

2007 ANNUAL REPORT
~~and~~
2008 STATE WATER PLAN



South Dakota
Board of
Water and Natural Resources



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

Governor M. Michael Rounds
and Members of the Eighty-Third
Legislative Session

As required by state law, transmitted herewith is the 2007 Annual Report/2008 State Water Plan of the Board of Water and Natural Resources. The Annual Report describes water development and waste management activities during the past year. The State Water Plan outlines the projects on the State Water Facilities Plan and State Water Resources Management System.

Throughout this document you will see the on-going needs for water, wastewater, and solid waste projects statewide and how critical state assistance is to get these projects constructed. Over the past year, the board awarded nearly \$39.5 million in grant and loan funds for the planning, design, and construction of municipal drinking water, wastewater, lake/watershed restoration, rural water, solid waste disposal, and recycling projects. These awards were a critical link in having environmental projects totaling more than \$100.4 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,

Steven M. Pirner
Secretary

BOARD OF WATER AND NATURAL RESOURCES

Brad Johnson, Chairman

Gene Jones, Jr., Vice Chairman

Don Rounds, Secretary

Don Bollweg

Dale Kennedy

John Loucks

Kelly Wheeler

Watertown

Sioux Falls

Pierre

Harrold

Beresford

Rapid City

Custer

2007 LEGISLATIVE OVERSIGHT COMMITTEE

Senator Tom Hansen

Senator Gary D. Hanson

Representative Russell Olson

Representative Dale Hargens

Huron

Sisseton

Madison

Miller

**To
Governor M. Michael Rounds
and the
Eighty-Third Session, Legislative Assembly
2008**

**2007 ANNUAL REPORT
~~and~~
2008 STATE WATER PLAN**

Board of Water and Natural Resources

January 2008

TABLE OF CONTENTS

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

2007 ANNUAL REPORT

◆ Overview	1
◆ State Water Resources Management System	1
◆ Consolidated Water Facilities Construction Program	2
◆ Clean Water State Revolving Fund Loan Program.....	2
◆ Drinking Water State Revolving Fund Loan Program.....	3
◆ State Revolving Fund Programs – Grant Assistance	4
◆ Watershed Protection - EPA Section 319 Grants.....	7
◆ Solid Waste Management Program.....	7
◆ Brownfields Revitalization and Economic Development Program	8
◆ 2007 State Water Development Legislation	11

2008 STATE WATER PLAN

◆ Overview	15
◆ State Water Facilities Plan	15
◆ State Water Resources Management System	18
SWRMS Project Status.....	18
Recommendations to the Governor and State Legislature	30

LIST OF TABLES

<u>TABLES</u>	<u>PAGE</u>
1	2007 State Water Resources Management System Funding Awards 1
2	2007 Consolidated Awards 2
3	2007 Clean Water State Revolving Fund Loan Awards 3
4	2007 Drinking Water State Revolving Fund Loan Awards 4
5	2007 State Revolving Fund Grant Allocations..... 4
6	2007 State Revolving Fund Programs Grant Awards 6
7	2007 EPA Section 319 Grants 7
8	2007 Solid Waste Management and Regional Landfill Assistance Awards..... 8
9	2007 Brownfields Assessment and Cleanup Projects 9
10	2008 State Water Facilities Plan 16
11	State Water Resources Management System Projects 18
12	2009 Board of Water and Natural Resources Funding Recommendations 30

LIST OF APPENDICES

APPENDICES

- A Water and Environment Fund Special Condition Statement
- B Board of Water and Natural Resources Resolutions
 - #2007-78: State Water Resources Management System Recommendations
 - #2007-79: 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 and funding recommendations necessary to implement the water plan

This report consists of two principal sections – the 2007 Annual Report and the 2008 State Water Plan. The annual report provides progress reports on each program and on board activities during calendar year 2007. The second section sets forth the projects included on the State Water Facilities Plan and the State Water Resources Management System. A Water and Environment Fund Special Condition Statement that projects the status of the Water and Environment Fund at the end of fiscal year 2008 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 retention, placement on, or removal of projects from 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.

2007 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 2007 activities, including a detailed account of Water and Environment Fund grant and loan awards.

In November 2006, the board placed 46 projects on the 2007 State Water Facilities Plan. During the year, the board amended an additional 26 projects onto the plan. This made the projects eligible for financial assistance from a variety of federal and state sources.

The board awarded nearly \$39.5 million in grant and loan funds to finance municipal drinking water systems, rural water systems, wastewater facilities, watershed restoration, solid waste disposal, recycling, and contaminated land restoration activities. These awards resulted in more than \$100.4 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, 2007, Governor Rounds signed the 2007 Omnibus Bill (House Bill 1245) which appropriated \$5.165 million for State Water Resources Management System (SWRMS) projects.

Individual project appropriations approved as part of the 2007 Omnibus Bill are detailed in the 2007 State Water Development Legislation section on page 11. During the year, the board placed all \$5.165 million of 2007 appropriations and \$77,000 of prior year appropriations under agreement (Table 1).

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

Table 1

2007 State Water Resources Management System Funding Awards

<u>Project</u>	<u>Amount</u>	<u>Type</u>
James River Water Development District	\$ 40,000	Grant
Lake Andes-Wagner/Marty II	27,000	Loan
Black Hills Water Management Study - Lead-Deadwood Sanitary District	50,000	Grant
Lewis and Clark Rural Water Supply System	2,500,000	Grant
Perkins County Rural Water System	1,500,000	Grant
Perkins County Rural Water System	500,000	Loan
Southern Black Hills Water Supply System	625,000	Grant
TOTAL	<u>\$ 5,242,000</u>	

Consolidated Water Facilities Construction Program

The 2007 State Legislature appropriated \$4.0 million for the Consolidated Water Facilities Construction Program to provide grants and loans for water development projects on the State Water Facilities Plan. Additionally, \$1.024 million of prior year funding reverted and became available for award in 2007.

The board considered 27 applications and 2 amendment requests and awarded 21 grants and 2 amendments totaling more than \$4.7 million (Table 2). In November 2007, the Board converted a January 2001 \$150,000 loan awarded to the Perkins County Rural Water System to a grant. The 2007 awards leveraged more than \$40.8 million in total project activities.

Table 2

2007 Consolidated Awards

<u>Sponsor</u>	<u>Description</u>	<u>Amount</u>	<u>Total Project</u>
Corsica	Water/Wastewater Improvements	\$ 170,000	\$ 2,687,625
Dell Rapids	12 th and Clark Drainage Improvements	300,000	1,462,000
Elk Point *	Water/Wastewater Improvements	50,000	615,000
Groton	Wastewater Pipeline Replacement	50,000	180,000
Hanson Rural Water System	System Supply and Distribution	300,000	3,766,800
Highmore	Storm and Sanitary Sewer	250,000	2,035,150
Kingsbury Co. Cons. District	Feedlot Reclamation	20,000	51,000
Lake Hendricks San. District	Wastewater Collection	47,500	131,051
Lake Hendricks San. District *	Wastewater Collection	20,000	20,000
Lake Poinsett San. District	Wastewater System Expansion	300,000	1,750,000
Lead	Storm and Sanitary Sewer	200,000	2,308,817
Lesterville	Water Storage Repair	20,000	38,020
Madison	Wastewater Treatment	500,000	6,029,920
Miller	Water Meter Replacement	125,000	380,000
Owanka Rural Water System	Water System Construction	270,000	1,090,575
Salem	Water Treatment Improvements	500,000	2,328,926
Selby	Water Distribution Improvements	200,000	1,425,000
Spearfish	Wastewater Treatment Improvements	100,000	6,669,000
Tea	Water Storage	125,000	1,345,900
Viewfield Rural Water System	Water System Construction	350,000	1,800,300
Waubay	Water/Wastewater Improvements	400,000	2,680,000
Wolsey	Water/Wastewater Improvements	50,000	685,600
Worthing	Water/Wastewater Improvements	450,000	1,328,274
	TOTAL	<u>\$4,797,500</u>	<u>\$ 40,808,958</u>

* Grant Amendment

Clean Water State Revolving Fund Loan Program

In 1989, the Clean Water State Revolving Fund (SRF) Loan Program began providing low-interest loans to governmental entities including municipalities, sanitary districts, and other special purpose districts. The loans are used for construction of wastewater facilities, storm sewers, and nonpoint source pollution control projects. During 2007, the board approved 16 loans totaling more than \$18.5 million (Table 3).

The base interest rates for the Clean Water SRF program are 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. In 2007, and with the approval of EPA, the board added a 3.5 percent for up to 30 years term. The program also has nonpoint source incentive rates of 1.5 percent for loans with a term of 10 years or less, 2.25 percent for loans with a term up to 20 years, and 2.5 percent for loans with a term up to 30 years. Projects for traditional wastewater or stormwater projects that include a nonpoint source component may receive the nonpoint source rate. The annual principal and interest payments will be calculated for a loan at the higher base interest rate. Using the lower nonpoint source interest rate, a loan will be sized using the annual payment previously calculated. The difference in the two loan amounts will be the amount of funding available for the nonpoint source component of the project.

Table 3

2007 Clean Water State Revolving Fund Loan Awards

<u>Sponsor</u>	<u>Description</u>	<u>Amount</u>	<u>Interest</u>	
			<u>Rate</u>	<u>Term</u>
Aberdeen	Wastewater Treatment Plant	\$ 6,000,000	3.25%	20
Dell Rapids	Drainage Improvements	1,062,000	3.25%	20
Fort Pierre	Drainage Improvements	374,620	3.25%	20
Hartford	Sanitary/Storm Sewer Improvements	583,000	3.25%	20
Lake Poinsett San. District	Wastewater System Expansion	1,094,700	3.25%	20
Lead	Sanitary/Storm Sewer Improvements	240,000	3.25%	20
Madison	Wastewater Treatment Facility	5,343,256	3.25%	20
Sioux Falls	Regional Landfill Closure Project	500,000	2.50%	7
Tea	Lift Station Replacement	858,000	3.25%	20
Wagner	Collection System Improvements	150,000	3.25%	20
Watertown (07)				
Series A	1 st Avenue North Sanitary Sewer	847,170	2.25%	20
Series NPS	Upper Big Sioux Watershed BMP	81,205	2.25%	20
Watertown (08)				
Series A	1 st Avenue North Storm Sewer	612,877	2.25%	20
Series NPS	Upper Big Sioux Watershed BMP	58,747	2.25%	20
Wolsey	Utility Systems Improvements	162,300	3.25%	20
Worthing	Utility Systems Improvements	580,000	3.50%	30
	TOTAL	\$ 18,547,875		

Drinking Water State Revolving Fund Loan Program

In 1998, the Drinking Water State Revolving Fund (SRF) Loan Program began providing low-interest loans to nonprofit corporations and governmental entities including municipalities, sanitary districts, and other special districts for the construction of drinking water facilities. In 2007, seven loans were approved totaling nearly \$6.9 million (Table 4).

The base interest rates for the Drinking Water SRF program are 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.

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

Additionally, the median household income of the community must be below the statewide median household income (MHI). Communities with a median household income less than the MHI but greater than 80 percent of the MHI are eligible for an extended 30-year term loan at the base rate of 3.25 percent interest. Communities with a household income between 60 percent and 80 percent of the MHI are eligible for an extended 30-year term loan at 2.5 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

2007 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>
Harrisburg	Lewis & Clark RWS Connection	\$ 1,714,327	3.25%	20
Mobridge	Water Main Improvements	90,000	2.50%	30
Salem	Water Treatment Plant	1,345,000	3.25%	30
Tea	Lewis & Clark RWS Connection	2,263,723	3.25%	20
Wagner	Water Distribution Improvements	175,000	0%	30
Wolsey	Utility Systems Improvements	162,300	3.25%	20
Yankton	Water System Improvements	1,100,000	3.25%	20
TOTAL		\$6,850,350		

State Revolving Fund Programs – Grant Assistance

In 2007, 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 2007 intended use plans approved the use of \$865,400 in Clean Water and Drinking Water funds (Table 5).

Table 5

2007 State Revolving Fund Grant Allocations

<u>Activity</u>	<u>Source</u>	<u>Amount</u>
Water Quality Assessment Grants	Clean Water SRF Admin Surcharge	\$ 400,000
Small System Technical Assistance Grants	Drinking Water SRF Set-Aside	165,400
SRF Application Preparation and Administration	Clean Water SRF Admin Surcharge & Drinking Water SRF Admin Surcharge	300,000
TOTAL		\$ 865,400

Water Quality Assessment/Construction Grants: The federal Clean Water Act requires that a Total Maximum Daily Load (TMDL) be completed for all impaired water bodies. A

TMDL is the amount of specific pollutants a waterbody can receive and still meet water quality standards. In 2007, the Board awarded \$400,000 in grant assistance from Clean Water Administrative Surcharge fees to conduct a TMDL Assessment of the Lower Cheyenne River.

Using prior year funds, the Board continued to support the construction of Livestock Auction Market Animal Waste Management Systems in 2007. Under certain conditions, livestock auction markets are required to control discharges from the facility and to obtain an authorization to operate under DENR's General Water Pollution Control Permit for Concentrated Animal Feeding Operations. The construction of manure management systems for auction markets is not eligible for assistance from the USDA Environmental Quality Incentive Program. Grants for the construction of a manure management system reimburse up to 75 percent of actual construction costs, with the maximum grant amount for any recipient limited to \$162,500. Grants may be provided regardless of the need for the auction market to be permitted as long as water quality improvements are undertaken.

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

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

The Board continued its technical assistance contract with the South Dakota Association of Rural Water Systems (Rural Water) in 2007. Rural Water provides assistance to small drinking water systems serving populations of 10,000 or less with compliance, permitting, and operational issues.

The Board continued to provide assistance to revolving fund borrowers with the preparation of applications and on-going loan administration activities. The state's six planning districts all have contracts to receive up to \$7,500 per loan for application and loan administration duties. In 2007, five of the six planning districts received a total of \$195,000 of additional funding to continue these application and administrative duties.

During 2007, 31 clean water and 26 drinking water awards were approved obligating a total of nearly \$1.06 million (Table 6).

Table 6

2007 State Revolving Fund Programs Grant Awards
Assessment/Construction Grant Awards

<u>Sponsor</u>	<u>Project</u>	<u>Grant Amount</u>
Hub City Livestock (Aberdeen) *	Auction Market Animal Waste Management	\$ 8,000
Livestock Yards Co. (St. Onge) *	Auction Market Animal Waste Management	31,500
SD Livestock Sales of Watertown	Auction Market Animal Waste Management	111,000
Sisseton Livestock Auction Inc.	Auction Market Animal Waste Management	162,500
West River Water Development District	Lower Cheyenne River TMDL Assessment	400,000
TOTAL		<u>\$ 713,000</u>

* Grant Amendments

Small Community Planning Grant Awards

<u>Sponsor</u>	<u>Project</u>	<u>Grant Amount</u>
Bison	Storm Water Study	\$ 6,000
Chapel Lane Water Company	Water System Improvements	6,000
Corson Village San. District	Wastewater Study	6,000
Delmont	Water System Improvements	6,000
Fairburn Water Association	Water System Improvements	4,400
Faulkton	Water System Improvements	4,000
Frankfort	Wastewater Study	6,000
Gayville	Water System Improvements	3,440
Groton	Wastewater Study	8,000
Hurley	Water/Wastewater	8,000
Miller	Water System Improvements	4,000
Morristown	Water System Improvements	6,000
Newell	Water/Wastewater Study	5,920
Owanka RWS	New Water System Study	5,824
Pukwana	Water/Wastewater Study	14,000
Quinn	Wastewater Collection and Treatment	6,000
Summerset	Wastewater System Evaluation	6,000
Viborg	Wastewater System	8,000
Wall Lake San. District	Wastewater System	6,000
Warner	Water System Improvements	6,000
Westberry Trails Homeowners	Water System Improvements	6,000
White Lake	Water/Wastewater	14,000
Yankton County	Wastewater Feasibility Study	6,000
TOTAL		<u>\$ 151,584</u>

Technical Assistance Awards

<u>Sponsor</u>	<u>Project</u>	<u>2007 Award</u>
Central SD Enhancement District	Loan Application & Admin.	\$ 7,500
First District Assoc. of Local Governments	Loan Application & Admin.	30,000
Northeast Council of Governments	Loan Application & Admin.	30,000
Planning and Development Dist. III	Loan Application & Admin.	30,000
South Eastern Council of Governments	Loan Application & Admin.	97,500
TOTAL		<u>\$ 195,000</u>

Watershed Protection – EPA Section 319 Grants

The South Dakota Watershed Protection Program is designed to assess nonpoint water pollution sources and to reduce or eliminate their impact on water quality throughout the state. Nonpoint source refers to the polluted run-off from urban, agriculture, and forest lands. The program provides technical and financial assistance to local watershed project sponsors in the planning and management of assessment and implementation projects. Additionally, the program administers state and federal grants, monitors the effectiveness of implementation projects, and provides information and education materials.

Applications for Section 319 grants must be approved by the board prior to submission to EPA. In 2007, the board recommended that EPA award nearly \$2.5 million to watershed projects (Table 7).

Table 7

2007 EPA Section 319 Grants

<u>Sponsor</u>	<u>Project</u>	<u>Amount</u>	<u>Total Project</u>
Davison Conservation District	Firesteel Creek / Lake Mitchell Watershed	\$250,000	\$622,975
Day Conservation District	Northeast Glacial Lakes Watershed Protection	390,000	642,452
Discovery Center	Nonpoint Source Information & Education	200,000	348,070
Hamlin Conservation District	Lake Poinsett Watershed	435,000	1,043,630
Randall Resource Conservation and Development District	Lewis & Clark Watershed	412,308	852,080
SD Grasslands Coalition	Grassland Management & Planning	400,000	965,732
West River Water Development District	Lower Cheyenne River TMDL Assessment	383,392	2,025,000
TOTAL		\$2,470,700	\$6,499,939

Solid Waste Management Program

The 2007 State Legislature appropriated \$1,000,000 for the Solid Waste Management Program (SWMP) and \$1,250,000 for Regional Landfill Assistance. These appropriations, combined with reverted and unobligated prior year funding, resulted in nearly \$3.5 million being available for grants and loans for recycling, waste tire, and solid waste disposal projects.

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

The board awarded five grants, three loans, and one grant amendment in 2007, totaling nearly \$3.0 million (Table 8). Of these awards, two were for recycling activities and six were for municipal solid waste or waste tire cleanup activities. In July 2007, the Board converted \$66,909.59 of a previous \$125,000 loan award to Acme Pallet of Rapid City to a grant. SWMP awards helped leverage nearly \$7.0 million in total project activities.

Table 8

2007 Solid Waste Management and Regional Landfill Assistance Awards

		<i>Municipal Solid Waste</i>		
<u>Sponsor</u>	<u>Description</u>	<u>Loan Amount</u>	<u>Grant Amount</u>	<u>Total Project</u>
Custer-Fall River WMD	Landfill Expansion	\$ 550,000*	\$ 100,000	\$ 790,240
Lake Preston	Rubble Site Closure		45,900	91,800
Solid Waste Management Assoc	Solid Waste Training		34,450	55,900
Sioux Falls	Landfill Sideslope Closure	800,000*		2,300,000
Vermillion ^	Landfill Closure Study		27,600	71,000
Walworth Co. Regional Landfill	Landfill Expansion		300,000	625,000
TOTAL		\$ 1,350,000	\$ 507,950	\$ 3,933,940
		<i>Recycling</i>		
<u>Sponsor</u>	<u>Description</u>	<u>Loan Amount</u>	<u>Grant Amount</u>	<u>Total Project</u>
Sioux Falls	Compost Pad and Drop-off Area	\$1,000,000		\$ 2,800,000
Watertown	Compost Pad		\$ 109,000	218,000
TOTAL		\$ 1,000,000	\$ 109,000	\$ 3,018,000

*Regional Landfill Assistance Loans

^Grant Amendment

Brownfields Revitalization and Economic Development Program

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

While DENR has made application for federal funding, the U.S. Environmental Protection Agency has not awarded South Dakota any federal funds for the Brownfields revolving loan subfund. Therefore, there has been no activity in this subfund. Based on comments received from EPA on our 2006 application to EPA, DENR will not submit an application for federal funding in 2007. EPA has advised DENR that until partners or potential applicants are identified, DENR will not be eligible for federal revolving loan funds.

DENR has used both federal Brownfields grants and federal Leaking Underground Storage Tank Trust Funds to complete environmental assessments and cleanups of Brownfields projects statewide. Brownfields projects are nominated by local project sponsors and approved by the Board of Water and Natural Resources. Table 9 contains a list of all the Brownfields projects that were approved by the board in 2007. The Brownfields process is an extremely useful tool to help assess and clean up contaminated lands statewide and move economic development projects forward that are a high local priority.

Table 9

2007 Brownfields Assessment and Cleanup Projects

Applicant	Site Name and Location	Activity	Land After Clean Up	Amount*
Belle Fourche Dev. Corp.	Bushfield Property, Belle Fourche	Assessment	Commercial	\$ 200,000
Brenkev Company	Frankman Property, Sioux Falls	Assessment	Commercial	200,000
Betz Blinds	Pro Tune Up Property, Sioux Falls	Assessment & Cleanup	Commercial	400,000
City of Gary	Former School for the Blind, Gary	Assessment & Cleanup	Commercial	400,000
Wagner	Wagner Street and City Project, Wagner	Assessment & Cleanup	Commercial	150,000
Phillips Redevelopment LLC	Main Avenue to 5 th Street and Phillips Avenue to 4 th Street, Sioux Falls	Assessment	Residential/Commercial	200,000
Jefferson	Former Garvis/Bosse Oil sites, Jefferson	Assessment & Cleanup	Commercial	200,000
Pierre	City Well VOC Impact, Pierre	Assessment & Cleanup	Commercial	400,000
Onida	Former MCTM Station, Onida	Cleanup	Commercial	50,000
Sioux Falls	Former Bill's Apco, Sioux Falls	Assessment & Cleanup	Commercial	260,000
Union County	Bosse Oil Bulk Site, Elk Point	Assessment & Cleanup	Commercial	300,000
Pierre	Former Husky Oil Site, Pierre	Assessment & Cleanup	Commercial	200,000
Watertown Dev. Corp.	Former Coal Gas Site, Watertown	Assessment & Cleanup	Commercial	400,000
Highmore	Former Hoffman/Street Site, Highmore	Assessment	Commercial	20,000
Madison	Former Jim's Machine Shop, Madison	Assessment & Cleanup	Commercial	200,000
Redfield	Four J's Site, Redfield	Assessment & Cleanup	Commercial	200,000
Huron	Former Bales Bulk Site, Huron	Assessment & Cleanup	Commercial	140,000
Yankton	Former Jensen Salvage Yard, Yankton	Assessment	Commercial/Open Space	200,000
Huron	Oxandaburu Property, Huron	Assessment	Commercial	200,000
Highmore	Former Straight's Corner, Highmore	Assessment & Cleanup	Commercial	100,000

<u>Applicant</u>	<u>Site Name and Location</u>	<u>Activity</u>	<u>Land After Clean Up</u>	<u>Amount*</u>
Rapid City	Main Avenue Street Project, Rapid City	Assessment & Cleanup	Commercial	200,000
Huron	Former Huron Dressed Beef Site	Assessment & Cleanup	Commercial/ Game Production	350,000
Watertown Dev. Corp.	Coal Gas Disposal Site	Assessment & Cleanup	Open Space	130,000
Yankton	East Corner Stone Redevelopment	Assessment & Cleanup	Commercial	250,000
Custer County	Former Bulk Site	Assessment & Cleanup	Commercial	100,000
Canistota	Former Station and Bulk Site	Assessment & Cleanup	Commercial/ Park	230,000
Alcester	Former Feed and Grain	Assessment & Cleanup	Commercial	200,000
TOTAL				\$ 5,880,000

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

2007 State Water Development Legislation

On February 28, 2007, Governor Rounds signed House Bill 1245, the Omnibus Water Funding Bill. The 2007 Omnibus Bill contained the following appropriations:

Appropriations from the Water and Environment Fund

- Consolidated Water Facilities Construction Program – \$4,000,000 to provide grants and loans for community drinking water, wastewater, and watershed 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;
- Perkins County Rural Water System – \$2,000,000 appropriation to provide nonfederal cost share for planning, engineering design, preconstruction, and construction of the regional water supply system. The appropriation was divided into a \$1,500,000 grant and a \$500,000 loan;
- James River Restoration Activities – \$40,000 grant to provide nonfederal cost share for a feasibility phase study and environmental impact statement covering activities along the James River. This appropriation completed the state cost share commitment to this project;
- Southern Black Hills Water System - \$625,000 grant for the development, evaluation, and review of water management studies related to the development of regional water supply systems in Custer, Fall River and southern Pennington counties;
- Solid Waste Management Program – \$1,000,000 to provide grants or low interest loans for recycling, solid waste disposal, or waste tire projects;
- Regional Landfill Assistance - \$1,250,000 to provide grants or low interest loans for the construction, enlargement, or upgrading of regional landfills; and
- Section 9 of the bill appropriated \$100,000 to local project sponsors to conduct a feasibility study on the development of regional water and sewer infrastructure in the Rapid City area to include portions of Meade County and Pennington County.

Appropriations from WEF Subfunds and Other Sources

- Section 10 of the bill appropriated \$150,000 from the Environment and Natural Resources Fee Fund to the department for the determination of Total Maximum Daily Load (TMDL) limits on selected South Dakota water bodies;
- Sections 11 and 12 of the bill appropriated \$550,000 from the Clean Water State Revolving Fund Program subfund for the purpose of providing water quality and technical assistance grants; and
- Sections 13 and 14 appropriated \$310,000 from the Drinking Water State Revolving Fund Program subfund for technical assistance grants.

2008 STATE WATER PLAN

2008 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 projects. The Facilities Plan includes projects such as rural, municipal, and industrial water supply, wastewater collection and treatment facilities, storm sewers, groundwater protection, and watershed restoration. The board is responsible for approving the placement of projects on the Facilities Plan. Projects on the Facilities Plan are eligible to seek state and federal financial assistance. The board can provide direct assistance to projects on the plan and placement on the plan may influence federal and other state agency funding decisions.

In November 2007, the board received 43 applications requesting placement on the State Water Plan. The board placed all 43 of the projects on the Facilities Plan, bringing the total number of projects on the 2008 State Water Facilities Plan to 110 (Table 10). The 43 projects placed on the plan in November will remain on the Facilities Plan through 2009. Projects placed on the plan in November 2006, or that were amended onto the plan during calendar year 2007 will remain on the Facilities Plan through 2008. The bolded projects in Table 10 reflect projects that have received either partial or full funding. The bolded amounts on these projects reflect the amount that has been awarded to date. The projects remain on the Facilities Plan and remain eligible to request additional funding.

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

Table 10

2008 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	Brown County Water Quality Improvements	2008	\$ 18,000	\$ 1,156,259		\$ 1,274,259
Aberdeen	Wastewater Treatment	2008		19,218,859		19,218,859
Armour	Water System Improvements	2008	200,000		\$ 320,000	1,370,000
Aurora	Wastewater Treatment	2008	300,000	600,000		1,200,000
Aurora-Brule RWS	Water Intake Improvements	2009	250,000			4,249,794
BDM Rural Water	Hecla Area/Internal Expansion	2008	325,000			7,490,000
Beresford	East Street Watermain Improvement	2009	125,000			209,000
Big Sioux Comm. Water	Water Supply and Treatment	2009	300,000			2,969,280
Black Hawk WUD	Water Storage and Distribution	2009			1,140,052	1,478,052
Bon Homme-Yankton Water	Douglas Co. Expansion	2009	300,000			557,478
Box Elder	Wastewater Treatment	2008	400,000			3,130,200
Box Elder	Water Supply and Storage Improvements	2009	553,000			7,132,000
Brandt Lake San. District	Wastewater Collection and Treatment	2008	500,000			4,004,000
Britton	Residential Development	2008	200,000			715,000
Canton	Water/Wastewater Improvements	2008		432,770		860,000
Cavour	Waterline Replacement and Meters	2008	80,000		53,011	133,011
Chamberlain	Dredging in American Creek	2008	50,000			400,000
Chamberlain	Water Treatment Improvements	2009	350,000		403,000	953,000
Clark RWS	Water Treatment Plant	2009	666,000		999,000	6,660,000
Copper Oaks I Water Assoc.	Well Facility Improvements	2009	96,550		96,550	193,900
Corsica	Water and Wastewater Improvements	2008	300,000			2,684,625
Crooks	Wastewater Treatment	2008	300,000	255,000		615,000
Dakota Central RC&D	Upper Snake Creek Watershed	2008	75,000			1,473,200
Dell Rapids	Wastewater Lift Station	2008	400,000	716,000		1,216,000
Dell Rapids	Storm Drainage Improvements	2008	300,000	1,062,000		1,551,000
DeSmet	Third Street Water Main Replacement	2008	100,000		100,000	513,000
Edgemont	Water System Improvements	2009	500,000			2,561,000
Elk Point	Washington Street Water/Wastewater	2008	225,000			447,000
Elk Point	Clay Street Water/Wastewater	2009	250,000	128,300	289,700	873,000
Elk Point	Main Street Water/Wastewater	2009	600,000	145,223	625,000	1,471,000
Emery	Wastewater Treatment	2009	50,000			849,626
Faith	Additional Water Supply	2008	225,000			597,000
Fall River WUD	Internal Water System Expansion	2008	300,000		400,000	1,692,830
Fall River WUD	Supplemental Water Supply	2008	200,000			1,716,889
Frankfort	Wastewater Collection Improvements	2009	61,050			183,150
Freeman	Storm Water Improvements	2008		576,000		1,261,000
Ft. Pierre	Storm Water Drainage	2008		374,620		1,124,620
Garretson	Split Rock Creek Lift Station	2008		568,000		568,000
Gary	Wastewater Treatment Improvements	2008	200,000	225,000		425,000
Geddes	Wastewater Improvements	2008	100,000			950,900
Green Valley San. Dist.	Water System Construction	2009	765,300			4,216,002
Green Valley San. Dist.	Wastewater Collection System Construction	2009	900,000	2,092,000		6,009,582
Gregory	Wastewater Improvements	2008	100,000	257,000		557,000
Groton	Wastewater Improvements	2008	50,000			326,776
Hanson Rural Water	Water Supply	2008	300,000			3,435,800
Harrold	Storm Drainage	2008	238,212			388,212
Hartford	Sanitary/Storm Sewer Improvements	2008		583,000		583,000
Hartford	Water and Wastewater Improvements	2008	350,000			1,092,319
Hermosa	Wastewater Collection and Treatment	2009	338,645			2,032,095
Highmore	Wastewater and Storm Water	2009	500,000			2,035,000
Humboldt	Wastewater Treatment and Collection	2008		127,000		127,000
Hurley	Water System Improvements	2009	100,000		71,064	171,064
Irene	Valley Acres Addition	2008	50,000			236,110
Kingbrook RWS	2008 System Improvements	2009	500,000		4,200,000	6,850,000
Kingbrook RWS	Winfred Water System	2009	50,000		70,000	120,000
Kingsbury Cons. District	Kingsbury County Lakes	2008	20,000			51,000
Lead	Julius Street Sanitary/Storm Sewer	2008	200,000	240,000		2,308,900
Lennox	Wastewater System Improvements	2009	600,000	956,400		1,610,400
Lesterville	Water Tower Repair	2008	20,000			37,682
Longview San. Dist.	Water Rights Acquisition	2008	15,000			20,000
Longview San. Dist.	Water Distribution Construction	2008	500,000		640,000	3,695,000
Madison	Wastewater Treatment	2008	500,000	5,343,256		6,559,256
Martin	North Stabilization Pond Improvements	2008		100,000		285,000

<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>	
Mellette	Water and Wastewater Improvements	2009	75,000		149,020	224,020
Menno	Highway 18 Water/Wastewater	2008	15,000	70,000		135,000
Miller	Water Distribution System	2008	400,000			1,776,990
Mission Hill	Water System Improvements	2009	100,000		332,300	682,300
Mitchell	Lift Station Replacement	2009	500,000	1,000,000		1,650,000
Mobridge	Water Main Improvements	2008			303,500	303,500
Mobridge	Storm Sewer Improvements	2009	454,343	302,896		757,239
Morristown	Water System Rehabilitation	2009				419,880
New Effington	Wastewater Treatment and Collection	2008	250,000			917,000
Owanka RWS	Construct a New Rural Water System	2008	270,000			1,090,575
Parkston	Wastewater Improvements	2008	200,000	650,000		1,174,752
Pine Cliff Park	Water Distribution	2008	148,200			418,000
Presho	Wastewater Improvements	2008	100,000	309,440		331,780
Provo Township	Water System Rehabilitation	2008	200,000			331,780
Pukwana	Water Improvements	2008				771,800
Randall Comm. Water District	Water System Improvements	2009	1,000,000			29,930,000
Randall RC&D	Lewis & Clark Watershed	2008	168,750			1,347,320
Redfield	Southwest Sanitary Sewer	2008		342,755		392,755
Redfield	Water and Wastewater Improvements	2008	50,000		342,755	1,214,590
Scotland	Highway 25 Water/Wastewater	2008	50,000	62,771		332,421
Sioux Falls	Regional Landfill Closure	2008		500,000		2,800,000
Sioux Falls	Wastewater Improvements	2009		5,657,000		5,657,000
Sioux Falls	Eastside Sanitary Sewer	2009		12,100,000		12,100,000
Sioux Falls	Storm Sewer Detention System	2009		2,621,000		2,621,000
Sioux Falls	Water Treatment Improvements	2009			17,848,000	17,848,000
Sioux Falls	Water Supply Improvements	2009			2,200,000	2,200,000
Sioux Falls	Water Distribution Improvements	2009			2,705,600	2,705,600
Spearfish	Wastewater Treatment	2008	100,000	5,163,000		6,669,000
Spearfish Meadows	Water Distribution System	2009	80,000		170,000	250,000
Summerset	Wastewater Treatment Plant Purchase	2009	500,000	2,623,100		3,123,100
Tripp	Storm Sewer	2009	100,000			803,260
Tripp Co. WUD	Water System Expansion	2009	350,000			4,601,000
Tyndall	Wastewater Collection	2008	1,000,000			8,144,829
Tyndall	Storm Sewer Replacement	2008	50,000	500,000		818,800
Vermillion	Wastewater Treatment Phase II	2009	250,000	3,948,000		4,698,000
Viborg	Water System Improvements	2009			249,775	415,500
Viewfield Water Assoc.	Rural Water System Construction	2008	350,000			1,800,300
Wagner	Water and Wastewater Improvements	2008		150,000	175,000	594,750
Wall Lake San. District	Wastewater Facilities Improvements	2009	220,000			396,600
Watertown	Water System Improvements	2009			23,760,000	23,760,000
Weston Heights	Wastewater Treatment	2008		638,300		938,300
Whitewood	Water Supply, Storage, and Treatment	2008				1,941,000
Wolsey	Water Distribution	2008	125,000		251,600	685,600
Woonsocket	Water System Improvements	2008	100,000		390,000	497,343
Woonsocket	Wastewater Treatment Improvements	2009	80,000			1,086,530
Worthing	Water and Wastewater Improvements	2008	450,000	580,000		1,328,274
Yankton	Water System Improvements	2008			1,100,000	1,469,000
TOTALS			\$22,733,050	\$72,374,949	\$59,384,927	\$283,873,359

* 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 2007 meeting, the board recommended that the James River Improvement Program be deleted from the SWRMS list and that all other projects currently on the SWRMS list be retained. The current SWRMS list is shown below:

Table 11

STATE WATER RESOURCES MANAGEMENT SYSTEM PROJECTS

<u>Project</u>	<u>Description</u>
Big Sioux Flood Control Study	Watertown Flood Control
Black Hills Hydrology & Water Management Study	Black Hills Water Resources
CENDAK Irrigation Project	Irrigation Project - Central SD
Gregory County Pumped Storage Site	Multi-Purpose Water Utilization
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
Sioux Falls Flood Control Project	Increased Flood Protection
Slip-Up Creek	Proposed Reservoir near Sioux Falls
Southern Black Hills Water System	Rural Water System - Southern Hills
Vermillion Basin Flood Control Project	Flood Control on Vermillion River

SWRMS Project Status

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

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

- The Corps of Engineers completed a reconnaissance report titled “Flood Control for Watertown and Vicinity.” The study concluded the best alternative for flood protection for Watertown, Lake Kampeska, and Pelican Lake is a \$16 million dry dam on the Big Sioux River at the Mahoney Creek site.
- The Corps of Engineers, in cooperation with Watertown, East Dakota Water Development District, Codington County, Lake Kampeska Water Project District, and the Department of Environment and Natural Resources, initiated a feasibility study in 1988. State appropriations of \$150,000 were provided to help meet the nonfederal cost share.
- The final draft feasibility report was distributed in June 1994 for public review and comment. A public hearing in July 1994 in Watertown presented findings of the report and gathered comments. City and county elections were held and residents voted against further local participation in the project.
- The project regained momentum after severe spring flooding in 1997 forced 5,000 residents from their homes. The Watertown City Council scheduled an election in February 1998, calling for a citywide vote on the proposed Mahoney Creek Dam. The record turnout of voters again rejected the proposed dam.
- In June 2001, the residents of Watertown called for a citywide vote on the proposed Mahoney Creek Dam project. The voters approved the project. City officials are proceeding with updating the original Corps of Engineers feasibility study and obtaining support and financing for the project.
- After the affirmative vote, Watertown began negotiations with the Corps of Engineers to complete a General Re-evaluation Report of the city’s flood control alternatives. Negotiations continued in 2003, and the scope of work to be reviewed by the report continued to be evaluated. Cost of the re-evaluation report is estimated at \$2.8 million.
- In 2003, Watertown returned \$450,000 of state funds appropriated in 2003 for local participation during the General Re-evaluation process. Because of cost share and scope of work issues, Watertown decided to step back from participation in the re-evaluation and turned over all work to the Corps of Engineers.
- The Corps of Engineers continues to develop the plan and identify 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 surface and ground water resources in the Black Hills area. These resources have been stressed by increasing population, periodic drought, and developments related to expansion of mineral, timber, agricultural, recreational, municipal and urban needs. The U.S. Geological Survey provided \$3.4 million from

Federal Fiscal Years 1988 through 2001 to establish the hydrologic monitoring system, collect the data, and complete data analysis.

- The hydrology study entered Phase II in Federal Fiscal Year 1997 and was completed in 2002. The study emphasis during Phase I was data collection. The emphasis shifted to analytical activities and publication of maps and reports during Phase II.
- The hydrology study produced 31 technical reports including a lay reader summary, a comprehensive report on the hydrology of the Black Hills area, and a comprehensive lay reader atlas of water resources in the Black Hills area.
- The water management study provides local interests with the tools needed to assist in making informed management decisions about development of water resources. Data gathered during the hydrology study was used in the water management study. Congress appropriated funds in Federal Fiscal Year 1991 to initiate the Federal Black Hills Water Management Study by the Bureau of Reclamation.
- The Black Hills Water Management Study was completed in Federal Fiscal Year 2003. The study focused on needs assessment, management alternatives, and a final report.
- The 2004 Omnibus Bill appropriated \$100,000 for the development, evaluation, and review of studies related to development of regional water supply systems in or near the Black Hills. The Fall River Water User District sponsored a regional water supply study for an area that included all of Custer and portions of Fall River and southern Pennington counties.
- The 2005 Omnibus Bill appropriated \$100,000 for the development, evaluation, and review of studies related to development of regional water supply systems in or near the Black Hills. The Southern Black Hills Water System Inc., a nonprofit corporation, was formed to continue the feasibility study of a regional water system in Custer, Fall River, and southern Pennington counties. The Southern Black Hills Water System requested additional funds to continue activities begun by the Fall River Water User District. In June 2005, the Board awarded \$50,000 for these activities.
- The 2006 Omnibus Bill amended the State Water Resources Management System to add the Southern Black Hills Water System to its list of preferred, priority objectives for South Dakota. The bill also provided an initial appropriation of \$125,000 to allow the Southern Black Hills Water System to continue activities begun by the Fall River Water User District.
- In December 2006, the Lead-Deadwood Sanitary District submitted a request to have the remaining \$50,000 of SFY 2006 Black Hills Water Management Study funding placed under agreement with the district to conduct a regional water study in the Lead, Deadwood, and Central City area. The funding was awarded in January 2007, and the sanitary district selected an engineer in June 2007. The study will include a review of the Lead-Deadwood Sanitary District existing intake and water treatment plant, a review of the Lead and Deadwood distribution systems, an analysis of the development in the surrounding area and the ability of the Lead-Deadwood Sanitary District to serve them.

CENDAK Irrigation Project – 1982

- This proposed irrigation project would supply Missouri River water to 474,000 acres in Hughes, Hyde, Hand, Spink, Beadle, and Faulk Counties in central South Dakota. South Dakota will pursue development of the project when federal policies are more supportive of large-scale irrigation projects. No activity occurred on the project in 2007.

Gregory County Pumped Storage Project - 1981

- Hydroelectric Component – The Gregory County Pumped Storage Project is a peak generation hydroelectric facility in northern Gregory County. In 1988, the Federal Energy Regulatory Commission (FERC) issued a preliminary permit for development of the project. The state's preliminary permit expired August 1991.
- Water Supply Component – The project has the potential to provide water for irrigation and municipal, rural, and industrial purposes using the hydroelectric project's upper bay as a water supply source. The Bureau of Reclamation completed a *Special Report on the Gregory Unit of the Pick-Sloan Missouri Basin Program, South Dakota* in 1992.
- The Water Resources Development Act of 1986 (Public Law 99-662) authorized the construction of a \$1.3 billion hydroelectric pumped storage facility by the Corps of Engineers. The Act also authorized up to \$100 million for construction of the associated Gregory Unit of the Pick-Sloan Missouri Basin Program.
- On June 20, 2001, Dakota Pumped Storage, LLC, a Minnesota corporation, filed a FERC Preliminary Permit application for a pumped storage hydroelectric facility in Gregory County. On September 25, 2001, South Dakota filed a Motion to Intervene and a Notice of Intent to File Competing Application for Preliminary Permit by the State of South Dakota. An Application for Preliminary Permit for the Gregory County Pumped Storage Hydroelectric Facility in Gregory County, South Dakota was filed with FERC by the South Dakota Conservancy District on October 12, 2001.
- The FERC issued a 3-year Preliminary Permit to the South Dakota Conservancy District on August 12, 2002. FERC denied the application by Dakota Pumped Storage, LLC.
- The 2002 Omnibus Bill appropriated \$100,000 to the South Dakota Department of Environment and Natural Resources to complete preliminary permit and full permit application to FERC. The department solicited Requests for Proposals from firms interested in providing the research to support the FERC permit. Four proposals were received. Black & Veatch was selected.
- The 2004 Black & Veatch study determined it did not appear to be cost effective to pursue the pumped storage project at this time. These findings were presented to the Board of Water and Natural Resources in June 2004. The FERC permit expired in 2005. No activity occurred on the project in 2007.

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 (EIS) was completed in 1987.
- The James River Water Development District (James River WDD) completed improvement projects to include: channel cleanout of trees and other debris, tree plantings for tributary drainage control, repair of small dams, bank stabilization, and other watershed improvements.
- The 1992 State Legislature authorized the James River Improvement Program and 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, resulting from severe spring flooding, a \$5 million federal appropriation was approved through the Corps of Engineers (COE) budget in the 1997 Disaster Relief Bill. The James River WDD used the funds to remove dead timber and debris.
- In 1998, the James River WDD selected 11 bridge sites for debris removal. In March 2000, the debris removal project was completed eight months ahead of schedule and removed more debris than originally estimated.
- The James River WDD identified 35 sites along the river in Spink County that needed bank stabilization and channel restoration. After consultation and review with the COE, 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 objective 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.
- The COE in 2002, informed the James River WDD that an EIS addressing the cumulative effects of work being completed in the watershed must be completed before additional work could be approved. The EIS was anticipated to take two years to complete if sufficient federal funding was secured. The James River WDD is working with the South Dakota congressional delegation to secure the federal funding.
- The James River WDD agreed to provide the required 50 percent nonfederal cost share to complete the EIS. Since 2002, the James River WDD has continued to work with the COE on the completion of the EIS. James River WDD has completed the aerial photography and river topographic survey required by the EIS. The James River WDD has also provided additional data and general information about the river and related issues and continues to be ahead of the COE on its required cost share. The EIS is now estimated to be completed in 2008 at a cost of \$4.0 million.
- In 2007, the Legislature appropriated the final \$40,000 needed to meet the state cost share commitment of \$2.5 million to this project. The EIS study being conducted by the COE and the WDD continued to proceed in 2007. On November 9, 2007, the Board recommended this project be removed from the SWRMS list.

Lake Andes-Wagner/Marty II Irrigation Unit – 1975

- The 45,000-acre Lake Andes-Wagner Irrigation project and 3,000-acre Marty II Irrigation project are federally authorized Pick-Sloan Missouri Basin Units in Charles Mix County (Public Law 102-575). Estimated construction costs are \$175 million and \$24 million, respectively.
- In 1990, a plan of study was developed for a 5,000-acre research demonstration program to determine best management practices for irrigating glacial till soils containing selenium.
- The 1992 State Legislature authorized the construction of the Lake Andes-Wagner/Marty II project and provided a state loan cost share commitment of \$7 million. Both the state and federal project authorizations are contingent upon the successful completion of the 5,000-acre research demonstration program.
- In 1995, Congress approved \$250,000 for the research program. State and federal agencies revised the 1990 plan of study to re-scope the demonstration program and identify the specific issues and research components that are of national significance. A nine-year, \$11.3 million effort was projected.
- In 1999, the Bureau of Reclamation (BoR) received \$150,000 to prepare an environmental assessment for the demonstration program.
- The BoR completed the environmental assessment and issued a Finding of No Significant Impact for the demonstration program in 2000. Significant federal funding must be secured before the demonstration program can proceed.
- Since 2002, \$15,000 appropriated in 2002 and the \$50,000 appropriated in 2003 has been placed under agreement by the Board of Water and Natural Resources. The Lake Andes-Wagner Irrigation district continued to seek federal funding for the demonstration program. No significant activity occurred on the project in 2007.

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 155,000 South Dakotans will receive water from Lewis and Clark.
- President Clinton signed Public Law 106-246 on July 13, 2000, authorizing the federal construction of the Lewis and Clark Rural Water System. The federal legislation also approved a federal appropriation of \$600,000 to continue project engineering and begin construction. The Board of Water and Natural Resources placed \$200,000 of state funding under agreement in 2000 to assist with these same project activities.

- Iowa and Minnesota sponsors provided funding support for project development in proportion to their service capacity needs. Iowa and Minnesota state legislatures authorized the project for construction and completed their cost share commitments.
- South Dakota Legislature authorized Lewis and Clark's South Dakota project features (\$200 million) in 1993. In 2002, the state cost share commitment of \$18,585,540 in 1993 dollars was established for the Lewis and Clark Rural Water System.
- The 2002 Omnibus Bill appropriated \$750,000 for the project. These funds, combined with federal and other local sources, completed the federal environmental review, the Final Engineering Report and initiated construction. Lewis and Clark Rural Water System's Final Engineering Report completed its initial required 90-day congressional review on September 8, 2002. The federal Office of Management and Budget (OMB) determined that Lewis and Clark could not submit its Final Engineering Report to Congress until OMB had approved it. Lewis and Clark worked with OMB to get its Final Engineering Report approved and resubmitted to Congress. Lewis and Clark held its formal groundbreaking on August 21, 2003.
- Lewis & Clark agreed in 2005 to provide Sioux Falls an additional 17 million gallons of water per day, bringing the total delivered capacity to 27 million gallons per day. Sioux Falls will finance the cost of the additional capacity.
- Through state fiscal year 2007 (June 30, 2007), South Dakota Legislature has appropriated and the Board of Water and Natural Resources has placed under agreement \$12.875 million toward South Dakota's cost share commitment.
- Lewis and Clark previously completed the drilling of two test/production wells and in 2006, accepted bids and completed five additional wells in the Vermillion area. The raw water pipeline from the well fields to the water treatment plant site is nearly complete. Approximately 16.5 miles of treated water pipeline are essentially complete and run along the west side of Sioux Falls to a point four miles south of Tea. Lewis and Clark has accepted bids on additional treated water pipelines which will extend the main transmission pipeline south to South Dakota Highway 46 west of Beresford and north along the west side of Sioux Falls to just south of Interstate 90.
- In 2007, Lewis & Clark bid several main transmission pipeline segments along the south side of Sioux Falls and south of SD Highway 46 towards the water treatment plant. Lewis & Clark also bid an emergency pipeline in Iowa from Sioux City to Hull and pipelines from the main transmission line to Tea and Harrisburg. Lewis & Clark continued to work on its well field development. In 2007, Lewis & Clark awarded \$5.5 million of well field facilities and bank stabilization work. Total construction awards in 2007, exceeded \$40 million.

Mni Wiconi Rural Water System – 1989

- Public Law 100-516, as amended in 1994, authorized a \$263 million federal project to provide high quality Missouri River water to 50,000 western South Dakota citizens in a

10-county area extending south and west of Fort Pierre through the Pine Ridge Indian Reservation.

- The Oglala Water Supply System component encompasses the distribution facilities on the Pine Ridge Indian Reservation and the off-reservation core system facilities including the Missouri River intake and water treatment plant. The Rosebud and Lower Brule components include the delivery and distribution facilities associated with service to their respective reservations. About \$200 million of the project costs are allocated to the tribal systems as non-reimbursable federal costs. Operation and maintenance for the tribal systems are a federal trust responsibility.
- West River/Lyman-Jones Rural Water System, Inc. (WR/LJ) is the non-Indian distribution component. The cost share for construction is 80 percent federal and 20 percent nonfederal. WR/LJ is responsible for its operation and maintenance costs.
- The 1992 State Legislature authorized the construction of the Mni Wiconi project. In 1995, the state authorization was amended to reflect the \$263 million project and a state cost share commitment of \$12.9 million.
- WR/LJ initiated construction of advanced features in 1993. These features were distribution systems that had access to interim ground water supplies. In June 1993, the Oglala Sioux Water Supply System also initiated construction of advanced features in the White Clay and Wakpamni districts of the Pine Ridge Reservation.
- In July 1996, the Oglala Sioux Water Supply System, along with WR/LJ, Rosebud, and Lower Brule rural water systems, held Mni Wiconi core facilities groundbreaking ceremonies at Echo Point near Ft. Pierre.
- In 1997, the Oglala Sioux Water Supply System awarded a \$16.4 million contract for the construction of the water treatment plant near Ft. Pierre. Construction activities began in 1997 and were completed in 2002.
- In 2001, the state appropriated a \$1.7 million loan for continued construction of the Mni Wiconi Rural Water System. This appropriation completed the state's cost share commitment to the project.
- WR/LJ secured an \$8.0 million Drinking Water State Revolving Fund Program loan in 2006 to advance construction of the North Core Pipeline. Construction on the first phase was completed in 2007, conveying water from the water treatment plant near Ft. Pierre to Hayes. This first phase of the North Core Pipeline hooked up over 100 rural residences along the way.
- WR/LJ has constructed more than 70 percent of its system. WR/LJ continues to add distribution pipelines and to continue extension of 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 initial 16 miles of the north loop construction was completed in 2007 to a point past Hayes. This pipeline will be the main water feed for distribution pipelines that provide water to the rural areas around Midland and Philip.

- In 2007, WR/LJ completed a 30 mile segment of 14-inch pipeline from Kadoka to the Philip Junction. The completion of this segment provided water service to the Saddle Butte service area that was also completed in 2007. The Saddle Butte service area consisted of 116 miles of pipelines and provided water to 116 connections. WR/LJ also awarded the bid to complete the North Core Pipeline and extend the pipeline from the Philip Junction to Philip. This will connect the core pipeline with other distribution service areas west of Philip in 2008. Additionally, WR/LJ awarded a contract to complete the Ottumwa Service Area distribution system which will consist of 35 miles of pipelines and serve 20 connections in 2008.

Perkins County Rural Water System – 2004

- The Perkins County RWS will provide quality drinking water to the communities of Lemmon, Bison, and Lodgepole. Additionally, the system will provide 185 rural users with domestic and livestock water. The project was originally placed on the State Water Resources Management System list in 1993.
- The State Legislature provided \$50,000 per year in 1993 and 1994 to assist the project with its initial feasibility study and federal authorization. In 1994, a feasibility study was completed and identified hooking up to the Southwest Pipeline Project in North Dakota as the preferred alternative. The Perkins County Rural Water System signed a water service agreement with the North Dakota State Water Commission in May 1996.
- The 1996 State Legislature authorized the construction of the Perkins County RWS project and approved a state cost share commitment of \$1 million. The 1996 Legislature also appropriated \$450,000 of the \$1 million commitment. In 1997, the state Legislature appropriated the remaining \$550,000 for the Perkins County project providing the cost share required by North Dakota to bring water service to the Perkins County area. Perkins County RWS provided \$898,478 of these funds to the North Dakota State Water Commission to make water available at the border. The project was removed in 2000 when the original \$1.0 million state cost share commitment was provided and expended.
- President Clinton signed Public Law 106-136 on December 7, 1999. The federal authorization for construction of the rural water system was originally introduced on August 2, 1996. The legislation provides a 75 percent federal cost share. Federal legislation was reintroduced in 1999. On August 4, 1999, the House Committee on Resources conducted a hearing and amended the authorization. The amended bill passed the House by unanimous consent on October 26, 1999. The bill sent to the Senate and on November 22, 1999, also passed by unanimous consent.
- In November 2003, the Board of Water and Natural Resources recommended the return of the Perkins County Rural Water System to the State Water Resources Management System list and recommended revising the state cost share commitment to the project to \$2.5 million in grant and \$4.5 million in loan funding. In 2004, the Perkins County Rural Water System was placed on the SWRMS list, and the state cost share commitment of \$2.5 million in grant and \$4.5 million in loan funding was approved by the Legislature.

- Project sponsors held an official groundbreaking on May 1, 2004, in Hettinger, North Dakota. The project began its South Dakota construction with the Lodgepole area distribution system. Construction activities included distribution lines to provide water to nearly 100 sites, and the construction of the system's main booster pump station near the North Dakota border.
- Construction was initiated on the main transmission pipelines toward Lemmon and Bison in 2005. Lemmon began receiving water from the Perkins County Rural Water System in September 2005, and Bison in 2006. Rural distribution from the main transmission pipelines continued in 2006 with service being provided in the Lemmon and Shadehill service areas.
- The Perkins County Rural Water System continued to rely heavily on the state funding in 2007 receiving a total of \$2.0 million in state assistance consisting of \$1.5 million in grant and \$500,000 in loan. Federal Funding received in 2007 totaled \$358,000. This state and federal funding allowed Perkins County to award its fourth distribution system contract. When completed, the fourth contract will provide additional water services in the Shadehill area, along the Bison main transmission pipeline at Highway 75, and south of Lemmon along Highway 73.

Sioux Falls Flood Control Project – 1989

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

diversion channel. Later that year bids were accepted on Phase 1B of the project addressing the levies adjacent to Morrell's downstream to Cliff Avenue.

- Sioux Falls continues to work with the Corps of Engineers on final design and construction of the project. State assistance totals \$2.9 million to date. Sioux Falls continues to secure required easements and properties for the project.
- Construction of Phase 2A of the project continued in 2007. Phase 2A work included improvements to the levees on the Big Sioux River from 49th St to Interstate 229. Work on Phase 2 is continuing as Federal funds are made available. The City of Sioux Falls has obtained most of the required right of way for all of Phase 2, with only 3 parcels remaining to acquire.

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 2007.

Southern Black Hills Water System – 2006

- The 2006 Omnibus Bill amended the State Water Resources Management System to add the Southern Black Hills Water System to the list of preferred, priority objectives for South Dakota. The bill also provided an initial appropriation of \$125,000 to allow the Southern Black Hills Water System to continue activities begun under the Black Hills Hydrology and Water Management Study (page 19).
- The project objective is to construct a rural regional water system capable of delivering quality drinking water to rural residents and area communities in Custer, western Fall River, and southern Pennington counties. Communities involved include Custer, Edgemont, Hermosa, Hill City, Hot Springs, Keystone, and Pringle.
- Project sponsors continue to work with representatives from the Department of Agriculture, Rural Development Program to secure funding for the construction of the North Hot Springs service area. In 2007, negotiations with the city of Hot Springs for a permanent water source failed to produce a contract. Southern Black Hills was successful in negotiating a 110 gallon per minute water source in the North Hot Spring service area.
- This secured water source will be used by Southern Black Hills Water System to initiate operations in 2008, but the system will continue to search for additional water supplies to meet their future needs. The system anticipates beginning construction of Phase I of the North Hot Springs service area in 2008 at an estimated cost of \$3.6 million. Phase I construction will provide service to approximately 175 users.

- Local support continues to be strong for the project with area-wide rural signups near 500 individual homes. Additionally, strong interest continues to be expressed by the Custer State Park, the Mount Rushmore National Park, the Crazy Horse Foundation, and the various area communities for water service from the system.

Vermillion Basin Flood Control Project – 1987

- The project objective is to address the severe flooding problems in the Vermillion River Basin. The basin covers 2,697 square miles in parts of 14 counties and is about 150 miles long with an average width of about 20 miles.
- In 1993, the Corps of Engineers completed The *Vermillion Basin Flood Control Reconnaissance Report* but failed to identify a feasible federal project. The project sponsors re-evaluated project alternatives for nonfederal development. Local project sponsors submitted a pre-application notification for a Federal Emergency Management Agency (FEMA) Hazard Mitigation grant for a *Feasibility Study of Flood Control Alternatives* for the basin. In 1994, more than 70 technical experts met to develop a multi-objective plan to reduce flooding impacts in the Vermillion River Basin. The National Park Service compiled the group's issues and suggestions and formulated the multi-objective plan.
- The Vermillion River Watershed Authority was incorporated in December 1997 and is comprised of representatives from the Clay, Miner, Turner, McCook, and Lake county commissions.
- The Vermillion River Watershed Authority proposed to use FEMA Hazard Mitigation grant funds to widen the channel at the outlet of Lake Thompson and construct a control structure to retain the natural outlet elevation, channel maintenance along 19 miles of the Vermillion River and its tributaries, and wetland restoration and development throughout the basin. The cost benefit ratio for the outlet of Lake Thompson was found to be in error. The ratio was actually less than one; consequently, all FEMA Hazard Mitigation funds were withdrawn. The Authority has withdrawn its request to set the outlet elevation on Lake Thompson and has moved to dissolve after financial records are completed. No activity occurred on the project in 2007.

Recommendations to the Governor and State Legislature

In November 2007, the board conducted a public meeting on the State Water Resources Management System (SWRMS) projects. The board adopted Resolution #2007-XX recommending that the James River Improvement Program be deleted from the SWRMS list because the state cost share commitment to this project has been met and that all other projects on the SWRMS list be retained. The Board also adopted Resolution #2007-XX providing its recommendations to the Governor and the Legislature for the Water and Environment Fund, SRF Subfunds, and Environment and Natural Resources Fee Fund fiscal year 2009 appropriation levels. A summary of the board's recommendations is provided below (Table 12). Full resolutions are in Appendix B.

Table 12

2009 Board of Water and Natural Resources Funding Recommendations

WATER AND ENVIRONMENT FUND AND GENERAL FUND	
Lewis and Clark Rural Water System (General Fund)	\$ 1,000,000
Lewis and Clark Rural Water System (WEF)	5,400,000
Perkins County Rural Water System (Grant and Loan)	500,000
Southern Black Hills Water System	<u>750,000</u>
SWRMS Total	\$ 7,650,000
Consolidated Water Facilities Construction Program	\$ 3,500,000
Regional Landfill Construction Assistance	\$ 1,500,000
Solid Waste Management Program	\$ 1,250,000
SRF SUBFUNDS AND ENVIRONMENT AND NATURAL RESOURCES FEE FUND	
Clean Water State Revolving Fund (SRF) Admin Surcharge Fees	
Water Quality Grants	\$ 150,000
SRF Application and Administration Assistance	\$ 150,000
Drinking Water SRF Set-Asides and Admin Surcharge Fees	
Small System Technical Assistance	\$ 160,000
SRF Application and Administration Assistance	\$ 150,000
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 7-1-07

Cash Balance from MSA - 6-30-07		\$10,183,890
Projected FY2008 Revenues		
Capital Construction Fund	\$7,250,000	
Contractor's Excise Tax	\$700,000	
Investment Interest (Earned '07 deposited '08)	\$400,000	
Loan Principal & Interest Payments (Water)	\$60,000	
Loan Principal & Interest Payments (Solid Waste)	\$500,000	
Solid Waste Fees	\$1,600,000	
Subtotal	\$10,510,000	
Projected FY2008 Expenditures (Authorized in General Bill)		
Administrative Fee Fund	(\$400,000)	
Subtotal	(\$400,000)	
Revenues Less Expenditures		\$10,110,000
Projected Fund Balance Available for Expenditure		\$20,293,890
Obligations (Signed contract by 7/1)		
Consolidated	(\$8,340,891)	
Solid Waste & RLA Grants/Loans	(\$1,654,679)	
SWRMS Grants/Loans - Major Projects		
James River WDD	(\$40,000)	
LA-Wagner	(\$36,756)	
Lead-Deadwood Regional Study	(\$50,000)	
Lewis & Clark RWS	(\$2,874,372)	
Perkins County RWS	(\$1,043,674)	
Sioux Falls Flood Control	(\$1,629,241)	
Southern Black Hills Water System	(\$548,333)	
Subtotal	(\$16,217,945)	
Project Expenditures Authorized by the Legislature - No agreement signed		
Rapid City Area Regional Study (07 Omnibus)	(\$100,000)	
Subtotal	(\$100,000)	
Program Expenditures Authorized by the Legislature - No agreement signed		
Consolidated Program Authority (2007 Omnibus)	(\$683,101)	
Solid Waste Program Authority - (2007 Omnibus)	(\$525,627)	
	(\$1,208,728)	
Surplus/(Deficit) Funds Available (as of 6/30/08)		\$2,767,216

APPENDIX B

BOARD OF WATER AND NATURAL RESOURCES

RESOLUTIONS

STATE OF SOUTH DAKOTA
BOARD OF WATER AND NATURAL RESOURCES
RESOLUTION # 2007- 78

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

WHEREAS, the Board of Water and Natural Resources (the Board) pursuant to SDCL 46A-1-10, 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 resource 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,

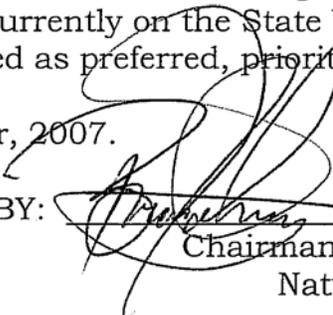
WHEREAS, the Board has reviewed the list of projects currently included on the State Water Resources Management System component of the State Water Plan; and,

WHEREAS, the James River Improvement Program received an appropriation of \$40,000 from the 2007 Legislature, thereby completing the state cost-share commitment to 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.

NOW THEREFORE BE IT RESOLVED, that the Board recommends to the Governor and the State Legislature that the James River Improvement Program be removed from the State Water Resources Management System and that all other water resource projects currently on the State Water Resources Management System be retained as preferred, priority objectives of the State.

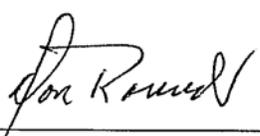
Dated this 9th day of November, 2007.

BY: 

Chairman, Board of Water and
Natural Resources

(SEAL)

ATTEST:

BY: 

Secretary, Board of Water and
Natural Resources

STATE OF SOUTH DAKOTA
BOARD OF WATER AND NATURAL RESOURCES
RESOLUTION # 2007 - 79

PROVIDING TO THE SOUTH DAKOTA LEGISLATURE AND GOVERNOR THE BOARD OF WATER AND NATURAL RESOURCES RECOMMENDATIONS FOR WATER AND ENVIRONMENT FUND FISCAL YEAR 2009 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 onto the State Water Facilities Plan component of the State Water Plan, an annual listing of potential water-related projects; and,

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

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

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

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

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

Revolving Fund Set-Asides, and Drinking Water State Revolving Fund Administrative Surcharge fees deposited in Water and Environment Fund Subfunds; and,

WHEREAS, the board has reviewed the list of waterbodies needing to complete Total Maximum Daily Load limit determinations as required pursuant to the 2006 South Dakota 303(d) waterbody list developed pursuant to the federal Clean Water Act § 303(d) as amended to January 1, 2008; 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 9, 2007, 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 2009 appropriation level of three million five hundred thousand dollars (\$3,500,000) 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 2009 line-item appropriation levels for projects on the State Water Resources Management System:

Lewis and Clark RWS	\$ 5,400,000
Perkins County RWS	\$ 500,000
Southern Black Hills RWS	<u>\$ 750,000</u>
SWRMS Total	\$ 6,650,000

IT IS FURTHER RESOLVED, that the board recommends to the Governor and the State Legislature the General Fund fiscal year 2009 appropriation level of one million dollars (\$1,000,000) for the continued engineering, pre-construction, and construction of the Lewis & Clark Rural Water System; and,

IT IS FURTHER RESOLVED, that the board recommends to the Governor and the State Legislature the Water and Environment Fund fiscal year 2009 appropriation level of one million five hundred thousand dollars (\$1,500,000) for continued funding of construction, enlarging, and upgrading Regional Landfills; and,

225 copies of this document were printed on recycled paper by the Department of Environment and Natural Resources at a cost of \$1.88 per copy.