

2003 ANNUAL REPORT
~~and~~
2004 STATE WATER PLAN



South Dakota
Board of
Water and Natural Resources



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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Governor M. Michael Rounds
and Members of the Seventy-Ninth
Legislative Session

As required by state law, transmitted herewith is the 2003 Annual Report/2004 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 state has provided significant assistance to a number of water, wastewater, and solid waste projects. Over the past year, the board awarded more than \$51.3 million in grant and loan funds for construction of municipal drinking water systems, wastewater facilities, lake/watershed projects, rural water systems, solid waste disposal, and recycling projects. These awards resulted in the construction of \$140 million in environmental projects across the state.

The department 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,

\\Signed//

Steven M. Pirner
Secretary

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**To
Governor Mike Rounds
and the
Seventy-Ninth Session, Legislative Assembly
2004**

**2003 ANNUAL REPORT
~~and~~
2004 STATE WATER PLAN**

Board of Water and Natural Resources

January 2004

TABLE OF CONTENTS

LIST OF TABLES	ii
LIST OF APPENDICES.....	ii
PREFACE	iii

2003 ANNUAL REPORT

◆ Overview	1
◆ State Water Resources Management System	1
◆ Clean Water State Revolving Fund Loan Program	2
◆ Drinking Water State Revolving Fund Loan Program	2
◆ State Revolving Fund – Planning Grants	3
◆ Watershed Protection - EPA Section 319 Grants.....	5
◆ Solid Waste Management Program	5
◆ Consolidated Water Facilities Construction Program.....	6
◆ 2003 State Water Development Legislation	7

2004 STATE WATER PLAN

◆ Overview	11
◆ State Water Facilities Plan	11
◆ State Water Resources Management System	14
SWRMS Project Status	15
Recommendations to the Governor and State Legislature	28

LIST OF TABLES

<u>TABLES</u>	<u>PAGE</u>
1 2003 State Water Resources Management System Funding Awards.....	1
2 2003 Clean Water State Revolving Fund Loans.....	2
3 2003 Drinking Water State Revolving Fund Loans.....	3
4 2003 Planning Grants	4
5 2003 EPA Section 319 Grant Awards.....	5
6 2003 Solid Waste Management Program Awards.....	6
7 2003 Consolidated Awards.....	7
8 2004 State Water Facilities Plan.....	12
9 State Water Resources Management System Projects.....	14
10. 2005 Water and Environment Fund Recommendations	28

LIST OF APPENDICES

APPENDICES

- A Water and Environment Fund Special Condition Statement
- B Board of Water and Natural Resources Resolution
 - #2003-93: State Water Resources Management System Recommendations
 - #2003-94: Funding Recommendations to the Governor and State Legislature

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

This report consists of two principal sections – the 2003 Annual Report and the 2004 State Water Plan. The annual report provides progress reports on each program and on board activities during calendar year 2003. 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 as of the end of fiscal year 2004 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 on the funding levels for the various Water and Environment Fund programs and the retaining, placement, or removal of projects on the State Water Resources Management System component of the State Water Plan is included in Appendix B.

2003 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 2003 activities, including a detailed account of expenditures from the Water and Environment Fund.

In November 2002, the board placed 33 projects on the 2003 State Water Facilities Plan. During the year, the board amended an additional 37 projects onto the plan. This made the projects eligible for financial assistance from a variety of federal and state sources.

The board awarded more than \$51.3 million in grant and loan funds for construction of municipal drinking water systems, wastewater facilities, lake/watershed projects, rural water systems, solid waste disposal projects, and recycling activities. These awards resulted in \$140 million in total activity. The loan and grant funds helped provide South Dakotans with safe and dependable environmental infrastructure.

State Water Resources Management System

On February 28, 2003, Governor Rounds signed the 2003 Omnibus Bill (Senate Bill 81) which provided an appropriation of \$3.5 million for State Water Resources Management System (SWRMS) projects.

Individual project appropriations approved as part of the 2003 Omnibus Bill can be found on page 6 in the 2003 State Water Development Legislation section of this report. During the year, the board placed \$2.185 million of prior year appropriations and \$3.0 million of 2003 appropriations under agreement (Table 1).

Information on individual SWRMS project accomplishments and activities is summarized on pages 15 through 27 in the State Water Plan section of this document.

Table 1

2003 State Water Resources Management System Funding Awards

<u>Project</u>	<u>Amount</u>	<u>Type</u>
Gregory County Pumped Storage	\$ 85,000	Grant
James River Restoration	100,000	Grant
James River Restoration	500,000	Grant
Lewis and Clark Rural Water Supply System	2,500,000	Grant
Sioux Falls Flood Control	<u>2,000,000</u>	Grant
TOTAL	\$5,185,000	

Clean Water State Revolving Fund Loan Program

The Clean Water State Revolving Fund Loan Program, which began in 1988, is designed to provide low-interest loans to governmental entities including municipalities, sanitary districts, and other special districts. The loans are used for construction of wastewater facilities, storm sewers, and nonpoint source pollution control projects. To date, 146 loans totaling more than \$144 million have been made from the program. During 2003, the board approved 18 loans totaling nearly \$14.25 million (Table 2).

The board has established a 3.5 percent interest rate for up to 20 years for the program. The board annually reviews and adjusts the program's interest rate.

Table 2

2003 Clean Water State Revolving Fund Loans

<u>Sponsor</u>	<u>Description</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Term</u>
Black Hawk San Dist.	Wastewater Regionalization	\$589,600	3.5%	20
Canton	Wastewater System Improvements	600,000	3.5%	20
Clark	Wastewater System Improvements	400,000	3.5%	20
Elk Point	Wastewater Treatment Improvements	345,000	3.5%	20
Groton	Main Street Utilities Improvements	440,000	3.5%	20
Groton	Northeast Sewer Extension	163,775	3.5%	20
Hartford	Wastewater Collection & Storm Sewer	550,035	3.5%	20
Jefferson	Wastewater Treatment Improvements	320,000	3.5%	20
Lake Madison San Dist.	Wastewater Treatment Improvements	875,000	3.5%	20
Mitchell	Regional Landfill Construction	1,320,000	3.5%	20
Pierre	Regional Landfill Construction	1,378,404	3.5%	20
Salem	Wastewater Collection Improvements	592,307	3.5%	20
Scotland	Wastewater Collection Improvements	250,000	3.5%	20
Sioux Falls	Wastewater Facilities Improvements	2,479,500	3.5%	10
Sioux Falls	Storm Water Improvements	932,000	3.5%	10
Tea	Wastewater Treatment Improvements	495,490	3.5%	20
Vermillion	Wastewater Collection Improvements	456,000	3.5%	20
Watertown	Wastewater Collection Improvements	<u>2,055,000</u>	3.5%	20
TOTAL		\$14,242,111		

Drinking Water State Revolving Fund Loan Program

The Drinking Water State Revolving Fund Loan Program was created under the federal Safe Drinking Water Act Amendments of 1996. The program is designed to provide low-interest loans to nonprofit corporations and governmental entities including municipalities, sanitary districts, and water user districts. The loans are used for construction of drinking water facilities. To date, 67 loans totaling nearly \$93.8 million have been made from the program. During 2003, the board approved 15 loans totaling nearly \$26.15 million (Table 3).

The board has established a base interest rate of 3.5 percent for up to 20 years for the program. The board annually reviews and adjusts the program's interest rate and term.

Disadvantaged communities are eligible to extend the maximum allowable 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 nonmetropolitan median household income. Communities with a median household income less than the statewide nonmetropolitan median household income (MHI) but greater than 80 percent of the MHI are eligible for an extended 30-year term loan at the base rate of 3.5 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 2.5 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 3

2003 Drinking Water State Revolving Fund Loans

<u>Sponsor</u>	<u>Description</u>	<u>Amount</u>	<u>Interest</u>	
			<u>Rate</u>	<u>Term</u>
Aberdeen	Water Treatment Plant Improvements	\$8,460,000	3.5%	20
Big Stone City	Water Distribution Improvements	240,000	3.5%	20
Canton	Water Distribution Improvements	500,000	3.5%	20
Custer	Mr. Rushmore Road Improvements	800,000	3.5%	20
Dell Rapids	Water Distribution Improvements	621,000	3.5%	20
Groton	Main Street Utilities Improvements	440,000	3.5%	20
Hartford	Water Distribution Improvements	800,957	3.5%	20
Martin	Water Distribution Improvements	920,000	2.5%	30
Pierre	Water Distribution and Storage	1,832,900	3.5%	15
Rapid City	Water Distribution and Storage	3,500,000	3.5%	20
Salem	Water Distribution Improvements	126,921	3.5%	20
Scotland	Water Distribution Improvements	340,000	2.5%	30
Sioux Falls	Water System Improvements	5,279,000	3.5%	10
South Lincoln RWS	Rural Water System Improvements	2,000,000	3.5%	20
Worthing	Water Distribution Improvements	288,000	3.5%	20
TOTAL		\$26,148,778		

State Revolving Fund – Planning Grants

Beginning in 2001, the Board of Water and Natural Resources began setting aside funds under both the Clean Water and Drinking Water state revolving fund programs for the Small Community Planning Grant Program. The program was established to encourage proactive planning by small communities. Grants are available to systems serving a population of 1,000 or fewer to assist them in preparing an engineering study. Participating systems are reimbursed 80 percent of the costs of the study, up to a maximum of \$4,000. An additional \$2,400 is available for wastewater studies that include an

infiltration/inflow analysis as part of the overall system study.

In 2003, the Board of Water and Natural Resources expanded the planning grant program to provide funding to existing livestock auction barns. The program was established to facilitate compliance with environmental permit regulations by livestock auction barns within or near communities. Funding is available to communities with existing livestock auction barns located within the city limits or within a three mile radius. The planning studies evaluate items such as clean water diversions, manure handling, and wastewater treatment options to include connection to the community's sanitary sewer system. The auction barn planning grant reimburses 60 percent of the cost of an engineering study up to a maximum of \$4,200.

To date 26 Clean Water, 36 Drinking Water, and 5 Auction Barn planning grants have been awarded obligating a total of nearly \$243,000. During 2003, 10 Clean Water, 7 Drinking Water and 5 Auction Barn planning grants were awarded obligating a total of \$77,740. (Table 4).

Table 4

2003 Planning Grants

<u>Sponsor</u>	<u>Project</u>	<u>Grant Amount</u>	<u>Total Project</u>
Belevidere	Drinking Water Study	\$3,200	\$4,000
Blunt	Wastewater Study	2,800	3,500
Corsica	Wastewater Study	4,000	5,000
Crooks	Drinking Water Study	4,000	5,000
Fulton	Storm Sewer Study	2,880	3,600
Hecla	Drinking Water Study	4,000	5,000
Hermosa	Wastewater Study	4,000	14,000
Hermosa	Drinking Water Study	4,000	7,245
Highmore	Auction Barn	4,200	7,000
Highmore	Wastewater Study	4,000	5,000
Lake Poinsett San. Dist.	Wastewater Study	3,200	4,000
Martin	Auction Barn	4,200	7,000
Miller	Auction Barn	2,940	4,900
Nisland	Wastewater Study	4,000	5,000
Philip	Auction Barn	4,200	7,000
Pickstown	Wastewater Study	2,880	3,600
Stickney	Drinking Water Study	1,840	2,300
Valley View Water Company	Wastewater Study	1,200	1,500
Waubay	Wastewater Study	4,000	5,000
Waubay	Drinking Water Study	4,000	5,000
Wolsey	Drinking Water Study	4,000	5,000
Yankton	Auction Barn	4,200	7,000
TOTAL		\$77,740	\$116,645

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, provides information and education materials, and develops pollution prevention programs.

Applications for Section 319 grants must be approved by the board prior to submission to EPA. In 2003, the board recommended that EPA award nearly \$5.3 million to watershed projects (Table 5).

Table 5

2003 EPA Section 319 Grants

<u>Sponsor</u>	<u>Project</u>	<u>Amount</u>	<u>Total Project</u>
Aurora Cons. Dist.	Twin Lakes/Wilmarth Lake TMDL Assessment	\$64,000	\$106,300
Day Cons. Dist.	Amsden Dam TMDL Assessment	62,000	103,000
Hanson Cons. Dist.	Lake Hanson TMDL Implementation	598,125	1,134,225
Lake Cons. Dist.	Lake Herman/Madison/Brant TMDL Implementation	444,000	740,000
Roberts Cons. Dist.	Lake Traverse TMDL Assessment	57,500	95,800
SD Assoc. of Cons. Dist.	303(d) Watershed Planning & Assistance	2,950,000	4,916,668
SD Assoc. of Cons. Dist.	Animal Nutrient Management Tech Ass't Team	596,600	995,000
SD Resources Coalition	Wetlands Education Pilot Project	30,000	50,000
SDSM&T	White River Phase I TMDL Assessment	48,000	80,000
Sully Cons. Dist.	Okobojo Creek Watershed TMDL Assessment	39,000	66,000
Vermillion Basin WDD	Vermillion River Basin TMDL Assessment	338,400	564,000
Watertown	Terry Redlin Institute Wetland Educ. Project	70,000	116,667
TOTAL		\$5,297,625	\$8,967,660

Solid Waste Management Program

The 2003 State Legislature appropriated \$750,000 for the Solid Waste Management Program (SWMP) and \$1,000,000 for Regional Landfill Assistance to provide grants and loans for fiscal year 2004. These 2003 appropriations, combined with unobligated prior year authority, resulted in nearly \$1.87 million being available for project awards for recycling, waste tire, and solid waste disposal projects. The 2003 State Legislature also appropriated \$500,000 to the department for the statewide cleanup of waste tires and solid waste.

Funds to support these programs are generated from two sources – a \$1.00 per ton landfill surcharge on municipal solid waste and a \$0.25 per tire vehicle registration fee. A minimum of 50 percent of the SWMP

funds appropriated is reserved for recycling activities.

The board awarded six grants and four loans totaling \$1,757,700 (Table 6). Of these awards, five were for recycling activities and six were for municipal solid waste activities. These awards helped leverage nearly \$8.15 million in total project activities.

Table 6

2003 Solid Waste Management Program 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>
Northwest Regional Landfill	Compaction Equipment	\$ 73,000	\$73,000	\$192,918
Mitchell	Regional Landfill Construction	400,000*	200,000	3,301,815
Pierre	Regional Landfill Construction	600,000*	100,000	4,252,811
TOTAL		\$1,073,000	\$373,000	\$7,747,544

<i>Recycling</i>				
<u>Sponsor</u>	<u>Description</u>	<u>Loan Amount</u>	<u>Grant Amount</u>	<u>Total Project</u>
Dependable Sanitation	Aberdeen Curbside Equip.	\$160,000	\$ 60,000	\$229,756
Huron	Regional Compost Screen		76,000	151,000
Sisseton	Recycling Trailer		15,700	20,953
TOTAL		\$160,000	\$151,700	\$401,709

*Awards from Regional Landfill Assistance appropriation.

Consolidated Water Facilities Construction Program

The 2003 State Legislature appropriated \$4.5 million for the Consolidated Water Facilities Construction Program to provide grants and loans for water development projects on the State Water Facilities Plan. Additionally, \$785,000 of prior year funding was available for award in 2003.

The board considered 25 new applications and three amendments for consolidated funding and awarded 20 grants, one loan, and three amendments totaling more than \$4.02 million (Table 7). The 2003 awards leveraged more than \$23.3 million in total project activities.

Table 7

2003 Consolidated Awards

<u>Sponsor</u>	<u>Description</u>	<u>Amount</u>	<u>Total Project</u>
Arlington	Water & Wastewater Improvements	\$300,000	\$1,570,000
BDM RWS	Phase 3 Roberts County Expansion	315,000	4,619,581
Big Stone City	Water Improvements	200,000	650,000
Black Hawk Sanitary District	Wastewater Regionalization	500,000	1,239,600
Centerville	Water System Improvements	200,000	1,848,500
Deuel Conservation District	Clear Lake Watershed Restoration	40,800	300,000
Faulk Conservation District	Lake Faulkton Watershed Restoration	180,000	934,171
Groton	Main Street Water & Wastewater	400,000	1,780,000
Groton	Northeast Sewer Expansion	150,000	313,775
Hanson Conservation District	Lake Hanson/Pierre Creek Watershed	200,000	1,137,225
Lake Conservation District	Lake Herman/Lake Madison/Brandt Lake	82,500	932,500
Lake Cochrane San. District	Wastewater System Improvements	100,000	280,000
Lake Madison San. District	Wastewater System Improvements	200,000	1,150,000
Mobridge	Wastewater System Expansion	25,000	408,387
Scotland	Main Street Water & Wastewater	75,000	1,116,630
Stagebarn Sanitary District	Regional Wastewater Treatment (grant)	57,600	95,936
Stagebarn Sanitary District	Regional Wastewater Treatment (loan)	38,400	
Tea	Wastewater Treatment	50,000	695,490
Willow Lake	Wastewater System Improvements	95,000	210,000
Worthing	Water System Improvements	150,000	438,935
Yankton	Industrial Area Wastewater Relocation	50,000	400,000
AMENDMENTS *			
Alcester	Wastewater Treatment Improvements	210,000	1,950,000
Deuel Conservation District	Lake Cochrane/Oliver Watershed	3,800	40,000
Hecla	Wastewater Treatment Improvements	<u>400,000</u>	<u>1,200,000</u>
TOTAL		\$4,023,100	\$23,310,730

* Amendments reflect increase to prior year obligation.

**2003 State
Water
Development
Legislation**

Appropriations

On February 28, 2003, Governor Rounds signed Senate Bill 81, the Omnibus Water Funding Bill, authorizing the following appropriations from the Water and Environment Fund:

- Consolidated Water Facilities Construction Program – \$4,500,000 to provide grants and loans for community drinking water, wastewater, and lake improvement projects;
- Lewis and Clark Rural Water System – \$2,500,000 grant to provide nonfederal cost share for planning, engineering design, preconstruction, and construction of the regional water supply system;

- James River Restoration Activities – \$500,000 grant to provide nonfederal cost share for a feasibility phase study and environmental impact statement covering activities along the James River;
- Big Sioux Flood Control Study (Watertown & Vicinity) – \$450,000 grant to provide nonfederal cost share on the general re-evaluation report and supplemental environmental impact statement;
- Lake Andes-Wagner/Marty II Irrigation Project - \$50,000 loan for the implementation of the Lake Andes-Wagner/Marty II research demonstration project;
- Department of Environment and Natural Resources - \$100,000 grant to provide nonfederal match for the determination of selected total maximum daily load limits as required pursuant to the 2002 South Dakota 303(d) waterbody list;
- Regional Landfill Assistance - \$1,000,000 to provide grants or low interest loans for the construction, enlargement, or upgrading of regional landfills;
- Solid Waste Management Program – \$750,000 to provide grant or low interest loans for recycling, solid waste disposal, or waste tire projects; and
- Department of Environment and Natural Resources – \$500,000 to provide for the statewide cleanup of waste tires and solid waste.

Additionally, the bill appropriated \$100,000 from the Clean Water State Revolving Fund Program and \$200,000 from the State Drinking Water Revolving Fund Program to the Department of Environment and Natural Resources to provide grants to small communities for the preparation of wastewater and drinking water engineering studies.

2004 STATE WATER PLAN

2004 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. Addition to or deletion from the State Water Resources Management System can only be accomplished by the State Legislature.

State Water Facilities Plan

The State Water Facilities Plan (Facilities Plan) is a list of potential water-related projects. The Facilities Plan includes projects such as rural, municipal, and industrial water supply, wastewater facilities, storm sewers, groundwater protection, and watershed restoration. The board is responsible for approving the placement of projects on the Facilities Plan. Once a project is placed on the Facilities Plan, it remains on the plan for two years. If a project requests funds after this two-year period, it must submit a new Facilities Plan application.

In November 2003, the board approved 30 projects for placement on the Facilities Plan, bringing the total number of projects on the 2004 State Water Facilities Plan to 80 (Table 8). 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 can influence federal categorical grant decisions and funding decisions from other state agencies.

Projects that have received full or partial funding, but that have not been on the plan longer than two years, are not included in Table 8. These projects technically remain on the Facilities Plan for the two-year period so supplementary funding requests may be considered by funding agencies.

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.

Table 8

2004 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>	
Aberdeen	Elm Lake Watershed	2004	141,000			1,003,000
Arlington	Wastewater Collection Improvements	2004	600,000	1,200,000		2,513,300
Aurora-Brule Rural Water	Treatment Plant Upgrade	2005	300,000			2,418,300
B-Y Water District	Lime Sludge Monofill	2005				250,000
Bridgewater	Wastewater Collection and Treatment	2004	350,000	342,951		792,951
Brookings-Deuel RWS	Rural Water Expansion	2004	100,000		225,000	950,000
Burke	Water and Wastewater Replacement	2005	147,000			247,000
Centerville	Water Distribution System Improvements	2005	200,000		870,000	1,848,500
Claire City	Water Distribution System Construction	2004				365,000
Clark	Cloud Street Water and Wastewater	2004	100,000	69,000		329,000
Clay Rural Water System	Distribution System Improvements	2004				1,229,000
Clay Rural Water System	South Union County Expansion	2004	691,515			2,796,015
Clear Lake	Wastewater System Improvements	2004	200,000	900,000		1,310,000
Colton	Wastewater Collection and Treatment	2005	100,000	200,000		300,000
Corsica	Wastewater and Water Improvements	2005	240,000	240,575		1,980,575
Crooks	Water System Improvements	2004	294,000		200,000	804,000
Crooks	Wastewater Treatment & Lift Station	2004	300,000	510,919		810,919
Elk Point	Water System Improvements	2005	350,000		1,076,684	1,426,684
Enemy Swim San. Dist.	Wastewater Collection and Treatment	2005	600,000			3,900,000
Ethan	Wastewater Treatment	2004	100,000			675,000
Fall River Water User Dist.	Rural Water System Expansion	2005	748,000		610,088	1,358,088
Faulk Cons. Dist.	Lake Faulkton Watershed Improvements	2004	184,462			994,473
Ft. Pierre	Wastewater and Water Improvements	2004		574,000		604,000
Freeman	Wastewater and Water Improvements	2005	200,000			630,000
Gayville	Wastewater Treatment	2004	150,000	96,300		258,500
Green Valley San. Dist.	Wastewater System Construction	2005	965,605	631,237		3,218,685
Green Valley San. Dist.	Water System Construction	2005	800,000		517,392	2,659,784
Hanson Conservation Dist.	Lake Hanson/Pierre Creek Watershed	2004	200,000			1,134,225
Hartford	Water Distribution System Improvements	2004	400,000		2,305,164	3,105,164
Hecla	Wastewater Treatment	2005	500,000			1,200,000
Hermosa Water Users Assoc.	Water Distribution & Supply Improvements	2004				443,100
Hill City	Sewer and Water Replacement	2004				774,070
Hill City	Wastewater Improvements	2005				2,835,000
Humboldt	Wastewater Treatment & Collection	2004		122,000		122,000
Humboldt	Water Distribution Improvements	2004	65,000		100,000	240,000
Irene	Wastewater Collection & Water Distribution	2004	375,000	272,000	65,000	787,000
Java	Wastewater and Water Improvements	2004	300,000	261,903	329,507	891,410
Joint Well Field Inc.	Water Supply and Treatment	2004	200,000		350,000	1,400,000
Keystone	Water System Improvements	2004				667,513
Kingbrook RWS	Winfred Water System Improvements	2004	40,000			101,000
Kingbrook RWS	Rural Water System Expansion	2004	200,000		450,000	1,850,000
Lake Cochrane San. Dist.	Wastewater Collection Improvements	2005	100,000	160,000		280,000
Lake Conservation Dist.	Watershed Improvement	2004	234,500			932,500
Lake Hendricks San. Dist.	Regional Wastewater System	2005	100,000	342,348		442,248
Lake Pelican WPD	Dredging	2004	400,000			1,286,600
Lake Poinsett San. Dist.	Wastewater Collection and Treatment	2005	2,000,000	1,962,700		5,500,000
Lake Preston	Wastewater Collection and Water	2004	100,000	70,000		464,750
Lead	Highway 85 Project	2004	192,200	100,000		382,200
Lennox	Water Supply and Distribution Improvements	2004	500,000		4,238,620	4,738,620
Letcher	Water System Improvements	2004	200,000		205,000	510,200
Martin	Water System Improvements	2005			920,000	998,000
Mclaughlin	Main Street Wastewater and Water	2004			266,369	520,369
Mesa View Water Users	Water Supply	2004	30,000			31,400
Mitchell	Lake Mitchell Shoreline Stabilization	2004	24,150			40,250
Mobridge	Wastewater and Water Extension	2004	100,000	143,614	152,759	396,373
Nisland	Wastewater System Improvements	2005		182,824		457,060
Parker	Wastewater and Water Improvements	2004	500,000	416,000	298,000	1,214,000
Parkston	Wastewater and Water Replacement	2005	55,000			91,595
Pine Cliff Park Water & Maint.	Water System Improvements	2004				1,004,886
Platte	Water Distribution Improvements	2005	273,000			473,000

<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>	
Ponderosa Park Dev. Assoc.	Water System Improvements	2004	175,000		180,000	355,700
Randall Community Water	Ravinia Individual Service	2004	77,000		30,000	219,000
Randall Community Water	Rural Water Expansion	2005				243,775
Rapid Valley San. Dist.	Water Treatment Plant Construction	2005			1,968,750	2,018,750
Sioux Falls	70 th Street North & Marion Road Water	2004			905,000	905,000
Sioux Falls	Drinking Water Improvements	2005			15,294,560	15,294,560
Sioux Falls	Wastewater System Improvements	2005		24,302,000		24,302,000
Tyndall	B-Y RWS Hookup	2004	75,000		861,000	1,026,000
Tyndall	Main Street Water Main Improvements	2005	300,000		140,000	715,600
Union County	Richland Ditch Relocation	2005	100,000	293,696		393,696
Valley Springs	Wastewater Collection Improvements	2005	75,000	350,000		500,000
Waubay	Water System Improvements – Phase I	2005	330,000		800,000	1,130,000
Waubay	Wastewater System Improvements – Phase	2005	300,000			1,300,000
Wessington Springs	Water and Sewer System Extension	2004	100,000			286,200
Whitewood	Whitewood Drainage Basin	2004				726,260
Whitewood	Water System Improvements	2004				547,419
Willow Lake	Water System Improvements	2004	60,000			611,000
Willow Lake	Wastewater System Improvements	2004	95,000	100,000		210,000
Winner	Storm Sewer Improvements	2004	220,000			240,000
Yankton County	Gayville Storm Drainage Project	2004	100,000			169,800
TOTALS			\$16,957,432	\$33,844,067	\$33,358,893	\$122,182,067

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

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 (Table 9) serves as the preferred priority list to optimise water resources management in the state. Once a project is placed on the list, it remains until it is removed by legislative action.

At its November 2003 meeting, the board recommended the placement of the Perkins County Rural Water System project on the SWRMS list.

Table 9

STATE WATER RESOURCES MANAGEMENT SYSTEM PROJECTS

<u>Project</u>	<u>Description</u>
Bad River Watershed Project	Rehabilitation of Bad River Watershed
Big Sioux Flood Control Study	Watertown Flood Control
Black Hills Hydrology & Water Management Study	Black Hills Water Resources
Brennan Reservoir	Proposed Reservoir near Rapid City
CENDAK Irrigation Project	Irrigation Project - Central SD
Gregory County Pumped Storage Site	Multi-Purpose Water Utilization
James River Improvement Program	Watershed Improvements
Lake Andes-Wagner/Marty II Irrigation Unit	Irrigation - Charles Mix County
Lewis & Clark Rural Water System	Bulk Water System - Southeastern SD
Mni Wiconi Rural Water System	Rural Water System - Western SD
Perkins County Rural Water System *	Rural Water System - Northwest SD
Pick-Sloan Riverside Irrigation	Pick-Sloan Integration of Irrigation
Sioux Falls Flood Control Project	Increased Flood Protection
Slip-Up Creek	Proposed Reservoir near Sioux Falls
Vermillion Basin Flood Control Project	Flood Control on Vermillion River

*Recommended for placement on SWRMS list by Board of Water and Natural Resources in 2003.

SWRMS Project Status

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

Bad River Watershed Project – 1994

- The Bad River drains 3,209 square miles from the Badlands between Wall and Kadoka to the Missouri River at Fort Pierre. The Bad River annually delivers millions of tons of sediment into Lake Sharpe, primarily from eroding gullies and stream banks. The sediment negatively impacts fishing and other recreation in the Pierre-Fort Pierre area.
- Increased groundwater elevations caused by the sediment-induced river elevation contribute to flooding in the Pierre-Fort Pierre area during winter peak power releases from the Oahe Dam when ice cover restricts downstream flow. To reduce flooding, power generation from the dam must be reduced during the coldest days of the year. Estimated economic losses from decreased power and recreation are about \$15 million annually.
- The U.S. Army Corps of Engineers proposed building levees in the Pierre-Fort Pierre area to allow greater releases and maximize power generation. Many local interests believe that a combination of watershed treatment and localized dredging in Lake Sharpe is a more acceptable and effective solution than levees. Congress appropriated \$35 million to relocate more than 100 houses and utilities affected by the sediment increased water levels in Pierre and Ft. Pierre. The South Dakota congressional delegation is seeking additional funds to relocate more homes.
- State authorization of the \$21 million project was approved in 1995 and included a state cost share commitment of \$875,000 in grants. State appropriations totaled \$875,000 from 1995 to 1999.
- In December 2000, the Board of Water and Natural Resources placed the remaining state cost share of \$525,000 under agreement.
- Studies determined that two-thirds of the sediment in the Bad River discharge to Lake Sharpe originated in the lower one-third of the basin. Land management efforts now focus on ranches in the lower basin.
- As of September 2001, more than 2.6 million acres of the Bad River Watershed Project were under improved management for

sediment reduction using a combination of 21 Best Management Practices. State expenditures were matched by federal and local expenditures at a 4.7:1 ratio.

- US Geological Survey records since 1948 have shown the annual sediment delivery from the Bad River to Lake Sharpe to be 3.25 million tons. The Corps of Engineers in its "Missouri River Oahe Dam to Lake Sharpe Sedimentation Study," released in 2001, noted that the delivery rate has dropped to 1.95 million tons per year, a reduction of 1.3 million tons per year or 40 percent.

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 on the best alternative for flood protection concluded that the construction of a \$16 million dry dam on the Big Sioux River at the Mahoney Creek site would provide flood protection for Watertown, Lake Kampeska, and Pelican Lake.
- The Corps of Engineers initiated a feasibility study in 1988 in cooperation with the city of Watertown, East Dakota Water Development District, Codington County, Lake Kampeska Water Project District, and Department of Environment and Natural Resources. State legislative appropriations of \$150,000 were provided to assist local sponsors in meeting the nonfederal cost share.
- The final draft feasibility report was distributed in June 1994 for public review and comment. A public hearing was held in July 1994 in Watertown to present the findings of the feasibility report and gather comments. City and county elections were held, and residents voted against further local participation in the flood control 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 on February 24, 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 again called for a citywide vote on the proposed Mahoney Creek Dam project. The voters approved the project. City officials are now proceeding with updating the original Corps of Engineers feasibility study and obtaining support and financing for the proposed dam project.

- In 2002, Watertown began negotiations with the Corps of Engineers to complete a General Re-evaluation Report of the flood control alternatives for the city. 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.

Black Hills Hydrology and Water Management Study – 1982

- The hydrology study compiled water resource data to assess the quantity, quality, and distribution of the 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 has provided a total of \$3.4 million from Federal Fiscal Year 1988 through Federal Fiscal Year 2001 to establish the hydrologic monitoring system, collect the data, and complete analysis of the data.
- The hydrology study entered Phase II in Federal Fiscal Year 1997 and was completed in 2002. The emphasis of the Study during Phase I was data collection, and 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 will provide local project sponsors with tools to assist them in making informed management decisions about the development of water resources. Data gathered during the hydrology study will be utilized in the water management study. Congress appropriated funds in Federal Fiscal Year 1991 to initiate a Federal Black Hills Water Management Study by the Bureau of Reclamation.
- The Black Hills Water Management Study was projected to be completed during FFY 2002; however, due to staff changes within the U.S. Bureau of Reclamation, as well as minimal activity on most final products, the project is now projected to be completed by the end of FFY 2003. The focus for the remainder of the Study will be on water needs assessment, water management alternatives, and development of final reports.

Brennan Reservoir – 1991

- The purpose of the Brennan Reservoir/Rapid City Wastewater Recycling project was to determine the feasibility of constructing wetlands at the upper end of a proposed reservoir to provide tertiary wastewater treatment for Rapid City. Water stored in the reservoir could also be used to irrigate about 5,000 acres located in the Rapid Valley Water Conservancy District.
- In October 2000, the Bureau of Reclamation completed the “Rapid City Wastewater Reclamation and Reuse: Concluding Report” for the project. The city of Rapid City is pursuing alternative wastewater treatment process improvements that will not include the development of the Brennan Reservoir and associated wetlands. No activity occurred on the project in 2003.

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 2003.

Gregory County Pumped Storage Project - 1981

- Hydroelectric Component – The Gregory County Pumped Storage Project is a proposed peak generation hydroelectric facility located in northern Gregory County. In 1988, the Federal Energy Regulatory Commission (FERC) issued the preliminary permit to the board for development of the project. The state's preliminary permit expired in 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, a Minnesota corporation, Dakota Pumped Storage, LLC, filed an application for a FERC Preliminary Permit for a pumped storage hydroelectric facility at the Gregory County site. 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. Additionally, FERC denied the application by Dakota Pumped Storage, LLC.
- The 2002 Legislature appropriated \$100,000 from the Water and Environment Fund to the South Dakota Department of Environment and Natural Resources. In 2003, the department solicited Requests for Proposals from firms interested in providing the research to support the FERC permit. Four proposals were received. Black & Vetch was selected and is scheduled to complete the study in 2004.

James River Improvement Program – 1984

- The Water Resources Development Act of 1986 (Public Law 99-662) authorized \$20 million for flood control and stream flow improvements. A draft Environmental Impact Statement was completed in 1987.
- The James River Water Development District has completed a number of improvement projects. Projects completed include channel cleanout of trees and other debris, tributary drainage control through tree plantings, and other watershed improvements including the construction and repair of small dams and bank stabilization.
- The 1992 State Legislature authorized the project with a state cost share commitment of \$2.5 million. State legislative appropriations to the district totaled \$1,760,000 from 1988 through 2002 for restoration and study activities.
- In 1997, as a result of the severe spring flooding, a \$5 million federal appropriation was approved through the Corps of Engineers budget in the 1997 Disaster Relief Bill. The James

River WDD utilized these funds to remove dead timber and debris under a plan approved by the Corps of Engineers.

- In 1998, the James River WDD selected 11 bridge sites for debris removal along the river. In March 2000, the debris removal project was completed. The project was completed eight months ahead of schedule and removed more debris than originally estimated.
- In 2000, the James River WDD identified 35 sites along the James River in Spink County in need of bank stabilization and channel restoration work. After consultation and review with the Corps of Engineers, the James River WDD agreed to monitor three sites where channel restoration/debris removal was accomplished and three control sites where no work was completed. Contrasting and comparing these sites over a three-year period will provide the basis to determine if additional channel restoration/debris removal is feasible.
- In 2002, the James River WDD was informed by the federal government that an Environmental Impact Statement (EIS) must be completed before additional work within the watershed can be approved. The Corps of Engineers has determined that an EIS is required to address the cumulative effects of the work being completed within the James River watershed. This EIS is anticipated to take up to two years to complete if sufficient federal funding can be secured. The project sponsor is working with the South Dakota congressional delegation to secure the federal funding.
- In 2003, the James River WDD continued to work with the Corps of Engineers on the completion of the EIS. James River WDD has completed the aerial photography and river topographic survey required by the EIS.

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 prepared 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 cost share commitment of \$7 million. Both the state and federal project authorizations are contingent upon the successful completion of the research demonstration program.

- In 1995, Congress approved \$250,000 for the research program. State and federal agencies revised the 1990 plan of study to rescope the demonstration program and identify the specific issues and research components that are of national significance. A nine-year, \$11.3 million effort has been projected.
- In 1999, the Bureau of Reclamation (BoR) received \$150,000 for federal fiscal year 2000 to prepare an environmental assessment for the demonstration program.
- In 2000, the BoR completed the environmental assessment and issued a Finding of No Significant Impact for the demonstration program. Significant federal funding must be secured before the demonstration program can proceed.
- In 2002, a \$15,000 loan was approved for the project and placed under agreement by the Board of Water and Natural Resources on June 27, 2002.
- In 2003, the Lake Andes-Wagner Irrigation district continued to seek federal funding for the demonstration program.

Lewis and Clark Rural Water System - 1989

- The proposed Lewis and Clark Rural 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 133,000 South Dakotans would receive water from Lewis and Clark.
- Iowa and Minnesota project sponsors have provided funding support for project development proportionate to their respective service capacity needs. Iowa and Minnesota have authorized the project for construction.
- The 1993 State Legislature authorized Lewis and Clark's South Dakota project features (\$200 million). In 2002, the state cost share commitment of \$18,585,540 in 1993 dollars was established for the Lewis and Clark Rural Water Supply System.

- On July 13, 2000, President Clinton signed Public Law 106-246 authorizing the federal construction of the Lewis and Clark Rural Water System. Additionally, the legislation that authorized the project also approved an initial federal appropriation of \$600,000 for project engineering and construction. The Board of Water and Natural Resources also placed \$200,000 of state funding under agreement with the project to assist with these same project activities.
- In federal fiscal years 2001 and 2002, the project received \$3.0 million in federal appropriations for the completion of the Final Engineering Report, National Environmental Protection Act compliance, and for the drilling of test wells along the Missouri River to assist with the final design of the intake system.
- In 2002, \$750,000 of state cost share assistance was provided for the project. These state funds, combined with federal and local sources, were used to complete the environmental review and the Final Engineering Report and will be used to initiate construction. Lewis and Clark Rural Water System's Final Engineering Report completed the federally required 90-day congressional review period on September 8, 2002.
- In 2003, the federal Office of Management and Budget (OMB) informed Lewis and Clark that it could not submit its Final Engineering Report to Congress until that office had approved the report. Lewis and Clark continues to work with OMB to get its Final Engineering Report approved and resubmitted to Congress. Lewis and Clark held its formal groundbreaking on August 21, 2003, and anticipates initial pipeline construction in 2004. The project is proceeding with design of its intake and raw water pipelines, acquiring pipeline rights-of-way, and acquiring the water treatment plant site.

Mni Wiconi Rural Water System – 1989

- Public Law 100-516, as amended in 1994, authorizes 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 authorization was amended to reflect the \$263 million project and the state cost share commitment of \$12.9 million.
- WR/LJ initiated construction of advance 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 White Clay and Wakpamni districts of the Pine Ridge Reservation.
- In July 1996, the Oglala Sioux Water Supply System along with the West River/Lyman-Jones, Rosebud, and Lower Brule rural water systems held Mni Wiconi core facilities groundbreaking ceremonies at Echo Point near Fort Pierre.
- In 1997, the Oglala Sioux Water Supply System awarded a \$16.4 million contract for the construction of the water treatment plant near Fort Pierre. Construction activities began in 1997 and were completed in 2002.
- The WR/LJ has constructed over 1,500 miles of main transmission and distribution pipelines and provides quality drinking water to more than 850 rural taps and the communities of Wall, Philip, Presho, Vivian, Kennebec, Reliance, and White River. WR/LJ has also developed three groundwater wells in Pennington County as interim drinking water sources.
- In 2001, the state appropriated a \$1.7 million loan for the continued construction of the Mni Wiconi Rural Water Supply System. This appropriation completed the state's cost share commitment to the project.
- In 2002 the Oglala Sioux Tribe's Missouri River water treatment plant, located near Ft. Pierre, was completed as well as nearly 45 miles of main transmission pipeline features of the Mni Wiconi Rural Water Supply System. Main transmission pipelines from the

water treatment plant to the Vivian/I-90 junction as well as approximately 30 miles of the main transmission pipeline to Murdo were completed in 2003.

- All three tribal members of the Mni Wiconi Rural Water Supply System have continued to develop on-reservation systems. The tribes are developing the supplemental water supplies identified in the final engineering report. The Lower Brule Sioux Tribe upgraded its Missouri River water treatment plant in late 1999 and began providing water to on-reservation and WR/LJ customers in the Reliance area. The Rosebud Sioux Tribe has developed local groundwater resources enabling them to serve tribal customers and construct a main core transmission pipeline segment from the reservation to White River. Rosebud also provides water to WR/LJ for a portion of its customers in Mellette County, including White River. The Oglala Sioux Tribe has developed local groundwater resources enabling it to provide water to tribal member on the reservation and continues to design and construct both on-reservation distribution and Mni Wiconi main core transmission pipelines.
- In 2003, WR/LJ continues to construct distribution pipelines in municipal and rural service areas. WR/LJ has replaced the water distribution systems in Draper, Interior and Reliance and taken over operation and maintenance responsibilities of these systems.

Perkins County Rural Water System – 2004

- The Perkins County Rural Water System was originally placed on the State Water Resources Management System list in 1993. The project was removed in 2000 when the original \$1.0 million state cost share commitment was provided and expended.
- The proposed 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 needs.
- 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.
- In May 1996, the Perkins County Rural Water System signed a

water service agreement with the North Dakota State Water Commission. Contracts were awarded in North Dakota that brought water to the border at a total cost of \$898,478.

- 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. The state cost share was advanced to ensure capacity for the Perkins County system was maintained in the North Dakota pipelines as construction advanced to the South Dakota border.
- Federal construction legislation for the rural water system was introduced in Congress on August 2, 1996. The legislation provides for a 75 percent federal cost share and 25 percent nonfederal cost share. Federal legislation was reintroduced in 1999. On August 4, 1999, the House Committee on Resources conducted a hearing and amended the preference power language. 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. The Perkins County Rural Water System Act of 1999 was signed by President Clinton on December 7, 1999 (Public Law 106-136).
- In November 2003, the Board of Water and Natural Resources approved a resolution recommending the placement of the Perkins County Rural Water System on the State Water Resources Management System list. Additionally, the board recommended revising the state cost share commitment to \$2.5 million in grant and \$4.5 million in loan.

Pick-Sloan Riverside Irrigation – 1987

- This proposal is an attempt to integrate existing irrigators along the Missouri River corridor into the Pick-Sloan Missouri Basin Program. The project would provide irrigators with an opportunity to utilize Pick-Sloan power and the potential to obtain power revenue assistance. No activity occurred on this project in 2003, and future activities are uncertain.

Sioux Falls Flood Control Project – 1989

- In 1961, the Corps of Engineers completed a channelization,

levee, and diversion system to provide 30-year flood protection on the Big Sioux River and 20-year flood protection on Skunk Creek.

- The Corps of Engineers completed a feasibility study in 1993 that recommended upgrading the existing project to provide Sioux Falls with 100-year flood protection on the Big Sioux River and Skunk Creek. Project upgrades include raising the levees above and along the diversion channel, modifying the spillway chute, replacing the stilling basin, and modifying some bridges.
- In 1992, the State Legislature authorized project construction and a state cost share commitment of \$4.55 million in grants.
- The Sioux Falls Flood Control Project was authorized as part of the 1996 Water Resources Development Act on October 12, 1996 (Public Law 104-303). The Act authorizes the construction of a \$34.6 million 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.
- In 2001, construction of Phase 1A of the Big Sioux River/Skunk Creek Flood Control Project was completed. Phase 1A addressed the spillway and stilling basin area at the outfall of the diversion channel. In late 2001, bids were accepted on Phase 1B of the project. Phase 1B addresses the levies adjacent to Morrell's downstream to Cliff Avenue. The two bids received on Phase 1B were approximately \$400,000 above the engineer's estimate. The Corps of Engineers re-advertised the project with a completion date in 2002.
- The Governor's 2002 Omnibus Bill (Senate Bill 186) provided an additional \$2.0 million of state cost share for the project. These state funds will be combined with federal and local sources to complete the acquisition of required rights-of-way and construction of flood control features. To date, \$2.9 million of state assistance has been appropriated for this project.
- Sioux Falls continues to work with the Corps of Engineers on the final designs and construction of the project. The city continues to obtain the easement and property acquisitions required to complete the project.

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 2003.

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 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 Federal Emergency Management Agency (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 significant activity occurred on the project in 2003.

Recommendations to the Governor and State Legislature

In November 2003, the board conducted a public meeting on the State Water Resources Management System (SWRMS) projects. The board adopted Resolution #2003-93 recommending that all the projects currently on the SWRMS list be retained and that the Perkins County Rural Water System project be added to the list and a state cost share commitment of \$7.0 million in grant and loan be approved for the project. The board also adopted Resolution #2003-94 providing its funding recommendations to the Governor and the Legislature for Water and Environment Fund fiscal year 2005 expenditure authorization levels. A summary of the board's recommendations is provided below (Table 10). The full resolutions are in Appendix B.

Table 10

2005 WATER AND ENVIRONMENT FUND RECOMMENDATIONS

Black Hills Hydrology and Water Management Study	100,000
James River Restoration Project	250,000
Lewis and Clark Rural Water System	2,500,000
Perkins County Rural Water System	<u>1,250,000</u>
Total	\$4,100,000
Consolidated Water Facilities Construction Program	\$4,500,000
Regional Landfill Construction Assistance	\$800,000
Solid Waste Management Program	\$800,000

APPENDIX A

WATER AND ENVIRONMENT FUND

SPECIAL CONDITION STATEMENT

WATER AND ENVIRONMENT FUND
Special Condition Statement
As of 7-1-03

Cash Balance from MSA - 6-30-03 **\$13,882,885**

Projected FY2004 Revenues

Capital Construction Fund	\$5,675,000
Contractor's Excise Tax	\$600,000
Investment Interest (Earned '03 deposited '04)	\$700,000
Loan Principal & Interest Payments (Water)	\$175,000
Loan Principal & Interest Payments (SW)	\$95,000
Solid Waste Fees	\$1,400,000
Subtotal	\$8,645,000

Projected FY2004 Expenditures (Authorized in General Bill)

Administrative Fee Fund	(\$400,000)
Subtotal	(\$400,000)

Revenues Less Expenditures **\$8,245,000**

Projected Fund Balance Available for Expenditure **\$22,127,885**

Obligations (Signed contract by 7/1)

Prior Year

Consolidated Grants/Loans	(\$6,850,293)
Solid Waste Grants/Loans	(\$54,589)
SWRMS Grants/Loans - Major Projects	(\$1,215,626)
Waste Tire 2000 (SFY 2003)	\$0

Current Year - 03 Omnibus (2004 authority)

James River WDD	(\$500,000)
Consolidated Grants/Loans	(\$2,957,916)
Solid Waste Grants/Loans - Total	(\$861,700)
Waste Tire 2000 (SFY 2004)	(\$366,586)

Subtotal **(\$12,806,709)**

Ending Unobligated Fund Balance **\$9,321,176**

Ending Unobligated Fund Balance (from previous page) **\$9,321,176**

Project Expenditures Authorized by the Legislature - No agreement signed

Current Year (SFY 2004) Authority

Lewis & Clark RWS (grant)	(\$2,500,000)
Lake Andes-Wagner (loan)	(\$50,000)
Big Sioux Flood Control Watertown (grant)	(\$450,000)
TMDL Assessment WEF (grant)	(\$100,000)

Prior Year Authority

Sioux Falls Flood Control (grant)	<u>(\$2,000,000)</u>
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Subtotal **(\$5,100,000)**

Program Expenditures Authorized by the Legislature - No agreement signed

Consolidated Program Authority (2004 Authority)	(\$1,542,084)
Consolidated Program Authority (Prior Year)	\$0

Solid Waste Program Authority - Prior Year	(\$90,531)
Solid Waste Program Authority - Current Year	<u>(\$922,187)</u>

(\$2,554,802)

Projected Surplus/(Deficit) Funds (as of 6/30/04) **\$1,666,373**

APPENDIX B

BOARD OF WATER AND NATURAL RESOURCES

RESOLUTION

STATE OF SOUTH DAKOTA
BOARD OF WATER AND NATURAL RESOURCES
RESOLUTION # 2003- 93

PROVIDING TO THE SOUTH DAKOTA LEGISLATURE AND GOVERNOR THE BOARD OF WATER AND NATURAL RESOURCES RECOMMENDATIONS FOR STATE WATER RESOURCES MANAGEMENT SYSTEM DESIGNATION AND STATE COST SHARE COMMITMENT TO THE PERKINS COUNTY RURAL WATER SYSTEM.

WHEREAS, 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 Perkins County Rural Water System project was originally placed on the State Water Resources Management System component of the State Water Plan in 1993, but was removed in 2000 after the original cost share commitment of \$1.0 million established in 1996 was appropriated for the project; and

WHEREAS, the Board has reviewed the applications submitted from various South Dakota water resource projects for inclusion onto the State Water Plan including the application from the Perkins County Rural Water System which requests additional funding from the state, funding needed to provide its nonfederal match; and

WHEREAS, the state has assisted other federally authorized rural water system projects with their required nonfederal match.

NOW THEREFORE BE IT RESOLVED,

1. The Board recommends to the Governor and the State Legislature that the Perkins County Rural Water System project be added to the State Water Resources Management System component of the State Water Plan and be identified as a preferred, priority objective of the State; and

2. The Board recommends to the Governor and the State Legislature that the state cost share commitment to the Perkins County Rural Water System as provided in SDCL 46A-1-94 be amended to provide up to two million five hundred thousand (\$2,500,000) of grant and four million five hundred thousand (\$4,500,000) of loan assistance to provide the required nonfederal cost share for the project as identified in the January 2003 Final Engineering Report; and

3. The Board recommends to the Governor and the State Legislature that the water resources project currently on the State Water Resources Management System component of the State Water Plan be retained as preferred, priority objectives of the state.

Dated this 14th day of November, 2003.

BY:

\\Signed//

Chairman, Board of Water and
Natural Resources

(SEAL)

ATTEST:

BY:

\\Signed//

Secretary, Board of Water and
Natural Resources

STATE OF SOUTH DAKOTA
BOARD OF WATER AND NATURAL RESOURCES
RESOLUTION # 2003 - 94

PROVIDING TO THE SOUTH DAKOTA LEGISLATURE AND GOVERNOR THE BOARD OF WATER AND NATURAL RESOURCES RECOMMENDATIONS FOR WATER AND ENVIRONMENT FUND FISCAL YEAR 2005 EXPENDITURE AUTHORIZATION LEVELS AND STATE COST SHARE COMMITMENT TO THE PERKINS COUNTY RURAL WATER SYSTEM.

WHEREAS, pursuant to the authority provided in SDCL 46A-1-2, 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, 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 conducted a public meeting on November 14, 2003, 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 2005 appropriation level of four million five hundred thousand dollars (\$4,500,000) for the Consolidated Water Facilities Construction Program; and,

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

