

**2005 ANNUAL REPORT**  
~~and~~  
**2006 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 Eighty-First  
Legislative Session

As required by state law, transmitted herewith is the 2005 Annual Report/2006 State Water Plan of the Board of Water and Natural Resources. The Annual Report describes water development and waste management projects during the past year. The State Water Plan identifies 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 more than \$127 million in grant and loan funds for the planning, design, and construction of municipal drinking water systems, wastewater facilities, lake/watershed restoration projects, rural water systems, solid waste disposal, and recycling projects. These awards were a critical link in having environmental projects totaling more than \$228 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,

\\Signed//

Steven M. Pirner  
Secretary

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**To  
Governor M. Michael Rounds  
and the  
Eighty-First Session, Legislative Assembly  
2006**

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2006 STATE WATER PLAN**

**Board of Water and Natural Resources**

**January 2006**

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## APPENDICES

- A Water and Environment Fund Special Condition Statement
- B Board of Water and Natural Resources Resolution
  - #2005-106: State Water Resources Management System Recommendations
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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 2005 Annual Report and the 2006 State Water Plan. The annual report provides progress reports on each program and on board activities during calendar year 2005. 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 2006 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 retaining, placement, or removal of projects on the State Water Resources Management System component of the State Water Plan and on the recommended funding levels for various Water and Environment Fund, SRF Subfunds, and Environment and Natural Resources Fee Fund are included in Appendix B.

# 2005 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 2005 activities, including a detailed account of expenditures from the Water and Environment Fund.

In November 2004, the board placed 30 projects on the 2005 State Water Facilities Plan. During the year, the board amended an additional 31 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 \$127 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 activities. These awards resulted in more than \$228 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 March 15, 2005, Governor Rounds signed the 2005 Omnibus Bill (House Bill 1215) which provided an appropriation of \$3.2 million for State Water Resources Management System (SWRMS) projects.

Individual project appropriations approved as part of the 2005 Omnibus Bill can be found beginning on page 12 in the 2005 State Water Development Legislation section of this report. During the year, the board placed \$3.05 million of 2005 appropriations under agreement (Table 1).

Information on individual SWRMS project accomplishments and activities is summarized on pages 21 through 34 in the State Water Plan section of this document.

Table 1

### 2005 State Water Resources Management System Funding Awards

<u>Project</u>	<u>Amount</u>	<u>Type</u>
Lewis and Clark Rural Water Supply System	\$ 1,500,000	Grant
Perkins County Rural Water System	1,500,000	Loan
Southern Black Hills Water Supply System	50,000	Grant
TOTAL	\$ 3,050,000	

## Consolidated Water Facilities Construction Program

The 2005 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, \$1,089,946 of prior year funding was available for award in 2005.

The board considered 26 applications and three amendments and awarded 22 new grants, one loan, and three amendments totaling nearly \$4.6 million (Table 2). The 2005 awards leveraged more than \$24.7 million in total project activities.

Table 2

### 2005 Consolidated Awards

<u>Sponsor</u>	<u>Description</u>	<u>Amount</u>	<u>Total Project</u>
Aurora-Brule RWS (Amend)*	Water Treatment Plant Upgrades	\$150,000	\$1,363,600
BDM RWS	Distribution Expansion Project	325,000	7,490,000
Bridgewater	Sanitary Sewer Improvements	400,000	721,000
Britton	Residential Development	200,000	715,000
Chancellor	Distribution System Improvements	125,000	356,000
Clay RWS	South Union Expansion Project	500,000	4,300,000
Colton	Wastewater Collection Improvements	50,000	274,000
Crooks (Amend)*	Water Distribution System Improvements	100,000	819,600
Dell Rapids	Water/Wastewater/Storm Water	28,000	1,295,000
Deuel Conservation Dist.	Deuel Co. Lakes Watershed Improvements	34,400	68,800
Hermosa (Amend)*	Water Supply, Storage, and Distribution	150,000	300,000
Hitchcock	Water Storage Improvements	25,000	127,000
Hosmer	Water Distribution and Storage	150,000	399,500
Humboldt	Water Pump Enclosure	25,000	160,000
Montrose	Wastewater Collection and Treatment	25,000	167,600
Pickereel Lake San. Dist.	Wastewater Treatment Improvements	25,000	104,000
Pine Cliff Park Water & Maintenance Inc.	Water Distribution Improvements	148,200	418,000
Provo Township	Water Distribution and Storage	200,000	331,780
Redfield	Water/Wastewater Replacement	50,000	404,000
Salem	Water/Wastewater Improvements	50,000	928,000
Terry Trojan WPD	Water Treatment, Distribution, Storage	100,000	221,000
Terry Trojan WPD		100,000 **	
TM Rural Water Dist.	Montrose Expansion	385,000	645,000
Toronto	Wastewater Collection and Treatment	325,000	1,230,000
Tri-County Water Assoc.	Emergency Intake Relocation	900,000	1,200,000
Turner Conservation Dist.	Turkey Ridge Creek Watershed Project	22,000	177,000
TOTAL		\$4,592,600	\$24,215,880

\* Amendment reflects increase to prior year obligation.

\*\* CWFCP Loan made at 5%, 20 years.

**State  
Revolving  
Fund Bond  
Issue**

The South Dakota Conservancy District issued \$50 million (par amount) in Series 2005 bonds for the State Revolving Fund (SRF) programs in October 2005. The bond issue will provide approximately \$48 million of leveraged bonds to satisfy the high loan demand for both the Drinking Water and Clean Water SRF programs. The remaining funds will provide future State match for both programs. The 2005 bond issue was rated AAA by Standard and Poor and Aaa by Moody's, which are the highest ratings assigned by each agency. The bonds were marketed on October 4 and 5, 2005. The True Interest Cost was 4.36 percent and the Net Interest Cost was 4.47 percent.

In conjunction with the bond issue, a Guaranteed Investment Contract (GIC) was awarded to AIG Matched Funding Corp. The GIC earns 4.412 percent and up to \$80 million of bond proceeds and repayments from the 2005 bond issue can be invested under this agreement.

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**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 purpose districts. The loans are used for construction of wastewater facilities, storm sewers, and nonpoint source pollution control projects. To date, 170 loans totaling more than \$234 million have been made from the program. During 2005, the board approved 14 loans, with the Aberdeen loan issued in two series and the two Sioux Falls loans issued in three series, totaling more than \$81.2 million (Table 3).

In November 2004, the board retained the base interest rates of 2.5 percent for loans up to 10 years, 3.25 percent for up to 20 years, and the interim financing rate of 2.0 percent for up to 3 years. The board also retained the nonpoint source incentive rates of 1.5 percent for loans with a term of 10 years or less and 2.25 percent for loans with a term greater than 10 years. Projects for traditional wastewater or stormwater projects that include a nonpoint 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. The program's rates and terms are reviewed annually by the board.

Table 3

### 2005 Clean Water State Revolving Fund Loan Awards

<u>Sponsor</u>	<u>Description</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Term</u>
Aberdeen				
Series A	Wastewater Treatment Plant Improvements	\$12,062,600	2.25%	20
Series NPS	Nonpoint Source Best Management Practices	1,156,259	2.25%	20
Bridgewater	South Side Sanitary Sewer Improvements	321,600	3.25%	20
Colton	Wastewater Lagoon Upgrade	204,500	3.25%	20
Freeman	Wastewater Collection Improvements	300,000	2.50%	10
Huron	Wastewater Treatment Improvements	1,500,000	3.25%	20
Lake Poinsett San. Dist.	System Expansion	590,000	3.25%	20
Lead	Highway 85 Sanitary Sewer Replacement	333,700	3.25%	20
Montrose	Wastewater Collection and Treatment Improve.	142,621	2.50%	10
Nisland	Wastewater Treatment Improvements	204,000	3.25%	20
Philip	Sanitary and Storm Sewer Improvements	347,040	3.25%	15
Redfield	South Main St. and Sixth Ave. Sewer Improve.	333,788	3.25%	20
Salem	2005 Utilities Improvements	387,960	3.25%	20
Sioux Falls				
Series A	Storm Sewer Improvements	16,000,000	1.50%	10
Series B	Storm Sewer Improvements	8,700,000	1.50%	10
Series NPS	Nonpoint Source Best Management Practices	1,249,349	1.50%	10
Sioux Falls				
Series A	East Side Sanitary Sewer Construction	12,500,000	2.25%	20
Series B	East Side Sanitary Sewer Construction	21,608,000	2.25%	20
Series NPS	Nonpoint Source Best Management Practices	3,269,418	2.25%	20
	<b>TOTAL</b>	<b>\$81,210,835</b>		

#### 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 provides low-interest loans to nonprofit corporations and governmental entities including municipalities, sanitary districts, and other special districts for the construction of drinking water facilities. To date, 93 loans totaling nearly \$143 million have been made from the program. During 2005, the board approved 14 loans totaling more than \$31 million (Table 4).

In November 2004, the board retained the base interest rates of 2.5 percent for terms up to 10 years, 3.25 percent for up to 20 years, and the interim financing rate of 2.0 percent for up to 3 years. The program's rates and terms are reviewed annually by the board.

Disadvantaged communities continue to be 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 median household income. Communities with a median household income less than the statewide 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 3.25 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 2.5 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 4

### 2005 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>
Brookings-Deuel RWS	Water Treatment Plant Improvements	\$1,200,000	3.25%	30
Brookings-Deuel RWS	Water Distribution Expansion	1,750,000	3.25%	30
Chancellor	Water System Improvements	230,000	3.25%	30
Clay RWS	South Union County Expansion	3,631,000	3.25%	30
Hartford	Water Supply Improvements	1,123,556	3.25%	20
Kingbrook RWS	Water Distribution Improvements	2,115,000	3.25%	30
Kingbrook RWS	Water System Expansion	3,324,000	3.25%	20
Lead	Highway 85 Water Main Improvements	205,800	3.25%	30
Milbank	Water System Improvements	4,741,000	2.50%	30
Redfield	South Main St. and Sixth Ave. Water	342,755	2.50%	30
Salem	2005 Utilities Improvements	348,540	3.25%	20
Vermillion	Water Treatment Improvements	3,772,500	2.50%	20
West River/Lyman-Jones RWS	North Loop Pipeline Project	8,000,000	3.25%	30
Wolsey	Water Distribution Improvements	263,000	3.25%	20
TOTAL		<u>\$31,047,151</u>		

### State Revolving Fund – Planning and Water Quality Grants

In 2005, 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 2005 intended use plans approved the use of nearly \$3.48 million in Clean Water and Drinking Water funds (Table 5).

Table 5

### 2005 Planning and Water Quality Funding Allocations

<u>Activity</u>	<u>Source</u>	<u>Amount</u>
Livestock Auction Market		
Waste Management Systems	Clean Water SRF Admin Surcharge	\$ 2,500,000
Direct Project Assistance	Clean Water SRF Admin Surcharge	300,000
Small Community Planning Grants	Clean Water SRF Admin Surcharge	200,000
SRF Application Preparation and Administration	Clean Water SRF Admin Surcharge & Drinking Water SRF Admin Surcharge	200,000

<u>Activity</u>	<u>Source</u>	<u>Amount</u>
Small System Technical Assistance and Small Community Planning Grants	Drinking Water SRF Set-Aside	160,000
Animal Waste Management System: Design Concentrated Animal Feeding Operations	Clean Water SRF Admin Surcharge	118,860
TOTAL		\$ 3,478,860

The Small Community Planning Grant Program was established to encourage proactive planning by small communities and systems. Grants are available for the preparation of an 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 water or wastewater utility rate analysis reviews, participating systems are reimbursed 80 percent of the cost, up to \$1,600.

The Board extended the South Dakota Association of Rural Water Systems' (Rural Water) technical assistance contract in 2005. Rural Water provides assistance to small drinking water systems with compliance, permitting, or operational issues.

The planning grant program completed efforts to fund engineering studies of existing livestock auction markets. Funding was provided to communities with livestock auction barns located in or within a three mile radius. The communities received 60 percent grants, up to \$4,200, for a study that evaluated clean water diversions, manure handling, and wastewater treatment options to include connection to the community's sanitary sewer system. The final livestock auction barn planning grant was awarded in 2005.

The Board approved additional funding for the design of animal waste management systems for concentrated animal feeding operations (CAFOs). Grants are awarded only for those CAFOs that have submitted a Notice of Intent to the department. The CAFO design grants reimburse 60 percent of the cost of the design, with the maximum grant amount for any project being \$12,000. The completed plans and designs must meet department requirements.

The Board also supported several new activities in 2005. The first provides grant assistance for the construction of Livestock Auction Market Animal Waste Management Systems. Under certain conditions, livestock auction markets are required to control discharges from the facility and obtain a Surface Water Quality permit. 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 will reimburse 75 percent of actual construction costs, with the maximum

grant amount for any recipient being \$162,500. Grants will be provided regardless of the need for the auction market to be permitted.

The second new activity provides grant assistance from the Clean Water Administrative Surcharge for the construction of wastewater treatment, collection, or conveyance projects. With the decline in available Consolidated Program grant assistance in 2005, this direct assistance allows additional projects to be completed.

Finally, providing assistance to revolving fund borrowers with the preparation of applications and on-going loan administration activities was approved. The state's six planning districts are eligible to receive up to \$7,500 per loan for application and loan administration duties.

During 2005, 62 clean water and 52 drinking water awards were approved obligating a total of nearly \$1.5 million. (Table 6).

Table 6

**2005 Planning and Water Quality Grant Awards**  
**2005 Rate Analysis Awards**

<u>Sponsor</u>	<u>Project</u>	<u>Grant Amount</u>
Bridgewater	Wastewater and Drinking Water	\$3,200
Canova	Wastewater	1,600
Clark	Wastewater and Drinking Water	3,200
Colman	Wastewater and Drinking Water	3,200
Crooks	Wastewater and Drinking Water	3,200
DeSmet	Wastewater and Drinking Water	3,200
Gary	Wastewater	1,600
Harrisburg	Wastewater and Drinking Water	3,200
Hill City	Wastewater and Drinking Water	3,200
Humboldt	Wastewater and Drinking Water	3,200
Hurley	Wastewater and Drinking Water	3,200
Kimball	Wastewater	1,600
Lake Norden	Wastewater and Drinking Water	3,200
Salem	Wastewater and Drinking Water	3,200
	TOTAL	<u>\$40,000</u>

**2005 Design and Construction Awards**

<u>Sponsor</u>	<u>Project</u>	<u>Grant Amount</u>
Stockmen's Livestock Auction	Auction Barn Animal Waste Management	\$162,500
Mobridge Livestock Market	Auction Barn Animal Waste Management	145,035
SD Department of Agriculture	CAFO Design	118,860
Highmore Cattle Auction	Auction Barn Animal Waste Management	87,750
Weston Heights Sanitary District	Wastewater Treatment Improvements	300,000
	TOTAL	<u>\$814,145</u>

**2005 Engineering Study Awards**

<b><u>Sponsor</u></b>	<b><u>Project</u></b>	<b><u>Grant Amount</u></b>
Alcester	Wastewater and Drinking Water	\$14,000
Bowdle	Wastewater and Drinking Water	6,000
Canova	Wastewater	8,000
Cavour	Drinking Water	4,000
Centerville	Wastewater	6,000
Chancellor	Wastewater	2,000
Clark	Wastewater and Drinking Water	10,400
Colman	Wastewater and Drinking Water	14,000
Corsica	Wastewater	8,000
Corson Village Sanitary District	Drinking Water	4,200
DeSmet	Wastewater and Drinking Water	10,400
Edgemont	Drinking Water	6,000
Elk Point	Wastewater and Drinking Water	12,648
Elk Valley Ranchette Homeowners Assoc.	Drinking Water	6,000
Estelline	Drinking Water	6,000
Fairburn Water Association	Drinking Water	4,400
Faith	Auction Barn and Drinking Water	9,000
Gary	Wastewater	6,000
Golden Hills Homeowners Assoc.	Drinking Water	4,000
Hitchcock	Drinking Water	4,000
Hoven	Wastewater and Drinking Water	14,000
Hurley	Wastewater and Drinking Water	9,917
Kimball	Wastewater and Drinking Water	11,200
Lennox	Wastewater	6,400
Lesterville	Drinking Water	4,000
Longview Sanitary District	Wastewater	4,000
Marion	Storm Water and Drinking Water	14,000
Mellette	Drinking Water	3,200
New Effington	Drinking Water	4,000
Newell	Wastewater and Drinking Water	5,920
Parker	Storm Water	6,000
Parkston	Wastewater	8,000
Renner Sanitary District	Wastewater	6,790
Roslyn	Wastewater and Drinking Water	11,000
Salem	Drinking Water	4,000
Selby	Drinking Water	4,000
Spearfish Meadows Homeowners Assoc.	Drinking Water	3,360
Tomaha Ridge Sanitary District	Drinking Water	6,000
Toronto	Wastewater	6,400
Tyndall	Wastewater	8,000
Viborg	Wastewater and Drinking Water	9,917
Weston Heights Sanitary District	Wastewater	6,000
Wolsey	Wastewater	6,400
Woonsocket	Drinking Water	6,000
Worthing	Wastewater	6,000
	<b>TOTAL</b>	<hr/> \$319,552



**2005 Technical Assistance Awards**

<u>Sponsor</u>	<u>Project</u>	<u>Grant Amount</u>
Black Hills Council of Governments	Loan Application & Administration	\$15,000
Central SD Enhancement Dist.	Loan Application & Administration	15,000
First Planning and Development Dist.	Loan Application & Administration	15,000
Northeast Council of Governments	Loan Application & Administration	37,500
SD Assoc. of Rural Water Systems	On-site Technical Assistance	125,000
South Eastern Council of Governments	Loan Application & Administration	82,500
Third Planning and Development Dist.	Loan Application & Administration	15,000
TOTAL		\$305,000

**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, 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 2005, the board recommended that EPA award more than \$2.4 million to watershed projects (Table 7).

Table 7

**2005 EPA Section 319 Grants**

<u>Sponsor</u>	<u>Project</u>	<u>Amount</u>	<u>Total Project</u>
Aberdeen	Brown County Water Quality Improvement	\$40,997	\$1,521,266
American Creek Cons. Dist.	Medicine Creek TMDL Implementation	341,900	986,900
Belle Fourche Watershed Partnership	Belle Fourche River TMDL Implementation	500,000	1,216,214
East Dakota WDD	Central Big Sioux TMDL Implementation	825,000	5,925,017
James River WDD	Lower James River TMDL Assessment	152,777	610,000
Kingsbury Conservation Dist.	Kingsbury Lakes TMDL Implementation	412,650	1,145,510
Turner Conservation Dist.	Turkey Ridge Creek TMDL Implementation	<u>130,440</u>	<u>264,000</u>
TOTAL		\$2,403,764	\$11,668,907

**Solid Waste Management Program**

The 2005 State Legislature appropriated \$800,000 for the Solid Waste Management Program (SWMP) and \$1,000,000 for Regional Landfill Assistance. These appropriations, combined with unobligated prior year authority, resulted in nearly \$2.12 million being available for grants and loans for recycling, waste tire, and solid waste disposal projects.

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 seven new grants, one grant amendment for additional funding, and two loans totaling nearly \$1.2 million (Table 8). Of these awards, three were for recycling activities and seven were for municipal solid waste or waste tire cleanup activities. These awards helped leverage more than \$2.76 million in total project activities.

Table 8

### 2005 Solid Waste Management and Regional Landfill Assistance Awards

#### Municipal Solid Waste

<u>Sponsor</u>	<u>Description</u>	<u>Loan Amount</u>	<u>Grant Amount</u>	<u>Total Project</u>
Bon Homme County	Waste Tire Cleanup		\$8,000	\$16,000
Brookings	Regional Landfill	\$475,000 *		632,400
Miller	Waste Tire Cleanup		28,000	56,000
Sioux Falls	Alternative Cover Research		54,450	108,900
Winner	Waste Tire Cleanup		32,000	64,000
Vermillion	Groundwater Monitoring		15,000	25,000
Yankton	Regional Landfill	67,680 *		618,000
TOTAL		\$542,680	\$137,450	\$1,520,300

#### Recycling

<u>Sponsor</u>	<u>Description</u>	<u>Grant Amount</u>	<u>Total Project</u>
Huron	Compost Pad and Equipment	\$ 275,000	\$550,000
Millennium Recycling Inc. (Sioux Falls)	Recycling Equipment	200,000	660,000
Yankton (Amendment)	Recycling Center	35,620	35,620
TOTAL		\$510,620	\$1,245,620

*\*Awards from Regional Landfill Assistance appropriation.*

### 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 and existing budget authority 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. DENR will again make application for federal funding during November 2005.

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 have been approved by the board as of September 2005. The Brownfields process is becoming an extremely useful tool to help assess and cleanup contaminated lands statewide and move economic development projects that are a high local priority forward.

Table 9

### 2005 Brownfields Assessment and Cleanup Projects

<u>Applicant</u>	<u>Site Name and Location</u>	<u>Activity</u>	<u>Land Use After Clean Up</u>	<u>Amount *</u>
A& B Business Products	Tri-State Mint, Sioux Falls	Assessment	Commercial	\$50,000
Aberdeen	6 <sup>th</sup> Avenue Project, Aberdeen	Cleanup	Commercial	\$200,000
Brookings	6 <sup>th</sup> Street Project, Brookings	Cleanup	Commercial	\$150,000
Crow Creek Tribal Dorm	Crow Creek School, Stephan	Cleanup	Residential	\$69,381
Parker Dev. Corp.	Meadows, Parker	Assessment & Cleanup	Residential	\$139,805
Parker Dev. Corp.	North Complex, Parker	Assessment & Cleanup	Ball/Complex	\$158,601
Phillips Redevelopment LLC	Main Avenue to 5 <sup>th</sup> Street, Phillips Avenue to 4 <sup>th</sup> Street, Sioux Falls	Assessment	Residential/Commercial	\$200,000
Pierre Grow Spink	Sioux Avenue Project, Pierre Sunrise Addition, Redfield	Assessment	Commercial Residential	\$200,000 \$26,567
Union County	Bosse Oil Bulk Site, Elk Point	Assessment & Cleanup	Commercial	\$50,000
Wagner	Wagner Street and City Project, Wagner	Assessment & Cleanup	Commercial	\$150,000
Watertown Dev. Corp.	Former Coal Gas Site, Watertown	Assessment & Cleanup	Commercial	\$400,000
Yankton	Former Jensen Salvage Yard, Yankton	Assessment	Commercial/Open Space	\$200,000
Yankton Dev. Corp.	Eisenbraun Site, Yankton	Assessment & Cleanup	Commercial	\$63,043
Yankton Dev. Corp.	Blocks 47 and 70 – Site 2, Yankton	Assessment & Cleanup	Commercial	\$400,000
TOTAL				\$2,457,397

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

## **2005 State Water Development Legislation**

### **Project Authorization**

On March 15, 2005, Governor Rounds signed House Bill 1215, the Omnibus Water Funding Bill. The 2005 Omnibus Bill contained the following appropriations:

### **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 – \$1,500,000 grant to provide nonfederal cost share for planning, engineering design, preconstruction, and construction of the regional water supply system;
- Perkins County Rural Water System – \$1,500,000 loan to provide nonfederal cost share for planning, engineering design, preconstruction, and construction of the regional water supply system;
- James River Restoration Activities – \$100,000 grant to provide nonfederal cost share for a feasibility phase study and environmental impact statement covering activities along the James River;
- Black Hills Hydrology and Water Management Study - \$100,000 grant to local project sponsors to be used for the development, evaluation, and review of water management studies related to the development of regional water supply systems in or near the Black Hills of South Dakota;
- Solid Waste Management Program – \$800,000 to provide grant or low interest loans for recycling, solid waste disposal, or waste tire projects.
- Regional Landfill Assistance - \$1,000,000 to provide grants or low interest loans for the construction, enlargement, or upgrading of regional landfills. The appropriation also provided that up to \$100,000 of these funds may be used by the department for the statewide clean up of waste tires and solid waste;

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

- Section 8 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 9 and 10 of the bill appropriated \$3.1 million from the Clean Water State Revolving Fund Program subfund for the purpose of providing water quality and small system technical assistance grants to project sponsors.
- Sections 11 and 12 appropriated \$260,000 from the State Drinking Water Revolving Fund Program subfund technical assistance grants to project sponsors.

# 2006 STATE WATER PLAN

# 2006 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.

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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 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 2005, the board placed 39 projects on the Facilities Plan, bringing the total number of projects on the 2006 State Water Facilities Plan to 69 (Table 10). The 39 projects placed on the plan in November will remain on the Facilities Plan through 2007. Projects that have received full or partial funding from the board, but that have not been on the plan longer than two years, are not included in Table 10. These projects technically remain on the Facilities Plan until its scheduled termination date 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. 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

**2006 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	Storm Sewer Project	2006		\$ 370,000		\$ 570,000
Belvidere	Water Distribution Improvements	2006				393,400
Big Sioux Community Water	Water Storage and Distribution	2007	\$ 300,000		\$ 1,000,000	1,711,700
Bon Homme-Yankton Water	Raw Water Intake	2007	1,000,000			8,945,000
Box Elder	Wastewater Treatment Improvements	2006		900,000		1,265,340
Box Elder	Water Supply and Storage Improvements	2007	500,000		3,299,000	10,474,500
Burke	Water and Wastewater Improvements	2007	115,600	155,000		270,600
Castlewood	Wastewater Treatment	2007	130,000	80,000		260,150
Centerville	Wastewater Collection System	2007	750,000	2,922,000		3,772,000
Corsica	Wastewater Collection Improvements	2006	200,000			589,830
Delmont	Wastewater Treatment Improvements	2006	128,750			286,150
Deuel County Cons. Dist.	School, Bullhead, Round, Wigdale, Fish, and Alice Lakes	2007	37,500			706,200
Deuel County Cons. Dist.	Clear Lake Watershed Restoration	2007	15,000			100,000
Elk Point	Water and Wastewater Improvements	2007	100,000	167,770	120,730	835,600
Enemy Swim San. Dist.	Wastewater Collection and Treatment	2007	600,000			3,900,000
Fall River WUD	Water System Expansion	2007	300,000	358,000		1,591,700
Frederick	Water Tower Repairs	2006	19,412			38,824
Geddes	Wastewater Collection Improvements	2006	100,000	300,000		939,700
Gettysburg	Wastewater Improvements	2006				133,680
Green Valley San. Dist.	Water System Construction	2007	700,000			3,752,639
Hartford	Water Distribution System Improvements	2006	500,000		1,123,556	3,133,556
Hermosa	Water Distribution & Supply Improvements	2007	300,000			600,000
Hermosa	Wastewater Collection and Treatment	2007	320,000			646,795
Hill City	Water/Wastewater Improvements	2006				774,070
Hill City	Wastewater Treatment	2007				4,700,000
Humboldt	Wastewater Treatment & Collection	2006		122,000		122,000
Humboldt	Water Supply and Distribution Improvements	2007	322,000		215,300	537,300
Keystone	Water System Improvements	2006			76,200	76,200
Kimball	Water and Wastewater Improvements	2006	100,000	100,000	82,970	432,970
Kingbrook RWS	Water Storage and Distribution System	2007	500,000		3,500,000	5,150,000
Kingbrook RWS	Winfred Water System	2007	50,000		58,000	108,000
Lake Poinsett San. Dist	Wastewater Collection and Treatment Phase	2007	200,000	590,000		1,100,000
Longview San. Dist	Water Rights Acquisition	2006	12,000			15,000
Longview San. Dist.	Water Distribution System Construction	2006	500,000		640,000	3,695,000
Mellette	Water and Wastewater Improvements	2007	100,000		109,000	209,000
Milbank	Wastewater Treatment	2007	1,000,000	4,649,000		7,649,000
Mni Waste' Water Company	Emergency Water Supply	2006	900,000			1,125,000
Mobridge	Water Main Improvements	2006	112,320			187,200
Parker	Water and Wastewater Improvements	2007	900,000	1,233,738	1,446,484	3,580,222
Pickstown	Wastewater Collection Expansion	2006	65,000			125,350
Rapid Valley San. Dist.	Water Treatment, Storage, and Distribution	2007	300,000		2,584,460	4,984,460
Redfield	Southwest Wastewater Expansion	2006		794,000		844,000
Selby	Water Distribution Improvements	2007	329,000			1,316,000
Sioux Falls	Water and Wastewater Improvements	2007		11,753,470	10,255,400	22,008,870
Sisseton	Water System Improvements	2006			537,936	537,936
Sisseton	Wastewater System Improvements	2006		200,000		1,025,000
Sisseton	Storm Sewer Improvements	2006				935,000
South Lincoln RWS	Water System Improvements	2007	300,000	500,000		1,425,000
Springfield	Water and Wastewater Improvements	2007	75,000			678,000
Stagebarn San. Dist.	Water Regionalization Project	2007	346,700			567,700
Sturgis	Water and Wastewater Replacement	2006	51,250			128,250
Tea	Water and Wastewater Improvements	2007	150,000	795,585	165,041	1,449,716
TM Rural Water District	Water Treatment Plant Improvements	2007	500,000		1,324,881	2,091,881
Tripp Co. WUD	Water System Expansion (Clearfield)	2006	100,000			1,432,340
Tripp Co. WUD	Water System Expansion (Internal & Clearfield Area)	2007	300,000			2,332,710
Tyndall	Storm Drainage Improvements	2006	100,000	500,000		902,000
Tyndall	Main Street Water Improvements	2007				710,400
Wagner	Water Storage and Distribution	2006	250,000		450,000	1,016,400



<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>	
Watertown	Storm Sewer Improvements	2007		1,267,341		1,267,341
Waubay	Water and Wastewater Improvements	2007	400,000		728,000	2,678,000
WEB Water Development Inc.	Water System Pump Station	2007	250,000			950,000
WEB Water Development Inc.	Water System Expansion	2007	250,000			1,250,000
WEB Water Development Inc.	Water Treatment Plant Expansion	2007	1,650,000			4,950,000
Wessington Springs	Water and Sewer System Extension	2006	100,000			286,200
Whitewood	Water System Improvements	2006				547,419
Winner	Wastewater System Improvements	2007	300,000	1,400,000		2,433,715
Woonsocket	Water System Improvements	2006	200,000		344,813	544,813
Woonsocket	Wastewater Treatment Improvements	2007	139,200	92,810		232,010
Yankton County	Gayville Storm Drainage Project	2006	75,000	100,000		195,000
TOTALS			\$17,043,732	\$29,350,714	\$28,061,771	\$134,223,837

\* 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 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 2005 meeting, the board recommended that one project be added and three projects be removed from the existing SWRMS list. The project recommended for addition is the Southern Black Hills Water System. The Southern Black Hills Water System is a proposed regional water system that would serve portions of Pennington and Fall River counties and Custer County.

The Bad River Watershed, Brennan Reservoir, and Pick-Sloan Riverside Irrigation projects were recommended for removal from the current SWRMS list. The Bad River Watershed Project has been completed, and is ready to be removed from the list. The Brennan Reservoir project was a proposed reservoir near Rapid City. Preliminary engineering reports on the project have indicated the project is not feasible at this time and the project is unlikely to proceed in the near future. The Pick-Sloan Riverside Irrigation Project has been on this list since 1987 with no activity reported for the last several years. No local project sponsor has been identified, therefore it was recommended for removal.

The proposed SWRMS additions and deletions are shown with underlines and overstrikes respectively (Table 11) on the following page.

Table 11

**STATE WATER RESOURCES MANAGEMENT SYSTEM PROJECTS**

<u>Project</u>	<u>Description</u>
<del>Bad River Watershed Project</del>	<del>Rehabilitation of Bad River Watershed</del>
Big Sioux Flood Control Study	Watertown Flood Control
Black Hills Hydrology & Water Management Study	Black Hills Water Resources
<del>Brennan Reservoir</del>	<del>Proposed Reservoir near Rapid City</del>
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
<del>Pick-Sloan Riverside Irrigation</del>	<del>Pick-Sloan Integration of Irrigation</del>
Sioux Falls Flood Control Project	Increased Flood Protection
Slip-Up Creek	Proposed Reservoir near Sioux Falls
<u>Southern Black Hills Water System</u>	<u>Rural Water System - Southern Hills</u>
Vermillion Basin Flood Control Project	Flood Control on Vermillion River

## **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 a 3,209 square mile area between the Badlands and Missouri River at Fort Pierre. The river delivers millions of tons of sediment to Lake Sharpe. The source of the sediment is primarily gully and stream bank erosion. The sediment impacts fishing and other recreation in the Pierre-Fort Pierre area.
- Increased groundwater elevations related to the sediment-induced river elevation rise contribute to flooding in the Pierre-Fort Pierre area when ice cover restricts downstream flow during winter peak power generation water releases from the Oahe Dam. To reduce flooding, power generation from the dam must be reduced. The estimated annual economic loss from decreased power generation and recreation uses total approximately \$15 million.
- The U.S. Army Corps of Engineers proposed building levees in the Pierre-Fort Pierre area to allow greater water releases and maximize power generation. Many local interests believe that a combination of watershed treatment and localized dredging of Lake Sharpe was a more acceptable and effective solution than levees. Congress authorized an initial appropriation of \$35 million to relocate more than 100 houses and utilities affected by the sediment related increased water levels in Pierre and Ft. Pierre. The South Dakota congressional delegation continues to seek additional funds to complete the relocation of homes.
- The State approved the \$21 million project with a state cost share commitment of \$875,000 in 1995. All state funds were expended.
- US Geological Survey records show that beginning in 1948, the Bad River delivered 3.25 million tons of sediment per year to Lake Sharpe. Studies determined that two-thirds of the load originates in the lower one-third of the basin. Based on the studies, best management practices were shifted to the lower basin to implement a 30 percent sediment load reduction total maximum daily load (TMDL).
- During the project, more than 2.6 million acres of the Bad River Watershed were placed under improved management using a combination of 21 best management practices to reduce sediment loading. State expenditures were matched by federal and local expenditures at a slightly over 6:1 ratio.

- The Corps of Engineers "Missouri River Oahe Dam to Lake Sharpe Sedimentation Study," released during 2001, indicates that the sediment delivery rate has decreased from 3.25 to 1.95 million tons per year. Data from subsequent years indicates the 1.3 million tons per year reduction has been maintained. The 40 percent sediment load reduction exceeds the Lake Sharpe sediment reduction TMDL by 10 percentage points.
- The project was completed in December 2004. The final report was accepted by DENR and EPA in September 2005.

### **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 initiated a feasibility study in 1988 in cooperation with Watertown, East Dakota Water Development District, Codington County, Lake Kampeska Water Project District, and Department of Environment and Natural Resources. State appropriations of \$150,000 were provided to assist in meeting the nonfederal cost share requirements.
- 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 feasibility 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 again 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.
- 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.

- In 2003, Watertown notified the Board of Water and Natural Resources that it would not need the \$450,000 of state funds appropriated to the project, and the funds were reverted back to the WEF in the 2004 Omnibus Bill, Senate Bill 203. Because of cost share and scope of work issues, Watertown decided to step back from participation in the re-evaluation and turn over all work to the Corps of Engineers.
- In 2005, the Corps of Engineers continued to develop the plan of study and to identify the tasks necessary to complete the general re-evaluation study.

### **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 provided \$3.4 million from Federal Fiscal Year 1988 through Federal Fiscal Year 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 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 provided local project sponsors 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 near the end of FFY 2003. The focus for the Study was on needs assessment, management alternatives, and final report development.
- The 2004 Omnibus Bill made \$100,000 available to local project sponsors for the development, evaluation, and review of water management studies related to development of regional water supply systems in or near the Black Hills. The Fall River Water User District sponsored the evaluation of a regional water supply project for an area south of Rapid City consisting of all of Custer and portions of Fall River and southern Pennington counties.
- In 2005, the Southern Black Hills Water System Inc., a nonprofit corporation, was formed to continue to evaluate the feasibility of a regional water system in Custer, Fall River, and southern Pennington counties. The Southern Black Hills Water System requested additional funds from a 2005 Omnibus Bill appropriation of \$100,000 be awarded to allow the continuation of activities begun in 2004. In June 2005, the Board awarded \$50,000 for these activities.

#### **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. Rapid City has pursued alternative wastewater treatment process improvements that do not include the development of the Brennan Reservoir and associated wetlands. No activity occurred on the project in 2005.

#### **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 2005.

## **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. 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 & Veatch was selected.
- The study, completed in 2004 by Black & Veatch, determined that 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.

## **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 several improvement projects. Projects have included: channel cleanout of trees and other debris, tributary drainage control through tree plantings, and other watershed improvements including the 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. The original plan was to contrast and compare these sites over a three-year period to provide a basis to determine if additional channel restoration/debris removal was 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 could be approved. The Corps of Engineers determined that an EIS to address the cumulative effects of the work being completed within the James River watershed is required. This EIS was anticipated to take up to two years to complete if sufficient federal funding was 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 completed the aerial photography and river topographic survey required by the EIS.
- Work continued on the Corps of Engineers' EIS in 2004 and 2005. James River WDD provided additional data and general information about the river and related issues to the COE. The James River WDD continues to be ahead of the COE on its required cost share.

### **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 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.
- 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.

- In 2004, the Board of Water and Natural Resources placed \$23,000 of the \$50,000 appropriated for this project in 2003 under agreement. The Lake Andes-Wagner Irrigation district continued to seek federal funding for the demonstration program. No activity occurred on the project in 2005.

### **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 sponsors provided funding support for project development in proportion to their service capacity needs. Iowa and Minnesota 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 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 were 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 it could not submit its Final Engineering Report to Congress until that office had approved the report. 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.
- In 2004, the Office of Management and Budget approved the Lewis and Clark RWS Final Engineering Report and submitted it to Congress. Lewis and Clark accepted bids for construction of its raw water pipeline, and construction began. The Lewis and Clark RWS also completed a test/production supply well and secured the water treatment plant site in 2004.
- Construction activities continued in 2005. Lewis and Clark accepted bids on the initial treated water pipeline that runs along the west side of Sioux Falls to approximately Tea. Lewis and Clark also accepted bids on treated water pipeline segments 2 and 3 which will construct the pipeline south of Tea to approximately 4 miles north of Highway 18. Additional work completed in 2005 included an additional test/production supply well near the Missouri River and the negotiation of additional water supply for the city of Sioux Falls.
- Sioux Falls and Lewis & Clark reached agreement in 2005 to provide the city with an additional 17 million gallons of water per day, bringing the total delivered capacity for Sioux Falls to 27 million gallons per day. Sioux Falls will finance the incremental cost of the additional capacity.

### **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 authorization was amended to reflect the \$263 million project and a 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.
- In 2001, the state appropriated a \$1.7 million loan for the continued construction of the Mni Wiconi Rural Water System. This appropriation completed the state's cost share commitment to the project.
- WR/LJ has constructed more than 70 percent of its system. In 2005, WR/LJ continued to add distribution pipelines and began construction on the North Core Pipeline. The Oglala Sioux Tribe agreed to allow WR/LJ to build approximately 70 miles of pipeline from Ft. Pierre to Kadoka. The North Loop Pipeline Project or "Huston Rose Memorial Pipeline" is scheduled for completion in 2007. This main transmission pipeline will be the main feed for distribution pipelines that provide water to the rural areas north of Ft. Pierre, around Hayes, Midland, Philip, and eventually Kadoka.

#### **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.
  - 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. Additional contracts were then 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, and recommended revising the state cost share to \$2.5 million in grant and \$4.5 million in loan.

- 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 was approved by the legislature. Project sponsors held an official groundbreaking on May 1, 2004 in Hettinger, North Dakota. The project began construction in South Dakota with the award of bids on the Lodgepole area distribution system. Construction activities included distribution lines to provide water to nearly 100 sites in the Lodgepole area and the construction of the system's main booster pump station. Additionally, main transmission pipelines toward Lemmon and Bison began.
- Construction of the main transmission pipelines to Lemmon and Bison were completed in 2005. Lemmon began receiving water in September 2005, and Bison is scheduled to begin service around the end of the year. Rural distribution from these two main transmission pipelines is scheduled for 2006 with service to be provided in the Lemmon and Shadehill areas.

#### **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 local sponsor can be identified for this project, no activity occurred on the project in 2005, 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 secure the easement and property required for 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 2005.

### **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 2005.



**Recommendations to the Governor and State Legislature**

In November 2005, the board conducted a public meeting on the State Water Resources Management System (SWRMS) projects. The board adopted Resolution #2005-106 recommending that one project be added and three projects be removed from the SWRMS list. The board also adopted Resolution #2005-107 providing its funding recommendations to the Governor and the Legislature for Water and Environment Fund, SRF Subfunds, and Environment and Natural Resources Fee Fund fiscal year 2007 expenditure authorization levels. A summary of the board's recommendations is provided below (Table 12). The full resolutions are in Appendix B.

*Table 12*  
**2007 Board of Water and Natural Resources Funding Recommendations**

<b>WATER AND ENVIRONMENT FUND</b>	
James River Restoration Project	100,000
Lewis and Clark Rural Water System	2,000,000
Perkins County Rural Water System (loan)	1,750,000
Southern Black Hills Water System	<u>100,000</u>
SWRMS Total	\$3,950,000
Consolidated Water Facilities Construction Program	\$3,000,000
Regional Landfill Construction Assistance	\$1,000,000
Solid Waste Management Program	\$1,000,000
<b>SRF SUBFUNDS AND ENVIRONMENT AND NATURAL RESOURCES FEE FUND</b>	
Clean Water State Revolving Fund (SRF) Admin Surcharge Fees	
Water Quality Grants	\$ 500,000
SRF Application and Administration Assistance	150,000
Drinking Water SRF Set-Asides and Admin Surcharge Fees	
Small System Technical Assistance	160,000
Wellhead Protection Program	200,000
SRF Application and Administration Assistance	150,000
Environment and Natural Resources Fee Fund	
Total Maximum Daily Load Determinations	100,000

# APPENDIX A

WATER AND ENVIRONMENT FUND

SPECIAL CONDITION STATEMENT

**WATER AND ENVIRONMENT FUND**  
**Special Condition Statement**  
**As of 7-1-05**

<b>Cash Balance from MSA - 6-30-05</b>		<b>\$14,224,126</b>
<b>Projected FY2006 Revenues</b>		
Capital Construction Fund	\$6,000,000	
Contractor's Excise Tax	\$450,000	
Investment Interest (Earned '04 deposited '05)	\$425,000	
Loan Principal & Interest Payments (Water)	\$60,000	
Loan Principal & Interest Payments (SW)	\$200,000	
Solid Waste Fees	\$1,500,000	
<b>Subtotal</b>	<b>\$8,635,000</b>	
<b>Projected FY2006 Expenditures (Authorized in General Bill)</b>		
Administrative Fee Fund	(\$400,000)	
<b>Subtotal</b>	<b>(\$400,000)</b>	
<b>Revenues Less Expenditures</b>		<b>\$8,235,000</b>
<b>Projected Fund Balance Available for Expenditure</b>		<b>\$22,459,126</b>
<b>Obligations (Signed contract by 7/1)</b>		
Consolidated	(\$9,173,622)	
Solid Waste & RLA Grants/Loans	(\$2,528,937)	
SWRMS Grants/Loans - Major Projects		
Black Hills Regional Water	(\$56,470)	
James River WDD	(\$242,628)	
LA-Wagner	(\$17,662)	
Lewis & Clark RWS	(\$2,525,413)	
Perkins County RWS	(\$832,288)	
Sioux Falls Flood Control	(\$1,959,741)	
TMDL Assessment WEF ('03 Omnibus)	(\$94,411)	
<b>Subtotal</b>	<b>(\$17,431,173)</b>	
<b>Project Expenditures Authorized by the Legislature - No agreement signed</b>		
Black Hills Regional Water ('05 Omnibus)	(\$50,000)	
James River WDD ('05 Omnibus)	(\$100,000)	
Lewis & Clark RWS ('05 Omnibus)	(\$1,500,000)	
Lake Andes-Wagner ('03 Omnibus)	(\$27,000)	
<b>Subtotal</b>	<b>(\$1,677,000)</b>	
<b>Program Expenditures Authorized by the Legislature - No agreement signed</b>		
Consolidated Program Authority	(\$1,632,082)	
Solid Waste Program Authority	(\$687,584)	
		<b>(\$2,319,666)</b>
<b>Surplus/(Deficit) Funds Available (as of 6/30/06)</b>		<b>\$1,031,287</b>

# APPENDIX B

BOARD OF WATER AND NATURAL RESOURCES

RESOLUTIONS



STATE OF SOUTH DAKOTA  
BOARD OF WATER AND NATURAL RESOURCES  
RESOLUTION # 2005 - 107

PROVIDING TO THE SOUTH DAKOTA LEGISLATURE AND GOVERNOR THE BOARD OF WATER AND NATURAL RESOURCES RECOMMENDATIONS FOR WATER AND ENVIRONMENT FUND FISCAL YEAR 2007 EXPENDITURE AUTHORIZATION LEVELS.

WHEREAS, SDCL 46A-1-2 provides 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 on 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 has reviewed the needs of waterbodies needing to complete Total Maximum Daily Load limit determinations as required pursuant to the 2004 South Dakota 303(d) waterbody list developed pursuant to the federal Clean Water Act § 303(d) as amended to January 1, 2006; 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 4, 2005, 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 2007 appropriation level of three million dollars (\$3,000,000) for the Consolidated Water Facilities Construction Program; and

IT IS FURTHER RESOLVED, that the board recommends to the Governor and the State Legislature the following Water and Environment Fund fiscal year 2007 line-item appropriation levels for projects on the State Water Resources Management System:

James River WDD	<u>\$ 100,000</u>
Lewis and Clark RWS	<u>\$ 2,000,000</u>
Perkins County RWS	<u>\$ 1,750,000</u>
Southern Black Hills RWS	<u>\$ 125,000</u>
SWRMS Total	<u>\$ 3,975,000</u>

IT IS FURTHER RESOLVED, that the board recommends to the Governor and the State Legislature the Water and Environment Fund fiscal year 2007 appropriation level of one million dollars (\$1,000,000) for continued funding of construction, enlarging, and upgrading 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 2007 appropriation level of one million dollars (\$1,000,000) 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 2007 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





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