

**2008 ANNUAL REPORT**  
~~and~~  
**2009 STATE WATER PLAN**



*South Dakota*  
Board of  
Water and Natural Resources





**DEPARTMENT of ENVIRONMENT  
and NATURAL RESOURCES**

PMB 2020  
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Governor M. Michael Rounds  
and Members of the Eighty-Fourth  
Legislative Session

As required by state law, transmitted herewith is the 2008 Annual Report/2009 State Water Plan of the Board of Water and Natural Resources. The Annual Report describes water development and waste management activities during the past year. The State Water Plan outlines the projects on the State Water Facilities Plan and State Water Resources Management System.

Throughout this document you will see the on-going needs for water, wastewater, and solid waste projects statewide and how critical state assistance is to get these projects constructed. Over the past year, the board awarded \$96 million in grant and loan funds for the planning, design, and construction of municipal drinking water, wastewater, lake/watershed restoration, rural water, solid waste disposal, and recycling projects. These awards were a critical link in having environmental projects totaling more than \$162 million moving forward last year.

The Department of Environment and Natural Resources (DENR) sincerely appreciates the interest and help of all who have contributed to the success of the State Water Plan in the past. DENR will continue to work together with the Governor, the Legislature, the Board of Water and Natural Resources, local project sponsors, and the general public to make South Dakota even better.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steven M. Pirner', written over a horizontal line.

Steven M. Pirner  
Secretary



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Gene Jones, Jr., Vice Chairman  
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**To  
Governor M. Michael Rounds  
and the  
Eighty-Fourth Session, Legislative Assembly  
2009**

**2008 ANNUAL REPORT  
~~and~~  
2009 STATE WATER PLAN**

**Board of Water and Natural Resources**

**January 2009**



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## APPENDICES

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## PREFACE

The purpose of this document is to fulfill the statutory requirements placed on the Board of Water and Natural Resources. These requirements are generally outlined as follows:

*SDCL 46A-2-2 To prepare and submit to the Governor and Legislature a yearly progress report on the State Water Plan*

*SDCL 46A-1-10 To make recommendations to the Governor and Legislature concerning projects for the State Water Resources Management System*

*SDCL 46A-1-14 To make an annual report on all activities during the preceding year and funding recommendations necessary to implement the water plan*

This report consists of two principal sections – the 2008 Annual Report and the 2009 State Water Plan. The annual report provides progress reports on each funding program and other board activities during calendar year 2008. The second section sets forth the projects included on the State Water Facilities Plan and the State Water Resources Management System. A Water and Environment Fund Special Condition Statement that projects the status of the Water and Environment Fund at the end of fiscal year 2009 is included in Appendix A. A copy of the resolutions approved by the Board of Water and Natural Resources that provide recommendations to the Governor and the Legislature for the designation of projects on the State Water Resources Management System and the recommended Water and Environment Fund fiscal year 2010 appropriation levels are included in Appendix B.



# 2008 ANNUAL REPORT



# Board of Water and Natural Resources

## Overview

South Dakota Codified Law 46A-1-14 requires an annual report of the Board of Water and Natural Resources. The report summarizes the board's 2008 activities, including a detailed account of Water and Environment Fund grant and loan awards.

In November 2007, the board placed 43 projects on the 2008 State Water Facilities Plan. During the year, the board amended an additional 15 projects onto the plan. This made the projects eligible for financial assistance from a variety of federal and state sources.

The board awarded nearly \$95.8 million in grant and loan funds to finance municipal drinking water systems, rural water systems, wastewater facilities, watershed restoration, solid waste disposal, recycling, and contaminated land restoration activities. These awards resulted in more than \$161.5 million in total activity. The loan and grant funds helped provide South Dakotans with safe and dependable environmental infrastructure.

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## State Water Resources Management System

On February 27, 2008, Governor Rounds signed the 2008 Omnibus Bill (House Bill 1277) which appropriated \$7.65 million for State Water Resources Management System (SWRMS) projects.

Individual project appropriations approved as part of the 2008 Omnibus Bill are detailed in the 2008 State Water Development Legislation section on page 11. During the year, the board placed all \$7.65 million of 2008 appropriations under agreement (Table 1).

Information on individual SWRMS project accomplishments and activities is provided in the State Water Plan section (pages 18-29).

*Table 1*

### 2008 State Water Resources Management System Funding Awards

| <u>Project</u>                            | <u>Amount</u>       | <u>Type</u> |
|---|---------------------|-------------|
| Lewis and Clark Rural Water Supply System | 6,400,000           | Grant       |
| Perkins County Rural Water System         | 145,000             | Grant       |
| Perkins County Rural Water System         | 355,000             | Loan        |
| Southern Black Hills Water Supply System  | 750,000             | Grant       |
| TOTAL                                     | <u>\$ 7,650,000</u> |             |

## Consolidated Water Facilities Construction Program

The 2008 State Legislature appropriated \$3.5 million for the Consolidated Water Facilities Construction Program to provide grants and loans for water development projects on the State Water Facilities Plan. Additionally, \$255,000 of prior year funding and \$485,650 of reversions were available for award in 2008.

The board considered 27 applications and 1 amendment request and awarded 19 grants and 1 amendment totaling more than \$4.0 million (Table 2). The 2008 awards leveraged more than \$41.4 million in total project activities.

Table 2

### 2008 Consolidated Awards

| <u>Sponsor</u>            | <u>Description</u>                   | <u>Amount</u> | <u>Total Project</u> |
|---------------------------|--------------------------------------|---------------|----------------------|
| BDM Rural Water System *  | Hecla Area/Internal Expansion        | \$275,000     | \$7,490,000          |
| Beresford                 | Watermain Improvements               | 100,000       | 212,000              |
| Big Sioux Community Water | Brant Lake New Water Treatment Plant | 200,000       | 2,969,280            |
| B-Y Water District        | Douglas County Expansion             | 50,000        | 655,278              |
| Cavour                    | Replace Waterline & Purchase Meters  | 25,000        | 118,000              |
| Chamberlain               | Water Plant Renovation               | 100,000       | 967,000              |
| Crooks                    | Lagoon Expansion                     | 50,000        | 923,000              |
| Dakota Central RC&D       | Upper Snake Creek Watershed Project  | 50,000        | 460,000              |
| Dell Rapids               | Main Lift Station Improvements       | 200,000       | 1,215,000            |
| Elk Point                 | Clay & Washington Street Utilities   | 300,000       | 1,340,000            |
| Frankfort                 | WW Treatment & Collection Upgrades   | 75,000        | 183,000              |
| Harrisburg                | Elevated Water Storage Tower         | 300,000       | 2,600,000            |
| Java                      | Water Line Replacement Project       | 75,000        | 705,400              |
| Kingbrook Rural Water     | Winfred Water System Improvements    | 50,000        | 122,000              |
| Lennox                    | Wastewater Treatment Improvements    | 400,000       | 1,625,000            |
| Marion                    | Sanitary Sewer Replacement           | 200,000       | 2,034,100            |
| Mid-Dakota Rural Water    | Water Treatment & Dist. Expansion    | 1,000,000     | 15,000,000           |
| Provo Township            | Water System Rehabilitation          | 200,000       | 502,218              |
| Randall RC&D              | Lewis & Clark Watershed Imp. Project | 130,000       | 600,000              |
| Waubay                    | Utilities Replacement - Phase II     | 450,000       | 1,710,000            |
|                           | TOTAL                                | \$4,230,000   | \$41,431,276         |

\* Grant Amendment

## Clean Water State Revolving Fund Loan Program

In 1989, the Clean Water State Revolving Fund (SRF) Loan Program began providing low-interest loans to governmental entities including municipalities, sanitary districts, and other special purpose districts. The loans are used for construction of wastewater facilities, storm sewers, and nonpoint source pollution control projects. During 2008, the board approved 16 loans totaling more than \$29.7 million (Table 3).

The base interest rates for the Clean Water SRF program are 2.50 percent for loans up to 10 years, 3.25 percent for up to 20 years, 3.50 percent for up to 30 years, and an interim financing rate of 2.00 percent for up to 3 years. The program also has nonpoint

source incentive rates of 1.50 percent for loans with a term of 10 years or less, 2.25 percent for loans with a term up to 20 years, and 2.50 percent for loans with a term up to 30 years. Projects for traditional wastewater or stormwater projects that include a nonpoint source component may receive the nonpoint source rate. The annual principal and interest payments will be calculated for a loan at the higher base interest rate. Using the lower nonpoint source interest rate, a loan will be sized using the annual payment previously calculated. The difference in the two loan amounts will be the amount of funding available for the nonpoint source component of the project.

Table 3

### 2008 Clean Water State Revolving Fund Loan Awards

| <u>Sponsor</u>   | <u>Description</u>                          | <u>Amount</u> | <u>Interest</u> |             |
|------------------|---|---------------|-----------------|-------------|
|                  |   |               | <u>Rate</u>     | <u>Term</u> |
| Crooks (01)      | Lagoon Expansion                            | \$697,000     | 3.25%           | 20          |
| Dell Rapids (04) | Main Lift Station Improvements              | 950,000       | 3.25%           | 20          |
| Elk Point (05)   | Clay & Washington Sts. Utility Reconst.     | 150,000       | 3.25%           | 20          |
| Freeman (02)     | Sixth St. Storm Water & Detention Ponds     | 800,000       | 3.25%           | 20          |
| Garretson (02)   | Split Rock Creek Lift Station & Sewer Ext.  | 507,445       | 3.25%           | 20          |
| Groton (06)      | Wastewater Improvements Phases I & II       | 150,000       | 3.25%           | 20          |
| Harrold (01)     | Storm Water System Replacement              | 170,000       | 3.25%           | 20          |
| Marion (01)      | Sanitary Sewer Replacement - Phase I        | 1,710,000     | 3.50%           | 30          |
| Martin (01)      | North Sewer Lagoon Rehabilitation           | 237,250       | 3.25%           | 20          |
| Parkston (01)    | Collection Systems Improvements             | 650,000       | 3.25%           | 20          |
| Pierre (05)      | Landfill Slide Remediation                  | 976,953       | 3.25%           | 20          |
| Sioux Falls (25) | Collection Systems Improvements             | 5,657,000     | 2.50%           | 10          |
| Sioux Falls (26) | Central Mains Interceptor Replacement       | 3,744,000     | 2.50%           | 10          |
| Sioux Falls (27) | Detention Ponds and Storm Sewer Rehab.      | 2,621,000     | 2.50%           | 10          |
| Spearfish (02)   | Wastewater Treatment Facility Expansion     | 5,900,000     | 3.25%           | 20          |
| Vermillion (05)  | Wastewater Treatment Facility Phase II Exp. | 4,851,000     | 3.25%           | 20          |
| TOTAL            |   | \$29,771,648  |                 |             |

### Drinking Water State Revolving Fund Loan Program

In 1998, the Drinking Water State Revolving Fund (SRF) Loan Program began providing low-interest loans to nonprofit corporations and governmental entities including municipalities, sanitary districts, and other special districts for the construction of drinking water facilities. In 2008, 12 loans were approved totaling nearly \$52 million (Table 4).

The base interest rates for the Drinking Water SRF program are 2.50 percent for terms up to 10 years, 3.25 percent for up to 20 years, and the interim financing rate of 2.00 percent for up to 3 years.

Disadvantaged communities are eligible to extend the repayment period from 20 to 30 years and may receive an interest rate below the base rate. To qualify as disadvantaged, the water system's monthly residential water bill must be at least \$20 per 5,000 gallons usage for municipalities and sanitary districts or \$50 per 7,000 gallons usage for all other community water systems.

Additionally, the median household income of the community must be below the statewide median household income (MHI). Communities with a median household income less than the MHI but greater than 80 percent of the MHI are eligible for an extended 30-year term loan at the base rate of 3.25 percent interest. Communities with a household income between 60 percent and 80 percent of the MHI are eligible for an extended 30-year term loan at 2.50 percent interest. An average household income less than 60 percent of the MHI is necessary to be eligible for an extended 30-year term loan at zero percent interest.

Table 4

### 2008 Drinking Water State Revolving Fund Loan Awards

| <u>Sponsor</u>      | <u>Description</u>                      | <u>Amount</u> | <u>Interest</u> |             |
|---------------------|---|---------------|-----------------|-------------|
|                     |   |               | <u>Rate</u>     | <u>Term</u> |
| Black Hawk WUD (02) | Water Reservoir & Transmission Line     | \$1,142,000   | 3.25%           | 20          |
| Chamberlain (01)    | Water Plant Renovation and Upgrade      | 276,500       | 3.25%           | 20          |
| Delmont (01)        | Water Main Replacement                  | 185,000       | 2.50%           | 30          |
| Elk Point (04)      | Clay & Washington Sts. Utility Reconst. | 564,000       | 3.25%           | 20          |
| Harrisburg (03)     | Elevated Water Storage Tower            | 2,090,000     | 3.25%           | 20          |
| Miller (01)         | Water Meter Replacement                 | 255,200       | 2.50%           | 10          |
| Mission Hill (01)   | Water Tower & Dist. System Looping      | 250,000       | 3.25%           | 20          |
| Sioux Falls (06)    | Backwash Handling Basin & Filter Imps.  | 17,848,000    | 2.50%           | 10          |
| Sioux Falls (07)    | Well 69 Rehabilitation                  | 2,200,000     | 2.50%           | 10          |
| Sioux Falls (08)    | Water Distribution Improvements         | 2,705,600     | 2.50%           | 10          |
| Viborg (01)         | Water Line Replacement and Looping      | \$249,775     | 3.25%           | 20          |
| Watertown (01)      | Source, Treatment, & Storage Imps.      | 23,760,000    | 3.25%           | 20          |
| TOTAL               |   | \$51,526,075  |                 |             |

### State Revolving Fund Programs – Grant Assistance

In 2008, the Board of Water and Natural Resources allocated additional funds under both the Clean Water and Drinking Water state revolving fund programs for planning, technical assistance, and construction activities. The Board's 2008 intended use plans approved the use of \$612,620 in Clean Water and Drinking Water funds (Table 5).

Table 5

### 2008 State Revolving Fund Grant Allocations

| <u>Activity</u>                                | <u>Source</u>  | <u>Amount</u> |
|--|--|---------------|
| Water Quality Construction Grants              | Clean Water SRF Admin Surcharge                      | \$150,000     |
| Small System Technical Assistance Grants       | Drinking Water SRF Set-Aside                         | 162,920       |
| SRF Application Preparation and Administration | Clean Water SRF & Drinking Water SRF Admin Surcharge | 300,000       |
| TOTAL  |  | \$612,920     |

**Water Quality Watershed/Construction Grants:** With the decrease in available Consolidated Program grant assistance in 2008, the Board provided additional grant assistance from Clean Water Administrative Surcharge fees. The construction of wastewater treatment, collection, or conveyance projects and watershed assessment and implementation projects are eligible uses for these fees, and its use allows additional projects to be completed.

The Board continued to support the construction of Livestock Auction Market Animal Waste Management Systems in 2008. Under certain conditions, livestock auction markets are required to control discharges from the facility and to obtain an authorization to operate under DENR's General Water Pollution Control Permit for Concentrated Animal Feeding Operations. The construction of manure management systems for auction markets is not eligible for assistance from the USDA Environmental Quality Incentive Program. Grants for the construction of a manure management system reimburse up to 75 percent of actual construction costs, with the maximum grant amount for any recipient limited to \$162,500. Grants may be provided regardless of the need for the auction market to be permitted as long as water quality improvements are undertaken.

**Water Quality Planning Grants:** The Small Community Planning Grant Program was established to encourage proactive planning by small communities and systems. Grants are available for the preparation of a wastewater or storm water engineering study or rate analysis for systems serving populations of 2,500 or less. For engineering studies, participating systems are reimbursed 80 percent of the cost, up to \$6,000, with an additional \$2,000 made available for wastewater studies that include an infiltration/inflow analysis. For wastewater utility rate analysis reviews, participating systems are reimbursed 80 percent of the cost, up to \$1,600.

**Technical Assistance Grants:** Small Community Planning Grants are also available for the preparation of a drinking water engineering study or rate analysis for systems serving populations of 2,500 or less. Participating systems are reimbursed 80 percent of the cost, up to \$6,000 for engineering studies. For drinking water utility rate analysis reviews, participating systems are reimbursed 80 percent of the cost, up to \$1,600.

The Board continued its technical assistance contract with the South Dakota Association of Rural Water Systems (Rural Water) in 2008. Rural Water provides assistance to small drinking water systems serving populations of 10,000 or less with compliance, permitting, and operational issues. In 2008, the Midwest Assistance Program (MAP) began conducting follow-up reviews for small communities that received a Drinking Water SRF loan and recommendations were made in the capacity assessment to improve the technical, financial, or managerial capacity of the system. Eleven follow-up reviews were completed in 2008.

The Board continued to provide assistance to revolving fund borrowers with the preparation of applications and on-going loan administration activities. The state's six planning districts all have contracts to receive up to \$7,500 per loan for application and loan administration duties. In 2008, the six planning districts were awarded a total of \$262,500 of additional funding to continue these application and administrative duties.

During 2008, 36 entities were awarded Water Quality or Technical Assistance grants totaling more than \$1,275,000 (Table 6).

Table 6

## 2008 State Revolving Fund Programs Grant Awards

### *Watershed/Construction Grant Awards*

| <u>Sponsor</u>                            | <u>Project</u>                        | <u>Grant Amount</u> |
|---|---------------------------------------|---------------------|
| Belle Fourche River Watershed Partnership | Watershed Implementation              | \$ 90,000           |
| Magness Livestock Market *                | Agricultural Waste Treatment Facility | 5,530               |
| Marion                                    | Water Quality Construction            | 300,000             |
| SD Livestock Sales of Watertown           | Agricultural Waste Treatment Facility | 162,500             |
| Turner Conservation District              | Watershed Implementation              | 35,000              |
| TOTAL                                     |                                       | \$ 593,030          |

\* Grant Amendment

### *Small Community Planning Grant Awards*

| <u>Sponsor</u>                   | <u>Project</u>                              | <u>Grant Amount</u> |
|----------------------------------|---|---------------------|
| Alcester                         | Water System Rate Analysis                  | \$ 1,600            |
| Clark                            | Water & Wastewater System Study             | 14,000              |
| Colman                           | Water System Improvements Study             | 6,000               |
| Corson village Sanitary District | Utilities Rate Analyses                     | 3,200               |
| Deadwood                         | Water Utility Rate Analysis                 | 1,600               |
| Elkton                           | Wastewater System Improvements Study        | 8,000               |
| Eureka                           | Water System Improvements Study             | 6,000               |
| Hughes County                    | Water System Improvements Study             | 6,000               |
| Lake Andes                       | Water & Wastewater System Study             | 14,000              |
| Lake Norden                      | Water Treatment Improvements Study          | 6,000               |
| Leola                            | Wastewater Treatment System Study           | 6,000               |
| Marion                           | Water & Sewer Utility Rate Study            | 3,200               |
| Mina Lake Sanitary District      | Water System Improvements Study             | 6,000               |
| Mount Vernon                     | Wastewater System Improvements Study        | 8,000               |
| New Underwood                    | Water System Improvements Study             | 6,000               |
| Northville                       | Water System Improvements Study             | 6,000               |
| Oacoma                           | Water & Wastewater System Study             | 12,000              |
| Piedmont                         | Water & Wastewater System Study             | 12,000              |
| Platte                           | Wastewater Treatment Improvements Study     | 6,000               |
| Richmond Lake Sanitary District  | Wastewater System Improvements Study        | 6,000               |
| Roslyn                           | Water Distribution & Sewer Collection Study | 11,000              |
| Summit                           | Wastewater System Improvements Study        | 8,000               |
| Wall Lake Sanitary District      | Wastewater Utility Rate Analysis            | 1,600               |
| TOTAL                            |   | \$158,200           |

## *Technical Assistance Awards*

| <u>Sponsor</u>                                  | <u>Project</u>            | <u>2008 Award</u> |
|---|---------------------------|-------------------|
| Black Hills Council of Governments              | Loan Application & Admin. | \$ 22,500         |
| Central SD Enhancement District                 | Loan Application & Admin. | 15,000            |
| First District Association of Local Governments | Loan Application & Admin. | 30,000            |
| Midwest Assistance Program                      |                           | 50,000            |
| Northeast Council of Governments                | Loan Application & Admin. | 30,000            |
| Planning and Development District III           | Loan Application & Admin. | 60,000            |
| SD Association of Rural Water Systems           |                           | 214,500           |
| South Eastern Council of Governments            | Loan Application & Admin. | 105,000           |
| TOTAL   |                           | \$ 527,000        |

## **Watershed Protection – EPA Section 319 Grants**

The South Dakota Watershed Protection Program is designed to assess nonpoint water pollution sources and to reduce or eliminate their impact on water quality throughout the state. Nonpoint source refers to the polluted run-off from urban, agriculture, and forest lands. The program provides technical and financial assistance to local watershed project sponsors in the planning and management of assessment and implementation projects. Additionally, the program administers state and federal grants, monitors the effectiveness of implementation projects, and provides information and education materials. Applications for Section 319 grants must be approved by the board prior to submission to EPA. In 2008, the board recommended that EPA award nearly \$2.5 million to watershed projects (Table 7).

*Table 7*

## **2008 EPA Section 319 Grants**

| <u>Sponsor</u>                            | <u>Project</u>  | <u>Amount</u> | <u>Total Project</u> |
|---|---|---------------|----------------------|
| Belle Fourche River Watershed Partnership | Belle Fourche River Watershed Implementation Project    | \$610,000     | \$7,312,910          |
| Davison Conservation District             | Firesteel Creek/Lake Mitchell Implementation Project    | \$150,000     | \$970,455            |
| James River Water Development District    | Upper James River Watershed Assessment Project          | \$360,100     | \$700,000            |
| James River Water Development District    | Lower James River Watershed Implementation Project      | \$60,000      | \$102,000            |
| Lincoln County Conservation District      | Lower Big Sioux Watershed Implementation Project        | \$167,250     | \$316,000            |
| McCook Conservation District              | Vermillion River Basin Watershed Implementation Project | \$117,250     | \$338,250            |
| SD Association of Conservation Districts  | Watershed Planning & Assistance                         | \$515,500     | \$4,999,250          |
| Watertown                                 | Upper Big Sioux River Watershed Implementation Project  | \$500,000     | \$1,615,202          |
| TOTAL                                     |   | \$2,480,100   | \$16,354,067         |

## Solid Waste Management Program

The 2008 State Legislature appropriated \$1,250,000 for the Solid Waste Management Program (SWMP) and \$1,500,000 for Regional Landfill Assistance. These appropriations, combined with reverted and unobligated prior year funding, resulted in more than \$3 million being available for grants and loans for recycling, waste tire, and solid waste disposal projects.

These programs are supported by three sources – a \$1.00 per ton landfill surcharge on municipal solid waste, a \$0.25 per tire vehicle registration fee, and principal and interest payments from past solid waste loan awards. A minimum of 50 percent of the SWMP funds appropriated is reserved for recycling activities.

The board awarded ten grants and three loans in 2008, totaling more than \$2.2 million (Table 8). Of these awards, two were for recycling activities and eight were for municipal solid waste or waste tire cleanup activities. SWMP awards helped leverage approximately \$4.7 million in total project activities.

Table 8

### 2008 Solid Waste Management and Regional Landfill Assistance Awards

| <i>Municipal Solid Waste</i>   |                              |                    |                     |                      |
|--------------------------------|------------------------------|--------------------|---------------------|----------------------|
| <u>Sponsor</u>                 | <u>Description</u>           | <u>Loan Amount</u> | <u>Grant Amount</u> | <u>Total Project</u> |
| Belle Fourche                  | Equipment Purchase           |                    | \$ 105,000          | \$ 300,000           |
| Brown County                   | Equip./Office Bldg./Fence    |                    | 220,000             | 444,450              |
| Brown County                   | Waste Tire Disposal          |                    | 12,000              | 24,000               |
| Mitchell                       | Landfill Closure             |                    | 291,500             | 485,185              |
| Northwest SD Regional Landfill | Fence/Roll-off Containers    |                    | 30,000              | 58,000               |
| Pierre                         | Reg. Landfill Expansion      | \$ 304,114         | 582,303             | 2,329,213            |
| Roberts County                 | Leachate Pond/Land           |                    | 215,000             | 430,000              |
| Southern Missouri WMD          | Land Acquisition             | 127,320            | 32,500              | 195,000              |
|                                | TOTAL                        | \$ 431,434         | \$ 1,488,303        | \$ 4,265,848         |
| <i>Recycling</i>               |                              |                    |                     |                      |
| <u>Sponsor</u>                 | <u>Description</u>           | <u>Loan Amount</u> | <u>Grant Amount</u> | <u>Total Project</u> |
| Madison                        | Recycling Equipment Purchase |                    | \$ 92,500           | \$ 186,650           |
| Vermillion                     | Curbside Recycling Project   | \$ 175,000         | 35,000              | 210,000              |
|                                | TOTAL                        | \$ 175,000         | \$ 127,500          | \$ 396,650           |

## Brownfields Revitalization and Economic Development Program

The 2003 South Dakota Legislature followed the federal Brownfields Act and established a state Brownfields Revitalization and Economic Development Program

within DENR. The purpose of Brownfields projects is to complete environmental assessments and cleanups so that local governments can put contaminated lands back into productive, beneficial use and complete projects that are necessary to revitalize local economies. The 2003 bill created two subfunds: a Brownfields revolving loan subfund and a Brownfields assessment and cleanup subfund. The Board of Water and Natural Resources approves annual work plans for both subfunds. DENR agreed to use existing staff to administer this new program.

While DENR has made application for federal funding, the U.S. Environmental Protection Agency has not awarded South Dakota any federal funds for the Brownfields revolving loan subfund. Therefore, there has been no activity in this subfund. Based on comments received from EPA on our 2006 application to EPA, DENR will not submit an application for federal funding in 2008. EPA has advised DENR that until partners or potential applicants are identified, DENR will not be eligible for federal revolving loan funds.

DENR has used both federal Brownfields grants and federal Leaking Underground Storage Tank Trust Funds to complete environmental assessments and cleanups of Brownfields projects statewide. Brownfields projects are nominated by local project sponsors and approved by the Board of Water and Natural Resources. Table 9 contains a list of all the Brownfields projects that were approved by the board in 2008. The Brownfields process is an extremely useful tool to help assess and clean up contaminated lands statewide and move economic development projects forward that are a high local priority.

*Table 9*

### **2008 Brownfields Assessment and Cleanup Projects**

| <b>Applicant</b>     | <b>Site Name and Location</b>   | <b>Activity</b>      | <b>Land After Clean Up</b> | <b>Amount*</b> |
|----------------------|---|----------------------|----------------------------|----------------|
| Brenkev Company      | Frankman Property, Sioux Falls  | Assessment           | Commercial                 | 200,000        |
| City of Gary         | Former School for the Blind, Gary   | Assessment & Cleanup | Commercial                 | 400,000        |
| Wagner               | Wagner Street and City Project, Wagner  | Assessment & Cleanup | Commercial                 | 150,000        |
| City of Sioux Falls  | Redevelopment area of the Phillips to the Falls Brownfields site, Sioux Falls | Assessment           | Residential/Commercial     | 400,000        |
| Jefferson            | Former Garvis/Bosse Oil sites, Jefferson                                      | Assessment & Cleanup | Commercial                 | 200,000        |
| Pierre               | City Well VOC Impact, Pierre  | Assessment & Cleanup | Commercial                 | 400,000        |
| Onida                | Former MCTM Station, Onida  | Cleanup              | Commercial                 | 50,000         |
| Watertown Dev. Corp. | Former Coal Gas Site, Watertown   | Assessment & Cleanup | Commercial                 | 400,000        |
| Highmore             | Former Hoffman/Street Site, Highmore  | Assessment           | Commercial                 | 20,000         |
| Madison              | Former Jim's Machine Shop, Madison  | Assessment & Cleanup | Commercial                 | 200,000        |

| <b><u>Applicant</u></b> | <b><u>Site Name and Location</u></b> | <b><u>Activity</u></b> | <b><u>Land After Clean Up</u></b> | <b><u>Amount*</u></b> |
|-------------------------|--------------------------------------|------------------------|-----------------------------------|-----------------------|
| Redfield                | Four J's Site, Redfield              | Assessment & Cleanup   | Commercial                        | 200,000               |
| Huron                   | Former Bales Bulk Site, Huron        | Assessment & Cleanup   | Commercial                        | 140,000               |
| Huron                   | Oxandaburu Property, Huron           | Assessment             | Commercial                        | 200,000               |
| Highmore                | Former Straight's Corner, Highmore   | Assessment & Cleanup   | Commercial                        | 100,000               |
| Huron                   | Former Huron Dressed Beef Site       | Assessment & Cleanup   | Commercial/<br>Game Production    | 100,000               |
| Watertown Dev. Corp.    | Coal Gas Disposal Site               | Assessment & Cleanup   | Open Space                        | 130,000               |
| Yankton                 | East Corner Stone Redevelopment      | Assessment & Cleanup   | Commercial                        | 250,000               |
| Watertown               | Watertown Ice and Cold Storage       | Assessment & Cleanup   | Commercial                        | 200,000               |
| Custer County           | Former Bulk Site                     | Assessment & Cleanup   | Commercial                        | 100,000               |
| Bafna/Stevenson         | 14 <sup>th</sup> Street Landfill     | Assessment             | Open Space                        | 200,000               |
| Canistota               | Former Station and Bulk Site         | Assessment & Cleanup   | Commercial/<br>Park               | 40,000                |
| Sisseton                | Utility Project                      | Assessment & Cleanup   | Commercial                        | 200,000               |
| Wolsey                  | Utility/petroleum sites              | Assessment & Cleanup   | Commercial                        | 200,000               |
| Alcester/Boyer          | Former Feed and Grain                | Assessment & Cleanup   | Commercial                        | 200,000               |
| <b>TOTAL</b>            |                                      |                        |                                   | <b>\$ 4,680,000</b>   |

\*Projects are limited by federal law to \$200,000 for Assessment and \$200,000 for Clean Up.

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## **2008 State Water Development Legislation**

On February 27, 2008, Governor Rounds signed House Bill 1277, the Omnibus Water Funding Bill. The 2008 Omnibus Bill contained the following appropriations:

### **Appropriations from the General Fund**

- Lewis and Clark Rural Water System – \$1,000,000 grant to provide nonfederal cost share for planning, engineering design, preconstruction, and construction of the regional water supply system.

### **Appropriations from the Water and Environment Fund**

- Consolidated Water Facilities Construction Program – \$3,500,000 to provide grants and loans for community drinking water, wastewater, and watershed improvement projects;

- Lewis and Clark Rural Water System – \$5,400,000 grant to provide nonfederal cost share for planning, engineering design, preconstruction, and construction of the regional water supply system;
- Perkins County Rural Water System – \$500,000 appropriation to provide nonfederal cost share for planning, engineering design, preconstruction, and construction of the regional water supply system. The appropriation was divided into a \$144,000 grant and a \$356,000 loan;
- Southern Black Hills Water System - \$750,000 grant for the development, evaluation, and review of water management studies related to the development of regional water supply systems in Custer, Fall River and southern Pennington counties;
- Solid Waste Management Program – \$1,250,000 to provide grants or low interest loans for recycling, solid waste disposal, or waste tire projects;
- Regional Landfill Assistance - \$1,500,000 to provide grants or low interest loans for the construction, enlargement, or upgrading of regional landfills.

#### **Appropriations from WEF Subfunds and Other Sources**

- Section 10 of the bill appropriated \$100,000 from the Environment and Natural Resources Fee Fund to the department for the determination of Total Maximum Daily Load (TMDL) limits on selected South Dakota water bodies;
- Sections 11 and 12 of the bill appropriated \$300,000 from the Clean Water State Revolving Fund Program subfund for the purpose of providing water quality and technical assistance grants; and
- Sections 13 and 14 appropriated \$310,000 from the Drinking Water State Revolving Fund Program subfund for technical assistance grants.



# 2009 STATE WATER PLAN



# 2009 State Water Plan

## Overview

The 1972 State Legislature established the State Water Plan to ensure the optimum overall benefits of the state's water resources for the general health, welfare, safety, and economic well-being of the people of South Dakota through the conservation, development, management, and use of those resources. The Legislature placed the responsibility for this plan with the Board of Water and Natural Resources.

The State Water Plan, as established in SDCL 46A-1-2, consists of two components – the State Water Facilities Plan and the State Water Resources Management System. To be considered for the State Water Facilities Plan, projects must meet criteria established by the board. These eligibility criteria are used as guidelines for the board, the department, and the water development districts when considering a project for inclusion on the State Water Facilities Plan. Additions to or deletions from the State Water Resources Management System can only be accomplished by the State Legislature.

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## State Water Facilities Plan

The State Water Facilities Plan (Facilities Plan) is a list of potential water projects. The Facilities Plan includes projects such as rural, municipal, and industrial water supply, wastewater collection and treatment facilities, storm sewers, groundwater protection, and watershed restoration. The board is responsible for approving the placement of projects on the Facilities Plan. Projects on the Facilities Plan are eligible to seek state and federal financial assistance. The board can provide direct assistance to projects on the plan and placement on the plan may influence federal and other state agency funding decisions.

In November 2008, the board received 34 applications requesting placement on the State Water Plan. The board placed all 34 of the projects on the Facilities Plan, bringing the total number of projects on the 2009 State Water Facilities Plan to 92 (Table 10). The 34 projects placed on the plan in November will remain on the Facilities Plan through 2010. Projects placed on the plan in November 2007, or that were amended onto the plan during calendar year 2008 will remain on the Facilities Plan through 2009. The bolded projects in Table 10 reflect projects that have received either partial or full funding. The bolded amounts on these projects reflect the amount that has been awarded to date. The projects remain on the Facilities Plan and remain eligible to request additional funding.

Additional projects may be placed on the Facilities Plan during the year. Projects placed on the Facilities Plan through the amendment process remain on the plan for the balance of the calendar year and the following year. Once a project is removed from the Facilities Plan, the project sponsor must submit a new state water plan application to be eligible to seek assistance.

*Table 10*

## 2009 STATE WATER FACILITIES PLAN

| <u>Sponsor</u>               | <u>Project Description</u>                | <u>On Plan Through</u> | <u>Proposed Funding Source*</u> |                  |                  | <u>Total Project</u> |
|------------------------------|---|------------------------|---------------------------------|------------------|------------------|----------------------|
|                              |   |                        | <u>CWFCP</u>                    | <u>CWSRF</u>     | <u>DWSRF</u>     |                      |
| Arlington                    | Water & Sanitary Sewer Improvements       | 2009                   | 140,000                         |                  |                  | 579,000              |
| Aurora-Brule RWS             | Water Intake Improvements                 | 2009                   | 250,000                         |                  |                  | 4,249,794            |
| <b>Beresford</b>             | <b>East Street Watermain Improvement</b>  | <b>2009</b>            | <b>100,000</b>                  |                  |                  | <b>212,000</b>       |
| <b>Big Sioux Comm. Water</b> | <b>Water Supply and Treatment</b>         | <b>2009</b>            | <b>200,000</b>                  |                  |                  | <b>2,969,280</b>     |
| <b>Black Hawk WUD</b>        | <b>Water Storage and Distribution</b>     | <b>2009</b>            |                                 |                  | <b>1,142,000</b> | <b>1,480,000</b>     |
| Bon Homme-Yankton Water      | Douglas Co. Expansion                     | 2009                   | 300,000                         |                  |                  | 557,478              |
| Bon Homme-Yankton Water      | Raw Water Intake #3                       | 2010                   | 300,000                         |                  |                  | 9,100,000            |
| <b>Box Elder</b>             | <b>Wastewater Treatment</b>               | <b>2010</b>            | <b>400,000</b>                  |                  |                  | <b>5,986,200</b>     |
| Box Elder                    | Water Supply and Storage Improvements     | 2009                   | 553,000                         |                  |                  | 7,132,000            |
| Brookings                    | SDSU Innovation Campus Infrastructure     | 2010                   |                                 | 1,294,930        |                  | 3,830,850            |
| Canistota                    | Ash St. Water & Wastewater Replacement    | 2010                   | 500,000                         | 130,519          | 412,298          | 1,042,817            |
| Canova                       | Wastewater Lagoon Expansion               | 2010                   | 100,000                         | 33,150           |                  | 268,315              |
| Canton                       | Wastewater Treatment Facility Upgrade     | 2010                   | 600,000                         | 2,155,000        |                  | 3,255,000            |
| Centerville                  | Colman Street Storm Sewer                 | 2010                   |                                 | 450,000          |                  | 775,700              |
| <b>Chamberlain</b>           | <b>Water Treatment Improvements</b>       | <b>2009</b>            | <b>100,000</b>                  |                  | <b>276,500</b>   | <b>967,000</b>       |
| Clark                        | Sludge Storage Tank Improvements          | 2010                   | 31,500                          |                  |                  | 63,000               |
| Clark RWS                    | Water Treatment Plant                     | 2009                   | 666,000                         |                  | 999,000          | 6,660,000            |
| Copper Oaks I Water Assoc.   | Well Facility Improvements                | 2009                   | 96,550                          |                  | 96,550           | 193,900              |
| Corson Village San. Dist.    | Water Supply & Distribution Improvements  | 2010                   |                                 |                  | 441,186          | 441,186              |
| <b>Delmont</b>               | <b>Water Main Improvements</b>            | <b>2009</b>            |                                 | <b>185,000</b>   |                  | <b>367,720</b>       |
| <b>Edgemont</b>              | <b>Water System Improvements</b>          | <b>2009</b>            | <b>200,000</b>                  |                  |                  | <b>400,000</b>       |
| Elkton                       | Wastewater Lagoon Improvements            | 2010                   | 100,000                         | 300,000          |                  | 434,305              |
| <b>Elk Point</b>             | <b>Clay Street Water/Wastewater</b>       | <b>2009</b>            | <b>300,000</b>                  | <b>100,000</b>   | <b>564,000</b>   | <b>1,340,000</b>     |
| Elk Point                    | Main Street Water/Wastewater              | 2009                   | 600,000                         | 145,223          | 625,000          | 1,471,000            |
| Enemy Swim San. Dist.        | Wastewater Collection and Treatment       | 2010                   | 500,000                         |                  |                  | 3,368,154            |
| Emery                        | Wastewater Treatment                      | 2009                   | 50,000                          |                  |                  | 849,626              |
| Engleharts Estates           | Water Supply and Distribution Upgrades    | 2010                   | 130,000                         |                  | 129,100          | 259,100              |
| <b>Fall River WUD</b>        | <b>North Expansion and Well Project</b>   | <b>2010</b>            | <b>350,000</b>                  |                  |                  | <b>3,490,771</b>     |
| Faultkon                     | Water System Improvements                 | 2010                   | 500,000                         |                  |                  | 2,450,000            |
| Frankfort                    | Wastewater Collection Improvements        | 2009                   | 61,050                          |                  |                  | 183,150              |
| <b>Fort Pierre</b>           | <b>Storm Water Drainage</b>               | <b>2010</b>            |                                 | <b>374,620</b>   |                  | <b>3,000,000</b>     |
| Gayville                     | Water Distribution Improvements           | 2010                   | 75,000                          |                  | 275,000          | 476,000              |
| Green Valley San. Dist.      | Water System Construction                 | 2009                   | 765,300                         |                  |                  | 4,216,002            |
| Green Valley San. Dist.      | Wastewater Collection System Construction | 2009                   | 900,000                         | 2,092,000        |                  | 6,009,582            |
| <b>Harrisburg</b>            | <b>Elevated Water Storage Tower</b>       | <b>2009</b>            | <b>300,000</b>                  |                  | <b>2,090,000</b> | <b>2,715,000</b>     |
| <b>Harrold</b>               | <b>Storm Drainage</b>                     | <b>2010</b>            |                                 | <b>170,000</b>   |                  | <b>400,000</b>       |
| Hermosa                      | Wastewater Collection and Treatment       | 2009                   | 338,645                         |                  |                  | 2,032,095            |
| Highmore                     | Wastewater and Storm Water                | 2009                   | 500,000                         |                  |                  | 2,035,000            |
| Hill City                    | Water System Improvements                 | 2010                   | 300,000                         |                  |                  | 1,365,000            |
| Hughes County                | Cow/Spring Creek Water Storage            | 2010                   | 277,500                         |                  | 277,500          | 555,000              |
| Hurley                       | Water System Improvements                 | 2009                   | 100,000                         |                  | 71,064           | 171,064              |
| Java                         | Water Line Replacement                    | 2009                   | 200,000                         |                  |                  | 705,400              |
| Kingbrook RWS                | 2008 System Improvements                  | 2009                   | 500,000                         |                  | 4,200,000        | 6,850,000            |
| <b>Kingbrook RWS</b>         | <b>Winfred Water System</b>               | <b>2009</b>            | <b>50,000</b>                   |                  |                  | <b>122,000</b>       |
| Lead                         | Sewer Separation                          | 2010                   | 100,000                         | 200,000          |                  | 400,000              |
| <b>Lennox</b>                | <b>Wastewater System Improvements</b>     | <b>2009</b>            | <b>400,000</b>                  | <b>956,400</b>   |                  | <b>1,610,400</b>     |
| <b>Marion</b>                | <b>Wastewater System Improvements</b>     | <b>2009</b>            | <b>200,000</b>                  | <b>1,710,000</b> |                  | <b>2,034,100</b>     |
| <b>Mellette</b>              | <b>Water and Wastewater Improvements</b>  | <b>2009</b>            | <b>75,000</b>                   |                  |                  | <b>224,020</b>       |
| Menno                        | Highway 18 Water/Wastewater               | 2010                   |                                 |                  |                  | 172,500              |
| Mid-Dakota                   | Water Treatment & Distribution Expansion  | 2009                   | 2,000,000                       |                  |                  | 15,000,000           |
| <b>Mission Hill</b>          | <b>Water System Improvements</b>          | <b>2009</b>            |                                 |                  | <b>250,000</b>   | <b>525,500</b>       |
| Mitchell                     | Lift Station Replacement                  | 2009                   | 500,000                         | 1,000,000        |                  | 1,650,000            |
| Mobridge                     | Storm Sewer Improvements                  | 2009                   | 454,343                         | 302,896          |                  | 757,239              |
| Montrose                     | Wastewater Treatment Facility Upgrade     | 2010                   | 300,000                         | 495,886          |                  | 795,886              |
| Morristown                   | Water System Rehabilitation               | 2009                   |                                 |                  |                  | 419,880              |
| New Underwood                | Water treatment                           | 2009                   |                                 |                  | 163,750          | 327,500              |
| Newell                       | Sewer and Water Main Reconstruction       | 2009                   |                                 |                  |                  | 227,700              |
| Oacoma                       | Water Storage                             | 2010                   | 500,000                         |                  | 914,800          | 1,514,800            |
| Parker                       | Sewer & Water Distribution Improvements   | 2010                   | 500,000                         | 650,855          | 204,015          | 1,354,900            |
| <b>Pierre</b>                | <b>Lanfill Slide Remediation</b>          | <b>2009</b>            |                                 | <b>976,953</b>   |                  | <b>976,953</b>       |
| <b>Provo Township</b>        | <b>Water System Rehabilitation</b>        | <b>2010</b>            | <b>200,000</b>                  |                  |                  | <b>502,218</b>       |

| <u>Sponsor</u>               | <u>Project Description</u>                   | <u>On Plan Through</u> | <u>Proposed Funding Source*</u> |                     |                     | <u>Total Project</u> |
|------------------------------|--|------------------------|---------------------------------|---------------------|---------------------|----------------------|
|                              |  |                        | <u>CWFCP</u>                    | <u>CWSRF</u>        | <u>DWSRF</u>        |                      |
| Quinn                        | New Sanitary Sewer System                    | 2009                   | 368,800                         |                     |                     | 737,685              |
| Randall Comm. Water District | Water System Improvements                    | 2009                   | 1,000,000                       |                     |                     | 29,930,000           |
| <b>Sioux Falls</b>           | <b>Wastewater Improvements</b>               | <b>2009</b>            |                                 | <b>5,657,000</b>    |                     | <b>5,657,000</b>     |
| <b>Sioux Falls</b>           | <b>Central Main Interceptor</b>              | <b>2009</b>            |                                 | 3,744,000           |                     | 3,744,000            |
| <b>Sioux Falls</b>           | <b>Storm Sewer Detention System</b>          | <b>2009</b>            |                                 | <b>2,621,000</b>    |                     | <b>2,621,000</b>     |
| <b>Sioux Falls</b>           | <b>Water Treatment Improvements</b>          | <b>2009</b>            |                                 |                     | <b>17,848,000</b>   | <b>17,848,000</b>    |
| <b>Sioux Falls</b>           | <b>Water Supply Improvements</b>             | <b>2009</b>            |                                 |                     | <b>2,200,000</b>    | <b>2,200,000</b>     |
| <b>Sioux Falls</b>           | <b>Water Distribution Improvements</b>       | <b>2009</b>            |                                 |                     | <b>2,705,600</b>    | <b>2,705,600</b>     |
| Sioux Falls                  | Basin 13 Trunk Sewer & Pipe Lining           | 2010                   |                                 | 2,540,000           |                     | 2,540,000            |
| Sioux Falls                  | Water Reclamation Fac. Energy Recovery       | 2010                   |                                 | 1,803,000           |                     | 1,803,000            |
| Sioux Falls                  | Water Main and Valve Replacement             | 2010                   |                                 |                     | 7,606,900           | 7,606,900            |
| Sioux Falls                  | Well Improvements and Rehabilitation         | 2010                   |                                 |                     | 3,578,750           | 3,578,750            |
| Spearfish                    | Well Improvements                            | 2009                   |                                 |                     | 1,300,000           | 1,500,000            |
| Spearfish                    | Industrial Park Detention Facility           | 2009                   |                                 | 120,000             |                     | 120,000              |
| Spearfish Meadows            | Water Distribution System                    | 2009                   | 80,000                          |                     | 170,000             | 250,000              |
| Summerset                    | Wastewater Treatment Plant Purchase          | 2009                   | 500,000                         | 2,623,100           |                     | 3,123,100            |
| Summit                       | Wastewater System Improvements               | 2010                   | 100,000                         |                     |                     | 1,042,555            |
| Tripp                        | Storm Sewer                                  | 2009                   | 100,000                         |                     |                     | 803,260              |
| <b>Tripp Co. WUD</b>         | <b>Water System Expansion</b>                | <b>2009</b>            | <b>350,000</b>                  |                     |                     | <b>4,120,000</b>     |
| <b>Vermillion</b>            | <b>Wastewater Treatment Phase II</b>         | <b>2009</b>            |                                 | <b>4,851,000</b>    |                     | <b>5,616,000</b>     |
| <b>Viborg</b>                | <b>Water System Improvements</b>             | <b>2009</b>            |                                 |                     | <b>249,775</b>      | <b>415,500</b>       |
| Wall Lake San. District      | Wastewater Facilities Improvements           | 2009                   | 220,000                         |                     |                     | 396,600              |
| Warner                       | Water Tower & Meter Replacement              | 2009                   | 200,000                         |                     | 193,950             | 693,950              |
| Watertown                    | Wastewater Treatment Facility Headworks      | 2009                   |                                 | 9,207,400           |                     | 9,207,400            |
| <b>Watertown</b>             | <b>Water System Improvements</b>             | <b>2009</b>            |                                 |                     | <b>23,760,000</b>   | <b>23,760,000</b>    |
| <b>Waubay</b>                | <b>Phase 2 Water/Wastewater Improvements</b> | <b>2009</b>            | <b>400,000</b>                  |                     |                     | <b>2,978,000</b>     |
| Webster                      | Wastewater Treatment Facilities Expansion    | 2010                   | 600,000                         | 3,742,300           |                     | 4,857,300            |
| Whitewood                    | Trunk Sewer Improvements                     | 2010                   |                                 |                     |                     | 462,000              |
| Wolsey                       | Sanitary & Storm Sewer Separation            | 2010                   | 100,000                         | 347,100             |                     | 910,600              |
| Woonsocket                   | Wastewater Treatment Improvements            | 2009                   | 80,000                          |                     |                     | 1,086,530            |
| Yankton                      | Water System Improvements                    | 2010                   | 2,000,000                       |                     | 13,000,000          | 20,915,600           |
| <b>TOTALS</b>                |  |                        | <b>\$21,862,688</b>             | <b>\$50,979,332</b> | <b>\$84,829,938</b> | <b>\$279,252,415</b> |

\* CWFCP - Consolidated Water Facilities Construction Program  
CWSRF - Clean Water State Revolving Fund Loan Program  
DWSRF - Drinking Water State Revolving Fund Loan Program

The **bolded projects** in Table 10 reflect projects that have received either partial or full funding. The **bolded amounts** on these projects reflect the amount that has been awarded to date.

## State Water Resources Management System

The State Water Resources Management System (SWRMS) identifies large, costly water projects that require specific state or federal authorization and financing. These projects are placed on the list when recommended by the board and approved by the Governor and the Legislature. The SWRMS list (Table 11) serves as the preferred priority list to optimize water resources management in the state. Once a project is placed on the SWRMS list, it remains on until removed by legislative action.

At its November 2008 meeting, the board recommended that all projects currently on the SWRMS list be retained. The current SWRMS list is shown below:

*Table 11*

### STATE WATER RESOURCES MANAGEMENT SYSTEM PROJECTS

| <u>Project</u>                                 | <u>Description</u>                  |
|--|-------------------------------------|
| Big Sioux Flood Control Study                  | Watertown Flood Control             |
| Black Hills Hydrology & Water Management Study | Black Hills Water Resources         |
| CENDAK Irrigation Project                      | Irrigation Project - Central SD     |
| Gregory County Pumped Storage Site             | Multi-Purpose Water Utilization     |
| Lake Andes-Wagner/Marty II Irrigation Unit     | Irrigation - Charles Mix County     |
| Lewis & Clark Rural Water System<br>SD         | Bulk Water System - Southeastern    |
| Mni Wiconi Rural Water System                  | Rural Water System - Western SD     |
| Perkins County Rural Water System              | Rural Water System - Northwest SD   |
| Sioux Falls Flood Control Project              | Increased Flood Protection          |
| Slip-Up Creek                                  | Proposed Reservoir near Sioux Falls |
| Southern Black Hills Water System              | Rural Water System - Southern Hills |
| Vermillion Basin Flood Control Project         | Flood Control on Vermillion River   |

### SWRMS Project Status

A brief summary of each project and its status is presented on the following pages. The year in the title indicates when the project was placed on the State Water Resources Management System.

## **Big Sioux Flood Control Study (Watertown & Vicinity) – 1989**

- The Corps of Engineers completed a reconnaissance report titled “Flood Control for Watertown and Vicinity.” The study concluded the best alternative for flood protection for Watertown, Lake Kampeska, and Pelican Lake is a \$16 million dry dam on the Big Sioux River at the Mahoney Creek site.
- The Corps of Engineers, in cooperation with Watertown, East Dakota Water Development District, Codington County, Lake Kampeska Water Project District, and the Department of Environment and Natural Resources, initiated a feasibility study in 1988. State appropriations of \$150,000 were provided to help meet the nonfederal cost share.
- The final draft feasibility report was distributed in June 1994 for public review and comment. A public hearing in July 1994 in Watertown presented findings of the report and gathered comments. City and county elections were held and residents voted against further local participation in the project.
- The project regained momentum after severe spring flooding in 1997 forced 5,000 residents from their homes. The Watertown City Council scheduled an election in February 1998, calling for a citywide vote on the proposed Mahoney Creek Dam. The record turnout of voters again rejected the proposed dam.
- In June 2001, the residents of Watertown called for a citywide vote on the proposed Mahoney Creek Dam project. The voters approved the project. City officials are proceeding with updating the original Corps of Engineers feasibility study and obtaining support and financing for the project.
- After the affirmative vote, Watertown began negotiations with the Corps of Engineers to complete a General Re-evaluation Report of the city’s flood control alternatives. Negotiations continued in 2003, and the scope of work to be reviewed by the report continued to be evaluated. Cost of the re-evaluation report is estimated at \$2.8 million.
- In 2003, Watertown returned \$450,000 of state funds appropriated in 2003 for local participation during the General Re-evaluation process. Because of cost share and scope of work issues, Watertown decided to step back from participation in the re-evaluation and turned over all work to the Corps of Engineers.
- Corps of Engineers received \$246,000 in 2003, \$473,000 in 2004, \$176,000 in 2005, and \$344,000 in 2008 to continue with the General Re-evaluation Report. Alternatives to be considered include the Mahoney Creek Dry Dam, 3-5 medium sized dams, 800 small dams, and a diversion between Lake Kampeska and Lake Pelican. The General Re-evaluation Report is expected to be completed in 2010.

## **Black Hills Hydrology and Water Management Study – 1982**

- The hydrology study compiled water resource data to assess the quantity, quality, and distribution of surface and ground water resources in the Black Hills area. These resources have been stressed by increasing population, periodic drought, and developments related to expansion of mineral, timber, agricultural, recreational, municipal and urban needs. The U.S. Geological Survey provided \$3.4 million from Federal Fiscal Years 1988 through 2001 to establish the hydrologic monitoring system, collect the data, and complete data analysis.
- The hydrology study entered Phase II in Federal Fiscal Year 1997 and was completed in 2002. The study emphasis during Phase I was data collection. The emphasis shifted to analytical activities and publication of maps and reports during Phase II.
- The hydrology study produced 31 technical reports including a lay reader summary, a comprehensive report on the hydrology of the Black Hills area, and a comprehensive lay reader atlas of water resources in the Black Hills area.
- The water management study provides local interests with the tools needed to assist in making informed management decisions about development of water resources. Data gathered during the hydrology study was used in the water management study. Congress appropriated funds in Federal Fiscal Year 1991 to initiate the Federal Black Hills Water Management Study by the Bureau of Reclamation.
- The Black Hills Water Management Study was completed in Federal Fiscal Year 2003. The study focused on needs assessment, management alternatives, and a final report.
- The 2004 Omnibus Bill appropriated \$100,000 for the development, evaluation, and review of studies related to development of regional water supply systems in or near the Black Hills. The Fall River Water User District sponsored a regional water supply study for an area that included all of Custer and portions of Fall River and southern Pennington counties.
- The 2005 Omnibus Bill appropriated \$100,000 for the development, evaluation, and review of studies related to development of regional water supply systems in or near the Black Hills. The Southern Black Hills Water System Inc., a nonprofit corporation, was formed to continue the feasibility study of a regional water system in Custer, Fall River, and southern Pennington counties. The Southern Black Hills Water System requested additional funds to continue activities begun by the Fall River Water User District. In June 2005, the Board awarded \$50,000 for these activities.
- The 2006 Omnibus Bill amended the State Water Resources Management System to add the Southern Black Hills Water System to its list of preferred, priority objectives for South Dakota. The bill also provided an initial appropriation of \$125,000 to allow the Southern Black Hills Water System to continue activities begun by the Fall River Water User District.
- In December 2006, the Lead-Deadwood Sanitary District submitted a request to have the remaining \$50,000 of SFY 2006 Black Hills Water Management Study funding

placed under agreement with the district to conduct a regional water study in the Lead, Deadwood, and Central City area. The funding was awarded in January 2007, and the sanitary district selected an engineer in June 2007. The Lead-Deadwood Area Water Study Final Report was issued on July 18, 2008. The study provides an analysis of the Lead-Deadwood Sanitary District intake and water treatment plant, a review of the Lead and Deadwood distribution systems, an analysis of the development in the surrounding area, and the ability of the Lead-Deadwood Sanitary District to serve them.

### **CENDAK Irrigation Project – 1982**

- This proposed irrigation project would supply Missouri River water to 474,000 acres in Hughes, Hyde, Hand, Spink, Beadle, and Faulk Counties in central South Dakota. South Dakota will pursue development of the project when federal policies are more supportive of large-scale irrigation projects. No activity occurred on the project in 2008.

### **Gregory County Pumped Storage Project – 1981**

- Hydroelectric Component – The Gregory County Pumped Storage Project is a peak generation hydroelectric facility in northern Gregory County. In 1988, the Federal Energy Regulatory Commission (FERC) issued a preliminary permit for development of the project. The state's preliminary permit expired August 1991.
- Water Supply Component – The project has the potential to provide water for irrigation and municipal, rural, and industrial purposes using the hydroelectric project's upper bay as a water supply source. The Bureau of Reclamation completed a *Special Report on the Gregory Unit of the Pick-Sloan Missouri Basin Program, South Dakota* in 1992.
- The Water Resources Development Act of 1986 (Public Law 99-662) authorized the construction of a \$1.3 billion hydroelectric pumped storage facility by the Corps of Engineers. The Act also authorized up to \$100 million for construction of the associated Gregory Unit of the Pick-Sloan Missouri Basin Program.
- On June 20, 2001, Dakota Pumped Storage, LLC, a Minnesota corporation, filed a FERC Preliminary Permit application for a pumped storage hydroelectric facility in Gregory County. On September 25, 2001, South Dakota filed a Motion to Intervene and a Notice of Intent to File Competing Application for Preliminary Permit by the State of South Dakota. An Application for Preliminary Permit for the Gregory County Pumped Storage Hydroelectric Facility in Gregory County, South Dakota was filed with FERC by the South Dakota Conservancy District on October 12, 2001.
- The FERC issued a 3-year Preliminary Permit to the South Dakota Conservancy District on August 12, 2002. FERC denied the application by Dakota Pumped Storage, LLC.
- The 2002 Omnibus Bill appropriated \$100,000 to the South Dakota Department of Environment and Natural Resources to complete preliminary permit and full permit application to FERC. The department solicited Requests for Proposals from firms

interested in providing the research to support the FERC permit. Four proposals were received. Black & Veatch was selected.

- The 2004 Black & Veatch study determined it did not appear to be cost effective to pursue the pumped storage project at this time. These findings were presented to the Board of Water and Natural Resources in June 2004. The FERC permit expired in 2005. No activity occurred on the project in 2008.

### **Lake Andes-Wagner/Marty II Irrigation Unit – 1975**

- The 45,000-acre Lake Andes-Wagner Irrigation project and 3,000-acre Marty II Irrigation project are federally authorized Pick-Sloan Missouri Basin Units in Charles Mix County (Public Law 102-575). Estimated construction costs are \$175 million and \$24 million, respectively.
- In 1990, a plan of study was developed for a 5,000-acre research demonstration program to determine best management practices for irrigating glacial till soils containing selenium.
- The 1992 State Legislature authorized the construction of the Lake Andes-Wagner/Marty II project and provided a state loan cost share commitment of \$7 million. Both the state and federal project authorizations are contingent upon the successful completion of the 5,000-acre research demonstration program.
- In 1995, Congress approved \$250,000 for the research program. State and federal agencies revised the 1990 plan of study to re-scope the demonstration program and identify the specific issues and research components that are of national significance. A nine-year, \$11.3 million effort was projected.
- In 1999, the Bureau of Reclamation (BoR) received \$150,000 to prepare an environmental assessment for the demonstration program.
- The BoR completed the environmental assessment and issued a Finding of No Significant Impact for the demonstration program in 2000. Significant federal funding must be secured before the demonstration program can proceed.
- Since 2002, \$15,000 appropriated in 2002 and \$50,000 appropriated in 2003 has been placed under agreement by the Board of Water and Natural Resources. The Lake Andes-Wagner Irrigation district continued to seek federal funding for the demonstration program. No significant activity occurred on the project in 2008.

### **Lewis and Clark Regional Water System – 1989**

- The proposed Lewis and Clark Regional Water System will be a bulk delivery system providing treated Missouri River water to communities and existing rural water systems in southeastern South Dakota, northwestern Iowa, and southwestern Minnesota. South

Dakota membership includes eight communities and three rural water systems. Approximately 155,000 South Dakotans will receive water from Lewis and Clark.

- President Clinton signed Public Law 106-246 on July 13, 2000, authorizing the federal construction of the Lewis and Clark Regional Water System. The federal legislation also approved a federal appropriation of \$600,000 to continue project engineering and begin construction. The Board of Water and Natural Resources placed \$200,000 of state funding under agreement in 2000 to assist with these same project activities.
- Iowa and Minnesota sponsors provided funding support for project development in proportion to their service capacity needs. Iowa and Minnesota state legislatures authorized the project for construction and completed their cost share commitments.
- South Dakota Legislature authorized Lewis and Clark's South Dakota project features (\$200 million) in 1993. In 2002, the state cost share commitment of \$18,585,540 in 1993 dollars was established for the Lewis and Clark Regional Water System.
- The 2002 Omnibus Bill appropriated \$750,000 for the project. These funds, combined with federal and other local sources, completed the federal environmental review, the Final Engineering Report and initiated construction. Lewis and Clark Regional Water System's Final Engineering Report completed its initial required 90-day congressional review on September 8, 2002. The federal Office of Management and Budget (OMB) determined that Lewis and Clark could not submit its Final Engineering Report to Congress until OMB had approved it. Lewis and Clark worked with OMB to get its Final Engineering Report approved and resubmitted to Congress. Lewis and Clark held its formal groundbreaking on August 21, 2003.
- Lewis & Clark agreed in 2005 to provide Sioux Falls an additional 17 million gallons of water per day, bringing the total delivered capacity to 27 million gallons per day. Sioux Falls will finance the cost of the additional capacity.
- Through June 30, 2008, South Dakota Legislature has appropriated and the Board of Water and Natural Resources has placed under agreement \$19.275 million toward South Dakota's cost share commitment.
- In May 2008, Lewis & Clark began operating its first segment of pipeline – a 9 mile emergency connection between Sioux Center and Hull, IA. Until Lewis & Clark water arrives, Lewis & Clark is purchasing water from Sioux Center and re-selling it to Hull.
- Also in May 2008, Lewis & Clark awarded a \$30.7 million contract for Treated Water Pipeline – Segments 8/7B. This 11 mile segment of 54" pipe in southern Clay County is the last segment of the main transmission line between the Missouri River and Sioux Falls. By the end of 2008, Lewis & Clark will have approximately 82 miles of pipeline (mainly 54" diameter) installed, with another 8 miles still under construction.
- In July 2008, a \$20.8 million contract was awarded for the first phase of the water treatment plant, which includes a three million gallon underground reservoir, high capacity pumps, electrical building and two standby generators. This infrastructure is

separate from the main treatment plant building. Work began in September and will take two years to complete. The second phase of the water treatment plant is expected to be bid in mid-2009. This is a roughly \$85 million, three-year project that includes the main treatment plant building.

- In July 2008, work was completed on a \$5.5M contract that included one mile of river bank stabilization southwest of Vermillion to protect Lewis & Clark's main well field from erosion, as well as two well houses, four valve vaults and various piping. Utilizing a permanent easement, Lewis & Clark's main well field is located on land owned by the SD Department of Game, Fish & Parks (Frost Game Production Area). Lewis & Clark currently has six production wells constructed (four angle wells and two vertical wells), as well as two test wells. When completed, Lewis & Clark will have 17 to 19 wells.
- In September 2008, Lewis & Clark began operating its second segment of pipeline – a 12 mile emergency connection for Tea and Harrisburg. Until Lewis & Clark water arrives, Lewis & Clark is purchasing water from Sioux Falls and re-selling it to Tea and Harrisburg.

### **Mni Wiconi Rural Water System – 1989**

- Public Law 100-516, as amended in 1994, authorized a \$263 million federal project to provide high quality Missouri River water to 50,000 western South Dakota citizens in a 10-county area extending south and west of Fort Pierre through the Pine Ridge Indian Reservation.
- The Oglala Water Supply System component encompasses the distribution facilities on the Pine Ridge Indian Reservation and the off-reservation core system facilities including the Missouri River intake and water treatment plant. The Rosebud and Lower Brule components include the delivery and distribution facilities associated with service to their respective reservations. About \$200 million of the project costs are allocated to the tribal systems as non-reimbursable federal costs. Operation and maintenance for the tribal systems are a federal trust responsibility.
- West River/Lyman-Jones Rural Water System, Inc. (WR/LJ) is the non-Indian distribution component. The cost share for construction is 80 percent federal and 20 percent nonfederal. WR/LJ is responsible for its operation and maintenance costs.
- The 1992 State Legislature authorized the construction of the Mni Wiconi project. In 1995, the state authorization was amended to reflect the \$263 million project and a state cost share commitment of \$12.9 million.
- WR/LJ initiated construction of advanced features in 1993. These features were distribution systems that had access to interim ground water supplies. In June 1993, the Oglala Sioux Water Supply System also initiated construction of advanced features in the White Clay and Wakpamni districts of the Pine Ridge Reservation.

- In July 1996, the Oglala Sioux Water Supply System, along with WR/LJ, Rosebud, and Lower Brule rural water systems, held Mni Wiconi core facilities groundbreaking ceremonies at Echo Point near Ft. Pierre.
- In 1997, the Oglala Sioux Water Supply System awarded a \$16.4 million contract for the construction of the water treatment plant near Ft. Pierre. Construction activities began in 1997 and were completed in 2002.
- In 2001, the state appropriated a \$1.7 million loan for continued construction of the Mni Wiconi Rural Water System. This appropriation completed the state's cost share commitment to the project.
- WR/LJ secured an \$8.0 million Drinking Water State Revolving Fund Program loan in 2006 to advance construction of the North Core Pipeline. Construction on the first phase was completed in 2007, conveying water from the water treatment plant near Ft. Pierre to Hayes. This first phase of the North Core Pipeline hooked up over 100 rural residences along the way.
- In the fall of 2008, WR/LJ bid its last major distribution area to be served – the Powell area project. Additionally, WR/LJ installed the pumps and electrical equipment in late 2008 to deliver Missouri River water to the Creighton/Wall service areas. WR/LJ has constructed more than 95 percent of its system.
- In August 2008, the Oglala Sioux Water Supply System celebrated the delivery of Missouri River water to the Pine Ridge Indian Reservation with its 24-inch South Core Pipeline providing service to users in the Wanblee area. The Oglala core pipeline is more than 95% complete and the on-reservation distribution system is approximately 60% complete.
- In 2008, the Rosebud Sioux Water Supply System installed a second 12-inch pipeline from White River to Highway 18. Completion of this project provides the Rosebud system with its full design capacity of Missouri River water delivery to Todd County. The Rosebud system is approximately 70% completed.
- The federally authorized Lower Brule Sioux Water Supply System component of the Mni Wiconi system was completed in 2008.

#### **Perkins County Rural Water System – 2004**

- The Perkins County RWS will provide quality drinking water to the communities of Lemmon, Bison, and Lodgepole. Additionally, the system will provide 185 rural users with domestic and livestock water. The project was originally placed on the State Water Resources Management System list in 1993.
- The State Legislature provided \$50,000 per year in 1993 and 1994 to assist the project with its initial feasibility study and federal authorization. In 1994, a feasibility study was completed and identified hooking up to the Southwest Pipeline Project in North Dakota

as the preferred alternative. The Perkins County Rural Water System signed a water service agreement with the North Dakota State Water Commission in May 1996.

- The 1996 State Legislature authorized the construction of the Perkins County RWS project and approved a state cost share commitment of \$1 million. The 1996 Legislature also appropriated \$450,000 of the \$1 million commitment. In 1997, the state Legislature appropriated the remaining \$550,000 for the Perkins County project providing the cost share required by North Dakota to bring water service to the Perkins County area. Perkins County RWS provided \$898,478 of these funds to the North Dakota State Water Commission to make water available at the border. The project was removed in 2000 when the original \$1.0 million state cost share commitment was provided and expended.
- President Clinton signed Public Law 106-136 on December 7, 1999. The federal authorization for construction of the rural water system was originally introduced on August 2, 1996. The legislation provides a 75 percent federal cost share. Federal legislation was reintroduced in 1999. On August 4, 1999, the House Committee on Resources conducted a hearing and amended the authorization. The amended bill passed the House by unanimous consent on October 26, 1999. The bill was sent to the Senate and on November 22, 1999, also passed by unanimous consent.
- In November 2003, the Board of Water and Natural Resources recommended the return of the Perkins County Rural Water System to the State Water Resources Management System list and recommended revising the state cost share commitment to the project to \$2.5 million in grant and \$4.5 million in loan funding. In 2004, the Perkins County Rural Water System was placed on the SWRMS list, and the state cost share commitment of \$2.5 million in grant and \$4.5 million in loan funding was approved by the Legislature.
- Project sponsors held an official groundbreaking on May 1, 2004, in Hettinger, North Dakota. The project began its South Dakota construction with the Lodgepole area distribution system. Construction activities included distribution lines to provide water to nearly 100 sites, and the construction of the system's main booster pump station near the North Dakota border.
- Construction was initiated on the main transmission pipelines toward Lemmon and Bison in 2005. Lemmon began receiving water from the Perkins County Rural Water System in September 2005, and Bison in 2006. Rural distribution from the main transmission pipelines continued in 2006 with service being provided in the Lemmon and Shadehill service areas.
- The Perkins County Rural Water System continued to rely heavily on the state funding in 2007 receiving a total of \$2.0 million in state assistance consisting of \$1.5 million in grant and \$500,000 in loan. Federal Funding received in 2007 totaled \$358,000. This state and federal funding allowed Perkins County to award its fourth distribution system contract. When completed, the fourth contract will provide additional water services in the Shadehill area, along the Bison main transmission pipeline at Highway 75, and south of Lemmon along Highway 73.

- Perkins County Rural Water System received \$500,000 in state funding in 2008 consisting of a \$356,000 loan and \$144,000 grant. These awards fulfilled the state's cost share commitment to Perkins County.
- Federal funding received in 2008 totaled \$3.0 million. A distribution system contract was awarded in August 2008 for 41 miles of pipeline to serve approximately 45 residential and pasture taps. Additionally in 2008, a 330,000 gallon water storage tank was built at the pump house. It will spread out the water usage so that water from Southwest Water Authority can be used more efficiently.

### **Sioux Falls Flood Control Project – 1989**

- In 1961, the Corps of Engineers completed a channelization, levee, and diversion system to provide 100 year flood protection on the Big Sioux River and on Skunk Creek.
- Because of subsequent flooding events on the Big Sioux River and Skunk Creek, the Corps of Engineers re-analyzed the flood criteria in the early 1980's and determined that the 1% chance flood occurrence was greater than previously established. The Corps then recommended that the levee system be upgraded so that it would continue to provide Sioux Falls with 100-year flood protection on the Big Sioux River and Skunk Creek. Project upgrades include constructing a dam on the Big Sioux River just above the confluence of Skunk Creek as well as raising the levees along the Big Sioux River from Skunk Creek to Interstate 229, raising the levees along Skunk Creek from Marion Road to the Big Sioux River, raising the levees above and along the diversion channel, modifying the spillway chute, replacing the stilling basin, and modifying some bridges.
- The 1992 State Legislature authorized project construction and a state cost share commitment of \$4.55 million. Federal authorization was completed as part of the 1996 Water Resources Development Act on October 12, 1996 (Public Law 104-303). The Act authorizes a \$34.6 million construction project under the Corps of Engineers.
- In 1999, a \$2.2 million federal appropriation was provided to the Corps of Engineers. A Project Cooperation Agreement between the Department of the Army and the city of Sioux Falls for final design work was executed.
- Construction of Phase 1A of the Big Sioux River/Skunk Creek Flood Control Project was completed in 2001 and addressed the spillway and stilling basin area at the outfall of the diversion channel. Later that year bids were accepted on Phase 1B of the project addressing the levies adjacent to Morrell's downstream to Cliff Avenue.
- Sioux Falls continues to work with the Corps of Engineers on final design and construction of the project. State assistance totals \$2.9 million to date. Sioux Falls continues to secure required easements and properties for the project.
- Construction of Phase 2A of the project continued in 2007. Phase 2A work included improvements to the levees on the Big Sioux River from 49<sup>th</sup> St to Interstate 229.

- Phase 2B of the project was completed in 2008. This work included the levee and associated structures on the east side of the Big Sioux River from 41st Street to 49th Street. The City is anticipating advancing sufficient funds to the US Army Corps of Engineers to complete Phase 2 work in the next two years. This is an ambitious schedule, but will reduce the high cost of flood insurance for many properties now being placed in the flood zone A of the National Flood Insurance Program.

### **Slip-Up Creek – 1981**

- This project includes a dam, reservoir, and pumping plant on Slip-Up Creek, a pumping plant on the Big Sioux River, and pipelines connecting the river pumping plant to the reservoir and the city's water treatment plant. The project proposes to store Big Sioux River water for municipal use by Sioux Falls and for recreation and fish and wildlife activities. No activity took place on the project in 2008.

### **Southern Black Hills Water System – 2006**

- The 2006 Omnibus Bill amended the State Water Resources Management System to add the Southern Black Hills Water System to the list of preferred, priority objectives for South Dakota. The bill also provided an initial appropriation of \$125,000 to allow the Southern Black Hills Water System to continue activities begun under the Black Hills Hydrology and Water Management Study (page 19).
- The project objective is to construct a rural regional water system capable of delivering quality drinking water to rural residents and area communities in Custer, western Fall River, and southern Pennington counties. Communities involved include Custer, Edgemont, Hermosa, Hill City, Hot Springs, Keystone, and Pringle.
- Project sponsors continue to work with representatives from the Department of Agriculture, Rural Development Program to secure funding for the construction of the North Hot Springs service area. In 2007, negotiations with the city of Hot Springs for a permanent water source failed to produce a contract. Southern Black Hills was successful in negotiating a 110 gallon per minute water source in the North Hot Springs service area.
- This secured water source will be used by Southern Black Hills Water System to initiate operations in 2009, but the system will continue to search for additional water supplies to meet their future needs. The system anticipates beginning construction of Phase I of the North Hot Springs service area in 2009 at an estimated cost of \$5.0 million. Phase I construction will provide service to approximately 220 users.
- Local support continues to be strong for the project with area-wide rural signups near 500 individual homes. Additionally, strong interest continues to be expressed by the Custer State Park, the Mount Rushmore National Park, the Crazy Horse Foundation, and the various area communities for water service from the system.



## Vermillion Basin Flood Control Project – 1987

- The project objective is to address the severe flooding problems in the Vermillion River Basin. The basin covers 2,697 square miles in parts of 14 counties and is about 150 miles long with an average width of about 20 miles.
- In 1993, the Corps of Engineers completed The *Vermillion Basin Flood Control Reconnaissance Report* but failed to identify a feasible federal project. The project sponsors re-evaluated project alternatives for nonfederal development. Local project sponsors submitted a pre-application notification for a Federal Emergency Management Agency (FEMA) Hazard Mitigation grant for a *Feasibility Study of Flood Control Alternatives* for the basin. In 1994, more than 70 technical experts met to develop a multi-objective plan to reduce flooding impacts in the Vermillion River Basin. The National Park Service compiled the group's issues and suggestions and formulated the multi-objective plan.
- The Vermillion River Watershed Authority was incorporated in December 1997 and is comprised of representatives from the Clay, Miner, Turner, McCook, and Lake county commissions.
- The Vermillion River Watershed Authority proposed to use FEMA Hazard Mitigation grant funds to widen the channel at the outlet of Lake Thompson and construct a control structure to retain the natural outlet elevation, channel maintenance along 19 miles of the Vermillion River and its tributaries, and wetland restoration and development throughout the basin. The cost benefit ratio for the outlet of Lake Thompson was found to be in error. The ratio was actually less than one; consequently, all FEMA Hazard Mitigation funds were withdrawn. The Authority has withdrawn its request to set the outlet elevation on Lake Thompson and has moved to dissolve after financial records are completed. No activity occurred on the project in 2008.

## Recommendations to the Governor and State Legislature

In November 2008, the board conducted a public meeting on the State Water Resources Management System (SWRMS) projects. The board adopted Resolution #2008-82 recommending that all projects on the SWRMS list be retained. The Board also adopted Resolution #2008-83 providing its recommendations to the Governor and the Legislature for the Water and Environment Fund and SRF Subfunds fiscal year 2010 appropriation levels. A summary of the board's recommendations is provided below (Table 12). Full resolutions are in Appendix B.

Table 12

### 2010 Board of Water and Natural Resources Funding Recommendations

| <b>WATER AND ENVIRONMENT FUND AND GENERAL FUND</b>          |                |
|---|----------------|
| Black Hills Hydrology & Water Management Study              | \$ 65,000      |
| Lake Andes-Wagner/Marty II Irrigation Unit                  | 35,000         |
| Lewis and Clark Regional Water System                       | 6,300,000      |
| Southern Black Hills Water System                           | <u>350,000</u> |
| SWRMS Total   | \$ 6,750,000   |
| <br>  |                |
| Consolidated Water Facilities Construction Program          | \$ 2,000,000   |
| <br>  |                |
| Regional Landfill Construction Assistance                   | \$ 1,500,000   |
| <br>  |                |
| Solid Waste Management Program                              | \$ 1,250,000   |
| <br>  |                |
| <b>SRF SUBFUNDS</b>   |                |
| Clean Water State Revolving Fund (SRF) Admin Surcharge Fees |                |
| Water Quality Grants  | \$ 1,575,000   |
| SRF Application and Administration Assistance               | \$ 150,000     |
| Drinking Water SRF Set-Asides and Admin Surcharge Fees      |                |
| Small System Technical Assistance                           | \$ 160,000     |
| SRF Application and Administration Assistance               | \$ 150,000     |

# APPENDIX A

WATER AND ENVIRONMENT FUND

SPECIAL CONDITION STATEMENT



**WATER AND ENVIRONMENT FUND**  
**Special Condition Statement**  
**As of 7-1-08**

|   |                         |                              |
|---|-------------------------|------------------------------|
| <b>Cash Balance from MSA - 6-30-08</b>  |                         | <b>\$11,491,327</b>          |
| <b>Projected FY2009 Revenues</b>  |                         |                              |
| Capital Construction Fund   | \$7,250,000             |                              |
| Contractor's Excise Tax   | \$700,000               |                              |
| Investment Interest (Earned '08 deposited '08)                                  | \$400,000               |                              |
| Loan Principal & Interest Payments (Water)                                      | \$60,000                |                              |
| Loan Principal & Interest Payments (Solid Waste)                                | \$780,000               |                              |
| Solid Waste Fees  | <u>\$1,600,000</u>      |                              |
| <b>Subtotal</b>   | <b>\$10,790,000</b>     |                              |
| <b>Projected FY2009 Expenditures (Per SDCL 1-40-32)</b>                         |                         |                              |
| Administrative Fee Fund   | (\$400,000)             |                              |
| <b>Subtotal</b>   | <b>(\$400,000)</b>      |                              |
| <b>Projected FY2009 SWRMS Authority Reversion</b>                               |                         |                              |
| LA-Wagner   | <u>\$15,000</u>         |                              |
| <b>Subtotal</b>   | <b>\$15,000</b>         |                              |
| <b>Revenues Less Expenditures</b>   |                         | <b><u>\$10,405,000</u></b>   |
| <b>Projected Fund Balance Available for Expenditure</b>                         |                         | <b>\$21,896,327</b>          |
| <b>Obligations (Signed contract by 7/1/08)</b>                                  |                         |                              |
| Consolidated  | (\$10,063,155.93)       |                              |
| Solid Waste & RLA Grants/Loans  | (\$2,029,317.36)        |                              |
| Rapid City Area Regional Study (07 Omnibus)                                     | (\$100,000.00)          |                              |
| SWRMS Grants/Loans - Major Projects   |                         |                              |
| LA-Wagner   | (\$31,048.98)           |                              |
| Lead-Deadwood Regional Study  | (\$1,000.00)            |                              |
| Lewis & Clark RWS   | (\$5,400,000.00)        |                              |
| Perkins County RWS  | (\$163,309.17)          |                              |
| Southern Black Hills Water System   | <u>(\$241,723.09)</u>   |                              |
| <b>Subtotal</b>   |                         | <b>(\$18,029,555)</b>        |
| <b>Project Expenditures Authorized by the Legislature - No agreement signed</b> |                         |                              |
| Southern Black Hills Water System   | <u>(\$750,000)</u>      |                              |
| <b>Subtotal</b>   |                         | <b>(\$750,000)</b>           |
| <b>Program Expenditures Authorized by the Legislature - No agreement signed</b> |                         |                              |
| Consolidated Program Authority (2008 Omnibus)                                   | (\$13,641.31)           |                              |
| SWMP/RLA Authority (2008 Omnibus)   | <u>(\$2,021,720.01)</u> |                              |
|   |                         | <b><u>(\$2,035,361)</u></b>  |
| <b>Surplus/(Deficit) Funds Available (as of 6/30/09)</b>                        |                         | <b><u>\$1,081,411.37</u></b> |



# APPENDIX B

BOARD OF WATER AND NATURAL RESOURCES

RESOLUTIONS



STATE OF SOUTH DAKOTA  
BOARD OF WATER AND NATURAL RESOURCES  
RESOLUTION # 2008- 82

PROVIDING TO THE SOUTH DAKOTA LEGISLATURE AND GOVERNOR THE BOARD OF WATER AND NATURAL RESOURCES RECOMMENDATIONS FOR STATE WATER RESOURCES MANAGEMENT SYSTEM DESIGNATION.

WHEREAS, the Board of Water and Natural Resources (the Board) pursuant to SDCL 46A-1-2, annually provides recommendations to the State Legislature and Governor regarding deletions and additions to the State Water Resources Management System component of the State Water Plan; and,

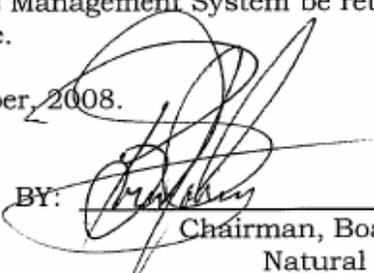
WHEREAS, SDCL 46A-1-2.1 designates the water resources projects included on the State Water Resources Management System component of the State Water Plan that serve as the preferred, priority objectives of the State; and,

WHEREAS, the Board has reviewed the list of projects currently included on the State Water Resources Management System component of the State Water Plan; and

WHEREAS, the Board has reviewed the applications submitted from various South Dakota water resources projects for inclusion onto the State Water Plan.

NOW THEREFORE BE IT RESOLVED, that the Board recommends to the Governor and the State Legislature that all water resources projects currently on the State Water Resources Management System be retained as preferred, priority objectives of the State.

Dated this 7th day of November, 2008.

BY: 

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

(SEAL)

ATTEST:

BY: 

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

STATE OF SOUTH DAKOTA  
BOARD OF WATER AND NATURAL RESOURCES  
RESOLUTION #2008- 83

PROVIDING TO THE SOUTH DAKOTA LEGISLATURE AND GOVERNOR THE BOARD OF WATER AND NATURAL RESOURCES RECOMMENDATIONS FOR WATER AND ENVIRONMENT FUND FISCAL YEAR 2010 EXPENDITURE AUTHORIZATION LEVELS.

WHEREAS, SDCL 46A-1-2 provides the means for the planning, funding and construction of a state water plan and creates a State Water Resources Management System component and a State Water Facilities Plan component of the State Water Plan; and,

WHEREAS, pursuant to the authority provided in SDCL 46A-1-10, the Board of Water and Natural Resources (the Board) annually provides recommendations to the Governor and the State Legislature regarding deletions and additions to the State Water Resources Management System component of the State Water Plan; and,

WHEREAS, pursuant to the authority provided in SDCL 46A-1-7, the Board is responsible for approving all projects placed onto the State Water Facilities Plan component of the State Water Plan, an annual listing of potential water related projects; and,

WHEREAS, pursuant to the authority provided in SDCL 46A-1-12 and 46A-1-13, the Board may recommend state funding levels to the Governor and the State Legislature; and,

WHEREAS, the Board has reviewed the projected funding needs of projects on the State Water Resources Management System component of the State Water Plan; and,

WHEREAS, the Board has reviewed the projected funding needs of projects on the State Water Facilities Plan component of the State Water Plan; and,

WHEREAS, the Board has reviewed potential funding needs of solid waste disposal, recycling, waste tire, and regional landfill projects that may require funding from fees deposited in the Water and Environment Fund; and,

WHEREAS, the Board has reviewed potential funding and technical assistance needs of projects that may require funding from the Clean Water State Revolving Fund Administrative Surcharge, Drinking Water State Revolving Fund Set-Asides, and Drinking Water State Revolving Fund

Administrative Surcharge fees deposited in Water and Environment Fund Subfunds; and,

WHEREAS, the Board conducted a public hearing and adopted an Intended Use Plan that includes projects that require funding from the Clean Water State Revolving Fund Administrative Surcharge, Drinking Water State Revolving Fund Set-Asides, and Drinking Water State Revolving Fund Administrative Surcharge fees deposited in Water and Environment Fund Subfunds; and,

WHEREAS, the Board conducted a public meeting on November 6, 2008, to take statements from all interested parties regarding water development and solid waste funding needs.

NOW THEREFORE BE IT RESOLVED, that the Board recommends to the Governor and the State Legislature the Water and Environment Fund fiscal year 2010 appropriation level of two million dollars (\$2,000,000) for the Consolidated Water Facilities Construction Program; and,

IT IS FURTHER RESOLVED, that the Board recommends to the Governor and the State Legislature that in accordance with § 46A-1-64, a two million dollars (\$2,000,000) Consolidated Water Facilities Construction Program grant be authorized to the Mid-Dakota Rural Water System for the expansion of its water treatment and distribution system; and,

IT IS FURTHER RESOLVED, that the Board recommends to the Governor and the State Legislature the following Water and Environment Fund fiscal year 2010 line-item appropriation levels for projects on the State Water Resources Management System:

|  |                   |
|--|-------------------|
| Black Hills Hydrology & Water Management Study | \$ 65,000         |
| Lake Andes Water System                        | \$ 35,000         |
| Lewis and Clark Regional Water                 | \$ 6,300,000      |
| Southern Black Hills Water System              | <u>\$ 350,000</u> |
| SWRMS Total                                    | \$ 6,750,000      |

IT IS FURTHER RESOLVED, that the Board recommends to the Governor and the State Legislature the Water and Environment Fund fiscal year 2010 appropriation level of one million five hundred thousand dollars (\$1,500,000) for continued funding of construction, remediation, enlargement, closure, or upgrade of Regional Landfills; and,

IT IS FURTHER RESOLVED, that the Board recommends to the Governor and the State Legislature the Water and Environment Fund fiscal year 2010

appropriation level of one million two hundred fifty thousand dollars (\$1,250,000) for the Solid Waste Management Program; and,

IT IS FURTHER RESOLVED, that the Board recommends to the Governor and the State Legislature the following Water and Environment Fund Subfund fiscal year 2010 appropriation levels for the Drinking Water State Revolving Fund Set-Asides, and from the Clean Water State Revolving Fund Administrative Surcharge fees, and Drinking Water State Revolving Fund Administrative Surcharge fees approved in the respective 2009 Intended Use Plans for the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund Programs:

Clean Water State Revolving Fund (SRF) Admin Surcharge Fees

|   |              |
|---|--------------|
| Water Quality Grants                          | \$ 1,575,000 |
| SRF Application and Administration Assistance | \$ 150,000   |

Drinking Water SRF Set-Asides and Admin Surcharge Fees

|   |              |
|---|--------------|
| Small System Technical Assistance             | \$ 160,000   |
| SRF Application and Administration Assistance | \$ 150,000   |
| WEF Subfund Total:                            | \$ 2,035,000 |

IT IS FURTHER RESOLVED, that the Board recommends to the Governor and the State Legislature that SDCL 46A-1-95 be amended to provide for the continuous appropriation of six million dollars annually for federal Clean Water Act pass-through grant funds under the Department of Environment and Natural Resources' state clean lakes program, nonpoint source program, water quality monitoring program, and wetlands grant program.

Dated this 7<sup>th</sup> day of November, 2008.

BY: Chairman, Board of Water and Natural Resources

(SEAL)

ATTEST:

BY: Secretary, Board of Water and Natural Resources

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