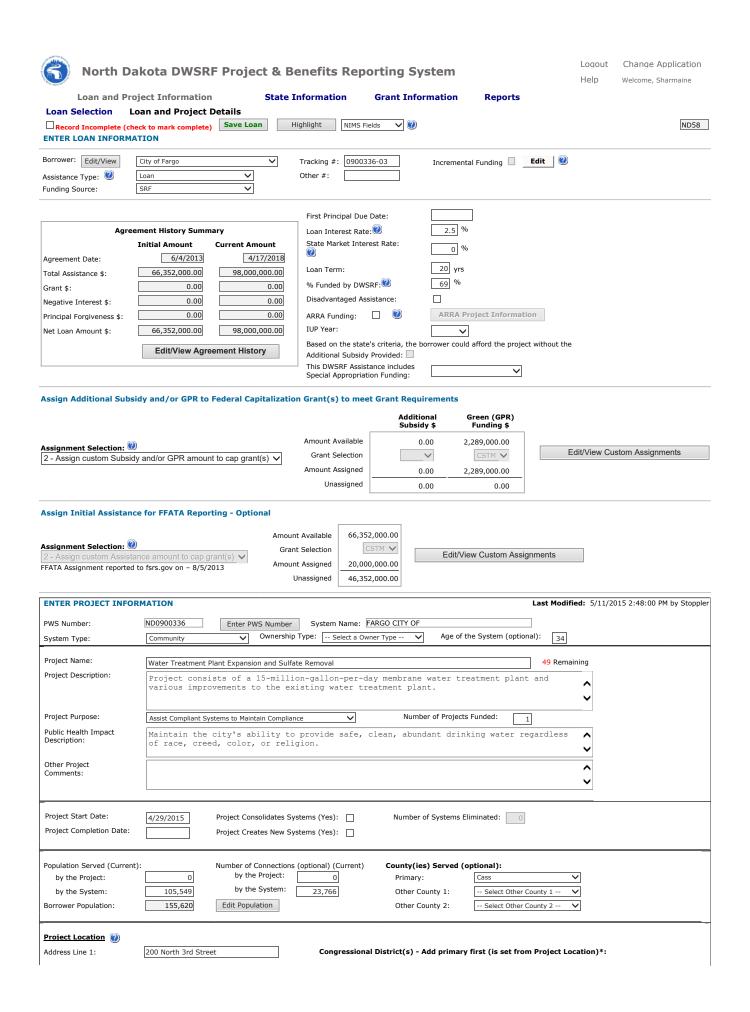


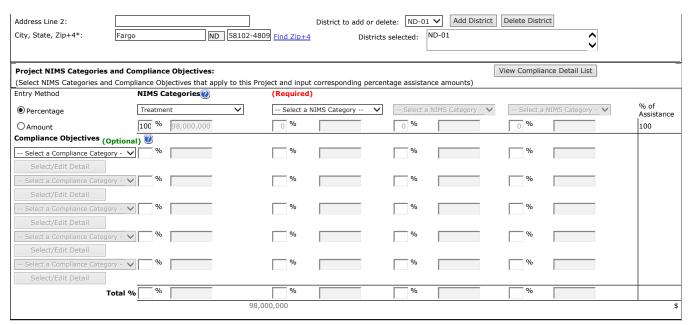
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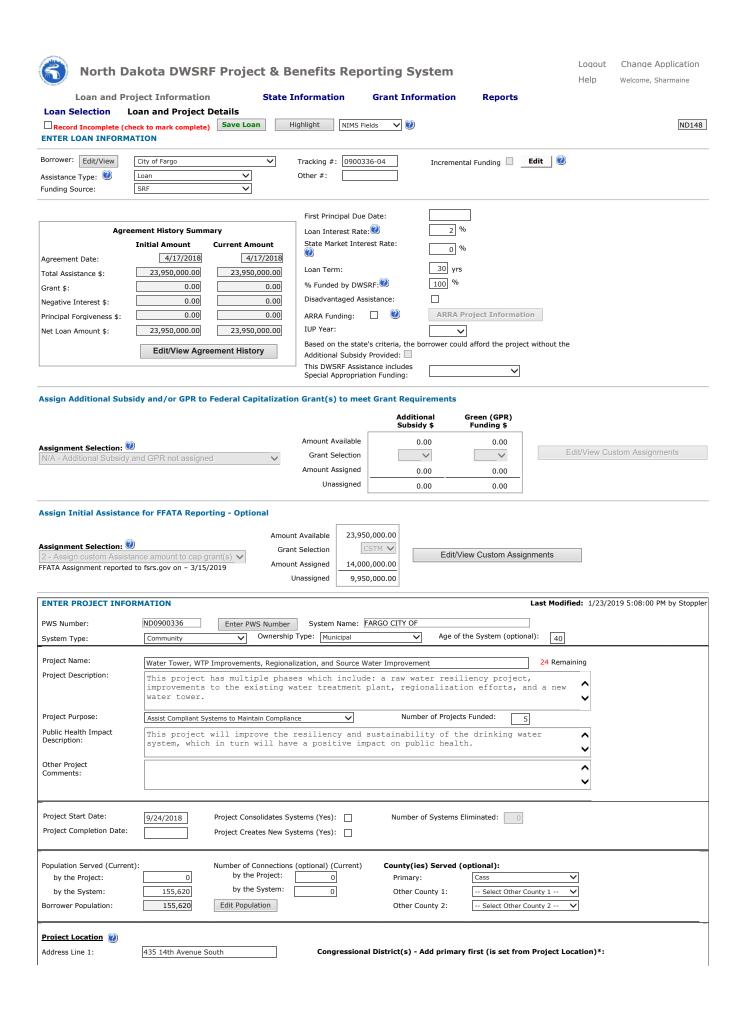


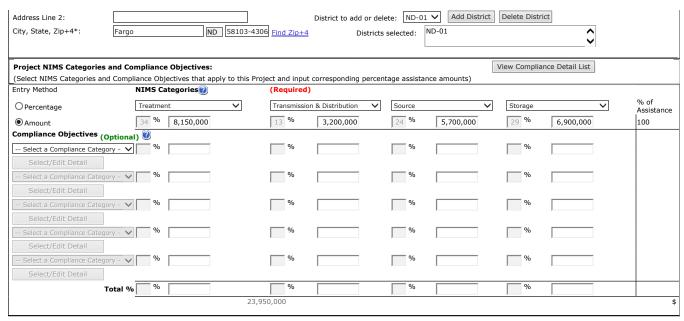
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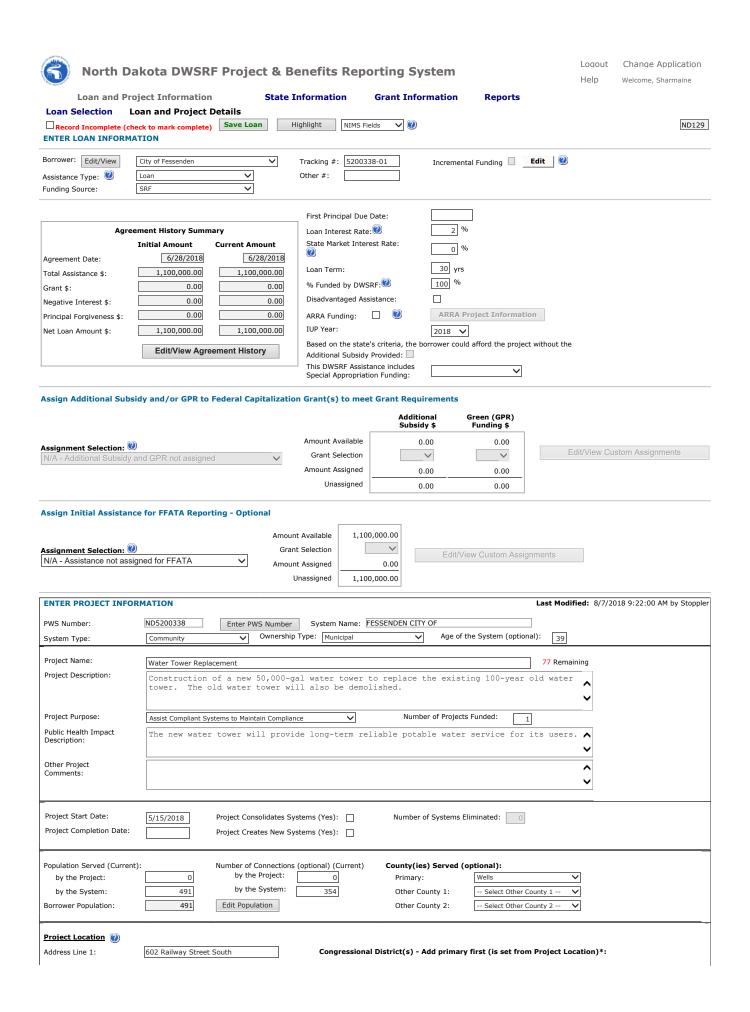


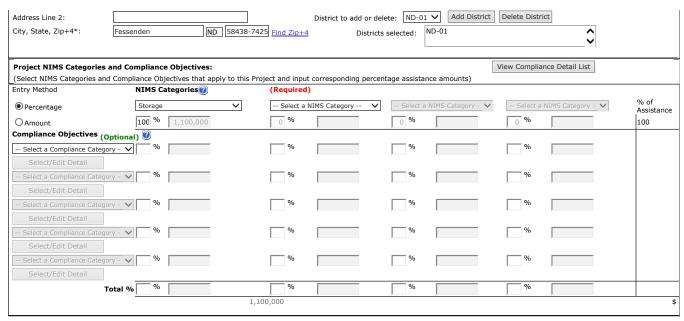
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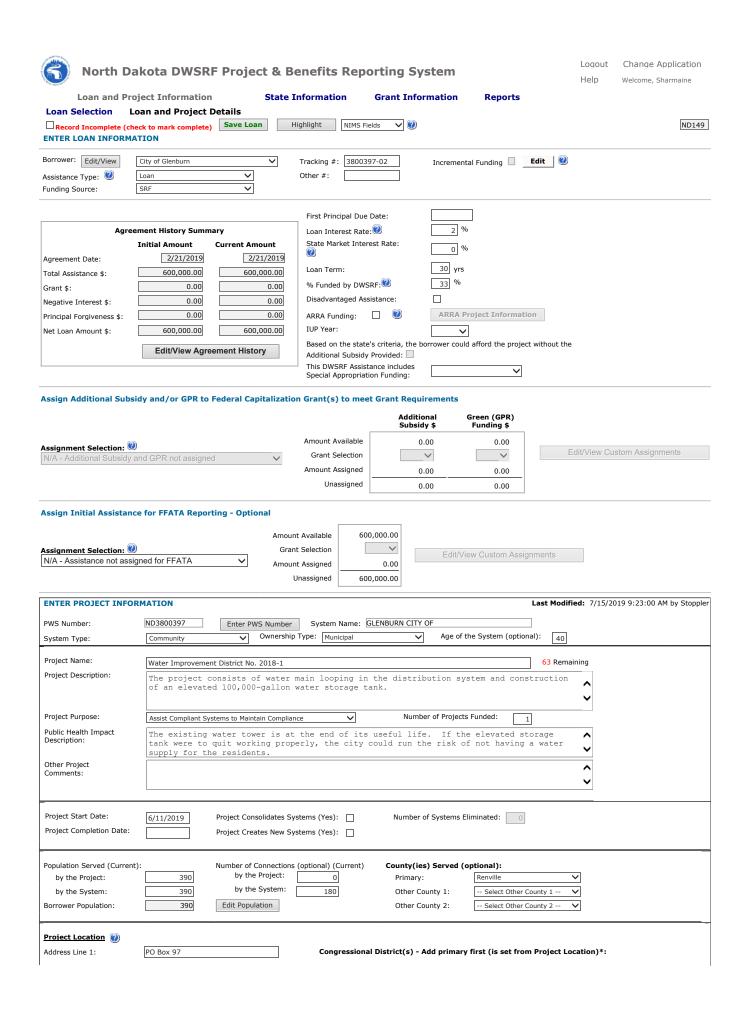


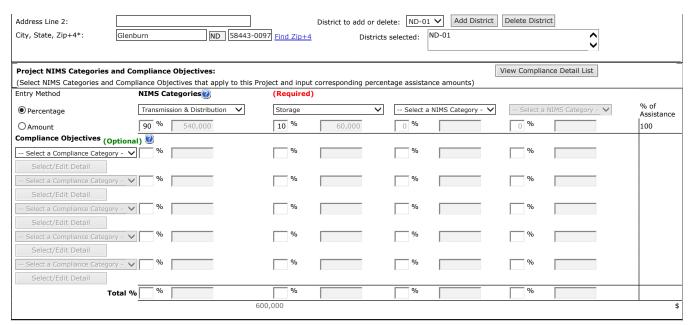
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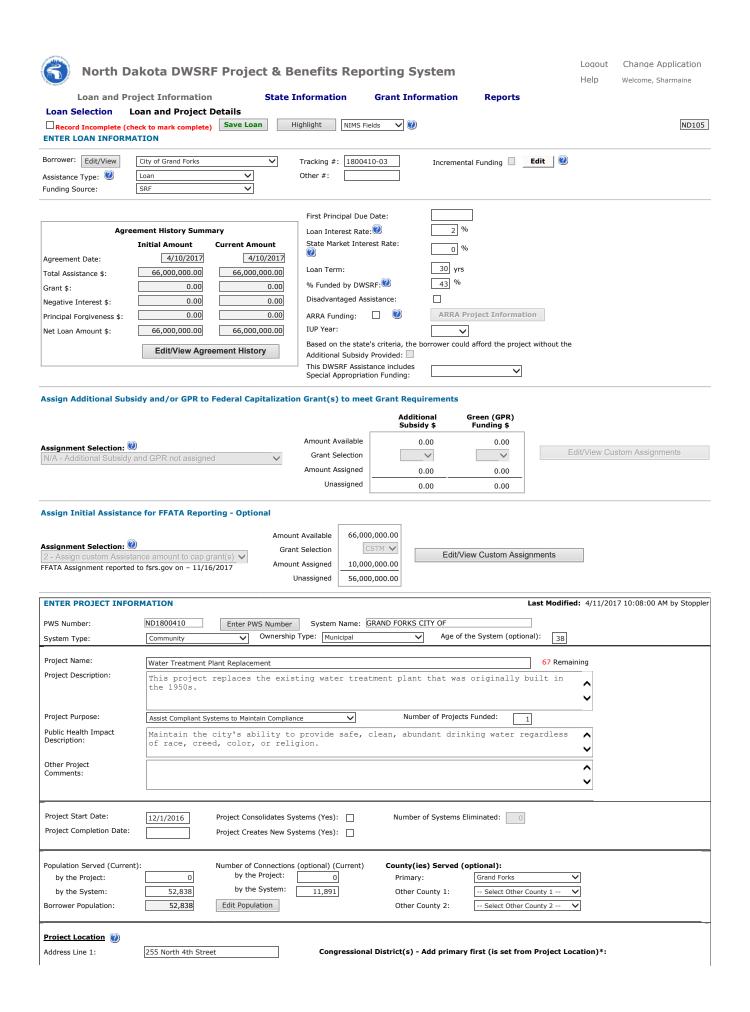


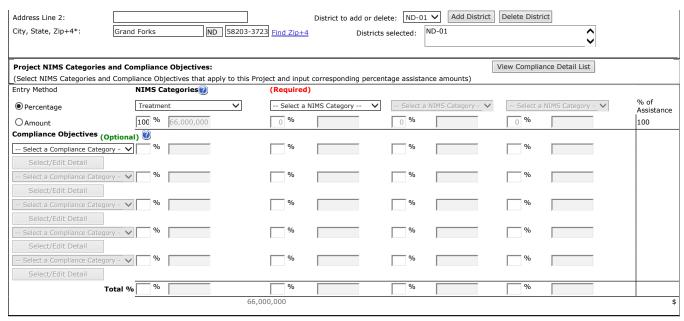
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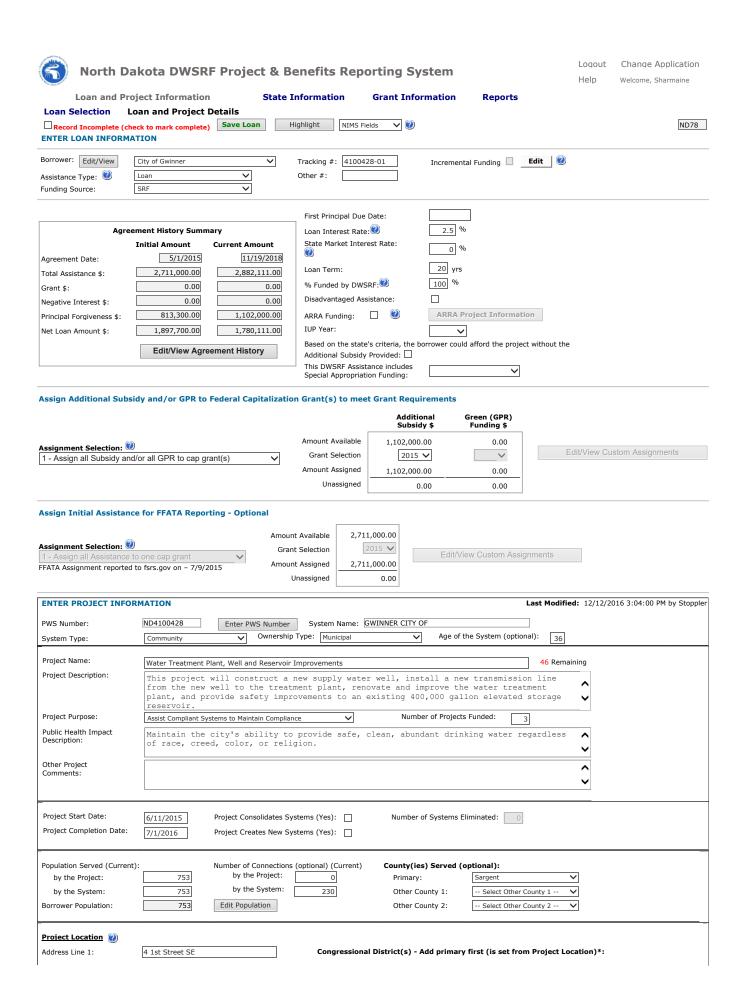


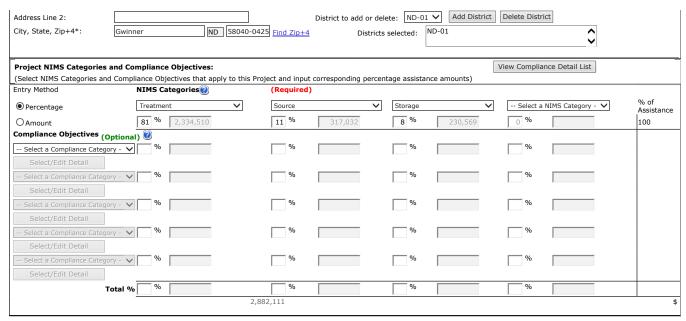
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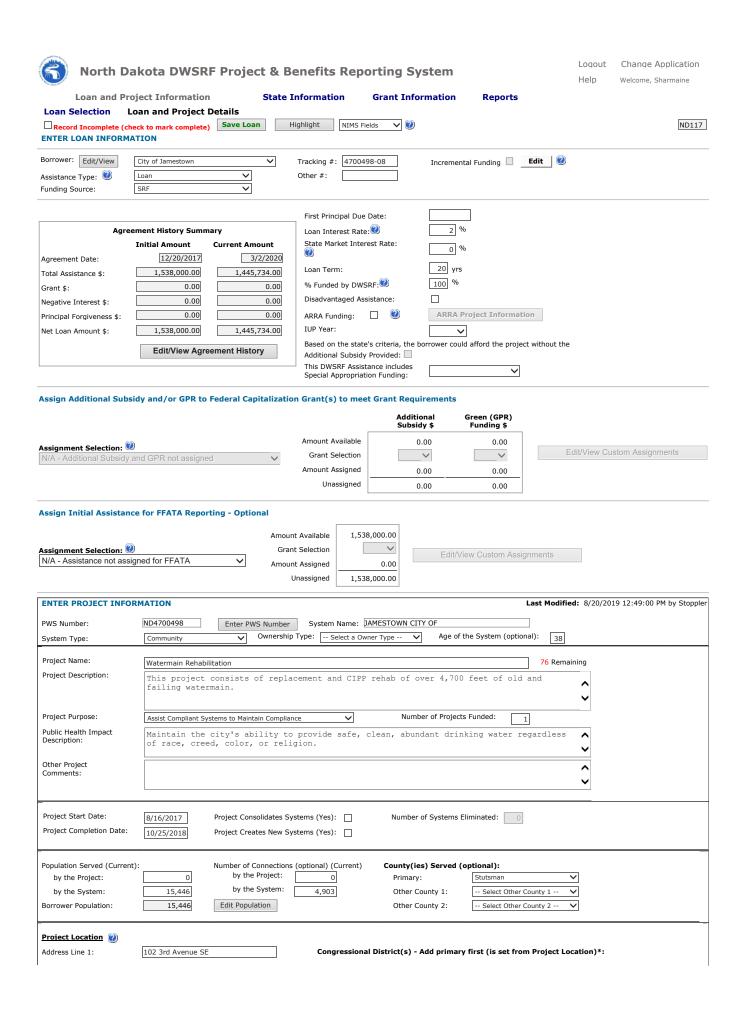


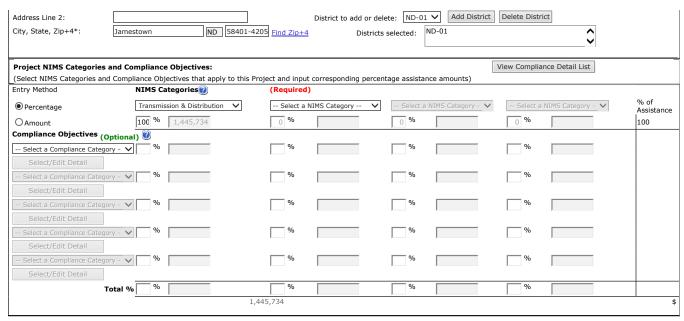
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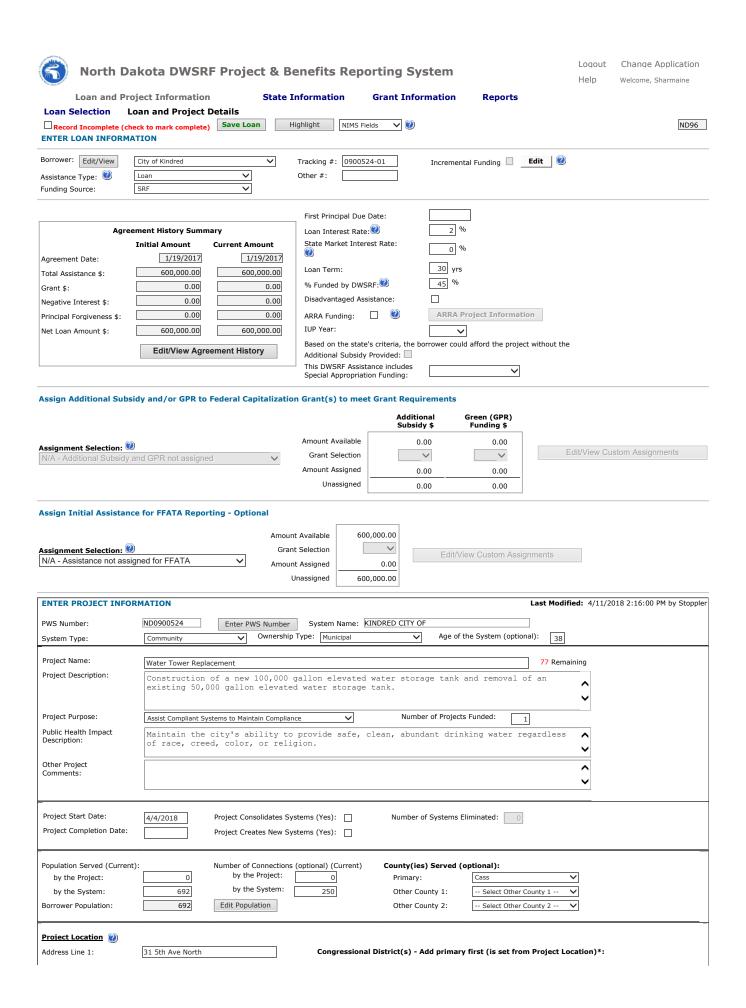


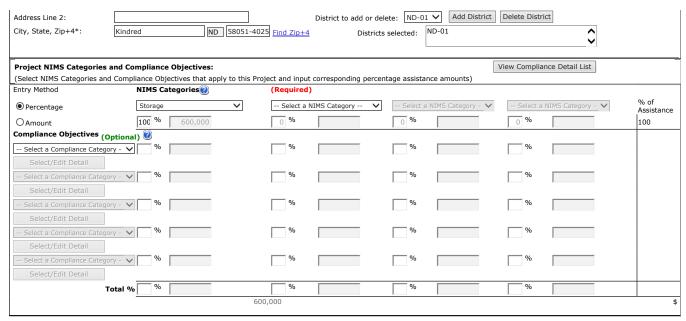
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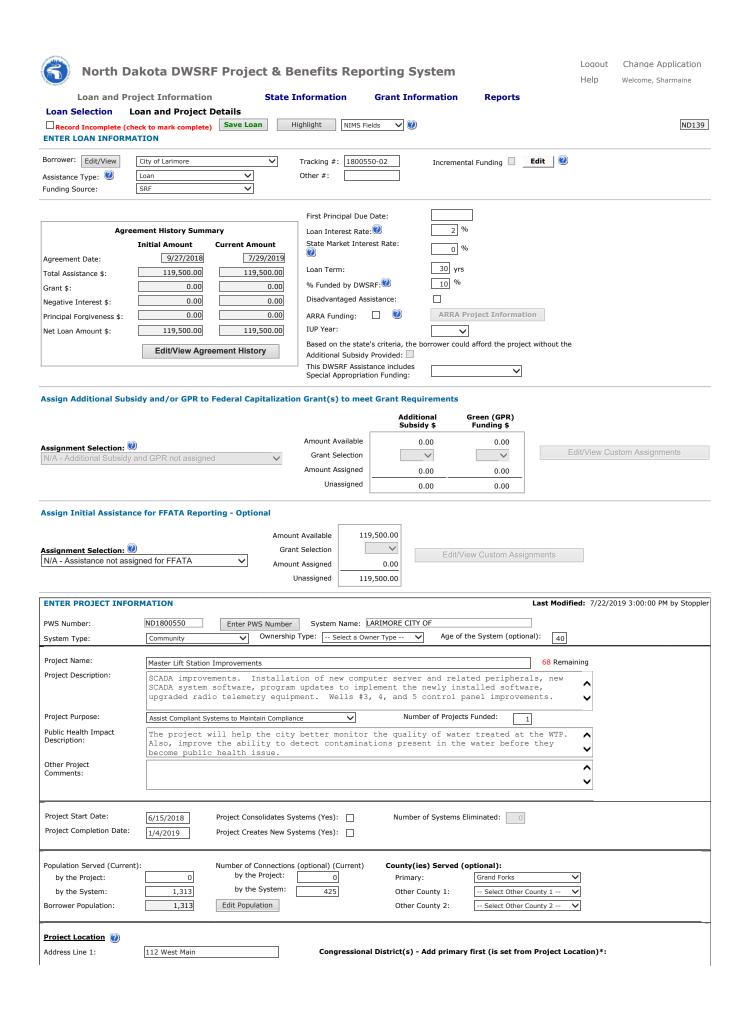


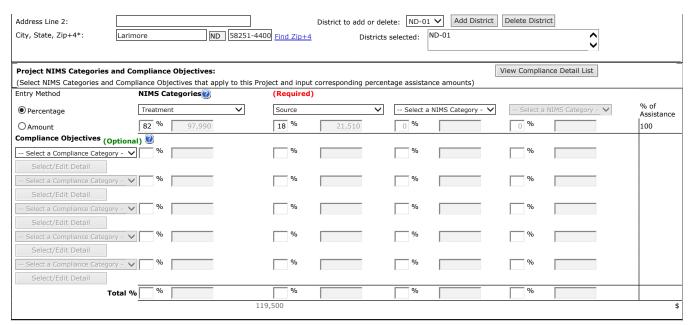
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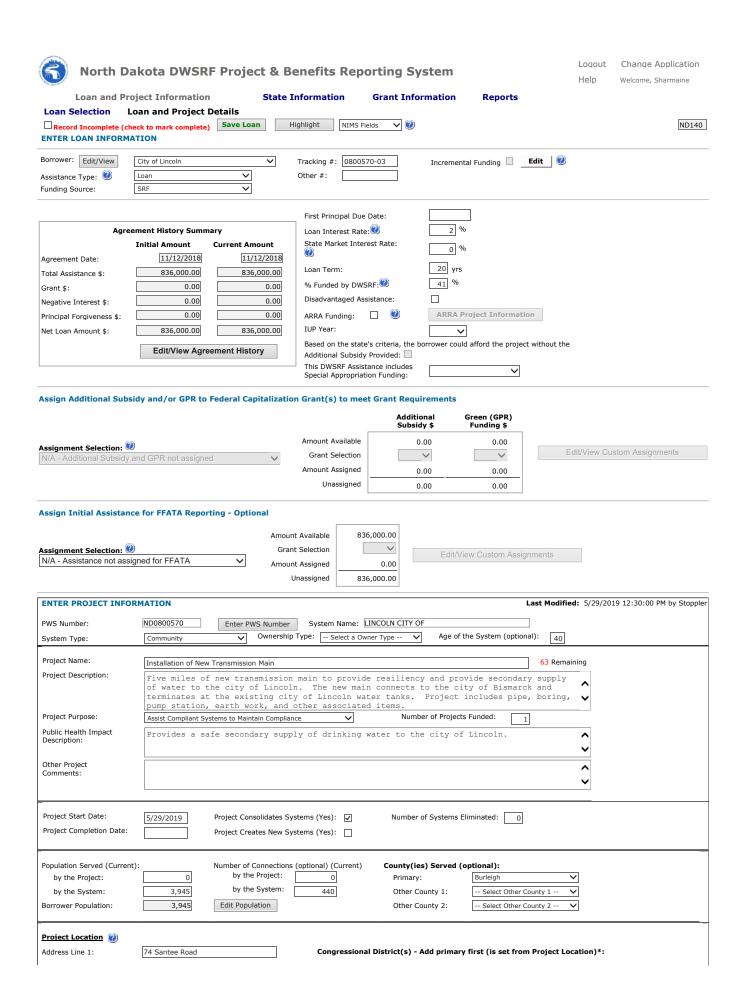


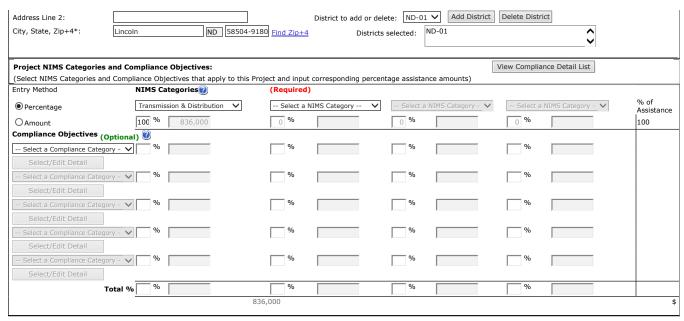
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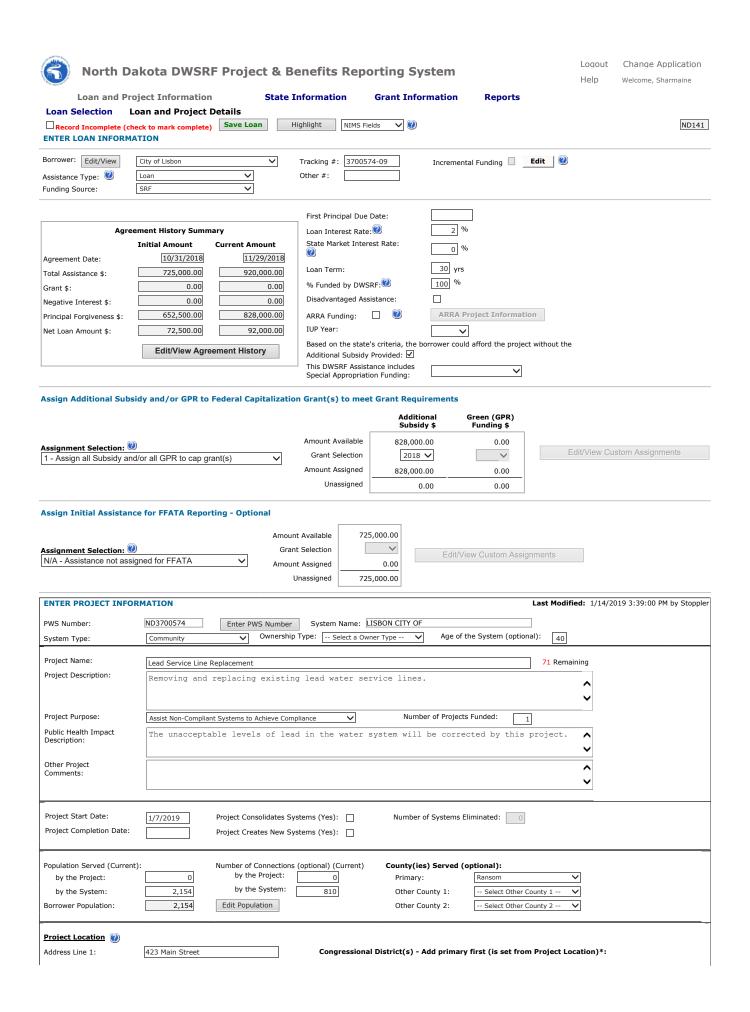


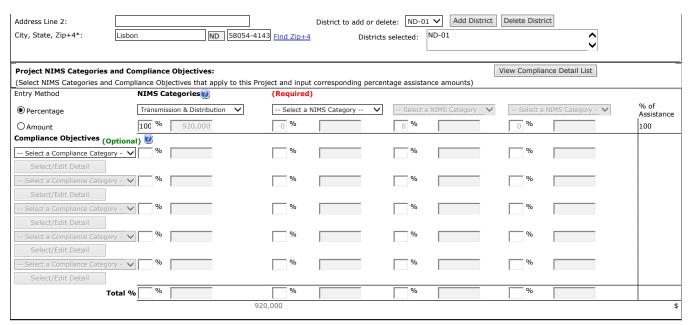
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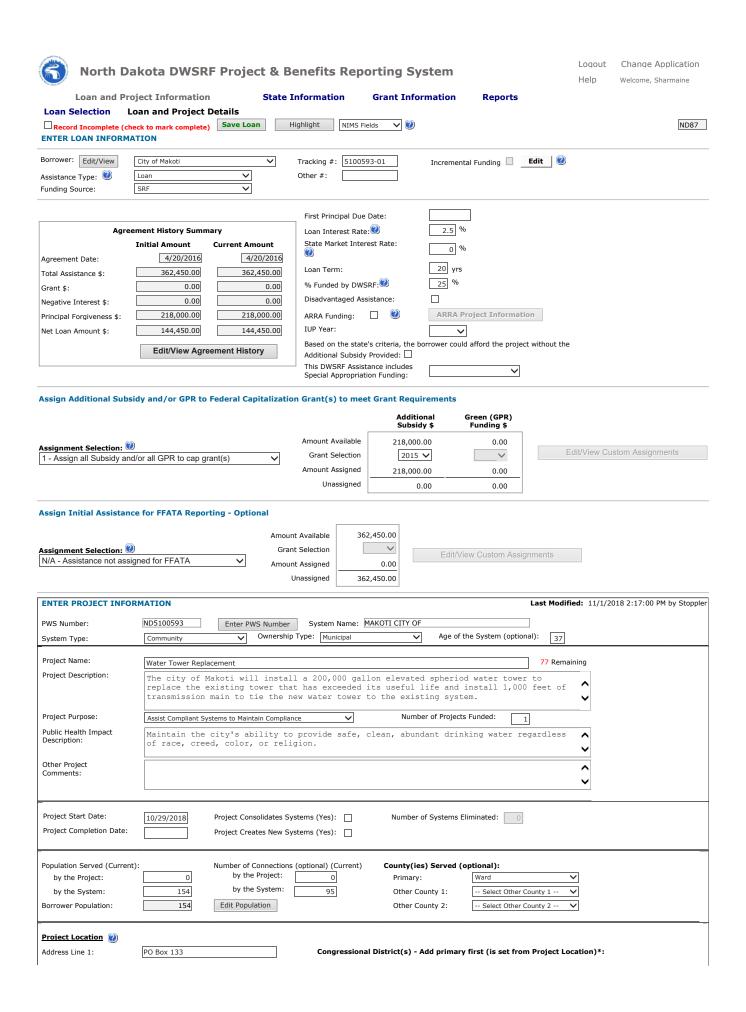


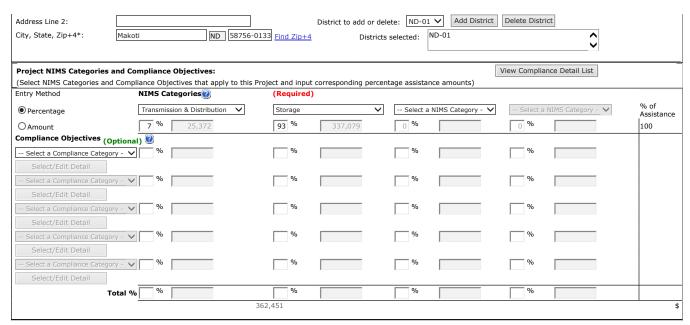
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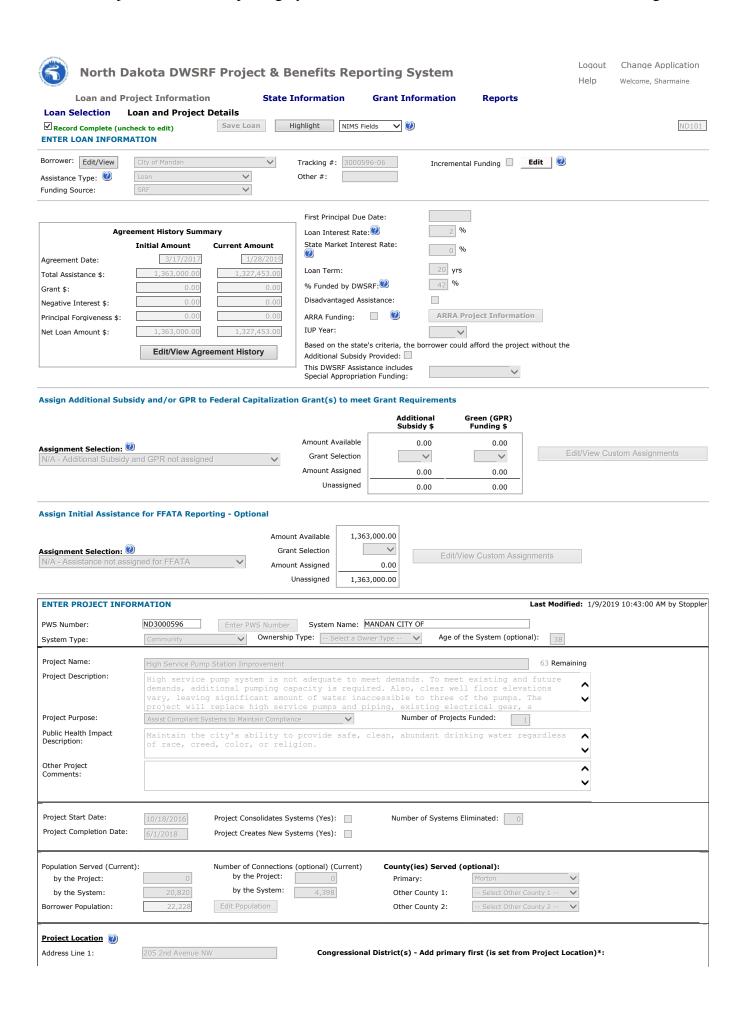


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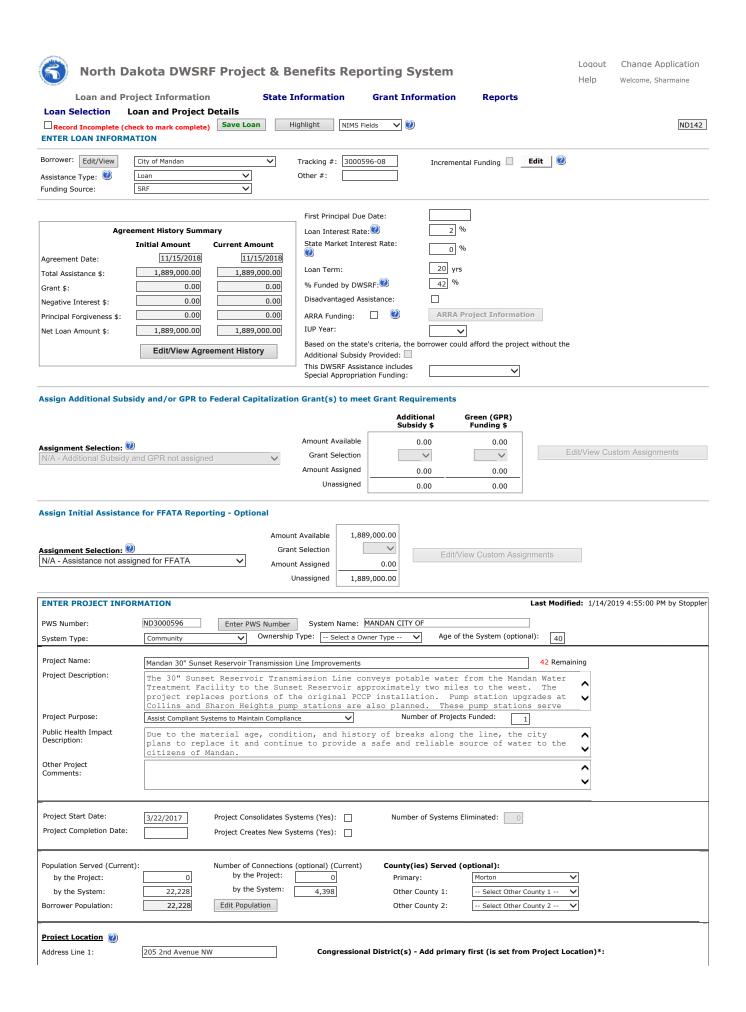


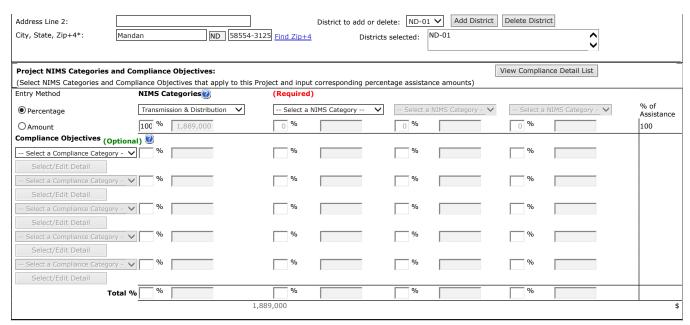
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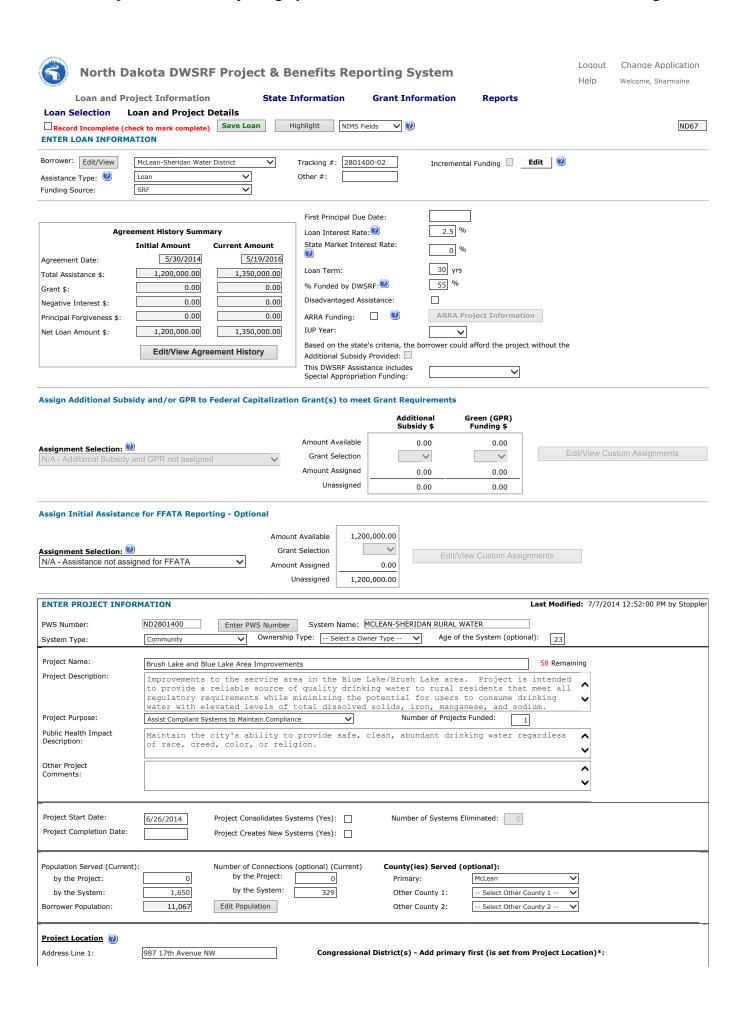


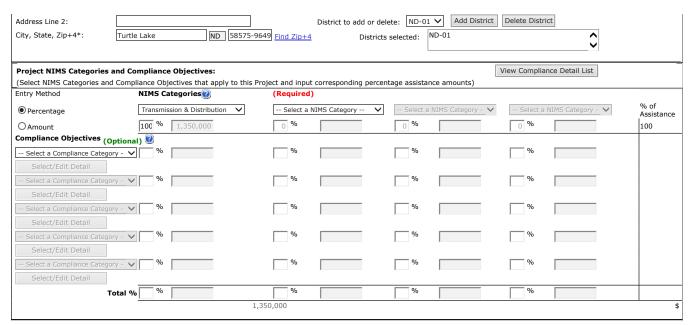
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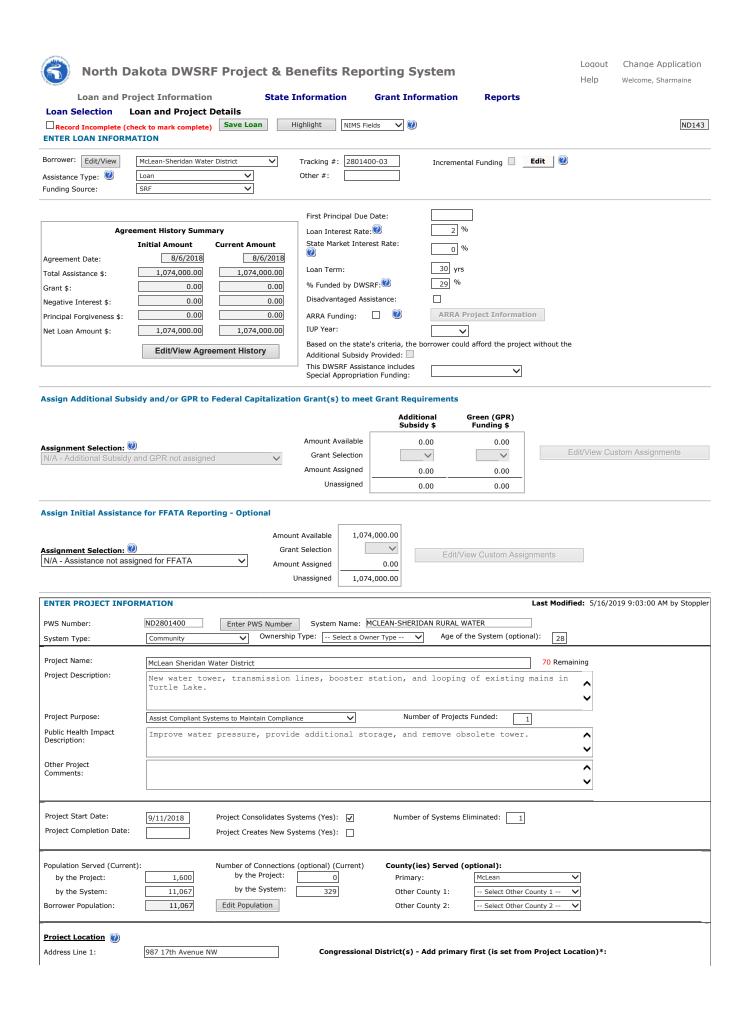


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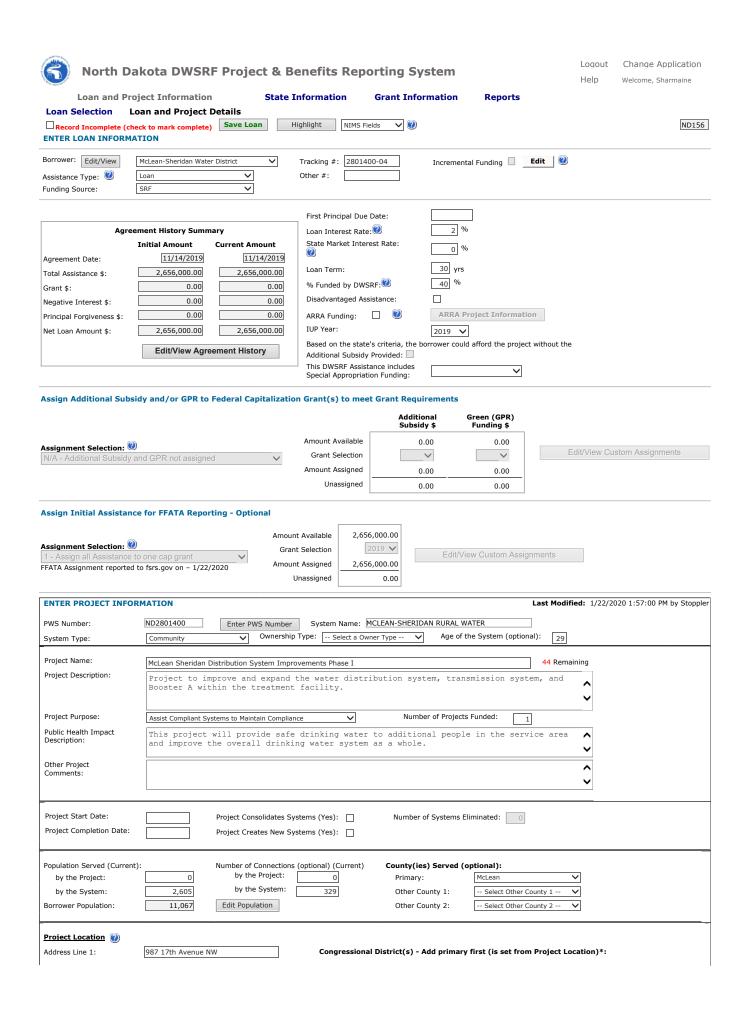


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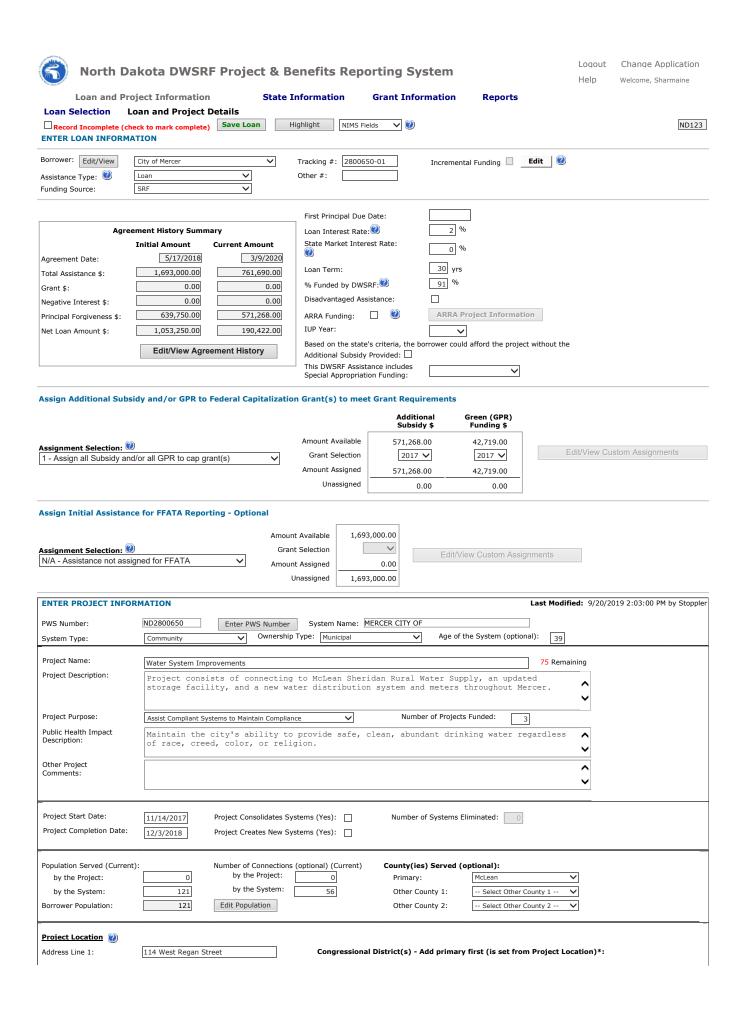


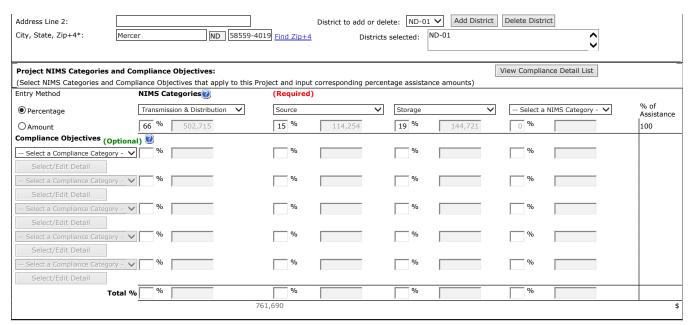
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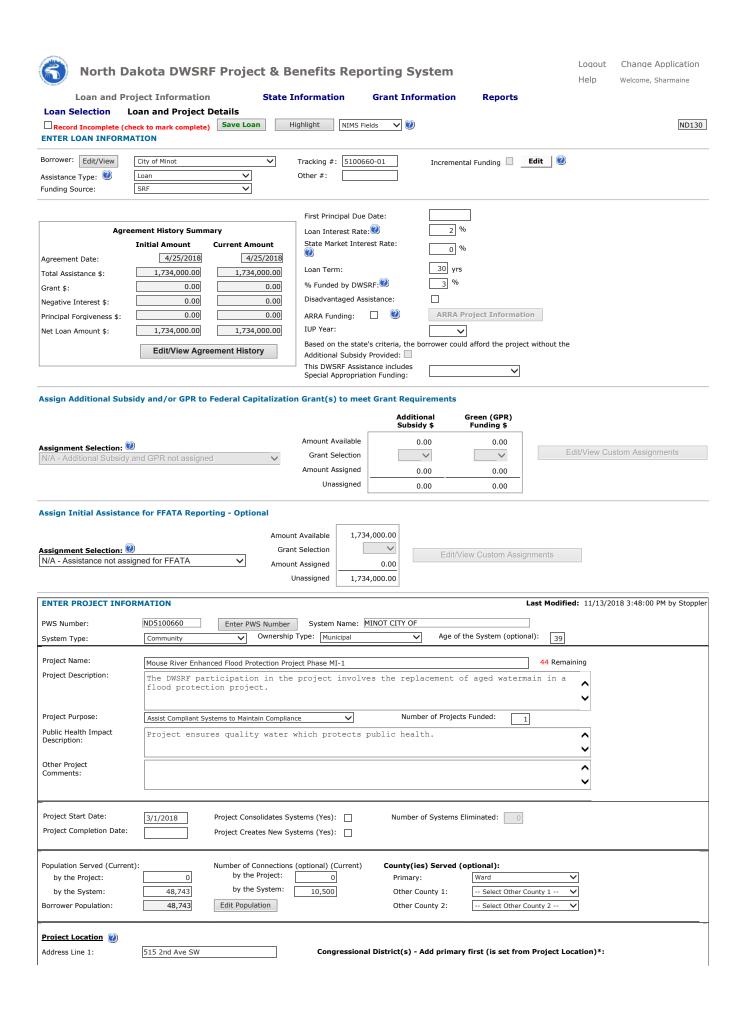


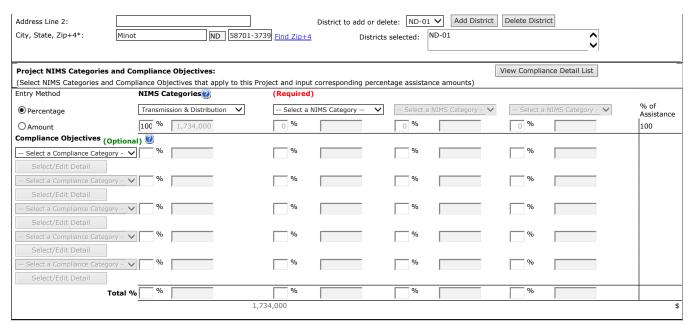
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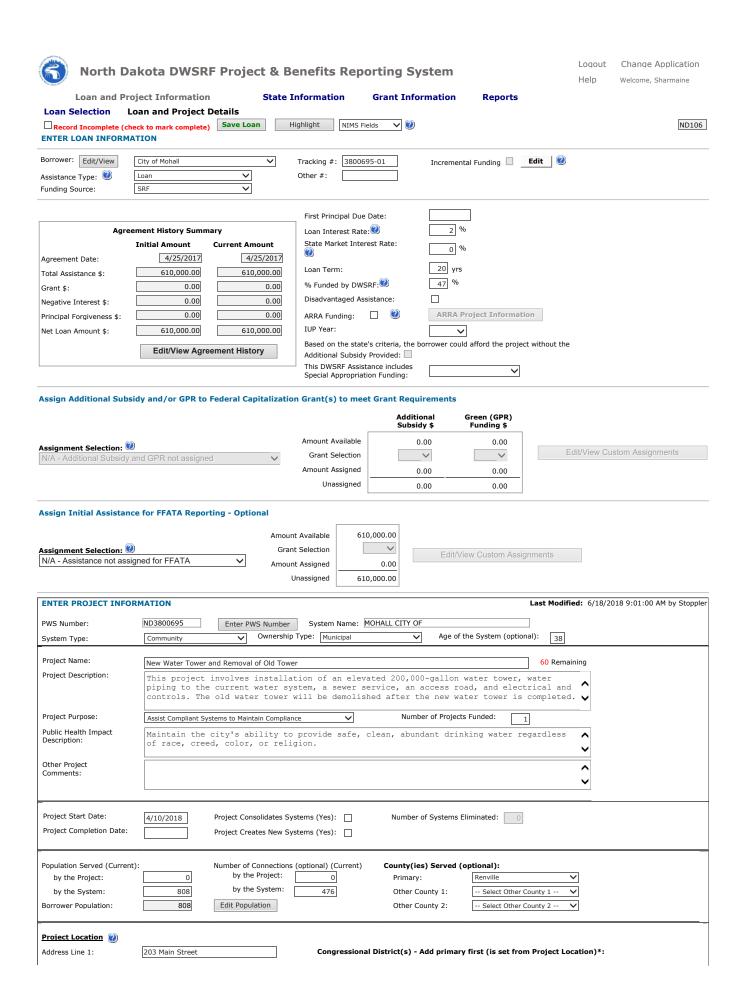


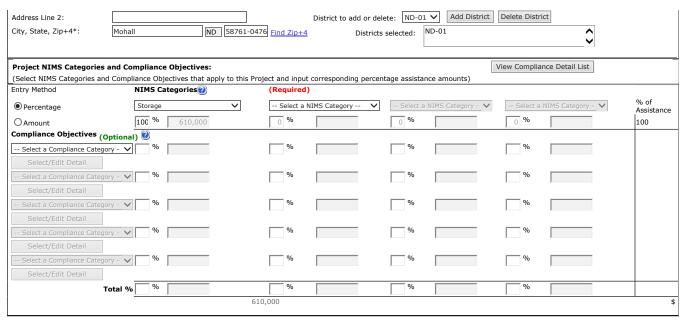
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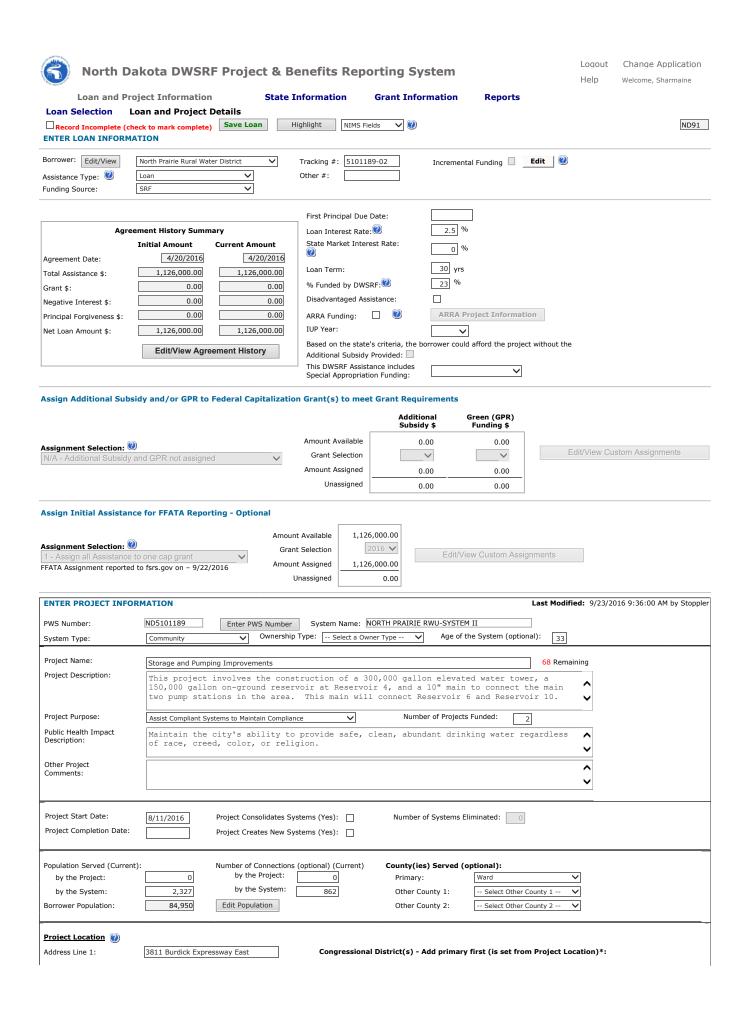


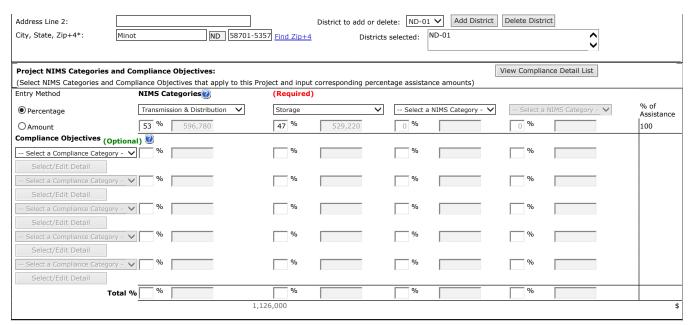
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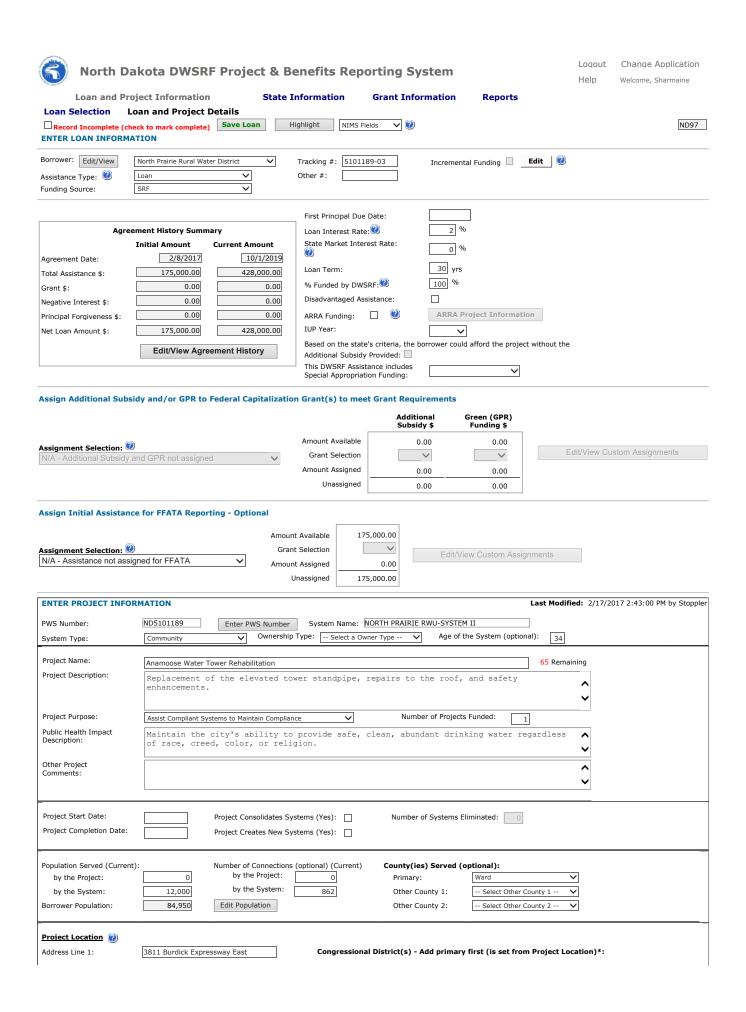


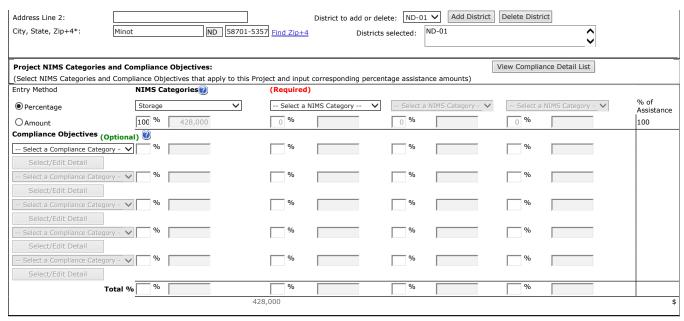
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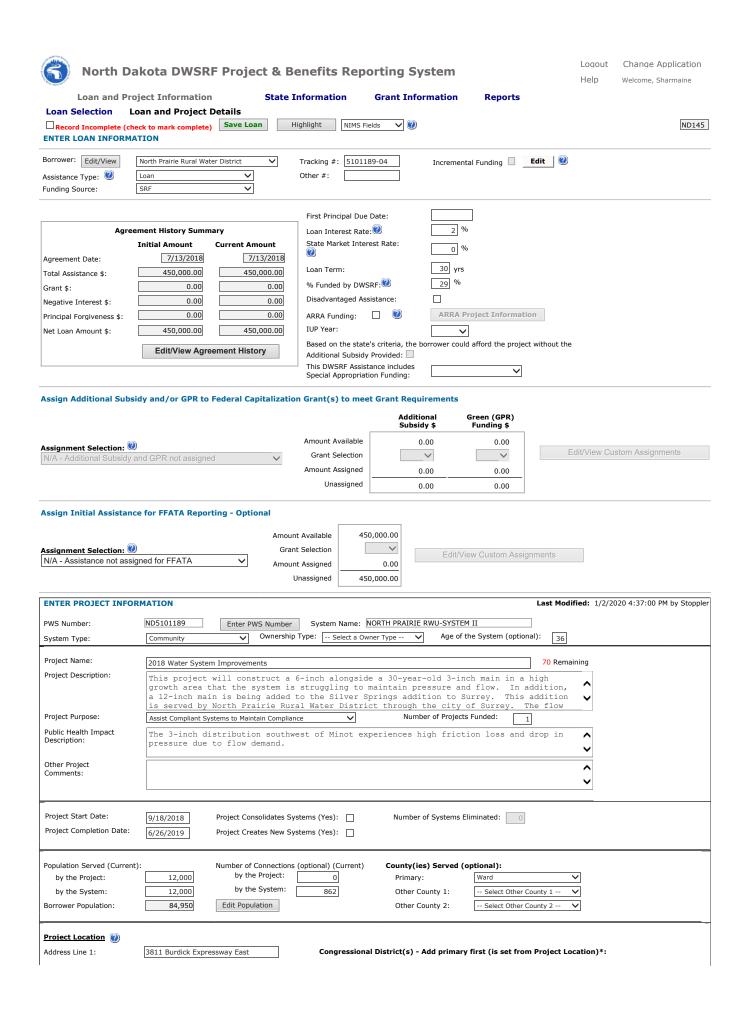


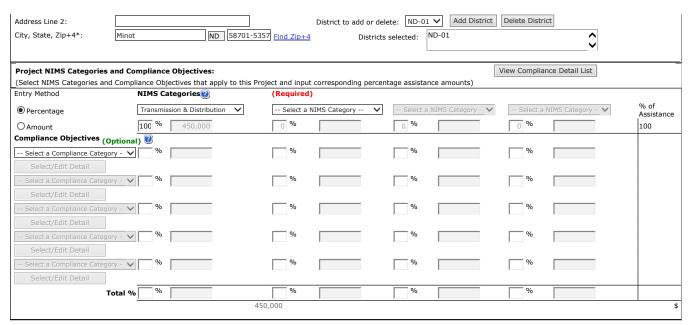
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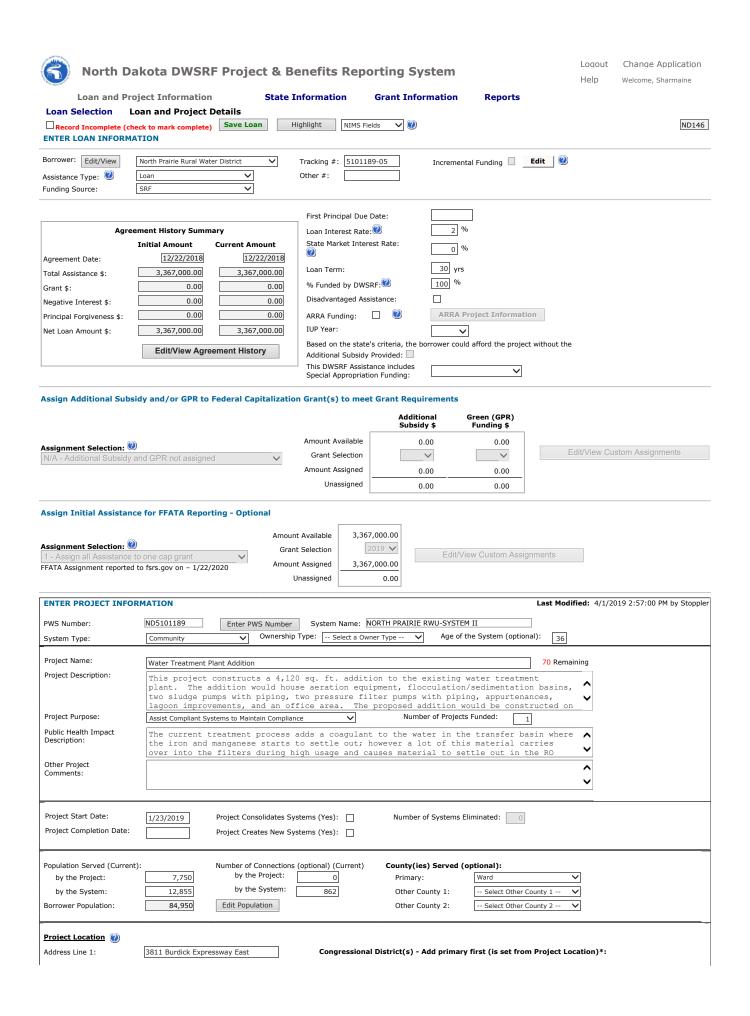


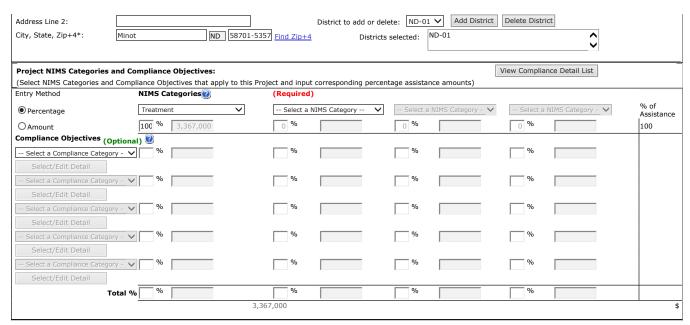
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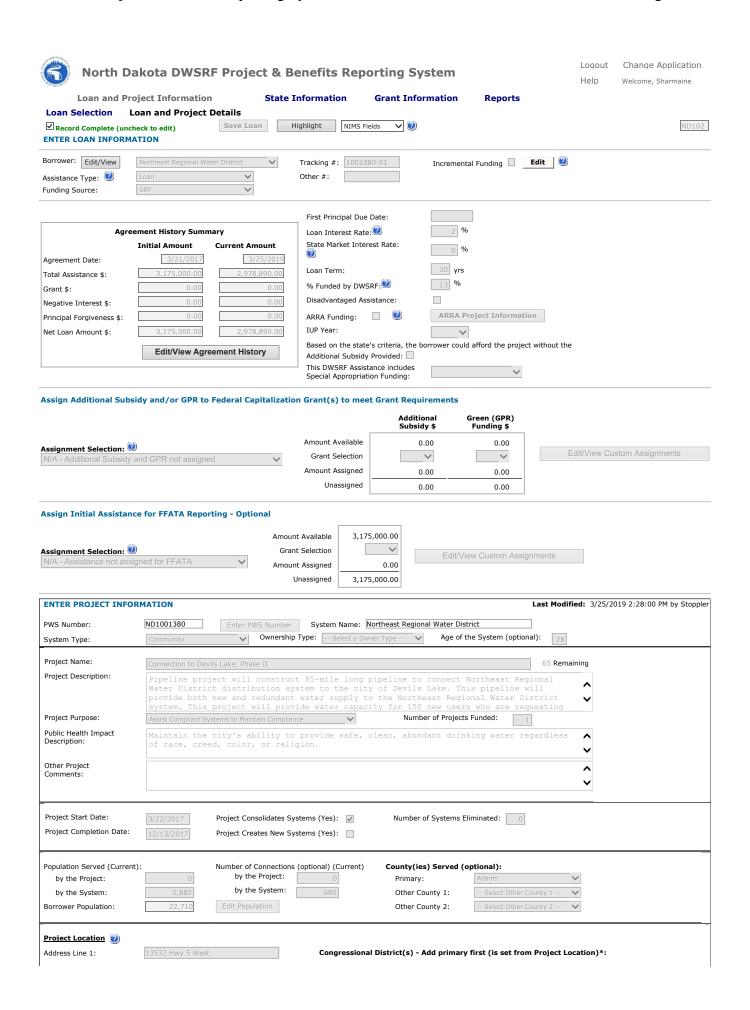


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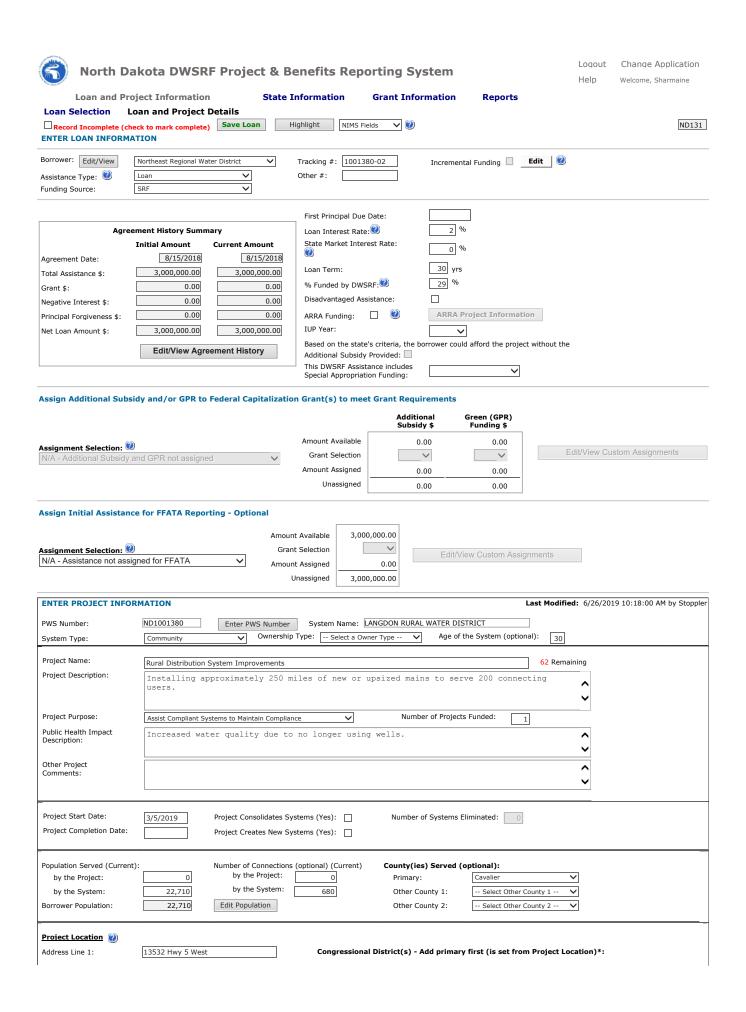


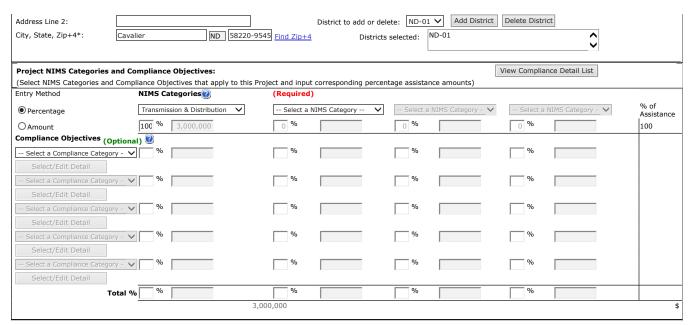
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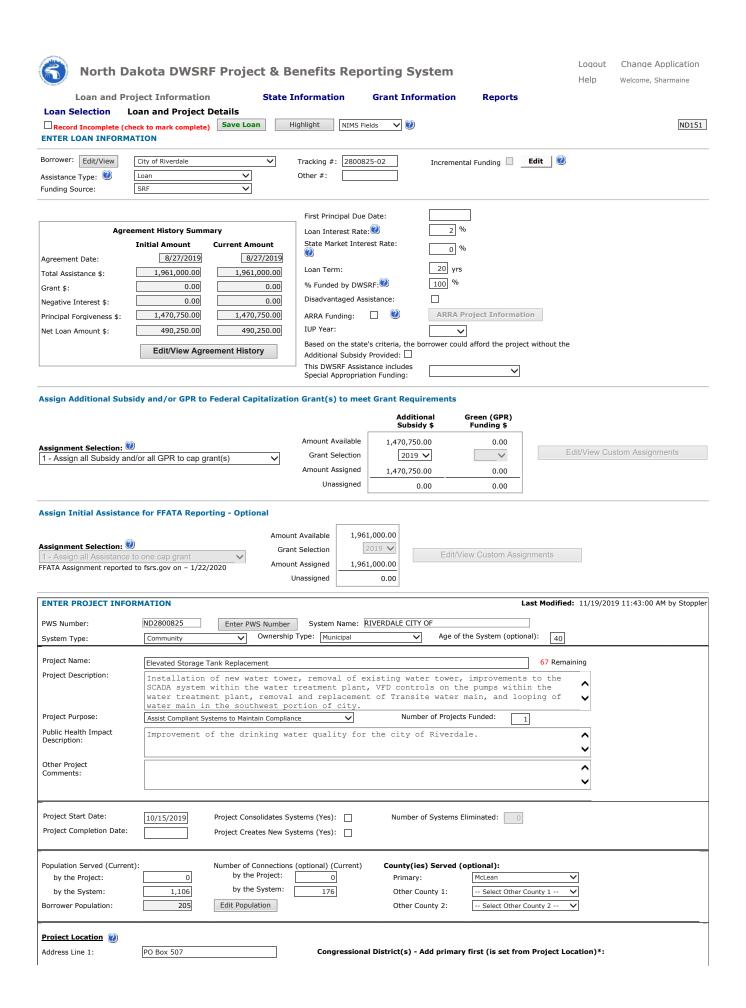


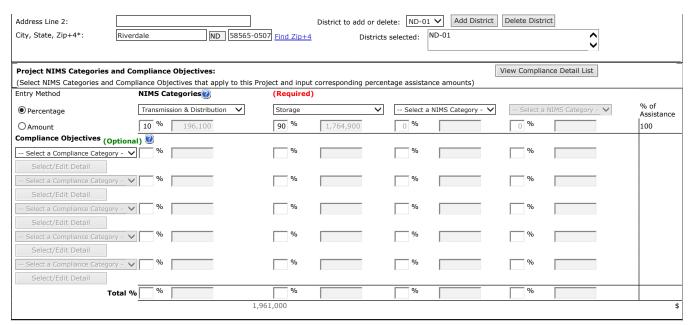
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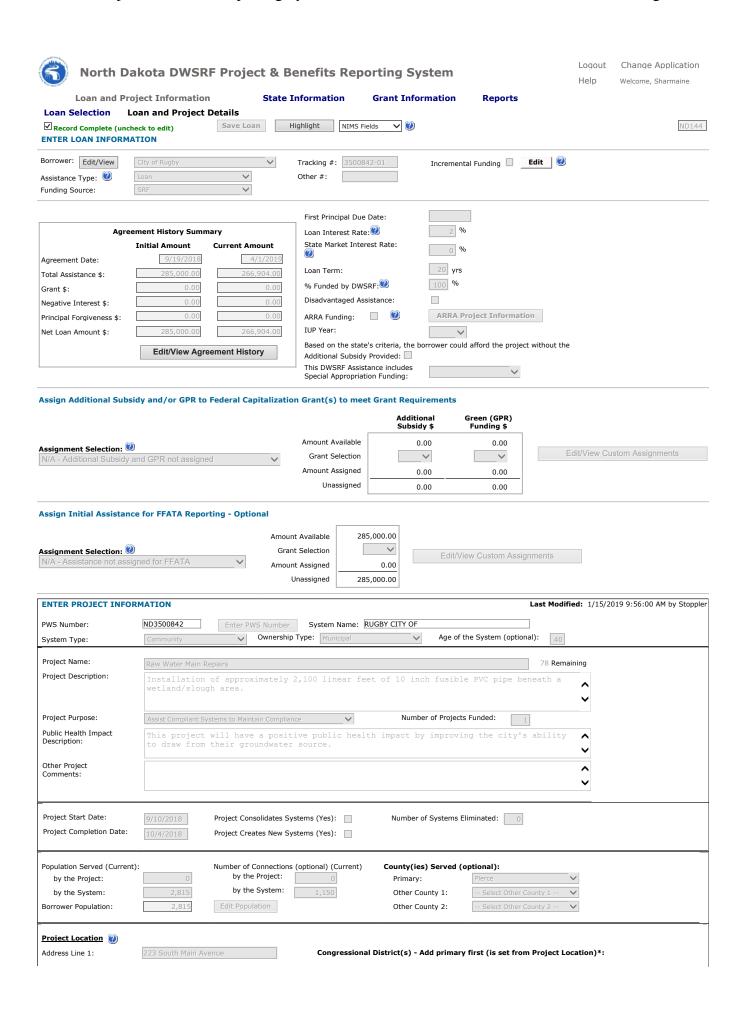


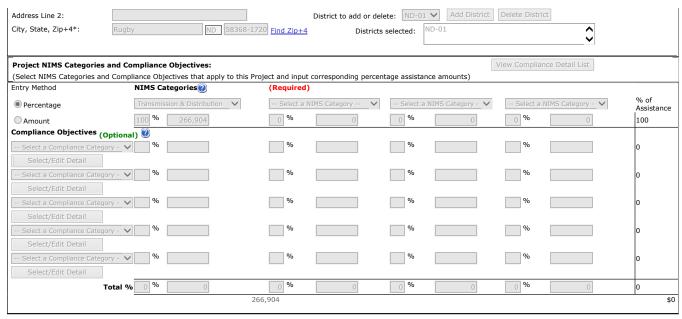
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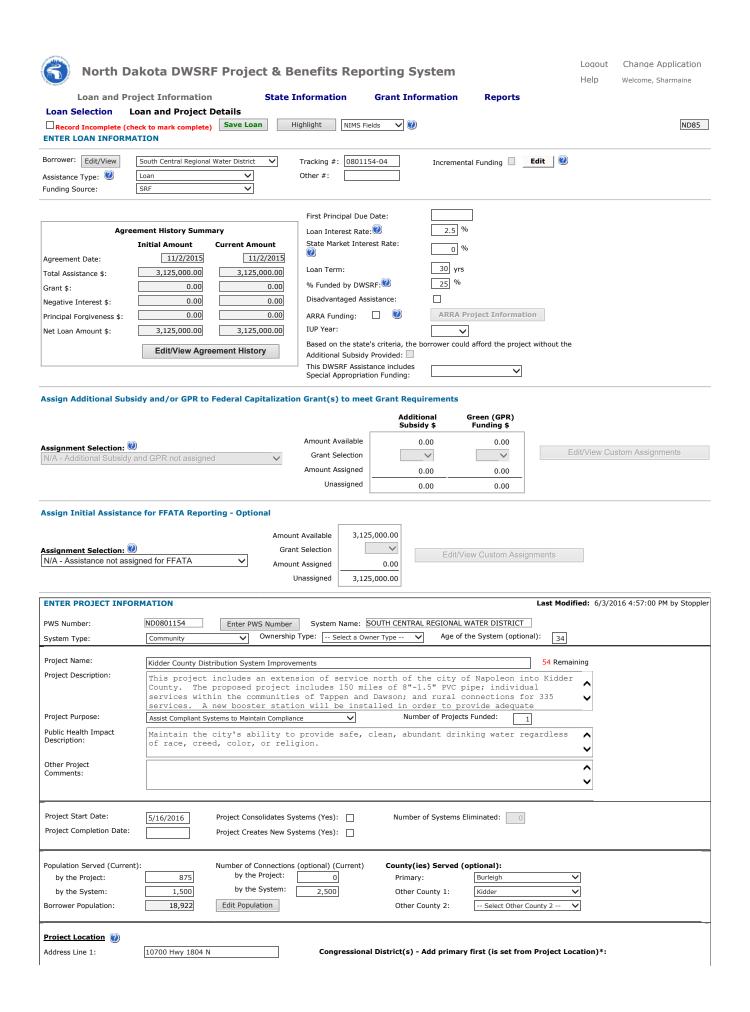


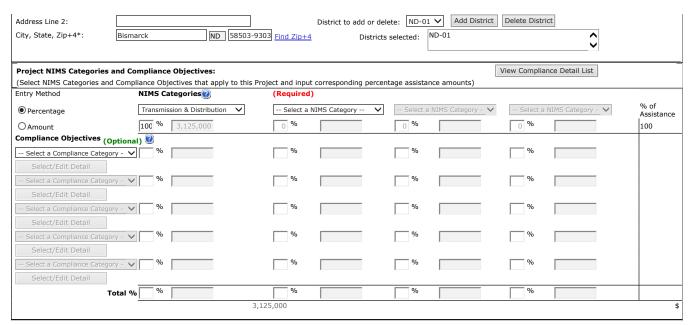
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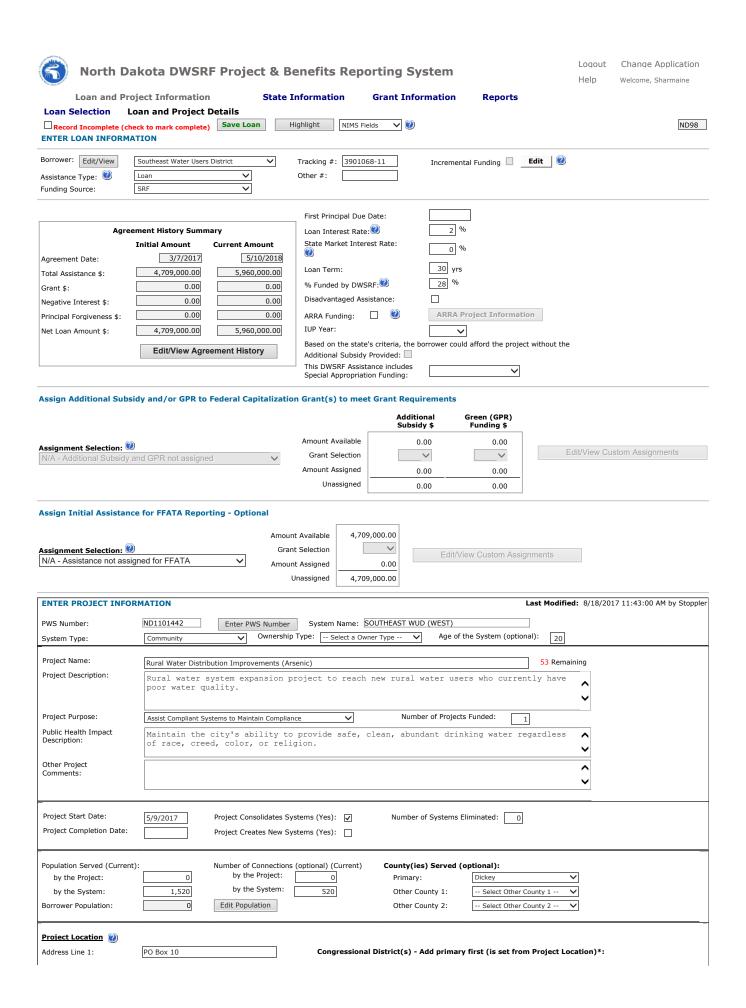


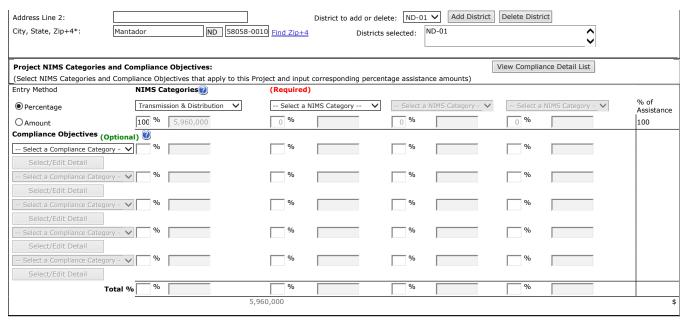
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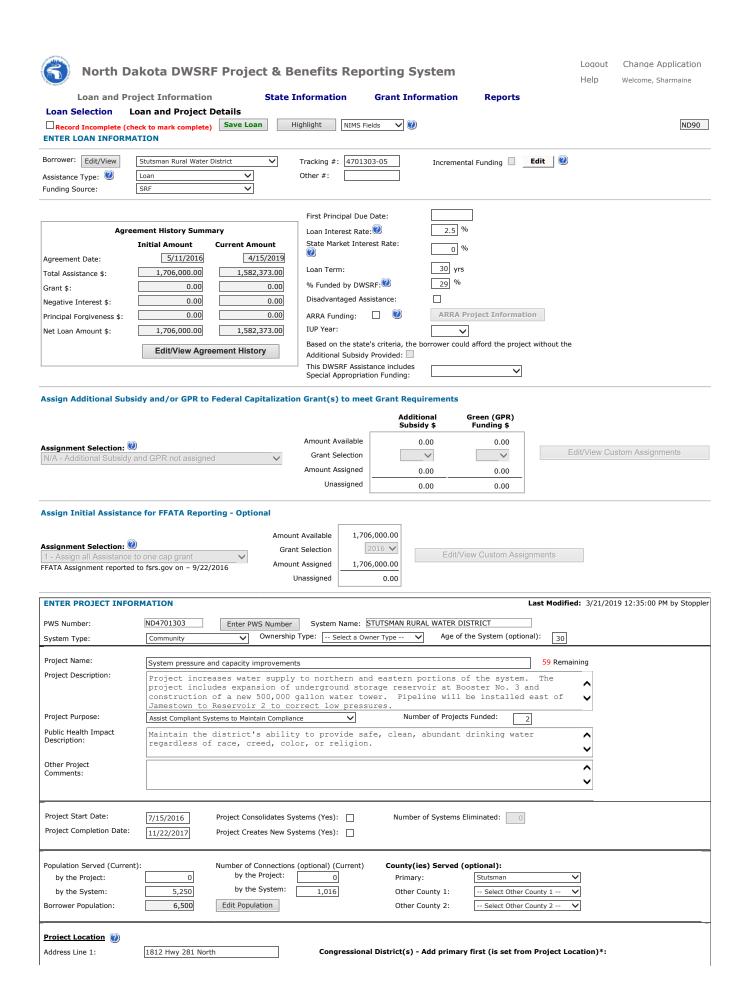


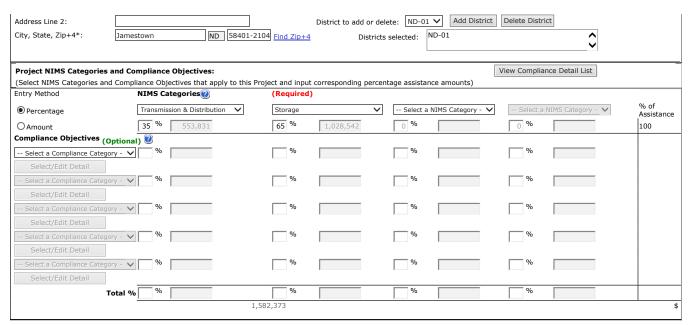
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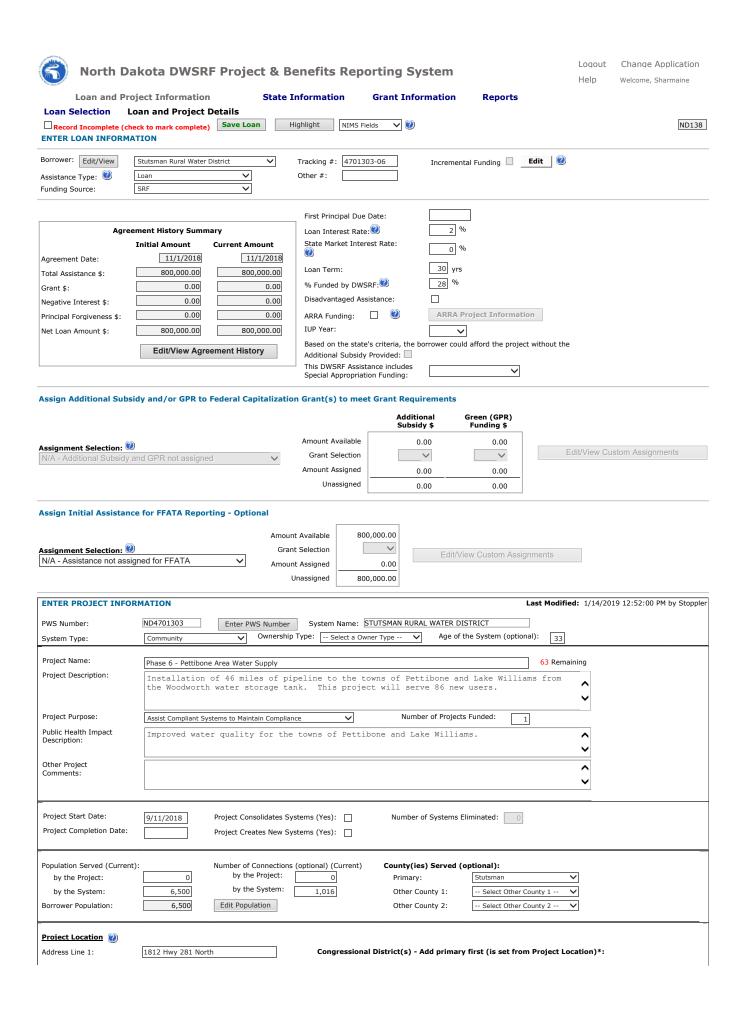


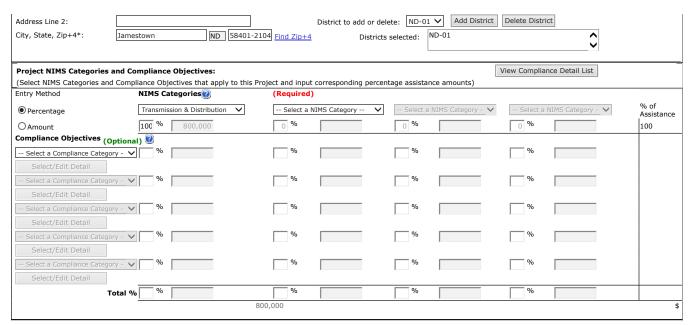
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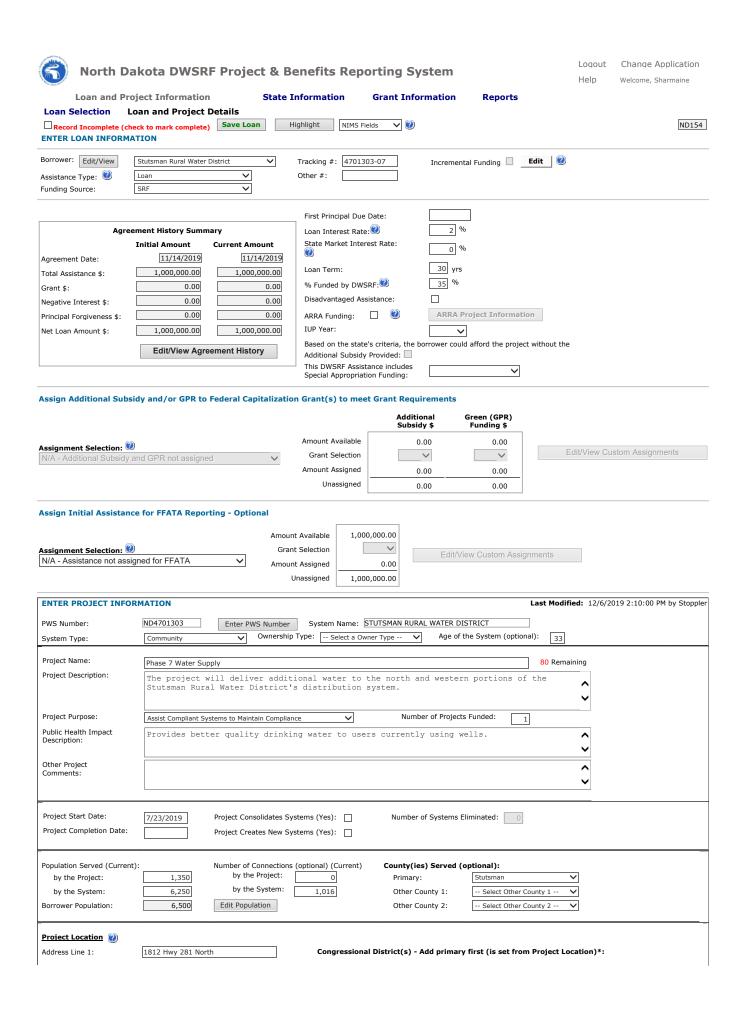


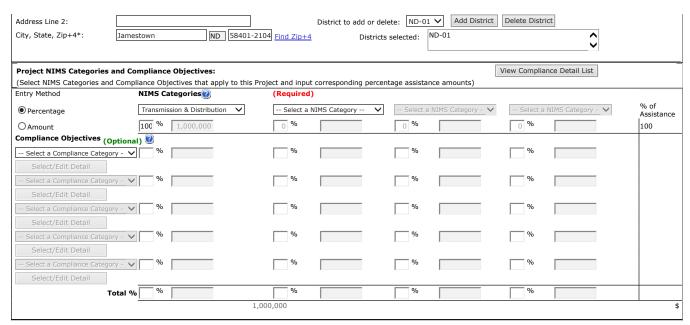
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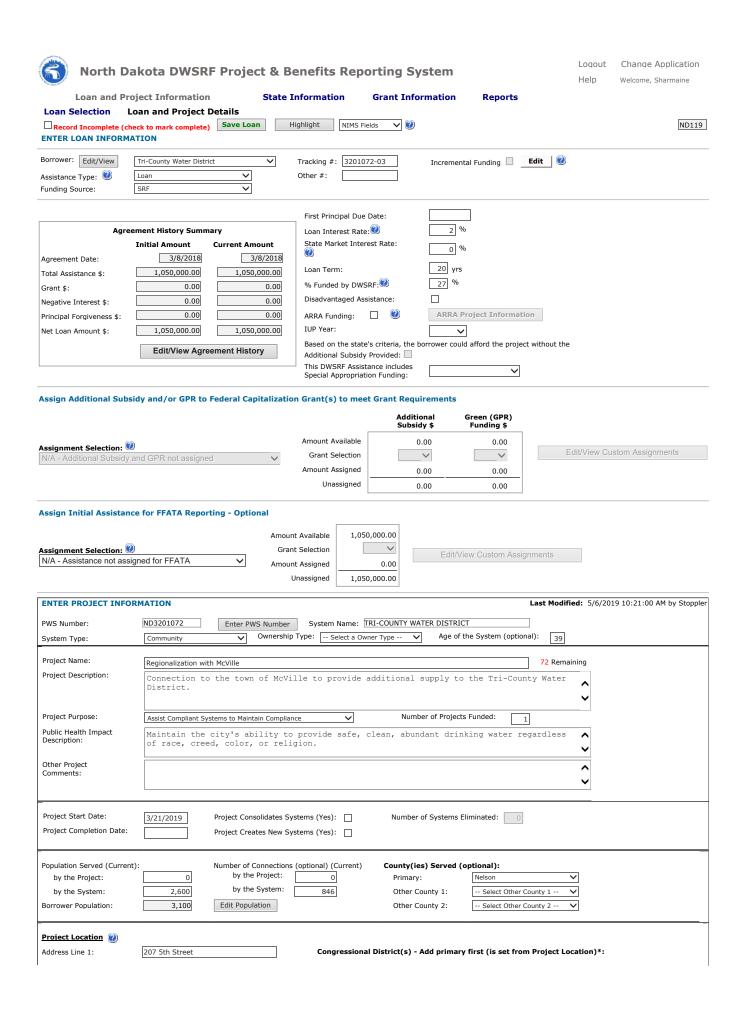


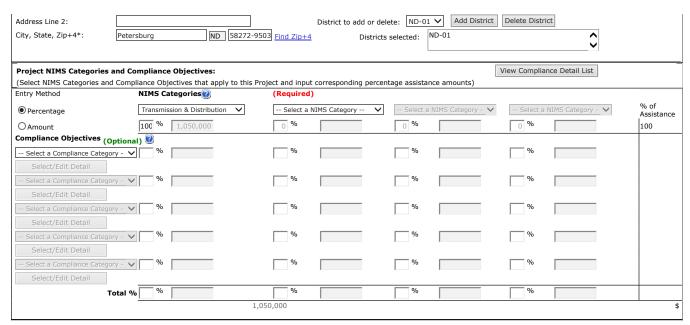
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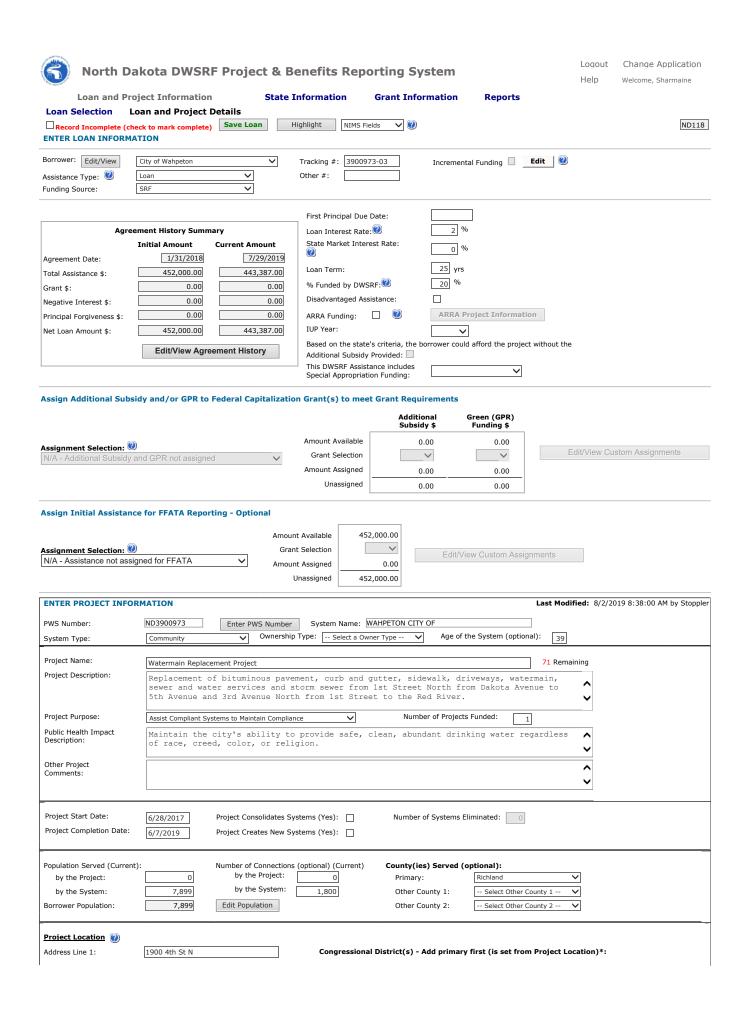


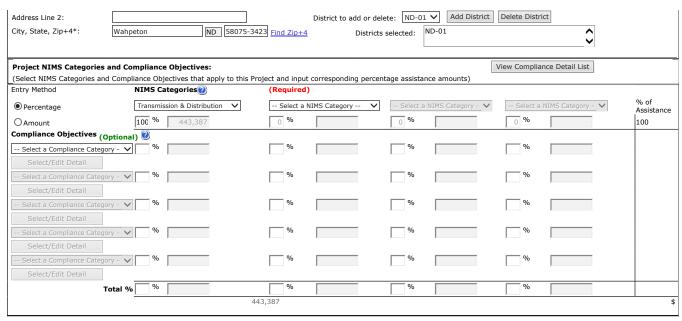
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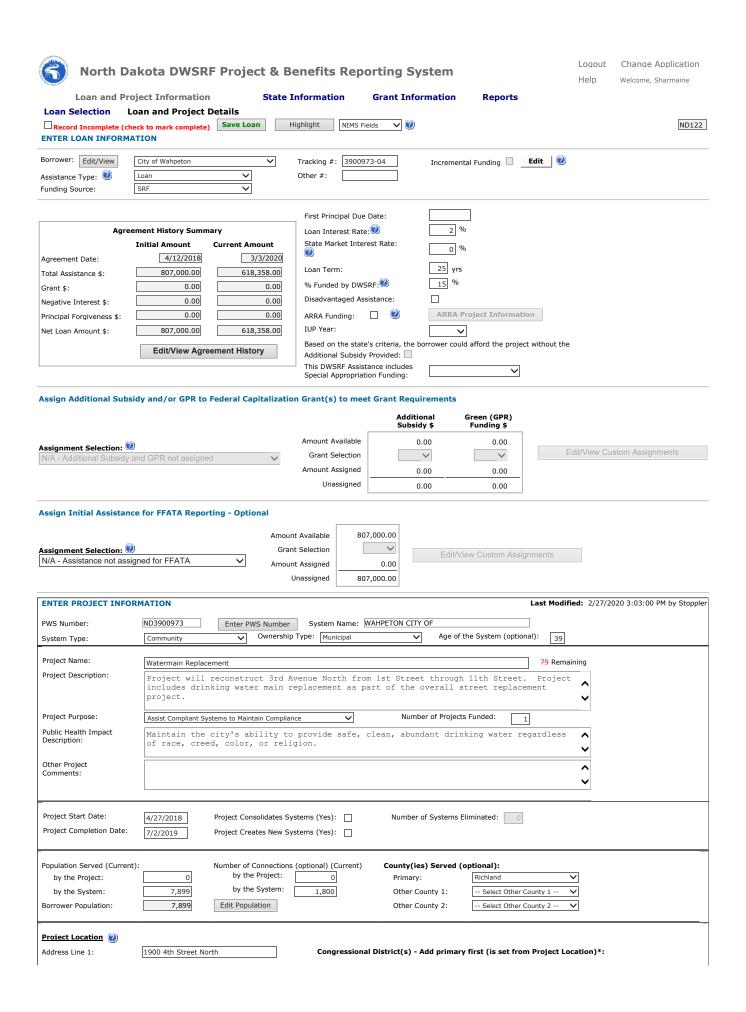


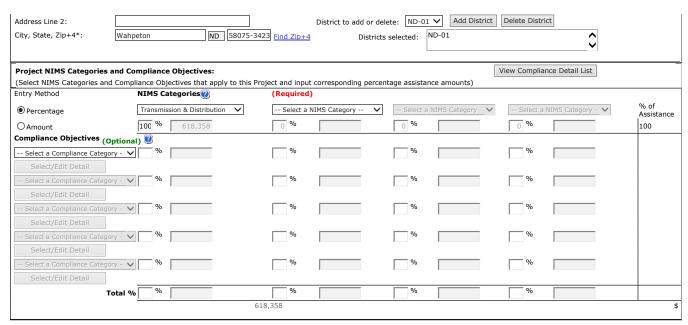
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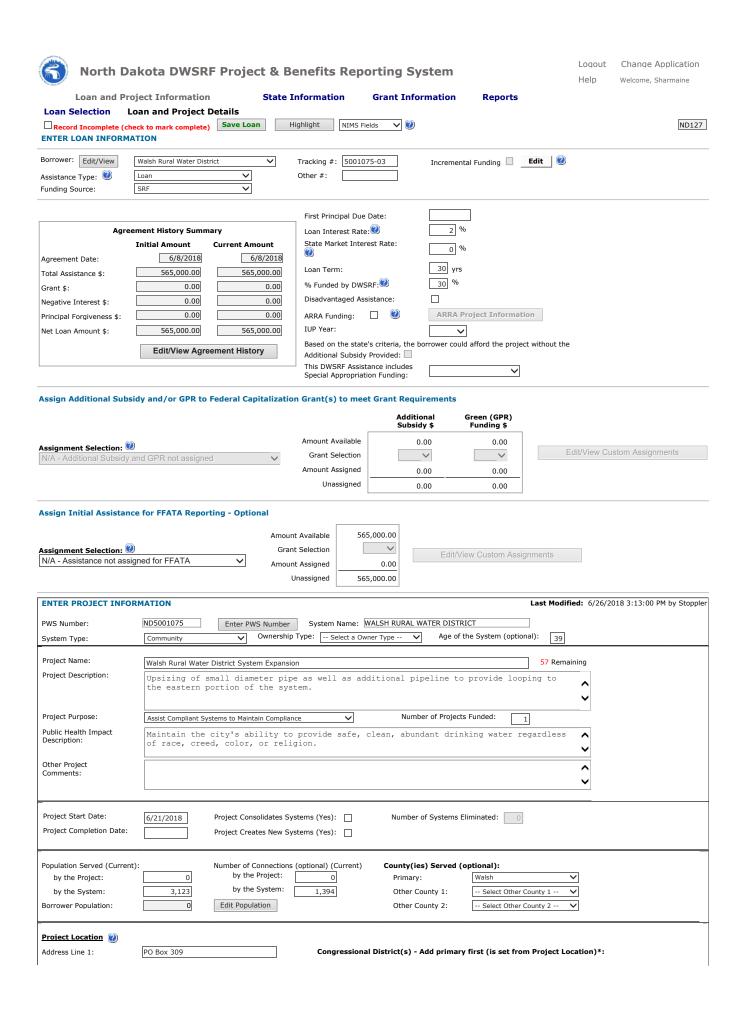


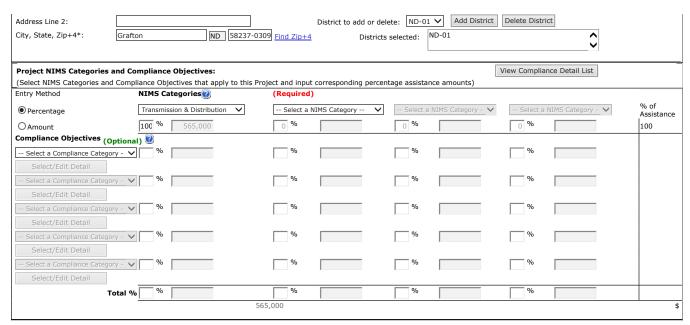
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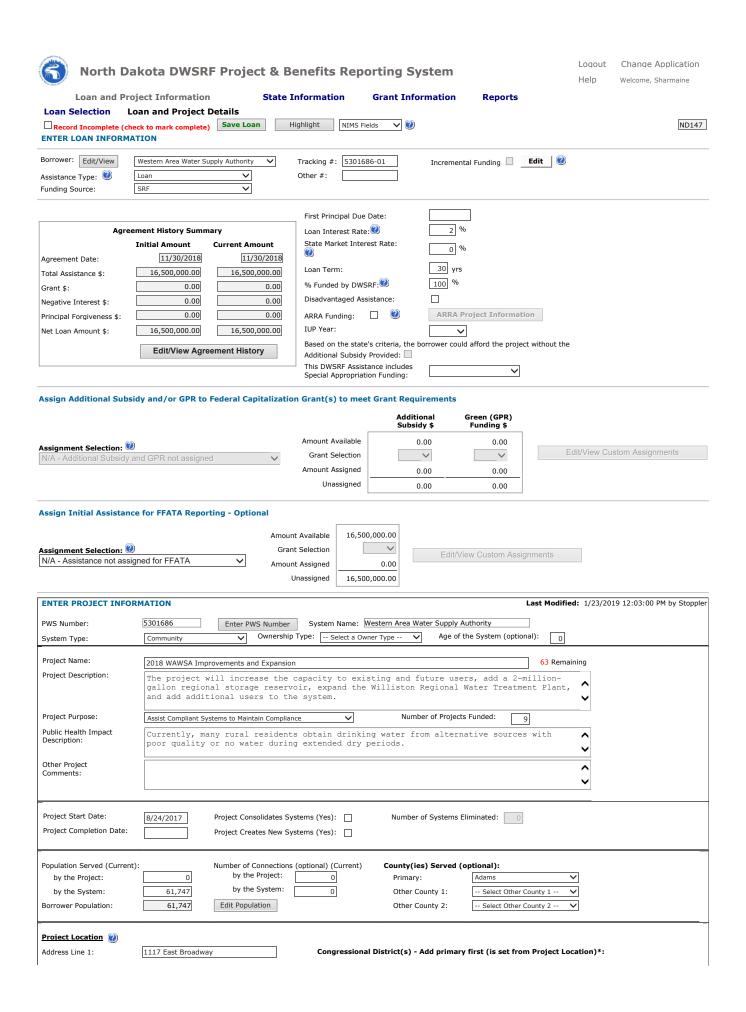


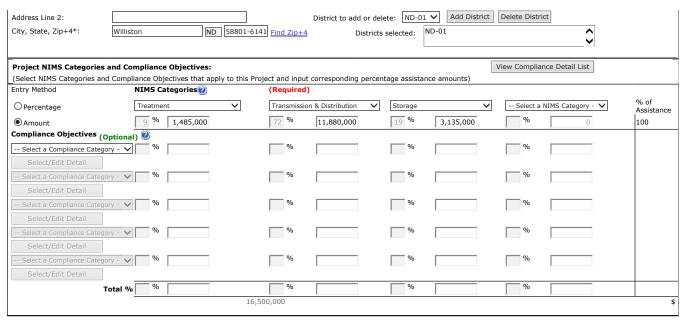
DWSRF Project & Benefits Reporting System





DWSRF Project & Benefits Reporting System





DWSRF Project & Benefits Reporting System

# APPENDIX F NORTH DAKOTA DWSRF GPR AND ADDITIONAL SUBSIDIZATION SUMMARY

#### FY 2010 Cap Grant Requirements

		SRF Loan Amount			Cum	ılative Paym	ents		Total	Subsidy	Green
Loan Recipient	Binding Commitment	Total Amount	Loan Forgiveness	Base SRF	Total Payments	Loan Forgiveness	Base SRF	Draw Ratio	Balance To Fund	Balance To Fund	Project Reserve
<u>DWSRF</u>											
Minimum Required			4,071,900								2,714,600
Bowbells	11/04/11	2,145,000	1,071,900	1,073,100	2,145,000	1,071,900	1,073,100		0	0	1,517,000
Minnewaukan	11/15/11	1,535,189	1,500,000	35,189	1,535,189	1,500,000	35,189	100	0	0	
Ray (-03)	10/12/11	2,500,000	1,500,000	1,000,000	2,500,000	1,500,000	1,000,000		0	0	2,500,000
Totals		6,180,189	4,071,900	2,108,289	6,180,189	4,071,900	2,108,289		0	0	
Balance			0								(1,302,400)
*** Final FFR has be	een filed.										

#### FY 2011 Cap Grant Requirements

		SR	RF Loan Amou	unt	Cum	ulative Paym	ents		Total	Subsidy	Green
Loan Recipient	Binding Commitment	Total Amount	Loan Forgiveness	Base SRF	Total Payments	Loan Forgiveness	Base SRF	Draw Ratio	Balance To Fund	Balance To Fund	Project Reserve
DIMODE											
<u>DWSRF</u>											
Minimum Required			2,825,400								1,883,600
R & T WSCA	03/22/12	9,349,789	1,000,000	8,349,789	9,349,789	1,000,000	8,349,789		0	0	
Ross (-01)	06/26/12	1,740,267	1,000,000	740,267	1,740,267	1,000,000	740,267	60/40	0	0	72,000
SE Water Users (-10)	06/04/12	1,376,000	825,400	550,600	1,376,000	825,400	550,600	100	0	0	
Totals		12,466,056	2,825,400	9,640,656	12,466,056	2,825,400	9,640,656		0	0	
Fargo (GPR)	06/04/13										2,289,000
Balance			0								(477,400)
											, , ,
*** Final FFR has bee	en filed.										

#### FY 2012 Cap Grant Requirements

		SF	RF Loan Amo	unt	Cumu	ılative Paym	ents		Total	Subsidy	Green
Loan Recipient	Binding Commitment	Total Amount	Loan Forgiveness	Base SRF	Total Payments	Loan Forgiveness	Base SRF	Draw Ratio	Balance To Fund	Balance To Fund	Project Reserve
DWSRF											
Minimum Required			1,795,000								
Columbus	09/10/13	387,828	232,697	\$155,131	387,828	\$232,697	\$155,131	60/40	0	0	200,813
SE Water Users (-10)	06/04/12	227,656	52,303	175,353	227,656	52,303	175,353	100	0	0	
Westhope	04/22/13	926,447	510,000	416,447	926,447	510,000	416,447	60/40	0	0	
Stutsman RWD (-04)	04/04/14	2,600,000	1,000,000	1,600,000	2,600,000	1,000,000	1,600,000	60/40	0	0	
Totals		4,141,931	1,795,000	2,346,931	4,141,931	1,795,000	2,346,931		0	0	
Balance			0								
*** Final FFR has be	en filed.										

#### FY 2013 Cap Grant Requirements

		SR	F Loan Amo	unt	Cumi	ılative Paym	ents		Total	Subsidy	Green
Loan Recipient	Binding Commitment	Total Amount	Loan Forgiveness	Base SRF	Total Payments	Loan Forgiveness	Base SRF	Draw Ratio	Balance To Fund	Balance To Fund	Project Reserve
<u>DWSRF</u>											
Minimum Required			1,684,200								
Cooperstown (-06)	02/13/14	200,733	63,000	137,733	200,733	63,000	137,733	30/70	0	0	
Ray (-04)	05/07/14	1,670,000	1,000,000	670,000	1,670,000	1,000,000	670,000	60/40	0	0	
Stutsman RWD (-04)	04/04/14	5,030,004	621,200	4,408,804	5,030,004	621,200	4,408,804	60/40	0	0	
Totals		6,900,737	1,684,200	5,216,537	6,900,737	1,684,200	5,216,537		0	0	
Balance			0								
*** Final FFR has be	en filed.										

#### FY 2014 Cap Grant Requirements

		SR	F Loan Amo	unt	Cumi	ılative Paym	ents		Total	Subsidy	Green
Loan Recipient	Binding Commitment	Total Amount	Loan Forgiveness	Base SRF	Total Payments	Loan Forgiveness	Base SRF	Draw Ratio	Balance To Fund	Balance To Fund	Project Reserve
<u>DWSRF</u>											
Minimum Required			1,769,000								
New Town	06/30/15	5,000,000	1,000,000	4,000,000	5,000,000	1,000,000	4,000,000	60/40	0	0	
Lehr	11/09/15	79,065	47,500	31,565	79,065	47,500	31,565	60/40	0	0	
Pick City	04/22/16	1,032,980	619,788	413,192	1,032,980	619,788	413,192	60/40	0	0	
Stutsman RWD (-04)	04/04/14		101,712			101,712		60/40			
Totals		6,112,045	1,769,000	4,444,757	6,112,045	1,769,000	4,444,757		0	0	
Leeds (GPR)	07/28/14										81,912
Jamestown (-05)	06/04/14										106,555
Balance			0								
*** Final FFR has be	en filed.										

#### FY 2015 Cap Grant Requirements

		SF	RF Loan Amo	unt	Cum	ulative Paym	ents		Total	Subsidy	Green
Loan Recipient	Binding Commitment	Total Amount	Loan Forgiveness	Base SRF	Total Payments	Loan Forgiveness	Base SRF	Draw Ratio	Balance To Fund	Balance To Fund	Project Reserve
<u>DWSRF</u>											
Minimum Required			1,769,000								
Tri-County Water Dist	05/08/15	727,655	225,000	502,655	727,655	225,000	502,655	30/70	0	0	
Gwinner	05/01/15	2,882,111	1,102,000	1,780,111	2,882,111	1,102,000	1,780,111	30/70	0	0	
Maxbass	05/13/17	373,000	224,000	149,000	373,000	224,000	149,000	60/40	0	0	
Makoti	04/20/16	362,450	218,000	144,450	342,427	205,455	136,972	60/40	20,023	12,545	
Totals		4,345,216	1,769,000	2,576,216	4,325,193	1,756,455	2,568,738		20,023	12,545	
Balance			0								
* Gwinner is our bud	cket project (Ca	an receive u	o to 40% whic	ch would be a	n additional	\$50 844 if Ma	koti has so	me loan	forgiveness	left )	

#### FY 2016 Cap Grant Requirements

		SR	F Loan Amo	unt	Cumi	ılative Paym	ents		Total	Subsidy	Green
Loan Recipient	Binding Commitment	Total Amount	Loan Forgiveness	Base SRF	Total Payments	Loan Forgiveness	Base SRF	Draw Ratio	Balance To Fund	Balance To Fund	Project Reserve
DWSRF											
Minimum Required			1,662,400								
Maxbass	05/13/17	64,973	64,000	973	64,973	64,000	973	75/25	0	0	
Robinson	03/23/16	129,723	97,500	32,223	129,723	97,500	32,223	75/25	0	0	
Ross (-02)	07/14/17	947,758	710,819	236,939	947,758	710,819	236,939	75/25	0	0	
Cass RWD (-05)	06/08/18	1,700,000	790,081	909,919	1,700,000	790,081	909,919	75/25	0	0	
Totals		2,842,454	1,662,400	1,180,054	2,842,454	1,662,400	1,180,054		0	0	
Balance			0								
*** Final FFR has be	en filed, althou	gh one loan	still open.								

#### FY 2017 Cap Grant Requirements

	1	SR	F Loan Amo	unt	Cumi	ılative Paym	ents		Total	Subsidy	Green
Loan Recipient	Binding Commitment	Total Amount	Loan Forgiveness	Base SRF	Total Payments	Loan Forgiveness	Base SRF	Draw Ratio	Balance To Fund	Balance To Fund	Project Reserve
DWSRF											
Minimum Required			1,648,200								
Mercer	05/17/18	1,693,000	639,750	1,053,250	757,289	567,967	189,322	75/25	935,711	71,783	
All Seasons WUD	10/10/19	1,738,000	1,008,450	729,550	89,357	67,018	22,339	75/25	1,648,643	941,432	
Totals		3,431,000	1,648,200	1,782,800	846,646	634,985	211,661		2,584,354	1,013,215	-
Balance			0								
* Kindred and SEWI	ID (-11) are our	hucket proi	ects								
Turiar ou aria ou vi		Suchet proj									

#### FY 2018 Cap Grant Requirements

		SRF Loan Amount			Cumi	ılative Paym	ents		Total	Subsidy	Green
Loan Recipient	Binding Commitment	Total Amount	Loan Forgiveness	Base SRF	Total Payments	Loan Forgiveness	Base SRF	Draw Ratio	Balance To Fund	Balance To Fund	Project Reserve
DWSRF											
Minimum Required			2,221,400								
Lisbon (-09)	10/31/18	920,000	828,000	92,000	461,318	415,185	46,133	90/10	458,682	412,815	
Carson	09/24/18	1,500,000	1,125,000	375,000	285,368	214,026	71,342	75/25	1,214,632	910,974	-
Totals		2,420,000	1,953,000	467,000	746,686	629,211	117,475		1,673,314	1,323,789	-
Balance			268,400								
* # # # - 1											
* McLean Sneridan V	<i>ND (-03) is our</i>	bucket proje	ect (75/25).								
* McLean Sheridan V	WD (-03) is our	bucket proje									

#### FY 2019 Cap Grant Requirements

		SF	RF Loan Amo	unt	Cumi	ılative Paym	ents		Total	Subsidy	Green
Loan Recipient	Binding Commitment	Total Amount	Loan Forgiveness	Base SRF	Total Payments	Loan Forgiveness	Base SRF	Draw Ratio	Balance To Fund	Balance To Fund	Project Reserve
DWCDE											
<u>DWSRF</u>			0.004.040								
Minimum Required *			2,861,040								
Riverdale	08/27/19	1,961,000	1,470,750	490,250	959,632	719,724	239,908	75/25	1,001,368	751,026	
Cavalier *	08/28/19	3,095,000	1,390,290	1,704,710	196,469	147,352	49,117	75/25	2,898,531	1,242,938	
Totals		5,056,000	2,861,040	2,194,960	1,156,101	867,076	289,025		3,899,899	1,993,964	
Balance			0								
* Includes \$660,240	(6% of grant) c	of Small & Dis	sadvantaged	Community Id	oan forgiven	ess paid out	at 75/25 dra	w ratio			
Cavalier is our buck	et project										